

EXPLORING THE ROLE OF ZAKAT IN BRIDGING THE WEALTH GAP

Mohammed Arshad Khan

Department of Applied Informatics, University of Finance and Administration Prague, Czech Republic

Abstract: This study investigates the influence of zakat empowerment initiatives on the wealth of zakat beneficiaries (Zakirs), focusing on business growth as a mediator variable. The data from 186 Indian zakat foundations involved in various empowerment programs are analyzed using Partial Least Square Structural Equation Modelling (PLS-SEM). Results indicate that zakat empowerment significantly increases Zakirs' wealth and contributes subsequently to their business growth. Furthermore, we observe that Zakir wealth and business assistance positively impact company growth, rendering them critical mediating variables. This study also examines the impact of internal and external factors, such as GRDP, age, inflation, and educational attainment, on the generation of Zakirs' wealth. Our findings support the substantial role of zakat empowerment programs in bolstering Zakirs' wealth and suggest their potential for reducing poverty and inequality in India.

Keywords: Zakat, poverty alleviation, zakat empowerment initiatives, business growth, Zakir wealth, PLS-SEM, zakat foundations, poverty reduction, inequality, India.

1. Introduction

Definition: Muslims who are Sahib-e-Nisab, which means they have a certain amount of money, they are required to pay Zakat (Fard) each year from their capital or savings, which includes farm produce, animals, business activity, paper currency, and precious metals such as gold and silver [1].

Muslims are encouraged to live their lives according to the teachings of Islam, which covers every facet of human existence. As a result, when adequately and honestly applied, Islam offers solutions to all of humanity's issues, no matter when they arise. It is based on the five pillars of "Shahadah, Salat, Zakat, Saum, and Hajj". As previously stated, the main objective of this study is to provide an in-depth analysis of Islam's third pillar, "Zakat," with a focus on how it might help alleviate poverty [2]. We must first understand what Zakat is. Zakat is a type of religious practice that involves giving away money. Whenever a Muslim's income exceeds a certain level (known as "nisab"), he or she is expected to contribute a percentage of his or her earnings to the impoverished and needy (2.5 percent of monetary wealth and 40th part of gold and silver wealth). For Islam, this is referred to as Zakat, or compulsory charity [3]. It is a compulsory act of charity for all Muslims who have the financial means to perform it. In the second year of the Hijra calendar, the Holy Qur'an directed Muslims to do so. Allah (SWT) says in the Holy Qur'an: "And establish regular Prayer and give Zakat, and bow down your heads with those who bow down (in Prayer)". (2:43). Cleaning and purifying are the root words of "Zakah," the Arabic term that gives

rise to the English word "Zakat." It cleanses the payers of their selfishness and greed, while simultaneously safeguarding future business. Additionally, it purifies the beneficiaries by sparing them the disgrace of begging and preventing them from feeling envious of the wealthy. Those who contribute to Zakat are doing so as a form of worship, while those who receive it are not obligated to do anything in return. To the poor, it provides a psychological boost by providing them with a tangible benefit and a sense of contentment. As a result, Zakat cleanses both the givers and the receivers of Zakat by purifying their hearts, minds and money [4].

Indeed, Zakat is not a kind of charity but the poor's claim to the rich's riches. Every wealthy Muslim is obligated to pay Zakat at the stipulated rate or face penalty in this world and the hereafter. In the Holy Qur'an, Allah (SWT) states: "And there are those who bury gold and silver and spend it not in the way of Allah: announce unto them a most grievous punishment" (9:34). In this regard, the Prophet (SAW) stated:

"Whoever owns camels, cattle, or goats and does not pay the Zakat due on his wealth (Zakat)", On the Day of Judgment, the animals he possesses will appear bigger than they were when they were on earth, trample him underfoot, and gore him with their horns until the judgment of all humanity has been carried out. Hazrat Abu Bakr (RA), Islam's first Caliph declared war on Muslims who refused to pay the charity tax, known as Zakat, indicating that the state had the authority to enact legislation that includes provisions for imprisoning, penalizing, and seizing the property of defaulters. This demonstrates unequivocally that the Islamic state has the authority to compel wealthy Muslims to pay Zakat. According to the Prophet (SAW), administrators were to collect Zakat from the wealthy and give it to the poor and needy members of society [5].

