



Prominent Zakat Institutions and Their Role in Advancing the Welfare of the Muslim Community in the Eastern Province of Sri Lanka

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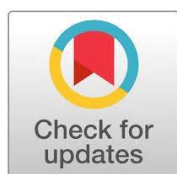
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ABSTRACT

Purpose: This study focuses on institutionalized, prominent Zakat organizations and their role in advancing the welfare of Muslim communities in Sri Lanka. The Muslim second minority community carried out the Zakat several decades ago with the introduction of Islam. The primary objectives of this study are to introduce prominent Zakat institutions and to analyze the welfare contribution over the past five years from 2019 to 2023.

Design/Method/Approach: This study used a mixed method. The primary data were collected through interviews with official representatives from four Zakat institutions operating in the following regions: Akkaraipattu, Kattankudi, Kinniya, and Sammanthurai. The interviews lasted between 50 and 60 minutes each. Secondary data was sourced from annual official publications and reports of the Zakat institutions, focusing on statistical figures that provide a quantitative perspective to complement the qualitative insights from the interviews. The qualitative data were transcribed and analyzed using thematic analysis. The quantitative secondary data were analyzed using descriptive statistics and interpreted to provide more accurate insights.

Findings: The study highlights varying growth rates in Zakat collection and fluctuations across regions, with some Zakat fund collections experiencing sharp increases. In contrast, others showed declining patterns during the COVID-19 pandemic. All institutions played a pivotal role in advancing the welfare of the Muslim community. They focused on housing, food security, and self-employment, with additional contributions to education, healthcare, and social welfare.

Originality/Values: The study suggests that Zakat institutions re-evaluate the mechanism used for the collection process, keep good relations with payers, and create a provincial and national regulatory body that regulates the rules, monitors the services, prioritizes the sectors to be highly focused on distributions, and connects with the government.

INTRODUCTION

The cornerstone of the financial structure in an Islamic State is Zakat. (Siddiqi, 2013, p. 8). Zakat is the third of the five pillars of Islam. (Hans Visser, 2013, p.31). Next to prayers, it is the most important of the religious duties enjoined on the Muslims. (Siddiqi, 2013, p. 8). Muslims have practised zakat in all Muslim majority and minority countries. The first Zakat Management Committee was established in 1973 in the Sammanthurai region of the Eastern Province of Sri Lanka and later evolved into an institutionalised form across the surrounding areas of the Eastern Province (Mohammed Jiffry et al., 2023, p. 145). Zakat organisations are crucial in building trust between society and those who contribute to Zakat. An effective Zakat organisation should efficiently manage the collection and distribution of funds as needed. Throughout history, there has been strong evidence demonstrating the positive impact of Islamic institutions in enhancing human well-being and supporting socioeconomic development. (Muliadi, 2020, pp. 358-359). This structured approach to Zakat collection and distribution plays a crucial role in fostering the well-being of the Muslim community. Through organised mechanisms, institutionalised Zakat contributes significantly to alleviating poverty, enhancing social welfare, and improving socioeconomic conditions. Ensuring equitable wealth distribution supports vulnerable groups, facilitates access to essential resources, and strengthens community resilience. (Muliadi, 2020,p.358).

The Arabic word ‘Zakah’ or ‘Zakat’ literally means ‘purify’, ‘grow’, and ‘cleanliness’, and the idea is that it purifies one’s wealth as well as one’s heart by giving away a part of one’s wealth to people experiencing poverty. (Hans Visser, 2013, p.31; Saepudin Jahar, 2018, p.1). One of the main objectives of Zakat distribution is to enhance people’s welfare by ensuring their social, economic, educational, and health needs are met. Social welfare fosters comfort, peace, and happiness, while human development expands income, health, and education opportunities. Ultimately, the goal is to create an environment where individuals can lead long, healthy, and productive lives. (Triyowati et al., 2018, p.30). This study briefly introduces the institutionalised Prominent Zakat organisations operating in the Eastern Province of Sri Lanka. Their services have been provided to the Muslim community over the past five years (2019–2023). It also highlights the progress made in the annual Zakat collection and distribution. It illustrates how affluent individuals contribute their best shares, and wealthy donors have partnered with them over time to benefit the community through their sincerity in paying the obligation of Zakat. Additionally, the study is expected to serve as a foundation for future research to discuss areas that need to be prioritised by the Zakat Institutions, focusing on the issues that should be addressed in the future based on the findings of this study.

The Impact of Zakat on the Welfare of the Muslim Community

Zakat and social solidarity

Zakat, a social dimension of the solidarity system in Islam, aims to assist those in need and support the vulnerable. This system strengthens individuals and the entire community, promoting cohesion and solidarity. Zakat is the first organized mechanism to ensure social security, relying on regular government assistance. Zakat includes everyone living under the Islamic state, including Jews and Christians. Khaliph Umar exemplified this principle by ordering support for Jews and Christians from the Muslim treasury. (Qardawi, 1973, p. 880-883).

Zakat and the spiritual integrity of the Muslim community

Zakat is a religious practice that aims to uphold the ideals of Muslim society and nourish the spiritual pillars that define the nation's unique characteristics. Nations are based on spiritual and psychological elements, with spiritual factors significantly fostering unity and vitality. Islam emphasizes three key factors. The first is freedom or liberty. Islam aims through Zakat to liberate individuals from slavery, making it a social obligation for the first time in human history, with a portion of the community's wealth being spent on this goal. Secondly, it encourages individuals to undertake public interest projects and work towards resolving community differences, thereby preventing social unrest, by assigning a portion of zakah to those who bear the financial responsibility for these initiatives. Thirdly, spending in the way of God, spreading sound religion, fighting in the way of God, defending the ideals and doctrines sent by God, and upholding the oneness of God and righteousness on earth. (Kahf, 2000b, p. 183).

Zakat and the welfare of the Muslim community

Zakat is a known right for those in need and an obligatory tax for the rich, and neglecting it can lead to a Muslim's Islam having a disability and their faith being incomplete. (Qardawi, 1973, p. 880-883). Zakat has a multidimensional impact not only as a religious obligation for the payer, but also as a significant contributor to achieving socio-economic welfare, reducing poverty, increasing national income and economic growth, and minimizing socio-economic inequality. (Al-Haddad et al., 2024, p. 29; Sulaeman et al., 2021, p. 75). More theoretically, the goal of Zakat is to reduce poverty and ensure social welfare and an equitable society. Zakat also creates peace, security, and harmony within Muslim communities (Sulaeman et al., 2021, p. 75). Zakat's distribution can influence aggregate demand components (consumption, investment, and public spending), affecting economic growth. Specifically, Zakat can increase the consumption of the poor and needy, particularly in meeting

their basic needs. Zakat funds can be used for investments in micro-projects initiated by mustahiqs (Zakat recipients). When muzakki (Zakat payers) accumulate wealth, they are encouraged to invest in the real sector, increasing the supply of goods and services. Through this process, the general welfare of society gradually improves. As a result, poverty and the anti-social activities it often fosters will decline progressively. (Sulaeman et al., 2021, pp. 75-76).

