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The Practice of Zakat: An Empirical Examination of Four Gulf Countries

C. Guermat, A.T. Al-Utaibi and J.P. Tucker

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The Practice of Zakat: An Empirical Examination of Four Gulf Countries

C. Guermat,[†] A.T. Al-Utaibi[‡] and J.P. Tucker^{}**

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Abstract:

As one of the cornerstones of Islamic economics, *zakat* has been given little attention in Islamic economics literature. Both theoretical and empirical studies are scarce, and thus this paper is an attempt to initiate discussion on the realities of the practice of *zakat* in the Muslim world. It is hoped that this will draw attention to the need to investigate the practice of *zakat* throughout the world. Some empirical results on a number of practical aspects of *zakat* are provided. The discussion is based on a collection of perception data from respondents in four Gulf Cooperation Council (GCC) countries regarding the evaluation, collection and payment of *zakat*.

Keywords. *Zakat*; *Fiqh*; Gulf Cooperation Council, *Shari'a*.

[†] Corresponding author. School of Business and Economics, University of Exeter, Rennes Drive, Exeter, EX4 4PU, UK.

[‡] College of Technology, Dammam, KSA.

^{*} School of Business and Economics, University of Exeter, UK.

1. Introduction

The body of Islamic economics literature points to two main concepts that make the distinction between Islamic and other economic systems most clear, namely *riba* (usury) and *zakat* (almsgiving). Unfortunately, the available literature is primarily focused upon *riba*, perhaps due to the apparent lack of controversy within the subject of *zakat* contrasting with the urgent need for a workable banking system that could replace interest-based commercial banking (the issue of *riba*).

Little is known about the practice of *zakat* in Islamic and non-Islamic countries and empirical data on *zakat* are virtually non-existent. Researchers collecting data on *zakat* face two main obstacles. One of these is the fact that *zakat* remains unregulated, even in countries claiming to apply Islamic *Shari'a*.¹ So the amounts of *zakat* paid, the beneficiaries (recipients), and the ways in which the transfers are carried out remain largely unreported. Another reason is that *zakat* is considered by most Muslims as a religious duty that should not be revealed to others. Obtaining information using surveys is therefore extremely difficult. This study aims to initiate both theoretical and empirical investigations of *zakat* by providing data on four Muslim countries. The choice of these countries is based on two main considerations. The first consideration is the non-existence of secular taxation in these countries. Clearly, the Muslim citizens of these countries are more likely to reveal information about their attitude towards *zakat* without fear of disclosure to the secular taxation authorities. The second consideration is the relatively high average wealth of these countries. Because the average citizen is more likely to pay *zakat*, the likelihood of finding respondents who are both *zakat* payers and willing to reveal information is greater.

Existing theoretical studies on *zakat* focus mainly on the *fiqhi* (juristic) aspects. However, even here there are major *fiqhi* issues that have been neglected so far. Among these are issues relating to the collection and distribution of *zakat* by the state, the imposition of *zakat* on new forms of wealth, and the levying of *zakat* on income. Thus, there is an urgent need for theoretical and empirical studies that cover the various aspects of *zakat*, especially those relating to the current experience of Muslim societies. This paper, therefore, attempts to provide some empirical data that would be useful in future discussions on the potential theoretical and practical aspects of *zakat* in the Muslim world.

The rest of the paper is organised as follows. The second section briefly summarises the current understanding of *zakat* and previous empirical findings in this area. The third section provides some empirical results on a survey carried out on 159 respondents from four GCC countries. The fourth section concludes the paper.

¹ The exception here is Saudi Arabia where an attempt has been made to regulate *zakat*.

