

The perception of Moroccan about a potential Zakat institution: An exploratory study

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ABSTRACT

Zakat, as the third pillar of Islam, represents the major instrument of the Islamic economic system. Beyond its virtues of purification from the sins of greed and attachment to material goods, it affirms its position as a social and economic tool which contributes to the establishment of the social justice among the society and the achievement of the equitable redistribution of wealth. This charitable institution has been institutionalized among Muslim countries in various configurations, from voluntary to obligatory payment. Morocco, despite being a state in which Islam is the religion of the country (as stated in the third article of the Moroccan constitution), it still does not have a zakat fund. Therefore, this religious obligation remains an individual act of the pious Muslims anxious to fulfill their duties toward their creator. Thus, this study attempts to investigate the perception of potential zakat payers about the eventual implementation of such institution in Morocco and to explore the different ways of distributing the voluntary zakat by the payers. Data is collected using a survey questionnaire based on accidental sampling method. Taking into account that this study is exploratory, the main purpose is to determine the public opinion about the zakat institution that could be used as an input to conduct a comprehensive empirical study. The findings indicate that 84.6% of the respondents agree to the assumption that zakat could be an effective tool to poverty eradication in Morocco and 73.6%

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agree to the implementation of such institution charged with the collection and distribution of zakat.

Keywords: *zakat, perception, survey, Morocco.*

JEL classification: C42

RESUME

La Zakat, en tant que troisième pilier de l'islam, représente le principal instrument du système économique islamique. Au-delà de ses vertus de purification des vices de cupidité et d'attachement aux biens matériels, elle affirme sa position en tant qu'outil social et économique contribuant à l'instauration de la justice sociale au sein de la société et à la réalisation de la redistribution équitable de la richesse. Cette institution caritative a été institutionnalisée parmi les pays musulmans selon différentes configurations ; du paiement volontaire au paiement obligatoire. Le Maroc, bien qu'il soit un État dans lequel l'islam est la religion du pays (comme indiqué dans le troisième article de la constitution marocaine), n'a toujours pas de fonds de zakat. Par conséquent, cette obligation religieuse reste un acte individuel des musulmans pieux soucieux de remplir leurs devoirs envers leur créateur. Ainsi, cette étude tente d'examiner la perception des payeurs potentiels de zakat quant à la mise en place éventuelle d'une telle institution au Maroc et d'explorer les différentes méthodes de distribution de la zakat volontaire. Les données sont collectées à l'aide d'un questionnaire d'enquête basé sur une méthode d'échantillonnage accidentel. Compte tenu du fait que cette étude est exploratoire, l'objectif principal est de déterminer l'opinion publique sur l'institution de la zakat qui pourrait être utilisée ultérieurement pour mener une étude empirique complète. Les résultats indiquent que 84,6% des personnes interrogées adhèrent à l'hypothèse selon laquelle la zakat pourrait constituer un outil efficace pour éliminer la pauvreté au Maroc et 73,6% sont favorables à la mise en place d'une telle institution chargée de la collecte et de la distribution de zakat.

Mots clés : *zakat, perception, enquête, Maroc.*

ملخص:

