

**COLLECTION OF ZAKAT IN THE GAMBIA: ISSUES AND  
CHALLENGES**

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بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

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**ADAMA CONATEH  
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**A THESIS SUBMITTED IN FULFILMENT OF THE  
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**Faculty Of Islamic Economics and Finance  
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Brunei Darussalm**

**Rajab 1443/February 2022**



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## **ABSTRACT**

The Gambia is a small country in West Africa with the current population of about 2,173,071 of which Islam is the majority religion of the country with around 95% of the population as Muslims and is a characteristic by its coexistence with other religions. The objectives of the study are to examine the status of zakat management, factors affecting the collection of zakat, and implications to improve the zakat management in Gambia. Zakat is one of the most significant aspects in Islamic economics as it is one of fundamental pillars of Islam. It has a direct influence on the socio-economic circumstances of the poor and needy in Muslim communities paying zakat is extremely significant and is a responsibility and duty that has to be carried out by eligible and affluent Muslims. The study employs a cross section survey design which is concerned with how variables are associated and methodology of the study was a quantitative approach with a survey questionnaire. The total population of the study is 150 businessmen who are eligible to pay zakat. According to the outcome results on the status of zakat on issues and challenges, the findings revealed the significance and the relevance of conducting such a study on zakat payers among the business people in the Gambia. The study recommends that policymakers of the country and other institutes of zakat should perform a more effective and stronger role in enlightening and educating the public concerning paying zakat and management issues, which will add further to existing literature on zakat compliance and contribution to knowledge.

## **ABSTRAK**

Gambia ialah sebuah negara kecil di Afrika Barat dengan keramaian 2,173 071 penduduk di mana Islam merupakan agama majoriti di negara ini dengan 95% penduduk beragama Islam di samping agama-agama yang lain. Objektif kajian ini adalah untuk mengkaji status pengurusan zakat, faktor-faktor yang menyumbang kepada kutipan zakat dan cadangan bagi penambahbaikan pengurusan zakat di Gambia. Zakat ialah salah satu aspek terpenting dalam ekonomi Islam kerana ia merupakan salah satu rukun Islam yang asas dan ianya memberi kesan langsung kepada keadaan sosio-ekonomi golongan miskin dan memerlukan dari kalangan masyarakat Islam. Pembayaran zakat adalah sangat penting yang dipertanggungjawabkan kepada golongan kaya dan berkemampuan. Kajian ini menggunakan reka bentuk tinjauan keratan rentas yang berkisar mengenai bagaimana pemboleh ubah boleh dikaitkan antara satu dengan yang lain. Metodologi kajian berbentuk kuantitatif dengan menggunakan pendekatan borang kaji selidik. Jumlah ini dipilih berdasarkan jadual yang dikemukakan oleh Krejcie & Morgan di mana hanya 108 orang responden sahaja yang diperlukan untuk dijadikan saiz sampel bagi kajian ini. Hasil kajian mendapati bahawa ketiga-tiga pemboleh ubah tidak bersandar berkaitan status, faktor penyumbang dan cadangan kutipan zakat memainkan peranan penting dalam mempengaruhi pembayar zakat di Gambia. Kajian ini meyarankan agar penggubal dasar negara dan institusi zakat memainkan peranan yang lebih efektif dalam mendidik masyarakat mengenai isu-isu pembayaran dan pengurusan zakat yang akan menyumbang kepada penambahan literatur mengenai pematuhan zakat dan ilmu pengetahuan dalam bidang tersebut.

## الملخص

غامبيا بلد صغير في غرب أفريقيا يقرب عدد سكانها حالا حوالي (2,173,071) حيث كان الإسلام دين الأغلبية في البلد تقريبا 95% من السكان مسلمين، يمتاز بتعايشه مع ديانات أخرى. وهدف هذه الدراسة هو فحص حالة إدارة الزكاة، العوامل المساهمة في جباية الزكاة وتوصيات لتحسين إدارة الزكاة في غامبيا. تعتبر الزكاة من أهم جوانب الاقتصاد الإسلامي لأنها ركن أساسي من أركان الإسلام وله تأثير مباشر على الظروف الاجتماعية والاقتصادية للفقراء والمحتاجين في المجتمعات الإسلامية. دفع الزكاة مهم للغاية وواجب يجب على المسلمين المؤهلين والأثرياء أدائها. تستخدم هذه الدراسة تصميم مسح مقطوع عرضي، يهتم بكيفية ارتباط المتغيرات. وكانت منهجية الدراسة منهجا كميًا مع استبيان مسح. مجموع سكان الدراسة 150 من رجال الأعمال المؤهلين لدفع. تختار الدراسة حجم عينة من 108 مبحوثين كحجم عينة للدراسة بناء على دراسات سابقة التي درست كريستي ومورجان. تظهر نتائج البحث أن التغيرات الثلاثة المستقلة للوضع والعوامل المساهمة والتوصيات والمقترحات الخاصة بتحصيل الزكاة. يلعب جمع الزكاة دورا مهما في التأثير على دافعي الزكاة في غامبيا بشأن القضايا والتحديات. توصي الدراسة بضرورة أن يلعب صانعو السياسات في الدولة ومعاهد الزكاة الأخرى دورا أكثر فاعلية في تثقيف الجمهور بشأن دفع الزكاة وقضايا الإدارة مما سيضيف المزيد إلى الأدبيات الموجودة حول الامتثال للزكاة والمساهمة في المعرفة.

# CONTENTS

SUPERVISION.....	ii
DECLARATION .....	iii
ACKNOWLEDGEMENT .....	v
ABSTRACT.....	vi
ABSTRAK.....	vii
ملخص البحث.....	viii
LIST OF TABLES .....	xii
LIST OF STATUS .....	xiii
LIST OF APPENDICES .....	xiv
ABBREVIATIONS .....	xv
<b>CHAPTER ONE: INTRODUCTION .....</b>	<b>1</b>
1.1 Background of Research .....	1
1.2 Problem Statement .....	4
1.3 Research Objectives .....	4
1.4 Research Questions .....	5
1.5 Scope of Study .....	5
1.6 Significance of the Study .....	5
1.7 Organization of the Study .....	5
<b>CHAPTER TWO: LITERATURE REVIEW .....</b>	<b>7</b>
2.1 Introduction.....	7
2.1 Definition of Zakat.....	7
2.1.1 Zakatable Productions in Gambia .....	8
2.1.2 Zakat Recipients in The Gambia.....	12
2.1.3 Nisab Calculation in The Gambia .....	13
2.2 Zakat Management in The Gambia.....	14
2.3 Business Economy in The Gambia .....	15
2.4 Concept of Zakat Management.....	16
2.5 Zakat Management in modern-day Muslim Communities .....	17
2.5.1 Duties of Zakat Managers .....	18
2.6 Reviews on Issues and Challenges of Zakat Management .....	20
2.7 Roles and Goals of Zakat .....	23
2.7.1 Eradication of Poverty .....	23
2.7.2 Refinement of Soul .....	24
2.7.3 Honesty of Faith.....	25
2.7.4 Submission to Law.....	25

2.7.5 Reallocation of Wealth .....	25
2.7.6 Kindness.....	26
2.7.7 Social Equity and Safety .....	26
2.7.8 Achievement of Religious Duty.....	26
2.7.9 Diminish Unfairness .....	27
2.7.10 Resolution of the Heart of the Poor against the Rich.....	27
2.7.11 Appreciation and Gratitude to Allah.....	28
2.7.12 Encouraging Self Respect .....	28
2.7.13 Discourage Beggary .....	28
2.7.14 Moderates the Heart of Converts .....	29
2.8 Zakat as an Instrument of Islamic Economic Development .....	29
2.9 Problems with Modern-day Zakat.....	31
2.10 Determining Compliance of Factors on Zakat Payers .....	35
2.11 Compliance of Zakat.....	38
2.12 Zakat Practice and Impact on Poverty Alleviation During Caliphs Reign .....	39
2.13 Current <i>Zakat</i> System in Muslim Countries .....	41
2.13.1 Zakat Official Bodies Established by Muslim Government.....	42
2.13.2 Non-profit Zakat Organisations .....	42
2.13.3 Personal Disbursement of Zakat .....	43
2.13.4 Zakat Body Based on Sharia Advisory Council .....	43
2.13.5 IT Computer Science Usage .....	43
2.14 Reasons for the State to Control the Administration of Zakat.....	44
2.15 Zakat Collection and its Legal Challenges .....	45
2.16 Impact of Practical Implementation of Zakat Collection System.....	48
2.16.1 Defects of Practical Implementation of Zakat Collection System.....	49
2.17 Conclusion .....	51
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>52</b>
3.1 Introduction.....	52
3.2 Research Method .....	52
3.3 Data Collection and Analysis.....	52
3.4 Study Population.....	53
3.5 Sampling Population.....	53
3.5.1 Data Analysis .....	55
3.5.2 Respondents Profile .....	56
3.6 Measurements of Variables.....	56
3.7 Research Instrument.....	58
3.8 Theoretical Framework of the Study .....	58

3.8.1 Hypothesis Development .....	59
3.9 Narrative Analysis .....	61
3.9.1 Reliability Examination .....	61
3.9.2 Correlation Analysis .....	62
3.9.3 Multivariate Analysis .....	63
3.10 Conclusion .....	63
<b>CHAPTER FOUR: FINDINGS AND ANALYSIS .....</b>	<b>65</b>
4.1 Introduction .....	65
4.2 Questionnaire Survey .....	65
4.3 Multivariate Analysis .....	71
4.3.1 Association between Independent Variables and Dependent Variable .....	72
4.4 Discussion .....	74
4.5 Conclusion .....	76
<b>CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS .....</b>	<b>77</b>
5.1 Conclusion .....	77
5.2 Recommendations .....	77
5.3 Recapitulation .....	78
5.4 Implications of the Study .....	79
5.4.1 Managerial Recommendations.....	79
5.4.2 Role of Government Authorities and Agencies .....	80
5.4.3 Eradication of Poverty and Unemployment.....	80
5.4.4 Knowledge and Awareness to Educate the Muslim Public .....	80
5.4.5 Cooperation between GSIC, Mosques, and other Agencies .....	81
5.4.6 Good Governance and Promoting Accountability in the Collection of Zakat ....	81
5.4.8 Proposals for Better Management of Zakat .....	81
5.4.9 GSIC as a Body Responsible for Zakat Collection in the Gambia .....	82
5.4.10 Compliance .....	82
5.5 Theoretical Implications .....	82
5.5 Limitations of the Study.....	83
<b>BIBLIOGRAPHY .....</b>	<b>84</b>
Appendix A: Questionnaire Survey .....	95
Appendix B: Data .....	101

## LIST OF TABLES

<b>Number</b>	<b>Title</b>	<b>Page</b>
Table 3.2.3	Determination of Sample Size from a Given Population	57
Table 3.3.1	Status of zakat in the Gambia	60
Table 3.5	Theoretical Framework	63
Table 4.2	Respondents Profile	70
Table 4.3	Reliability Statistics	72
Table 4.4	descriptive Statistics	74
Table 4.4.2	Multivariate Analysis	77

## **LIST OF STATUS**

Laws of Brunei

Religious Council and Kadis Court Act Revised Edition 1984 (Chapter 77).



## LIST OF APPENDICES

<b>Number</b>	<b>Title</b>	<b>Page</b>
		107
Appendix A	Questionnaire survey sample	
Appendix B	Data Appendix	113
Appendix C	Appendix of Descriptive Statistics	115

## ABBREVIATIONS

Chap	Chapter
BAZNAS	Badan <i>Amil Zakat</i> Nasional
BAZ	Badan <i>Amil Zakat</i>
CZG	Compliance on <i>zakat</i> paying in the Gambia
Ed	Editor
GDP	Gross domestic product
GMD	Gambian dalasi
HDI	Human development index
IBAs	Indigenous Business Adversary services
Ibid	“Ibidem” Latin which means ‘in the same place’
KMC	Kanifing municipal council
LAZ	Lembaga <i>Amil Zakat</i>
MUIB	Majlis Ugama Islam Brunei
MAIN	Majlis Agama Islam Negeri
NDP	National development plan
P	Page
PBUH	Peace be upon him
RPZ	Recommendation of <i>zakat</i> collection in the Gambia
SME	Small and medium enterprises
SPSS	Statistical package for social science
SWT	<i>Subhanahu wa ta ala</i>
SZG1	Status of <i>zakat</i> collection in the Gambia
UNDP	The United Nations development program
Vol	Volume
ZCG	<i>Zakat</i> collections in the Gambia

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of Research

Gambia is a small country in West Africa stretching 450km along the river, its 10,689 sq. km and between latitudes 13° 28N and 16 ° 36W, it is boarded to the north, south and east by Senegal and has an 80 km coast on the Atlantic Ocean to the west. It has a current population of about 2,173,071 of which Islam is a dominant religion of the country as approximately 95% of the population as Muslims and is a characteristic by its coexistence with other religions. The majority of its Muslims are Sunni belonging to Maliki school of thought. The official language of the country is English and the different local languages are Mandinka, Jola, Wolof, Fula, Serahule, Serere, Manjako and Creol.<sup>1</sup>

Politics of the Gambia came about within the structure of a presidential Republic whereby, the leader known as the President of the Gambia, both head of state and commander of government, and of a multi-lateral system. Decision-making or the executive power is exercised by the government. Law-making or the legislative power is conferred in both the government and the house of assembly or the parliament. In January 2017, The Gambia underwent its first transfer of power after 23 years and started a policy shift towards addressing the country's fragility by enacting reforms to strengthen resilience and democratic rule. The new National and Development Plan (NDP) has established its long-term vision (2018-2021) for social protection in the country as "to establish an inclusive integrated and comprehensive social protection system that will effectively provide preventive, protective, promotive and transformative measures to safeguard the lives of all poor and vulnerable groups and

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<sup>1</sup> [www.worldbank.org](http://www.worldbank.org)

contribute to broader human development, greater economic productivity, and inclusive growth.<sup>2</sup>

The Gambia has a market-based economy that relies primarily on services, agriculture and tourism, with remittance also providing significant income. In recent years, the economy was hit by economic shocks in agriculture caused by erratic rainfalls and in tourism caused by spill over with effects of the regional Ebola crisis and the political crisis in the late 2016. It is now starting to recover with political stability, economic reforms and significant international support. The service sector was the leading contributor to the GDP from 2011 to 2016 (averaging 63 percent) during the same period; the industry sectors contribution hardly varied averaging just 15 percent. Tourism is the main foreign exchange medium, growth in agriculture, which is estimated to employ 70 percent of the population, is impeded by inadequate irrigation, outdated farming techniques and insufficient value added (e.g., processing and packaging) the main cash crop is groundnut.<sup>3</sup>

It is recognised that poverty is a multidimensional phenomenon with monetary and non-monetary aspects. Poverty, vulnerability and risks are multidimensional and dynamic, with risks factors often intervened and mutually reinforcing. In 2015, the Human Development Index (HDI) for The Gambia was 0.45, an increase from 0.36 in 1996. In 2015 this positioned the country 173 out of 188 countries and territories. The Gambia 2015 HDI rank is below the average of 0.497 for countries in the low human development group and below the average of 0.523 countries in Sub-Saharan Africa. The high population growth rate has resulted in an increase in the number of poor people, which reached 0.93 million in 2015-2016, as compared to 0.79 million in 2010. An increasing amount of young people are suffering from unemployment and underemployment. Migration rates are also exceptionally high, providing remittance but draining the country's future economic potential.<sup>4</sup>

The Gambia has one of the highest net migration rates on the African continent, and in the world. Gambians are the seventh largest nationality group in the top ten registered nationalities that arrived in Italy by boat in 2017 the youth migration rate is

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<sup>2</sup> The World Bank Report. (2017). The Gambia: Social Safety Nets Diagnostic. NW, Washington DC 20433. Online: [www.worldbank.org](http://www.worldbank.org) [accessed 18/09/2019].

<sup>3</sup> The World Bank Report. Washington DC.

<sup>4</sup> UNDP, United Nations Development program, Poverty Report, (2000). Overcoming Human Poverty. Online: <http://www.undp.org/poverty-report/slides/slideindex.html> [accessed 08/04/2020].

of particular concern, as the departure of so many young people progressively drain the country's labour force and potential for capacity, essential for building a sustainable future for The Gambia. In 2015, 65 out of 100 16–30-year-olds interviewed said that they have at least two friends or relatives who had migrated using the “backway”— a term used to describe the illegal routes used by migrants usually involving a hazardous overland journey through Niger to Libya in the hope of getting onto a boat to reach Europe.<sup>5</sup> Both the European Union and the United States are now instituting more active policies to return undocumented immigrants and the former is investing in pre-migration strategies to reduce the likelihood of youth leaving the country. (Italian Ministry of Interior, report by International Office of Migration at)<sup>6</sup> Therefore, according to the above country context of the Gambia demographic and economic conditions, the researcher finds it essential for zakat to be paid by the Muslims who formed 95% of the population so as to contribute to the socio-economic development and help poverty alleviation in the country. The study also aims to seek the influential factors and status affecting the general management of zakat.

It has always been the responsibility of the government where there is law and order to look into matters of zakat. However, this is not the case prevailing in the Gambia for the government to take the responsibility. There are five administrative regions which are sub divided into districts and based on the democratic political background; the government needs more organizations like Gambia Supreme Islamic Council (GSIC) to collect zakat at their own level in different regions. Virtually all researchers and scholars in their studies and findings have confirmed strong evidences designating that the government had a fundamental role in the collection and disbursement of zakat during the life of the Allah’s Messenger in Madinah. These findings were reported by well-known scholars such as Ibn Taimiyah and the eminent contemporary researchers like Qardawi and<sup>7</sup> Kahf.<sup>8</sup>

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<sup>5</sup> The World Bank Report (2017). The Gambia: Social Safety Nets Diagnostic. NW, Washington DC 20433 [www.worldbank.org](http://www.worldbank.org)

<sup>6</sup> <https://www.iom.int/news/mediterranean-migrant-arrivals-reach-148882-2017-deaths-reach-2783>.

<sup>7</sup> Yusuf, Q. (2005). *Fiqh al-zakat: A comparative study of Zakah, Regulations and philosophy in the light of Qur’an and Sunnah*. Translated by Kahf, M. King Abdul-Aziz University, Jeddah, Kingdom of Saudi Arabia: Scientific Publishing Centre.

<sup>8</sup> Monzer, K. (2000). *Zakah Management in some Muslim countries*. Saudi Arabia: Islamic research and training institute, Islamic Development bank, Jeddah.

## 1.2 Problem Statement

Despite, being the smallest country in Africa, the Gambia has about 2 million Muslims who should be able to pay *zakat* and financially support the poor recipients leading to an effective elimination of poverty and rapid socio-economic development in the society. However, the people still remain poor and it is known as one of the least developed countries in the world.<sup>9</sup>

Zakat is a fundamental and determinate order of Allah hence; efforts must be made to ensure that it is paid and easily reaches the people concerned. This could be very easy to do if there is a zakat centre or institutions in the country where people can contribute their Zakat (GSIC M L Touray Imam and Head of scholars in the Gambia). However, most of the people in Gambia pay Zakat on their own to local people and the surrounding Mosques. GSIC as an authorised body of scholars responsible for the religious affairs including Zakat collection establishes a centre 27 years ago which has already shown a bad performance.<sup>10</sup> There is a high campaign of poverty reduction, freedom from hunger, so on and so forth for 27 years now and still poverty is on the increase. Most people who are required and expected to pay Zakat refused to pay because of ignorance and altruism or even when they do, they will not give to the needy people due to lack of religiosity or sometimes there is a duplicate in the delivery of Zakat to a single person while other deserving persons will go without it.<sup>11</sup> Additionally, there are several other underlying issues and challenges in the management of zakat in the Gambia which is also lowering the trust of zakat payers. Thus, this particular study aims to investigate these zakat issues and challenges in The Gambia, and analyse the contributing factors that influenced the lack of the compliance and knowledge on Zakat payment and propose policies to GSIC to improve zakat management system in the country.

## 1.3 Research Objectives

- To examine the current status of zakat management in the Gambia.

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<sup>9</sup> <https://www.zakat.org> the Gambia zakat foundation of America

<sup>10</sup> <https://www.thepoint.gm/Africa/gambia>

<sup>11</sup> Monzer, K. (2000). Zakah Management in some Muslim countries. Saudi Arabia: Islamic research and training institute, Islamic Development bank, Jeddah.

- To explore the factors contributing to the collection of zakat in the Gambia.
- To propose policies to improve overall zakat management system in the Gambia.

#### **1.4 Research Questions**

- How does zakat management work in the Gambia?
- What are the factors contributing to the zakat payment in the Gambia?
- What are the recommendations for betterment of collection in the Gambia?

#### **1.5 Scope of Study**

This study conducted on the business people in the Gambia paying zakat to Supreme Islamic Council. Therefore, the study analyses the aspect of zakat payers only on the business sectors in the Gambia. One of the objectives of this study is to highlight the zakat management system in the Gambia however, the impact of personnel involved in the zakat management is not explored in this study.

#### **1.6 Significance of the Study**

This research is important in at least two ways practical point of view, the findings of this study will help the government especially the supreme Islamic council as Zakat collectors on how to encourage Zakat payment amongst the business people paying Zakat in the Gambia. From the theoretical point of view, the research adds further to the existing literature on Zakat compliance with the application of the theory of planned behaviour, focusing on general sources of Zakat payers. After the completion of research, it is hoped that this study will provide some knowledge and contribution to the policy makers and add to the little existing literature and documentation source on analysis of Zakat payment in the Gambia with issues and challenges.

#### **1.7 Organization of the Study**

This research comprised of five chapters which are briefly described below;

**Chapter One** is an introduction to this study including the problem statement, research questions, and researcher objectives, significance of the study, scope and flow of this study and definition of key terminologies.

**Chapter Two** discusses the related and relevant literature about the management of zakat in the Gambia and highlights a few studies on the management of zakat and its impact on the overall zakat administration. The second half of this chapter outlines the conceptual framework.

**Chapter Three** discusses the research methodology which include the research design, data collection procedures and data analysis techniques.

**Chapter Four** highlights the major findings obtained from statistical data analysis and discusses these findings to establish scientific and logical explanation.

**Chapter Five** concludes this study by outlining summary of major findings, theoretical and practical implications, contribution of this study, research limitations and direction for future studies.



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter highlights the issues outlined in the zakat studies, administration, concepts and associated issues in some states which will help in determining factors contributing to the collection of zakat, practises and impact on poverty alleviations. The current zakat issues in other Muslim countries and critical analysis of the system. Concerning the literatures on the issues and challenges of zakat in the Gambia, the researcher found a studies in both Arabic and English language for example, a study titled “Nizaam zakat” the system or management of zakat, it was written by Abubacar Ousman Barrow, and another “Taqseemaatul zakat fi Gambia” which means Distribution of zakat in Gambia also authored by Mustapha Touray. These studies examined zakat in local application and in line with Maliki Maz’ab (Maliki Islamic jurisprudence). This research looks beyond traditional practice that is where the contribution of this study lies on; it is totally different from previous ones.