2. A Summary of Current Understanding of Zakat

Most of what has been written on *zakat* is theoretical and fiqhi in nature. This current fiqhi understanding of *zakat* can be briefly summarised in the following. There are two acknowledged objectives of *zakat*. The first is that *zakat* acts as a mechanism that helps to close the gap between the poor and the rich.² This redistribution of wealth within the society, is assumed to increase the purchasing power of the poor, which enables them to contribute positively to the economic cycle thereby facilitating economic growth and improving the well-being of others. The second point is to motivate Muslims to invest 'idle money', for otherwise there is a depletion in their wealth.³

There is a consensus among Muslim jurists that *zakat* is levied on capital and agricultural produce.⁴ There is less agreement, however, when it comes to other forms of wealth such as fixed assets and labour income.⁵ Idle and even loss-making capital is *zakatable*.⁶ The traditional *zakat* rate is 2.5% on capital, and 5% or 10% on agricultural produce. However, scholars are less consistent with new forms of wealth, in which the rates are suggested apparently arbitrarily at one of the three traditional rates.⁷ In particular, no consensus exists as to the situation of investments held in the form of fixed assets, shares, bonds and deposits.⁸

Empirically, there is a single study on Malaysia which suggests that the unregulated, traditional system of *zakat* actually accentuates inequality because the burden falls on the paddy-producing agricultural households, while exempting most property owners and wage earners since no explicit allowance is made for them in the traditional sources of Islam.⁹ In Saudi Arabia, the religious scholars have extended *zakat* obligations to many types of assets and income. However, it may be observed that *zakat* evasion remains a common problem in Saudi Arabia and Malaysia.¹⁰

² M. Kahf, 'Zakat: Unresolved Issues in the Contemporary Fiqh', *Journal of Islamic Economics*, Vol.2, No.1, 1989, 1-22.

³ Kahf, "Zakat"; A.I. Qureshi, *Fiscal System of Islam* (Lahore: Institute of Islamic Culture, 1978).

⁴ M. Farhud and K Ibrahim, *Nidham al-Zakat* (Riyadh: General Administration Institute, 1986).

⁵ See Kahf, 'Zakat' for more details.

⁶ Kahf, 'Zakat', 11.

⁷ Y. al-Qaradawi, *Fiqh al-Zakat* (Beirut: Mu'assasat al-Risalah, 1973), 474-482; 505-512.

⁸ In this paper we found that Muslim investors (respondents), despite the lack of consensus, do pay *zakat* on their investments. This is perhaps simply a precautionary measure against committing a possible sin, that is, acting contrary to expected religious observance.

⁹ I.M. Salleh and R. Ngah, 'Distribution of Zakat Burden on Padi producers in Malaysia', in M.R. Zaman, (ed.), *Some Aspects of the Economics of Zakah*, (Gary, Indiana: Association of Muslim Social Scientists, 1981).

¹⁰ T. Kuran, 'The Economic System in Contemporary Islamic Thought', in K.S. Jomo, (ed.), *Islamic Economic Alternatives* (London: Macmillan Academic and Professional Ltd., 1992).

3. Empirical Results.

The primary aim of this paper is to shed some light on a number of practical aspects of *zakat*. As mentioned earlier, collecting data on *zakat* is problematic and extremely difficult. This inherent limitation necessitated restricting our survey study to a subset of Muslim countries. Thus, we selected a sample of 159 respondents from four GCC countries, Kuwait, Bahrain, Saudi Arabia and the United Arab Emirates.

All respondents are nationals of the countries surveyed and are distributed roughly proportionately among the four countries. The largest country (Saudi Arabia) is represented by the majority (30%) of the respondents, while the other smaller countries are represented by 25% (Kuwait), 24% (UAE) and 21% (Bahrain) respectively. As our study is concerned with obtaining informed opinion, both education (more than 91% of the respondents hold a bachelor's degree or above) and occupation were of paramount importance. To limit the possible bias of education influence, the sample contains respondents whose education was in the GCC (30%), Arab countries (42%) and in Western countries (28%). It is argued that occupation is related to the degree of interest of the respondents in the subject under examination, that is, interest in *zakat*. Our survey targeted four specific groups, namely academics interested in Islamic economics (24%), investors and accountants (34%), and government employees (42%).

