

**THE CRITICAL SUCCESS FACTORS OF MOBILE
ENTREPRENEUR PROGRAMME BY LEMBAGA
ZAKAT SELANGOR**

NURBANI BINTI MD HASSAN

UNIVERSITI SAINS MALAYSIA

2021

**THE CRITICAL SUCCESS FACTORS OF MOBILE
ENTREPRENEUR PROGRAMME BY LEMBAGA
ZAKAT SELANGOR**

by

NURBANI BINTI MD HASSAN

**Thesis submitted in fulfilment of the requirements
for the degree of
Doctor of Philosophy**

November 2021

This thesis is dedicated to my beloved sister, Nuraida Binti Md. Hassan

22nd November 1979 - 25th March 2020

ACKNOWLEDGEMENT

Alhamdulillah, first and foremost, I would like to thank Allah Almighty for giving me the strength, physical and mental, opportunities, knowledge, and ability to undertake this thesis and complete it. Greetings and invocations are presented to the Prophet Mohammad SAW (PBUH) for leading humankind in the right direction. I want to express my sincere gratitude to my main supervisor, Dr. Mohamad Shaharudin Samsurijan, and my co-supervisors, Dr. Zahri Hamat and Dr. Maslina Mohammed Shaed for the continuous support, motivation, patience, and immense knowledge throughout my research journey. I am deeply thankful to Associate Professor Dr. Abd. Halim Mohd Noor, Director of Zakat Research Institute, UiTM Melaka, for his input and advice towards completing my thesis. A special appreciation and gratitude to all the informants of this research, particularly to the management team of Teraju Ekonomi Asnaf Sdn. Bhd., led by Puan Fasidah Mat Radzi, the Project Manager of Entrepreneur Development Centre, for an interview and the informants from the mobile entrepreneur programme who have participated in this research. I am incredibly grateful to my mother, Hajjah Zainab Alias, for her endless love, prayers, *dua*, and sacrifices to complete my thesis. Also, I express my thanks to my brother and sisters, especially my little sister, Nuralisa Md Hassan, for all the help I have received in completing this thesis. I would like to thank my best friend, Dr. Noor Ashikin Mohd Rom, from Multimedia University, Cyberjaya, for continuously reminding me to complete my thesis. Finally, my thanks go to all the people who have helped me complete the thesis, either directly or indirectly.

TABLE OF CONTENTS

ACKNOWLEDGEMENT	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ABBREVIATIONS	xi
LIST OF APPENDICES	xii
ABSTRAK	xiii
ABSTRACT	xiv
CHAPTER 1 INTRODUCTION	1
1.1 Background of Study.....	2
1.2 Problem Statements.....	6
1.3 Research Questions	8
1.4 Research Objectives	9
1.5 Operational Definitions	9
1.5.1 Critical Success Factors	9
1.5.2 <i>Asnaf</i> Entrepreneur.....	10
1.5.3 Mobile Entrepreneur	11
1.5.4 Zakat Institutions.....	12
1.6 Scope and Limitations of The Research.....	14
1.7 Significance of the research	15
1.8 Structure of The Thesis	15
CHAPTER 2 LITERATURE REVIEW	17
2.1 Introduction	17
2.2 Overview of The Concept of Development	17
2.2.1 The Concept of Economic Development	19

2.2.2	The Concept of Human and Social Development.....	20
2.2.3	The Concept of Sustainable Development.....	23
2.3	Development Concept from The Islamic Perspective.....	25
2.4	Poverty Management Approach.....	27
2.4.1	Conventional Approach in Poverty Management.....	28
2.4.1(a)	Microfinance Programme as Tool to Eradicate Poverty.....	30
2.4.1(b)	Micro franchise Programme as Development Aid	31
2.4.2	Islamic Approach in Poverty Management.....	33
2.4.2(a)	<i>Zakat</i> as a Tool for Poverty Management.....	34
2.4.2(b)	Productive <i>Zakat</i> Distribution via Capital Assistance Programme.....	36
2.4.2(c)	Poverty Eradication Programme by <i>Zakat</i> Institutions	41
2.4.2(d)	Factors Contribute to The Successful Implementation of A Programme	47
2.4.2(e)	Challenges in Capital Assistance Program.....	54
2.5	The Definitions and Concept of Critical Success Factors (CSFs).....	58
2.5.1	Success Factors for Capital Assistance Programmes.....	62
2.5.2	Methods of Identification of Critical Success Factors (CSFs).....	68
2.6	Mobile Entrepreneur Program as a tool for Poverty Eradication.....	72
2.7	Capability Theory in Poverty Management	74
2.8	Conceptual Framework	77
2.9	Conclusion.....	80
CHAPTER 3 METHODOLOGY.....		81
3.1	Introduction	81
3.2	Research Design.....	82
3.3	Data Collection Method	85
3.3.1	Collection of Primary Data	85

3.3.1(a)	Informants: Officers in charge of MEP	86
3.3.1(b)	Informants: Participants from MEP.....	87
3.3.1(c)	Interviews	90
3.3.1(d)	Interview Guide	94
3.3.2	Sampling Technique and Sample Size.....	95
3.3.3	Collection of Secondary Data	98
3.4	Qualitative Data Analysis.....	98
3.4.1	Transcribing and translating the interview texts	100
3.4.2	Coding	101
3.4.3	Classification of themes and description.....	103
3.4.4	Data Interpretation & Validity	103
3.5	Research Constraints	103
3.5.1	Time Frame	104
3.5.2	Access to the Informants	104
3.5.3	Novice researcher.....	104
3.5.4	Scope of Discussion	104
3.6	Research Ethics	105
3.7	Conclusion.....	106
CHAPTER 4 IMPLEMENTATION OF MOBILE ENTREPRENEUR PROGRAMME		107
4.1	Introduction	107
4.2	Implementation Approach.....	108
4.2.1.	Achievement of Program Objectives	109
4.2.1(a)	Clarity of Programme Objectives and Policies.....	109
4.2.2	Process Activities	113
4.2.2(a)	Screening of Application	114
4.2.2(b)	Assessment for the eligibility criteria	115
4.2.2(c)	Compulsory Terms and Requirements	117