### **2.1 Definition of Zakat**

Zakat is Alms mandatory on wealthy Muslims by Allah the Almighty upon acquiring minimum amount of wealth called Nisab, which is to be given to a specific group of people called Asnaf.<sup>12</sup> It is the third of the five major pillars of Islam and is a divine act imposed by Allah on the rich Muslims, which is to be carried out through their legitimate earnings to the less privileged. From the perspective of Fiqh, zakat is a

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<sup>12</sup> Yusuf, Q. (2006). *Fiqh al-zakat* Scientific Publishing centre. King Abdul-Aziz University Jeddah, Saudi Arabia.

specific amount of explicit possessions or properties made compulsory by Allah the Almighty to be distributed among the people called Asnaf. <sup>13</sup>

Allah SWT said in the Qur'an;

*“Alms are for poor and the needy and those employed to administer the funds for those whose hearts have been recently reconciled (to the truth), or for those in bondage or in debt in the cause of Allah, and for the wayfarer; (thus it is) ordained by Allah and Allah is full of knowledge and wisdom.”<sup>14</sup>*

It has been narrated from the noble prophet (PBUH) that paying zakat brings development and growth to the giver or payer<sup>15</sup> narrated that the Prophet Muhammad (PBUH) said: ‘If someone gives in charity somewhat equal to a date from his decently earned money-for nothing raises to Allah except good-then Allah will take it in His Right (Hand) and bring it up for its owner as any person amongst you brings up a baby horse, till it becomes like a high mountain...Nothing raises to Almighty Allah except good. Zakat is obligatory on Muslims who possess a specific amount of wealth. Thus, it requires them to pay each year a prescribed percentage or portion from their saved wealth. Farm produce, cattle, business activities, paper currency and precious metals such as gold and silver are all considered wealth on which zakat is to be collected<sup>16</sup>

### **2.1.1 Zakatable Productions in Gambia**

In the Gambia like any other West African country, zakat is to be paid by everyone who's a Muslim and rears any domestic animals or cultivates any harvests and established business enterprises. That is to say most of the local people pay zakat on salary income, savings and business and also agricultural products on crops, fruits and vegetables. The zakatable items are as follows namely, rice, groundnut, coos, millet, corn, oranges mangoes, cashew, tomatoes, cabbages, pepper, onions etc.<sup>17</sup>

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<sup>13</sup> Yusuf, Q. (2006). Fiqh al-zakat Scientific Publishing centre. King Abdul-Aziz University Jeddah, Saudi Arabia.

<sup>14</sup> Al-Qur'an (9: 60)

<sup>15</sup> (Sahih Al-Bukhari, Volume 9, Number 525B)

<sup>16</sup> Abdullaha, M., & Suhaib, A. Q. (2011). The Impact of Zakat on Social Life of Muslim. *Society Pakistan Journal of Islamic Research*, 8, 85-91.

<sup>17</sup> *Dawah* and *fatwa* committee of supreme Islamic council GSIC.

*Zakat on agricultural products*

- ❖ If a farmer sold his or her grain or fruit after it had matured or ripened, then its zakat should be paid by him or her and not the buyer.

*Zakat Rates*

- ❖ If the produce is watered naturally without the use of artificial means: 10%

*Calculation method*

Total amount divided by 10

Or total amount times 10%

Example 10,000 divided by 10 = 1,000

10,000 times 10% = 1,000

- ❖ If it is irrigated by machinery or with purchased water: 5%

*Calculation method*

Total amount divided by 20

Or total amount times 5%

Example 10,000 divided by 20 = 500

Or 10,000 times 5% = 500

- 3 If it is watered equally by natural as well as by artificial means: 7.5%

*Calculation method*

Total amount divided by 40 times 3

Or total amount times 7.5%

Example (10,000 divided 40) times = 750

Or 10,000 times 7.5% = 750<sup>18</sup>

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<sup>18</sup> Danso, O. (2019). Gambian Supreme Islamic Council, Dawah and fatwa committee report. Serrekunda, Gambia. Unpublished paper.

Regarding for an asset or item to be zakat able it should generally fulfil a few conditions. As an act of worship (Ibaada) its fulfilment must be preceded by intention and must comply with Sunnah. The condition of zakat ability includes:

- A.** Full ownership of the item. Although Allah is the ultimate owner of all wealth, mankind just acts as trustees and they should use it in His obedience. In the case of payment of zakat, the asset or the item must be fully possessed by the payer to be considered liable to zakat.
- B.** Growth; the zakat able item must be growing one or be as the result of a growth process or should have a potential for growth. Growth in this sense refers to what yields benefit to the owner. In sharia growth carries two meanings: actual growth and potential growth. Real growth is the increment genetic for business reasons. Potential growth is when the asset is subject to increase if made proper use of.
- C.** Nisab: this represents the minimum possession or amount of wealth upon which zakat becomes due. The minimum for the classic zakat able items are: 5 camels, 30 cows, 40 sheep, 5 wasq (a grain volume measure corresponding to about 653kgs) of agriculture produce, 200 dirham (a silver currency-cum-weight unit of around 2.975g) of gold and an amount equal in value to the Nisab of silver or gold for tradable items, currencies and all other various items.
- D.** Passage of one lunar year or haul: as a general rule zakat is due after a year elapses and savings reach the Nisab. Though, some scholars contend that this only relates to items of stock. However, zakat on agricultural produce items is due on the day of harvest. Moreover, there is evidence in the Sunnah that zakat maybe paid in advance.
- E.** Excess over basic needs: the Nisab must be beyond what caters for the basic needs of the payer or his/her family. The foundation of zakat takes imposes no burden on the payer and his/her family. Many scholars contend that the basic necessities include biological, societal and spiritual or religious needs for a livelihood without hardship. Any owing debts are deducted from the wealth before zakat is assessed.<sup>19</sup>.

Based on Sunnah of the prophet PBU, the Fuqaha group has divided properties which zakat can be paid on into five categories namely; Al Ain (gold and silver), Al-tijarah which means business, Al-harth which is agricultural products, Al-mashiyyah which is

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<sup>19</sup> [http:// monzer, kahf.com/papers/English/zakat.pdf](http://monzer.kahf.com/papers/English/zakat.pdf). Kahf. N.d zakat op .cit. kahf.net

livestock and Al- rikaz which refers to whatever produces from the earth.<sup>20</sup> That is to say zakat can be categorised as salary income, savings, business, livestock, gold, silver, agricultural and natural resources. Therefore, the term zakat has three different meanings.

- (a) Linguistically; zakat means cleansing or purification of something from dirt or filth.
- (b) Theologically; it means spiritually purification resulting from giving zakat.
- (c) Legally; zakat means transfer of ownership of specific property to specific individuals in order specific conditions.

### Recipients

There are eight categories of Asnaf who are entitled to receive zakat according to Allah SWT in the verse quoted in surah Taubah.

- (i) The poor (Fuqara); those without means of livelihood and material possessions.
- (ii) The needy (Masa akin); those without sufficient means to meet their necessities.
- (iii) The administration of zakat (Amil); those appointed to manage and administer zakat.
- (iv) Sympathisers (Mualaff-at-Qulloobuhum); those whose hearts are inclined towards or have accepted Islam.
- (v) To free slaves (Riqab); zakat can be used to free slaves or captives.
- (vi) Those that are in debts (Gharimin); zakat can be used to pay off debts of a person who has borrowed to pay for basic necessities. Zakat can also be distributed to those in financial difficulties e.g., bankrupt due to the loss of employment and leaves debts.
- (vii) For those in the cause of Allah (Fisabillah); zakat can be used to finance any form of struggle or work for the cause Allah SWT
- (viii) Those who are stranded during a journey (Ibnussabil); zakat can also be used to help a traveller facing difficulties in continuing his journey due to reasons such as loss of money etc.

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<sup>20</sup> Yusuf, Q. (1999). *Fiqh al zakat, mu'assassat al Risalah*, Beirut, Lebanon, 2<sup>nd</sup> edition, (Arabic) *Fiqh al zakat, A comparative study of zakat, regulations and philosophy in the light of Quran and Sunnah* 'trans by kahf, M. scientific publishing centre King Abdulazizz University Jeddah Saudi Arabia, vol. 2.

### 2.1.2 Zakat Recipients in The Gambia

According to the scholars of GSIC, almost all except (slavery) categories of Asnaf mentioned above exist in the Gambia and are eligible to zakat assistance.<sup>21</sup> They are the poor, needy, Mualaff, Amil, Algharimin, Fisabillah and Ibnussabil as The Gambia is following the Maliki School of thought the Maliki jurists hold the view that self-reliance or support means providing the needy and poor with one year's basic necessities. This is established on the practise of the holy prophet PBUH to stock food for one year for his family. Though, the Hanafi jurists proposed that the poor and deprived should only be given a certain amount that not exceeding two hundred dirhams. Though, this view is not general as the Qur'an and Hadith have not fixed any boundary.<sup>22</sup>

The jurists' views or opinions regarding the needs of poor people are in a virtual sense according to the circumstances of different communities. The requirements of a poor person include but not limited to accommodation, clothing, food, books for students, domestic animals for transportation and a servant if his position justifies. That is to say the meaning of poverty according to the Islamic scholars is wider than that stated by the United Nations Development program (UNDP), which is limited to need for medicine, food clothing, and education.<sup>23</sup> Unlike Brunei Darussalam, where there are only six Asnaf eligible to receive zakat assistance. The slaves (Riqab) and those who fight in the path of Allah (Fisabillah) are excluded. As reported and stated in the mufti's fatwa (reference no. 14 MKB 3/1969 dated 01/09/1970). The matter of how much the poor and the underprivileged should receive from the zakat fund has drawn different opinions. Mansoori<sup>24</sup> discussed two opinions of Muslim jurists. Maliki, Shafi and Hambali are of the opinion that the poor and needy should be given a sufficient amount to satisfy the essential needs commonly known in the society. Shafi and Hambali further stated that the poor and needy should be given a sufficient amount to satisfy their lifetime needs so that they are permanently lifted out of poverty. This opinion is based

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<sup>21</sup> Dawah and fatwa committee of GSIC.

<sup>22</sup> Al Abdin, A. T. Z. (2002). *The Distribution of Zakat*. International Training Seminar on Zakah Management, May 20-23, 2002, International Islamic University, Islamabad, Pakistan and Islamic Research and Training Institute (IDB): Pakistan.

<sup>23</sup> UNDP, United Nations Development program, *Poverty Report*, (2000). *Overcoming Human Poverty*. Online: <http://www.undp.org/povertyreport/slides/slideindex.html> [accessed 08/04/2020].

<sup>24</sup> Tahir, M. M. (2002). *Objectives and Targets of Zakat in the Qur'an and Sunnah*. International Training Seminar on Zakah Management, May 20-23, 2002, International Islamic University, Islamabad, Pakistan and Islamic Research and Training Institute (IDB), Pakistan.

on a ruling of khalifah Umar (RA) when he said: ‘when you give, make the recipient rich and self-sufficient and continue helping people even if have to give hundred camels.’<sup>25</sup>

### 2.1.3 Nisab Calculation in The Gambia

The payment of zakatul maal is obligatory upon individual Muslims or organisations that have completed or fulfilled the requirement of Nisab (a minimum of the wealth on which zakat is legitimately levied) of the zakat on business in the Gambia for the year 1441 lunar 2019/2020.

The payment is 2.5% out of total wealth deemed for zakat which is equal to 40 GMD Nisab amount is 24,172 GMD and 604.30 GMD will be zakat amount to pay out of that.

**A.** Total Amount divided by 40

Example 24,172 divided by 40 = 604.30 GMD

1,000 divided by 40 = 25

**B.** Total Amount times 2.5%

Example 24,172 times 2.5% = 604.30

1,000 times 2.5% = 25

*Zakat* on Agricultural products

Rates

**a)** If the produce is watered naturally without the use of artificial means; 10%

A. How to calculate; total amount divided by 10 or total amount times 10% example 10,000 divided by 10 = 1,000

**b)** If it is irrigated by machinery or with purchased water: 5%

A. How to calculate: total amount divided by 20 or total amount times 5%, example 10,000 divided 20 = 500

**c)** If it is watered equally by natural as well as by artificial means: 7.5%

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<sup>25</sup> Abdullah, R. (2012). Zakat Management in Brunei Darussalam: Funding Economic Activities of the poor, Bandar Seri Begawan: Universiti Islam Sultan Sharif Ali.

A. *How to calculate zakat*

Total amount divided by 40 times 3 = 750

Or 10, 000 times 7.5% = 750<sup>26</sup>

## **2.2 Zakat Management in The Gambia**

Presently, The Gambia Supreme Islamic Council (GSIC) which was founded 27 years ago came to existence as an official council in 2010 to manage the collection, distribution and administration of zakat in the country. The council was established in 1992 and consists of around 50 Islamic scholars working as a volunteer in the council. It has a supervisory board of directors which are the Imams from various communities in The Gambia as well as leaders of various institutions, business people, lecturers and opinion leaders. The GSIC structure consists of an executive committee members and regional representations. The council's purpose is to promote and ease the collection and distribution of zakat. The Gambia has emerged as a highly Islamic and morally developed Muslim state having well-educated people in Islam. The role of GSIC is to collect zakat from individuals and then distribute to the deserving people. This council as a centre is currently managing the affairs of zakat in the country.<sup>27</sup> Basically, there are various issues that affect zakat compliance or payment in The Gambia and some of these issues are highlighted below.

There is no governmental firm or body taking responsibility of zakat collection. Unlike other countries in Asia zakat payment is well regulated and supervised by the government, whereby they take responsibility and the duty to collect and distribute zakat. In the United States and some other European countries zakat collection and payment is being managed by Non-Profit Organisations like Islamic Relief USA, they collect funds and pay it in accordance with Islamic laws and principles on zakat to the needy and poor people.<sup>28</sup> The responsibility of zakat payment and distribution is being managed by private institution and not government.

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<sup>26</sup> Danso, O. (2019). Gambian Supreme Islamic Council, Dawah and fatwa committee report. Serrekunda, Gambia. Unpublished paper.

<sup>27</sup> <https://www.accessgambia.com/GSIC>

<sup>28</sup> <https://www.irusa.org>



Another issue is that there is no binding constitution and legal system put in place to enforce eligible people to pay zakat in The Gambia which include working businessmen who sometimes will not volunteer to pay zakat when there is no law enforcing it.<sup>29</sup>

The Gambia is also facing a lot of challenges in terms of employment as many youths are unemployed due to political instability in the country which leads to high rate of unemployment for graduates and those deported from “backway” travellers. It also affects zakat payment because of lack of funds.<sup>30</sup>

Poverty in The Gambia contributed by unemployment as well as low level of education and high rate of population growth resulted to some major issues affecting zakat whereby, the poor status of the country with political sentiments by different regimes in power failed to provide basic amenities that would make life better for the citizens. As a result, poverty continues to increase drastically which leads to the system of economic instability and inflation in the country.<sup>31</sup>

### **2.3 Business Economy in The Gambia**

Businesses in The Gambia consists of people from various sectors like local entrepreneurs who are the small own businessmen, sole traders, partnerships and companies operating in the country who are eligible to pay zakat annually. However, the government of The Gambia, as in many developing countries, places a high emphasis on developing the growth of a small and medium enterprises (SMEs) sector to benefit from the vital contribution SMEs make to national economic development.<sup>32</sup>

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<sup>29</sup> M L Touray 2010 Gambia supreme Islamic Council

<sup>30</sup> Ministry of Finance and Economic Affairs, MOFEA. (2020). The Gambia National Development Plan 2018-2021. Online: <https://mofea.gm/ndp> [accessed 06/05/2020].

<sup>31</sup> The World Bank Report. (2017). The Gambia: Social Safety Nets Diagnostic. NW, Washington DC 20433. Online: [www.worldbank.org](http://www.worldbank.org) [accessed 18/09/2019].

<sup>32</sup> Agyapong, D. (2010). Micro, small and medium enterprises' activities, income level and poverty reduction in Ghana-A synthesis of related literature. *International Journal of Business and Management*, 5(12), 196-205.

Bordonaba-Juste V., Lucia-Palacios, L., & Polo-Redondo, Y. (2011). An analysis of franchisor failure risk: Evidence from Spain. *Journal of Business and Industrial Marketing*, 26(6), 407-420.

Cant, M. C., & Wiid, J. A. (2013). Establishing the challenges affecting South African SMEs. *The International Business and Economics Research Journal*, 12(6), 707-716.

Farrington, S. M. (2012). Personality and job satisfaction: A small-business owner perspective. *Management Dynamics. Journal of the Southern African Institute for Management Scientists*, 21(2), 2-15.

Globally, SMEs are acknowledged by the government, especially, in developing countries they contribute in the economic growth and stability in shape of employment, new job creation, social cohesion and development.<sup>33</sup> In order to enhance the development of small businesses for national economic expansion, the government of the Gambia created the Indigenous Business Advisory Services (IBAs) in the 1970s to streamline microenterprises.<sup>34</sup> Many businesses especially SMEs are known to face challenges with funding issues, management difficulties and appropriate and effective leadership.<sup>35</sup> Basically, they are regarded as an excellent source of development that help in the improvement of local technology and the development of indigenous entrepreneurs.

## 2.4 Concept of Zakat Management

Management is recognised as an art or science that allow people attain desired objectives by engaging other people.<sup>36</sup> Management cannot be defined without mentioning the guiding roles of managers therefore, management can be literally referred to as "looking over" which also means to safeguard that people do what they are supposed to do to attain a certain administrative goal. An administrative manager is a person whose duty is to maximise output and produce exceptional results. Precisely, management could be well-defined as a process of planning and maintaining an environment where people work together in groups to attain desired objectives efficiently and effectively.<sup>37</sup>

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Gill, A., & Biger, N. (2012). Barriers to small business growth in Canada. *Journal of Small Business and Enterprise Development*, 19(4), 656-668.

Gupta, A., & Muita, S. R. (2013). Relationship between entrepreneurial personality, performance, job satisfaction and operations strategy: An empirical examination. *International Journal of Business and Management*, 8(2), 86-95.

Jasra, J., Hunjra, A. I, Rehman, A. U, Azam, R. I, & Khan, M. A. (2011). Determinants of business success of small and medium. *International Journal of Business and Social Science*, 2(20), 274-280.

<sup>33</sup> Hashim, N. A. B., Raza, S., & Minai, M. S. (2018). Relationship between Entrepreneurial Competencies and Small Firm Performance: Are Dynamic Capabilities the Missing Link? *Academy of Strategic Management Journal*, 17(2).

Ratten, V. (2014). Encouraging collaborative entrepreneurship in developing countries: The current challenges and a research agenda. *Journal of Entrepreneurship in Emerging Economies*, 6(3), 298-308.

<sup>34</sup> Sallah, A., & Williams, C. C. (2016). Re-theorising the role of the informal economy in Sub-Saharan Africa: some lessons from Gambia. *International Journal of Entrepreneurship and Small Business*, 28(2-3), 195-215.

<sup>35</sup> Kamara, A. B. (2018). Challenges of small and medium retail enterprises in Gambia and Ghana: Qualitative case study. Ph.D. Dissertation, University of Phoenix, Tempe, Arizona, USA.

<sup>36</sup> Bennis, W. G. (1989) *On Becoming a Leader*. (4th Ed.), Addison-Wesley Reading, MA.

<sup>37</sup> Koontz, H., & Weihrich, H. (1990). *Essentials of Management*. McGraw-Hill, NJ.

According to this definition, the duties of managers may include planning, organizing, staffing, leading and controlling. It is also clear that management is an essential requirement to meet the objectives of any association. Managers at all stages are likely to adopt and observe with basic management skills to attain an identical objective. Thus, management is an essential tool in administrative setting as it safeguards strategic planning, proper coordination, directing and controlling of huge and difficult conclusion making process. An association that recognized a sound management system is eminent in administrative successes, and effective services and management, human resource administration and most essentially solving developing problems on the cause or after productions. Complications are inevitable phenomena in every association in its effort to accomplish successful results, but effective management system is constantly rapid in handling the developing problems and provides effective measures to avoid its existence in the future. Successful managers detect the causes of complications and provide remedies to it.

Mostly, administrative management is developed along lines of social affiliation, teamwork, performance motivation, emotional strength and capability to handle evolving circumstances in the organizations. Mainly, zakat organization is similar to any other association and therefore requires adopting successful management skills and theories to attain its objectives. Effective management is required in safeguarding that the goals of zakat and its foundations are attained, welfare and safety of staff, and security of the equipment of the organization including human resources are secured.

## **2.5 Zakat Management in modern-day Muslim Communities**

Zakat has been deliberated as a religious duty and has played a dynamic role towards the eradication of poverty in the classical Muslim history.<sup>38</sup> Although, the system involved in zakat management faces challenges which may result in a poorly functioning or a total collapse of entire system. However, majority of Islamic countries and Muslim societies worldwide have rebranded their zakat management system by

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<sup>38</sup> Dimas, K., Wiranata, B., & Sukmana, R. (2010). The power of zakah in poverty alleviation. Seventh International Conference –The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi 2010.

introducing new policies and regulations. Recently, Kuwait established Bayt al-zakat in 1982,<sup>39</sup> Sudan established its Diwan al-zakat 1980, while Saudi Arabia revitalised its zakat system as early as 1951.<sup>40</sup> These are a few notable changes in modern Muslim countries to develop and improve the zakat management system.

### 2.5.1 Duties of Zakat Managers

The proceeding discussion highlights the concepts of management and emphasizes the relevance of each concept in zakat management.

**Planning** refers to designing organizational objectives and activities through which the goals can be achieved. Planning also involve setting of objectives and strategic actions of operation directed towards achieving certain objectives. Planning starts with the beginning of the idea to the effective measures to be taken. In zakat management, operations such as estimate for zakat collection, estimates for zakat distributions, administrative budgets are all considered as parts of planning.<sup>41</sup>

**Organizing** establishes when certain people work together to attain common objectives. Generally, each member of the group most have a role to play to attain such objectives and the roles played by each member are stated by the management body of the institution. Therefore, organizing is a part of leadership that involves establishing roles and responsibilities of each participant of the group. It also assists to ensure that roles are allocated according to competency, ability and proficiency. In addition, organizational structure helps to create good environment for display of human performance.<sup>42</sup>

Nonetheless, designing an administrative structure according to capability is one factor that is difficult to be attained perfectly, because of the fact that competences and skills are better comprehended after trials and errors. It should be eminent however that several zakat associations design their administrative structures according to their

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<sup>39</sup> Dahiru, M. A., Nafiu, O., & Fuoad, A. M. D. (2013). Zakat Distribution among Asnaf in Wilayah and Selangor: Analytic Hierarchy Process (AHP). Tazkia Library and Knowledge Center.

<sup>40</sup> Ali bin Muhammad, A. M. A. H. (1973). al Ahkam al Sultaniyyah (Circa 450), al Babi al Halabi Publishers, 3rd printing, Cairo (in Arabic). Basheer, Muhammad Sheriff (2003). Tajribah al-zakah fi al-Sudan cited on 26/3/2013 on <http://islamfeqh.com/Nawazel/NawazelItem.aspx?NawazelItemID=1336>

<sup>41</sup> Koontz, H. (1980). The management Theory Single Revised. *Academy of Management Reviews*, 5(2), 175-188.