Enhancing Welfare Development Through Effective Zakat Management

Zakat institutions serve as significant economic and social tools for poverty alleviation and the stability of the Muslim Ummah (Wan Yusoff, 2023, p. 894). The primary objective of Zakat is to redistribute wealth within society to benefit people with low incomes. Therefore, Zakat must be managed efficiently and effectively to ensure that the targeted groups benefit and use the funds productively (Amosa, 2021, p. 127). An integrated, cooperative, and conducive ecosystem, including the active participation of local governments in Zakat administration, is essential. This will not only enhance the efficiency of Zakat management institutions but also increase Zakat's impact from both economic and social perspectives (Amosa, 2021, p. 127). Zakat is the first organized mechanism to ensure social security, relying on regular government assistance. Zakat includes everyone living under the Islamic state, including Jews and Christians (Qardawi, 1973, pp. 880-883). Therefore, the success of Zakat institutions depends significantly on government support. The comprehensive collection of Zakat and its strategic distribution to productive sectors represent significant challenges for Zakat institutions. Government assistance is essential for formulating laws and regulations, establishing a national advisory center, and enhancing the effectiveness of Zakat institutions in contributing to national poverty alleviation programs. This support is especially crucial in countries where Muslims are a minority, as Zakat institutions in such contexts typically operate as voluntary organizations.

LITERATURE REVIEW

Sri Lanka is a multi-religious country with different communities. Muslims are the second minority, with 9.7% of the population. (Jalaldeen, 2015, p. 90). According to the report based on the population census conducted by the Department of Census & Statistics in 2012, the highest Muslim population was recorded in Ampara district at 43.63%, 42.12% was recorded in Trincomalee, and the lowest at 25.51% in Batticaloa, in the Eastern province of Sri Lanka. (Yusoff et al., 2016, p. 55). Muslims have no government act providing for Zakat management. However, some Muslim-majority cities and regions practice it as institutionalised voluntary services under the All Ceylon Jammiyyathul Ulama, Mosque federations, and Dawah movements. (Jalaldeen,

2015, p. 90). The practice of Zakat in Sri Lanka has evolved in three stages. Initially, it was considered a personal obligation between individuals and God. Over time, mosques played an essential role in collecting and distributing zakat within Muslim communities. In recent years, growing public awareness has led to the establishment of independent zakat institutions, encouraging a more systematic and collaborative approach to their management. (Mohammed Jiffry et al., 2023, p. 149). This historical literature review section provides a simple summary of information gathered through interviews on the establishment, development, and operational mechanisms of four major zakat institutions in the Akkaraipattu, Kathankudi, Sammanthurai, and Kinniya regions of the Eastern Province of Sri Lanka. It examines their zakat collection, management, and distribution processes, highlighting their role in supporting and promoting society's welfare.

Baithus Zakat, Federation of Kattankudy Mosques and Muslim Institutions

In the early times, wealthy people in the Kathankudi region gathered eligible people to receive Zakat together in public places like grounds and paid Zakat without considering their needs. Famous social worker Ash-shaheed Al-haj A. Ahmed Lebbei identified the flaws in the system and introduced the Joint Zakat Scheme under the leadership of Shaikh Al Falah M.A. Abdullah (Rahmani) in 1982. Later, in 2002, the Joint Zakat scheme was institutionalised. In the first phase, a joint zakat fund was run under the association of the Federation of Kathankudy Mosques and Muslim Institutions by collecting 53 lakh rupees. Later, in 2017 - 2018, the name was changed to Baithus Zakat, and a new Management Board was formed. The Baithu Zakat division is prominent among the various divisions operating under the Federation of Kathankudy Mosques and Muslim Institutions. The main functions of the Baithus Zakat division are to manage the account of Zakat funds, provide services, select beneficiaries, and plan, implement, and maintain accounts (Respondent 01).

Collection of Zakat

The financial year of Kattankudy Baithus Zakat is from one fasting day to the next fasting day, a complete one-year period. Most of the zakat is received during the fasting periods in Ramadhan. At other times, a small amount of zakat is collected. To start the Zakat collection process, the Jumma mosques conduct Individual Bayan programs for men and women to make them aware of the obligation of Zakat. Campaigns are carried out through bayan after khutbahs and bayan after Taraweeh prayers. Information and pamphlets are issued through personal meetings with wealthy Muslims eligible to pay for zakat, etc. All 54 mosques in the Kattankudy area are divided into ten zones, and 10

responsible persons (Amils) are appointed for zakat collection. They go with the administrators of the mosques to meet the donors and collect zakat. Donors can deposit the zakat funds directly to the custodians (Aamil) of Baithus Zakat or in a bank account. Opportunities to pay Zakat are provided throughout the year. However, many funds are collected in the months of Sha'ban and Ramadan. Some also pay zakat in cheques (Respondent 01).

Planning and allocation

The planning process begins one week after the Ramadan festival. Baithus Zakat's income includes all funds and checks collected in a particular financial year. The total amount collected as zakat is divided and allocated into three main parts: one for the sub-committees of the Baithus Zakat, the second one for the welfare organisation of the Federation of Kathankudy Mosques and Muslim Institutions, and one-third for emergency needs (Respondent 01).

Application

Separate applications are printed for each assistance scheme, such as self-employment, loan, livelihood, land, house improvement, partial house, latrine rectification, and full latrine. The beneficiaries apply for the Zakat Fund through the desired application. In the first week of fasting, Zakat officials of mosques are called and given instructions about the application, including the deadline for submission. The application is distributed at the rate of 19 applications per mosque. Then, the mosque officials share all 19 applications among the eligible categories to receive Zakat in the particular mosque area. The officials then retrieve the applications, survey them in the field, select them, prioritise them, and hand them over to Baithus Zakat (Respondent 01).

The final choice of beneficiaries

Interviews will be held after the mosque officials submit the applications in the Baithus Zakat. At least three members of the board of directors will attend the interviews. Beneficiaries will be notified and given time on the first day. The final selection of the beneficiaries will be made after at least three consecutive days of interviews and discussion (Respondent 01).

Sub-committees of Baithus Zakat

Eight subcommittees function under the Baithus Zakat: the land committee, the debt repayment Committee, the Livelihood Assistance Committee, the Self-Employment Committee, the Construction team, the Aamil group, the Campaign Committee, and the Research and Study Group. The subcommittees perform the following tasks (Respondent 01).

1. Conducting discussions with the applicants and confirming their requirements
2. Conducting field visits and taking the help of the women's team, if necessary
3. Confirm the amount to be paid and prepare the estimate.
4. Providing advice to beneficiaries
5. Conducting feedback assessments
6. Conducting research, obtaining information, and documenting.

Core services of Baithus Zakt

Repayment of debts of debtors who struggle to repay creditors. The total amount is 40,000 rupees provided as debt assistance. To those who have applied for toilet facilities, house repairs, etc., the construction team will directly visit the field, listen to their needs, and make necessary arrangements immediately if the need is evident without any face-to-face interviews. Only those suffering from disabilities like old age, chronic illness, or incapacity for livelihood can apply for livelihood. If selected, checks are given to them on a 4-phase instalment basis, from Rs. 24,000 to Rs. 60,000. Beneficiaries are selected through interviews for self-employment assistance. Zakat is given to them only if they are as straightforward as possible and have knowledge of the industry, equipment, market opportunity, market reach, future market research, etc. So far, the following industrial equipment and aids have been provided. (Hammering Equipment, Fishing Nets, Maar Grinding Machine, Coconut Grinding Machine, Sewing Machine, Aluminum Ladder, Painting Equipment, Marble Paste Equipment, Cylinder, Canoe, Trolleys, Poultry Farming, Goat Farming, Refrigerator). New industrial guidelines and free training workshops are provided, such as a mat-weaving training course, heavy machine operation, bakery training in patient care (RACELIPE), etc., to develop disappearing cottage industries. Baithus Zakat has also provided land and settlements. Due to the need for land, many problems and conflicts occur within families. Based on this, schemes were developed, and land was given to those who could acquire land and settle down. Based on this, 47 pieces of land were given in Ollikkulam for the contract to settle in 6 months in 2022. Six of the 41 plots in Ollikkulam and eight in Kangeyanodei were settled in 2024. Similarly, six pieces of land were given to the landless in the Mananthoduvai area (Respondent 01).