4.2.2(d)	Approval Turnaround Time.....	119
4.2.3	The commitment of the Programme Participants.....	120
4.2.3(a)	Forced Savings Approach.....	120
4.2.4	The commitment of implementing officials and organization.....	122
4.2.4(a)	Periodic Monitoring & Supervision.....	123
4.2.5	Networking.....	123
4.2.5(a)	Marketing and Product Development Support	124
4.2.6	Providing Facilities	125
4.2.6(a)	Business and Entrepreneurship Training.....	125
4.2.7	Stable Funding.....	126
4.2.7(a)	Financial Resources.....	127
4.3	Implementation Outcome.....	128
4.3.1	Improve Quality of Life and Economy	129
4.3.1(a)	Transformation of <i>Asnaf</i>	129
4.3.1(b)	Income Generating Programme.....	131
4.4	Conclusion.....	134
CHAPTER 5 CRITICAL SUCCESS FACTORS OF MOBILE ENTREPRENEUR PROGRAMME		135
5.1	Introduction.....	135
5.2	Critical Success Factors	135
5.2.1	Individual and Personal Traits Factors.....	136
5.2.1(a)	Attitude and Dignity	137
5.2.1(b)	Religious Values and Practices.....	139
5.2.2	External Factor	140
5.2.2(a)	Strategic and Good Location	141
5.2.3	Products and Services Factor	142
5.2.3(a)	Selling Quality and Own Made Product.....	142
5.2.4	Management and Financial Skills Factor.....	143

5.2.4(a)	Good Costing Skills.....	143
5.2.4(b)	Managing Preferences and Priorities.....	145
5.2.4(c)	Maintaining Proper Accounting Record.....	147
5.2.5	Marketing Factor.....	148
5.2.5(a)	Promoting Products via Online and Offline Platform	148
5.2.6	Institutional Support Factor.....	150
5.2.6(a)	Availability of Financial Aid for Family Members.....	150
5.3	Conclusion.....	152
CHAPTER 6 ISSUES AND CHALLENGES EXPERIENCED BY LZS AND THE PARTICIPANTS OF MEP		153
6.1	Introduction.....	153
6.2	Institutional Challenges.....	154
6.2.1	Administration and Operational Issue.....	154
6.2.1(a)	Fear to Disclose Actual Income.....	154
6.2.1(b)	Duplication of Facility granted.....	155
6.2.1(c)	Bureaucracy and Red-tapes	156
6.2.2	Human Resource Issue.....	157
6.2.2(a)	Lack of Experienced Staff.....	157
6.2.3	Participants' Attitude Issues.....	159
6.2.3(a)	Participants' Negative Attitude.....	159
6.3	Participants' Challenges.....	160
6.3.1	Operational Issues	160
6.3.1(a)	Poor Quality of Lorry Received	160
6.3.1(b)	Summons Received from City Council.....	162
6.3.1(c)	High Cost of Raw Material.....	163
6.3.2	Demographic Issue.....	164
6.3.2(a)	Age and Health Factors	164

6.3.3	Fear Issue.....	165
	6.3.3(a) Fear to Become Independent	166
6.3.4	Dissatisfaction Issue.....	167
	6.3.4(a) Insufficient Staff to monitor participants.....	167
6.4	Conclusion.....	168
CHAPTER 7 DISCUSSIONS AND CONCLUSION		169
7.1	Introduction	169
7.2	Review of the findings: First Research Objective and Question.....	169
7.3	Review of Findings: Second Research Objective and Question	173
7.4	Review of Findings: Third Research Objective and Question.....	176
7.5	The Implication of the research.....	179
	7.5.1 Theoretical Implication	179
	7.5.2 Managerial Implication	180
	7.5.3 Practical Implication	181
	7.5.4 Community Impact Implication	182
7.6	Recommendations for LZS and Programme Participants	183
	7.6.1 Improve turnaround time and bureaucracies.....	183
	7.6.2 Recruit experienced staff part-time or full-time basis.....	184
	7.6.3 Collaborations with other agencies	184
	7.6.4 Preparation to leave the <i>Asnaf</i> group.....	185
7.7	Recommendations for Future Research	185
	7.7.1 Quantitative and qualitative assessment of a programme	185
	7.7.2 Test the model.....	186
	7.7.3 The broader scope of research.....	186
7.8	Concluding Remarks	187
REFERENCES.....		188
APPENDICES		

LIST OF TABLES

	Page
Table 1.1	Zakat Distribution for Economic Development Programmes.....3
Table 2.1	Amount of Capital Assistance Received by Poor & Needy <i>Asnaf</i>40
Table 2.2	Successful Factors of Programme Implementation.....53
Table 2.3	The Definitions of the CSFs.....61
Table 2.4	Methods for Identification of Critical Success Factors.....71
Table 2.5	Mobile-based Programme by LZS and other government agencies ..73
Table 3.1	Types of Case Study Method.....84
Table 3.2	List of Officers Selected as Informants.....86
Table 3.3	List of Informants – The <i>Asnaf</i> entrepreneur participated in MEP....87
Table 3.4	Calculation of <i>Had Kifayah</i> for <i>Asnaf</i>89
Table 3.5	Determination of Poor and Needy Based on Had Kifayah89
Table 3.6	The duration of interview and number of pages transcribed..... 101
Table 4.1	Sub-themes and main themes..... 108
Table 5.1	Sub-themes and main themes..... 136
Table 6.1	Sub-themes and main themes..... 153

LIST OF FIGURES

	Page
Figure 1.1	Roles of TERAS..... 14
Figure 2.1	Poverty Eradication Programme for Productive <i>Asnaf</i>45
Figure 2.2	A System View of a Programme Environment.....48
Figure 2.3	Output of <i>Zakat</i> Management49
Figure 2.4	<i>Zakat</i> Index of A Programme.....50
Figure 2.5	Sources of Critical Success Factors59
Figure 2.6	Success Factors by Categories68
Figure 2.7	Capability Theory..... 76
Figure 2.8	Conceptual Framework79
Figure 3.1	Research Design.....82
Figure 3.2	Phases of Interviews.....94
Figure 3.3	View of the Atlas.ti interface99
Figure 3.4	Lists of codes assigned in Atlas.ti..... 102
Figure 4.1	Programme Objectives for MEP 113
Figure 4.2	Implementation of MEP process workflow 133
Figure 7.1	Theoretical Model of Programme Implementation..... 172
Figure 7.2	CSFs of Mobile Entrepreneur Programme..... 175
Figure 7.3	Challenges experienced by LZS and the participants 179

LIST OF ABBREVIATIONS

AIM	Amanah Ikhtiar Malaysia
CSFs	Critical Success Factors
EDC	Entrepreneurship Development Centre
HDI	Human Development Index
IMFIs	Islamic Microfinance Institutions
LZS	Lembaga Zakat Selangor
MARA	Majlis Amanah Rakyat
MARDI	Malaysian Agricultural Research and Development Institute
MAWIP	Majlis Agama Islam Wilayah Persekutuan
MEP	Mobile Entrepreneur Programme
MPI	Multidimensional Poverty Index
PLI	Poverty Line Index
PPZ	Pusat Pengurusan Zakat
SDGs	Sustainable Development Goals
SIRIM	Standard and Industrial Research Institute of Malaysia
TERAS	Teraju Ekonomi Asnaf Sdn. Bhd.
UN	United Nations
UNDP	United Nations Development Programme