تمثل الزكاة، باعتبارها الركيزة الثالثة للإسلام، الأداة الرئيسية للنظام الاقتصادي الإسلامي. وبغض النظر عن فضائل التطهير من خطايا الجشع والتعلق بالسلع المادية ، فإنها تؤكد مكانتها كأداة اجتماعية واقتصادية تساهم في إقامة العدالة الاجتماعية بين المجتمع وتحقيق إعادة التوزيع العادل للثروة. وقد تم إضفاء الطابع المؤسسي على هذه المؤسسة الخيرية بين البلدان الإسلامية في مختلف التشكيلات ، من الطوعية إلى الدفع الإلزامي. المغرب ، على الرغم من كونه دولة يعتبر الإسلام فيها دين الدولة (كما ورد في المادة الثالثة من الدستور المغربي) ، فإنه لا يزال لا يملك صندوق زكاة. لذلك ، يبقى هذا الالتزام الديني فعلاً فردياً للمسلمين المتدينين المتلهفين للوفاء بواجباتهم نحو خالقهم. وبالتالي ، فإن هذه الدراسة تحاول التحقيق في تصور دافعي الزكاة المحتملين حول التنفيذ النهائي لهذه المؤسسة في المغرب واستكشاف الطرق المختلفة لتوزيع الزكاة الطوعية من قبل دافعيها. تم جمع البيانات باستخدام استبيان استطلاع يستند إلى طريقة أخذ العينات العرضية. مع الأخذ في الاعتبار أن هذه الدراسة استكشافية ، فإن الهدف الرئيسي هو تحديد الرأي العام حول مؤسسة الزكاة التي يمكن استخدامها كمدخل لإجراء دراسة تجريبية شاملة. تشير النتائج إلى أن 84.6٪ من المستجيبين يوافقون على افتراض أن الزكاة يمكن أن تكون أداة فعالة للقضاء على الفقر في المغرب و 73.6٪ يوافقون على تطبيق هذه المؤسسة المكلفة بجمع وتوزيع الزكاة.

الكلمات الدالة: الزكاة - الإدراك - الاستقصاء - المغرب

INTRODUCTION

Zakat represents an act of worship and piety towards God and a way of solidarity and brotherhood among Muslims. The Muslim is called to fulfill his debt to God in the vertical dimension by prayer and in the horizontal dimension by taking care of the poor who are in need (Falcioni, 2012). Zakat represents the recognition of God's sovereignty by returning to him what originally belongs to him. Indeed, by restoring the surplus of what he has received from his creator, the Muslim contributes to the establishment of divine justice on earth since the fulfillment of the duty towards God is translated into a social cohesion between the believers. Zakat was mentioned in the Qur'an 30 times, including 27 times associated with prayer, which reveals the extent of this obligation as if it were another way of praying. In fact, the believer who fulfills this religious duty shows obedience to God and an act of faith towards the creator. Hence the first meaning of zakat: "being-for-God" (Falcioni, 2012). The second meaning refers to the altruistic impulse of the individual towards his brothers and sisters who are in need and thus reflects the believer's awareness of his responsibility towards the needy: "to be-for-others" (Falcioni, 2012). By fighting against greed, this institution promotes social justice. Representing a financial right of the poor in the money of the rich, this obligation contributes to the redistribution of income between the different categories of society thus favoring the reintegration of the needy into the investment cycle. Thus, beyond social assistance for people in need, this institution helps reduce inequalities by providing poor people with purchasing power that can provide them with a decent standard of living. It is also a lever for development, particularly through the reinjection of surplus into the economic circuit, thus creating stimulating effects of demand and production. Thus, conscience with the importance of this charity both socially and economically and concerned with the preservation of this religious pillar, some Muslim countries enacted acts and laws to institutionalize this charity and implemented organizational structure charged with the collection and distribution of zakat. Morocco, as far as it represents an Islamic country, do not have an organization dedicated to zakat management and therefore, this religious obligation remains a voluntary act accomplished by pious Muslims conscious to fulfill their religious duties.

The purpose of our study is to determine the perception of Moroccan public about the potential implementation of azakat institution in Morocco, collect their opinions about the

legal and organizational structure of such institution and also to assess the actual practice of this charity.

1. Literature review

1.1. The concept of zakat

Zakat has several meanings. It represents the portion of human's wealth intended for the poor and more specifically, it is defined as a mandatory levy imposed to Muslims in order to channel the rich's wealth to the poor (Azeez (2003) & Zaim (1989) as cited by Johari & al. (2014)). Theoretically, it signifies purification, growing, goodness and transfer of property from a certain threshold to specific people (Saad et al., 2014). Ataina and Achmad (2010) as cited in Lubis and al. [n.d] analyze the meaning of growing associated to the concept of zakat by the fact that paying zakat could lead to the escalation of property in this world and also to the development of religious merit in the afterlife. Concerning the moral aspect of zakat, it refers to its virtue of purifying the rich from the sins of greed and acquisitiveness (Wahid and Abdul Kader, 2010). Economically, Kahf [n.d] states that zakat represents the most important tool of implementing the economic justice and to provide sustenance to economically unfortunate. This institution could create a positive effects on economy by impacting consumption, saving, production and investment and thus contributing to the decrease of the poverty phenomenon.