<sup>42</sup> Koontz. *Academy of Management Reviews*, 175-188.

organization styles. Still, the zakat administrative structure is usually made up of supervision body which comprises the high-ranking decision makers of the association, managerial body that is responsible of the secretariat and staffing, and assumptions or field services as well as collection and disbursing of zakat funds.<sup>43</sup>

**Staffing** includes filing the defined offices and locations of the administrations structure. Staffing is achieved by ascertaining the workforce requirements, obtaining for available and experienced personnel, recruiting, choosing, assigning, promoting, assessing, compensating excellent results among other things. It also involves training and retraining of staffs to assist them in developing professionalism to perform their responsibilities.<sup>44</sup> In zakat institutions, staffing is a very significant duty that assists in ensuring effective services, to discourse staffing matters some zakat associations privatized the institutions to diminish the cost of running the association and meeting the workforce requests.

**Leading** means to have an impact on people directly or indirectly to contribute towards attaining the administrative objectives. Leading is directly linked to relational aspects of organization. In many cases failure to start an effective leadership contributes in failure to attain objectives of an organization. This mostly occurs as a result of self-interest, lack of skills, and self-driven objectives not organizational-driven which collectively lead to failure of many organizations and enterprises. Therefore, effective managers need to be real leaders as well. An effective leadership includes incentive, sound approach to rules and exceptional communication skill to provide clear instructions.<sup>45</sup> In most cases, leadership of zakat organizations comprises of shariah committee and senior management of the association. Therefore, all decisions of the administration body are exposed to scrutiny by the shariah governing bodies of the association.

**Controlling** refers to course employed by the organization in checking the undergoing activities to safeguard that it's in line with the organizational plans. Despite the fact that a plan guides managers in the use of available resources, controlling ensures sufficient adherence to the plans in line with the goals of the association. For example, when an

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<sup>43</sup> Yasin, O. (2004). Modern Management Theories and Practices. Presented at the 15th East African Central Banking Course, held on 12th July 2004, at Kenya School of Monetary Studies.

<sup>44</sup> Yasin. Conference paper, Kenya School of Monetary Studies.

<sup>45</sup> Koontz, H. (1980). The management Theory Single Revised. *Academy of Management Reviews*, 5(2), 175-188.

organization offers produced budget for its expenditure, controlling is employed to ensure that all activities and expenditures are in adherence to the budgets.<sup>46</sup> In zakat organizations, controlling is carried out by either shariah governing bodies or through the office of an auditor who is responsible of auditing the activities of association and assessing its allocation.

**Coordination** determines the synergy between activities of zakat administration institution involves appointing capable managerial staffs in place and coordinating them to ensure that all efforts are assert together to establish a common system. Coordination scopes all above-mentioned administrative functions, and for this reason several departments and individuals often take different methods to interpret common interest. Therefore, good managers are able to reconcile and match many efforts to produce exceptional outcomes.<sup>47</sup> Coordination is very significant in zakat associations to help harmonize the collected zakat properties with the disbursement exercises. Thus, the need to coordinate the organization of zakat collection and distribution is necessary.

## **2.6 Reviews on Issues and Challenges of Zakat Management**

Zakat in the modern world, particularly after the downfall of the Islamic caliphate had a little influence on poverty reduction because of the feebleness of the Islamic states in regulating and management. However, due to the development of Islamic financial and economic establishments, consideration to zakat as part of Islamic financial institution has started to rebound. As a result, regarding issues and challenges many researches have been conducted to analyse the essential factors of the zakat to expand the economic welfare of the poor and needy in the economy.

The literature on zakat in general can be grouped into three categories. The first group is connected to Fiqh zakat (Islamic rules and other legal issues). This is done by most of the contemporary Islamic economists and some classical jurists. This group has highlighted the law, values, and ideology of zakat. Qardawi<sup>48</sup> has very well summarised majority of the issues connecting to the principles of zakat and its ideology, and

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<sup>46</sup> Koontz, H. (1980). The management Theory Single Revised. *Academy of Management Reviews*, 5(2), 175-188.

<sup>47</sup> Koontz, H. (1980). The management Theory Single Revised. *Academy of Management Reviews*, 5(2), 175-188.

<sup>48</sup> Yusuf, Q. (1997), *Fiqh az-Zakah*. Beirut: Mu`assasat al-Risalah, 1997.

surrounded by a limited range also in recent times been described by Mahmud and Haneef.<sup>49</sup>

The second classification is related to the administration of zakat. Kahf<sup>50</sup> widely discussed the issues concerning the administration of zakat by using a cross-country analysis from Saudi Arabia, Libya, Malaysia, Pakistan and Sudan. Islahi<sup>51</sup> at the same time, cites a number of researches conducted in various countries, such as Azharuddin (1988) in Bangladesh, Faridi (1993 and 1995) in India, Ajeel (1995) in Kuwait, Abdul Wahab (1995) in Malaysia, Khan (1994) in Pakistan, Jamjom (1995) in Saudi Arabia, Mohammad (1995) in Sudan, and Balogun (1999) in Nigeria.

The third classification is connected to the economics of zakat. This group comprises of works that include the effect of zakat on the real economy, manufacturing, consumption, and investment. It also involves and covers the relationship between zakat and the macroeconomic model, socio-economic role of zakat and its distributional effect; and the dissimilarity between zakat and tax system or social security policy in conventional area.

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<sup>49</sup> Mahmud, M. W., & Haneef, S. S. (2009). The use of zakat revenue in Islamic financing. Jurisprudential debate and practical feasibility. *Studies in Islam and the Middle East*, 6(1), 1-15.

<sup>50</sup> Monzer, K. (1999). Zakah: Performance in Theory and Practice. Paper presented at the International Conference on Islamic Economics Towards the 21st Century, Kuala Lumpur, August 1999, April 26-30, 1999, pp. 26-29.

<sup>51</sup> Islahi, A. A., & Obaidullah, M. (2004). Zakah on stocks; some unsettled issues, of King Abdul Aziz. *Islamic Economics*, 17(2), 3-17.

Azharuddin, M. (1988). Role of Zakat in a Modern Economy with Reference to Bangladesh. In, *Rafiqul-Islam Molla* (et al.) (eds.), *Frontiers and Mechanics of Islamic Economics*, Sokoto, Nigeria, University of Sokoto, 155-68.

Faridi, F. R. (1995). India, (a case study of Zakah Management), in: el-Ashker and Sirajul Haq (eds.), *Institutional Framework of Zakah: Dimensions and Implications*, Jeddah, IRTI, IDB, pp. 231-57.

Ajeel, A. Q. D. (1995). *Institutional Framework of Zakah: Dimensions and Implications*. Jeddah, IRTI/IDB, 259-295.

Abdul-wahab, M. (1995). Malaysia (A case study of zakat management. In, *Institutional framework of zakat: Dimensions and Implications*, (Ed.) El-Ashker & Haq, S., 297-378. IRTI/ IDB: Jeddah.

Akram, K. M. (1994). *An Introduction to Islamic Economics: Islamization of Knowledge Series*, 13, Islamabad, the International Institute of Islamic Thought (IIIT) and the Islamic Research Training Institute (IRTI), Jeddah, Saudi Arabia.

Aziz, J. A., & Rashid, M. (1995). Saudi Arabia (A case study of zakat Management In, el-Ashker and Sirajul Haq (eds.), *Institutional framework of Zakah: Dimentions and Implications*, Jeddah IRTI, IDB. pp. 403-16.

Wahab, M. A., Hamid al Junaid, S. A., Omar, M. A., Ghazali, A., Osman, J., Arif, M. (1995). Case Study: Malaysia, *Institutional Framework of Zakah: Dimensions and Implications*. Islamic Research and Training Institute, Islamic Development Bank, Seminar Proceedings No.23, Saudi Arabia.

Balogun, S.U. (1999). Re-appraisal of the Method of Collection and Distribution of Zakah in Nigeria. In, *Bashar, M.A.L., & Aminu S. M. (eds.), Fiqh and Economics*, Sokoto: Usman Danfodio University, 39-47.

A few notable studies in Indonesia were conducted by Abdullah (1991),<sup>52</sup> Susanto (200), Khatimah (2004), Sina (2004), Arif (2005), Muhtada (2008), and Beik (2009). However, with the exception of Beik (2009) which utilises a relatively large sample, the mainstream of this literature is little in scope or methodology. Additionally these studies are limited as this focus on emphasising income indicators to determine the influence of zakat on the economic welfare and safety.

In another research conducted by Laila Abdullatif<sup>53</sup> study about the zakat collection issues in Middle East countries such as Kuwait, Sudan, Pakistan and etc. In these studies, it states that the circumstance cause problem about zakat in those countries was an ineffective and inefficient administrative law of zakat collection by state and lack of coherence in a state's legal philosophy on zakat. Most of the content in this research discussed about zakat organisation manage and handle zakat by collecting and distribute them. Almost all the problems stated have a connection with the weakness of the state's authorities to organise zakat.

The research on zakat generally in relation to the utilisation of the zakat fund for the enablement of the poor was done by Mustafa Murtala Oladimeji.<sup>54</sup> He did research on the empowerment scheme as a new approach strategy against poverty practised by two zakat foundations, the Islamic Religious Council of Singapore and the Islamic Religious Council of Selangor (Zakat Authority of Selangor).

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<sup>52</sup> Abdullah, T. (1991). Zakat collection and distribution in Indonesia. In, *The Islamic Voluntary Sector in Southeast Asia*, (Ed.) Pasir Panjang, M. A. Institute of Southeast Asian Studies: Singapore.

Khatimah, H. (2004). Pengaruh Zakat Produktif terhadap Peningkatan Kesejahteraan Ekonomi Para Mustahik dalam. *Jurnal Ekonomi Keuangan dan Bisnis Islam*, 50(4).

Sina, I. (2004). Analisis Pengaruh Dana Zakat, Infak, Sedekah (Zis), Tingkat Pendidikan & Lama Usaha Mustahik Terhadap Peningkatan Pendapatan Usaha. Unpublished Master Thesis, University of Indonesia.

Arif, G. M. (2006). Poverty Targeting Efficiency of Zakat, Microfinance and Lady Health Workers Program in Pakistan. Asian Development Bank, Working Paper No. 4.

Lada, V., & Kurpis, M. S. (2008). The Effects of Commitment to Moral Self-improvement and Religiosity on Ethics of Business Students. *Journal of Business Ethics*, 80, 447–463.

Beik, I. (2009). The use of Zakat as financing source for micro and small-scale Enterprise and its role in reducing poverty: A case study in Jakarta, Indonesia. Unpublished PHD dissertation, International Islamic University Malaysia: Kuala Lumpur.

<sup>53</sup> Laila, A. (2012). The Problem Faced by the State in the Collection of Zakat (Tax). 46-70. Unpublished Master Thesis, University of Nairobi: Nairobi, Kenya.

<sup>54</sup> Abioye, M. M. O. (2008). Accountability for Zakat Disbursement an Exploratory Study of Empowerment Schemes in Zakat Institutions. Unpublished master degree dissertation, IIUM: Malaysia.



Waheed<sup>55</sup> found that the rules of Fiqh al-zakat which zakat payers, circumstances of zakat and zakat able wealth, including both traditional and contemporary wealth like, securities, shares, bills, current assets, real estate for trade and fixed assets of business.

The well-known and eminent modern-day scholar, Qardawi, wrote two volumes of a book on zakat which provided an all-inclusive account of zakat administration and other related issues (Al-Mawardi 1996, Farishta G de Zayas 1960, 2003 and al-Abdin 2002).<sup>56</sup>

## **2.7 Roles and Goals of Zakat**

Zakat in Islam is considered to play different roles and fulfil many goals in the life of Muslims and in some instance non-Muslims as well. Several studies, articles, and papers on zakat helps the scholars reached at following subjects in respect to zakat's role and goals:

### **2.7.1 Eradication of Poverty**

Zakat functions as a preventive tool against poverty. Hairunnizam and Radiah,<sup>57</sup> adopted the framework of Mikami and Inoguchi,<sup>58</sup> to examine the cause and effects of political systems as observed by many people. Their findings specified that zakat is a unique system introduced by Islam with a view to eliminate poverty by making it social obligation on the rich.

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<sup>55</sup> Atif, W. (2002). Traditional and Recent Fiqh Rules and Economic Arguments Concerning Zakat Revenues. *International Training Seminar on Zakah Management*, May 20-23, 2002, International Islamic University, Islamabad, Pakistan and Islamic Research and Training Institute (IDB), Pakistan.

<sup>56</sup> Atif. *International Training Seminar on Zakah Management*, International Islamic University, Islamabad, Pakistan

Farishta G. Z. (1960). *The Law and Institution of Zakat, 1960 - Damascus: Al Jadidah Press. 2003 - Kuala Lumpur: The Other Press.*

Al Abdin, A. T. Z. (2002). *The Distribution of Zakat. International Training Seminar on Zakah Management, May 20-23, 2002, International Islamic University, Islamabad, Pakistan and Islamic Research and Training Institute (IDB): Pakistan.*

<sup>57</sup> Wahid, H., & Kader, R. A. (2010). *Localization of Malaysian Zakat Distribution: Perceptions of Amil and Zakat Recipients. Seventh International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi 2010.*

<sup>58</sup> Mikami, S., & Inoguchi, T. (2008). Legitimacy and effectiveness in Thailand, 2003– 2007: perceived quality of governance and its consequences on political beliefs. *International Relations of the Asia-Pacific, 8*, 279–302.

Research carried by Riaz,<sup>59</sup> specifies poverty alleviation as goals that can be attained through zakat distribution. He stressed that zakat could be utilised as a part of long-term strategy for poverty alleviation. Related opinion is maintained by Fuadah,<sup>60</sup> where it relates that zakat could free recipients from poverty and develop their living standards. Empirical research by Shirazi and Amin<sup>61</sup> shows that countries have diverse policies and strategies concerning poverty alleviation, but claims that OIC member countries could use the provision of zakat and sadaqah to eradicate poverty. Their results also show that 15 out of 37 economies require only small amount of funds for poverty alleviation.

### 2.7.2 Refinement of Soul

Zakat functions as a moderate in whom the givers soul is refined from impurities such as greed and excessive love of wealth. A person is naturally created to love wealth excessively, Qur'an 70:19-24 says,<sup>62</sup> "Truly man was created very impatient, fretful when evil touches him; and niggardly when good reaches him; not so those devoted to prayer. Those who remain steadfast to their prayer; And those in whose wealth is a recognised right" For the destitute who asks and him who is stopped for some reason or purpose from asking. Patmawati;<sup>63</sup> found that zakat purifies the heart of the rich from self-interest and greed and makes him play a greater role in the society. Abdullah and Abdul Quddous<sup>64</sup> argue that zakat created soul purification from self-regard, greed and hatred, zakat saves the giver from self-indulgence and ego-centricity. Ibn al Qayyim,<sup>65</sup> upholds that zakat could help in refining the souls of the giver.

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<sup>59</sup> Hassan, R. (2007). *Giving and Gaining: Philanthropy and Social Justice in Muslim Societies*, Lahore J, Poly Study Rowntree, D. (1987). *Assessing students: How shall we know them?* Boston :Allyn and Bacon.

Johari, F., Ab Aziz, M. D., Mohd Faisal Ibrahim, M. F., & Mohd Ali, A. F. (2013). The Roles of Islamic Social Welfare Assistant (Zakat) for the Economic Development of New Convert Middle-East. *Journal of Scientific Research* 18(3), 330-339.

Nasim, N. S., & Amin, F. B. (2010). Prospect of Poverty Elimination through Potential Zakat Collection in OIC Member Countries. *Journal of Islamic Economics Banking and Finance*, 6(3), 55-74.

<sup>62</sup> Al-Qur'an (70: 19-24)

<sup>63</sup> Ibrahim, P. (2006). *Economic Role of Zakat in Reducing Income Inequality and Poverty in Selangor* PhD thesis, Universiti Putra Malaysia.

<sup>64</sup> Abdullaha, M., & Suhaib, A. Q. (2011). The Impact of Zakat on Social Life of Muslim. *Society Pakistan Journal of Islamic Research*, 8, 85-91.

<sup>65</sup> Muhammad bn Abubakar bn Ayyub bn Sa'ad bn Shamsuddin, A. Q. J. (1994). *Zadul Ma'ad fi Hadyi Kahiril Ibad. Mu'assasah al-risalah*, Beirut.

### **2.7.3 Honesty of Faith**

Through the performing of zakat, the honesty of the Muslims faith towards his creator is comprehended. By giving out zakat the level of piousness and virtue of a Muslim increases.<sup>66</sup> Zakat is also referred to as sadaqah derived the word sidq which means truth. Hence, the faithfulness of the zakat giver can be declared by proper calculation of his assets with view to observe religious duty by giving it to the poor.

### **2.7.4 Submission to Law**

Another significant theme emerged from the review is the role of zakat in showing the level of the givers readiness to abide by Allah's commands. This is recognized in discovery of a survey carried by Abdullah and Abdul Quddous (2011), where many zakat givers assets that they are only observing zakat, to fulfil the injunctions or the commands of Allah upon them as Muslims. This is in line with Allah's command where He says, "O you who believe! Obey Allah and obey the messenger and those of you who are authority".

### **2.7.5 Reallocation of Wealth**

Zakat helps in wealth reallocation among the societies and avoids accumulation of wealth in the hands of a few. Hairunnizam and Radiah<sup>67</sup> revealed that by giving zakat redistribution of wealth is ensured to elude inequality prevalence. Patmawati,<sup>68</sup> outlined that zakat not only ensures social justice in the community but also mobilises and makes resources available for the poor. Zakat also develops the production capacity of the Muslims society<sup>69</sup>. This is supported by Qur'anic verse where Allah says; "This wealth may not instil solely among the rich from among you".

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<sup>66</sup> Johari, F., Ab Aziz, M. D., Mohd Faisal Ibrahim, M. F., & Mohd Ali, A. F. (2013). The Roles of Islamic Social Welfare Assistant (Zakat) for the Economic Development of New Convert Middle-East. *Journal of Scientific Research* 18(3), 330-339.

<sup>67</sup> Wahid, H., & Kader, R. A. (2010). Localization of Malaysian Zakat Distribution: Perceptions of Amil and Zakat Recipients. Seventh International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi 2010.

<sup>68</sup> Ibrahim, P. (2006). Economic Role of Zakat in Reducing Income Inequality and Poverty in Selangor PhD thesis, Universiti Putra Malaysia.

<sup>69</sup> Dahiru, M. A., Nafiu, O., & Fuoad, A. M. D. (2013). Zakat Distribution among Asnaf in Wilayah and Selangor: Analytic Hierarchy Process (AHP). Tazkia Library and Knowledge Center.

### **2.7.6 Kindness**

Zakat helps to elude personal interest and selfish derives and persuade people to give zakat as financial aid to less privileged and destitute.<sup>70</sup> Man is asked by Allah to be generous and clear their heart against any act of greed. Allah says, “And those saved from the covetousness of their own souls, they are the ones that achieve prosperity.”<sup>71</sup>

### **2.7.7 Social Equity and Safety**

Zakat recognised as a social equity, eradicates strife and social tension. Patmawati argued that zakat encourages social equity which helps in promoting the fibre of the society and engenders political steadiness. In another related view, Suhaili and Nur Azzah,<sup>72</sup> highlighted that zakat ensures the social equity considered for every Muslim society. In respect to this affirmation, Allah says in the Qur’an; “The believers, men and women, are protectors one of another; they enjoin what is just, and forbid what is evil; they observe regular prayers, pay zakat, and obey Allah and His Messenger. On them will Allah pour His mercy; for Allah is exalted in power and wise”<sup>73</sup>

### **2.7.8 Achievement of Religious Duty**

It has been mentioned earlier in the definition of zakat above that zakat is a compulsory act; therefore, every rich Muslim must pay zakat. Failure to entail with zakat provisions causes Allah’s anger. The prophet PBUH is reported to have said;

Abdullah ibn Omar narrated that the messenger of Allah PBUH said; “I have been ordered to fight against people until they testify that there is no God but Allah and that Muhammad is the messenger of Allah and until they perform the prayers and pay the zakat, and if they do so they will gain the protection from me for their lives and property, unless they do acts that are punishable in accordance with Islam, and their reckoning will be Allah the Almighty” (Al –Bukhari & Muslim). Abdullah and Abdul Quddous

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<sup>70</sup> Suleiman, M. (2003). The influence of Riba and Zakat on Islamic accounting. *Indonesian Management and Accounting Review*, 2(2), 149-67.

<sup>71</sup> Al-Qur’an (59: 9)

<sup>72</sup> Sarif, S., & Kamri, N. A. (2009), A Theoretical Discussion of Zakat for Income Generation and Fiqh Issues. *Shariah Journal*, 17(3), 457-500.

<sup>73</sup> Al-Qur’an (9: 60).

maintained that believing in zakat as religious obligation is among the reasons for the strict observance of zakat by the givers.

### **2.7.9 Diminish Unfairness**

Zakat prevents social welfare loss and diminish unfairness among society. Kasuma and Sukmana<sup>74</sup> revealed that reducing income inequality in socio-economic framework is among the major objectives of zakat. In their empirical study, they identified three stages of distribution schemes as, pre-distribution stage, post-distribution stage, and redistribution in the Islamic views. Their result shows two significant issues, equitable distribution to the poor and needy could result in sound opportunities in the economy and there are positive changes light growth and inequalities. Patmawati also considers and trusts that equitable distribution of zakat by filling the gap of the poor will assist in decreasing income inequity and will support and promote social wellbeing.

### **2.7.10 Resolution of the Heart of the Poor against the Rich**

Human being is created with natural envy and jealousy towards one another. Giving zakat eradicates the natural insatiability of the poor against the rich. Zakat brings the rich and the poor closer to one another and ensures the real spirit of brotherhood is maintained as instructed by Islam. Qur'an has mentioned performance of prayer and observance of zakat as pre requisite for Islamic brotherhood, the Qur'an says;

*“Your real friends are no less than Allah, His Messenger, and the fellowship of believers, those who perform regular prayers and regular charity. And they bow down humbly in worship. As to those who turn for friendship to Allah, His Messenger, and the fellow believers, it is the party of Allah that must certainly triumph”*<sup>75</sup>

Farrington and Patmawati<sup>76</sup> reveal that zakat is among the actions that help in reconciling the heart of the poor from ill-feelings and envy against the rich. If the poor

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<sup>74</sup> Dimas, K., Wiranata, B., & Sukmana, R. (2010). The power of zakah in poverty alleviation. Seventh International Conference –The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi 2010.

<sup>75</sup> Al-Qur'an (5:55-56)

<sup>76</sup> Farrington, S. M. (2012). Personality and job satisfaction: A small-business owner perspective. Management Dynamics. *Journal of the Southern African Institute for Management Scientists*, 21(2), 2-15.

is aware that he has a definite share from the wealth of the rich, he will help protect the rich and be prayerful for the increase in his wealth.

### **2.7.11 Appreciation and Gratitude to Allah**

Zakat offers an opportunity to rich Muslims to show how thankful and grateful they are towards Allah, this is achieved by showing gratitude to Allah for creation, zakat serves to express to gratitude for the material gifts given to us by Allah. By giving zakat and showing gratitude to Allah, He promised the zakat givers of paradise. Qur'an 23:1-4 says; "The believers must eventually win through those who humble themselves in their prayers, who avoid vain talk, who are active in deeds of charity."<sup>77</sup>

### **2.7.12 Encouraging Self Respect**

Zakat is a religious obligation on the rich Muslims and a person that gives zakat is seen as a person observing his religious duties, which if he fails to observe he is liable for punishment and anger of Allah. However, a person that pays zakat earns special respect and recognition among the society by assisting the poor. In order to maintain this status Allah warned the zakat and sadaqah givers not to destroy their good deeds by show-ups and bragging, Qur'an says; "O you who believe! Render not vain your almsgiving by reproach and injury."<sup>78</sup>

### **2.7.13 Discourage Beggary**

Beggary is unwanted attitude in Islam and Muslims are urged to refrain from begging. The prophet PBUH is reported to have said;

"Whoever begs from people so as to accumulate riches, he is asking for live coal fire from hell, so let him ask for a lot or a little" Recently, beggary becomes a menace many societies facing especially in the Gambia, beggary have become one of the most visible things in the markets, on streets, motor parks, filling stations etc. Abdullah and Abdul Quddous revealed that zakat could help in reducing beggary by helping the real poor people looking for help among beggars.

