

AZKA Research Series | 4/2020

POTENTIAL AND STRATEGY OF ZAKAT COLLECTION FROM FOREIGN WORKERS

AZKA RESEARCH SERIES | NO. 4/2020

**THE POTENTIAL AND
STRATEGY OF ZAKAT
COLLECTION FROM
FOREIGN WORKERS**

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ISBN 978-967-17088-6-6

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The Potential and Strategy of Zakat Collection from Foreign Workers

Despite the fact that zakat collection in several states in Malaysia is increasing every year, the state Islamic councils are expected to carry out innovative approaches and play a proactive role to improve zakat collection among eligible zakat payers. One method that could be imposed by the councils to increase the number of eligible payers is by attracting the number of potential payers among Muslim foreign workers who are working in Malaysia.

The present study attempts to identify the level of understanding and the practice of foreign workers as regards to zakat and fitrah in the Federal Territory; to identify the amount of potential collection and number of foreign workers in the Federal Territory who are zakat payers; to recommend the best zakat collection management and marketing strategy to attract foreign workers in the Federal Territory to pay zakat of income and fitrah at the Zakat Collection Center (PPZ); and to analyze the factors that contribute to the probability of Muslim foreign workers choose to pay zakat and fitrah in Malaysia.

The survey was undertaken via a questionnaire designed to be completed by random respondents, who are the Muslim foreign workers in Federal Territory regardless of the professions, which range from low-skilled workers to high-skilled workers. Two areas under the Federal Territory (Wilayah Persekutuan) namely Kuala Lumpur and Putrajaya are involved. The usable data collected is 426. Methods of analysis are used in the study including descriptive analysis, cross tabulation analysis with the use of Chi-square tests, correlation analysis, steps in estimation of potential zakat collection and regression analysis. The findings show that despite good general knowledge and awareness of foreign workers on zakat, they have very limited knowledge and awareness on zakat system in Malaysia. Majority of respondents is paying zakat fitr during Ramadhan but barely paying other types of zakat. In all cases of zakat, foreign workers in study are paying zakat in their own countries but majority of them are willing to pay zakat in Malaysia in the future.

As of method of collecting zakat, 'moving counter' is the highest preferable method of zakat collection among respondents and 'electronic media' is chosen as the best marketing strategy that zakat institutions should adopt to attract more zakat payers. It is also estimated that potential collection of zakat income from Muslim foreign workers in

2019 is between RM100,125,448 and RM115,482,862. It is forecasted that by 2020 onwards, the amount of potential zakat income collection is between RM131,018,9006.70 and RM151,115,017.60 per year. The regression analysis shows that probability of paying zakat income among foreign workers is higher among male workers, highly educated workers and those who have knowledge about zakat income.

The probability that foreign workers opt to pay zakat fitr is higher among those with better knowledge about this type of zakat. Besides, the likelihood that foreign workers will pay zakat in Malaysia in the future is lower for those who have professional/PhD education and the likelihood is higher if the reason of not paying zakat in Malaysia is 'do not have knowledge on how to pay zakat in Malaysia'. The results imply that if proper education and knowledge is imparted to the Muslims, citizen or non-citizen, the zakat system in Malaysia can play a far greater role in empowering the economics of the Ummah. The statistics imply the importance of building confidence and trust among foreign workers on Malaysian system of zakat collection.

The efforts should be taken by both authorities and zakat institutions to well develop good and efficient method of zakat collection among foreign workers. The religiosity factor has to be addressed carefully to at least to change Muslim foreign workers outlook in life to become potential zakat payers. The mosque is recognized as an important Islamic institution to act as a catalyst in the evolution of zakat management in Malaysia. Nonetheless, target of potential zakat collection should be more on higher educated foreign workers by giving special incentives to them if they are paying zakat in Malaysia.

Keywords:

Zakat Collection, Foreign Workers, Federal Territory, Business Strategy

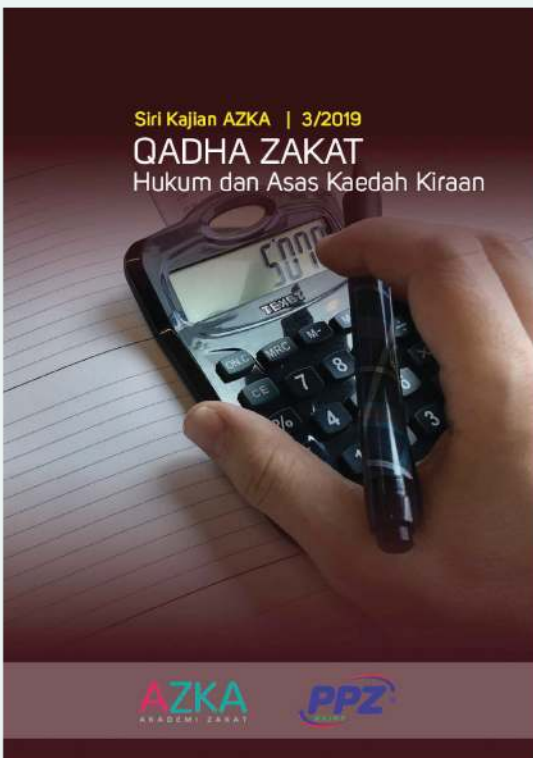
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