The concept of zakat interested many authors who conduct theoretical and empirical research about this charity. Indeed, Johari et al. (2014) conducted a review of literature on Zakat which showed that the major studies about zakat are empirical aiming to cover specific questions about this institution. They use a mix methodology combining quantitative and qualitative approach and the common object of these studies is the management of zakat including the two pillar of this organization: the collection and distribution. Abd. Wahab & Abdul Rahman (2011) cited also in their research many studies about zakat: Kahf (1989), Buang (2000), Bakar & Rahman (2007) focused on theoretical aspects of zakat while other authors were interested in the integration of zakat in the financial Islamic system and contemporary utilization of zakat funds (Rahman (2007), Shehata (1994)).

1.2. Institutional framework of zakat

The obligation of zakat was established in the second year of Hegire. The Prophet (Peace be upon him), as a leader of the Muslim community, was in charge of the management of this third pillar of Islam. At that time, the management of zakat was the function of two officers, one concerned with the collection of revenues and other being in command of troops and general administration (Hudayati and Tohirin, 2010). After the death of the Prophet (Peace be upon him), the successive caliphs ensured the management of zakat and the revenues of this charity attained the highest levels under the period of Umar Ibn al Khattab. Indeed, this caliph brought an outstanding reorganization to the public treasury (Hudayati and Tohirin, 2010).

Actually, the institutionalization of zakat differs among Muslim countries. While some enacted laws and established a structure to collect and distribute this compulsory charity, other countries prefer to leave the accomplishment of this religious matter to personal conviction. Beik (2015) mentioned effectively that when some countries have achieved tremendous improvement in zakat development, others didn't consider it yet as an important tool to be integrated to the country's social development strategy. The zakat framework varies from obligatory to voluntary payment. Beik (2015) distinguishes three operational models for zakat regulation. The comprehensive model is when the zakat payment has been made obligatory by the state system and there is a zakat act which regulates the essential matters of zakat. The partial model is when zakat payment is not made obligatory although zakat act exists. And finally, the secular model is when there is no state involvement in zakat management.

Yusuf (2000) as cited by Lubis and al. [n.d], states that the government should be responsible for the collection and distribution of zakat in order to maintain the dignity of the beneficiaries, insure that the distribution of zakat covers all the eligible categories of recipients as stated in the Coran. Indeed, in the case of voluntary zakat, the payer could be influenced in the process of distribution by giving its charity to relatives rather than eligible vulnerable persons. Therefore, Hassan (2010) stated that there are weaknesses in the traditional zakat management in most Muslim countries especially the credibility of management because of government involvement, the lack of knowledge regarding the eligibility of recipients and the tendency of individuals to donate to their close relatives or neighbors.

1.3. The history of zakat practice in Morocco

Toujgani (1980) explained in his work the historical evolution of the zakat collection in Morocco which can be classified into two main systems. The first period was characterized by a decentralized organization where this charity was collected and distributed locally within the perimeter of each region. It was the period before the establishment of the Almoravid dynasty. Therefore, the traditional system of zakat established by the Prophet (Peace be upon him) and his Califs was followed and maintained by the governors of that time. The second period, after the creation of the Almoravid state, the collection and distribution of zakat was centralized within the central Baitulmal. Thus, the donation was given to the eight eligible recipients of zakat and especially to poor people. It is also important to mention that this configuration of zakat was not restrictive as the governors ordered, in some specific cases, to distribute zakat locally rather than to be transferred to the central collection center. The successive dynasties worked on the same path and preserved the management of zakat funds. Nevertheless, this practice was influenced by colonialism and the management of zakat was thus abandoned. Therefore, the accomplishment of this religious obligation was left to individuals who are conscious and concerned with the fulfillment of their duties toward their creator.