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<sup>77</sup> Al-Qur'an, 23: 1-4.

<sup>78</sup> Al-Qur'an, 2: 264.

#### **2.7.14 Moderates the Heart of Converts**

Zakat is also seen as a means that helps in moderating the heart of converts; it will pave a way to understanding the true spirit and beauty of Islamic brotherhood. Zakat is also used to invite non-believers into the folds of Islam. Fuadah quoted Qardawi to argue that zakat can be given to a group of non-believers especially when they show interest to accept Islam. According to Fuadah this is justified considering that the prophet PBUH invites Safwan to Islam but Safwan refuses until after the Prophet gave him camels as a gift in the battle of Hunayn. This attitude attracts Safwan and he became a good Muslim. This is believed to be evident in showing how zakat could play a better role if given to the people whose heart is inclined to Islam. Therefore, the main objectives of zakat are the accomplishment of socio-economic justice which is not doubtful according to Yussof,<sup>79</sup> in addition to the role of zakat in establishing social welfare and economic development in the society. Its role as a fiscal mechanism cannot be denied as it creates the advancement of growth cycle that performs some of the major functions of modern public finance.<sup>80</sup>

#### **2.8 Zakat as an Instrument of Islamic Economic Development**

Zakat as a pillar of the faith most closely connected to Islamic public finance, Islamic economics, and to the Islamic state itself. Zakat is deliberated to be the main Islamic component due and the basis of Islamic public finance. Ausaf Ahmed<sup>81</sup> quotes Mohamed Ariff as follows:

“It has been recognised that the system of zakat holds a vital position in the fiscal theory and rule of the Islamic economy. The correct and rightful place of zakat system is in the domain of government finance. The system of public expenses and assessment in an Islamic community will have to be designed and attuned to take account of a zakat

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<sup>79</sup> Md. Isa, Y. Z. (2011). *The Relationship Between Poverty Elimination and Asnaf Entrepreneurial Scheme*. Unpublished Master's Thesis. Universiti Utara Malaysia.

<sup>80</sup> Chapra, M. U. (2010). *Islamic perspective on poverty alleviation*. Jeddah: Islamic Research and Training Institute.

<sup>81</sup> Ahmad, A. (1996). Review of The Islamic Voluntary Sector in Southeast Asia. *J.KAU: Islamic Econ.* 8, 73-77.

system in management. That is the reason why; zakat holds a vital position in the theory of financial strategy in Islamic economy”.

The analysis of economic influence of zakat, it may be beneficial to consider each of the linkages that attach zakat to its impact. In order for zakat to show its intended role in reallocating wealth from rich to poor, each of three duties must be done sensibly well.

- (i) Adequate funds must be collected to meet the needs of at least the first two groups, the poor and the needy,
- (ii) The disbursement of the funds must reach the suitable beneficiaries,
- (iii) The impact of the funds collected on the beneficiaries must really be effective in elevating their standard of living.<sup>82</sup> El Daly highlighted the difference in this regard between the level needed for survival (hadd al-kefaya) and the higher status of adequacy for a decent standard of living (hadd al-kafaf).

The first issue has enticed a great deal of attention in the immensely deep of zakat literature, but most of it considers how the payer should calculate his or her zakat dues, rather than how much zakat would in principle be wanted to increase all of a community's members to the level of kafaf or even kefaya. Therefore, one can find broad discussions going into agonizing detail on the regulations for zakat, the amount due under various conditions, how to calculate one's due, how to interpret for the modern world policies developed at a time when financial organisations and tools were much less difficult than they are currently, and so forth.

Less attention is dedicated to the second issue, which is ensuring that the zakat funds are distributed to those who are illegible to receive them, even though this has become very difficult in the present era as well. In a local society, where communities were minor and there were daily interactions between poor and rich, it was much easier to recognise recipients who met the first two groups in particular, related to the situation in contemporary societies, where the rich and poor live in increasingly separate out communities with decreasing personal relations across income classes. This trouble may in part clarify the development of formal organisations, both private and

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<sup>82</sup> El-Daly, M. (2010). Challenges and Potentials of Channeling Local Philanthropy towards Development and Social Justice and the Role of Waqf (Islamic and Arab-Civic Endowments) in Building Community Foundations: The Case of Egypt. Dissertation. Berlin: Humboldt University.



governmental, that take duty for collecting zakat from the giver and disbursing it to right recipients who are eligible.

The third issue and requirement, that the zakat funds be disbursed in a way that truly benefits the recipients, receives even less consideration. Abdullah<sup>83</sup> found that the traditional objective that zakat should achieve is to convert the zakat receiver into a zakat giver but how this is to be accomplished, debatably the core of the matter, remains under-studied.

It is not only the total amount of funding that defines whether the recipient's standard of living is elevated, but also how the funds are utilised. Certainly, if zakat receipts are utilised mainly for short-term consumption, then they cannot make an influence to a sustained development in the financial status of the recipient. Thus, zakat takes a portion of the wealth flowing by economic activity and transfers it from the person who generated it to another person who is in greater need.

## **2.9 Problems with Modern-day Zakat**

Presently, the major issue and problem with zakat involves collection and the distribution of zakat funds. The original main source of zakat money if we were to relate the traditional rules could be a proportion of oil and gas riches (zakat al-ma`adin wal-rikaz). Though, meanwhile that wealth is usually nationalised, there is no need and reason in going there. For exclusive personalities, various zakat housings are there for them. The rule of zakat as a property and wealth duty was suitable for the different classes of traders, farmers and shepherds who possessed wealth during the era of the Prophet. Those policies are obviously insufficient nowadays. Qaradawi observed during his visit to Malaysia that small farmers who produced fruits and grains paid the zakat but that the wealthier landlords who grew trees for the manufacturing of rubber paid no zakat, since the traditional policies and rules do not include a tax on trees that were not bearing fruit.<sup>84</sup> Poorer, yet, nowadays capital for the normal well-to-do Muslim may be in big portion human capital (doctors, lawyers etc.). Those can be able to earn enormous

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<sup>83</sup> Abdullah, T. (1991). Zakat collection and distribution in Indonesia. In *The Islamic Voluntary Sector in Southeast Asia*, (Ed.) Pasir Panjang, M. A. Institute of Southeast Asian Studies: Singapore.

<sup>84</sup> El-Gamal, M. (2007). Zakah and Waqf-Form and Substance Revisited. Online: <http://elgamal.blogspot.com/2007/07/zakah-and-waqf-form-substance-revisited.html> [accessed 27/07/2020].

earnings, but then live-in vast homes (zakat exempt) and drive luxurious cars (zakat exempt), etc. At the end of the day, they have no silver or gold, no goods, no livestock, etc., for that reason, pay no zakat. The late Dr. Abou El Saoud, and the late Dr. Mohammad Al-Ghazali tried to contend for an income zakat, however Dr. Al-Qaradawi contended that zakat covers a main ta`abbud (ceremonial worship) component, as the third pillar of Islam, and so did not want to relate analogical rational together with too much freedom. Unnecessary to say, well-to-do Muslims were more than pleased to accept this traditional opinion that permitted them to pay less. All over again, we had a difficulty with religious matter showing way to virtues attachment to forms. That is the main unrest of Muslims currently. It is not only limited to funding or finance.<sup>85</sup> In Indonesia zakat has not yet been operated properly and achieved perfectly, because there is quiet much improper awareness about zakat. The untruthful awareness is hereditary from local comprehension that does not centre and based on the full understanding of zakat. Most of Muslims' improper awareness about zakat is:<sup>86</sup>

(a) Indistinguishable to many other different countries, in Indonesia zakat is distinctive religious adherence, a view and opinion that zakat is just a religious ritual only, linked to entirely religious observance guideline. Zakat is one of the pillars of Islam, therefore has to be dealt and approached with mystical viewpoint. This perception would contract the gap for Muslims to do research, learning new ideas and improving the zakat approach and practise in Muslims.

(b) Zakat is a personal religious adherence and observation, an opinion or view that is like any other pillars of Islam, zakat is tend to be comprehend as individual social teaching in achieving his or her obligations to the creator. This viewpoint discards the zakat's role as communal concern and social riches implement. The outcome results would be that all those people who have paid their zakat felt that the problem has already finished, when they fulfil and meet their obligations by paying the zakat. There is no significant to know whether their zakat has made a difference in public affluence.

(c) Zakat is the same as zakat al-fitr, an opinion or a view that zakat means zakat al-fitr. All this time and period the Indonesian Muslims lives in imperialism, therefore not so

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<sup>85</sup> El-Gamal. Online: <http://elgamal.blogspot.com/2007/07/zakah-and-waqf-form-substance-revisited.html> [accessed 27/07/2020].

<sup>86</sup> Ahmad, J. (2008). Paper for International Zakat Executive Development Program in Malaysia.

many Muslim people have a good and a better life. This likewise affects their capability to pay zakat Mal. It is therefore not astonishing that Indonesian Muslims have further comprehension about zakat as zakat al-fitr.

(d) The prescribed time for zakat is due on the month of Ramadhan, an opinion that the impetus in paying zakat is due in the month of Ramadhan. It also defines that zakat develops only in Ramadhan. The outcomes would be that the percentage of Muslims responsiveness in developing thoughts and application on zakat is restricted and tight to the month of Ramadhan although zakat that is actually related to the month of Ramadhan is only known as zakat al-fitr. Whereas for the zakat on properties, the zakat payment period is much depending on nisab as there are still a lot of improper awareness about zakat amongst Indonesia Muslims, the zakat administration condition has not revealed yet its quality. The condition on zakat administration in Indonesia in common could be labelled as follow:

- Only happen or take place in the month of Ramadhan. Frequently the zakat administration institution is recognized in form of agency and works efficiently for the last few days of Ramadhan. Such foundation is not regarded as a lasting foundation but temporary.
- Managed and administered by ineffective elderly high-ranking people. The administrators of zakat organization are usually the most senior who also has inadequate and restricted potential on development.
- Managed part-time or administer temporary. The organization of zakat administration is managed improperly and unethical. It defines that zakat is something not that much significant in the life's' of Muslim people.
- A lot of "negative thinking" towards the allocated foundation. Due to numerous dishonest usages of zakat money by some zakat foundation, therefore, establishing people's view that zakat organization cannot be trusted in which it is used much for their own interest.
- Having customary, filthy, and marginal images. Zakat institution is an organisation that is administered with traditional insight and inadequate knowledge.

According to Firdausi<sup>87</sup> the basic problem confronted by every zakat stakeholder or investor is associated with vast space between the potential of zakat capital fund and its real collection. A study conducted by the Islamic State University of Jakarta's Centre of Language and Culture (UIN Jakarta) in 2005 indicates that the probable zakat capital fund that can be collected equals Rp 19.3 trillion. If this is related with the year 2008 data, it could be observed that the real collection of zakat is still below and less than 5 percent of its potential. Furthermore, Islamic traditional approaches and attitudes towards poverty eradication are not incorrect and bad in themselves but they are surely insufficient. Therefore, Shakespeare<sup>88</sup> still have the conviction and maintain that zakat is an Islamic obligation to eradicate poverty but its ultimate essence is charity fairly than actual systemic program for poverty's alleviation. Fanaticism in the Islamic world is unlikely to be abolished without such a program. The role of zakat according to Ahmed<sup>89</sup> is related with the macroeconomic rules which proposed to the development of income and providing chances to the deprived in eradicating poverty. Imitation of zakat schemes for some countries and various macro regimes, designate that while macroeconomic rules and policies play a significant part in decreasing poverty, insufficiency in poverty cannot be eradicated without utilising zakat in a better and effective way. There are certain circumstances that he proposes under which zakat will be able to create an influence on scarcity and poverty. Firstly, zakat should to be enhanced by robust macroeconomic rules and policies that improve development and also redistribute earnings to eradicate extreme poverty. Secondly, while more and additional zakat needed to be collected and distributed, the effect on poverty will be important only when a greater percentage of zakat continues are utilised for productive purposes and dedications. By given the vital role of zakat in poverty elimination, there is a great need for most of the countries to integrate this type of important faith-based organization in the growth policy approach and programs of Muslim nation states.

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<sup>87</sup> Firdaus, M., Irfan, S. B., Tonny, I, & Bambang, J. (2012) Economic Estimation and Determinations of Zakat Potential in Indonesia. Working Paper No. 1433/07, Islamic Research and Training Institute, Jeddah: Saudi Arabia.

<sup>88</sup> Shakespeare, P. (2009). Syllabus For Binary Economics. Presented at Postgraduate Islamic Economics and Finance Program, Trisakti University, Jakarta, Indonesia, October, 22-29, 2009, pp. 4.

<sup>89</sup> Bello, A. (2008). Islamic Social Welfare and the Role of Zakah in the Family System. Paper presented at International Conference on Islamic Law and Muslim Minorities, Ghana, 25 October 2008.

## 2.10 Determining Compliance of Factors on Zakat Payers

In case of zakat compliance in Malaysia, there are many researches indicated that growth in entire zakat collection does not clarify the growing in total of zakat payer. It is prejudiced by several factors as established by many of researches. According to Hasan and Sahnaz<sup>90</sup> research on the entrepreneur group in Terengganu found many factors was proven to effect paying the zakat on business through response from 158 entrepreneurs designated through stratified random sampling. The factors comprised such as association or organisation factor, attitudes and consciousness and level of knowledge. In their research, attitudes and consciousness are the important factors persuading paying the zakat business. Additional researches also established that attitude become one of the significant factors inspired Muslim individual to pay zakat (Kamil, 2002;<sup>91</sup> Kamil and Ahad Mahdzan, 2001; Kamil and Ahmad Mahdzan, 2002; Zainol et al., 2009; Raedah et al., 2011).

Besides that, Muhammad Muda<sup>92</sup> research on internal and external factors influencing people who contribute in zakat, and recognised around five factors; altruism, level of faith, self-satisfaction, utilitarian and organization influencing peoples contribute in zakat. Altruism become the key factors influence people to pay zakat and followed by religious, self-satisfaction and association or organization factor. The major factor analysis has been incorporated in their research.

Mohd Ali<sup>93</sup> did research on the consciousness of paying zakat on income amongst proficient staff of National University of Malaysia. They discovered that level of religiosity, gender, level of education, number of dependants and level of knowledge

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<sup>90</sup> Baharom, H., & Saidu, S. (2005). Kajian Terhadap Faktor yang Mempengaruhi Pembayaran Zakat Perniagaan di Kalangan Usahawan: Kes Kajian Terengganu. Paper presented at Seminar Ekonomi dan Kewangan Islam anjuran Jabatan Ekonomi dan Kewangan Fakulti Ekonomi Universiti Utara Malaysia.

<sup>91</sup> Md Idris, K. (2002). Peranan Sikat Dalam Gelagat Kepatuhan Zakat. *Pendapatan Gaji*. (1&2), 171-191.

Md Idris, K., & Ayob, A. M. (2001). Attitude Towards Zakat on Employment Income: Comparing Outcomes Between Single Score and Multidimensional Scores. *Malaysian Management Journal*, 5(1 & 2), 47-63.

Md Idris, K. (2002). Peranan Sikat Dalam Gelagat Kepatuhan Zakat. *Pendapatan Gaji*. (1&2), 171-191. Zainol, B. K. (2009). Predicting Compliance Intention on Zakah on Employment Income in Malaysia: An Application of Reasoned Action Theory. *Jurnal Pengurusan*, 85-102.

<sup>92</sup> Muda, M., Marzuki, A., & Shahrudin, A. (2005). Internal and External Factors Influencing Individual's Participation in Zakat: Preliminary Results. *Journal of Muamalat and Islamic Finance Research*, 2(1), 77-92.

<sup>93</sup> Mohd Noor, Mohd, A., Wahid, H., & Ghani, N. (2003). Kesedaran membayar zakat kakitangan professional: kajian kes di Universiti Kebangsaan Malaysia. Dalam Pascasidang Seminar Dasar Awam dalam Era Globalisasi: Penilaian Semula ke Arah Pemantapan Strategi. Fakulti Ekonomi Universiti Kebangsaan Malaysia.

concerning zakat on income become factors influencing proficient staff of National University of Malaysia to contribute in zakat on income. Amongst these factors, level of religiosity and religious education become most significant factors related to the other factors. The outcome based on analysis using a logit binomial model. While zakat foundation factor is irrelevant which influence the proficient staff to pay zakat on income? The outcome was confirmed by Nur Barizah and Hafiz<sup>94</sup> who study on the factors influencing paying Zakat on income in Malaysia. Through an assessment and analysis from scholars and academicians at three faculties in International Islamic University Malaysia, they established that the level of religiosity becomes the major factor influencing paying Zakat on income in Malaysia. With the high level of religiosity, it becomes a stress-free way for the individual Muslim to comprehend the real concept of Zakat which is as a communal obligation towards Muslim growth and the real concept of wealth in Islam where every wealth and property that are owned and attained should be shared along with those who want them. Zulkifli and Sanep<sup>95</sup> stated that level of religiosity becomes one of the factors influencing the compliance of zakat on income payment through formal foundation in Aceh which clarified based on utility role model.

Constabulary is also essential and become a factor defining the compliance of zakat on income and has a shortest relationship with the possibility to pay zakat on income, Kamil.<sup>96</sup> With the presence of law enforcement such as religious guide's issuances, acts and others. It obviously shows that zakat is a duty that is obligatory to be fulfilled.

Mohamad Alayuddin<sup>97</sup> specified that without law enforcement particularly, specific lack of control on zakat may affect the entire zakat collection which already stays at a suitable level. However, Zulkifli and Sanep established that law enforcement is irrelevant which influence individual Muslim to obey to pay zakat through formal organisation. This is because Muslim individual already distinguish about the duty to pay zakat. They might be paying zakat through informal channel related to zakat

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<sup>94</sup> Bakar, N. B. A., & Rashid, H. M. A. (2010). Motivations of paying zakat on income: Evidence from Malaysia. *International Journal of Economics and Finance*, 2(3), 76-84.

<sup>95</sup> Daud, Z., & Ahmad, S. (2010). Kesan Perundangan Zakat keatas Kepatuhan Bayaran Zakat: Kearah Strategi Berkesan Program Pengurusan Kutipan Zakat. Paper presented at the 4th ISDEV International Islamic Development Management Conference (IDMAC 2010), Universiti Sains Malaysia, 21-22 Disember 2010.

<sup>96</sup> Md Idris, K. (2002). Peranan Sikat Dalam Gelagat Kepatuhan Zakat. *Pendapatan Gaji*. (1&2), 171-191.

<sup>97</sup> Alayuddin, M. C. H. (2008). Pematuhan Zakat dan Cukai di Kalangan Syarikat-Syarikat Bumiputera. Paper presented at the Seminar Persidangan Zakat dan Cukai Peringkat Kebangsaan.

institution. From their research, it showed that the level of knowledge and atmosphere have important influence concerning individual Muslim who obey to pay zakat on income.

Ram <sup>98</sup> acknowledged the factors determining compliance behaviour of zakat on business in Kedah in the case of Malaysia situation; both factors (internal and external) are significant factors that affect compliance behaviour of zakat on business. The internal factor comprises of level of knowledge and self-efficacy while external factor comprises of interaction with Amil (labourer) and service quality. Through the primary data collected among 227 entrepreneurs in Kedah, the research discovered that the internal factor (level of knowledge and self-efficacy) has important influence in compliance behaviour of zakat on business while interaction with Amil (external factor) becomes a factor influence compliance of zakat on business.

Mohamed Alayuddin<sup>99</sup> stated the length of business process become one of the factors influencing Muslim business society to pay the zakat on business. This factor denotes to the length of time in dealing with the business activity. In his research, he clarified the first three years is the most acute time for all entrepreneurs to manage their business activities. In this situation, business owners may try not only to evade paying zakat on business but also corporate tax because they take up the zakat payment as one of the financial burdens. However, deficiency of empirical study to prove this factor is one of the factors which effect compliance behaviour of zakat. Government inducement as well becomes one of factor inspiring compliance of zakat. According to Barjoyai<sup>100</sup> greatest of the Muslim business community is willing to pay zakat on business and obey paying zakat if they get any incentives such as rebate or deduction from payment of zakat on business. In the other researches by Ram also stated government incentive such rebate tax has connection influence compliance of zakat on business. This research clarified government incentive as second order concept of perceived behaviour control has important positive connection with intention to obey pay zakat on business.

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<sup>98</sup> Ram, A. J. S., Zainol, B., Mohd Idris, K., & Md Hairi, M. H. (2010). Faktor-Faktor yang Mempengaruhi Gelagat Kepatuhan Zakat Perniagaan. *Jurnal Pengurusan* 30, 49-62.

<sup>99</sup> Alayuddin, M. C. H. (2008). Pematuhan Zakat dan Cukai di Kalangan Syarikat-Syarikat Bumiputera. Paper presented at the Seminar Persidangan Zakat dan Cukai Peringkat Kebangsaan.

<sup>100</sup> Bardai, B. (2001). Zakat perniagaan: implikasi terhadap cukai korporat. Konvensyen Zakat Kebangsaan. Putrajaya.

## 2.11 Compliance of Zakat

Compliance of zakat is the ability and willingness to comply with the order of Allah SWT to pay zakat or the desired outcome as a result of obedience to the laws of Allah SWT to pay zakat. The issue on compliance behaviour of zakat payment has been the subject of much discussion among researchers today using economic approach and exposing it as an alternative explanation in the issue of zakat compliance.

In deliberate the compliance of zakat according to Islamic policy; it is unlike with the tax compliance for the reason that zakat is one of the Islamic obligations enforced who satisfy essential conditions to attain cleanliness and goodness of soul.<sup>101</sup> This is clearly mentioned in the Holy Qur'an, Surah 87 and Verse 14 mentioned as "He indeed is successful who purifies himself". Another occurrence in the Holy Qur'an was mentioned in Surah 9, Verse 9-10 noted that "He indeed is successful who causes it to grow and he indeed fails who buries it".<sup>102</sup>

It is clear that the idea of zakat compliance is a notion where the action (compliance) in order to meet instruction and command from Almighty Allah for getting the readiness.

Kamil<sup>103</sup> provide a clarification on zakat compliance modified discussion in tax compliance. As described by Kamil, zakat compliance is stating to the payment of zakat according to the fatwa and instruction gazetted by zakat authority. Another clarification is by Ram which stated zakat compliance is depend on the motive why Muslim individual taking a decision to obey or to avoid with command of Allah, Islamic duty and the instructions issued by zakat authority.

On the other hand, Zulkifli and Sanep<sup>104</sup> deliberated on zakat compliance which is more to pay the zakat through official channels. The idea of zakat compliance is about the human behaviour (Muslim society) making a conclusion (obey or non-obedience)

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<sup>101</sup> Diabi, A. (1993). The Concept of Zakah Evasion: An Economic Interpretation. *Review of Islamic Economics*, 2(2), 17-27.