LIST OF APPENDICES

APPENDIX A	PROFILE OF MEP'S PARTICIPANTS
APPENDIX B	INTERVIEW QUESTIONS – MANAGEMENT TEAM
APPENDIX C	INTERVIEW QUESTIONS – ASNAF ENTREPRENEUR
APPENDIX D	APPLICATION FORM
APPENDIX E	APPLICATION CHECKLIST FORM

FAKTOR-FAKTOR KEJAYAAN KRITIKAL PROGRAM USAHAWAN BERGERAK OLEH LEMBAGA ZAKAT SELANGOR

ABSTRAK

Masalah kemiskinan bukanlah suatu asing dalam sesebuah negara. Malaysia merupakan negara yang komited dalam usaha untuk membasmi kemiskinan dalam strategi pembangunannya. Terdapat banyak program pembasmian kemiskinan diwujudkan dan dipertanggungjawabkan kepada Kementerian dan Agensi Kerajaan termasuk Institusi Zakat. Lembaga Zakat Selangor (LZS) melalui anak syarikatnya, Teraju Ekonomi Asnaf Sdn. Bhd. (TERAS) telah melaksanakan Program Usahawan Asnaf Bergerak (MEP) sebagai sebahagian daripada program yang berjaya membasmi kemiskinan untuk golongan Asnaf. Namun begitu, proses pelaksanaan program ini hampir tidak dibincangkan, dan faktor kejayaan masih kurang diterokai dan ditentukan. Terdapat tiga (3) objektif dalam kajian ini iaitu untuk menilai proses pelaksanaan Program Usahawan Asnaf Bergerak, mengkaji faktor-faktor kritikal (CSF) yang menyumbang kepada kejayaan usahawan Asnaf di dalam program ini dan juga menyiasat isu atau cabaran yang dialami oleh LZS dan usahawan Asnaf. Kajian ini menggunakan pendekatan kualitatif. Seramai sembilan belas (19) informan telah terlibat dalam kajian ini. Hasil kajian mendedahkan bahawa pendekatan pelaksanaan yang digunapakai oleh TERAS telah memberi impak yang ketara kepada kejayaan program. Selain itu, pengenalpastian CSF mendapati bahawa kemahiran pengurusan dan kewangan adalah faktor paling kritikal kepada kejayaan perniagaan usahawan Asnaf. Cabaran MEP yang dialami oleh LZS lebih kepada isu pentadbiran dan operasi, sumber manusia dan sikap. Bagi usahawan Asnaf pula, isu operasi, demografi, kekusaran dan ketidakpuasan hati menjadi cabaran mereka.

THE CRITICAL SUCCESS FACTORS OF MOBILE ENTREPRENEUR PROGRAMME BY LEMBAGA ZAKAT SELANGOR

ABSTRACT

Poverty is a problem that practically affects all countries. Malaysia is a country that is committed to eradicating poverty in its development strategy. There are a lot of programmes created by relevant authorities in eradicating poverty and the responsibilities to eradicate poverty have been tasked to Ministries, Government Agencies, including Zakat Institutions. Lembaga Zakat Selangor (LZS) through its subsidiary, Teraju Ekonomi Asnaf Sdn. Bhd. (TERAS) has implemented a successful poverty eradication programme for the *Asnaf*, namely Mobile Entrepreneur Programme (MEP). Nevertheless, the programme's implementation process was hardly discussed, and the success factors remained unexplored and undetermined. There are three (3) objectives in this study, such as evaluating the implementation process of MEP, examining the critical factors (CSFs) contributing to the *Asnaf* entrepreneurs' success, and investigating the issues or challenges experienced by LZS and *Asnaf* entrepreneurs in this programme. This study employs a qualitative approach. A total of nineteen (19) informants were involved in this study. The results revealed that the implementation approach of MEP adopted by TERAS has significantly impacted the programme's success. In addition, the identification of CSFs found that management and financial skills are the most critical factors to the business' success. The challenges of the MEP experienced by LZS were more towards the administration and operational issues, human resources and attitude. As for the *Asnaf* entrepreneur, operational, demographic, fear and dissatisfaction issues were their challenges.

CHAPTER 1

INTRODUCTION

The phenomenon of rapid globalization challenges the survival of low incomes and poor communities to survive and move forward. The poor people, especially those living in absolute poverty, will require government interventions to help them have a better quality of life and ensure that they can stand tall to face all the hardships. The government remains committed to eradicating poverty in its development strategy. As a result, numerous poverty eradication programmes exist in several ministries and government agencies, including the Zakat Institutions, responsible for implementing economics, socials, and human development programmes for *Asnaf*. The role of Zakat Institutions is not only to eradicate poverty among the *Asnaf* but also to train and develop them as an entrepreneur through its productive *Zakat* distribution (Mohd Abd Wahab Fatoni Mohd Balwi & Adibah Hasanah Abd Halim, 2008; Muhammad Firdaus Suhaimi et al., 2021; Nurmaizura Marzuki & Hairunnizam Wahid, 2017).

Lembaga Zakat Selangor (LZS) is one of Malaysia's most successful Zakat institutions in implementing economics programmes and transforming the *Asnaf* into an entrepreneur (Mohd Abd Wahab Fatoni Mohd Balwi & Adibah Hasanah Abd Halim, 2008; Muhammad Faris Zulkifli et al., 2021). The role of LZS in the development of entrepreneurs among the *Asnaf* is crucial as entrepreneurship plays a vital role in economic prosperity. In addition, Malaysia ranks 58th out of 137 countries in the Global Entrepreneurship Index (Kementerian Kewangan Malaysia, 2019). Therefore, the role of LZS contributes to the development of Malaysia as an entrepreneurial country.

In order to remain important to the rapid globalization climate, LZS, through its subsidiary, Teraju Ekonomi Asnaf Sdn. Bhd. (TERAS) has implemented Mobile Entrepreneur Programme (MEP), as part of the poverty eradication programme for the *Asnaf*. The MEP is designed to improve the stability of *Asnaf*'s socio-economic status and ensure that they can generate their income, escape the vicious cycle of deprivation, and ultimately become successful entrepreneurs. Since the inception of the programme, not much empirical research has been conducted to discuss its effectiveness, though the *Zakat* distributions in the form of capital assistance have proven to be effective in generating revenue and reducing poverty among *Asnaf* (Abdul Rahman Talib & Hasan Ahmad, 2019; Muhammad Faris Zulkifli et al., 2021). Hence, it is crucial to explore how MEP can reduce poverty among *Asnaf* and the success factors associated with the programmes.

