DETERMINANT FACTORS AFFECTING POVERTY AMONG NEW CONVERTS IN SELANGOR, MALAYSIA

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ABSTRACT - The justice in Islam had attracted and opens the hearts of non-muslims to accept Islam. The justice and truthfulness of Islamic teaching attract the human to be part of its through conversion or reconciliation of hearts (Muallaf al-Qulub) and it is one of the zakat recipients mentioned in Al-Qur’an. In Selangor, zakat assistance to the new converts begins from the first day they become Muslims. The new Muslim would be immediately helped with MYR 500.00 monthly allowance for five years until they manage to act in accordance with Allah’s orders and to perform worshipping (Mukallaf). This paper identifies the factors of new converts’ poverty in Selangor, Malaysia using a logistic regression method. A set of survey questionnaires has been used in this research and 80 respondents were randomly selected from Selangor Zakat Centre (SZC) zakat recipient’s list from the New Converts category for nine districts of Selangor in 2013. We estimate the probability of households with specified characteristics to fall below Malaysia’s official poverty line. Results show that education, size, region, income and amount of zakat received significantly reduces the chance of being poor while gender, age, status were not a significant predictor. Thus, these statistical measures have proven the positive role of zakat in reducing poverty among the new converts. The findings have important policy implications for zakat institution and also Malaysian government which has pledged to reduce overall poverty rate to 2.8 percent and eradicates hardcore poverty by 2010 under the Ninth Malaysian Plan.

Keywords: Zakat, Had Kifayah, Household Head Gender, New Convert


Kata Kunci: Zakat, had kifayah, gender kepala Rumah tangga, muallaf
INTRODUCTION

Poverty is a serious problem in a majority of Muslim countries. The teachings of Islam, through the Holy Quran and the Hadith, stresses on the significance of zakat as a social tool to bridge the differences between the rich and poor Muslims. Poverty in Islam is concerned with insufficiency of income and the inability in fulfilling basic human needs. There are no distinct techniques to measure poverty, as it is always associated with some level of income required to provide for the basic human needs. This human needs refer to the right of food, clothes and shelter as pronounced by the Prophet Muhammad (PBUH) that are to be identified and met in order to sustain a minimum standard of living. The poverty line or income level, which serves as an indicator to identify whether a person is poor, is useful where a person is considered poor if his income is below poverty line income.

From the Islamic point of view, poverty is perceived almost similarly to the conventional definitions (Johan, 2004). One is considered poor if he does not possess sufficient necessities to fulfill his basic needs. Therefore, poverty can be interrelated to new converts, as identified and understood in Islam (Sham, Jami’an, & Tibek, 2013). Many new converts had nowhere to go after they converted to Islam. Most of them are lack of education and care. The new converts people really need and seek for help for the Muslim people to enhance their faith. Al-Qardawi (1999) stated that beside alleviate poverty among Mualaf, zakat distribution should be improving and increase the TAUHID (The Oneness of Allah), IMAN (faith) and TAAQA (level of piety) to Allah (s.w.t). Zakat has also become an important financial source for the new converts, especially in dense Muslim population countries. Zakat fund could act as an incentive to the new converts as part of the effort to assist them to become economically productive recipients if the fund is channeled in a sustainable form. In short term, the zakat assistance can become a capital for them setup a business or can bear for their education expenses that in a long term can transform them from zakat receivers into zakat payers (Sham et al., 2013). Thus, the zakat fund could free the new converts from poverty and improve their living standard.

Most of zakat institutions in Malaysia use the monetary approach in measuring poverty based on monthly expenditure (Ibrahim, 2006). For example, in Selangor, one of the states in Malaysia, zakat assistance to the new converts begins from the first day they become Muslims. The new converts would be immediately helped with MYR 500.00 monthly allowance for five years until they become has become economically and morally strong and has received the...
message of Islam (*Mukallaf*) (Sham et al., 2013). This aid is important for them to bear their cost of living.