<sup>102</sup> Al-Qur'an, 87: 14.  
Al-Qur'an, 9- 9-10.

<sup>103</sup> Md Idris, K. (2002). Peranan Sikat Dalam Gelagat Kepatuhan Zakat. *Pendapatan Gaji*. (1&2), 171-191.

<sup>104</sup> Daud, Z., & Ahmad, S. (2010). Kesan Perundangan Zakat keatas Kepatuhan Bayaran Zakat: Kearah Strategi Berkesan Program Pengurusan Kutipan Zakat. Paper presented at the 4th ISDEV International Islamic Development Management Conference (IDMAC 2010), Universiti Sains Malaysia, 21-22 Disember 2010.



to pay the zakat (official or unofficial channels) according to enactment and law applied to achieve gratification in the present life and hereafter (al-falah). This explained by Nur Barizah and Abd Rahim<sup>105</sup> stated that zakat payers are predictable to get return not just in the life after but in the hereafter as well when they obey with Islamic duty. Choice to obey or to avoid pay the zakat is a test to measure the degree of a believer's worship to Allah and it is a sign of gratitude to Allah<sup>106</sup>. This condition is clearly indicated that compliance on zakat more on the accomplishing obligation towards contentment in the two lives of dimensions compared to compliance on tax where more on human regulation comply in order to evade penalty and punishments.

## **2.12 Zakat Practice and Impact on Poverty Alleviation During Caliphs Reign**

The revelation from Almighty Allah on obligation to pay zakat on wealth was apparently received by the prophet Muhammad PBU in 9AH. Under the authority of the prophet Muhammad PBU zakat funds was collected and disbursed by the appointed zakat employees (Amil). As being one of the eligible Asnaf, the Amil were granted and given a share of the zakat funds. At the moment, the Amil used to reach to the possible zakat payers, accurately measured their zakat able items, and received the due amount to be collected for them (Hudayati & Tohirin, 2010; Qardawi, 1973).<sup>107</sup> Most of the Amil chosen by the prophet Muhammad PBU were engaged by the Muslim's first caliph, Abu Bakar As-Siddiq. Under his governing, Abu Bakar emphasised and stressed the significance of zakat payment which he was noted as quoting:

“If they withhold giving zakat even a little rein of a camel or a small baby sheep (that is due on them) I will fight them for it. Zakat is the obligation on properties. By Allah, I will fight whoever distinguishes between prayers and zakat”. (Hadith, Sahih Bukhari).

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<sup>105</sup> Barizah, N., Bakar, A., & Abd Rahman, A. R. (2007). A Comparative Study of Zakah and Modern Taxation. *Journal of King Abdul Aziz University: Islamic Economics*, 20(1), 25-40.

<sup>106</sup> Bello, A. (2008). Islamic Social Welfare and the Role of Zakah in the Family System. Paper presented at International Conference on Islamic Law and Muslim Minorities, Ghana, 25 October 2008.

<sup>107</sup> Hudayati, A. & Tohirin, A. (2010). Management of Zakah: Centralised vs Decentralised Approach. Paper presented at Seventh International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi.

Yusuf, Q. (1999). *Fiqh al zakat, mu'assassat al Risalah*, Beirut, Lebanon, 2<sup>nd</sup> edition, (Arabic) *Fiqh al zakat, A comparative study of zakat, regulations and philosophy in the light of Quran and Sunnah* 'trans by kahf, M. scientific publishing centre King Abdulazizz University Jeddah Saudi Arabia, vol. 2.

Later, during the sovereignty era of Umar bin A-Khattab, the second caliph, a new technique of actual zakat collections was presented. Recognized and known as al'shir, Umar fixed quite a lot of check points on major high ways, particularly those coming from other countries. A chosen tax collector was allocated at each check point and zakat was collected from the Muslim traders. Instead, the non-Muslim traders were required to pay taxes on imports (Ahmed, 2004; Do Garawa, 2009; Qardawi, 1999).<sup>108</sup> And this practise sustained throughout the initial history of Islamic administration. Besides al'ashir, Umar did also present the idea of Bait-al-mal or Public Treasury in order to achieve the zakat and waqf funds in 15 AH. Furthermore, he also prolonged the list of zakat able items to include some new sources of wealth that had been relieved under the governance of prophet PBU by smearing ijthihad. Some of the new items presented are horses, lentils and chickpeas. The ijthihad was then monitored by other caliphs and Islamic scholars. It is believed that under the good supremacy of Umar, there was so much success that often it was hard to find an eligible recipient of zakat.

As stated above, based on history, there are indication that zakat is effective in eradicating poverty. A number of scholars demanded that during the period of Umar bin Al-Khattab (13-22H) and Umar bin Abdul Aziz (99-101H). Poverty is totally eradicated (Ahmed, 2004; Hidayati & Tohirin, 2010; Md Isa, 2011; Qardawi, 1999).<sup>109</sup> Throughout this period, it is assumed that zakat money could not be distributed in some regions due to the absence of poor people. Stating to Ahmed (2004), under the reining of Umar bin Al- Khattab, the Yemen governor, Mu'adh bin Jabal sent one third of the zakat collection in a specific year to Umar bin Al-Khattab. Umar disallowed the fund by saying, "I sent you to take from the rich and reduce it to the poor among them". Mu'adh later demanded that he could not find anyone who merited the zakat money. In the following year, Mu'adh directed half of the zakat collection and alike discussion took place among them. Later, in the third year, he sent all the zakat collections to Umar

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<sup>108</sup> Ahmed, H. (2004). Roles of Zakah and Awqaf in Poverty Alleviation. Jeddah: Islamic Development Bank. IRTI Occasional paper no 8, Jeddah SA.

Dogarawa, A. B. (2009). Poverty Alleviation through Zakah and Waqf Institutions: A Case for the Muslim Ummah in Ghana. Paper presented at the First National Muslim Summit, Ghana, 3 October 2009. Yusuf, Q. (1999). Fiqh al zakat, mu'assassat al Risalah, Beirut, Lebanon, 2<sup>nd</sup> edition, (Arabic) Fiqh al zakat, A comparative study of zakat, regulations and philosophy in the light of Quran and Sunnah 'trans by kahf, M. scientific publishing centre King Abdulazizz University Jeddah Saudi Arabia, vol. 2.

<sup>109</sup> Hidayati, A. & Tohirin, A. (2010). Management of Zakah: Centralised vs Decentralised Approach. Paper presented at Seventh International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi.

Md Isa, Y. Z. (2011). The Relationship Between Poverty Elimination and Asnaf Entrepreneurial Scheme. Unpublished Master's Thesis. Universiti Utara Malaysia.

and said, “This year I did not discover a single person who needs from me anything of the zakat”. Alike scenario was found throughout the supremacy and reign of Umar bin Abdul Aziz (Umayyad’s administration) whereby an Egyptian ruler asked him by sending message on what to do with the proceeds of zakat funds as no worthy needy and poor was found in Egypt. As stated by Umar bin Abdul Aziz, the funds shall then be utilised to Purchase slaves and set them free, construct rest houses on the high ways and assist young women and men to easily get married”<sup>110</sup>. Therefore, it seems that virtually, zakat is well-organized in fighting to end poverty if been attained correctly.

### **2.13 Current Zakat System in Muslim Countries**

The duty to collect Zakat in Brunei Darussalam is vested on the government. Law 1 /194 of the Religious Council and Khadi Courts stated it explicitly in Chapter 77 in which disbursement, collection, and valuation or assessment of Zakat recipients and oversighting are operated by officers specialized in the religious activities of the country under the agency of the Ministry of Islamic Religious Affairs.<sup>111</sup>

In Malaysia, the disbursement and collection is operated by the government organisations, Zakat management is controlled by the Islamic affairs Councils of the different states and the Federal territory of Kuala Lumpur. MAIN supervises overall functions of Zakat (Pusatpungutan zakat, KL &Kahf (1989)).<sup>112</sup>

In Sudan Zakat is enforced for all potential citizens and it manage by state accordingly and it’s disbursed through three different channels (i.) local and traditional zakat committees, (ii) committee for crucial and urgent cases with travellers (iii) committee for general people in debt.<sup>113</sup> Sudan experienced of zakat, zakat sciences institute of Sudan.) While in Indonesia, Zakat system was dispersed with private entities allowed constituting bodies for Zakat administration but recently due to conflict-of-

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<sup>110</sup> Ahmed, H. (2004). Roles of Zakah and Awqaf in Poverty Alleviation. Jeddah: Islamic Development Bank. IRTI Occasional paper no 8, Jeddah SA.

<sup>111</sup> Abdullah, R. (2012). Zakat Management in Brunei Darussalam: Funding Economic Activities of the poor, Bandar Seri Begawan: Universiti Islam Sultan Sharif Ali.

<sup>112</sup> Kahf, M. (1989). Zakat unresolved issues in the contemporary Fiqh. International Journal of Economics, Management and Accounting, 2(1).

<sup>113</sup> Kahf, M. (1989). Zakat unresolved issues in the contemporary Fiqh. International Journal of Economics, Management and Accounting, 2(1).

interest government has constituted BAZNAS to oversee and control independent Zakat bodies.<sup>114</sup>

Following is among the familiar changes made by the development of systematic zakat management in the current Muslim countries.

### **2.13.1 Zakat Official Bodies Established by Muslim Government**

Some countries have engaged in reorganisations of zakat system, as stated earlier, by establishing zakat bodies to be administered by the government. This is deliberated as a commendable accomplishment. Countries like Sudan, Pakistan, Malaysia and Iran, Libya and Yemen have recognised zakat system and made constitutional provisions commanding the payment of zakat on the entitled Muslim citizens. Recognised organisations have been charged with the duty of zakat collection and disbursement with proper documentation of the right persons suitable for the payment and collection of zakat. These countries have planned modalities for the collection and disbursement of zakat and other vital official services, in order to simplify a sound zakat system.<sup>115</sup> In Nigeria, Kano state for example has imitated the Muslim countries by creating their own zakat and Hubusi commission in 2003.<sup>116</sup>

### **2.13.2 Non-profit Zakat Organisations**

The establishment of non-profit zakat organisations target at assisting the zakat bodies recognised by government, or introducing the noble institution in a state that is yet establish official zakat bodies, but approved for non-profit zakat organisations to take charge of zakat collection and disbursement. These organisations have generated a positive influence on the societies and communities concerned.<sup>117</sup>

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<sup>114</sup> Saidurrahman, S. (2013). The politics of zakat management in the Indonesia, the tension between BAZ & LAZ. *Journal of Indonesia Islam*, 7, 366-382.

<sup>115</sup> Ahmad, J. (2008). Paper for International Zakat Executive Development Program in Malaysia.

<sup>116</sup> Philip, O. (2006). Shariah implementation in Northern Nigeria 1999-2006: A Sourcebook.

<sup>117</sup> Mawla, A., & Mutasim, A. (2011). The Impacts of Zakat and Knowledge on Poverty Alleviation in Sudan: An Empirical Investigation (1990-2009). *Journal of Economic Cooperation and Development*, 35(4), 61-84.

### **2.13.3 Personal Disbursement of Zakat**

Several Muslim societies and communities choose to calculate zakat due from their wealth and give it to the entitled zakat recipients by themselves willingly. The person who gives zakat is aware of his religious obligations and by so doing; he gains love and affection of the people mainly the zakat recipients. Personal payment of zakat is the normal practise of the people of Gambia as they believed that zakat payment is a sacred duty enforced on Muslims, and that defaulting zakat payment will cause Allah's anger on the defaulter. This belief coupled with the lack of proper management and administration of the zakat. Management might have force people to take charge of their zakat personally. Although we have mentioned above that, zakat is designed to be given to authorities for proper administration and management, personal payment shows the level of commitment of the giver and possibility of cooperating with the authorities where sound administration is assured.

### **2.13.4 Zakat Body Based on Sharia Advisory Council**

In order to ease and enable the zakat collection and disbursement system, some Muslim countries consider it essential to establish a council of sharia that would consist of the academic scholars in Islamic jurisprudence, this set of people would controlling the collection and disbursement of zakat dues to accomplish zakat objectives. They would equally be responsible for answering questions arising from the zakat administration, payers as well as the collection of zakat.<sup>118</sup>

### **2.13.5 IT Computer Science Usage**

Some zakat institutions apply contemporary technologies in managing zakat collection and disbursement this is done by designing a database for the activities of the

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<sup>118</sup> Mawla, A., & Mutasim, A. (2011). The Impacts of Zakat and Knowledge on Poverty Alleviation in Sudan: An Empirical Investigation (1990-2009). *Journal of Economic Cooperation and Development*, 35(4), 61-84.

organisation in order to evade numerous payments or collection. This system is used for even disbursement of zakat revenue.<sup>119</sup>

## **2.14 Reasons for the State to Control the Administration of Zakat**

As highlighted before, zakat has to be handled by the government in terms of its collection from all eligible Muslims on their wealth and to be disbursed to the eight recipients of zakat as mentioned in the wholly Qur'an. Nowadays many Muslims prefer to give their zakat by themselves rather than giving it to the government to disburse it. This will obviously create doubt of whether the zakat has been distributed to the right recipients or not, and whether their disbursed zakat will be accepted as zakat or as sadaqah. This hesitation has been clearly corrected during the era of the prophet (pbuh) as highlighted in the following hadith;

Anas narrates that "a man asked the Messenger of Allah (pbuh), If I give zakat to the person you send, would I be fulfilling it as far as Allah and His Messenger concerned?' The prophet answered, 'Yes, if you give it to my messenger, you are freed from that obligation as far as Allah and His Messenger are concerned. You deserve its reward, and if it is tampered with later, the sin is on whoever changes it"

So, this actually means that it is better for every Muslim to give his or her zakat to the government or state to disburse it rather than having a doubt of fulfilling one's responsibility towards given zakat. If they still like to contribute more, then they can give through voluntary charity. The following are reasons for the government to control the collection and disbursement of zakat;<sup>120</sup>

- Collection and distribution of zakat by the government gives the state the obligation to collect zakat from all affordable people and disburse it in a just and even way to the eight groups of recipients mentioned before.
- Muslim responsibility would be fulfilled towards giving the zakat which is the third pillar of Islam.

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<sup>119</sup> Ali bin Muhammad, A. M. A. H. (1973). *al Ahkam al Sultaniyyah* (Circa 450), al Babi al Halabi Publishers, 3rd printing, Cairo (in Arabic). Basheer, Muhammad Sheriff (2003). *Tajribah al-zakah fi al-Sudan* cited on 26/3/2013 on <http://islamfeqh.com/Nawazel/NawazelItem.aspx?NawazelItemID=1336>

<sup>120</sup> Yusuf, Q. (1999). *Fiqh al zakat, mu'assasat al Risalah*, Beirut, Lebanon, 2<sup>nd</sup> edition, (Arabic) *Fiqh al zakat, A comparative study of zakat, regulations and philosophy in the light of Quran and Sunnah* 'trans by kahf, M. scientific publishing centre King Abdulazizz University Jeddah Saudi Arabia, vol. 2.

- Some Muslim may have no concern in paying their duty if it is left to them, so in this case the rights of the eight recipients of zakat will be lost causing in an unjust community.
- Receiving zakat directly from the government and not from the rich will preserve the honour of the recipients from direct embarrassment.

## **2.15 Zakat Collection and its Legal Challenges**

An inefficient and unsuccessful managerial system of a country results in less revenues collected by a country through zakat. This difficulty is related with the problem of the legal philosophy of a country. Where the legal philosophy of a country is not clear, the administrative law of the country will be unsuccessful since there will be no clearly defined rules and technique for the collection of zakat. Law is based on philosophy. Where the philosophy of a country is not liberal, management of zakat will be affected since there will be no way of ascertaining the coverage of zakat.

For instance, the case of Saudi Arabia. They covered in their collection of zakat “agriculture produce, animals and tradeable items. Do tradeable stuffs also consist of cash assets of companies, corporations and such institutions<sup>121</sup>? Therefore, when it comes to the management of zakat in terms of coverage and valuation, Saudi regulation does not set out clearly on what items referred to as tradeable does the government measure zakat on. In Kenya companies registered under the company Act, Chapter 486 of the Laws of Kenya are liable to pay 30% corporation tax, workers are also taxed pay As You Earn on their income. The Kenyan conventional law is vibrant in its taxation policy which in turn makes its management well-organized.

In its management of zakat law, Saudi Arabia get rid of taxing as zakat the income of workers who are employed in their professional ability as doctors, lawyers, engineers, accountants, consultants and also on the founding of art and amusement.<sup>122</sup> Remarkable enough, zakat is only enforced on the self-employed personalities in these particular

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<sup>121</sup> Monzer, K. (1997). *The Economics of Zakat*. Islamic Research and Training Institute, Islamic Development Bank, Jeddah.

<sup>122</sup> Monzer, K. (1997). *The Economics of Zakat*. Islamic Research and Training Institute, Islamic Development Bank, Jeddah.

professions, such that the salaried paid professionals, even if they abundantly earn more than the self-employed ones, are discharged from enforced zakat collection.

Therefore, Ibn Abi Shaibah, a concern scholar has advised in support of zakat collection by the nation by saying that the responsibility of the government in collecting zakat means that the state forms and gears a system based on the values of accuracy, clearness, and justice to be operated by officials in measuring the zakat to be collected and that such valuation is not to be left to the zakat payers.

In case of Sudan, a different country, zakat assessment and thorough evaluation of all modern sources of income depends deeply on the assertion of the zakat payers in their zakat returns (Salama, Abdin Ahmad 1990).<sup>123</sup> Managerial problem arises where valuation of zakat on commercial assets is required by the zakat payer who may lack knowledge in ascertaining for purposes of assessing zakat non-conspicuous assets, also the difficulty of non-availability of accurate accounting by the zakat payers are challenging when it comes to the efficient and effective management of zakat.<sup>124</sup>

Bad accounting practises and inexperience of the managerial officers in ascertaining the zakat bases for assessment of zakat are the further problems that affect the optimal collection of zakat. Such a problem makes zakat assessment fall short of what is due, and accordingly, affects the size of the zakat revenue.<sup>125</sup>

Another administrative problem acknowledged is the payment of zakat through non-official channels. Such payments cause a main leakage in zakat collection. For instance, in the Kelantan state of Malaysia, only two-thirds of total zakat is paid to the official channel and the rest is paid through the non-official channels.<sup>126</sup> This shows that Malaysians pay only two-thirds of the zakat to the government, while the rest is directly paid by the zakat payers to the poor, or paid to non-profit organisations established for the reason of zakat collection.

The motives for the payment of zakat through such non-official channels include one, the inconvenience mobility of going to the council's office which collects zakat,

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<sup>123</sup> Ahmed, S. A. (1990). Voluntary and Compulsory Applications of Zakah: A Case study of Sudan. Paper presented at the Third International Conference on Zakah, Kuala Lumpur, Malaysia, May 14-17.

<sup>124</sup> Ahmed, S. A. (1990). Voluntary and Compulsory Applications of Zakah: A Case study of Sudan. Paper presented at the Third International Conference on Zakah, Kuala Lumpur, Malaysia, May 14-17.

<sup>125</sup> Ahmed, S. A. (1990). Voluntary and Compulsory Applications of Zakah: A Case study of Sudan. Paper presented at the Third International Conference on Zakah, Kuala Lumpur, Malaysia, May 14-17.

<sup>126</sup> Othman, H. Y. (1990). Zakah: A Case Study of Malaysia. Paper presented at the Third International Conference on Zakah, Kuala Lumpur, Malaysia, May 14-17, 1990 at p. 17-18.



where there is no timely assessment of zakat and the system is heavily bureaucratic; two, inefficiency of the council's collection efforts, the administrative officers do not actively involved directly in the assessment and collection of zakat and also as a result of lack of knowledge; three, lack of confidence in the council's management of zakat, as a result of the foregoing issues Malaysians have no confidence in the manner in which their zakat money will be disbursed; four, gratification and pleasure received by giving out zakat to real known people; and five political and administrative factors. Sometimes, the zakat payers believe that it is more spiritual to pay zakat by themselves rather than giving it to the government.<sup>127</sup> All these point out the inefficiency and unsuccessfulness in the management of zakat and the institutions tasked with collecting zakat. Inefficiencies in the management of collecting zakat are therefore a difficulty that affects the amount of revenue collected through zakat.

An additional problem recognised that affects the collection of zakat by the government is the lack of awareness and enough information concerning the laws and Sharia provisions about zakat matters. In Malaysia, an issue, which actually affects zakat collection, is the lack of advertising and main facts on the various types and kinds of zakat that should be paid (Othman Jamil 1990).<sup>128</sup> This lack of information means that there exists a zakat base, which is indolent because people do not know that zakat is due on such stuffs. Consequently, this affects the amount zakat that can be collected.

In Kuwait, individuals have been witnessed to pay zakat in an unfamiliar and unusual manner because of ignorance about Sharia laws concerning zakat. "One Muslim asks his families to change cars with new ones every year..." from his own zakat wealth.<sup>129</sup> Sumait has, therefore, stressed the need to inform the people and the general public about zakat affairs by all various possible means together with press, television, radio, posters and booklets.<sup>130</sup> According to Sumait, the real effect of such valuable information is likely to be remarkable. As a typical example, poster campaign

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<sup>127</sup> Ghazali, A. (1988). *The Phenomenon of Zakah Payment through Unofficial Channels – An Empirical Analysis*. Kulliyah of Economics, International Islamic University: Malaysia.

<sup>128</sup> Othman, H. Y. (1990). *Zakat: A Case Study of Malaysia*. Paper presented at the Third International Conference on Zakah, Kuala Lumpur, Malaysia, May 14-17, 1990 at p. 17-18.

<sup>129</sup> Hamoud, S. A. R. (1990). *Zakah Organizations Efforts in the Field of Public Expenses*. Paper presented at the Third International Conference on Zakah, Kuala Lumpur on May 14-17.

<sup>130</sup> Hamoud, S. A. R. (1990). *Zakah Organizations Efforts in the Field of Public Expenses*. Paper presented at the Third International Conference on Zakah. Kuala Lumpur on May 14-17.

in 1984 about serious famine in Africa raised more than six million US dollars in zakat.<sup>131</sup>

In addition, the lack of sufficient storage and transportation services also affect the collection of zakat from the agricultural sector. Farming crops are unpreserved, and livestock need food, shelter and several other kinds of care. The zakat collectors in Sudan for instance may not possibly find ready outlets for sale of these basic items. This includes the problem of warehouse for storage and easy carriage for transportation, which in turns affect zakat collection by the local council in the Sudan. This is an additional example of an inefficient managerial system of a country in its collection of zakat.

The core objective of the organisation of zakat is to promote real economic situations of the deprived population of the society by reallocating income from the rich people to the poor. It is significant, for that reason; to develop a distributive system to reach out the poor, if at all possible, in descending order of poverty so that the worst sufferers are taken great care of first among those are entitled, though every one of them merits full assistance. The foregoing discussion on zakat collection where it is obligatory, that is carried out by the government has shown that it lacks administrative competence in terms of coverage, valuation and collection. It also has deficiencies in support laws concerning zakat collection. As a consequence, zakat collection has not been effective to its actual full potential. One must, however, come to an agreement that it is being collected by the government afterward centuries of break and it is anticipated to increase in competence through experience, and also if the required political will is there.