Achievements of Khatankudy Baithus Zakat

From the beginning of 2002 to 2025, Khatankudi Baithus Zakat has done massive work. A total of 7710 families have received assistance, for which 521,322,365.22 rupees have been spent on 104 new houses, 743 house repairs, 66 partial houses, 113 latrines, 1263 self-employment opportunities for 859 people, Loan assistance for 832 people, Livelihood assistance for 13 people, Educational assistance for 227 people through wells like Zakat have been accomplished. 53 lakhs in 2002, the Zakat fund has reached four crores and 21 lakhs this year, but volunteers are still joining hands in this process (Respondent 01).

Challenges

If the Mosques run according to the schedule, Baithus Zakat can complete the payment of zakat for the year within five months. Some Mosques do not hand over applications until the date starts giving Zakat. This act of collective irresponsibility causes difficulty and, thus, delays in giving Zakat. In this dire situation of increased demand and fewer collections, in Kattnkudy, the potential is for more than 10 crores of Zakat to be collected annually. Still, only about four crore rupees are being collected. Considering this, addressing the applicants' needs and alleviating poverty is impossible. Beneficiaries are lazy after receiving zakat and are seeking zakat again after 3 years. Huge funds have been spent on imparting self-employment training, and vocational training has been started and stopped due to the beneficiaries' apathy. Beneficiaries are seen as disinterested in lifting themselves out of poverty through self-employment. As those eligible for receiving zakat are seen as incapable of doing business, many seek subsistence food assistance. This makes it challenging to achieve Baithus Zakat's goal of eradicating poverty. It is also a massive challenge as there is no religiously correct solution to poverty alleviation, such as establishing employment opportunities, conducting workshops for vocational training through the Zakat Fund, and training them to start industries. Most donors do not pay zakat after correctly calculating the year. 99% of zakat is not available from gold or grain. Only Zakat is available for business transactions and the income of high officials. Zakat funds are not distributed for educational needs. The reason is that while the Sri Lankan government and some other institutions provide more opportunities for free education, Baithus Zakat cannot provide Zakat when some students apply for Zakat to spend more money in private institutions, neglecting free education. Regarding the Batticaloa district, there are more opportunities for technical training and free vocational education. (Respondent 01)

Zakat Fund, Federation of All Mosques - Akkaraipattu

Akkaraipattu Zakat Fund was started on February 18, 2000. It was started by the former principal of As-Siraj Maha Vidyalaya and the present director of the Zonal Education Office, Akkarapattu, Mr. Rahmatullah Naleemi, along with Mr. Yakeen, a retired teacher, Mr. Uwaiz, and some other respective individuals. Before that, the non-institutionalised Zakat Committee was functioning. So far, the Akkaraipattu Zakat fund has not been registered with the government. At present, it operates under the Federation of All Mosques – Akkaraipattu. Initially, the Zakat Fund was functioning in the Grand Mosque building. Later, it established a separate building worth 12 lakhs on the land belonging to the Grand Mosque with the help of donors and functioning independently. Since its beginning, the Zakat Fund has provided financial assistance to social organisations like Takaful Bait and Baitul Hikma, which operate in the Akkaraipattu area. Currently, they are functioning as separate units. Apart from these, the following units function under the Zakat Fund: The Zakat Survey and Planning Development Unit, Zakat Collection Unit, Zakat Distribution Unit, and Baitul-Mall (Respondent 02).

Sectors where Zakat is collected

This region has approximately 20,000 acres of paddy fields. Agriculture is the primary source of income in the area. Zakat is collected for crops once every six months. In addition, Zakat is collected from the following sectors: wealthy Muslims living abroad, about 4000-5000 people who can earn 2 million or more per month, Local traders, and Market businesses (Respondent 02).

System of Zakat Collection

The Akkaraipattu area has been divided into 12 divisions, each with an in-charge. The regional mosque representatives and the divisional in charge will identify those eligible to pay zakat and provide them with clarifications about the obligation of Zakat, its rewards, and its impact on their wealth, religious commitment, and worldly life. In addition, pamphlets are distributed. Then, the Aamil, responsible for collecting the zakat, contacts the Zakat payers at the specified time and venue and receives the zakat (Respondent 02).

Allowance for Aamil

If Aamil collects the zakat in cash, he will be paid Rs.8% of the total collection. He will be paid Rs . 100 per bushel for agricultural harvests and grain. In addition, Rs . 5000 is provided as a travelling allowance (Respondent 02).

Possibilities of the collection of Zakat

Two hundred fifty million (25 crores) of zakat collection potential is in the Akkaraipattu area. However, only 15 million rupees (1.5 crores) are being collected as zakat funds. Most rich people who are eligible to pay Zakat personally distribute Zakat to the people experiencing poverty among their relatives and neighbours. There is no information on whether others pay Zakat (Respondent 02).

Financial management

All Zakat Funds collected through Zakat institutions are deposited in a savings account at Amana Bank. Crops and grains are converted into cash because they are challenging to maintain and require high expenditure. 60% of the total funds collected in a year are earmarked for self-employment assistance. However, due to the low availability of applications for Self-Employment Assistance, a certain amount of allocation is undistributed at the year's end (Respondent 02).

Distribution of Zakat

The following procedures are followed while distributing Zakat. Those who wish to receive Zakat should complete the applications and send them to the Zakat Institute. The Divisional Officers of the Zakat Fund carry out field visits for consideration of forwarded applications. The candidate's behavioural traits, abilities to perform the requested self-employment, and knowledge are considered during this examination. Then, the final decision regarding the selection and payment of Zakat is made during the management board meetings of the Zakat Fund based on the data obtained about the applicant. Sixty per cent of the amount collected annually is earmarked for self-employment promotion. An abundant 40 per cent of the funds are for daily food needs, livelihood, medical needs, housing, building construction, water, electricity connection, education, medical expenses, debt settlement, new Muslims, travellers' assistance, toilet facilities, marriage, etc. Especially identifying 99 families who have been abandoned by their husbands, children, and families, and are unable to do business on their own. Zakat is distributed twice a year to meet their livelihood needs. 5000 to 15000 rupees' worth of medical supplies and livelihood items are provided to them monthly according to the family size. More business opportunities are created. For this, goats, cows, sewing machines, autos, equipment, handicrafts for self-employment, materials required for threshing, trolleys for selling food, etc., are provided. Sometimes, financial assistance is given to repair vehicles and machinery found with them. Course fees are paid for poor students who want to pursue courses with guaranteed employment opportunities (Respondent 02).

Future Plans

Establishing an industry in collaboration with an experienced company, making arrangements to include zakat beneficiaries as investors on a Musharakah basis, and providing monthly income. Computerising the Financial Operations of the Zakat Fund (Respondent 02).

Public Works Undertaken by the Zakat Fund

Since most of the Admin board members are functioning as Aamils and collect zakat, the Aamil portion of Zakat distribution is kept in the Baitul Mall Fund, and public works are being carried out through the Baitul Maal Fund by receiving donations from the philanthropists. It also covers the administrative expenses of the Zakat Fund. Zakat funds are not used for public works. Special Dua prayers are held during pre-harvest periods, conferences with All Ceylon Jamiatul Ulama are held, prayers like Isthisqa'a are organised, and initiatives against drug abuse are taken. Assisting Samurthi beneficiaries as requested by the Divisional Secretariat. Setting up a Cardiologist Station for the Hospital. COVID relief was provided during the pandemic, and food relief was provided during the Muthur, Ratnapura floods, Aludgama, and Beruwala disasters (Respondent 02).