**POVERTY ALLEVIATION AMONG NEW CONVERTS IN SELANGOR**

In Selangor, the Selangor State Islamic Religious Council is responsible to collect and distribute zakat in Selangor, and their effectiveness in managing the zakat in Selangor had shown impressive growth from time to time as shown on Table 1.

Table 1. Selangor Zakat Distributions for New Converts (2008-2012) (MYR Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Zakat Distribution (MYR Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>11.67</td>
</tr>
<tr>
<td>2009</td>
<td>16</td>
</tr>
<tr>
<td>2010</td>
<td>19.95</td>
</tr>
<tr>
<td>2011</td>
<td>15.51</td>
</tr>
<tr>
<td>2012</td>
<td>23.08</td>
</tr>
</tbody>
</table>

Source: Selangor State Islamic Religious Council, 2013

Table 1 shows that the amount of zakat distribution to the New converts is increasing from MYR 11.67 million (2008) to MYR 16 million (2009) and MYR 19.95 million in the year 2010. Only in the year 2011, the amount of zakat allocated to the new converts had a small decline which dropped from MYR 19.95 million to MYR 15.51 million as respond to the registered new converts in Table 2. The rest, we can conclude that distribution of zakat to the new converts in the state of Selangor (except for year 2011) is consistently increasing each year. The trend of zakat distribution to the new converts is actually reflected from the total amount of registered new converts in the state of Selangor every year.

This research attempts to look into the number of registered new converts, zakat distribution and the programmes that are allocated for them. In general, what we can conclude is that the huge amount is allocated for the New converts indicated that zakat plays an important role in assisting new Muslims and helping them overcome their suffering and poverty as stated in the Qur’an (9:60). Zakat is provided to the new converts as a way of assisting and enabling...
them to start a new life in the way of Islam, as the total number of registered new converts increases every year (Table 2).

Table 2. Numbers of Registered New Converts in the State of Selangor 2002-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of New Converts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>1113</td>
</tr>
<tr>
<td>2003</td>
<td>1144</td>
</tr>
<tr>
<td>2004</td>
<td>1256</td>
</tr>
<tr>
<td>2005</td>
<td>1412</td>
</tr>
<tr>
<td>2006</td>
<td>1499</td>
</tr>
<tr>
<td>2007</td>
<td>1575</td>
</tr>
<tr>
<td>2008</td>
<td>1560</td>
</tr>
<tr>
<td>2009</td>
<td>1661</td>
</tr>
<tr>
<td>2010</td>
<td>1700</td>
</tr>
<tr>
<td>2011</td>
<td>1473</td>
</tr>
<tr>
<td>2012</td>
<td>1561</td>
</tr>
</tbody>
</table>

Source: Selangor State Islamic Religious Council, 2013

Table 2 shows the increasing number of registered new converts from year 2002 – 2012 in the State of Selangor. This illustration supports the changes that occurred shown in Table 1. It shows that zakat distribution is reflected by the number of registered new converts in the State of Selangor. In the year 2011, the registered new converts were less than the previous years. Overall, this positive increment and practice serves as evidence to the view regarding the necessity of Zakat aid towards new converts as part of da’wah methodology.

Table 3. Zakat Assistance Among New Converts in the State of Selangor 2002-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Donations and Gifts</th>
<th>Development</th>
<th>Allowances and Management</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>11672356</td>
<td>797095</td>
<td>4,133,633</td>
<td>4,610,927</td>
</tr>
<tr>
<td>2010</td>
<td>15975825</td>
<td>1213057</td>
<td>6997341</td>
<td>5,009,011</td>
</tr>
<tr>
<td>2011</td>
<td>15518404</td>
<td>1837443</td>
<td>7103860</td>
<td>5,067,299</td>
</tr>
<tr>
<td>2012</td>
<td>23080149</td>
<td>2,752,241</td>
<td>7250797</td>
<td>10,469,019</td>
</tr>
</tbody>
</table>