Calculation of Zakat: Zakat is not a tax in the truest meaning of the word. Except for the individual's own conscience, no one else has the authority to impose it. According to Islamic law, a person is expected to pay Zakat, a tax of 2.5%, if he or she has a minimum amount of wealth for a whole Islamic year. The bare minimum is known as 'Nisab' [6].

The Zakat fund: The Zakat fund: Zakat is obligatory for any Muslim, with a few exceptions, who has money in excess of a specific threshold (Nisab). Any Muslim can figure out how much Zakat he or she owes and pay it to the rightful recipients. The calculation and payment of Zakat is a time-consuming task nowadays, especially for the wealthy, which is scarce in today's world. Creating a centralised Zakat Fund can greatly alleviate this issue and ensure that the goal is met to the fullest satisfaction [7]. It will have many advantages:

- Zakat's technical and religious aspects will be handled by a separate agency.
- Zakat calculations, collection, maintenance, and distribution shall fall within the purview of this agency.
- It will benefit both the donor and the recipient of Zakat.
- Professional management of the Zakat fund will improve the efficiency of operations related to poverty alleviation through Zakat.

Zakat can be collected centrally and distributed locally through this Zakat Fund, or it can create local funds for collection and distribution on a local level.

As a religious responsibility, the wealthiest of a community are obligated to give their wealth to the needy, and the Zakat Fund is utilised solely for this purpose. The beneficiaries of this fund are the underprivileged. However, the emphasis should not just be on providing relief to the needy, but also on making every effort to help those people become self-sufficient. This is only possible if the assistance supplied is both monetary and in-kind, as well as accompanied by the necessary guidance and oversight [8].

Zakat ensures that the impoverished are given money. As a general rule, the poor should come from the same area, and if that isn't possible, they should be distributed to other nearby areas. This is an excellent method for

reducing poverty. Poverty alleviation can be achieved at the grassroots level if Zakat is collected and distributed at the local subdistrict level throughout the country. With this flow of wealth from the rich to the poor, each area, district, state, country, and the world may become self-sufficient [9].

Zakat has a variety of beneficial effects on society. To begin, it is for the benefit of those who are less fortunate in our society. Second, it is a favour from Allah (SWT) for both the giver and the receiver, since it contributes to the overall economic well-being of the nation. Third, it fosters the development of a humane community founded on humane ideas. As a final benefit, it reduces economic hardship for those who are less fortunate and reduces social disparity. In addition, it addresses the recipient's basic needs and alleviates his financial and psychological stress. As a result, societal tensions are lessened, and the wealth gap is narrowed, creating a sense of brotherhood and love [10]. This is how Zakat strengthens the community's social and economic well-being while also bringing its members closer together. It is, in fact, a win-win situation. All of today's economic woes, unemployment, and poverty would be alleviated, which in turn would reduce crime and frustration in society. To be clear, Islam's Zakat-paying capitalists are combating poverty, whereas Karl Marx's capitalists were profiting from interest, based on stealing, and causing issues for the poor.

2. Literature Review Role of economics of zakat and empowerment

One of the fundamentals of Islam is Zakat. It is the fundamental purpose of Zakat to reduce poverty by providing aid to those in need as well as minimizing the wealth disparity in society [11]. Analysis of Bantul's 2016 Zakat Community Development (ZCD) programme by [12] proves that zakat can be an important aspect of community empowerment. According to the findings, the empowerment of the zakat community could have a substantial economic impact on alleviating poverty and inequality in Indonesia. As a result, the number of productive zakat programme participants with incomes below the poverty line (the poor category) decreased from 244 to 168 after the programme was implemented, indicating that the programme was successful in lowering the number of poor individuals by 76. (5.34 percent). Bantul's productive zakat programme has also reduced the poverty gap among its participants. Before the programme, the poverty line was Rp 63,763, and the average income of beneficiaries was Rp 56,992. The disparity between the rich and the rest of the population has shrunk from 0.197 to 0.169. The impact of Zakat on poverty in Kerala is examined. It employs the Fuzzy Approach to estimate the effect of Zakat on poverty reduction using simulated data from Kerala household surveys between 2010 and 2015. The seven regions of Tunisia saw their poverty indices drop significantly as a result of the simulations. Zakat collection has an impact on the distribution of the Zakat, which has an impact on poverty reduction, according to Rini and colleagues [13].

