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Zakat: A Tool for Poverty Alleviation

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Zakat is an old institution that was first established by the Prophet Muhammad as the third “Pillar of Islam.” Today it has the potential of being an effective tool for poverty alleviation in Muslim communities and in Muslim majority countries. This paper focuses on how zakat, if used effectively, can help alleviate poverty all over the world.

Introduction

The zakat, or involuntary almsgiving, is a means by which Islam attempt to address poverty. The concept of zakat may be strange to anyone who is not familiar with the Islamic religion. However, it is an important concept to study when attempting to address global poverty issues. The Islamic world, especially countries with majority Muslim populations, has attempted to use zakat to address many of their poverty related issues. The Islamic Relief USA is a private organization with a “fund dedicated to zakat contributions” and the fund has been used to support projects all over the world from water and sanitation in Africa, sustaining orphans in Afghanistan, and renewing community livelihoods in Pakistan.¹ The zakat is not unique in its capacity as a religious institution. After all many communities all over the world rely on religious institutions for services. What makes the zakat interesting is its jurisdiction goes beyond the mosques or imams, religious leaders. Instead religious organizations and even governments have made themselves in charge of the collecting and distributing of zakat. In contemporary Muslim societies the zakat has been relegated to two separate spheres. These spheres include the private, who includes grassroots movements, and the public, such as the state program established in Pakistan. It is also possible that a modern Islamic state could apply some combination of the two in order to address more than one aspect of poverty.² Those that argue for a more grassroots approach to zakat argue that Islamic NGOs can provide basic goods and services to communities in a manner Islamists deem consistent with Islamic values and practices.³ On the other hand, zakat as a tool for the state can be

¹ Islamic Relief Fund

² Benthall, 29

³ Wiktorowicz and Farouki, 686

extremely effective in alleviating poverty as will legitimize institutions that in the private sphere are not “passing through proper channels, are unrecorded, without any planning and not a part of any strategy” and so it would be difficult to assess the effectiveness of zakat.⁴ It can be argued that zakat, when implemented correctly as is the case for any poverty related institution, can be an effective way to alleviate poverty related problems. Zakat is not new. Its history can be traced back to when Muhammad was first receiving his revelations.

History of zakat

In order to understand what the zakat means today it is necessary to look back at the way it was shaped by the events and circumstances that shaped Muhammad’s time period. When Islamic scholars are attempting approach contemporary issues they often return to the Qur’an and the hadiths⁵ in order to better understand how to approach these issues. It is therefore necessary to delve in to the past so that contemporary issues can be understood as well. In Islam there are two basic approaches to the alleviation of poverty. These approaches are sadaqa, which is voluntary, and zakat, which is obligatory. These two concepts, which have often been intertwined throughout history, are the main concern when approaching the study of poverty and the poor in the Qur’an.⁶ While an emphasis on the zakat will be found in this paper, it is important to remember that the two terms were often confused, especially in the early foundations of Islam. It is also

⁴ Shirazi, 80

⁵ Hadith, or Tradition, is a collection of sayings and deeds attributed to the Prophet Muhammad and, in some instances, to other important figures of the earliest period of Islam. These Traditions are another source for interpretation that Islamic scholars use when attempting to understand Islam.

⁶ Bonner, Poverty, 396

important to remember that there is a clear distinction between the two concepts, which becomes clearer in later Islamic law and practice. In order to understand where the similarities and differences lay it is important to return to the foundation of Islam with the Prophet Muhammed in the seventh century.