Source: Selangor State Islamic Religious Council, 2013

Table 3 shows the increasing amount of zakat assistance towards new converts from 2009 until 2012 in the State of Selangor. Most of the zakat donations and
gifts are channeled to run programs and new converts institute in Selangor. The development assistance is used for repairing and constructing house, funeral, shelter management and constructing cluster houses. For the allowance and management assistance, the SZC utilizes these budgets for learning class, courses and training. Lastly, the assistance budget is used to monthly financial assistance, marriage, medical, rent assistance and capital assistance. This comprehensive zakat assistance shows that SZC is diligent to assist and channeled the zakat fund for the development of new converts in short and long terms period.

LITERATURE REVIEW

Most of new convert turns to Islam because of several reasons such as marriage, attract with the wholesomeness of Islam and zakat assistant in Islam (Ghazali & Hamid, 2012; Johari, Ab Aziz, Ibrahim, & Ali, 2013; Sham et al., 2013). For example, the Islamic welfare (i.e: zakat), is one of the tools for attracting the non-Muslims by providing assistant that can soften their heart beside increase their faith and believe to Allah s.w.t although they are not become a Muslims yet. Fuadah Johari et.al (2013) explained that new converts suffers from various aspect after they converts to become Muslims. Some of them were thrown out of family, society, friends as well as loss their job and loss their financial sources. While some of them feels lonely and vulnerable because of the attitude of the muslims itself who did not accept them as muslims. For example, if they entering a mosque, they will attract the attention of other Muslims such as they are doing something wrong by entering the Mosque although at that time they are already a Muslim. For most of the Mosque, they may find that cultural identity is stronger than religious standards and they feel difficult to be integrated with other Muslims. Moreover, some Muslims who are still learning about Islam did not know which branches of Islam they should refer to and/or are not well aware of the different movements and/or do not have an entire understanding of the principles of Islam (Kawangit, Puteh, & Abdullah, 2009).

Abd. Majid et. al (2010) found out that after conversion, most of New Convert will feel lost regarding find teacher or resources to effectively live their faith. New Muslims will also be facing practical issues when embracing a new way of life which is also differ from their previous way of life. Further, some of the issues may include their relationships with non-Muslims may change due to fear and preconceptions about Muslims and marriage with a non-Muslim. These practical issues may have the greatest impact for New Muslims and such support at a practical level is therefore important. Aishah, Junaida, Muna, Siti
Johari et al. (2011) seek to investigate the conversion patterns among New Converts in Malaysia. Its focus is to find out the demographic information of New Converts and to identify the popular conversion patterns among New Converts in Malaysia. From the study conducted, he conclude that:

a) Majority of the New Converts come from Sabah and belongs to other races found in Malaysia such as Iban, Asli, Myanmar, Kadazan and Thai.
b) Many of them are unemployed despite having adequate academic level.
c) Majority of the new Converts agree that they get the first source of information regarding Islam from people who are close to them like family members, friends, colleagues and neighbours.
d) Majority of the New Converts associate their conversion process with the friendliness pattern, followed by the intellectual pattern and lastly the mystical pattern.

This coincides with the first source of information they obtain regarding Islam. Kawangit et al. (2012) set outs to explore the exact level of the social aspect of assimilation between Chinese New Convert and their Malay counterparts in Kuala Lumpur. It was sure that assimilation in social aspect is a dilemma which Chinese New Convert faces when they convert from their own religion to Islam. It suggests that when these converts begin to practice Islam, their behaviour changes in line with the identity of the Malays. This is because Islam associates to Malay in the Malaysian context. Whilst they are welcomed by their Malay counterparts, it is nevertheless hypothesized that they may not assimilate fully into the Malay community. Through this research the social assimilation level of Chinese New Convert is at the low level.