## **2.16 Impact of Practical Implementation of Zakat Collection System**

Islam acknowledges knowledge as a backbone of all deeds and activities, while a Muslim is motivated to seek for knowledge before commencing on any religious duty.<sup>132</sup> Therefore, theoretical facts and views about the Islamic concept of Zakat can only be better and comprehensibly understood when they are applied and almost

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<sup>131</sup> Hamoud, S. A. R. (1990). Kuala Lumpur on May 14-17.

<sup>132</sup> Abdul-Rahman bn Muhammad al-Sagheer, K. (983 H). *Muhktasar Abdul-Rahman Al-Akhdari Ala Madhab Imam Malik*” cited in Mediu Digital library 12-05-2013.

established. Through this transformation, the aims and objectives of Zakat together with its essence and significance will be clearly realized. Zakat collection and distribution system has benefited and enhanced in fighting poverty in many Muslim societies. Zakat has positive impacts on the life of people. Therefore, many jobless people have been employed in the Zakat collection and distribution work. It also releases the debtor from their debts, assists the wayfarer, helps in marriages, and aids orphans in many Muslim societies.

With the modern-day renaissance being made by the Muslim countries all over the world about the collapsing organisation of Zakat, many countries have been creating the proper means of collecting and disbursing Zakat in line with the establishment of Shari'ah.<sup>133</sup> Following the Kuwaiti governments contributions in the Zakat systems, the association of Islamic countries have recognised a body of Islamic scholars and jurist and charged them with the duties of ensuring the proper application of Zakat administrations in line with the provisions of Shariah based in Kuwait. This organization is named as Al-Hay'ah al-Shari'yyah li al-Zakah. These organizations normally bring yearly circulars of the Zakat amount (Nisab) and deliberate any changes perceived in the Zakat system over the periods past.

In brief, the abovementioned points show the positive impacts of the organization of Zakat in our modern-day society.

Temporarily, Zakat collection and disbursement in the modern-day Muslim society has, to some extent, brought about a positive change by eradicating poverty and income disparity in the Muslim societies, restoring love, care and affection among the Muslim societies and establishing a sustainable and accommodating atmosphere. In order to know the level of the validity of this proposal, the following points will be observed:

### **2.16.1 Defects of Practical Implementation of Zakat Collection System**

While these current efforts made by the Muslim countries and societies are seen as a positive commitment towards the organization of Zakat, others often believe that it is

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<sup>133</sup> Monzer, K. (1997). *The Economics of Zakat*. Islamic Research and Training Institute, Islamic Development Bank, Jeddah.

not free from deficiencies and inadequacies especially in terms of practical implementations. Thus, the shortcomings of Zakat collection and disbursement will be deliberated in this item, while solutions and recommendations would be made to address the problems related with Zakat collection and disbursement. This is essential so as to avoid the re-occurrence of the negative impacts in the course of initiating an ideal Zakat system. The following are the defects of practical implementation of zakat collection system.

a- Disregard and carelessness on the part of government against the administration of Zakat system.<sup>134</sup>

b- Progress payment of Zakat obligations by the rich people who do not state their own exact possessions for Zakat evaluation.<sup>135</sup>

c- Lack of regulation and systematic method to the collection and disbursement of Zakat incomes.<sup>136</sup>

d- Lack of proper Shari'ah knowledge on the organization of Zakat and its influences on the Muslim communities.<sup>137</sup>

e- Disbursement of Zakat incomes to people those are not deliberated as recipients of Zakat by Shari'ah.<sup>138</sup>

f- Grasping of the poor and the needy leading to their manifold collection of Zakat.<sup>139</sup>

g- Disregard by the Zakat authorities to follow the prescribed guidelines.<sup>140</sup>

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<sup>134</sup> Nuruddeen, M. I. (2010). Scholars, Merchants and Civil Society: Imperative for Waqf-Based Participatory Poverty Alleviation Initiatives in Kano, Nigeria. Seventh International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi 2010.

<sup>135</sup> Ali bin Muhammad, A. M. A. H. (1973). *al Ahkam al Sultaniyyah (Circa 450)*, al Babi al Halabi Publishers, 3rd printing, Cairo (in Arabic). Basheer, Muhammad Sheriff (2003). *Tajribah al-zakah fi al-Sudan* cited on 26/3/2013 on <http://islamfeqh.com/Nawazel/NawazelItem.aspx?NawazelItemID=1336>

<sup>136</sup> Monzer, K. (1997). *The Economics of Zakat*. Islamic Research and Training Institute, Islamic Development Bank, Jeddah.

<sup>137</sup> Wambai, A. I. K. (1991). *Islamic endowments and their situation in Kano State*. Unpublished Master Thesis.

<sup>138</sup> Kuran, T. (2002). *Islamic Redistribution Through Zakat: Roots of Contemporary Problems*. Paper presented at a conference on poverty and charity, University of Michigan.

<sup>139</sup> Guermart, C., Utaibi, A. T., & Tucker, J. P. (2003). *The Practice of Zakat: An Empirical Examination of Four Golf Countries*. University of Exeter.

<sup>140</sup> Wahid, H., & Kader, R. A. (2010). *Localization of Malaysian Zakat Distribution: Perceptions of Amil and Zakat Recipients*. Seventh International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi 2010.

All the above points have negative impacts and contribute to the failure of the Zakat collection and disbursement system and consequently, the goals and objectives of Zakat are being defeated.<sup>141</sup>

## **2.17 Conclusion**

As zakat is an Islamic mechanism that could help in establishing a social welfare and ensuring love and peaceful coexistence among Muslim societies, Zakat management in The Gambia which still involves in volunteers and institution should learn from the experiences of other countries who implemented economic policies created alternative mechanisms for reallocation of wealth that minimises the gap between the rich and the poor among the citizens. The Sub-Saharan Africa region has observed the broadest gap between the poor and the rich and The Gambia is among them.<sup>142</sup>

Zakat should be able to be utilised as an effective tool to decrease poverty by using it as capital for income producing activities for the needy and poor. Some countries like Sudan, Malaysia, and Kuwait examines the challenges for the institutionalisation of zakat management among some selected Muslim countries that have been studied as role model.

Basically, researchers have shown a reasonable concern as to how zakat institutions could be utilised in uplifting the living standards of communities, considering the high number of recorded successes made by many zakat organisations and states in general. The Gambia zakat management or the GSIC should therefore learn from zakat administration in contemporary Muslim societies and particularly on zakat collection issues and its legal challenges.

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<sup>141</sup> Muhammad, Z. (2007). Taqweem al-Tadbiqat al-Muasirah li al-Zakah. Online: <http://islamfeqh.com/Nawazel/NawazelItem.aspx?NawazeItemID=1336> [accessed 09/08/2019].

<sup>142</sup> <https://data.worldbank.org/country/gambia>

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter emphasises on the study approach of this research. The main objective is to describe and determine the issues and challenges involved in the zakat management and to make recommendations and proposals to improve the zakat payment among businessmen in the Gambia. In this research the quantitative survey method is used. This chapter also explains research method, design as well as the theoretical framework of the research including discussions on data collection and analysis. It explains about the study population of the research and sampling size technique or frame and study tool. Moreover, a description of data measurement is presented, a reliability examination, correlation investigation, and multivariate analysis.

### **3.2 Research Method**

The study plan is prepared to analyse the type of data used in this research, the collection method and the sampling size approach, with the aim to accomplish the study aims. This research uses a cross-sectional survey design. This study questionnaire survey is a suitable to measure the relationship between the constructs of this study. This study is concentrated on how each construct used for this study influence each other. In addition, this research deals with the issues of zakat in the Gambia, an empirical study is conducted.

### **3.3 Data Collection and Analysis**

The data collection was done using a structured questionnaires survey to the sampled respondents. The questionnaire items were adapted from literature review and from the findings of past studies. The survey questionnaire was also pretested to make sure that

the respondents fully understand the content of questionnaire.<sup>143</sup>. This stage was important before the final distribution of the questionnaires to ensure the credibility of the questions so that the purpose of the research can be accomplished.

The questionnaire in this section has been divided in five parts, and the first part is based on demographic information of the respondents. Second part measured the status of zakat, the third and the fourth parts, respectively, focused on factors contributing to the collection of zakat and compliance.

### **3.4 Study Population**

The Gambia, a small country in west Africa has a population of more than two million inhabitants and Serrekunda was identified as the study area of this research because this is the area where most eligible Muslim individuals, Companies and organisations are located who are entitled to pay zakat more than any other parts in The Gambia.

Serrekunda is the largest settlement in The Gambia to be found in the south-west of Banjul the Capital City. And the current total population of Banjul the Capital city of Gambia based on the report (2019) is about 350,000 inhabitants. Serrekunda is occupied by different ethnic groups such as Mandinkas, Wollofs, Jollas, Serahules, Fulas and etc. It is a multi-region society but dominated by Muslims. Politically, Serrekunda is divided into three constituencies namely, West, Central, and East. This study chooses the total population of the people doing business in The Gambia. The total population of the study are about 150 Businessmen in the Kanifing Municipal Council at Serrekunda based on the Ministry of Trade, Investment, Regional Integration and Employment Generation. (2019)

### **3.5 Sampling Population**

The whole population of this research is 150 businessmen who are eligible to pay or donate *zakat*. This study sample size chosen is respondents to represent the total

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<sup>143</sup> Autio, E., Keeley, H., Klofsten, R., Parker, M., Hay, M. G. (2001). Entrepreneurial intent among students in Scandinavia and in the USA. *Enterprise and Innovation Management Studies*, 2(2), 145-160.

population of 150 of the respondents based on the Krejcie & Morgan,<sup>144</sup>. This study chooses the sample size of 108 respondents as a sample size for this study based on the prior studies that employed Krejcie & Morgan.

The sample size is described as the sampling which states to the statistics of features to be involved in the research.<sup>145</sup>. Carefully selecting the right sample size is certainly significant because the bigger sample shows more reliable results than smaller ones, and hence the valid and reliable sample will grant consent to an author to verify all findings from a given sample analysis. The type of sample employed in this study is a cross sectional survey sampling. This study employs this type of method to determine every participant of the total respondent of this study will have an equal chance to represent this study. In the bellow the table 3.2.3 Sample size determination from a given population:

**Table 3.2.3 Determination of Sample Size from a Given Population**

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368

<sup>144</sup> Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30(3), 607-610.

<sup>145</sup> Malhotra, N. K. (2004). Internet Users' Information Privacy Concerns (IUIPC): The Construct, the Scale, and a Causal Model. *Information Systems Research*, 336-355.



140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note: N is the population size and S refers to sample size.

Source: (Krejcie and Morgan, 1970)

Based on the Table of Krejcie & Morgan (1970), if the size of population (N) is 150 which lies between 100 and 108, then the chosen sample size of this study is 108 respondents to be represented from the total population of 150 businessmen in The Gambia as it states in the total population section. This study found 108 respondents considered enough to represent the whole population of this study.

### 3.5.1 Data Analysis

The main tool employed for collecting the data was survey questionnaire. The survey is selected as the key method to gather information since it is easy to use and simple to score. This kind of survey is adopted from several prior researches. The survey form consists of five parts namely A, B, C, D and E. The survey design forms for section A, B, and D established based on the work performed by Muhamad Zaki<sup>146</sup> who also imitated his predecessors. Autio, Keely, Klofsten, Parker, and Hay<sup>147</sup> due to the fact that it has fulfilled the necessities of the study. Part C and E are implemented through the work performed by Zainol.<sup>148</sup> Respondent's profile information is Part A then Part B denotes views regarding the status of zakat in the Gambia. Four questions were given to respondents to answer based on the items on a special five-point Likert scale, for example 'Do you believe paying zakat helps the poor and the needy?

<sup>146</sup> Zaki, M. (2008). Determinant of zakah compliance intention among self-employed income earners in Kubang Pasu and Kota Star. Unpublished report, Faculty of Accountancy, UUM, Sintok.

<sup>147</sup> Autio, E., Keeley, H., Klofsten, R., Parker, M., Hay, M. G. (2001). Entrepreneurial intent among students in Scandinavia and in the USA. *Enterprise and Innovation Management Studies*, 2(2), 145-160.

<sup>148</sup> Zainol, B. K. (2009). Predicting Compliance Intention on Zakah on Employment Income in Malaysia: An Application of Reasoned Action Theory. *Jurnal Pengurusan*, 85-102.

Regarding Part C, factors contributing to the collection of zakat, eight questions have been asked, an example of the question is, and does your parent advise you to pay zakat to GSIC when it is due. Again, answers based on a five-point Likert scale should be given by respondents and indicate from the objectives ‘strongly disagree’ up to the last ‘strongly agree’.

Part D concerning recommendations and proposals for the betterment of zakat management four questions have been developed for this specific section. The example of this question is, “Do you pray 5 times daily.” To be answered in the same way like the above questions.

The final Part section E requested participants about compliance on zakat. There are four questions required to answer, following the same way as stated above for example “will you pay more zakat if your income increases.

### **3.5.2 Respondents Profile**

This study analyses the respondent's profile for this research. This study respondents profile consists of income, age, qualification, and gender. It studies local entrepreneur small own businesses i.e., Small and Medium Enterprises (SMEs), sole proprietors, partnership, joint venture businesses and other companies operating in the country who are more liable to pay *zakat* annually since most of them are qualified and met *zakat* conditions like Nisab and *Hawl* which will make them eligible to pay *zakat*. Therefore, this study designs the survey questionnaire. For each research constructed, few questions are to be answered by the respondents, the questions are limited because if there are too many questions the respondent would not have enough time to respond to these questionnaire surveys. Therefore, for the response to be more accurately and truthfully answered, questions should not be more.

### **3.6 Measurements of Variables**

These questions relate to the status of *zakat* in the Gambia. Please answer the following questions by ticking the appropriate number.

**Table 3.2 Status of zakat in the Gambia**

Items	Description	Source
1	Do you believe paying zakat helps the poor and the needy?	(Opwis, 2010)
2	Is paying zakat a religious mandate?	(Opwis, 2010)
3	Does paying zakat bring divine reward to you?	(Opwis, 2010)
4	Do you earn monthly income?	(Opwis, 2010)

Source. (Opwis, 2010)

These questions relate features contributing factors to *zakat* collection in the Gambia. Please answer the following questions by ticking the appropriate number.

**Table 3.3 Contributing factors to zakat collection in the Gambia**

Items	Description	Source
1	Does your spouse support paying zakat from your income?	(Othman, 2018)
2	Does your parents' advice you to pay zakat to (GSIC) when it is due?	(Othman, 2018)
3	Is Supreme Islamic Council a body responsible for zakat collection in the Gambia?	(Othman, 2018)
4	Is unemployment a factor affecting zakat payment in the Gambia?	(Othman, 2018)
5	Is poverty a barrier to zakat mandatory payment in the country?	(Othman, 2018)
6	Does poor management of zakat one of the challenges of zakat?	(Othman, 2018)
7	Does lack of zakat payment by few people cause an adverse effect on zakat?	(Othman, 2018)
8	Do problems faced by a state towards zakat management have a direct impact on economic welfare of the people?	(Othman, 2018)

Source. (Othman, 2018)

These questions relate to recommendations and proposals for the betterment of zakat management in the Gambia. Please answer the following questions by ticking the appropriate number.

**Table: 3.4 Recommendations for the betterment of Zakat management in the Gambia**

Items	Description	Source
1	Do you pray 5 times daily?	(Opwis, 2010)
2	Do you fast in the month of Ramadhan?	(Opwis, 2010)
3	Is there any public sensitization of zakat by the scholars?	(Opwis, 2010)
4	Is there any ruling from the government enforcing zakat payment in the Gambia?	(Opwis, 2010)

Source. (Opwis, 2010)

These enquiries narrate to compliance on *zakat* paying in the Gambia. Please answer the following questions by ticking the appropriate number. Please circle a suitable number.

**Table: 3.5 Compliance towards payment of zakat in the Gambia**

Items	Description	Source
1	Do you pay zakat to local people in your country?	(Kamil & Zainol, 2009)
2	Are you paying zakat once you meet the requirement?	(Kamil & Zainol, 2009)
3	Have you ever missed paying zakat to GSIC?	(Kamil & Zainol, 2009)
4	Will you pay more zakat if your income increases?	(Kamil & Zainol, 2009)

Source. (Kamil & Zainol, 2009)<sup>149</sup>

<sup>149</sup> Zainol, B. K. (2009). Predicting Compliance Intention on Zakah on Employment Income in Malaysia: An Application of Reasoned Action Theory. *Jurnal Pengurusan*, 85-102.

### 3.7 Research Instrument

This study uses questionnaires survey as the main instrument in gathering the information. Although there are various methods and ways of obtaining the required data, the methods of the questionnaire were selected as the key method for collection of information due to this technique implementing itself, cost-effective and easy to analyse and use.

This is supported by Sekaran <sup>150</sup> which states that questionnaires are an efficient method of collecting data. The questionnaire is adapted from several studies. A questionnaire set adopted will cover the following constructs of the proposed theoretical framework. The survey was designed based on the prior study organised by Zainol, Kamil, & Faridahwati (2009), Ida Husna (2009) Farah Mastura (2011).<sup>151</sup> The questions were tested before it was distributed to the participants.

### 3.8 Theoretical Framework of the Study

Adapted from a study conducted Ajzen<sup>152</sup> on their research was dealing with several aspects of planned behaviour theory and solved some unsolved research problems. Whereas the study conducted a special study on the factors that effects the compliance on zakat saving donation in Malaysia, therefore, this study is found very significant to adapt their study.

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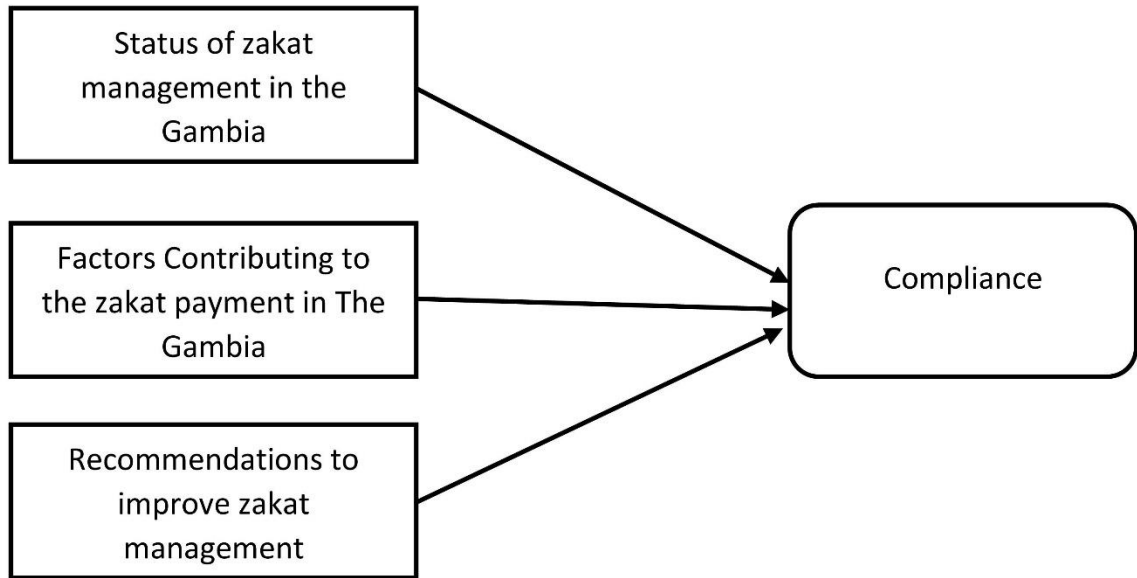
<sup>150</sup> Sekaran, U. (2003). *Research Methods for Business*. New York: John Wiley & Sons.

<sup>151</sup> Zainol, B. K. (2009). Predicting Compliance Intention on Zakah on Employment Income in Malaysia: An Application of Reasoned Action Theory. *Jurnal Pengurusan*, 85-102.

Husna, I. H. (2009). Intention to pay zakat on employment income among manufacturing employees in Penang. Master Dissertation. Universiti Utara Malaysia.

Farah, M. N.A. (2011). Zakat Compliance Intention Behavior on Savings Among Universiti Utara Malaysia's Staff. Master Dissertation. Universiti Utara Malaysia.

<sup>152</sup>Ajzen, I. (1991). *The Theory of Planned Behavior*. Massachusetts at Amherst: Academic Press. Inc. University of Massachusetts: USA.



(Figure 3.1: Proposed conceptual framework)

### 3.8.1 Hypothesis Development

According to Kamil and Zainol<sup>153</sup> the external and internal factors have been obstinately hypothetical to decide intention, it is surmised that there is an important association between these factors and intention on Zakat paying. It is hypothesised that,

*H<sub>1</sub>: There is a positive association between zakat management works on compliance among Gambian businessmen.*

*H<sub>2</sub>: There is a positive association between factors contributing to zakat payment on compliance to payment of zakat among Gambian businessmen.*

According to Kraus, Hamza& Idris,<sup>154</sup> their research also recommended that there is a need for appropriate education on Zakat which may finally assist the whole Muslim society to benefit from the honoured scheme of Zakat. The Islamic religious performances are able to keep youngsters from falling into hazardous activities. Being a pious individual means having Islamic ethics (Akhlak) which is the main constituent or inspiring pillar among the three (3) Mechanisms of Islamic Sharia's known as a creed, ethic and jurisprudence (Aqedah, Akhlak, and Fiqh). Likewise, Islamic spiritual impacts in compliance behaviour this important mechanism of Islamic Sharia's compressing people's ethical behaviour of

<sup>153</sup> Zainol, B. K. (2009). Predicting Compliance Intention on Zakah on Employment Income in Malaysia: An Application of Reasoned Action Theory. *Jurnal Pengurusan*, 85-102.

<sup>154</sup> Krauss, S. E., Hamzah, A., & Idris, F. (2007). Adaptation of a Muslim religiosity scale for use with four different faith communities in Malaysia. *Review of religious research*, 147-164.

the person it also leads to individual's contentment and happiness towards this worldly life.<sup>155</sup>.

Based on the prior study done by Kamil et.al<sup>156</sup>. Spirituality meaningfully affects how individuals involves in certain behaviours after he realised that all spiritual beliefs are alike to serve for the reason of benefiting and endorsing good behaviours and dishearten evil behaviours.

Alike prior research is done by Pope, & Mohdali<sup>157</sup> they realised that there is a significant association between compliance behaviour of paying zakat and spiritual duties which plays an important part in individual's lives.

According to an examination conducted by Kamil, Bidin & Saad<sup>158</sup>, the research was found that compliance behaviour has an optimistic important influence on the behavioural intention towards the compliance of Zakat regulation especially when it comes to personal business entrepreneurs, commercial enterprises and corporate business holdings. This research is also supported by T J. Farah and Haji Othman et al.<sup>159</sup> suggested that the study reveals Theory of Planned Behaviour is capable of predicting zakat compliance behaviour towards intention factor on zakat donation.

Additionally, there was a prior study that came out the contraries of the overhead results. Between these prior researchers were conducted by Kurpis, Beqiri & Helgeson<sup>160</sup> who have deliberated the relationship between duty towards moral self-empowerment, ethical problem recognition and intention.

*H<sub>3</sub>: Is there any positive association between zakat management workers towards compliance to payment of zakat among Gambian businessmen?*

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<sup>155</sup> Tiliouine, H., Cummins, R. A., & Davern, M. (2009). Islamic religiosity, subjective well-being, and health, *Mental Health, Religion & Culture*, 12(1), 55-74.