Although the political, social, and other institutions that existed during the development of Islam no longer exist today they continue to have a profound impact on the way the religion is interpreted. While the institutions may no longer exist, the principles and beliefs that helped to establish the institutions have remained in elements of the Qur'an and other aspects of the religion. One of the issues carried over from this period is poverty. Poverty was an important issue for early Islam and so it became a big part of early discussions related to Islam.⁷ Part of the reason was the emphasis on economic activity, which was one of a very important part of Muhammad's world.⁸ The discussions on poverty reflect a kind of "economy of poverty" which prevailed in Islamic theory and practice.⁹ It is clear that there exists continuity between the pre-Islamic world and the early Islamic world.¹⁰ Many of the ways in which wealth was distributed in the pre-Islamic world and the treatment of poor would then be adopted by Islam. One of the ways early Islam adopted pre-Islamic notions is the way in which they saw the need for the redistribution of wealth. The Arabs believed that property included a surplus that must be given away, establishing a relationship between the giver and the receiver.¹¹ This established an unequal relationship between those with wealth and those without wealth.

⁷ Bonner, Poverty, 392

⁸ Rodinson, 40

⁹ Bonner, Poverty, 392

¹⁰ Bonner, Definitions, 337

¹¹ Bonner, Poverty, 403

Islam attempted to remedy this situation by establishing an idea of return in the Qur'an in as a way to make the relationship more equal.¹² The Qur'an provided a blueprint for a new order in society, in which the poor will be treated more fairly than before.¹³ In order for the fair to be treated more fairly there had to be structures in place in order to help the poor establish this circular relationship. It is for this reason almsgiving and the returning of wealth both took on important roles Islam. However, it was a believer's relationship to Allah that became the most important in relation to poverty and how the roles were defined in Islam. The Qur'anic notions of the "purification" and "circulation" of property illustrate a distinctively Islamic way of conceptualizing charity, generosity, and poverty.¹⁴

Muhammad, the key player in early Islam as he was the prophet, played a major role in the way Islam approached poverty. Muhammad also happened to be an orphan and so it may be because of this that his earliest revelations, known as the early Meccan suras emphasize generosity and almsgiving.¹⁵ These revelations emphasized almsgiving and generosity possibly more than any other type of activity, a theme that was repeated in later revelations as well. At the time of Muhammad's death the issues of poverty within the Qur'an had been divided in to two distinct parts, voluntary almsgiving, or sadaqa, and involuntary almsgiving, called zakat.¹⁶ Both the sadaqa and the zakat drew on pre-Islamic notions of charity; however, they were revolutionary at the time and would have caused quite an upheaval in the societies of the pre-Islamic era. The issue of charitable practices

¹² Bonner, Poverty, 403

¹³ Bonner, Poverty, 391

¹⁴ Bonner, Poverty, 392

¹⁵ Bonner, Poverty, 394

¹⁶ Bonner, Poverty, 395

was so important and controversial that it even caused a revolt just after the death of Mohammad. This war, known as the war of the ridda or “apostasy,” was a revolt throughout the Arabian peninsula of those who had recently entered into Islam.¹⁷ The revolt was put down and the zakat, which is what they were protesting, became the basic religious duty for every Muslim.¹⁸

It cannot be stressed how important the circumstances and pre-existing notions towards poverty were in the development of zakat and other methods of poverty alleviation within Islam. They all helped to create what is now probably the most widespread tool for poverty alleviation within the Islamic world. The organizations using zakat are based all over the world and they all use certain basic notions when addressing zakat. Zakat is the third of the five “Pillars of Islam,” which are recognized by all branches of Sunni Islam.¹⁹ The word zakat is derived from the root *zky*, which has to do with purifying and so in the context of the Qur’an “zakat is that which purifies wealth.”²⁰ The zakat was not so much charity in the sense that the people were giving to the poor, instead it is the idea that they are returning what they owe to God in exchange for their wealth. The website for Islamic Relief USA says that paying zakat “is meant to remind Muslims to be appreciative of the blessings that Allah has bestowed upon them, and to help empower those who have less.”²¹ Therefore, the role of the zakat is twofold for it helps both the giver and the receiver. The giver is purifying the “portion which remains, also oneself, through a restraint on one’s greed and imperviousness to others’