Financial Investments and their Magnitudes

As Table 1 shows, more than a third of respondents (38%) hold financial investments. Of those who hold such investments, almost half (46%) invested in company shares, but only 4% of the respondents invested in government bonds. It should be mentioned that only Saudi Arabia has recently started issuing government bonds in the Gulf area. However, even within the Saudi respondents, only 3 out of 18 respondents hold government bonds. This suggests that it may take some time for investors to appreciate the benefits of government bonds. Despite all respondents being Muslims and even though there is a consensus on the (religious) prohibition of *riba*, only 11% of investors invest in Islamic bank deposits against around 21% investing in commercial banks. Despite this, all investors in this sample claim to pay *zakat* on the proceeds from their investment.

Table 1 also reflects the important wealth and the potential funds that can be generated from *zakat* in the Gulf area. More than 20% of 'investing' respondents hold investments between \$5,000 and \$15,000, whilst almost 60% hold investments over \$15,000. Investments are generally held over long periods, with 90% of respondents holding their investments for more than a year, and 42% more than 5 years.

These results clearly show the potentially large amounts of funds whose zakatability (taxability) is unclear under the current *fiqhi* wisdom. In practice, unless specific regulation exists in the countries concerned, individual investors may choose not to pay *zakat* on their financial investments since no text or consensus exists on the

obligation to pay *zakat* on such investments. However, as Table 2 reveals, all investors in the sample have chosen to pay *zakat* more generally.

[Table 1 about here]

Zakat Payment on Financial Investments

Respondents who indicated that they hold financial investments were asked whether they pay *zakat* on them. The respondents were also asked to indicate their opinion about whether or not to enforce paying *zakat* on returns from such investment activities. The responses to these questions are summarised in Table 2.

Table 2 shows that all respondents indicated that they pay *zakat* on returns from their investments. Sixty two percent of the respondents supported the proposal that paying *zakat* to the authorities should be made compulsory on financial investments. However, this majority is mainly due to the Saudi investors. The overall picture is less clear. Bahraini respondents are strongly against it (5 to 1), Saudis are strongly for (8 to 1) while Kuwaiti and Emiratee respondents are only marginally in favour of compulsory *zakat* on financial investments. Clearly, this points to a strong possibility of disagreement among *zakat* payers regarding the regulation of *zakat* in general. This also reflects the current incoherence and lack of unanimity in contemporary *fiqhi* regarding modern issues of wealth and investment.

[Table 2 about here]

Reasons for Non-Payment of Zakat on Investment to the State

Following on the above result, the 23 respondents with an objection to compulsory *zakat* on financial investments were asked about the factors that might be behind their objections. These respondents were provided with four possible considerations and were asked to express the extent of their agreement to each item.¹¹

The overall result, shown in Table 3, indicates a strong agreement between all sub-groups across the four suggested factors for preferring not to pay *zakat* directly to the government. As can be seen from the mean responses to the questions, the strongest reason appears to be that the respondents believe that *zakat* is a direct responsibility of the Muslim towards God. It is a duty, which a Muslim should carry out without the interference of a third party. The second strongest reason, as can be seen from the ranking of the mean responses in the fourth column, is the preference of respondents to pay *zakat* themselves. This is typical of Muslims today, despite the fact that, traditionally, *zakat*

¹¹ The scale for agreement used throughout the paper ranges from 1 to 5 for strongly disagree, disagree, indifferent, agree, and strongly agree respectively. Thus, the higher the mean score the stronger the agreement.

was paid to the state at the time of the Prophet Muhammad and during the early periods of the Islamic Caliphate. Possible reasons for this attitude are that Muslims have not had a unified state and, possibly more significantly, most Muslim countries had been colonised for centuries. Thus, Muslims habitually pay *zakat* directly to the needy without relying on the government for distribution.