2. Methodology

2.1. Research objectives

The objective of this exploratory study is to answer the following main questions:

- ✓ How do the Moroccan citizens perceive zakat?
- ✓ What are the main recipients of voluntary zakat distribution in Morocco?
- ✓ What is the opinion of the Moroccan citizens about the implementation of a zakat institution in Morocco? And how do they prefer the potential juridical structure of such institution?

2.2. Data collection

The exploratory research was conducted using a quantitative approach consisting of a survey questionnaire based on accidental sampling method. The purpose was to collect various opinions of Moroccan public who could be a future potential zakat payer and does not intend to achieve a representative vision of the whole society. In fact, the data analysis

was conducted after the collection of 90 responses from various profiles. The questionnaire was administrated through social media and emails. The questionnaire was structured into three main sections. The first section aimed to assess the perception of the respondents about zakat and their knowledge about zakat items such as the tax base and tax rates. The second section consists of exploring the payers of zakat and to whom they donate their charity. The last section represents the core section of the survey and intends to determine the opinion of the respondents about the ultimate institutionalization of a zakat structure in Morocco. The responses were then analyzed using SPSS.

3. Results and analysis

3.1. Univariate analysis

Univariate analysis of the relevant variables of the study shows that 95.6% of the respondents define zakat as a religious obligation, 84.6% agree to the assumption that zakat could be an effective tool to poverty reduction and 73.6% approve the implementation of a zakat institution in Morocco. This statistics shows that there is a collective conscience about the importance of such instrument in the Moroccan society. Within the hypothesis of the creation of such institution charged with the collection of zakat, 76.9% prefer a voluntary payment rather than obligatory. On the other hand, the opinions were divided concerning the legal structure: 37.4% claimed a semi-public structure charged with the collection and distribution of zakat; 36.3% preferred a private structure while the remaining respondents suggested a public structure. As for the method of distribution, 50% of the respondents preferred to pay a portion of their zakat to the institution and distribute a portion directly to eligible recipients or relatives in need. 30.8% prefer to distribute directly their entire zakat to recipients and the remaining respondents prefer to give their total zakat to the institution which will be in charge of its distribution to the eligible persons. These results show a lack of confidence towards the potential institution from a percentage of citizens who prefer to give their zakat in person to the chosen poor people.

Concerning the actual market of zakat in Morocco which represents the methods of distribution of voluntary zakat, the survey indicates that the major recipient of zakat are the poor people and persons in need especially the relatives. Indeed, the majority of citizens, (consisting of 59% of the respondents who has paid their zakat) prefer to give this charity to their vulnerable relatives or people from their entourage. 34% of the

respondents give also their zakat directly to the poor people according to their judgement and the remaining respondents give their zakat to philanthropic organizations. The survey shows also that 61% of those who paid their zakat did not face any difficulty in calculating the eligible amount of donation while 36% of them did. It seems that there is a need for sensitization about the different parameter of the zakat system. In fact, the first part of the survey intends to test the respondents' knowledge about the zakat institution. While 95.6% state that the zakat represents a religious obligation, 47.3% of the respondents do not know the different types of wealth subject to zakat and 52.7% do not know the different rates of zakat. These results could support our assumption about the interest of the public awareness concerning zakat base and rates.

3.2. Bi-varied analysis

The bi-varied analysis is essential to cross different variables of the survey in order to deepen the understanding of the data collected. The annex 1 shows that the respondents who belong to the higher category of income (and represent 42% of the survey population) present the highest number of zakat payers. Besides, by opposition, there are also some respondents who belong to the higher income category but still did not pay zakat. This can be explained either by the fact that these latter did not satisfy the eligibility conditions of zakat payment or they did not pay zakat according to their conviction. However, the annex 2 shows that there is a portion of respondents who are theoretically eligible to pay zakat by detaining the minimum of wealth but do not pay it. Thus, the Khi-deux's test and the Cramer's vector (Figure 1) for the two qualitative variables (zakat payment and detention of nissab) show the existence of an average relationship between these variables (a degree of signification below 0.05). This indicates that the detention of nissab will not ultimately imply the payment of zakat.