<sup>156</sup> Md Idris, K. (2012). Islamic Religiosity Measurement and Its Relationship with Business Income. *Jurnal Pengurusan*, 34, 3-10.

<sup>157</sup> Pope, J., Mohd Ali, N. R. (2010). The role of religiosity in tax morale and tax compliance. *Australian Tax Forum*, 25(4), 565-596.

<sup>158</sup> Md Idris, K. (2012). Islamic Religiosity Measurement and Its Relationship with Business Income. *Jurnal Pengurusan*, 34, 3-10.

<sup>159</sup> Sareye, J. M., Othman, Y. H., & Omar M. M. (2017). The Influence of Attitude Religiosity and Perception towards Law Enforcement on Intention towards Compliance Behaviour of Income Zakat among KUIN Staff in Kedah Malaysia. *International Journal of Muamalat*, 3-25.

<sup>160</sup> Lada, V., & Kurpis, M. S. (2008). The Effects of Commitment to Moral Self-improvement and Religiosity on Ethics of Business Students. *Journal of Business Ethics*, 80, 447-463.

### **3.9 Narrative Analysis**

This study analyses the description analysis of the study to come out with the mean and the standard deviation of this particular study. The narrative or descriptive analysis for this study will be conducted to summarise the information about the sample size from the chosen respondents in this study. The study transformed raw data into a set of information in describing a set of factors in a situation. The narrative analysis obtainable is the mean score and standard deviation of the data collected. Related also to Hair et al.<sup>161</sup> the feast or erraticism of the sample standards from the mean will be clarified by the standard deviation. If the worth of the standard deviation is minor, so the response in a sample delivery of number will fall very near to the mean.

#### **3.9.1 Reliability Examination**

This study tests the reliability examination to check the internal consistency which is the amount in which the items or questionnaire about the measure consistently evaluate the same constructs. All questionnaire items within each construct must be expected at measuring a similar thing. This research Reliability examination is prepared to improve the level of reliability of the survey questionnaire instruments. This study reliability examination or analysis will be tested to analyse the entire independent construct and the dependent construct. These study findings of reliability test deliberate with the pilot test were distributed to 20 participants of zakat organisation staffs and to be initiated important with the coefficient reliability of Cronbach's alpha to estimate the scale reliability for each factor.

This study of Reliability examination is a test of Cronbach's alpha to make sure the measurements are without bias to achieve reliable results consistent measurement across time and several questionnaire items in the instrument.

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<sup>161</sup> Hair, J. F., Black, W. C., & Babin, B. J. (2006). *Multivariate Data Analysis: A Global Perspective*. Boston: Pearson Education.

### 3.9.2 Correlation Analysis

This study investigates the Pearson association examination used to define the strength, direction, and power of the bivariate association of all the constructs of this study. This calculation of the Pearson association coefficients will be achieved to comprehend the association between three key constructs, independent, dependent constructs of this study.

This study Multicollinearity happens when the association coefficient exceeds 0.80 (Berry & Feldman)<sup>162</sup>The values of the association coefficients ( $r$ ) imply the strength of the association between the constructs under investigation for all the constructs employed for this study.

The positive and negative signs designate the direction of the association. A positive association designates that as one construct increases the other construct declines. This study value of the association coefficient ranged from -1 to +1, and a suitable association of 1 or -1 indirect that the value of one construct could be decided precisely by meaningful value of another construct. This study value of +1 designates a faultless positive association, 0 shows no connection and -1 show a faultless bad or opposite association.

All the four constructs of this particular study will test for correlation analysis. The purpose for conducting this analysis is to confirm and check whether multicollinearity among constructs exists and also to examine the bivariate association between constructs.<sup>163</sup> Multicollinearity normally represents the degree to which a construct can be clarified by other constructs in the analysis.

Therefore, this study found it significant to verify the degree of multicollinearity before running regression analysis since it may confuse the clarification of the variation as it is more problematic to control the consequence of any single construct. This study precisely, as multicollinearity increase, it may confuse the interpretation of the variation as it is more problematic to guarantee the efficiency of any single construct in the research. Therefore, multicollinearity exists when the association coefficient exceeds 0.80. The correlation investigation of this study was subjected to the two-tailed test of

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<sup>162</sup> Berry, S. F. (1985). *Multiple regression in practice*. London: Sage Publications.

<sup>163</sup> Sekaran, R. J. (2000). *Research Methods for Business: A Skill-Building Approach*. New York: John Wiley & Sons.



statistical importance at two different levels: highly important ( $p < 0.01$ ) and important ( $p < 0.05$ ). The strength of the association between constructs was explained in terms of their association coefficient based on Rowntree<sup>164</sup> guidelines as follows;

0 to 0.2 is very weak, negative; 0.2 to 0.4 is weak low; 0.4 to 0.7 is moderate; 0.7 to 0.9 is strong, high marked; and 0.9 to 1.0 is very strong very high.

### **3.9.3 Multivariate Analysis**

This study is used to test the multivariate or the multiple regression analysis. Since correlation examination does not deliver the response as to how much the variance in a dependent (criterion) construct can be clarified when several independent constructs are hypothesized to alongside effect it, a multivariate analysis is normally used to assist the purpose. This can be reflecting according to Hair et al.<sup>165</sup>. Multivariate analysis seems to be the greatest widely used multiple regression examination to respond two keys sort of study; to forecast and or to describe.

Though the process for calculating the statistical in multivariate analysis and a hierarchical regressions analysis are alike, the analysis procedures of both regressions seem to be dissimilar. In multivariate analysis the choice on which construct to entering essentially depends on the statistical standards and only one construct is entered at every phase of the analysis. Therefore, this study chooses to test correlation analysis and if it does not come to how much variance that dependent constructs explain the three independent constructs of this study. Besides this will also run the multivariate test perhaps it will serve the purpose.

### **3.10 Conclusion**

This Chapter is a research methodology by which it deliberates outline research method, research framework with hypothesis development. This section also discusses the measures of sampling frame, collection of data and its procedures as well as data measurements. This section also highlights the sections that relate into survey from

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<sup>164</sup> Rowntree, R. A. (1987). Testing the consistency for mapping urban vegetation. *Remote Sensing of Environment* 21, 129-141.

<sup>165</sup> Rowntree, R. A. (1987). Testing the consistency for mapping urban vegetation. *Remote Sensing of Environment* 21, 129-141.

section A until section E. This section discusses the technique, narrative analyses, Validity, Reliability examination, research construct statements and multivariate analysis and lastly measurement of construct of the questionnaire survey items

## **CHAPTER FOUR: FINDINGS AND ANALYSIS**

### **4.1 Introduction**

This chapter discusses the results and the analysis achieved from the study conducted on zakat in the Gambia Issues and Challenges. The deliberations of the research findings will be based on the research objectives and hypothesis that have been identified clearly in the prior chapter research methodology.

Therefore, this particular chapter will be divided into four main segments. The first segment addresses the respondent profile of the study. The second segment presents the results of the descriptive statistics. The third further discusses the reliability examination and the fourth addresses multivariate analysis information of the respondents.

### **4.2 Questionnaire Survey**

The study's questionnaire item of independent variable was adapted and developed from the previous studies. This study's first independent variable was Status of zakat in the Gambia. Its questionnaire items deviated from the previous studies such as Felicitas Opwis,<sup>166</sup> The research adapts questionnaire items and developed it based on these prior studies until the items of the questionnaire are pre-tested and found suitable to distribute to the respondents of this study. Therefore, questionnaire items for the Status of zakat in the Gambia are such as Do you believe paying zakat helps the poor and the needy? Is paying zakat a religious mandate? Does paying zakat bring divine reward to you? Do you earn monthly income?

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<sup>166</sup> Opwis, F. (2010). *Maslaha in contemporary Islamic Legal Theory* Islamic Law and Society. Oxford, USA: Oxford University Press USA.

This research's second independent variable items were adapted and developed from the previous studies as well. The study's first independent variable of contributing factors to zakat collection in the Gambia questionnaire items has deviated from the previous studies such as Haji Othman<sup>167</sup>.

This study adopts questionnaire items and developed it based on these prior studies until the items of the questionnaire are pre-tested and found suitable to distribute to the respondents of this work. Similarly, questionnaire items for the contributing factors to zakat collection in the Gambia are such as, does your spouse support paying zakat from your income? Does your parent advise you to pay zakat to (GSIC) when it is due? Is Supreme Islamic Council a body responsible for zakat collection in the Gambia? Is unemployment a factor affecting zakat payment in the Gambia? Is poverty a barrier to zakat mandatory payment in the country? Does poor management of zakat one of the challenges of zakat? Does lack of zakat payment by few people cause an adverse effect on zakat? Do problems faced by a state towards zakat management have an influence on the economic welfare of the people?

The study's questionnaire item was gathered and developed from previous studies. This study's first independent variable of recommendations for the betterment of zakat management in the Gambia questionnaire deviates from the previous studies such as Felicitas Opwis, Jama Farah, & Yusuf Othman, (2017), Yusuf Othman, (2018).<sup>168</sup> This study adapts questionnaire items and developed it based on these prior studies until the items of the questionnaire are pre-tested and found suitable to distribute to the respondents of this study. Hence, questionnaire items for the recommendations for the betterment of zakat management in the Gambia are such as, do you pray 5 times daily? Do you fast in the month of Ramadhan? Is there any public sensitization of zakat by the scholars? Is there any ruling from the government enforcing zakat payment in the Gambia?

The study's dependent variable questionnaire item was adapted and developed from the previous studies. Therefore, study dependent variable of compliance behaviour

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<sup>167</sup> Othman, Y. N. (2018). The Moderating Effect of Islamic Religiosity on Compliance Behavior of Income Zakat in Kedah, Malaysia. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 281–286.

<sup>168</sup> Sareye, J. M., Othman, Y. H., & Omar M. M. (2017). The Influence of Attitude Religiosity and Perception towards Law Enforcement on Intention towards Compliance Behaviour of Income Zakat among KUIN Staff in Kedah Malaysia. *International Journal of Muamalat*, 3-25.

on zakat in the state Gambia questionnaire items deviates from the previous studies such as Ajzen & Fishbein (1975), Ajzen, (1991), Kamil & Zainol, (2009), Jama Farah & Yusuf Othman, (2017), Haji Othman (2018).<sup>169</sup>

This study adapts questionnaire items and developed the questionnaire items based on these prior studies until the items of the questionnaire are pre-tested and found it suitable to distribute to the respondents of this study. Such questionnaire items for the compliance behaviour on zakat in the Gambia are such as Do you pay zakat to local people in your country? Are you paying zakat once you meet the requirement? Do you prefer to pay your zakat directly to GSIC? Will you pay more zakat if your income increases?

The survey of the questionnaire distributed for this study is 110. The response gathered from the questionnaire was 108. The number of the questionnaire in SPSS software version 23 is 108 out of 110.

**Table: 4.2 Respondents Profile**

Items	Frequency	Percentage (%)
<i>Gender</i>		
Male	81	75
Female	26	24
Others	1	1
<i>Age (years)</i>		
25-30	11	10.2
31-35	15	13.8
36-40	17	15.7
41-45	12	11.1
46-50	21	19.4
Above 51	32	29.6
<i>Marital status</i>		
Single	11	10.2
Married	87	80.5
Divorced	10	9.3
<i>Qualification</i>		
Lower basic school	13	12
Senior secondary school	38	35.2
Diploma	16	14.8
Bachelor	20	18.5
Masters	17	15.7
Doctorate	2	1.9
Others	2	1.9
<i>Income (GMD)</i>		

<sup>169</sup> Ajzen, I., & Fishbein, M. (1975). *Belief, attitude, intention and behaviour: An introduction to theory and research*. Reading, MA: Addison-Wesley.

Ajzen, I. (1985). From Intentions to Actions: A Theory of Planned Behavior. In: Kuhl J., Beckmann J. (eds) *Action Control. SSSP Springer Series in Social Psychology*. Springer, Berlin, Heidelberg. [https://doi.org/10.1007/978-3-642-69746-3\\_2](https://doi.org/10.1007/978-3-642-69746-3_2)

Zainol, B. K. (2009). Predicting Compliance Intention on Zakah on Employment Income in Malaysia: An Application of Reasoned Action Theory. *Jurnal Pengurusan*, 85-102.

6,000-10,000	34	30.5
10,001-16,000	58	53.7
16,001-20,000	15	13.8
20,001-25,000	1	0.9

The Demographic data information shows the data concerning of the study respondents and is essential for whether the individual's respondents in a specific study are a representative sample size of the study and the target population for overview objective.

This study of demographic data and the important shows the reader to understand how the study sample size respondents and their donation of zakat are being able to measure such characteristics. The demographic profile of this study allows readers to comprehend the number of sample size respondents that this study targets.

Similarly, analysing the demographic data is very essential since it's the statistical analysis of data collected for this study shows the characteristics of the sample population in regards to respondents' age, gender, education and income.

According to the table 4.1 the respondents were made up of 75% male and 24% female participants in the zakat survey of The Gambia. Among the respondents, only one participant i.e. (1%) in the study did not disclose his/her status. The female participants are few because local women are more affected by poverty than men that were the reason why the questionnaire was filled by male gender more than female gender. Almost the highest percentage of respondents (29.6%) was between 51 years and above. The youths between 25 to 30 years are the youngest 10.2% because most of them at this stage were either studying or working beside the small business they are doing. Most of them are married (80.5%) and had Senior Secondary School education (37.0%), followed by the Bachelor and Masters holders. The rests are the diploma and lower basic school graduates and even non educated people amongst them. The other respondents who receive more income every month are between GMD 10001- GMD 16000 (53.7%) as shown in the income column.

The amount for the Nisab in the Gambia is around GMD 24,172. (Sheikh Omar Danso, Dawah and Fatwa Committee of Supreme Islamic Council GSIC 2019/ 2020).<sup>170</sup> For zakat which shows that the highest income earners are eligible to pay zakat annually

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<sup>170</sup> Danso, O. (2019). Gambian Supreme Islamic Council, Dawah and fatwa committee report. Serrekunda, Gambia. Unpublished paper.

after all their expenditures but the majority of the respondents indicated that they believed that poverty, unemployment, lack of law enforcement, bad governance, lack of awareness and other factors mentioned are current issues and challenges facing Zakat collection in the Gambia.

**Table: 4.3 Reliability Statistics**

<b>Variables</b>	<b>Items description</b>	<b>Cronbach's alpha</b>
<b>Status of zakat</b>	1. Do you believe paying zakat helps the poor and the needy? 2. Is paying zakat a religious mandate? 3. Does paying zakat bring divine reward to you? 4. Do you earn monthly income?	0.754
<b>Contribution factors of zakat</b>	5. Does your spouse support pay zakat from your income? 6. Do your parents advise you to pay zakat to (GSIC) when it is due? 7. Is Supreme Islamic Council a body responsible for zakat collection in the Gambia? 8. Is unemployment a factor affecting zakat payment in the Gambia? 9. Is poverty a barrier to zakat mandatory payment in the country? 10. Does poor management of zakat one of the challenges of zakat? 11. Does lack of zakat payment by few people cause an adverse effect on zakat? 12. Do problems faced by a state towards zakat management have an influence on the economic welfare of the people?	0.823
<b>Recommendation and proposal of zakat</b>	13. Do you pray 5 times daily? 14. Do you fast in the month of Ramadhan? 15. Is there any public sensitization of zakat by the scholars? 16. Is there any ruling from the government enforcing zakat payment in the Gambia?	0.874
<b>Compliance of Zakat</b>	17. Do you pay zakat to local people in your country? 18. Are you paying zakat once you meet the requirement? 18. Have you ever missed paying zakat to GSIC? 19. Will you pay more zakat if your income increases?	0.802

Table 4.3 demonstrates the result of the reliability of each measure items was examined by computing its Cronbach's alpha of questionnaire items for each variable of this study. The reliability of a measure shows the constancy and steadiness of the instrument in measuring a concept and assistances to evaluate the virtue and goodness of a measure. Nunnally<sup>171</sup> recommended the Cronbach's value higher than .70 that

<sup>171</sup> Nunnally, L. C. (1978). *Psychometric Theory*, (2nd Ed). New York; Mc Graw Hill.

shows good internal constancy. Hair J.J.<sup>172</sup> anticipated the internal steadiness between .60 to .70 signify the lower limit of suitability.

On the other hand, as Proposal by Sekaran<sup>173</sup>, the least acceptable reliability is set at .60. The result of this research indicates that the reliability for the status of zakat in The Gambia toward compliance on zakat (.754), contribution factors of zakat (.823), recommendation and proposal of zakat (.802), are above .70 (good internal consistency as suggested by Nunnally (1978)). The remaining variable is compliance on zakat paying is (.802) which is also above .70 as good internal consistencies as recommended by Nunnally (1978).

**Table: 4.4 Descriptive Statistics**

Variables	Description	Mean	Std
Status of Zakat	1. Do you believe paying zakat helps the poor and the needy?	4.4167	0.59900
	2. Is paying zakat a religious Mandate?	4.7685	0.48542
	3. Does paying zakat bring divine reward to you?	4.2037	0.66641
Contribution of zakat	4. Is the Supreme Islamic Council a body responsible for zakat collection in the Gambia?	2.4815	1.21117
	5. Does your spouse support pay zakat from your income?	3.092593	1.188237
	6. Have you ever missed paying zakat to GSIC?	3.453704	0.931126
Recommendation of zakat paying	7. Do you pray 5 times daily?	4.324074	0.993706
	8. Do you fast in the month of Ramadhan?	4.416667	1.005824
	8. How often do you recite Qur'an?	4.064815	1.052573
Compliance of zakat	9. Do you pay zakat to individual or GSIC?	3.546296	1.071153
	10. Are you paying zakat once you meet the requirement?	3.833333	1.045685
	11. Have you ever missed paying zakat to GSIC?	3.148148	1.117531

The purpose of the Descriptive analysis of this research is to analyse the information of the respondents of this study. The Descriptive statistics of the study is to analyse and to obtain the mean and the standard deviation of the collected data of each questionnaire items of this study. Besides as highlighted in the methodology part of the research if the standard deviation is minor therefore the sample deliver of this study will fall very near to the mean. This case it means the low standard deviation shows is close to the mean Likert scale and the smaller standard deviations relate to more gathered data. The more gathered data means less extreme Likert scale. The data set with less extreme Likert scale has a more reliable mean. Therefore, this study data of standard deviation is a good measure of the reliability of the mean value.

<sup>172</sup> Hair, J. J. (1998). *Multivariate Data Analysis* (5th ed.). Upper Saddle River, NJ. Prentice Hall.

<sup>173</sup> Sekaran, U. (2003). *Research Methods for Business*. New York: John Wiley & Sons.



The findings of table 4.3 offered the mean of the status zakat collection in The Gambia (SZG1) Likert scale 4.4167, and the standard deviation is .59900. The status zakat collection in The Gambia (SZG2) Likert scale 4.7685 and the standard deviation is .48542. The status zakat collection in The Gambia (SZG3) Likert scale 4.2037 and the standard deviation is .66641.

The mean of the contributing factors of collection of zakat in The Gambia (ZCG1) Likert scale is 3.546296 and the standard deviation is 1.21117. The mean of the contributing factors of collection of zakat in The Gambia (ZCG2) Likert scale is 3.092593 and the standard deviation is 1.188237. The mean of the contributing factors of collection of zakat in The Gambia (ZCG3) Likert scale is 3.453704 and the standard deviation is 0.931126.

The mean of the recommendation of zakat collection in The Gambia (RPZ1) Likert scale 4.324074 and the standard deviation is 0.993706. The mean of the recommendation of zakat collection in The Gambia (RPZ2) Likert scale 4.324074 and the standard deviation is 0.993706. The mean of the recommendation of zakat collection in The Gambia (RPZ3) ratio 4.064815 and the standard deviation is 1.052573.

The mean of compliance on zakat paying in The Gambia (CZG1) Likert scale is 3.662 and the standard deviation is 1.071153. The mean of compliance on zakat paying in The Gambia (CZG2) Likert scale is 3.833333 per cent and the standard deviation is 1.045685. The mean of compliance on zakat paying in The Gambia (CZG3) Likert scale is 3.148148 and the standard deviation is 1.117531.

Therefore, this study data of standard deviation is a good measure of the reliability of the mean value. This also demonstrates that the survey participants are thinking of paying more zakat shortly if their business grows well. Usually, the findings of the mean values are good and suitable for the study.

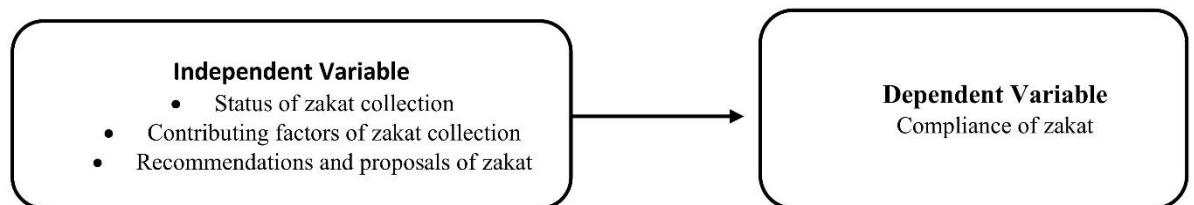
### **4.3 Multivariate Analysis**

This study analyses the multivariate analysis as it was proposed and explained in the methodology chapter of the study. The research analyses the multiple regression or the multivariate analysis as the choice in which the study variables to be entering essentially

rest on the statistical standard and only one reached at each phase of the examination during the analysis of the data using SPSS software.

#### 4.3.1 Association between Independent Variables and Dependent Variable

The multivariate analysis is carried out to test the straight association among independent variable (status of zakat collection in The Gambia, contributing factor of zakat collection in The Gambia, recommendation and proposal for the betterment of zakat collection towards compliance on zakat collection in The Gambia. The illustration is as follow;



(Developed for this research)

Compliance of zakat has a relationship with three independent variables of status, contributing factors and recommendations and proposals of zakat, according to the issues and challenges affecting the zakat collection in The Gambia. Compliance towards payment by the participants was fair enough and most people agree to pay more if their income increases. There is a positive association between zakat status and management works on compliance among Gambian businessmen, positive association between factors contributing and lastly on recommendations and proposals of payments on compliance zakat.

**Table: 4.5 Multivariate Analysis**

Model		Standardized coefficients		
		Beta	t	Sig.
1	Constant		-.257	.798
	Status of zakat	.247	2.767	.007
	Contribution of zakat	-.253	2.831	.006
	Recommendation of zakat	.181	2.035	.044
R2	.186			
Adjusted R2	.163			

Table: 4.5.2 multivariate analysis indicates the findings that the standardized coefficient for the status of zakat, is supported and shown a significant level of ( $P = .007$ , whereas the contribution of zakat collection in The Gambia shown significant and supported into compliance on zakat ( $P = .006$ , except the recommendation of zakat collection in the Gambia, shows not supported towards compliance of zakat ( $P = .044$ ,  $p < .001$ ) the multivariate analysis tables indicates the variables are significantly associated with compliance on zakat in The Gambia. With a .186 Per cent ( $R^2 = .186$ ) of the compliance on zakat.