Indians still use Zakat to fulfil their basic needs. Though Zakat distribution is expected to be turned into an economic form in the future. The quality of a company's workforce is also a factor in its success. According to Samad (2013) [14], the effectiveness of a company's operations is heavily influenced by the level of creativity and expertise of its employees. Human resources can be improved by giving them more power. According to Munjuri and K'Obonyo (2015) [15], empowering human resources has a significant impact on productivity, income, and operational efficiencies.

Zakat management

Planning, organising, executing, and controlling are all part of management, which aims to accomplish a specified goal. Organizational goals will be difficult to fulfil in the absence of sound management. Planning, organising, and [17] coordinating zakat management at the Zakat Institution is an important part of zakat management's role. Zakat management's objective is to ensure that zakat is delivered appropriately and professionally in order to

improve the recipient's quality of life [16]. Zakat management gives Zakir the financial freedom and social mobility he needs to achieve his full potential. Programs for empowerment are overseen by Zakat management to ensure their beneficiaries' well-being. There are two types of Zakat distribution: consumptive and productive. Zakat can be delivered successfully through zakat empowerment programs, which may include micro-enterprises and microbusinesses [18].

The concept of Zakir

There are two words in the name Mohammad Zakir: Mohammad and Zakir. Zakir, which means "Remembering, Grateful, Professional of reciting" in Arabic. As a result, Zakir are the desired outcomes of legalisation. According to Ibn Asyur [19], Shari' (Allah) desires certain things in order to accomplish positive human goals or to sustain the benefits of their unique activities [21]. According to Asafri (1996) [20], if the five primary elements are maintained, there will be positive results. The five primary aspects, religion, soul, ancestry, intellect, and wealth, in the opinion of Imam Syatibi, are all intertwined. Imam Syatibi classified the five primary ingredients into three levels of benefit in order to achieve and retain them: "daruriyat (primary), hajiyat (secondary), and tahsiniyat (tertiary)". Daruriyat's purpose is to preserve the five fundamental components and human existence. Hajiyat is intended to alleviate issues or improve the upkeep of the five primary parts. By contrast, tahsiniyat is intended to motivate humanity to strive for perfection in the upkeep of the five primary elements.

The impact of productive Zakat on Zakir wealth

Those who are unable to support themselves because of illness or poverty are eligible for Zakat, which can be paid out in cash to those in need. Those who need this kind of assistance are considered to be in poor health. It is also possible to provide Zakat in an indirect manner, for example, by providing able-bodied people with trade tools such as labour equipment, business capital, education, and other resources judged appropriate to their physical condition and ability [22].

It is necessary, moreover, to help the needy become self-sufficient by making full use of the zakat pay-out. To emphasize once again that productive distribution in the form of capital or other revenue-generating assets is only possible after basic needs are met.

Zakir's wealth has been the subject of several research looking at the effect of zakat empowerment. Sharofiddin [21] revealed that, at a significance level of 5 percent, zakat distribution considerably adds to social welfare through educational means. The CIBEST model, developed by Beik and Arsyianti [23], Using four indicators, this article investigates the role of productive-based zakat in DKI Jakarta and Bogor: wellbeing, materialistic poverty, religious poverty, and poverty levels. The study indicated that the Zakir's wellbeing index increased by 96.8% as a result of the zakat use scheme. The absolute and material poverty indexes can also be decreased by 30.15 and 91.30 percent, respectively. According to the spiritual poverty index, the number of spiritually impoverished households has increased unexpectedly. In spite of the fact that they are better off financially, these two zakat beneficiary families have seen their spiritual values decline. Empowerment programmes that distribute funds from BAZNAS of South Sumatra are examined. According to the findings, the income of zakat receivers in Palembang is significantly influenced by capital for productive zakat, the duration of the enterprise, and training. As demonstrates, Zakir wealth is positively impacted by the use of productive zakat on cattle business in Delhi. After engaging in a zakat empowerment programme, Zakir observed an increase in income and a higher ability to meet his basic necessities. Zakir's average business income rises when productive zakat (capital aid) is used. For particular, Wulansari and Setiawan [6] found that the zakat empowerment had a significant impact on the Zakir wealth.

