

Almighty Allah says: (They are) those who, If We establish them In the land, establish Regular prayer and give Regular Charity, enjoin The right and forbid wrong: With God rests the end (And decision) of (all) affairs. (Al-Hajj-41) The Holy Qur'an (Text, Translation and Commentary), A. Yusuf Ali.

In Accordance with the above command; to Islamize the Economy of Pakistan, the first step was the enforcement of Zakat and Usher Ordinance (xviii of 1980) on 20th June 1980. In fact Pakistan is the first country in the contemporary Islamic world, which started a system of state collection and distribution of Zakat and Ushr.

The System of Zakat and Ushr has been in vogue in Pakistan for almost 28 years. In reference to the context, the research is focused on the impact of Zakat and Ushr Ordinance 1980 on poverty alleviation and critically evaluate its implementation, in terms of Shariah rules, Administration and Financial management. However, inspite of weaknesses in the scheme itself and in its implementation, funds from Zakat and Ushr have provided a social cover to a large number of destitute, Widows and needy people.