Investors were also asked whether they would allow the companies in which they hold investments to evaluate and pay *zakat* on their behalf. Table 3 shows a strong distrust of companies in matters of *zakat*. The reason for this seems to be the suspicion that companies may attempt to avoid paying *zakat* by manipulating expenditure figures. Companies may also be managed by non-Muslims, who may not appreciate the extent of the religious importance of *zakat* to their Muslim investors. The Chi-square statistics in the table clearly suggest that there is no significant difference in opinion amongst the various sub-groups on this matter.

The mean responses indicate that virtually all respondents strongly agreed with the statement that *zakat* is a relationship between the person and God. The mean response is 5 for academics (ACA), government employees (GV), and accountants (ACC), and 4.86 for investors (INV). This was not unexpected, since the item refers in a direct way to the belief of the respondents. Thus there is a clear and strong agreement among respondents in this concern. The same agreement is found in the remaining statements, although the evidence on the agreement with the last statement is not very strong. This could be due to country differences as we shall see below.

Next we see whether there are differences between GCC countries regarding the three statements discussed above on the subject of *zakat* payment. The general view of respondents across countries is the same as discussed previously across occupation groups. Indeed, Table 3(b) showed consistency among the respondents of the GCC countries who took part in this study. The majority either *agreed* or *strongly agreed* that *zakat* is a relationship between a person and God and that it should be paid directly without any mediation. To confirm the previous results, all the respondents either *agreed* or *strongly agreed* that they do not trust companies with the payment of *zakat on their behalf*. As for the differences across countries, the Chi-square tests reveal similar results as before, that is, the Chi-square statistics in the three items are insignificant, strongly suggesting no difference in opinion among respondents from the four countries.

[Table 3 about here]

Collection of Zakat

In theory, Islamic *Shari'a* gives the state the right to collect *zakat*. Hence, it is interesting to seek the respondents' opinion as to who should collect *zakat*. The respondents were provided with a list of alternative means of *zakat* collection and invited to register their level of agreement with each of the listed items. The results are presented in Table 4(a). This time we use all 159 respondents, including those who do not hold investments.

The overall result indicates that the vast majority of the respondents nominated the state (Department of Zakat) as a suitable body for the collection of *zakat*. This result is consistent with the *Shari'a* rules. The overall mean for the 'state' is 3.96, putting it first among alternative potential collectors. The second highest is for charitable organisations, with a mean of 3.6. Thus, although most respondents agree with the suggestion that charitable organisations are suitable for collecting *zakat*, the support for them is not as strong as for the state. Islamic banks come third with little support from respondents. This is possibly due to the respondents' view that Islamic banks, due to their commercial nature and lack of sufficient coverage in terms of branches, are not well equipped to deal with the collection of *zakat*. The Islamic bank, however, does collect and distribute *zakat* from its own shareholders. A clear shift of opinion is found with respect to the commercial banks where the mean is 2.07 (noting that a score of 2 equates to disagreement). Thus, there is a clear disagreement with the suggestion that commercial (interest-based) banks could collect *zakat*. The most obvious reason for this disagreement is that national banks are based on interest, which Islam clearly condemns. Thus, it is not acceptable from the Muslim respondents' point of view that an organisation dealing in unlawful (sinful) transactions should be allowed to carry out religious transactions at the same time. Despite the fact that national banks have a huge network of branches, fast and effective computerised connections, and most have opened Islamic '*windows*', it is unlikely that Muslim opinion regarding relationships between the national banks and the *zakat* will change in the near future.

The chi-square test for difference in means clearly shows no significant difference between the respondent groups regarding each organisation's appropriateness in the collection of *zakat*.