The role of business support in affecting Zakir wealth

Ibrahim and Ghazali (2014) [25] propose that the effectiveness of productive zakat to achieve Zakir wealth can be increased by supervision and aid to the zakat recipient. Utilizing productive Zakat can help increase Zakir wealth by distributing zakat funds alongside coaching and mentorship. The goal of a productive Zakat programme is to change Zakir's perspective and teach him that Zakat isn't just for short-term consumption. The first step to a successful Zakat is to identify the right Zakir, provide them with the necessary training and support, and help them establish their mental and financial freedom. For examined the effectiveness of the productive zakat program's for business support, as well as the saving attitudes of Zakir and the well-being of these individuals. Zakir's well-being can be ensured with high-quality assistance. Business assistantship can have a positive impact on a successful Zakat programme in Delhi [26].

Personal factor, macroeconomic indicators, business development and Zakir welfare

Personal characteristics such as Zakir's age and educational attainment have a significant impact on the company's success. Human capital theory states that as people get older, their stock of human capital reduces, and as a result, their productivity declines [28]. Employees in the lifecycle model maximize their human capital over the course of their careers by choosing the optimal balance of employment and training or by switching between different professions that offer varying degrees of training and earnings [27]. As a result, Zakir's output will be directly impacted by his age, making it imperative that age be given careful consideration when building the company. In addition, the Zakir's educational background has an impact on his or her future powers. Individual productivity and income are directly influenced by education. When education, training, and development of human resources improves people's quality of life by increasing their productivity at work, this ensures an adequate income and improves their well-being. Entrepreneurs should be able to earn more money if they have more education, according to theory.

Economic stability and the price level are indicators of inflation, which is a macroeconomic variable. As the real worth of money decreases, goods and services become more expensive, and the amount of accessible output decreases as a result. Production costs will rise as raw materials and labour costs rise as a result of a rise in inflation. Rising production costs hurt manufacturers' bottom lines, while higher inflation dampens consumers' desire to spend more money and engage in more commercial activity. Moreover, economic progress can be gauged by looking at a country's national output or market size. An estimate of gross domestic product (GDP), which is a measure of how much the state produces in a given year period, is one way to look at it. The larger the GDP, the more disposable income people have, which in turn affects their spending habits and the profitability of businesses. A higher GDP indicates that a country's economic goals have been met and that the economic climate is favourable [29].

Several studies examine how Zakir's well-being is affected by economic progress. Development of Zakir enterprises, according to Cahyadi [30], greatly affects the well-being of the Zakir population. There's a chance that increasing firm revenues, turnover, and profits will affect Zakir's financial situation.

Tanjung [31] also shows a strong association between company development and welfare, which suggests a significant positive influence. When operational revenue has a beneficial impact on welfare, its size rises.

3. Hypotheses development

From Figure 1. the hypothesis in this study is as follow.

H1: Zakat empowering schemes show positively relationship the wealth of Zakir.

H2: Zakat empowering schemes show positively relation with wealth of Zakir and Business enhancement.

H3: Business support show positively effect on the wealth of Zakir.

H4: Business support positively influence the Business enhancement of wealth of Zakir.

H5: Age show significant relationship with the Business enhancement of Zakir. H6: Education show significant relationship with the Business enhancement of Zakir H7: Higher inflation will possibly decrease the Business enhancement of Zakir.

H8: Higher GDP will positively increase the Business enhancement of Zakir.

H9: The Business enhancement positively influence the welfare of Zakir.

H10: Zakat empowering schemes positively influence the Business enhancement.

H11: Business support positively influence the Business enhancement.

H12: Business enhancement show mediating effect on age and wealth of Zakir

H13: Business enhancement show mediating effect on education and wealth of Zakir H14: Business enhancement show mediating effect on inflation and wealth of Zakir H15: Business enhancement show mediating effect on GDP and wealth of Zakir.