1.1 Background of Study

The rapid development and high living costs have left the government grappling with poverty and income inequality. However, the existence of Zakat Institutions in every state has reduced the government's burden in dealing with poverty issues, especially among Muslims. Currently, there are fourteen (14) Zakat Institutions in Malaysia, and Lembaga Zakat Selangor (LZS) has been recognized as the most established Zakat Institution which have structured entrepreneurial programme for the *Asnaf* (Mohd Abd Wahab Fatoni Mohd Balwi & Adibah Hasanah Abd Halim, 2008). Therefore, the role of Zakat Institutions is to provide the Muslim poor or *Asnaf* with the necessary assistance to ensure they can enjoy a better quality of life and increase their standard of living. The *Zakat* distribution has evolved over the years from self-sufficiency distribution to productive distribution, which focused on the well-being of

the recipients. The productive *Zakat* distributions in the form of capital, equipment, tools, and working capital is the type of assistance provided to *Asnaf* who want to become an entrepreneur. Table 1.1 which displays the amount of *zakat* distributed for the capital assistance programme, reflects the responsibility of LZS in developing the *Asnaf* as an entrepreneur.

Table 1.1 Zakat Distribution for Economic Development Programmes

Asnaf	Type of Assistance	2019	2018
Poor & Needy	Capital Assistance for Business	RM1.6 M	RM4.0 M
	Capital Assistance for Group Entrepreneur Projects (MEP, <i>Pasar Asnaf</i>)	RM3.2 M	RM3.8 M
<i>Muallaf</i> (The Converts)	Capital Assistance for Business	RM0.8 M	RM0.2 M

Source: Lembaga Zakat Selangor, (2019b)

According to the *Fatwa* on *Zakat* distribution in Selangor, which was approved in 1994, the capital assistance can only be distributed to three (3) categories of *Asnaf*: the poor, the needy, and the converts (Hamizul Abdul Hamid, 2013). To further develop the *Asnaf* from various aspects, LZS has developed a structured approach, namely The *Asnaf* Development Blueprint on 25th September 2019 (Lembaga Zakat Selangor, 2019b). This blueprint contained the strategies implemented by LZS, and one of the approaches is to produce a viable *Asnaf* entrepreneur. The blueprint was implemented to drive the *Asnaf* development programme towards creating a highly competitive *Asnaf*.

Economic Development Programme (EDP) by LZS provides capital and infrastructures to the *Asnaf* to become entrepreneurs. In this programme, *Asnaf* has the opportunity to venture into various fields of business such as retail, food and beverage, agriculture, livestock, and services (Hamizul Abdul Hamid, 2011). Over the

years, the number of *Asnaf* who received the capital assistance under EDP has increased, and they gradually adopted the entrepreneurial lifestyle and managed to break free from the vicious cycle of poverty (Hamizul Abdul Hamid, 2011; Isma Addi Jumbri & Mohamad Zahir Zainudin, 2011). As a result, it is worth noting that 3,372 *Asnaf* from poor and needy families are no longer in the *Asnaf* category (Lembaga Zakat Selangor, 2019b).

Mobile Entrepreneur Programme (MEP) is one of the programmes under EDP designed for the *Asnaf* who wanted to expand their business. To qualify under this programme, *Asnaf* must have an existing business. (Muhammad Anas Ibrahim, 2018). Under this programme, *Asnaf* will be equipped with a lorry vehicle complete with equipment, tools, and working capital to carry out their business activities (Mohd Abd Wahab Fatoni Mohd Balwi et al., 2008). MEP was first launched in 2007 as a pilot project (Lembaga Zakat Selangor, 2007). Nonetheless, due to various technical issues, such as poor quality of lorry, absence of detailed agreement between LZS and *Asnaf*, and insufficient monitoring, the programme was suspended and resumed in 2013¹.

MEP is only applicable for the poor and needy categories of *Asnaf*. Each eligible *Asnaf* selected for the programme is entitled to financing RM70,000, including the working capital requirement, disbursed in stages. MEP is a unique kind of programme from the other LZS programme since this programme is provided only to the qualifying *Asnaf*. In this programme, the *Asnaf* must have an existing business but requires capital injection to expand it. Therefore, *Asnaf*, who is never involved in

¹ Preliminary interview conducted with the Project Manager of Teraju Ekonomi *Asnaf* Sdn. Bhd. (TERAS), formerly known as MAIS *Zakat* Sdn.Bhd. on 10th April, 2013.

business but keen to become an entrepreneur, will be offered another capital assistance programme. MEP is a programme where the *Asnaf* has the flexibility to carry out the business at different locations and not only at one place. The MEP was introduced in response to the food truck phenomenon, where food and beverages products are not served in brick and mortar restaurants but via mobile services².

MEP is considered a unique programme as this was the first mobile programme introduced by LZS, and also, this programme is only available at LZS. The uniqueness of the MEP has motivated other government agencies to replicate the programme, such as Mobilepreneur by the Ministry of Rural Development in the year 2017 (Kementerian Pembangunan Luar Bandar, 2017) and Mobilepreneur Food Truck by Majlis Amanah Rakyat in the year 2016 (Majlis Amanah Rakyat, 2019).

The replication of LZS's programme by other government agencies provides a solid basis for the programme's effectiveness in helping the poor generate income. Nonetheless, there is still a lack of empirical research to identify the success factors of the programme and its entrepreneurs, let alone examine the programme's implementation process. It is also interesting to note that, although many studies have concluded that economic development programme run by Zakat Institutions has had a significant impact on its participants (Azman Ab Rahman et al., 2014; Izatul Akmar Ismail et al., 2020; Izatul Akmar Ismail & Muhammad Nasri Hussain, 2017; Nurmaizura Marzuki & Hairunnizam Wahid, 2017; Rosbi Abd Rahman & Sanep Ahmad, 2010), but study on factors that contributes to the success of the programme

² Preliminary interview conducted with the Project Manager of Teraju Ekonomi Asnaf Sdn. Bhd. (TERAS), formerly known as MAIS Zakat Sdn.Bhd. on 10th April, 2013.

is yet to be fully explored. It's worth noting that, according to reports in the online media and on LZS's websites, MEP has been claimed as a successful programme that is beneficial to *Asnaf* (Hamizul Abdul Hamid, 2014, 2016; Lembaga Zakat Selangor, 2012b, 2012a). As a result, the *Asnaf* who participated in the programme has been transformed and become *Zakat* payer. Hence, investigating the elements contributing to *Asnaf's* success is an essential phenomenon as this research attempts to understand why MEP has successfully transformed the *Asnaf*. In doing so, the *Asnaf* selected for the research are those *Asnaf* whose income already exceeds the minimum adequacy rate (*Had Kifayah*).

In ascertaining the success factors, the first step is to evaluate how the MEP is implemented for the selected *Asnaf*. Thus, understanding the changes, evolution in entrepreneurship programmes due to rapid globalization is vital for continuous improvement of the programme, and the availability of the thriving entrepreneurial development programme is expected to influence the success of the similar programme in other Zakat Institutions (Nor Hayati Samba Mohamed et al., 2018). The second step is to identify the critical success factors of the programme. The last step is to anticipate the program's challenges as recognising the challenges can help to improve the programme.