**RESEARCH METHOD**

Data for this research is obtained from Household Expenditure Survey (HES) conducted from January to July 2014 where 80 new converts were involved. As one of the requirements for logistic regression, a minimum sample for one variable is 10, the sample is sufficient to perform the logistic regression. This survey covers nine districts in Selangor except the indigenous settlements (the Orang Asli). Based on the quantitative approach, the questionnaire was administered to the new converts to gather data on the amount of zakat that they received, their income, expenditure and other demographic data. The team of researchers personally distributed the questionnaire to the respondents. Each part of the questionnaire was explained by the researchers to the respondents to ensure the respondents understood the questions. The questionnaire was read to
the respondents who had difficulties reading the questionnaire. The Selangor State Islamic Religious Council was selected because of their achievement as being the highest zakat fund collection in Malaysia. Besides that, the state of Selangor has the highest number of new converts in Malaysia.

Thus, with the highest amount of resources (zakat fund) and new converts, it is important for Selangor Zakat Centre to manage and distribute the zakat fund wisely. One way of doing it is to understand the factors of contributing the new converts to become poor. Thus, this study aims to identify the factors of contributing the probability of being poor among the new converts. A comprehensive household’s expenditure questionnaire was administered to the new converts to gather data on the amount of zakat that they received, their income, expenditure and other demographic data. Diagram 1 describes the respondent demographic for this study.

![Diagram 1. Respondent Profile On New Converts in Selangor](source)

This paper is involved empirical analysis where the logistic regression is used to give each predictor (IV) a coefficient ‘b’ which measures its independent contribution to variations in the dependent variable, the dependent variable can only take on one of the two values: 0 or 1. The prediction from independent variables and coefficients is therefore not a numerical value of a dependent variable as in linear regression, but rather the probability (p) that it is 1 rather than 0. A further mathematical transformation which is a log transformation is needed to normalize the distribution, where log transformations and sq. root transformations moved skewed distributions closer to normality. The log transformation of the p values to a log distribution enables us to create a link with the normal regression equation. The log distribution (or logistic transformation of p) is also called the logit of p or logit(p). Logit(p) is the log of the odds ratio or likelihood ratio that the dependent variable is 1. In symbols it is defined as:
\[
\text{logit}(p) = \log\left(\frac{p}{1-p}\right) = \ln\left(\frac{p}{1-p}\right)
\]

(1)

Whereas \( p \) can only range from 0 to 1, \( \text{logit}(p) \) scale ranges from negative infinity to positive infinity and is symmetrical around the \( \text{logit} \) of 0.5 (which is zero). The regression technique in this study will allow us to isolate and compare the influence of zakat and any demographic variable on household’s poverty status, while holding other determining variables constant. Using this technique, we estimate the impact of demographic, age, size, gender, income, expenditure, and zakat distribution towards improving the income of the new converts. By showing which characteristic have the largest impact on determine the income of the new converts and how much does the impact give, we can identify household types that could merit special attention in designing strategies to increase the effectiveness of welfare enhancing programs. Household unit has become the unit of observation for this study. A household may be either a one-person household or a multi-person household. The households can be defined as an arrangement where all the activities and cooperation centre round the members living in the same household. The head of household/family regardless of sex is considered as the respondents. Each household/family is registered zakat recipient under the poor and needy category. In certain exceptional cases, some other responsible member of the family (usually the wife) will be used as a respondent to replace the absentee head (usually the husband) of the household or the family.

**MODEL SPECIFICATION**

This study utilizes a binomial logistic regression model given that the dependent variable is dichotomous: 0 when a household is above (not poor) and 1 when below the poverty line (poor). For a logistic regression, the predicted dependent variable is a function of the probability that a particular subject will be in one of the categories. Predictor variables are a set of socioeconomic and demographic status indicators and human capital and dwelling endowment of the household. They contain both dichotomous and continuous variables. Let \( P_j \) denote the probability that the \( j \)-th household is below the poverty line. We assume that \( P_j \) is a Bernouli variable and its distribution depends on the vector of predictors \( X \), so that

\[
P_j(X) = \frac{e^{\alpha + \beta X}}{1 + e^{\alpha + 2X}}
\]

(2)

where \( \beta \) is a row vector and \( \alpha \) a scalar. The logit function to be estimated is then written as
The log it variable \( \ln \left( \frac{P_j}{1-P_j} \right) \) is the natural log of the odds in favour of the household falling below the poverty line. Equation (2) is estimated by maximum likelihood method and the procedure does not require assumptions of normality or homoscedasticity of errors in predictor variables.