4. Methodology

Quantitative research employing Structural Equation Modeling is the focus of this work (SEM). Data interpretation, model fit assessment, and testing of a combined structural model are all done using SEM (Chin, 1998). It is used to develop and test statistical models based on cause and effect relationships. SEM is a type of statistical analysis. SEM analysis, in addition to factor analysis, route analysis, and regression, integrates a variety of other analytical techniques. Two of the most often used SEM techniques are partial least squares (PLS-SEM) and covariance-based strategies (CB-SEM). Statistical assumptions and statistical fit characteristics account for the discrepancies. CB-SEM is a great choice when the study's objective is to test or corroborate an established idea. PLSSEM, on the other hand, is a method that can be used in situations where the distributional assumptions of CB-SEM are violated. The goal of this study is to make predictions based on a theory that is still in its infancy (Hair et al [32]. As a result, PLS-SEM is preferred for this study since it focuses on predicting a less defined concept of productive zakat. The method's applicability can be broken down into two categories: external and internal model analysis. For external model validation, this model requires a construct validity test and a composite reliability test. There will be an adjustment to the R2 and a path coefficient analysis as part of this research project. The SMART PLS3 is being used to analyse data in this investigation.

An in-depth interview with 200 Zakir foundation participants, as well as data collected through Focus Group Discussion (FGD) and questionnaires sent out to representatives of different Indian zakat institutions, were all used to build the model. The goal of the FGD is to gather a number of indicators and variables that may have an impact on Zakir's well-being. In addition, this FGD serves as a data collection and brainstorming session for the model. Academics, zakat representatives (Dompot Dhuafa, Yatim Mandiri, Nurul Hayat, Inisiatif Zakat Indonesia) [33], and zakat association experts are all invited to participate in this FGD (Forum Zakat). In-depth interviews with professionals and academics, as well as confirmation from prior studies, are used to validate these indicators and variables.

Zakir wealth must have received a zakat productive empowerment programme from an Indian zakat institution for at least nine months, (2) the zakat foundation must be operating a business, and (3) Zakir wealth must maintain an accounting record of their commercial activities (at least income and expenses records). Data was gathered in two distinct periods of time. The first term spanned from March to July of 2021, and the second from January to

March of the following year. Health protocols are followed by the government and the ministry of health in the data collection process. In the study of zakat, for example, the PLS SEM approach is a useful statistical tool [34].

5. Result Analysis

It is comprised of 25 questions. The portion dealt with the eight categories: Zakat empowering schemes, Business assistance, Age belongs, Educational background, GDP indicator, Inflation variable, Zakir wealth, Business enhancement. The data from respondents was analysed using a rating scale summation approach. It was done on a “five-point scale,” with "Strongly Disagree (1)" being the lowest and "Strongly Agree (5)" being the most.

For a total of 200 responses, only 186 were chosen for the study to facilitate data processing. For the purpose of performing an analysis of the data in terms of quantitative measures. SPSS (Version 24) and Smart PLS 3 Software were used. This section undermines the study's findings and results.