1.2 Problem Statements

The country's rapid and complex development coupled with the rising cost of living has put pressure on *Asnaf* to improve their self-sufficiency and quality of life. Therefore, it is also a challenge for the Zakat Institutions to provide innovative, unique, creative, and effective economic development programmes to eradicate poverty and improve the quality of life that can survive with the current rapid developments. To

keep up with the country's rapid and complex development, the Economic Development Programme (EDP) of Lembaga Zakat Selangor (LZS) has designed a unique and innovative programme, namely Mobile Entrepreneur Programme (MEP). MEP was designed and implemented in 2007 to eradicate poverty and ensure that *Asnaf* can transform from *Zakat* recipients to *Zakat* payers. Since then, MEP successfully transformed the *Asnaf*'s economic status and quality of life (Hamizul Abdul Hamid, 2014, 2016; Khairul Izwan, 2015; Lembaga Zakat Selangor, 2012a, 2012b).

Nevertheless, the programme's success was hardly discussed, and the success factors remained unexplored and undetermined. At the same time, the other capital assistance programmes by Zakat Institutions have been criticized as a failure because it fails to produce more entrepreneurs among the *Asnaf* and the *Asnaf* have failed in their business ventures (Khairul Azhar Meerangani & Ummi Khasidah Zaham Azman, 2019; Patmawati Ibrahim & Ruziah Ghazali, 2011). Hence, there is an urgent need to conduct a study on the implementation process of MEP to demonstrate the effectiveness of LZS in helping the *Asnaf*. In addition, the capability of the *Asnaf* in embracing the programme should also be investigated to explore how the *Asnaf* has transformed themselves into successful entrepreneurs. Also, the research on MEP's success assists in recognising the role of Zakat Institutions and *Zakat* payers in poverty eradication (Zuriati Yaakub & Nurul Ilyana Muhd Adnan, 2018).

Furthermore, with this research, a thorough assessment of MEP can be carried out to improve the programme's quality and effectiveness (Khairul Azhar Meerangani & Ummi Khasidah Zaham Azman, 2019; Noormariana Md Din et al., 2018). The assessment of the programme can be conducted by analyzing the implementation process of MEP and the success factors associated with it. The study on the

implementation process of MEP will provide some insights on the success factors of the programme, based on the fact that MEP is a unique and different programme as compared to other capital assistance programmes by LZS.

The CSFs studies for capital assistance programme by Zakat Institution was very limited in number, let alone for MEP. The previous studies in capital assistance programmes focused on the overall programme in general and were not limited to a specific programme (Ahmad Rafiki & Fahmi Natigor Nasution, 2019; Nurmaizura Marzuki & Hairunnizam Wahid, 2017; Nurul Shahriza Abu Hassan et al., 2018; Rosbi Abd Rahman & Sanep Ahmad, 2011). MEP is a unique and successful programme, and the result is expected to contribute to unique CSFs and theoretical models for the successful implementation of a programme.

1.3 Research Questions

The basis of the research is the research questions, which make a research problem researchable (Blaikie, 2009). Therefore, based on the problem statement, three major research questions were identified as follows:

- 1.3.1. How does the mobile entrepreneur programme being implemented for *Asnaf* entrepreneurs.
- 1.3.2. What are the critical success factors for *Asnaf* entrepreneurs when implementing the mobile entrepreneur programme??
- 1.3.3. What are the issues or challenges experienced by Lembaga Zakat Selangor and the *Asnaf* entrepreneurs in the mobile entrepreneur programme?

1.4 Research Objectives

The above research questions are directly linked to the research objectives below, which explained and described the aims that this research intended to study:

- 1.4.1. To evaluate the implementation process of mobile entrepreneur programme for *Asnaf* entrepreneur.
- 1.4.2. To examine the critical factors contributing to the *Asnaf* entrepreneurs' success in the mobile entrepreneur programme.
- 1.4.3. To investigate the issues or challenges experienced by Lembaga Zakat Selangor and *Asnaf* entrepreneurs in the mobile entrepreneur programme.

1.5 Operational Definitions

The operational definition explains the keywords in this research. The four essential keywords are critical success factors, *Asnaf* entrepreneur, mobile entrepreneur, and Zakat Institutions. These keywords are defined according to the context used in this study.

1.5.1 Critical Success Factors

Critical Success Factors (CSFs), according to J. F. Rockart, (1978), are the few or the limited number of key areas, where if it successful or "right" could ensure the successful competitive performance for the organization and flourish the business. According to Brotherton & Shaw, (1996), any factors identified as "critical" is the most important and have the greatest priority. Many CSFs have been identified in the Enterprise Resource Planning (ERP) programme or project to help Managers achieve successful implementation outcomes and reap the benefits of the ventures made in the system (Ram et al., 2013). However, there is a lack of studies conducted to identify

the CSFs in small businesses, let alone in the context of *Zakat*. MEP is a unique programme, using lorry vehicles, and only extended to *Asnaf*, who had a small business but required financial assistance to expand. Unlike other capital assistance programmes, the programme's implementation and the success factors are pretty standard due to the similar nature of the programmes. MEP has successfully transformed the *Asnaf*, but little is known on the factors contributing to the programme's success, especially the CSFs. Therefore, the identification of the CSFs of MEP contributes to the existing field of research dedicated to *Asnaf* entrepreneur and capital assistance programme.

The application of CSFs in small businesses was first discussed by (Dickinson et al., 1984), who found that CSFs can be internal or external and positively or negatively influence the business's success. CSFs also related to the goals and objectives of the entrepreneur or the company. The definition of CSFs in this research is the most important and priority factor that influences the *Asnaf* entrepreneurs' success in MEP.

1.5.2 *Asnaf* Entrepreneur

As mentioned in the *Holy Quran* (*Surah Al-Taubah*, Chapter 9, Verse 60) *Zakat* funds should be distributed immediately to the eight rightful recipients or beneficiaries, called *Asnaf*.

“The alms are only for the poor, the needy, and those who collect them, and those whose hearts are to be reconciled (the converts), and to free the captives and the debtors, and for the cause of Allah, and for the wayfarers; a duty imposed by Allah. Allah is Knowing Wise”

(*Surah Al-Taubah*, 9:60).

The above verse has categorized eight recipients who are entitled to receive the *Zakat* which include (i) the poor (*al-fuqara*), (ii) the needy (*al-masakin*), (iii) the administrator (*amil*), (iv) the converts (*muallaf*), (v) the slaves (*al-riqab*), (vii) the debtors (*al-gharimin*) and (vi) for the cause of Allah (*fi-sabilillah*) and (viii) the wayfarer (*ibn sabil*). Though the recipients of *Zakat* include few of the non-poor, but based on the prophet Muhammad SAW (PBUH) saying and practices, emphasis has been placed on the poor and needy (Monzer Kahf, 1999).