On the other hand, in order to assess whether the payment of zakat is related to annual income, we use the ANOVA Test below which shows a value of p signification of $0.928 > 0.05$. This means the absence of dependence between these two variables. In sum, we can assume that the annual income is not a sufficient indicator of wealth to predict the future zakat payers and thus the potential of zakat.

Figure 1 : chi-square tests

	Value	ddl	Asymptotic significance (bilateral)	Exact significance (bilateral)	Exact significance (unilateral)
Pearson chi-square	21,820 ^a	1	,000	,000	,000
Correction for continuity ^b	19,597	1	,000		
Likelihood ratio	23,374	1	,000		
Fisher's exact test					
Linear association by linear	21,499	1	,000		
Number of valid observations	68				

Figure 2 : Symmetrical measurements

	Value	Approximate significance
Phi	,566	,000
Nominal by Nominal V of Cramer	,566	,000
Number of valid observations	68	

Figure 3: ANOVA test

	Sum of squares	ddl	Average squares	F	significance

Intergroup	,363	5	,073	,270	,928
Intragroup	15,072	56	,269		
Total	15,435	61			

The annex 3 shows savings percentages based on annual income. We can notice that the major number of respondents save a maximum of 20% of their income and it concerns specially citizens who earn annually between 120.000 MAD and 180.000 MAD. The calculation of the Pearson's coefficient R for these two variables shows a value of 0.076. It means that there is not a strong correlation between the savings percentage and the annual income.

Concerning the opinion of the respondents about the juridical structure of zakat institution and the preferred ways of payment and distribution, the univariate analysis showed scattered opinions concerning the preferred way of zakat donation. Thus, crossing the two variables "choice of zakat distribution" and the "choice of the juridical structure of zakat" did not show a strong relationship as the Khi-deux test shows a value of significance superior to 0.05 (Figure 4). The analysis of the graph (Annex 4) could help us assume that the highest number of respondents who prefer a private or semi-public organization in charge of the collection and distribution of zakat prefer also to maintain a portion of their donation so that they could give it directly to eligible recipients.

Figure 4 : Chi-square tests

	Value	ddl	Asymptotic significance (bilateral)
Pearson chi-square	8,946 ^a	4	,062
Likelihood ratio	9,268	4	,055
Linear association by linear	,025	1	,874
Number of valid observations	90		

CONCLUSION

Zakat occupies a major part in the Islamic economic system as it represents an effective tool to the establishment of the social justice. As the third pillar of Islam, it is a worship act that translates the Muslim's devotion towards God, the almighty. The survey conducted confirmed that the Moroccan respondents perceive zakat as a religious obligation and that it could contribute effectively to poverty eradication. Indeed, the majority of responses approved the establishment of a zakat institution in Morocco. These results comfort us with the assumption that there is a collective awareness, common will and confidence about the fundamental role of zakat institution. However, the public prefer either a private or semi-public structure with the possibility to keep a portion of the zakat for the voluntary distribution. This finding highlights the lack of confidence toward the public sector and the fact that the establishment of a zakat structure in Morocco needs a gradual evolution. The potential zakat payers showed in this survey their will to mandate the zakat institution but the full confidence to let it deal with the total funds raised will certainly take some time. It is also important to mention that the results showed also that the detention of nissab does not imply necessarily the payment of zakat. This reflects the fact that zakat remains a religious obligation that depends on the degree of the Moroccan Muslim's commitment toward his religion.