In Saudi Arabia, the Department of Zakat has the power to collect (and distribute) *zakat* from individuals and companies of Saudi nationality. The basis for this approach to the collection of *zakat* is to be consistent with the *Shari'a* and to allow the Department of Zakat to collect *zakat* (which is imposed by the government of Saudi Arabia). In the other GCC countries (Bahrain, Kuwait and the United Arab Emirates), no regulation has yet been set for *zakat*, so Islamic banks in these countries deal with *zakat* and accept *zakat* from those willing to pay it to them. The distribution is then based either on the bank's decision or on the *zakat* payer's recommendation. Charitable organisations in these three sample countries also carry out the same task of collecting and distributing *zakat*.

When we group the sample by country, the general attitude towards *zakat* collection by the four types of organisations does not change. As can be seen from Table 4(b), the ranking of the overall means does not change when compared with Table 4(a). The state is still ranked first, with national commercial banks still the least favoured body for collecting *zakat*. Respondents from the four GCC countries seem to have the same attitude, since the chi-square statistic for the difference in means is insignificant for the first three institutions. The sub-group by country mean in the first item (state) suggests that Saudi Arabian respondents are strongly in favour of the Department of Zakat while Bahrainis are relatively less favourably inclined towards government controlled collection than the other three countries. On the other hand, the Bahraini respondents thought that charitable organisations are the best candidates to collect *zakat*. This difference between Bahraini respondents with other GCC countries respondents may be

due to the fact that the majority of the population in Bahrain are Shiite and may follow different traditions of collecting and distributing *zakat*. Moreover, *zakat* in Bahrain is currently collected and distributed by charitable organisations.

While the attitude does not differ significantly towards the state (strongly in favour), Islamic banks (in favour) and commercial banks (against), we find significant differences of opinion when concerning charitable organisations. Although all countries are in favour of such organisations collecting *zakat*, Bahrainis are the most agreeable (mean = 4.0), Kuwaitis are the least agreeable (mean = 3.36), while Saudi Arabia and the UAE are in the middle with means of 3.51 and 3.61 respectively. The chi-square is significant with a p-value of 5.1%. So far we have seen that Saudi Arabia and the UAE respondents have very close means due to the homogeneity of the two countries' populations. Both countries have a conservative population with the vast majority being Sunni. Bahrain is the least conservative with more than half the population being from the Shiite sect. Kuwait is slightly more conservative than Bahrain with a strong Shiite minority.

[Table 4 about here]

The Proportion of Zakat that Should be Paid to the State

Largely due to the surplus of oil revenues, most GCC countries have so far been essentially tax-free states. Even *zakat* is paid voluntarily by individuals, without the involvement of the state. Saudi Arabia, however, tries to control *zakat*. Before 1984, the government collected and distributed half of the *zakat* revenues. The other half was left to *zakat* payers to distribute by themselves, provided that they show documents to prove the payment has been made. This procedure was changed in 1984 when the government decided to collect and distribute the entire amount. However, this may have led to *zakat* evasion (tax evasion).¹² Perhaps if people are given a proportion to distribute themselves, this would encourage them to declare their income and capital.

To identify the perception and preferences of respondents with regard to the percentage of *zakat* that should be paid to the collection authority, a list of choices were given to the respondents to express the extent of agreement and disagreement. Summaries of responses by occupation and by country are reported in Tables 5(a) and 5(b) respectively. It is evident from these Tables that the respondents involved in this study are mostly in favour of paying the whole amount of *zakat* to the collecting institution. This can be seen from the overall mean of 3.48 for the primary rank. As the percentage reduces, the level of agreement is also lowered, thus, the responses regarding 75%, 50% and 25% collection produce means ranking of 2nd, 3rd and 4th respectively.

The overall means do not, however, reveal the whole picture since there are differences of opinion among the sub-groups. Indeed, from Table 5(a), the chi-square statistics for the difference in means is significant at the 5% level for the second item

¹² Kuran, 'The Economic'.