There are many definitions of an entrepreneur in scholarly articles. According to Cunningham & Lischeron, (1991), who discuss the definition of entrepreneurs from different schools of thought quoted entrepreneurs as “people who organize, own, manage, and assume the risk”. Gartner, (1985) define an entrepreneur as “an individual who starts the venture and the process by which the new venture is started”.

Asnaf entrepreneur in the context of this study is those from the poor and needy (*fakir and miskin*) category who participated in the MEP and received financial assistance to expand the existing business. The selected *Asnaf* entrepreneur in this study consists of successful *Asnaf* whose income has exceeded the *Had Kifayah* limit and is no longer in the *Zakat* recipients list. One of the objectives of this research is to examine the critical success factors of MEP. Therefore, interviewing only the successful *Asnaf* entrepreneurs will assist the researcher in achieving the research objective. The technique of selecting successful *Asnaf* entrepreneurs are explained in detail in Chapter 3.

1.5.3 Mobile Entrepreneur

There are not many definitions for mobile entrepreneurs in the previous literature. Mobile means being able to move freely from one place to another. The mobile entrepreneur is an individual who sells products from moveable units.

Sometimes mobile can also refer to mobile food vending, which often relates to street food, food trucks and food carts (Jenny Ngo, 2012). Mobile entrepreneurs typically use lorries, trucks, bicycles, pushcarts to sell products from one place to another. Similar to MEP is food trucks. A food truck is a motorized vehicle, often modified and fitted with cooking facilities to prepare food (Linnekin et al., 2014).

Nwachukwu et al., (2020) defined mobile food vendors as people who engaged in the sales of ready-to-eat food such as street food, operating on the street or public places. This definition was found similar to the concept of the mobile entrepreneur in this study. Therefore, in this study, a mobile entrepreneur refers to an individual having a small business, operating from a motor vehicle which is modified, fitted with cooking facilities and sells either on the street or public spaces, moveable from one place to another or fixed to one location.

1.5.4 Zakat Institutions

Formal institutional management begins during the reign of Caliph Umar Al-Khattab in the 16th year of Hijrah. Beginning of Caliph Umar Al-Khattab's era, an efficient legal framework was established to ensure that all the *Zakat* and wealth could be managed efficiently in line with the expansion of the Islamic countries (Fidlizan Muhammad et al., 2012). In the context of Malaysia, the Federal Constitution under Article 3, item 1 of List II (State List) of Schedule 9 stated the power to enact Islamic laws including *Zakat*, *Fitrah* and *Baitulmal* vests to the jurisdiction of every state and the state is fully authorized to establish an enactment with regards to the rules of *Zakat* (Mohd Noor et al., 2011).

Previous research shows various terms used by the researchers to address the institution, agency, or body responsible for collecting and distributing *Zakat* funds. For instance, Mohamad Sabri Haron & Riki Rahman, (2016) used the term *Zakat*

Centres referring to the Pusat Urus Zakat. On the other hand, Abd.Halim Mohd Noor et al., (2012) and Abd Halim Mohd Noor et al., (2011) used the term Zakat Institutions and Zakat Agencies interchangeably in their research.

Since the administration of *Zakat* is under the purview of each state, it is noted that each state has adopted a different system of Zakat administration. For instance, Wilayah Persekutuan has established *Zakat* collection centres, which is *Pusat Pungutan Zakat* (PPZ) to administer the collection of *Zakat*. On the other hand, Selangor and Pulau Pinang assigned the collection and distribution of *Zakat* to its *Zakat* collection centre, namely Lembaga Zakat Selangor (formerly known as *Pusat Zakat Selangor*) and *Pusat Urus Zakat Pulau Pinang*, respectively. In this study, Zakat institution refers to an entity responsible for collecting and distributing *Zakat* to its rightful recipients, namely Lembaga Zakat Selangor.

Lembaga Zakat Selangor (formerly known as Pusat *Zakat* Selangor) was established under the Trustee (Incorporation) Act, 1952, through the Trust Deed registered on October 6th, 2006, under the Prime Minister Department (Azman Ab Rahman et al., 2014). LZS was incorporated with three main objectives: (1) to empower *Zakat* management, (2) to maximize the *Zakat* collection and (3) to increase the effectiveness of *Zakat* distribution. LZS has entrusted its subsidiary, Teraju Ekonomi Asnaf Sdn. Bhd (formerly known as MAIS *Zakat* Sdn. Bhd.) to implement and manage the Economic Development Programme for *Asnaf*, as Lembaga Zakat Selangor only focus on collection and distribution of *Zakat*.

Teraju Ekonomi *Asnaf* Sdn. Bhd. (TERAS) was incorporated in 1994 to develop *Asnaf* as an entrepreneur and ensure the basic needs of *Asnaf* are met. The role of TERAS is to ensure that food and school uniforms are distributed to the *Asnaf*,

to increase the *Asnaf's* income and also to ensure that *Asnaf* could exit the vicious cycle of poverty. The roles of TERAS can be illustrated in the diagram in Figure 1.1.

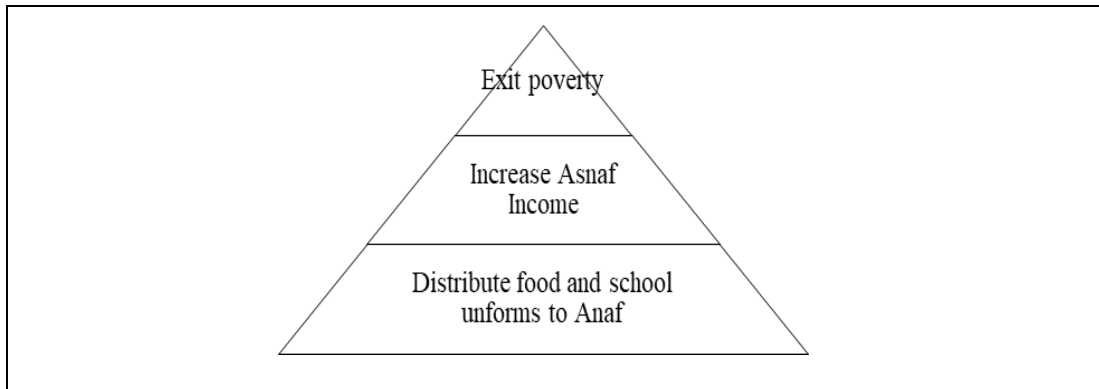


Figure 1.1 Roles of TERAS

Source: TERAS, (2020)

1.6 Scope and Limitations of The Research

The coverage of this research is on the implementation, success factors and challenges of the mobile entrepreneur programme by Lembaga Zakat Selangor. Every research is not complete due to its limitations. Therefore, this study is limited in several areas:

1.6.1. **Participants:** The participants of this research are divided into two (2) categories. The first category is the management team of LZS and the second category is participants of MEP. The management team is only limited to those who handle the MEP.

1.6.2. **Data Collection Method:** This research employed in-depth, semi- structured interviews for the data collection and does not take into account other qualitative data collection method.