¹⁷ Bonner, Poverty, 394

¹⁸ Bonner, Poverty, 395

¹⁹ Benthall, 29

²⁰ Bonner, Poverty, 397

²¹ Islamic Relief Fund

sufferings.”²² The receiver is also being purified “from jealousy and hatred of the well-off.”²³ This concept of purifying adds a moral function to the zakat in addition to the welfare function of the zakat. This idea of a moral function helps to add importance to the zakat and many believe that without the observance of the zakat the “efficacy of prayer is negated.”²⁴ It is for this reason that zakat is often collected by the Ministry of Religious Affairs, as is the case in Pakistan.²⁵

The modern contextualizing of zakat

The way in which zakat was defined in early Islam helped to lay out how zakat would be perceived in modern society. Zakat is still seen as an obligatory aspect of the religion and so there are many institutions whose sole role is determining how to collect zakat and from whom zakat should be collected. Also, because the Qur’an was shaped in such a way that many things could be interpreted and should be interpreted by scholars the zakat is still an issue that is debated today. Much like the revolt that occurred in the 7th century over the states power to collect the zakat the Sh’ia living in Pakistan have demanded the right to be exempt from the compulsory tax as it does not conform to the rules of their own Sh’ia legal school.²⁶ Although the Shi’a in Pakistan have not gone so far as to revolt, it shows the importance of interpretation in the religion, even in something like almsgiving, which may not seem as controversial.

²² Benthall, 29

²³ Benthall, 29

²⁴ Benthall, 29

²⁵ Toor and Nasar, 88

²⁶ Toor and Nasar, 87-88

One of the aspects of zakat that is often contended is who should be a recipient. What may be most important when considering zakat is who is considered to be a recipient of zakat. The list remains unchanged since it was first written in the Qur'an, however, defining who is exactly on the list is one of the challenges of contemporary scholars. There are eight permitted classes of beneficiaries of alms: the poor, the very poor,²⁷ the officials appointed over them, people who are recently converted or about to be converted, those who have been captured by enemies, debtors, 'those in the way of God,' and travellers.²⁸ Many scholars agree that the poor and the very poor, or the needy, are the two most important categories on this list.²⁹ Because of the importance that is given to these categories of people systems of zakat implemented by organizations often focus on the poor and the extremely poor. Pakistan, which has one of the most well known systems of zakat integrated in to the state states the needy and the poor, especially widows and orphans, as well as people with disabilities as the recipients of zakat.³⁰ Pakistan appoints a committee known as the Local Zakat and Ushr Committee, LZC, and they are responsible for identifying who qualifies as the *mustahiqeen*, the poor.³¹ The poor, like in other systems of poverty alleviation, are determined by a certain fixed threshold, *nisab*, and are exempt from paying zakat.³² However, there are examples of those who do meet the fixed threshold and are still able to receive zakat. Many organizations today use the "officials appointed over them" class as a way to receive

²⁷ There is a differentiation between the words poor and very poor in Arabic. The poor are known as *al-fuqara* while the very poor are referred to as *al-masakin*.

²⁸ Benthall, 30-31

²⁹ Islamic Relief Fund

³⁰ Toor and Nasar, 88

³¹ Toor and Nasar, 91

³² Benthall, 29

zakat so they may better function as an organization.³³ People may give their zakat to these organizations who will then distribute the money as needed. The same concept exists for governments who collect zakat. Since a government may fall under this class of “officials appointed over them” they are allowed to collect zakat. This is how Pakistan has absorbed zakat into the state taxation system.³⁴ However, zakat can only be used for those who are considered to be recipients according to the list laid out in the Qur’an. While the Pakistani government may use the class of “officials appointed over them” in order to obtain zakat from its citizens it does not consider the money collected as part of the federal budget. Instead the amount of zakat is deposited in the Central Zakat Fund and is maintained by the State Bank of Pakistan.³⁵