Where:

**Demographic variables:**
- **AGE** = age of household head (in years)
- **GENDER** = 1 if household is female, 0 otherwise,
- **SIZE** = size of the household,
- **STATUS** = 1 if head is non-married, 0 otherwise,
- **INCOME** = 1 if below poverty line, 0 otherwise,
- **ZAKAT_RECEIVE** = amount of zakat receive per month

**Human capital variable:**
- **HIGH_EDU** = highest formal education obtained by household head (in years),

**Region variable:**
- **REGION** = 1 if household live in urban area, 0 otherwise,
- \( \alpha \) = intercept term

We have first estimated the model using the expenditure cut off point corresponding to Malaysia’s official poverty line: per household consumption expenditure of RM 860. This forms a benchmark. The age variable expects to account for the effect of work experience while the squared variable expects to capture the opposite effect of declining ability with age. Human capital is measured by education level. Status does not provide unambiguous a priori expectation because a married head or a larger family may face the prospect of extra burden as well as extra income and possible economy of scale. Race variables represent the two main races of Malaysia which are Chinese and India. It is believed that *ceteris paribus* an unemployed person is more likely to be in poverty. Dummy variables have been used for gender, regions, marital status of household head, income and job (employment of household head).

**RESULT**

The estimates of the logistic regression are shown in Table 4. In general, the logit model fitted the data quite well. A test of the full model against a constant only model was statistically significant, indicating that the predictors as a set...
reliably distinguished between acceptors and decliners of the offer (chisquare = 76.756, p < .000 with df = 8). Results from Nagelkerke’s R2 (0.794) indicated a moderately strong relationship between prediction and grouping. Prediction success overall was 96.2% (97.3% for YES and 95.1% for NO. The Wald criterion demonstrated that HIGH_EDU, SIZE, REGION, INCOME and ZAKAT_RECEIVE made a significant contribution to prediction (p < .05). GENDER, AGE and STATUS were not significant predictor (p > .05). The Exp(B) column in Table 4 presents the extent to which raising the corresponding measure by one unit influences the odds ratio. We can interpret Exp(B) in terms of the change in odds. If the value exceeds 1 then the odds of an outcome occurring increase; if the figure is less than 1, any increase in the predictor leads to a drop in the odds of the outcome occurring.

Table 4. Logistic model (Poverty Line RM 860).

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GENDER</td>
<td>-1.083</td>
<td>1.098</td>
<td>.973</td>
<td>.324</td>
<td>.338</td>
</tr>
<tr>
<td>AGE</td>
<td>-.442</td>
<td>.722</td>
<td>.375</td>
<td>.540</td>
<td>.643</td>
</tr>
<tr>
<td>HIGH_EDU</td>
<td>.072</td>
<td>.824</td>
<td>.019</td>
<td>.010*</td>
<td>.930</td>
</tr>
<tr>
<td>SIZE</td>
<td>-.051</td>
<td>.962</td>
<td>.020</td>
<td>.008*</td>
<td>.950</td>
</tr>
<tr>
<td>REGION</td>
<td>.707</td>
<td>1.167</td>
<td>.367</td>
<td>.005*</td>
<td>2.028</td>
</tr>
<tr>
<td>ZAKAT_RECEIVE</td>
<td>1.366</td>
<td>1.564</td>
<td>.762</td>
<td>.013*</td>
<td>3.918</td>
</tr>
<tr>
<td>INCOME</td>
<td>.006</td>
<td>.841</td>
<td>16.363</td>
<td>.000*</td>
<td>1.006</td>
</tr>
<tr>
<td>STATUS</td>
<td>-.001</td>
<td>.771</td>
<td>.903</td>
<td>.342</td>
<td>.999</td>
</tr>
<tr>
<td>Constant</td>
<td>-3.173</td>
<td>3.278</td>
<td>.937</td>
<td>.333</td>
<td>.042</td>
</tr>
</tbody>
</table>