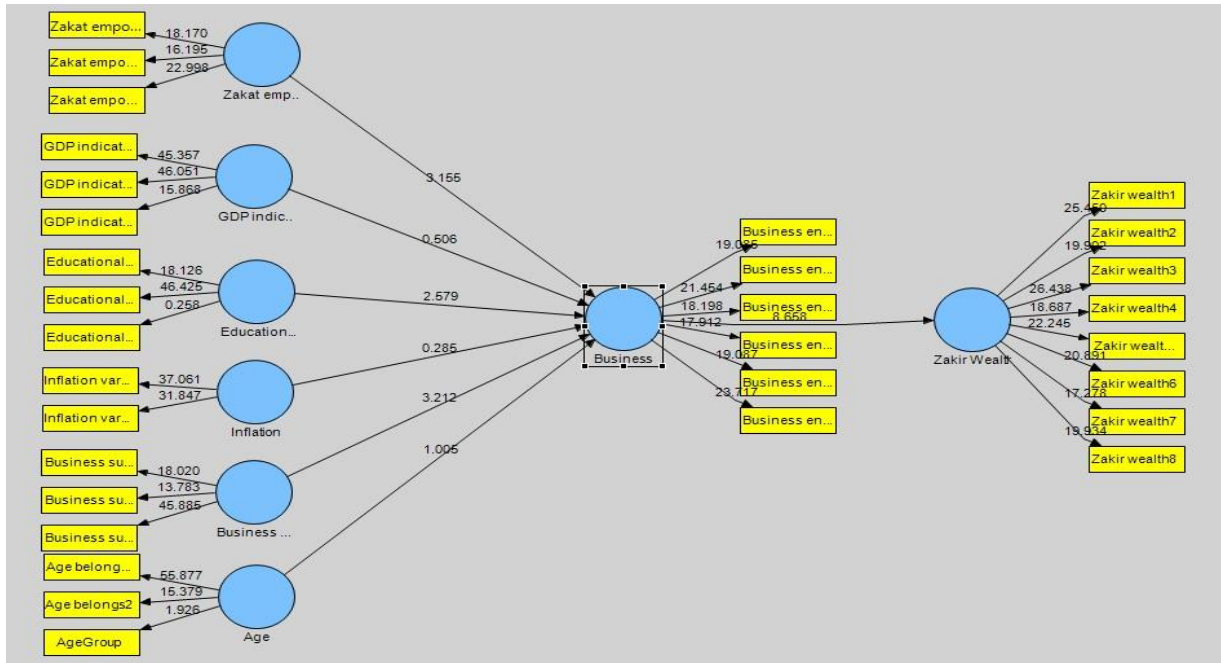


Figure-1: Structural Equation Model (SEM)

A construct validity test, a composite reliability test, a path coefficient, and an adjusted R2 analysis are all part of the measurement evaluation.

Table-1: Average Variance Extracted (AVE)

S.no	Variables	Average Variance Extracted (AVE)	Result
1	Zakat empowering schemes	0.64	True
2	Business assistance	0.71	True
3	Age belongs	1.0	True
4	Educational background	1.0	True
5	GDP indicator	1.0	True
6	Inflation variable	1.0	True
7	Zakir wealth	0.73	True
8	Business enhancement	0.74	True

If the average variance extracted (AVE) value is greater than 5%, the construct is said to have good construct validity [35]. Table 1 contains the findings of the construct validity test.

Table-2: Cronbach’s alpha and Composite Reliability

S.no	Variables	Cronbach’s Alpha	Composite Reliability	Result
1	Zakat empowering schemes	0.89	0.91	True
2	Business assistance	0.81	0.90	True
3	Age belongs	1.0	1.0	True
4	Educational background	1.0	1.0	True
5	GDP indicator	1.0	1.0	True
6	Inflation variable	1.0	1.0	True
7	Zakir wealth	0.84	0.93	True
8	Business enhancement	0.87	0.92	True

Cronbach's alpha and composite reliability values are used in the reliability test. A construct is considered dependable if its Cronbach's alpha value exceeds 0.6 and its Composite reliability value exceeds 0.7. Composite reliability quantifies the real reliability of a variable, whereas Cronbach's alpha quantifies the variable's lowest level of reliability, such that the Composite reliability value is always greater than the Cronbach's alpha value [36]. Cronbach's alpha and Composite reliability tests are shown in Table 2 for each variable

Table-3: Path coefficient results

S.no	Relationship	Sample value	t-value	p-value	Result
H01	Zakat empowering schemes → Zakir wealth	0.431	8.65	0.01	Supported
H02	Zakat empowering schemes → Business enhancement → Zakir wealth	0.65	2.43	0.022	Supported
H03	Business support → Zakir wealth	0.32	2.09	0.03	Supported
H04	Business support → Business enhancement → Zakir wealth	0.37	2.71	0.01	Supported
H05	Age belongs → Business enhancement	0.311	1.05	0.07	Not Supported
H06	Educational background → Business enhancement	0.598	2.56	0.034	Supported
H07	Inflation variable → Business enhancement	0.06	0.28	0.08	Not Supported
H08	GDP → Business enhancement	0.21	0.50	0.13	Not Supported
H09	Business enhancement → Zakir wealth	0.46	2.71	0.031	Supported
H10	Zakat empowering schemes → Business enhancement	0.511	3.14	0.01	Supported
H11	Business support → Business enhancement	0.721	3.21	0.018	Supported
H12	Age belongs → Business enhancement →	0.09	1.02	0.09	Not Supported

	Zakir wealth				
H13	Educational background → Business enhancement→ Zakir wealth	0.29	0.87	0.075	Not Supported
H14	Inflation variable → Business enhancement→ Zakir wealth	0.41	0.54	0.081	Not Supported
H15	GDP → Business enhancement→ Zakir wealth	0.04	1.23	0.10	Not Supported

If the t-statistics value of the measured items is greater than 1.96 and the p-value is less than 0.05 at a 5% significance threshold, the data processing in Partial Least Square Analysis is considered significant. The parameter coefficient concurrently displays the direction of effect and the magnitude of the impact of exogenous variables on endogenous variables by examining at positive or negative original data set [37]. To get the t-value, statistic's look at the path coefficient table shown above.