On the other hand, this study found that different scholars have different opinions and views on what constitutes a good R square ( $R^2$ ) variance. Such studies are Falk and Miller (1992), Cohen (1988), Chin (1998), Hair et al. (2011). Neter, J. Wasserman, W. & Kutner. M. (1990),<sup>174</sup>

Falk and Miller (1992) suggested that  $R^2$  values must be equal to or greater than 0.10 for the variance clarified of specific endogenous variables to be considered as acceptable. Whereas, Cohen (1988) recommended  $R^2$  values for endogenous latent construct are measured as follows: 0.26 (substantial), 0.13 (moderate), 0.02 (weak).

Although, Chin (1998) suggested  $R^2$  values for endogenous latent constructs based on: 0.67 (substantial), 0.33 (moderate), 0.19 (weak). While Hair et al. (2011) recommended in a scholarly study that concentrates on marketing issues,  $R^2$  values of 0.75, 0.50, or 0.25 for endogenous latent constructs can, as a rough rule of thumb, be correspondingly defined as substantial, moderate or weak.

However, it is also important to note that R-square, even when it is small, can be significantly different from 0, showing that the study regression data has statistically significant explanatory power<sup>175</sup>. Though, it is always must to report the value of R-square as an effect size, because people might question the practical significance of the value.

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<sup>174</sup> Falk, R. F., & Miller, N. B. (1992). *A Prime for Soft Modelling*. University of Akon press. USA.  
Cohen, J. (1988). Set correlation and contingency tables. *Applied psychological measurement*, 12 (4), 425-434.  
Chin, W. W. (1998). The partial least squares approach to structural equation modelling; journal; modern method for business research, *MIS quarterly*, 7-16.  
Hair, J. F., Christian M Ringle, C. M., Sarstedt, M. (2011), PLS-SEM: Indeed a silver bullet. *Journal of marketing theory & practise*, 4(1),139-152.  
<sup>175</sup> Neter, J., Kunter, M. H., Nachtsheim, C. J., & Wasserman, W. (1992). *Applied Linear Regression Models*, 4th (Ed.). McGraw Hill, Irwin, Chicago.

This study finds it significant to mention that in some field's area of research, R-square is typically higher, because it is easier to specify comprehensive, well-specified models. Nevertheless, in the social sciences area of research, where it is hard to specify such modes, low R-square values are often expected and reported as well by Neter, J., Wasserman, W. & Kutner, M. (1990).<sup>176</sup>

It is a good example that if the study generates lots of data with low R-square, since the study doesn't expect models, particularly in social or behavioural sciences to include all the relevant independent variable in the theoretical framework to explain an outcome construct. Based on that prior scholar's suggestion this study must report the low R square variance since it is allowed in the area of social science.

#### **4.4 Discussion**

The discussion of this study demonstrates that the status of zakat is supported and shown a significant influence towards compliance on zakat paying. The findings of this study are similar with the prior studies on zakat payers such as Jama Farah & Yusuf Othman, Yusuf Othman, Kamil M. & Zainol Bidin et al.<sup>177</sup> which also found significant influence towards zakat compliance. Although these previous studies examined variable was not precisely as the status of zakat variable still, the developed questionnaire items, their prior studies employed to test the religious status of zakat donors had similarities with the current questionnaire items of the status of zakat payers.

Therefore, this believes that the reason that status of zakat construct was found to have a significant association towards compliance on zakat payers is that giving zakat will help the poor and needy. The respondents of this study also believed that donating zakat is a religious mandate and it will bring them a divine reward.

Similarly, the contribution of zakat collection in the Gambia showed significantly and supported the compliance on zakat. The findings of this study are similar to the earlier studies of zakat payers in the area of zakat compliance such as Zainol, 2008;

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<sup>176</sup> Neter, J., Wasserman, W., & Kutner, M. H. (1990). *Applied Statistical models*: Richard D Irwin, Inc Burr Ridge, IL.

<sup>177</sup> Md Idris, K. (2012). Islamic Religiosity Measurement and Its Relationship with Business Income. *Jurnal Pengurusan*, 34, 3-10.

Ram al-Jaffri (2010); Zainol et. Al (2009) Jama Farah & Yusuf Othman, (2017) Yusuf Othman, (2018), Saeed A. & Saliza A. (2020), Christina W. (2017).<sup>178</sup>

Therefore, the study's respondents believed that with social influence of parents, spouse, colleagues, zakat respondents can contribute into the Islamic religious council in the Gambia. The respondents of this study also believed that poor management from the Islamic religious council can also be a barrier for zakat donors not to donate zakat which can cause a less number of zakat payers annually. Based on the questionnaire items distributed to the respondents of this study, it also believes that not paying zakat will influence the economic welfare of the people of the Gambia.

On the other hand, the recommendation of zakat collection in the Gambia shows not supported towards compliance of zakat. The results of this study contradict the results of earlier studies on zakat donation, such as Jama Farah & Yusuf Othman, (2017), (Kamil, 2002; Ayoub 2001; Alayuddin, 2008; Nur Bariza et al., (2010) or taxation (Allingham & Sandmo, 1972; Chan, 2000; Fischer, 1992).<sup>179</sup>

Thus, this study believed that the recommendation of zakat collection in the Gambia was not supported towards compliance of zakat due to the public consciousness is missing and the Islamic scholars must perform and contribute on the side of

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<sup>178</sup> Zainol, B. K. (2009). Predicting Compliance Intention on Zakah on Employment Income in Malaysia: An Application of Reasoned Action Theory. *Jurnal Pengurusan*, 85-102.

Sareye, J. M., Othman, Y. H., & Omar M. M. (2017). The Influence of Attitude Religiosity and Perception towards Law Enforcement on Intention towards Compliance Behaviour of Income Zakat among KUIN Staff in Kedah Malaysia. *International Journal of Muamalat*, 3-25.

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<sup>179</sup> Md Idris, K. (2002). Peranan Sikat Dalam Gelagat Kepatuhan Zakat. *Pendapatan Gaji*. (1&2), 171-191.

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recommending the Islamic wealth individuals such business people in the Gambia to donate zakat possibly by explaining zakat payers from the religiosity and economic welfare side of the country.

The results of this study also believed that the Islamic religious council should also implement law enforcement sanctions to be implemented among the zakat payers, therefore; zakat donation must not be only treated as Islamic obligation rather must be treated as an economic factor that can reduce the poverty level of the country.

#### **4.5 Conclusion**

This chapter emphasises the statistical analysis of quantitative data collected using a questionnaire distributed to businessmen and women in The Gambia. The chapter presented demographic profile, Reliability statistics of each variable, Descriptive or Narrative statistics of the summary of the mean and standard deviation of all constructs used in this analysis.

The research also runs the multivariate analysis of the study variables. This study shows that the three independent variables of status, contributing factors, and recommendation and proposals of zakat collection plays an important role in influencing zakat payers in The Gambia on issues and challenges.

The findings indicate that the standardised coefficients for the status of zakat are supported and significant, the contributing factors also shows significant and supported into compliance on zakat nevertheless the recommendations only not supported towards compliance of zakat. The study also recommends that policymakers of the country should demonstrate a more effective and proficient role in educating the public about zakat management.

Finally, future researchers also have a big responsibility to engage in more empirical research work regarding the future development of zakat donations in The Gambia also this research will suggest a further highlight in the coming chapter specifically in the recommendation section.

## **CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS**

### **5.1 Conclusion**

As highlighted in the earliest chapter, the very purpose of this case study is mainly to examine and investigate the issues and challenges involved in zakat management and to find solutions and recommendations for future administration. The findings of this research show that there are real issues and challenges prevailing in the management system and the contributing factors are revealed by the survey results of the researcher in such a way that shows requirement of improvement is needed. The findings will contribute to the knowledge and increase awareness to the Muslims about the significant of paying zakat and encourage one and another. The government and the GSIC should display a bigger role and embark on more important tasks. It's thus recommended that GSIC should be empowered and given more authority and opportunity to work hard and enhance the management system with the kind of structure existing.

Finally, the main deduction and interpretation that can be made from the findings about zakat in The Gambia is that there is enough room for improvement. The effectiveness of zakat management in helping the poor depends on the method of collection and disbursement and with genuine purpose of it. The method, however, needs to be strengthened and examined from time to time so it will serve the purpose to assist the poor to have a better life. Often, there are various and interesting issues occurred in zakat administration, distribution, collection, and poverty fields which may gain interest from researchers of Islamic scholars as well as the area of zakat studies.

### **5.2 Recommendations**

This chapter discusses the research conclusion and recommendation. For the purpose of discussion, it will be divided into five parts consisting of recapitulation, implication of the study, managerial recommendation, theoretical implication, limitation of the study

and finally the recommendation. Having discussed zakat management in The Gambia on issues and challenges, in this chapter the study offers a number of recommendations that may address and aid in overcoming the mentioned problems concerning issues and challenges. Since zakat is a method that creates wealth for societal values, it is important to have a zakat collection system that is free from such problems.

### **5.3 Recapitulation**

This special research zakat in The Gambia, issues and challenges has been highlighted in the first chapter, the introduction includes the background study of politics, economic, and social life of Gambian society. This study emphasised the problem statement, research question, research objectives and significance of the study towards contributing to the policymakers and providing some knowledge to the existing literature and document source on analysis of zakat payment in The Gambia.

The second chapter discusses the related and relevant prior studies related to the zakat field and which further explains the conceptual framework and also literature review on issues and challenges of zakat management in the contemporary world. This study shows the establishment of the core objectives of zakat as the attainment of socio-economic justice in most countries.

However, the research found that only little academic research work was done in the area of zakat specifically in the zakat on business owners and this study will contribute to the limited literature on zakat in the state of Gambia.

In the third chapter, the quantitative research method was used and discusses the selection of measures, as sampling designs, data collection procedures, data measurements and data analysis techniques, narrative analysis, multivariate analysis and lastly measurement of construct of the questionnaire survey items. The fourth chapter discusses the results and the analysis achieved from the study and the findings were based on research objectives and hypothesis in the prior chapter. This study emphasises the statistical analysis of quantitative data collection using a questionnaire distributed to business people in The Gambia.

The study shows that the three independent variables of status, contributing factors and recommendation and proposals of zakat collection. It plays an important role in



influencing zakat payers in The Gambia on issues and challenges and recommends policymakers of the country to be more effective in educating the public on zakat management.

This study found that most of the respondents who participated in the research accepted and agreed positively that GSIC is an institution responsible for zakat collection. However, several respondents were neutral or did not even recognise them as a zakat body.

Subsequently, this study suggested that they should strengthen their efforts more by creating more activities for public awareness and educating more people about the duty and responsibility to pay zakat and to achieve public assurance that the zakat collected is managed according to the sharia. It is highly recommended that GSIC should be authorized more to fulfil these essential tasks.

#### **5.4 Implications of the Study**

The findings of the study will have critical implication on zakat institution; it shows that there are real issues and challenges prevailing in the management system in the country. The contributing factors are revealed by the survey results in such a way that requirement of improvement is needed. Therefore, it will contribute to the knowledge and increase awareness to the Muslims about the significant of paying zakat and encourage one and another. It will also have implication on existing theories on zakat management, where by it adds to it.

##### **5.4.1 Managerial Recommendations**

Based on the findings, the managerial implications or recommendations is essential because there are issues and challenges found in zakat management in The Gambia and the main objective of zakat is the achievement of socio-economic justice. Therefore, it is very significant for zakat to be administered in the most efficient way. The whole idea of zakat administration is to assist Muslims perform this particular pillar of Islam and establish its primary functions as a means to eradicate poverty.

#### **5.4.2 Role of Government Authorities and Agencies**

In chapter two, the thesis identified a number of issues that affect the collection of zakat in The Gambia, among them being the lack of responsibility and law enforcement body established by the government. It is very pertinent for the government to establish a zakat institution that would be an agency in charge for managing zakat distribution and collection in the country under the care of ministry of religious affairs like MUIB in Brunei Darussalam is given authority by the laws of the state. The government of The Gambia can also use GSIC by empowering them under the laws of the state through the ministry of religious affairs.

#### **5.4.3 Eradication of Poverty and Unemployment**

There is a need to eliminate extreme poverty and unemployment problem in The Gambia as mentioned before. If properly managed zakat system will achieve its objectives and Muslims can revive their economy and society through proper implementation of zakat system. As it has been a successful tool for the reduction or even complete eradication of poverty during the time of second caliph of Islam Umar Ibn Khattab (13-22H) and during the time of Umar Ibn Abdul Aziz (99-101H). Therefore, zakat should be well paid and properly managed because it is proven fact from history that if properly managed can be a mode to alleviate poverty. Likewise, the long term and high rate of unemployment among the youths will be reduced because poverty is one of the major contributed factors to that. The government can address the issue of unemployment also by providing the youths with skills and encouraging an entrepreneurial spirit by giving assistance and guidance to establish micro and small businesses.

#### **5.4.4 Knowledge and Awareness to Educate the Muslim Public**

There is a need also in The Gambia to educate the Muslim society on zakat. It's mentioned in chapter two that there is lack of knowledge and information about laws of sharia on zakat matters. This is a contribution factor which affects zakat collection in the country. Activities can be created by a zakat division or clinic to play a very vital role in creating public awareness about the duty and responsibility to pay zakat. This

can be achieved in a workshop format so that all the people participating can have a hand on experienced knowledge calculating zakat themselves using cases of various conditions in which zakat is due on a person. Another way of publicizing and spreading information about zakat is by selling books about zakat and software connecting to zakat calculation, radio programs, conferences and other ways of social media. Free information can also be given out to disseminate in the form of articles, pamphlets and general handouts.

#### **5.4.5 Cooperation between GSIC, Mosques, and other Agencies**

Another significant point is the need and issue cooperation between the government of The Gambia and GSIC, Mosques and other agencies involved in zakat activities, mosques should also be connected to locals who cannot get access to far places. Volunteers can also be involved in conducting various activities such as reaching out to the poor and needy training and consultancy, monitoring and giving guidance to the poor and needy.

#### **5.4.6 Good Governance and Promoting Accountability in the Collection of Zakat**

There is an urgent need for good governance or efficiency in administration and also promoting accountability and transparency in the collection of zakat because poor management was a contributing factor and one of the challenges of zakat issues in The Gambia. So therefore, the government must put in place and establish a proper and efficient zakat administration system. The Gambia government should learn from various foreign countries and international organisations that are successful in zakat administration.

#### **5.4.8 Proposals for Better Management of Zakat**

Conducting more research in different aspects of zakat management is a necessity to be carried out by some researchers. From research gap in the literature review, it was mentioned there about few researches done in Arabic language on zakat topic in The Gambia so therefore I suggested more research should to be done in English language

as well by academicians within the country and abroad as contribution to this gap to add more knowledge to the existing literature.

#### **5.4.9 GSIC as a Body Responsible for Zakat Collection in the Gambia**

Most of the respondents who participated in the research accepted and agreed positively that GSIC is an institution responsible for zakat collection. However, there are also a number of respondents who were neutral or did not even recognise them as a zakat body. So, I suggested that they should intensify their efforts more by creating more activities for public awareness and educating people about the responsibility and duty to pay zakat and to gain public assurance that the zakat collected is controlled and managed well according to the sharia. It is highly recommended that GSIC should be authorized more in order to fulfil these significant tasks.

#### **5.4.10 Compliance**

Finally, besides all the issues and challenges and the contributing factors that lead to zakat collection in The Gambia, compliance towards payment by the respondents was fair enough and most people agreed to pay more if their incomes increase. So therefore, another propose suggestion is the establishment of sharia committee or advisory council board by the GSIC or the government to control and oversee all zakat activities in the country and to ensure sharia compliance and avoidance of any misunderstanding issues for better management.

### **5.5 Theoretical Implications**

The theoretical implication which includes the status of zakat, recommendation and better management of zakat collection, and factors that contributes to the collection of zakat in the Gambia. Various studies which examined zakat compliance behaviour base on planned behaviour theory have not really mentioned the independent variables of this study. Therefore, this research provides additional evidence by including the effects of recommendation and better management of zakat collection and other factors in the context of zakat compliance conducting in the Gambia.

Moreover, the theoretical implication of this study is that the study can contribute to the theoretical base of the zakat literature since the majority of the prior studies were on compliance behaviour of zakat and tax donation employed into their theoretical base for theory planned behaviour in the zakat field. This study serves as a reference on zakat literature in the area of compliance since there are limited studies on compliance, recommendation and better management of zakat collection, contributing factors of zakat collection in the Gambia. Hence, it compares many studies employed through the planned behaviour of zakat, charity, and tax donation.

### **5.5 Limitations of the Study**

This research was actually limited only to the analysis of issues and challenges of zakat collection in the state of Gambia. So therefore, the study was conducted on business people in the commercial sector on the aspect of paying or collection on zakat aids in the country. There were one hundred and ten (110) selected questionnaires which were sent and there were one hundred and eight (108) respondents of payment of zakat distributed to businessmen in the Gambia. The survey only covered those who have a business and willing to pay zakat at the end of the business period. The main goal and aim is to address the challenges of zakat payment and the administration of the fund effectively so as to yield desired outcome. The study does not capture people earning monthly salary, employment income, and personal savings; it only focuses on commercial business activities by people living in kanifing municipal council area, Serrekunda.

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## **Appendix A: Questionnaire Survey**

### **POST-GRADUATE STUDIES**

Sultan Sharif Ali Islamic University (UNISSA) Brunei Darussalam

**Dear Respondents,**

The thesis title is “Zakat in the Gambia: Issues and Challenges” which will be submitted to the University for the Award of Master of Islamic banking and finance by research. Information provided will be used solely for research purpose and treated with the utmost confidentiality. In case you have any further enquiry regarding the aspect of the study, kindly, contact me on +6737323720 or email at adamconateh@gmail.com

Thank you for sparing your time to partake in this survey.

Full Name: .....

**SECTION A- DEMOGRAPHIC INFORMATION**

1. Gender: Male  female

2. Age : \_\_\_\_\_

3. Marital Status : \_\_\_\_\_

4. Highest Level of Education:

Doctor of Philosophy

Master Degree

Bachelor Degree

Diploma

Senior Secondary school

Lower basic school

Others, please specify: \_\_\_\_\_

5. Occupation: \_\_\_\_\_

6. Job Grade: \_\_\_\_\_

7. Total Income in 2019: \_\_\_\_\_

8.

**(B) Status of zakat in the Gambia**

These questions relate to the status of *zakat* in the Gambia. Please answer the following questions by ticking the appropriate number.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	Do you belief paying zakat helps the poor and the needy?	1	2	3	4	5
2	Is paying zakat a religious Mandate?	1	2	3	4	5
3	Does paying zakat bring divine reward to you?	1	2	3	4	5
4	Do you earn monthly income?	1	2	3	4	5

### **Contributing factors to zakat collection in the Gambia**

These questions relate factors contributing factors to zakat collection in the Gambia. Please answer the following questions.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	Does your spouse support pay zakat from your income?	1	2	3	4	5
2	Do your parents advise you to pay zakat to (GSIC) when it is due?	1	2	3	4	5

3	Is Supreme Islamic Council a body responsible for zakat collection in the Gambia?	1	2	3	4	5
4	Is unemployment a factor affecting zakat payment in the Gambia?	1	2	3	4	5
5	Is poverty a barrier to zakat mandatory payment in the country?	1	2	3	4	5
6	Does poor management of zakat one of the challenges of zakat?	1	2	3	4	5
7	Does lack zakat payment by few people harm zakat?	1	2	3	4	5
8	Do problems faced by a state towards zakat management have an influence on the economic welfare of all the people?	1	2	3	4	5

### **Recommendations for the betterment of Zakat management in the Gambia**

These questions relate to recommendations and proposals for the betterment of zakat management in the Gambia. Please answer the following questions by ticking the appropriate number.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	Do you pray 5 times daily?	1	2	3	4	5
2	Do you fast in the month of Ramadhan?	1	2	3	4	5
3	Is there any public awareness of zakat by the scholars?	1	2	3	4	5
4	Is there any ruling from the government enforcing zakat payment in the Gambia?	1	2	3	4	5

### **Compliance towards payment of zakat in the Gambia.**

These enquiries narrate to compliance on zakat paying in the Gambia. Please answer the following questions by ticking the appropriate number.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	Do you pay zakat to local people in your area?	1	2	3	4	5
2	Are you paying zakat once you	1	2	3	4	5

meet the  
requirement?

3	Have you ever missed paying zakat to GSIC?	1	2	3	4	5
4	Will you pay more zakat if your income increases?	1	2	3	4	5

## Appendix B: Data

Narrative Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SZG	108	3.25	5.00	4.3356	.38995
ZCG	108	2.38	4.50	3.7338	.35194
RPZ	108	3.00	4.75	3.7199	.35143
CZG	108	2.25	4.75	3.6620	.68556
Valid N (listwise)	108				

### Reliability analysis:

#### Status zakat in the Gambia (SZG)

Reliability Statistics

	Cronbach's Alpha Based on Standardized Items	N of Items
Cronbach's Alpha	.754	4

#### Contribution factors of the collection in zakat (ZCG)

Reliability Statistics

	Cronbach's Alpha Based on Standardized Items	N of Items
Cronbach's Alpha	.823	8

#### Recommendation and proposal for the betterment of zakat (RPZ)

Reliability Statistics

	Cronbach's Alpha Based on Standardized Items	N of Items
Cronbach's Alpha	.874	4

## Compliance of zakat collection in The Gambia (CZG)

Reliability Statistics

	Cronbach's Alpha Based on Standardized Items	N of Items
Cronbach's Alpha	.804	4

## Multivariate analysis

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.216	.841		-.257	.798
	SZG	.453	.164	.247	2.767	.007
	ZCG	.338	.119	.253	2.831	.006
	RPZ	.154	.076	.181	2.035	.044

a. Dependent Variable: CZG

Model Summary

Model	R	R Square	Adjusted R Square	Std. An error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.432 <sup>a</sup>	.186	.163	.75726	.186	7.937	3	104	.000	1.715

a. Predictors: (Constant), RPZ, SZG, ZCG

b. Dependent Variable: CZG



## Appendix of Descriptive Statistics

Statistics

SZG1

N	Valid	108
	Missing	0
Mean		4.4167
Std. Deviation		.54900

Statistics

SZG2

N	Valid	108
	Missing	0
Mean		4.7685
Std. Deviation		.48542

Statistics

SZG3

N	Valid	108
	Missing	0
Mean		4.2037
Std. Deviation		.66641

Statistics

ZCG1

N	Valid	108
	Missing	0
Mean		2.4815
Std. Deviation		1.21117

Statistics

ZCG2

N	Valid	108
	Missing	0
Mean		3.0926
Std. Deviation		1.18824

Statistics

ZCG3

N	Valid	108
	Missing	0
Mean		3.4537
Std. Deviation		.93113

Statistics

RPZ1

N	Valid	108
	Missing	0
Mean		4.3241
Std. Deviation		.99371

Statistics

RPZ2

N	Valid	108
	Missing	0
Mean		4.4167
Std. Deviation		1.00582

Statistics

RPZ3

N	Valid	108
	Missing	0
Mean		4.0648
Std. Deviation		1.05257

Statistics

CZG1

N	Valid	108
	Missing	0
Mean		3.5463
Std. Deviation		1.07115

Statistics

CZG2

N	Valid	108
	Missing	0
Mean		3.8333
Std. Deviation		1.04569

Statistics

CZG3

N	Valid	108
	Missing	0
Mean		3.1481
Std. Deviation		1.11753