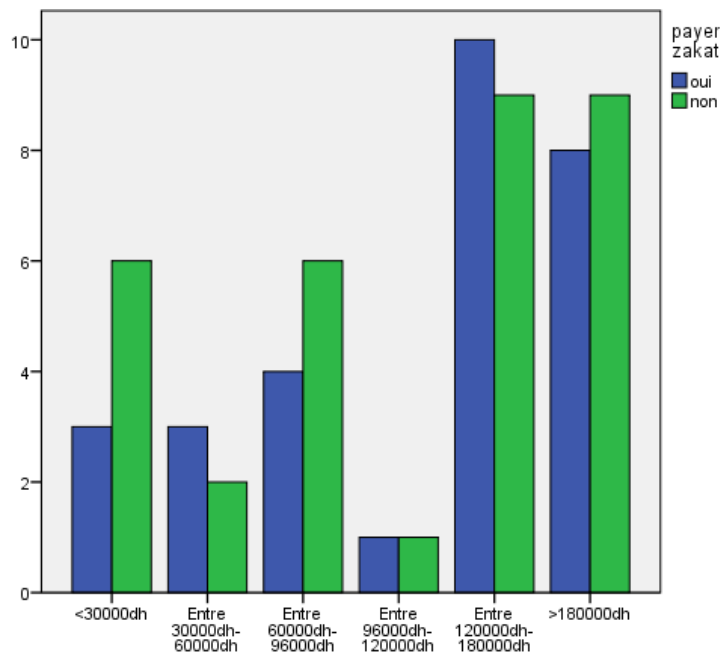
Thus, we can suggest that this exploratory research could be an input to design a more comprehensive empirical study in order to assess the explanatory factors of zakat payment, the zakat payers' expectations from the institution of zakat, and theraisons behind the preference of a juridical structure over another.

To conclude, we list below the main insights of this study:

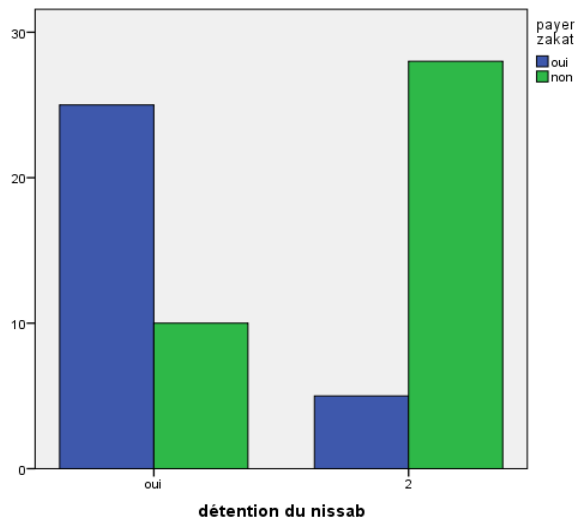
- Zakat is rooted in the Moroccan spirit as a worship
- Moroccan zakat payers prefer to give their zakat to their vulnerable relatives
- Moroccan zakat payers prefer a voluntary payment rather than obligatory
- The sensitization about the zakat items is highly needed
- Moroccan zakat payers prefer private and semi-public juridical structure for the potential zakat institution