1.6.3. **Type of Zakat distribution:** This research focused on productive *Zakat* distribution for economic development programme, particularly the mobile entrepreneur programme.

1.7 Significance of the research

The empirical and practical significance of this research are as follows:

1.7.1. The significant factors for the successful implementation of the Mobile Entrepreneur Programme provides insight for the implementing agencies to implement an effective programme for the participants.

1.7.2. The identification of CSFs improve the understanding of the programme Manager to think and focus on the factors that critically affect the performance of the *Asnaf* entrepreneurs.

1.7.3. The role of Zakat Institution in transforming the *Asnaf* are fully understood and transparent with the identification of the CSFs and challenges of the programme.

1.7.4. Provides an understanding of the character(s) of the poor, needy and low-income community in running the business and thus can improve the implementation of the future programmes.

1.8 Structure of The Thesis

This study seeks to explore the mobile entrepreneur programme in the context of its implementation, success factors and challenges. Hence, the structure of the thesis is organized into seven (7) chapters to reflect the organization of the thesis. The first (1st) chapter is the introduction chapter, which highlights the background of the study, the problem statement, research questions, objectives, operational definition, scope

and limitation of the research, the significance of the research, and the thesis's structure.

Chapter two (2) provides a detailed overview of the literature related to the field of the study. This chapter reviews the previous research done from the scholarly articles, books, reports, working papers and other sources relevant to the research area of this study. The literature reviews discussed in this thesis provides the conceptual framework of this research, which help to determine the nature and path of this research.

Next, Chapter three (3) systematically addressed the research method used in this research. This chapter provides a comprehensive discussion on three (3) main topics: research design, data collection method, data analysis method, and procedures. Each topic is then divided into several sub-topics, which further discuss the main topic in great detail. Chapter three (3) also highlights the research constraints and ethics.

Chapter four (4) to chapter six (6) discussed the findings of this research based on the research objectives set. The research results in Chapter four (4) are intended to fulfil the first objective of describing the implementation process of the MEP for the selected *Asnaf*. Findings in Chapter five (5) attempt to achieve the second (2nd) research objective to identify the CSFs contributing to *Asnaf* entrepreneurs' success in MEP. Discussion of the findings in Chapter six (6) highlights how this research's third (3rd) objective has been achieved, investigating the issues or challenges experienced by Lembaga Zakat Selangor and *Asnaf* entrepreneurs.

The last chapter in this thesis is chapter seven (7), which discusses and concludes all the research findings. In addition, chapter seven (7) also provides recommendations to the Zakat Institutions and future research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the previous and existing literature in development studies such as human, economic and political. This chapter also addressed the sustainable development goals (SDGs) as it is a concept of development that has been commonly discussed concerning poverty eradication. In addition, this chapter reviews the literature in poverty management from the conservative and Islamic points of view as both concepts are distinct. The Islamic approach in poverty management highlighted the role of *Zakat* as a tool for poverty eradication. The literature discussion extends to the implementation of a programme, the critical success factors (CSFs), and the challenges.

The underlying theory discussed in this chapter is Capability Theory (Sen, 1985, 1988, 1999). The application of capability theory has helped understand poverty eradication among the *Asnaf* through their participation and involvement in poverty eradication programmes. Based on the combination of the literature reviews and theoretical arguments, a conceptual framework has been formed (Please refer to Figure 2.8) that directs the journey and path of this research.

2.2 Overview of The Concept of Development

The concept of development is enormous, multi-dimensional and thus require the specific focus of discussion. This concept is also widely used in specific disciplines such as economic, political science, psychology, sociology, etc. Since this study looks into the capability of *Asnaf* (the poor and needy in particular) in raising their quality of life and standards through MEP, the discussion on the concept of development is

inevitable. One of the greatest thinkers in the philosophy of development is the 1998 Nobel prize recipient, Amartya Sen, who claimed that development meant freedom. According to him, freedom is the primary objective of development and is concerned with achieving better life (Sen, 1988). Freedom in this context is the one who can freely choose to lead a specific life, including an option one is willing to make (Sen, 1985). Therefore, it can be seen that one of the crucial functions in assessing the nature of development is the freedom to choose. In addition, for the development to be called freedom, it requires eliminating significant sources of non-freedom, including poverty and poor economic opportunities (Sen, 1999).

The definition of development contained a combined element of the economic, social, political, institutional process promoting a better life. The components or elements of “better life” in the context of development should include (1) availability and distribution of basic life-sustaining goods such as food, shelter, protection and health; (2) increased standard of living such as higher income, good education, more jobs opportunity; and (3) availability of a range of economic and social choices (Todaro & Smith, 2015). Renowned economist and winner of the 2001 Nobel Memorial Prize in Economics, Stiglitz (2016) confided that development transforms people’s lives to the economy and every aspect of society. On the other hand, Mohamed Rabie (2016) provides a workable definition that explains the concept and essence of development:

“Development is a comprehensive societal process to move the underdeveloped nations from their state of economic backwardness and slow sociocultural change to a dynamic state characterized by sustained economic growth and socio-cultural and political transformation that improves the quality of life of all members of society”(p.8).

Nevertheless, growth-oriented development ideas and practices should be replaced with the development that prioritises human well-being and environmental

sustainability because development aims to provide people more freedom to live the lives they want, not merely to enhance growth and income (Abdul Rahman Embong, 2004).

Overall, the philosophy of development is concerned with the poor and the ability to improve the quality of life from various perspectives. The concept of development was commonly used in economic, political, sociological and anthropological (human societies) disciplines, which are discussed below.

2.2.1 The Concept of Economic Development

The concept of economic development traditionally means sustainable growth of income per capita. Nevertheless, during the 1970s, economic development was redefined to reduce and eliminate poverty and redistribution of growth (Todaro & Smith, 2015). The economic development not only goes beyond the Gross National Production (GNP), Gross Domestic Product (GDP), income per capita, but more on the enhancement of living conditions (Sen, 1988). Development is an economic concept that involves applying economic and technical measures to stimulate economic growth and improve people's quality of life (Mohamed Rabie, 2016).

Economic development is essential as the world is dealing with absolute poverty in the subsistence economy. Development, therefore, is the process of enhancing the quality of life, capabilities of raising people's level of living, self-esteem and freedom. When the term development is combined with economic, it becomes an economic activity that can transform low income to high income, stagnate growth, and overcome absolute poverty (Todaro & Smith, 2015).

Development and economic growth are commonly discussed together by many scholars, treating both processes as identical. The importance of economic growth as the condition for development is universally acknowledged. It has also been recognised

that economic growth or changes in economic growth is a prerequisite for economic development, stimulates a reduction in poverty, reduction in income inequality, as these are all part of the development process (Hamidah Ab Rahman et al., 2009; Imam Mukhlis, 2009; Michalek & Vybostok, 2019). The essence of economic development is to increase or transform the quality of life and stimulate economic growth. Economic development is being used in discussing the capability of *Asnaf* in improving their quality of life through participating in the MEP. *Asnaf*, who live in absolute poverty in the subsistence economy, aimed to increase their quality of life by participating in the economic development programme to escape poverty and transform themselves into a much better level.