(50%), significant at the 10% level for the third item (75%), and highly significant at the 1% level for the fourth item (100%). This suggests that the differences in opinion towards what percentage should be paid to the collecting institution differs among the sub-groups (ACA, GV, INV and ACC). If we look at the sub-group means we can deduce several points. Firstly, occupation seems to affect attitude towards the percentage of *zakat* to be paid. Academics and government employees have the same ranking in means (100, 75 and 50 per cent). There is a clear difference between the two sub-groups. The means in the government employees group are all high (suggesting strong agreement), while the means of the academics are all less than 3, suggesting disagreement. A possible reason for the academics' disagreement is their opposition to paying *zakat* to the authorities. We found in our sample that most academics strongly agreed with the reasons for not paying *zakat*, as mentioned in Tables 5(a) and (b). It is not surprising, therefore, that most academics would disagree with, or be indifferent to, this question of what percentage should be paid. Government employees are strongly in favour of collecting the whole amount of *zakat*. They are followed by the investors group with a similar, but not as strong, pattern which favours 100%, then 50% then 75%. Accountants, however, have a completely different ranking. Indeed, their ranking was reversed with 50% at the top and 100% at the bottom rank. The apparent reason for this is that accountants, like lawyers, reflect their clients' interests. Among their clients are businessmen whose *zakat* payments are considerable. Such clients also prefer to have the freedom to pay most of it at their own discretion and to the recipients of their own choice. This attitude is close, but not similar, to the attitude of academics in the sense of trying to reduce the percentage of *zakat* paid to the collecting institution. One puzzling result is the support of investors to pay 100% of the *zakat* to the authorities? Although there is also strong support for 75% and 50%, the fact that paying 100% is ranked first by investors is not compatible with the views of accountants and academics. This is perhaps one of the limitations of our small sample. However, one possible answer lies in the fact that investors in this sample own assets that are disclosed to the state and thus there is little incentive to hide their wealth. Consequently, many of them would not mind paying the whole amount of *zakat* to the state, especially since *zakat* authorities would carry out the whole process of evaluation, collection and distribution of *zakat*. Those who do not own disclosed assets but are still wealthy, have greater incentive to pay smaller proportions of *zakat* to the state, because that would keep the information on their wealth private even though they are willing to pay the whole amount of *zakat* imposed by religion.

There is no significant difference in attitude across countries regarding percentage payment to collection authorities. All Chi-square statistics are insignificant, suggesting no difference in the mean score across countries. This is confirmed by examining the individual means of the sub-groups by country. All of the means are higher for the fourth item (100%) and then gradually decrease as the percentage paid falls. We can, however, roughly find two features in the Table. Firstly, Bahraini respondents have the lowest scores, supporting the earlier discussion of their disagreement to pay *zakat* to the state. Also, because Bahrainis prefer to pay to charitable organisations of their own choice, they also implicitly reserve the right to choose and vary the percentage they pay at their own discretion. This might explain Bahrain means, which are all near the 3 score (indifference). Secondly, the highest scores are again with Saudi Arabia and the UAE respectively. Both have very similar patterns, agreeing more with 100%, less with 75%

and 50%, and disagreeing with 25%. Kuwait is in the middle between Bahrain, on the one hand, and Saudi Arabia and the UAE on the other.

[Table 5 about here]

4. Conclusion

This study attempts to draw attention to the need to remedy the lack of empirical and theoretical data on *zakat*. The existing empirical knowledge on *zakat* is extremely limited and we hope this study will attract future empirical interest in *zakat*. Limited resources and the difficulty to obtain questionnaire data restricted our sample to four GCC countries. However, this is by no means a trivial sample. These countries are amongst the richest in the world and the citizens of these countries are more likely to understand *Shari'a* texts and are also more likely to observe its ordinances. In fact, these countries are amongst the most conservative Muslim nations in the world. Moreover, in order to target informed opinions, we only selected educated respondents.

One result of this study is some degree of objection to paying *zakat* to the state. This objection was mainly due to the misleading effect of the religious belief that *zakat* is a relation between Muslims and God. From a practical point of view, future governments may well face serious problems of tax evasion if they decide to introduce *zakat* as an official duty (in addition to being a religious duty).