Annexes

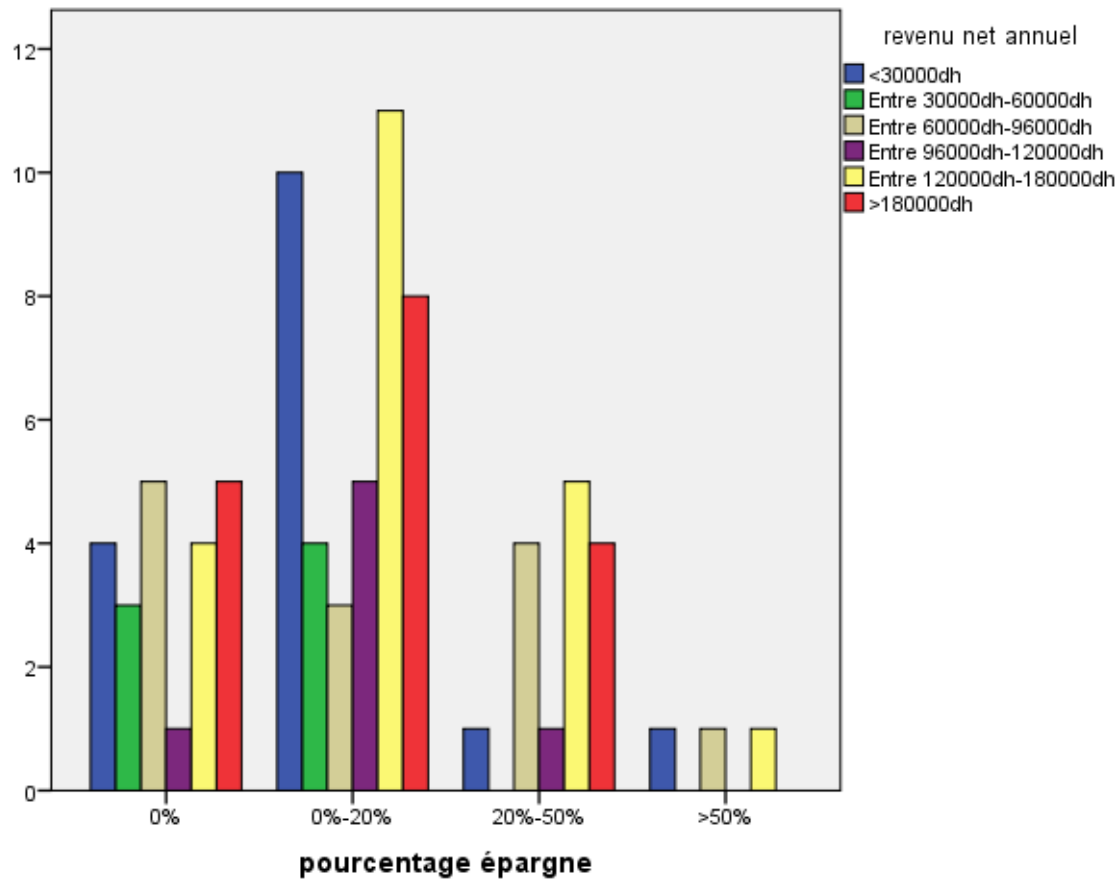
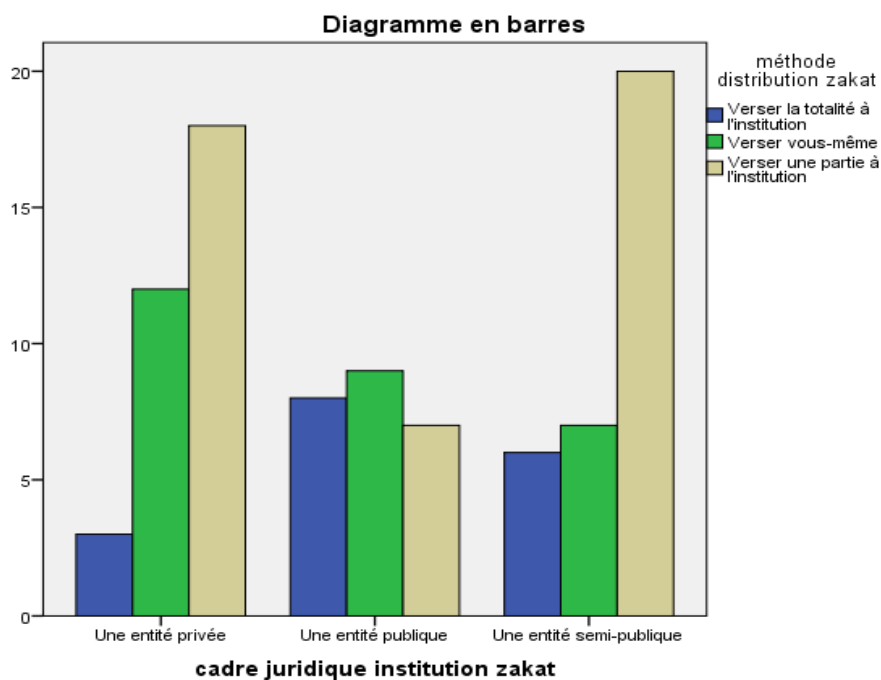
Annex 1: Zakat payment according to the annual income



Annex 2: Zakat payment according to detention of nissab²



²The minimum amount of wealth eligible to zakat payment

Annex 3: Percentage of saving according to annual income**Annex 4:** The method of zakat distribution according to the juridical structure of zakat institution

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