Note: Marginal effect is evaluated at the mean value of predictor variables. For dummy variable, marginal effect is P|1-P|0. * denote statistically significant at 5% significance level.

The results show education is an important determinant, which supports the findings of most previous researches (Harris & Blisard, 2002; Hauser & Warren, 1997; Henninger, 1998; Kerckhoff, 1975; Panudulkitti, 2007; Stanfiel, 1973; Worley & Story, 1967). Based on Table 4, an increase of a year of formal education after the mean number of years of the sample reduces the probability of a household falling into poverty by 0.930. The results also show that a higher household size increase the probability of a household falling into poverty. Basically, for those who have a bigger family, they will have more mouth to feed compare to a smaller family. From the table we can see that when family size is reduced by one unit (one person) the probability of householders falling into poverty is 0.950 lower. Results of the study also found out that urban households are found to be at a higher risk compared to
other regions. The urban household has 2.028 probability of falling poverty compared to rural household. Therefore, with the low average earnings, the urban poor would certainly face hardship, especially with the rising cost of living.

Zakat distribution has the highest significant effect towards eliminating poverty for the new converts. Zakat distribution has a positive effect towards improving the income distribution of the new converts because through zakat distribution the probability of a household becoming non poor is 3.918. It shows how significant the role zakat fund towards reducing the burden of poverty which it increase their income and purchasing power of the new converts. Lastly the income of the household also has a significant contribution on reducing the probability of being poor among the new converts. An increase in income of the new converts had reduced 1.006 the probability of them falling into poverty. It is obvious that the higher the income, the well-off the household will be.

From the results we also noticed that both genders equally increase the probability of being poor thus indicating low level of gender discrimination in Malaysia. The age of the sample also did not have a significant coefficient. It may cause by that majority of the new converts were energetic, young and agile to actively participate in the program activities. Hence, they will be expected to benefit immensely from the program and improve their productivity to reduce their poverty level. While the older people are generally low in countries where there exists a generous pension or safety net coverage for the elderly. Further, status and race variables did not bring significant effect or contribute to the probability of new converts falling into poverty.

DISCUSSION

Results of this study indicates that size, highest education, income, region and zakat received variables have a significant effect towards the risk of being poor among the new converts. It is a signal that those who have a bigger family, they have a higher expenses and acquire more need compare to a smaller family who mostly acquire smaller amount of expenses. Family size is closely related to child poverty, with larger families at greater risk of poverty, including persistent poverty.

The percentage of children living in poverty rises considerably for families with three or more children. Single parent households, where the ratio between adults and dependent children is lowest, are at particular risk. Further, larger
families have greater caring responsibilities and are more likely to contain younger children which impacts on parental labour market engagement. In addition, large families are at considerable extra risk of being poor both in the year before they become large and in the two years after the older children become adults and the family is no longer large. Bigger family will require higher need such as larger amount of food, better house, and higher expenses for education and medication compared to smaller family size. Furthermore, education reflects the human’s ability to succeed both academically and socially. It requires physical well-being and appropriate motor development, emotional health and a positive approach to new experiences, age-appropriate social knowledge and competence, age-appropriate language skills, and age-appropriate general knowledge and cognitive skills. Higher education will results a better job opportunity and a better income which can reduce their probability of becoming poor.