Respondents did not wish to trust companies with the evaluation and payment of *zakat* on their behalf. Islamic and other commercial banks were not seen as suitable vehicles for collecting and distributing *zakat*, despite the technical capabilities of commercial banks in the Gulf. Some difference in views among the various occupation groups was highlighted regarding collection agents. The study also found significant differences among the GCC countries regarding many aspects of *zakat*. These differences suggest that harmonisation and unification of *zakat* systems throughout the Muslim world might be extremely difficult to achieve. The difference among the various countries also points to the possible difficulties that *Shari'a* scholars might face in reaching consensus on practical issues of *zakat*.

Many respondents favoured giving a greater role to charitable organisations in collecting and distributing *zakat*. Finally, there was also some support for allowing a certain proportion of *zakat* to be paid by the *zakat* payers directly.

Although the above results are interesting, this paper is only a starting point in the investigation of *zakat*. Many questions remain unanswered, including those relating to the payment of *zakat* on capital, the identification of recipients when *zakat* is paid directly by payers, and where the *zakat* money should go when it is left to various official and unofficial organisations to distribute. To answer some of these questions, future studies should extend the sample to a more diversified set of countries and extend the collection of data to a wider range of occupation, education and income levels.

Table 1. Respondents' Investments and their Magnitudes

Do you hold investments?	Bahrain		Kuwait		Saudi Arabia		United Arab emirates		Total	
	F	P	F	P	F	P	F	P	F	P
Yes	6	10%	17	28%	18	30%	19	32%	60	38%
No	27	27%	22	22%	31	31%	19	20%	99	62%
Kind of investment										
Company shares	1	2.7%	12	33%	10	28%	13	36.3%	36	46%
Government bonds	0	0%	0	0%	3	100%	0	0%	3	4%
Islamic bank	3	33%	3	33%	2	22.2%	1	11.8%	9	11%
Land	1	7.1%	3	21%	3	21.4%	7	50%	14	18%
National bank	4	24%	6	35%	4	23.5%	3	17.5%	17	21%
Investment values										
Less than US\$5,000	2	13%	5	31%	5	31%	4	25%	16	18%
US\$5,001-10,000	0	0%	2	13%	5	33%	8	54%	15	16%
US\$10,001-15,000	0	0%	1	17%	2	33%	3	50%	6	7%
US\$15,001 and over	9	17%	16	30%	9	17%	10	36%	54	59%
Investment years										
Less than one year	0	0%	2	33%	3	50%	1	17%	6	10%
1-5	2	7%	7	25%	9	32%	10	36%	28	48%
6-10	1	8%	6	46%	2	15%	4	31%	13	21%
More than 10 years	3	23%	2	15%	4	31%	4	31%	13	21%
F= Frequency P= Percentage										

Table 2. Zakat payment on Investments

	Bahrain		Kuwait		KSA		UAE		Total	
	F	%	F	%	F	%	F	%	F	%
Do you pay zakat on your investment?										
Yes	6	10%	17	28%	18	30%	19	32%	60	100%
No	0	0%	0	0%	0	0%	0	0%	0	0
Do you think zakat should be enforced by the authorities on investment activities?										
Yes	1	3%	10	27%	16	43%	10	27%	37	62%
No	5	22%	7	30%	2	9%	9	39%	23	38%