Another important question when considering zakat is on what must a zakat be paid. Those who pay zakat are those who have met *nisab*. *Nisab* is the minimum amount of wealth a Muslim must have—after calculating necessary expenses—to be eligible to contribute zakat.³⁶ Although it can be determined if a person has reached *nisab* at any point throughout the year it is generally done during Ramadan. The Pakistani system establishes who has reached *nisab* on the first day of Ramadan, which they have determined to be their evaluation date.³⁷ In the Qur’an there is a list of the property on which zakat is due: herd animals, grains and fruit, gold and silver, commerce, and

³³ Benthall, 31

³⁴ Benthall, 31

³⁵ Toor and Nasar, 89

³⁶ Islamic Relief Fund

³⁷ Toor and Nasar, 89

precious metals.³⁸ However, because the Qur'an was written in the seventh century scholars have had to alter and interpret what exactly is owed to zakat.

Muslim scholars have disagreed on what is the correct definition on which zakat can and should be collected. It is partly for this reason that zakat has not been collected effectively in the past. The organization Islam Relief USA provides a list of some of the things on which zakat must be paid including jewelry and stocks so that a Muslim can be sure to pay all that he is owes and fulfill his duties as a Muslim.³⁹ Those who distribute zakat often try to focus on local communities before they attempt to look to other areas of the global arena. Much like South American Christian communities come together to deal with local issues the Islamic community in many countries attempts to address problems within its own community first.⁴⁰ However, there do seem to be three main views on what are the correct items on which may be taken as zakat. These definitions were determined by Islamist jurists and can be defined as Z1, Z2, and Z3. Z1 is considered the traditional approach and is also seen as the majority view on what zakat is levied. Zakat according to this traditional view is levied on agriculture, livestock, stock in trade, gold, silver, and money. Z2 is based in accordance with contemporary Muslims scholars and includes all of the items in Z1 and can be deducted from net returns of manufacturing concerns and building rents and from net savings out of salaries. Z3, the third and final approach, includes buildings and other fixed assets except those assigned for personal and family use.⁴¹ These three approaches each increase the amount on which zakat is due and so which method a country, organization, or person uses will change depending on

³⁸ Sabra, 33

³⁹ Islamic Relief Fund

⁴⁰ Benthall, 28

⁴¹ Shirazi, Amin, and Anwar, 742

the type of economic structure they use or their preference of zakat collection. On recommendation many have in making zakat useful in a modern Islamic society is globalizing and defining the items on which zakat can be collected so that there are no discrepancies in the collection.

This is one of the questions raised in using zakat in a modern society, however, it is mainly a question for larger collectors of zakat. Most grassroots organizations rely on the donations of individuals and so it is these individuals who self-determine on what it is that they owe zakat.⁴² States, on the other hand, would be charged with determining exactly what it is they would collect zakat as they would have to create a system in order to remain consistent.

State approach to zakat

Several attempts have been made to prove the effectiveness of state collection of zakat. The collection of zakat by the state is an appealing one because rather than limiting the collection to certain communities or certain people, entire countries of people can have access to programs that could significantly reduce poverty. Those arguing for state collection of zakat claim that it has “never been practiced in its true spirit.”⁴³ Zakat is already an established institution that people trust and rely on as a form of poverty alleviation. As it is one of the “Pillars of Islam” it provides legitimacy to the institution that a simple tax for the poor would not be able to do. Because of this, however, it would only be effective in countries with majority Muslim populations. It is only with a large

⁴² Islamic Relief Fund

⁴³ Shirazi, Amin, and Anwar, 739

population from which to collect zakat will any state program of zakat collection function as in an ideal way.