Achievements

In Badr Nagar, 10 residential plots have been purchased, and a Zakat Village has been developed with 46 houses, including a mosque. Textile equipment for garment production has been purchased, and the beneficiaries have started their business. An income of Rs . 970000.00 has been generated from it and distributed to the beneficiaries. A tailoring training centre has been established where women are trained for self-employment. Twenty-five houses and land have been provided to zakat beneficiaries in Atalaichenai (Respondent 02).

Challenges

Beneficiaries withdraw while providing vocational training. In which the loom for weaving clothes is suspended in between. Also, a sewing training centre was established, and employed women stood in between. Thus, they did not end successfully. It is a massive challenge that most of those eligible for receiving zakat do not want to work or do self-employment and advancement, and prefer to live dependent on others. Demands for necessities are much higher than demands for self-employment assistance. For example, food requirements, medical aids, residential construction, etc. Many of those seeking self-employment support are incompetent. They can give up or sell the provided equipment. Economically, Muslim scholars and Moulavies do not raise

awareness of the importance of zakat due to a lack of energy and knowledge, so there is not enough awareness among the wealthy. There is a situation where beneficiaries who have received zakat sell it illegally and then apply for zakat again. A practical governance framework should be implemented to meet them. Many people pay for zakat through the Zakat Fund but do not pay it in full. They pay only partial zakat. Zakat payers do not pay Zakat by measure. There is a shortage of human resources to accelerate the activities of the Zakat Fund. Moreover, Moulavi's contribution is very low. More benefits will likely accrue when the Moulavies in Jammiyyat Ulama participate more in field visits. The lack of a good relationship between Jammiyyat Ulama and the Zakat Fund is challenging (Respondent 02).

Kinniya Zakat Division, All Ceylon Jamiyyathul Ulama Kinniya branch

The Kinniya region has a Muslim majority, with 99% of the population practising Islam. In 2000, the Kinniya Zakat Division was established by respective social activists, including the late Mr Ismail Moulana, the late Mr Sharif, the current leader of the Jamiatul Ulama Kinniya branch, Al-haj Dr A.R. Nazar Falahi, and many others. The Kinniya Zakat Fund is one of the major divisions under the All Ceylon Jamiyyathul Ulama Kinniya branch. Currently, 14 divisions operate under the branch, including Baitus Zakat, Baitul Maal, and the Kinniya Disaster Fund. The Kinniya Zakat Division, which started with Rs. 30,000, has been in operation for 25 years and now collects and distributes Rs. 10 million (one crore) in Zakat annually to eligible beneficiaries. The collected Zakat funds were distributed through mosques to eligible families in the early stages. Currently, the Zakat Division identifies the most deserving beneficiaries directly and distributes the Zakat funds to them (Respondent 03).

Zakat Collection

Trade, agriculture, and animal husbandry are the main income-generating sectors in the region. To collect Zakat, Letters are sent to business people and high-ranking officials like doctors and engineers during Ramadan. Aamil collects Zakat from some donors, and others meet in person and submit their Zakat directly to the Zakat office. According to the crops, Kinniya is a vast region of 154 square kilometres, and agriculture extends to the Muslim Colony (Wan Ela). It is difficult for the Zakat division members to collect Zakat directly from the crops. Therefore, arrangements have been made to collect Zakat through the heads of 14 regional agricultural federations. The federation leaders also contribute their best roles to the Zakat division. It is highly suitable for Muslim communities to collect Zakat of farming harvests. This approach allows the Zakat division to manage the collection and increase the amount of Zakat annually (Respondent 03).

Potential

Approximately 25% of the donors pay Zakat with the division, and half only contribute partially, giving the remainder to people in need among their family members and relatives. The remaining 75% of the total Zakat cannot be collected. Also, over 250 people in foreign countries earn more than a million rupees monthly, and only one or two people pay their Zakat regularly. Zakat collection potential is up to 3 million in the Kinniya region, and approximately only 01 million is collected annually (Respondent 03).

Applications

Applications for Zakat distribution are invited through mosques. Interested beneficiaries must submit a request letter, a photo of their family members, and a confirmation letter from the mosque to the Zakat Fund. A team from the Zakat Fund visits the applicants' homes, conducts interviews, assesses their family situations, gathers information, and submits it to the Zakat Division. Every Sunday at 8:00 PM, the Zakat Division Executive Board meets to discuss the applications and verify the information gathered during field visits. Only the most deserving applicants are selected, and the appropriate Zakat assistance is determined and distributed accordingly. During distribution, Zakat donors are invited to hand over the Zakat directly to the beneficiaries. This strengthens the relationship between donors and the Zakat Division (Respondent 03).

Distribution

The Zakat collected each year is distributed in the same year. The total Zakat collected is divided into several shares, with a large portion (about two-thirds) spent on housing. Approximately 26,000 families live below the poverty line in the Kinniya region, and 16,500 are beneficiaries of the Samurdhi program (a government welfare scheme). Many of these families live in marginal villages and face significant challenges securing decent housing. To address these challenges, the Zakat Division spends a substantial portion of its funds on housing for these families. A two-room house (12 x 12 feet) is built at around Rs. 400,000 and handed over to eligible families. Each year, over 150 applications for housing assistance are received. Since its inception, the Zakat Fund has constructed and handed over 221 houses. The remaining shares are used for the following services: food needs (subsistence), well and water facilities, electricity connection, medical expenses, debtor assistance, toilet assistance, marriage, welfare fund (corona, death allowance), amil allowance, zakat awareness seminar (dawah), and administrative expenses. (Respondent 03)

Future Plans

Model Zakat Villages: One of the future goals is to establish model Zakat villages where the community can be empowered through sustainable living and support systems. Finally, the Kinniya Zakat Division continues to play a vital role in supporting the poor and marginalised in the region. Focusing on housing, livelihood support, and education has significantly impacted thousands of families' lives, promoting social welfare and economic stability. Despite the challenges in Zakat collection, the Fund remains a cornerstone of community development and assistance in Kinniya (Respondent 03).

Zakat Management Board, Sammanthurai Grand Mosque Administrative Committee

The Sammanthurai Zakat Management Board was established in 1973. It was formed by a few dedicated social activists, including Mr. Raseen Master and Mr. Muhammad Ali Hazrat. These individuals were also responsible for initiating the “Majlishus-Shoora” for the Sammanthurai region. Along with that, they also founded the Zakat Management Board and the Tableeghul Islam Arabic College. At that time, there was no Zakat Management Board or Institutions, and this was the first Zakat Board in the Eastern Province. In 1976, the first Zakat Board financial report was released. Before that, the Zakat practice followed the “Avanam and Maraikkal” measurement methods, which are old measurement scales highly experienced among farmers. Zakat on paddy and grains was measured based on them. Zakat was also collected from livestock and distributed. Initially, animals were sold for money, and the collected amount was distributed to needy people (Respondent 04).

Management Board

The Sammanthurai Zakat Management Committee operates under the Sammanthurai Grand Mosque Administrative Committee. The term of office is three years, and the financial year runs from January to December. This committee includes members from major institutions in Sammanthurai, such as the Sammanthurai Grand Mosque Administrative Committee, Majlishus Shoora, and Jamiyyathul Ulama Sammanthurai Branch. In addition, eight individuals from eight Jumma mosques who have contributed additional Zakat have also been selected from the general committee. In total, the committee consists of 31 members. All members of the General Assembly of the Zakat Committee are individuals who are eligible to give Zakat. Currently, non-Zakat expenses of the Zakat Management Committee are covered by the Sammanthurai Grand Mosque Administrative Committee (Respondent 04).