Table 3. Respondents' view on Zakat Payment

(a)												
	Freq.	Mean	Rank	Sub-group mean by occupation				SD	MIN	MAX	Chi-sq	p-value
				ACA	GV	INV	ACC					
Zakat is a relationship between the person and God	23	4.96	1	5.00	5.00	4.86	5.00	.209	4	5	2.29	.515
I prefer to pay Zakat myself	23	4.83	2	4.83	5.00	4.57	5.00	.388	4	5	5.04	.169
I do not trust my company	23	4.39	3	4.67	4.33	4.43	4.00	.583	3	5	2.75	.432
(b)												
	Freq.	Mean	Rank	Sub-group mean by country				SD	MIN	MAX	Chi-sq	P.value
				BA	KU	SA	UAE					
Zakat is a relationship between the person and God	23	4.96	1	5.00	5.00	5.00	4.89	.209	4	5	1.56	.670
I prefer to pay Zakat myself	23	4.83	2	4.80	5.00	5.00	4.67	.388	4	5	3.36	.340
I do not trust my company	23	4.39	3	4.40	4.29	5.00	4.33	.583	3	5	2.64	.451

ACA= academics, GV= government employees, INV= investors, ACC= accountants, BA= Bahrain, KU= Kuwait , SA= Saudi Arabia, UAE= United Arab Emirates

Table 4. Who Should Collect Zakat?

(a)												
Zakat should be collected by	Freq.	Mean	Rank	Sub-group mean by occupation				SD	MIN	MAX	Chi-sq	P.value
				ACA	GV	INV	ACC					
The state	159	3.96	1	3.59	4.23	4.07	3.88	1.28	1	5	5.69	.127
Charitable organisations	159	3.60	2	3.44	3.66	3.63	3.66	1.21	1	5	.314	.957
Islamic banks	159	3.22	3	2.97	3.05	3.56	3.27	1.27	1	5	5.46	.141
Commercial banks	159	2.07	4	1.92	2.21	2.05	2.10	1.04	1	5	2.21	.530
(b)												
Zakat should be collected by	Freq.	Mean	Rank	Sub-group mean by country				SD	MIN	MAX	Chi-sq	P.value
				BA	KU	SA	UAE					
The state	159	3.96	1	3.64	3.87	4.24	3.97	1.28	1	5	4.30	.230
Charitable organisations	159	3.60	2	4.00	3.36	3.51	3.61	1.21	1	5	7.78	.051
Islamic banks	159	3.22	3	3.00	3.05	3.39	3.37	1.27	1	5	3.06	.383
Commercial banks	159	2.07	4	2.33	1.90	1.96	2.16	1.04	1	5	2.59	.460

ACA= academics, GV= government employees, INV= investors, ACC= accountants, BA= Bahrain, KU= Kuwait , SA= Saudi Arabia, UAE= United Arab Emirates

Table 5. Percentage of Zakat that Should be Paid to the Collection Authority

(a)												
Percentage of Zakat that should be paid to collection authority	Freq.	Mean	Rank	Sub-group mean by occupation				SD	MIN	MAX	Chi-sq	P.value
				ACA	GV	INV	ACC					
100%	154	3.48	1	2.97	3.97	3.68	3.30	1.41	1	5	11.3	.010
75%	155	3.22	2	2.87	3.49	3.20	3.33	1.10	1	5	6.53	.088
50%	154	3.18	3	2.70	3.32	3.28	3.40	1.10	1	5	10.9	.012
25% of the total amount of Zakat	157	2.76	4	2.60	2.79	2.69	2.98	.948	1	5	2.95	.399
(b)												
Percentage of Zakat that should be paid to collection authority	Freq.	Mean	Rank	Sub-group mean by country				SD	MIN	MAX	Chi-sq	P.value
				BA	KU	SA	UAE					
100%	154	3.48	1	3.29	3.21	3.76	3.55	1.41	1	5	3.60	.308
75%	155	3.22	2	2.90	3.15	3.43	3.26	1.10	1	5	4.92	.178
50%	154	3.18	3	2.86	3.10	3.43	3.18	1.10	1	5	6.26	.099
25% of the total amount of Zakat	157	2.76	4	2.81	2.64	2.88	2.71	.948	1	5	1.73	.630

ACA= academics, GV= government employees, INV= investors, ACC= accountants, BA= Bahrain, KU= Kuwait , SA= Saudi Arabia, UAE= United Arab Emirates.