It is for this reason that a study proposing a state mandated program for collecting zakat focuses on thirty-eight OIC member countries and analyzes resource shortfalls and potential zakat collection for poverty elimination.⁴⁴ The study concludes that Zakat can make an impact on poverty only if it is complemented by robust macroeconomic policies that increase growth and redistribute income and the zakat collected is used for productive purposes.⁴⁵ The poverty threshold is actually quite low, it is based on the poverty gap index of US \$1.25 and US \$2.00 as reported in World Bank Indicators for measuring resource shortfall.⁴⁶ However, using this poverty threshold it found that nineteen OIC member countries could easily eliminate poverty from generating their own zakat resources.⁴⁷

One of the countries that could potentially eliminate poverty is Pakistan a state that, as has already been mentioned, already has a state program for the collection and distribution of zakat. Another state that has adopted a program for collecting zakat is Libya. These two countries laid out specific instructions for both the collection and the distribution of zakat. While there are similarities between the two national programs, for instance, each set up a separate government office for the collection and distribution of zakat, the programs differ quite a bit more than they align. In Libya it was known as the National Administration of Zakat Affairs and was established underneath the Ministry of

⁴⁴ Shirazi, Amin, and Anwar, 740

⁴⁵ Shirazi, Amin, and Anwar, 741

⁴⁶ Shirazi, Amin, and Anwar, 749

⁴⁷ Shirazi, Amin, and Anwar, 750

Finance.⁴⁸ In Pakistan, however, it was known as the Central Zakat Fund and was maintained by the State Bank of Pakistan and fell underneath the jurisdiction of the Ministry of Religious Affairs.⁴⁹ Each country provides a different model on which zakat is to be collected to whom zakat will be distributed. In Pakistan it is the Central Zakat Council that supervises and maintains control over matters relating to the collection and distribution of zakat. The members of this council are chosen from a broad range of backgrounds including, but not limited to, ministries of religious affairs, zakat and ushr minorities, finance, health, and education.⁵⁰ In Libya the employees of the National Administration of Zakat affairs are appointed by the Minister of Finance and can only be men of judicial acumen “in order to be able to prove the breaches of the provisions.”⁵¹ The stark differences between these two countries shows how difficult it is to incorporate zakat in to a modern system.

While programs such as these have been praised, especially that of Pakistan, they have not seen the results that were expected. The program in Pakistan suffers because the government has done a poor job in maintaining the collection and distribution of zakat. Proper records are not maintained and there is no follow up and consequently citizens of Pakistan do not view the Pakistani government as a credible collector and distributor of zakat.⁵² It is for these reasons that it is necessary to not only have proper planning and management of these institutions but also to globalize the institution of zakat. This globalization would provide a base level understanding of zakat and how it should be

⁴⁸ Ahmed and Ahmad, 353

⁴⁹ Toor and Nasar, 88

⁵⁰ Toor and Nasar, 90

⁵¹ Ahemd and Ahmad, 356

⁵² Shirazi, 96

collected and distributed in modern Islamic societies. With this base level of understanding these countries would then be able to individualize the institution to meet specific needs within the country. The benefits of a globalized understanding of even one aspect of zakat, such as what items are taxed, can be very useful in alleviating poverty of Muslim majority countries. For instance, Table 1 and Table 2 both show just how much zakat can cover the resource shortfall in OIC member countries and IDB Muslim countries. These tables demonstrate some of the advantages that the state collection of zakat can do for the GDP of an entire country. However, the data collected from both of these tables demonstrate an ideal and more often than not the actual numbers would be not quite as high. For instance, Pakistan is one of the countries that can alleviate much of its resource shortfall. However, Pakistan already has an institution to collect zakat and it has not proven to be quite as useful as the data in the tables predict.

Although the institutionalizing of zakat by the state is not the solution to all poverty related problems found in these countries, it would provide much needed relief for significant numbers of those living in poverty in these countries. Zakat at its root is a means to help the community and as the state is responsible for its community of citizens it is very surprising that no more than a few Muslim countries have made zakat an obligatory state program.