Collection

Several awareness programs are conducted to collect Zakat, including Friday sermons, pamphlets, mosque awareness sessions, and discussions at agricultural meetings. Committee members visit the homes of those who stopped giving Zakat to understand their situation, make them aware, and encourage them to give Zakat. If new individuals qualify to pay Zakat, the mosque administration representatives approach them and explain the concept. The Zakat Management Committee only reminds eligible individuals about their Zakat obligations but does not force anyone to pay. The Zakat Management Committee receives Zakat through paddy, goats, cows, and gold daily. However, most of the Zakat is collected in the form of money, and the collection of Zakat in paddy, goats, cows, and gold decreases yearly. These are distributed daily to beneficiaries without any changes, based on necessity (Respondent 04).

Potential

In this region, there are over 25,000 acres of agricultural paddy fields. Farming takes place twice a year, during two harvest seasons. If a minimum of one bushel per acre is collected as Zakat, there is a possibility of receiving 25,000 bushels per season, meaning around 50,000 bushels annually. Unfortunately, only 8,000 to 9,000 bushels are collected each year. Additionally, in the Sammanthurai region, there are numerous businessmen, high-ranking employees with large salaries, and many individuals living abroad earning high incomes. However, only 25% of Zakat will be collected from them. Those who pay Zakat do so entirely through the Zakat Management Committee (Respondent 04).

Zakat Application Process

There are two ways to apply for Zakat. First, Individuals in need can submit a Zakat application form to the Zakat Management Committee. Second, Mosques in the region sometimes identify eligible individuals and collect applications from them. Once applications are received, confidential reports are obtained from the respective mosque administrations to verify the authenticity of the applicant's financial situation. The mosque administration must certify the report with the signatures of four committee members. After receiving the confidential reports, two Zakat Committee members verify the details and submit a report to the Zakat Committee. For the final selection, applicants are called for an interview. Only those confirmed as eligible beneficiaries are approved, and Zakat is distributed accordingly. When 25 to 30 applications are received, the Zakat Committee convenes a meeting to make a final decision (Respondent 04).

Distribution

According to the above statement, Zakat is distributed to beneficiaries precisely as received, without any changes or conversion into cash. No items are sold to convert them into money. This is because, in Sri Lanka, Muslims are not considered “Ahlul-Wilayah” as rulers with authority but are instead “Ahlul-Wakalah” as representatives and intermediaries. Therefore, intermediaries do not have the right to change the form of the collected Zakat. To distribute Zakat, families eligible to receive Zakat are pre-selected and listed based on priority. During harvest seasons, once the grains are collected, the identified beneficiaries are immediately called, and the grains are handed over to them. There is no fixed distribution time. Whenever grains are available, they are distributed. In addition, around 300 families who have lost their husbands, are abandoned by their families, and cannot engage in any work, are provided with paddy bushels annually as livelihood support. A single-person household receives 7 bushels. A two-member household receives 13 bushels. For a seven-member household, up to 39 bushels are provided. These grains are distributed in three phases, considering household expenses (Respondent 04).

Zakat Distribution Categories

Zakat is distributed to eligible beneficiaries based on the following needs: Basic food necessities (livelihood support), Educational expenses, Medical Assistance, Self-employment and small business support, New Muslims (Rs. 15,000 is provided to those who embrace Islam), Travelers in need, Individuals burdened with debt, Essential housing needs. Zakat funds are not given to anyone outside the eligible eight categories under any circumstances or used for public services. (Respondent 04)

RESEARCH METHOD

Research Design

This research adopts a mixed-methods approach, integrating primary and secondary data to explore "Prominent Zakat Institutions and Their Role in Advancing the Welfare of the Muslim Community in the Eastern Province of Sri Lanka." Mixed-methods research involves both quantitative and qualitative data collection in response to research questions; mixed-methods research (MMR) is a research methodology that incorporates multiple methods to address research questions in an appropriate and principled manner, which involves collecting, analysing, interpreting, and reporting both qualitative and quantitative data. In other words, using mixed methods enables researchers to answer research questions with sufficient depth and breadth (Dawadi et al., 2021, p. 27).

Data Collection

The research question was answered using both primary and secondary data. The primary data were collected through interviews with official representatives from four Zakat institutions selected based on their experience with the institutionalised Zakat system for more than 15 years. The eastern province has three districts: Ampara, Batticaloa, and Trincomalee. Two organisational samples were collected from Ampara, and one was collected from the other two districts for the interview. The reason is that the Ampara district has the highest Muslim population in the province, and numerous institutions operate there. (Yusoff et al., 2016, p. 55). The interviews, conducted remotely, lasted between 50 and 60 minutes each, with all participants providing informed consent and confidentiality assured. Secondary data was sourced from various official publications and reports of the Zakat institutions, focusing on statistical figures that provide a quantitative perspective to complement the qualitative insights from the interviews.

Data Analysis Approach

The qualitative data from the interviews were transcribed and analysed using thematic analysis, identifying key themes and patterns related to the research topic. The quantitative secondary data were analysed using descriptive statistics and interpreted to provide more accurate insights. The findings were visualised in tables to highlight Zakat collection and distribution trends within the five-year periods from 2019 to 2023 and comparisons. Limitations of the study include the small sample size of interviews, which may not fully represent the broader population, and the availability of up-to-date secondary data, which was limited to specific recent reports

RESULT AND DISCUSSION

Kattankudi Baituz Zakat

Zakat collection over the five years from 2019 to 2023

Years	2019	2020	2021	2022	2023	Total Zakat Collection
Zakat Collection	38,273,889.00	33,373,123.00	32,961,680.00	32,961,680.00	42,129,296.00	180,883,079.00

(Baithus Zakat, 2019)(Baithus Zakat, 2020)(Baithus Zakat, 2021)(Baithus Zakat, 2022)(Baithus Zakat, 2023)

The total collection for Kattankudi Baituz Zakat over the five years from 2019 to 2023 amounted to Rs. 180,883,079.00, with the average annual collection being Rs. 36,176,615.80. The highest collection was in 2023, at Rs. 42,129,296.00, while the lowest collection occurred in 2021, amounting to Rs. 32,961,680.00. In terms of year-to-year changes, the percentage change from

2019 to 2020 declined by 12.89%, followed by a more minor decrease of 1.23% from 2020 to 2021. However, from 2021 to 2022, the collections rose by 3.59%, and from 2022 to 2023, there was a significant increase of 23.36%. Over the entire period, the growth rate from 2019 to 2023 was 10.08%, reflecting overall positive growth despite the dip in the middle years. The data indicates an apparent recovery in 2022 and 2023 after the setbacks in 2020 and 2021, with a notable rise in collections towards the end of the period.

Akkaraipattu Zakat Fund

Zakat collection over the five years from 2019 to 2023

Years	2019	2020	2021	2022	2023	Total Zakat Collection
Zakat Collection	6,226,311.16	6,599,879.25	6,805,181.00	20,284,244.00	14,484,527.00	54,400,142.41

(Zakat Fund Akkaripattu, 2019)(Zakat Fund Akkaripattu, 2023)

The Akkaraipattu Zakat Fund collections from 2019 to 2023 show notable fluctuations. The total collection for this period amounts to 54,400,142.41. The mean annual collection is 10,880,028.48, reflecting the average amount collected yearly. The maximum collection occurred in 2022, with an amount of 20,284,244.00, while the minimum collection was in 2019, at 6,226,311.16, the lowest for the five years. The standard deviation, which measures the spread of the data, is 6,078,065.44, indicating considerable variability in the yearly collections. When analysing the percentage change between years, we see that from 2019 to 2020, there was an increase of 6.00%. From 2020 to 2021, the collection rose by 3.12%. However, the most significant growth occurred from 2021 to 2022, with a 198.71% jump, reflecting a massive surge in contributions. Unfortunately, from 2022 to 2023, there was a 28.85% decline in the collection. Despite the dip in the last year, the overall growth rate from 2019 to 2023 is a positive 132.92%, showing a general upward trend in the fund's collection over the five years.