In addition, for the *Asnaf* to be economically developed and become successful in increasing their quality of life, there is also a need to improve education, health, and general welfare. Numerous national development activities focused on economic growth, often neglecting other vital dimensions of human development, such as cultural, educational, health and civic development (Srikantha Nayakar, 2011). Hence, in assessing the development of a country, economic growth should not be the main criteria but need to emphasize human and their capabilities (UNDP, 2019). In short, economic development cannot be achieved without human development because these two concepts are intrinsically dependent on each other.

2.2.2 The Concept of Human and Social Development

The concept of well-being, freedom, livelihood, deprivation, quality of life is among the terms used in human development study. The focus is on expanding the richness of human life rather than the richness of the economy. Development is the process of expanding the real freedom that humans enjoy and focusing on human freedom (Sen, 1999). Sen's Capacity Approach makes it possible to take into account

the notion of freedom that a person has to achieve a certain level of well-being in the process of measuring poverty.

The United Nations Development Programme (UNDP) have developed the first Human Development Index (HDI) in 1990, and since then, the HDI was quoted and applied in measuring human development research (Alkire, 2008; Foster & Santos, 2018; Seth & Villar, 2017). Human Development Report (HDR) was written by a team led by Professor Mahbub ul Haq and published annually since 1990 by The United Nations Development Programme (UNDP) (Baru, 1998). The source of definition for human development quoted by Baru, (1998) is from the HDR in 1990, which stated, “process of enlarging people’s choices, including the choice of having a long and healthy life, to be educated and to have access to resources needed for a decent standard of living. Additional choices include political freedom, guaranteed human rights and personal self-respect”.

In addition to the HDR, Amartya Sen and a few others developed the Human Development Index (HDI), which was included in the first HDR in 1990 (McNeill, 2007). The three (3) fundamental indicators to measure human development were, firstly, long and healthy life, measured with life expectancy, undernourishment and child mortality; secondly, knowledge measured with educational attainment, literacy and schooling and thirdly; a decent standard of living measured with income per capita (Todaro & Smith, 2015). As reflected in the HDI, the human development approach focuses on human lives and quality of living.

Nevertheless, the HDI has been criticised by the local scholar, Professor Emeritus Abdul Rahman Embong, as an index which only measures the achievement within the nation-state framework, covering population in the territory of the country in question, but the index does not cover the fate of the human being related to that

particular country (Abdul Rahman Embong, 2004). In other words, while the HDI recognises each country's achievements in some aspects of human development, it is not attentive to societal inequalities that can threaten human development. It also obscures that a country with a high HDI score can be the source of development and environmental degradation in the country related to it (Abdul Rahman Embong, 2004).

In discussing human development, Amartya Sen has broadened the concept of human well-being, which encompasses the development of human potential by increasing the options available to individuals (Naz, 2016). On the other hand, the term well-being is used in sustainable development from the economic, human development, quality of life and health dimensions (Soares Jr & Quintella, 2008). Walker & Horner, (2020) argued that growth and development, change and opportunity are life-long aspects of human development. In the context of *Zakat*, to ensure such quality of life is possible, the proactive mechanism in *Zakat* distribution is implemented by *Zakat* Institutions by distributing *Zakat* in the form of monetary capital and equipment to help *Asnaf* to increase their standard of living (Mahyuddin Abu Bakar & Abdullah Haji Abd Ghani, 2011).

Discussion in human development is not complete without human capital as it is the investment embodied in a person, such as skills, health, abilities and education (Todaro & Smith, 2015). As part of the nation's development, the importance of human development was undeniable when The World Bank launched its human capital project in 2018 to accelerate more significant equity and economic growth. As established by The World Bank, the components of human capital include knowledge, skills and health that is the central driver for poverty reduction (World Bank, 2019).

The fundamental values of development involve human, public and, social, which become part of the development process. Social development involves

modernization, and the progress and development process are determined by the public and social policy (Brij Mohan, 2011). On the other hand, improvement in education, health, welfare should be the priorities in the development process. In a nutshell, economic development cannot be achieved without social development as both are intrinsically dependent. The concept of development is not complete without discussing sustainable development, which has become the principal policy goal of many world organizations (Elliot, 2013).

2.2.3 The Concept of Sustainable Development

The term sustainable started in 1972 at United Nations (UN) conference on the Human Environment in Stockholm, discussing the challenges in maintaining sustainability in economic growth and development (Sachs, 2015). The Brundtland Commission of UN gave a classic definition of sustainable development as “a development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Sachs, 2015). The definition means that sustainable development is everybody common future that meets the needs of the present without compromising the ability of future generations to meet their own needs (Urbaniec et al., 2017).

The idea of sustainable development has become the development goal for world organizations such as United Nations, The World Bank, and World Trade Organizations. Sustainable development goals (SDGs), also known as the global goals, consist of 17 integrated goals adopted by the member of the UN, and it is a call of action to end poverty by the year 2030 (UNDP, 2019). The SDGs is part of the sustainable development agenda to eradicate and end poverty and inequalities. The 17 SDGs as outlined by the UNDP include; no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean

energy, decent work and economic growth, industry innovation and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, Peace, justice and strong institutions and lastly, partnerships for the goal.

Addressing poverty and inequalities has been a long-standing social concern in sustainable development and has become a millennium development goal (Elliot, 2013). Various countries may have multiple approaches to obtain sustainable development and poverty reduction. For instance, in Pakistan, the government needs to provide allocation for social welfare, education, sanitation, water supply, agriculture development in rural areas because the significant causes of poverty in this area is a low level of socioeconomic conditions, a low opportunity for employment, lack of infrastructure, and lack of access to clean drinking water (Padda & Hameed, 2018). On the other hand, in Lithuania, the analysis on sustainable development from 2000 to 2009 has seen that the government's focus has been on improving the economic and environmental sector, with less attention on the social sectors (Ciegis et al., 2011). In Nigeria, it was found out by Jegede et al., (2011) that microfinance programmes have the potential to alleviate poverty, especially in increasing the level of income and reducing vulnerability.

In summary, the SDGs have been part of the nations' agenda in eradicating poverty and fighting income inequality. Therefore, SDGs offer important new opportunities for addressing poverty in a more holistic and integrated manner (Schleicher et al., 2018). The concept of development discussed in this chapter is about making the poor rich. The philosophy of development discussed by the previous scholars has restricted their concern to the poor people, especially in third world countries. In other words, to ensure that the poor can escape from the vicious cycle of poverty, structured and integrated development programmes need to be implemented