Further, urban and rural region has a different phenomenon of poverty. There is a further need to consider a set of prices including a broader bundle of goods and services representative of the purchases of consumers in different region. The urban poor, who are unable to compete for scarce resources or protect themselves from harmful environmental conditions, are most affected by the negative impacts of urbanization. The growth of large cities, particularly in developing countries, has been accompanied by an increase in urban poverty which tends to be concentrated in certain social groups and in particular locations. Causes include an increasing gap between incomes and land prices, and the failure of housing markets to provide for low-income groups. In defining poverty between urban and rural areas, therefore, one should ensure that they take into account differences in the cost of living across these areas. In a dualistic economy, one of the ways the poor benefit from development is through expansion of job opportunities in the modern predominantly urban sector, in addition to increases in productivity in the traditional predominantly rural sector.

The urban growth is attributed to both natural population growth, and rural to urban migration. Urbanization contributes to sustained economic growth which is critical to poverty reduction. The economies of scale and agglomeration in cities attract investors and entrepreneurs which is good for overall economic growth. Cities also provide opportunities for many, particularly the poor who are attracted by greater job prospects, the availability of services, and for some, an escape from constraining social and cultural traditions in rural villages. Nevertheless urban life can also present conditions of overcrowded living,
congestion, unemployment, lack of social and community networks, stark inequalities, and crippling social problems such as crime and violence. Income of the new converts certainly contributes to the probability them falling into poverty. While most of the new converts require mental supports, their also require the economic supports which most of them lost their financial resources results from disposed from their family or lost their job because of their conversion.

Lastly, zakat distribution has a significant effect on bringing the new converts out of poverty. It improves the income as well as the expenditure of the new converts. Further, the new converts will have a higher purchasing power which can bring them out of poverty. The right allocation of zakat distribution can bring more effective result on reducing poverty and income gap of a family rather than distributing the zakat based on amount and omitting these variables. The gender, age and status variables did not show any significance on the risk of being poor among the new converts. Based on the results, both genders (almost) equally increase the probability of being poor thus indicating low level of gender discrimination in urban Malaysia.

This could be the result of local governments providing childcare assistance to encourage women to work and the work of non-government organizations (NGOs) towards female-empowerment. The age distribution reveals that majority of the new converts were energetic, young and agile to actively participate in the program activities. Hence, they will be expected to benefit immensely from the program and improve their productivity to reduce their poverty level. Evidence indicates that poverty among older people is generally low in countries where there exists a generous pension or safety net coverage for the elderly. It is now widely recognized that in developing countries older person are supported by pensions that play an important role in securing and improving the livelihoods of older people and reducing poverty. Moreover, evidence suggests that in developing countries the positive effects of pensions go beyond the Results on marital status approves with a finding that reported that majority of married person involved in non-formal production and were within their productive years. Marital status suggests that the single household will equal benefits from zakat distribution. It is also supported by another finding that the wishes and interests of the person’s spouse may have roles to play in their extent of participation. It is based on different level of needs between family and single person that the zakat distribution had fulfilled.
CONCLUSION

In conclusion, this research had determinant the factors that would increase the chances of New Converts being poor. This study also suggests that the Selangor Zakat Centre take a significant consideration on region, income and amount of zakat distribution issues of the zakat recipients among the new converts category. It shows a huge significant effect on probability of them becoming poor or non-poor. This study also supports the huge contributions of zakat towards New converts development in supporting them financially, mentally and in a long term manage to assist them in releasing them from the burden of poverty although the burden happens since they are Non-Muslims. In Islam, conversion is an act of acceptance of truth. Through zakat fund, the convert could develop the positive tools of emotional, physical, mental, intellectual, and spiritual aspects of the self, his life changed. Further, zakat also can become a tool to win the hearts of the family in order to attract them to Islam by support and reduce their poverty burden. Therefore, zakat distribution for Muslim converts, functions as a mechanism for reconciliation and a method of da’wa to increase non-Muslims’ understanding of Islam and its difference from other religions.

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