Kinniya Zakat Division

Zakat collection over the five years from 2019 to 2023

Years	2019	2020	2021	2022	2023	Total Zakat Collection
Zakat Collection	5,267,295.00	4,100,927.00	5,595,157.00	8,281,904.00	8,566,031.00	31,811,314.00

(Zakat Division Kinniya, 2020)(Zakat Division Kinniya, 2021)(Zakat Division Kinniya, 2023)

The Kinniya Zakat Fund collections from 2019 to 2023 display a range of fluctuations. The total collection for this period is 31,811,314.00. The mean collection is 6,362,262.80, representing the average annual amount collected. The maximum collection occurred in 2023, with a total of 8,566,031, while the

minimum collection was in 2020, with just 4,100,927, the lowest for these five years. The standard deviation is 1,492,621.23, indicating moderate variability in the yearly collections. Looking at the percentage change over the years, from 2019 to 2020, there was a -21.91 % decrease, followed by a 36.38% increase from 2020 to 2021. From 2021 to 2022, there was another significant rise of 48.07%; from 2022 to 2023, the increase was 3.46%. Overall, the total growth rate from 2019 to 2023 is 62.85%, showing steady improvement in the funds raised over the five years.

Sammanthurai Zakat Committee

Zakat collection over the five years from 2019 to 2023

Years	2019	2020	2021	2022	2023	Total Zakat Collection
Zakat Collection	8,047,710	9,309,140	9,937,820	12,239,940	Nil	39,534,610.00

(Zakat Management Board, 2021-2022)

The Sammanthurai Zakat Fund collections from 2019 to 2022 show an overall positive trend. The total collection for this period is 39,534,610.00. The mean collection is 9,883,652.50, which reflects the average amount collected annually. The maximum collection occurred in 2022, with a total of 12,239,940, while the minimum collection was in 2019, with 8,047,710, the lowest amount for this period. The standard deviation is 1,654,499.56, indicating moderate variability in the annual collections. In terms of percentage change, the 2019 to 2020 increase was 15.73%, followed by a 6.70% increase from 2020 to 2021. The 2021 to 2022 period saw a more considerable rise of 23.54%. Although there was no data for 2023, the overall growth rate from 2019 to 2022 is 52.52%, indicating a steady and significant increase in the funds raised during this period.

The Sammanthurai Zakat Management Committee collects Zakat in the form of cows, goats, gold, and paddy and distributes it directly as received, without converting it into money.

Years	Cow collection	Goat Collection	Gold	Paddy Collection
2019	9	4		12190.69
2020	9	Nil	14.60	10769.07
2021	3	1		10242.21
2022	Nil	Nil		8494.34
Total	21	5	14.6	41696.31

(Zakat Management Board, 2021-2022)

The collections of Cow and Goat have shown significant declines over the years, with both experiencing a -100% drop in 2022. The Cow Collection remained constant in 2019 and 2020 but decreased in 2021 and stopped entirely

in 2022. Similarly, Goat Collection dropped after 2019, with no collection in 2020, a slight increase in 2021, and none in 2022. As for the Gold Collection, it experienced a significant rise in 2020 with 14.60 grams, but there was no collection in 2021 or 2022, resulting in a -100% drop after 2020. In contrast, the Paddy Collection displayed a downward trend, with the highest collection in 2019 at 12,190.69, followed by a steady decline each year. The percentage change from 2019 to 2020 was a -11.68% decrease, with further declines of -4.88% in 2021 and -18.84% in 2022. Overall, the data reveals a decline across all collections, especially in 2022, indicating a shift in the patterns of resource contributions

Summary of Zakat Collection

Over the years, Zakat collections across various regions have shown both fluctuations and growth. The Kattankudi Baituz Zakat Fund amassed Rs. 180,883,079.00 from 2019 to 2023, with an average annual collection of Rs. 36,176,615.80. Collections peaked in 2023 at Rs. 42,129,296.00, while 2021 saw the lowest at Rs. 32,961,680.00. Despite a decline in 2020 and 2021, the fund rebounded in 2022 and 2023, achieving an overall growth rate of 10.08%. Similarly, the Akkaraipattu Zakat Fund showed notable variations, totalling Rs. 54,400,142.41 collected over five years. The highest collection was in 2022 (Rs. 20,284,244.00), while the lowest was in 2019 (Rs. 6,226,311.16). The fund experienced a significant 198.71% increase from 2021 to 2022 but declined by 28.85% in 2023, maintaining an overall growth rate of 132.92%. The Kinniya Zakat Fund, totalling Rs. 31,811,314.00, demonstrated an upward trajectory despite a dip in 2020. The highest collection occurred in 2023 (Rs. 8,566,031), while the lowest was in 2020 (Rs. 4,100,927), with an overall growth rate of 62.85%. Meanwhile, the Sammanthurai Zakat Fund collected Rs. 39,534,610.00 between 2019 and 2022, averaging Rs. 9,883,652.50 annually. Collections peaked in 2022 at Rs. 12,239,940, reflecting a 52.52% growth from 2019 to 2022. However, data for 2023 was unavailable, leaving a gap in recent trends. Apart from monetary collections, the Sammanthurai Zakat Management Committee also collected Zakat in the form of cows, goats, gold, and paddy, distributing them without conversion into cash. However, there was a significant decline in these collections, with cow and goat contributions dropping to zero by 2022. The gold collection surged in 2020 with 14.60 grams but saw a complete halt thereafter. Paddy collection followed a downward trajectory, falling from 12,190.69 in 2019 to 8,494.34 in 2022, marking an overall decline. These trends suggest a shift in Zakat contributions, with fewer livestock and agricultural donations made over time. The overall analysis highlights varying growth rates and fluctuations across regions, with some funds experiencing sharp increases

while others showed declining patterns, especially in non-monetary Zakat contributions.

Zakat Distribution and Its Impact on Advancing the Welfare of the Muslim Community

This table presents the zakat distribution over the five years from 2019 to 2023

Provided Services or assistance	Total Expenditure per year				Total
	Kattankudi Baituz Zakat	Akkarapattu Zakat Fund	Kinniya Zakat Division	Sammanthurai Zakat Management Committee	
Food Needs (Livelihood)	14,761,480	13,163,625	2,956,970	-	30,882,075
Complete House, House Repair, Partial House	87,312,493	7,672,810	16,851,363	-	111,836,666
Well, Water, and Electricity Connection	327,614	647,521	245,676	-	1,220,811
Debtor Assistance	5,985,000	1,516,605	395,000	313,000	8,209,605
Employment Opportunity, Self-Employment	17,843,069	10,295,740	-	-	28,138,809
Toilet Assistance	17,906,650	95,000	363,180	-	18,364,830
Land Purchase	13,159,000	250,000	-	-	13,409,000
Welfare Organization	4,700,000	10,348,250	229,110	-	15,277,360
Aimil Allowance	3,002,150	-	832,400	9,198,922	13,033,472
Social Reform Initiative (Drug Detoxification)	100,000			-	100,000
Educational assistance	-	889,120	166,600	-	1,055,720
Medical expenses	-	6,025,340	3,802,000	-	9,827,340
New Muslims	-	160,664	-	1,033,800	1,194,464

Assistance for travellers	-	10,500	-	15,000	25,500
Marriage	-	190,000	730,000	-	920,000
For the Poor (Faqeer)	-	-	-	13,273,650	13,273,650
For the Needy (Miskeen)	-	-	-	12,866,670	12,866,670
Total	165,097,456	51,265,175	26,572,299	36,701,042	279,635,972