Zakat Empowerment to Zakir Wealth has a t-value of 8.65, which is more than 1.96 based on the data in Table 3. This supports the first hypothesis that Productive Zakat has a favourable effect on Zakir wealth. Zakir welfare and zakat empowerment have been found to have a beneficial link in various research, including [38].

The Zakat Empowerment to Business enhancement has a t-value of 2.43, which is higher than the baseline value of 1.96. This supports the second premise that Zakir's business is being impacted by the zakat empowerment, as evidenced by the results of this study.

Business support for Zakir wealth has a t-value of 2.81, which is higher than the expected t-value of 1.96. This supports the third premise that the Business support program has a major impact on the wealth of Zakir.

Business support for Zakir wealth has a t-value of 2.71, which is higher than 1.96. According to this, the Business Support Program has a good impact on the growth of Zakir's business, which supports Hypothesis fourth. This research corroborates Bonandar's [39] findings that mentorship has a beneficial effect on Zakir's income, wealth, and education.

Tests for the fifth, seventh, and eighth hypotheses don't show that they are true. People's age as a proxy for their own traits and inflation and GDP as a proxy for outside or macroeconomic indicators don't play a big role in how Zakir's business grows. Compare this to t-values of higher than 1.96 for Education Level to Business Enhancement and the hypothesis is accepted. There is a strong correlation between education and business enhancement. However, an intriguing conclusion comes from the positive beta coefficient associated with education level. This shows that higher degree of education will be addressed by higher Business enhancement. Zakir's higher education level is likely to foster improved business performance, implying that Zakir would be able to create a greater revenue.

The business addition to Zakir's wealth has a t-value greater than 1.96, indicating that it accepts the ninth hypothesis. This conclusion corroborates the findings, who discovered a favourable correlation between business growth and welfare. It also mediates the connection between educational degree and Zakir wealth, according to the proposed model.

6. Managerial implications

According to this study, business help can have a positive impact on Zakir's well-being through enhancing his business. Zakir will be more motivated to run the business more efficiently if he gets help from the business. Additionally, the result demonstrates the critical nature of Zakir's educational background in growing his firm. As a result, the management has to pay more attention to Zakir's education.

7. Conclusion

This study demonstrates the critical role of Zakat empowerment programs in growing Zakir wealth, and also helpful in Business enhancement. Additionally, Business support has a good effect on Business enhancement and has positive effect on Zakir's wealth. As a mediating variable, business growth has a favourable effect on Zakir's wellbeing. Another possible explanation for the lack of impact of zakat empowerment programs and business support on zakir wealth is the Covid-19 Pandemic breakout. Business growth is affected by personal factor such as education but not effected by the age consideration. In Zakir's opinion, the ageing population has less of an impact on corporate growth other factors, such as empowerment initiatives that help people obtain experience and new abilities. They obtain additional talents to develop the business because they cannot afford a higher education. Macroeconomic factors like as GDP and inflation also have no varying effects on Zakir wealth's and business support. The persistent instability of inflation and GDP its downward tendency is not viewed as decisive factors affecting business. The expansion of the economy will inspire people to earn more money, hence altering spending patterns and corporate earnings.

8. Limitation and Study forward

This study's breadth is limited by the fact that it was conducted just in one of India's provinces. Because of the enormous potential for collecting zakat in East India and Delhi, this study has been deemed competent of exhibiting India's administration of zakat empowerment. Additionally, this paper used a PLS-SEM technique to evaluate the association between variables. The scope of zakat institutions can be broadened or nationalised in future study. In addition, it is feasible to examine the relationship between variables in a more thorough manner. The amount of money donated to the Zakir riches and the qualities of the Zakir can be introduced for further research to determine the level of well-being.

Financial markets, the Industrial Production Index (IPI), and other macroeconomic indicators can all be used as proxies to gauge the state of the economy. It'd be interesting to see how Zakir's wealth and well-being are linked to other demographic factors like gender. The outbreak of covid-19 is anticipated to have a negative impact on this research area. Real economic activities are a part of the Zakat productive and Zakat empowering schemes. Consequently, a policy of large-scale social constraints will impede corporate operations and diminish the predicted profitability of the business.

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