(Baithus Zakat, 2019)(Baithus Zakat, 2020)(Baithus Zakat, 2021)(Baithus Zakat, 2022)(Baithus Zakat, 2023)(Zakat Fund Akkaripattu, 2019)(Zakat Fund Akkaripattu, 2023)(Zakat Division Kinniya, 2020)(Zakat Division Kinniya, 2021)(Zakat Division Kinniya, 2023)(Zakat Management Board, 2021-2022)

Zakat Distribution of Kattankudi Baituz Zakat

The Kattankudi Baituz Zakat has allocated Rs. 165,097,456 across various sectors, prioritising housing, employment, and basic needs. The largest share (52.89%, Rs. 87,312,493) was dedicated to housing support (complete house, house repair, and partial house), emphasising shelter as a significant community need. Toilet assistance received 10.85% (Rs. 17,906,650), followed closely by employment and self-employment support at 10.81% (Rs. 17,843,069), focusing on economic stability. Food needs accounted for 8.94% (Rs. 14,761,480), ensuring nutritional security, while land purchase received 7.97% (Rs. 13,159,000), reflecting efforts towards long-term stability. Debtor assistance was allocated 3.63% (Rs. 5,985,000), relieving individuals in financial distress. Contributions to welfare organisations made up 2.85% (Rs. 4,700,000), and Aimil Allowance (likely medical or social support) accounted for 1.82% (Rs. 3,002,150). Essential utilities like wells, water, and electricity connections received a minimal 0.20% (Rs. 327,614), suggesting lower demand. The lowest allocation went to social reform initiatives like drug detoxification, at just 0.06% (Rs. 100,000). The distribution pattern strongly emphasises housing and economic development, followed by essential needs like food and debt relief, with less focus on utilities and social reform initiatives.

Zakat Distribution of Akkaraipattu Zakat Fund

The Akkaraipattu Zakat Fund has distributed Rs. 51,265,175 across various assistance programs, prioritising essential needs. The largest allocation (25.69%) was for food assistance (Rs. 13,163,625), emphasising the commitment to basic sustenance. Employment and self-employment support received 20.09% (Rs. 10,295,740), reflecting efforts to promote financial stability. Welfare organisations were allocated 20.18% (Rs. 10,348,250), showing strong community backing. Housing assistance, including house construction and repairs, received 14.97% (Rs. 7,672,810), ensuring shelter security. Medical

expenses accounted for 11.75% (Rs. 6,025,340), highlighting the importance of healthcare. Debt relief was 2.96% (Rs. 1,516,605), easing financial burdens. Educational assistance accounted for 1.73% (Rs. 889,120) of supporting academic needs. Smaller allocations included well, water, and electricity connection (1.26%, Rs. 647,521), land purchase (0.49%, Rs. 250,000), marriage assistance (0.37%, Rs. 190,000), and support for new Muslims (0.31%, Rs. 160,664). Traveller assistance had the lowest allocation at 0.02% (Rs. 10,500), followed by toilet assistance at 0.19% (Rs. 95,000). The fund's allocation strategy prioritises food, employment, welfare, housing, and healthcare, ensuring critical needs are met while allocating smaller amounts to less frequent needs like marriage, traveller support, and toilet facilities.

Zakat Distribution of Kinniya Zakat Division

The Kinniya Zakat Division has allocated Rs. 26,572,299 across various assistance programs, with the highest priority given to housing support. The largest allocation, 63.43% (Rs. 16,851,363), was directed towards complete house construction, repairs, and partial housing, reflecting a strong commitment to providing shelter. Food assistance and self-employment support followed, receiving 11.13% (Rs. 2,956,970), ensuring sustenance and financial independence. Medical expenses accounted for 14.31% (Rs. 3,802,000), highlighting the importance of healthcare. Smaller allocations included debtor assistance (1.49%, Rs. 395,000), toilet assistance (1.37%, Rs. 363,180), and welfare organisation support (0.86%, Rs. 229,110). Aimil allowance received 3.13% (Rs. 832,400), aiding social support initiatives. Educational assistance was 0.63% (Rs. 166,600), while marriage assistance was 2.75% (Rs. 730,000). The well, water, and electricity connection support had an allocation of 0.92% (Rs. 245,676). The spending pattern indicates a strong focus on housing, food security, healthcare, and self-employment while allocating smaller portions for social and educational support.

Zakat Distribution of Sammanthurai Zakat Management Committee

The Sammanthurai Zakat Management Committee has allocated Rs. 36,701,042 across various assistance programs, with the highest focus on aiding the poor and needy. The most considerable portion, 36.17% (Rs. 13,273,650), was dedicated to Faqeer (people experiencing poverty), ensuring that those in extreme financial hardship received the necessary support. Similarly, 35.06% (Rs. 12,866,670) was provided for Miskeen (people in need), reflecting a strong commitment to alleviating financial struggles. Aimil Allowance, which supports orphans and those needing regular aid, received 25.06% (Rs. 9,198,922). Support for new Muslims accounted for 2.82% (Rs. 1,033,800), helping those who embraced Islam integrate into society. Debtor assistance was allocated 0.85%

(Rs. 313,000), aiding individuals burdened with loans. Lastly, assistance for travellers was the smallest portion, receiving 0.04% (Rs. 15,000). The spending pattern strongly focuses on poverty alleviation, supporting debt relief, new converts, and needy travellers.

Role of Zakat Institutions in Advancing the Welfare of the Muslim Community

Each zakat institution distributes the collected funds to advance its region's most essential human welfare sectors. Therefore, the total expenditure for various Zakat assistance programs amounts to Rs. 279,635,972, with allocations varying based on priority needs. The most significant portion (39.99%, Rs. 111,836,666) was allocated to Complete House, House Repair, and Partial House, emphasising the importance of providing stable housing for those in need. Shelter is one of the most essential basic needs of a human being. A person's self-respect, dignity, economic progress, physical health, emotional stability, educational development, and spiritual growth depend on adequate shelter. Those who lack shelter due to extreme poverty often lose their sense of equal status in society. They may experience depression, social exclusion, and feelings of inferiority, leading them to believe they have failed in life. The primary role of zakat institutions is to support these individuals at the lowest levels of poverty and restore their dignity by helping them regain equal status in society. Zakat institutions allocate some of the collected funds specifically for shelter-related assistance to achieve this.

The second-highest priority was Food Needs, which received 11.04% (Rs. 30,882,075), ensuring basic sustenance for vulnerable families. Employment Opportunity and Self-Employment followed closely, receiving 10.06% (Rs. 28,138,809), support for the Poor (Faqeer) and Needy (Miskeen) together accounted for 9.35% (Rs. 26,140,320), ensuring continued assistance for struggling individuals. Reflecting efforts to promote financial stability and independence. The most basic needs for human survival on this earth are water and food. Zakat institutions have a moral responsibility to provide relief to families who have lost their livelihoods due to the unbearable grip of poverty. One of the primary responsibilities of zakat institutions in the Muslim community is to support orphans, widows, the elderly, and individuals with disabilities who are unable to work or feed themselves, as well as the poor who struggle to cover their living expenses due to having large families. Similarly, another key responsibility of zakat institutions is to create employment opportunities for individuals who can work and support themselves but cannot find suitable jobs. To achieve this, zakat institutions allocate some of the collected funds specifically for livelihood assistance and employment opportunities.

While significantly contributing to the three sectors mentioned above, Zakat institutions do not ignore other areas of need. Instead, they allocate a portion of their zakat funds each year based on the demands and needs of the people, contributing to development wherever possible. Accordingly, we have identified the contributions of zakat institutions in the following sectors. Sanitation and hygiene were also addressed, with Toilet Assistance receiving 6.57% (Rs. 18,364,830). Welfare Organizations received 5.46% (Rs. 15,277,360), while Land Purchase accounted for 4.80% (Rs. 13,409,000). Aimil Allowance, supporting orphans and vulnerable groups, received 4.66% (Rs. 13,033,472), while Medical Expenses were allocated 3.51% (Rs. 9,827,340). Smaller allocations included Debtor Assistance (2.94%, Rs. 8,209,605), Educational Assistance (0.38%, Rs. 1,055,720), New Muslims' support (0.43%, Rs. 1,194,464), Marriage Aid (0.33%, Rs. 920,000), and Travel Assistance (0.01%, Rs. 25,500). The lowest allocation was for Social Reform (Drug Detoxification), receiving only 0.04% (Rs. 100,000). This distribution strongly focuses on housing, food security, employment, and poverty alleviation, with additional support for education, healthcare, and social welfare.

Based on the above data analysis, the study found that the leading zakat institutions representing the Eastern Province of Sri Lanka significantly contribute to improving the welfare of Muslims living in the region. These institutions identify the consumption and production needs of the local population and work to address them as much as possible. It has been observed that they contribute to the community's spiritual, social, and economic development. In particular, the four selected institutions are significantly involved in housing construction, meeting basic food needs, supporting livelihoods, and creating employment opportunities. In addition, the study confirms that they also contribute to sectors such as education, healthcare, physical well-being, latrine construction, and debt reduction through financial assistance.

Challenges of Zakat Institutions in Advancing the Welfare of the Muslim Community

However, the study also found that these institutions face numerous practical and institutional challenges. As Sri Lanka is a country where Muslims are a minority, there is limited government support. Many Zakat institutions operate without proper registration, and gaps remain between Zakat providers and the institutions themselves. Zakat is often collected at lower levels than possible and tends to be distributed more toward consumption than production and income-generating sectors. Other challenges include the absence of modern and updated institutional structures, a shortage of qualified staff, and a lack of awareness among the public regarding the social, economic, and ethical goals of

zakat. In some cases, individuals with limited knowledge of Zakat's broader objectives are employed within these institutions. Additionally, distributing Zakat individually to relatives and the visibly poor is still common among the wealthy. Each Zakat institution functions independently, with its structure, collection and distribution systems, and varying interpretations of Shariah rulings. A major structural issue is the lack of a formal, coordinated Zakat body at the district, provincial, and national levels—one that could unify existing institutions and offer consistent Shariah guidance and legal oversight. This study recommends conducting future research on these institutional challenges to develop effective solutions.

RECOMMENDATIONS

The study offers several recommendations aimed at enhancing the effectiveness and sustainability of Zakat institutions:

1. Mohammed Jiffry et al. (2023) Suggested that the regional institutionalised Zakat must reevaluate their current Zakat applications to improve management efficiency in the Sri Lankan context. In particular, in this study, they cannot collect sufficient Zakat to achieve the institutions' objectives. All four Zakat institutions face challenges in the collection process. Hence, the mechanism they used to collect Zakat is not perfect, and this is subject to immediate reevaluation.
2. The 100% Zakat collection is a significant challenge to all Zakat Institutions. It is impossible unless people know Zakat's obligation, the conditions of qualification for payment, the types of Zakat, its calculation and methods of payment and utilisation, and the economic benefits for both payers and receivers and all communities. Hence, they should educate Muslims using appropriate platforms such as mosques and electronic media. Otherwise, the primary objective of eradicating poverty is not achieved anywhere (Jalaldeen, 2015, p. 95).
3. Despite the significant services provided by Zakat institutions, the number of families living below the poverty line has not decreased substantially. Therefore, future efforts should prioritise helping people experiencing poverty achieve self-sufficiency through long-term economic initiatives, such as skills development programs and entrepreneurial support.
4. In addition to addressing immediate and temporary needs, Zakat should be used to create sustainable income sources by promoting self-employment opportunities for the economically disadvantaged. This would enable recipients to generate income and reduce external aid dependency.

5. Many Zakat funds currently operate without formal registration, which could pose challenges in the future. These institutions need to register under proper registration and seek government recognition to ensure their legitimacy and long-term viability.
6. Finally, regional and provincial cooperation should be established among Zakat institutions, with standardised procedures and a national network. This would ensure excellent stability and security, facilitating a more organised and efficient distribution of Zakat resources across the country.
7. Zakat institutions must create effective channels through mosques and other Islamic institutions operating in the region to educate people and maintain good relationships with the payers.
8. All Zakat institutions operating in the region must collaborate to create a provincial and district-level regulatory body that regulates the rules, monitors the services, prioritises the sectors to be highly focused on distributions, and connects with the government.
9. Furthermore, discussions should be initiated with Muslim parliamentary representatives in collaboration with the government to provide specific income tax exemptions for individuals who correctly pay Zakat and maintain accurate records. Such measures would increase Zakat's contributions and prevent unnecessary investigations, benefiting the broader export-oriented economy.

CONCLUSION

In conclusion, this study provides a detailed overview of the evolution of Zakat practices in the Eastern province of Sri Lanka, highlighting the shift from a personal obligation to a more structured and institutionalised approach. The establishment of prominent Zakat institutions such as the Akkaraipattu Zakat Fund, Baithus Zakat in Kattankudy, the Kinniya Zakat Fund, and the Sammanthurai Zakat Management Committee has played a pivotal role in advancing the welfare of the Muslim community in the Eastern Province. These institutions focus on traditional Zakat collection and expand their services to include housing, self-employment support, education, and healthcare, effectively addressing the community's diverse needs. The study further demonstrates the significant contributions these organisations have made in poverty alleviation, social welfare, and empowerment, underscoring their importance in enhancing the economic and social well-being of the community. The total expenditure for various Zakat assistance programs amounted to Rs. 279,635,972, with a substantial portion allocated to housing, food needs, and self-employment opportunities, reflecting the priority given to basic sustenance and long-term

economic stability. More minor yet equally important; allocations were made for sanitation, medical expenses, educational support, and social welfare, ensuring comprehensive assistance for vulnerable individuals and families. This distribution underscores these Zakat institutions' effective and targeted approach to addressing key socio-economic challenges and improving the quality of life for those in need.■

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INTERVIEWS

- Al-Haj M.H.A.M. Ismail (M.A., SLEAS), Chief Administrative Coordinator, Baithus Zakat, Federation of Kattankudi Mosques and Muslim Institutions. The author conducted the interview in the Baithus Zakah office in Kattankudi on 26 February 2025. Respondent 01
- Ash-Sheikh M.I. Zahir (Islahi), Secretary, Zakat Fund, Federation of All Mosques – Akkaraipattu / Mr M.A. Alavudeen (Retired Teacher), Administrative Secretary, Zakat Fund, Federation of All Mosques – Akkaraipattu. The author conducted the interview in the Zakat Fund office in Akkaraipattu on 23 November 2024. Respondent 02
- Ash-Sheikh M.A. Azrath (Najmi, Teacher), Joint Secretary, Zakat Division, All Cylon Jamiyyathul Ulama – Kinniya Branch / Al-Haj M.A.H.A. Rouf (Retired Teacher), Treasurer, Zakat Division, All Cylon Jamiyyathul Ulama – Kinniya Branch. The author in All Cylon Jamiyyathul Ulama – Kinniya Branch conducted the interview on 15 February 2025. Respondent 03
- Ash-Sheikh S. Ismaillabbei, President, Zakat Management Board of Sammanthurai and Principal of Thabligul Islam Arabic Collage / Al-Haaj I.L. Thasthakeer, General Secretary, Zakat Management Board of Sammanthurai / Al-Haaj A. Sabri Nazar, Financial Secretary, Zakat Management Board of Sammanthurai / M.A.M. Himayathullah – Administrative officer of Zakat Board, the interview was conducted by the author in the Zakat Management Board office in Sammanthurai on 08 March 2025. Respondent 04