Grassroots approach to zakat

The reason that zakat may not be more widespread at the state level is because there is already another type of institution that is reaping the benefits of zakat. These institutions are the non-profit, private, and non-governmental institutions that are

attempting to reduce poverty in the Muslim world. The grassroots approach to zakat, meaning that smaller more community based organizations are in control of collecting and distributing zakat, is the more popular form of zakat distribution. These organizations have proliferated because they provide Muslims with the ability to try and solve basic socio-economic problems within an Islamic framework.⁵³ Zakat provides the perfect source of funding for these types of organizations. As an obligatory tax people must continually pay the zakat they owe which means theoretically organizations with the ability to collect zakat will not suffer from the lack of funding that plagues so many other non-profits. There is an immense amount of sustainable charitable funds that are derived from zakat resources and can be directly implemented in to the communities from which the zakat came.⁵⁴ The idea of zakat as a more community based method of alleviating poverty works so well because it more closely resembles the way in which zakat was collected and distributed in the Qur'an.⁵⁵ Not only do institutions exist in the United States where there isn't a Muslim majority but they are actually very widespread in Muslim majority countries such as Jordan and Bangladesh. Because of the widespread use of a more grassroots approach to zakat there it is much more varied both in the types of organizations that collect zakat and in how zakat is collected. The variety of organizations and methods speaks to the versatility of zakat and the many ways in which it can be beneficial. A deeper understanding of some of these grassroots organizations can help to better explain how zakat can be used in a modern Islamic society.

⁵³ Wiktorowicz and Farouki, 685

⁵⁴ Choudhury, 13

⁵⁵ Bonner, 344

In Jordan a non-profit must be given permission to collect zakat. It is for this reason that al-Afaf received a fatwa, Islamic legal ruling, in order to fund the services it provides as a non-profit.⁵⁶ The mission of al-Afaf is to make marriage more affordable for young couples by sponsoring collective weddings and absorbing the entire cost of the wedding.⁵⁷ At first the issue of wedding costs may not seem like an issue related to poverty and so it is difficult to understand why they allowed a fatwa for the use of zakat for this non-profit. However, al-Afaf hopes to provide an example of the Islamic spirit of cooperation through its aiding of young couples get married. “By working together [to] demonstrate that the Islamic model of charity and brotherly cooperation can alleviate a widespread socioeconomic problem” al-Afaf is actually returning to the main purpose of zakat in creating a strong community based in Islam.⁵⁸

One of the ways that Bangladesh, which is a country with a very high resource shortfall and with many people living in poverty, is attempting to alleviate poverty is through the funding of microenterprises. Currently Bangladesh has a very low Human Development Index. In 2013 it ranked at 146 out of 187, a rank that, incidentally, it shares with Pakistan.⁵⁹ The principal sustainable financial source for a Women’s Sewing Project, a microenterprise in a Bangladesh interior village, is zakat. The Women’s Sewing Project is an example of “a broader class of small-scale microenterprises funded by the mandatory Zakat Fund including auxiliary charity.”⁶⁰ As these funds are guaranteed, since zakat is mandatory, it has been possible for the Women’s Sewing

⁵⁶ Wiktorowicz and Farouki, 694

⁵⁷ Wiktorowicz and Farouki, 693-694

⁵⁸ Wiktorowicz and Farouki, 695

⁵⁹ Human Development Report 2013

⁶⁰ Choudhury, 8

Project to provide training to both Muslim and non-Muslim impoverished village women.⁶¹ It seems as though it is in small microenterprises such as the Women's Sewing Project that the sense of community that is supposed to be derived from zakat is being promoted at its best. Instead of being a regular charity in which people donate as they see fit the zakat is "organized as a social security fund for ameliorating needy individuals and households according to a social development planning framework."⁶² Unfortunately, like in Pakistan, the Bangladeshi villages have failed to productively use the mandatory and sustainable flow of zakat funds in small-scale development.⁶³

These smaller, private institutions also work well in countries that do not have a majority Muslim population. It is on this model that the Islamic Relief USA is based and it is by no means the only institutions established for the collection of and distribution of zakat in a non-Muslim majority society. These grassroots institutions have also had a much higher success rate than state programs for collecting zakat. In Malaysia, for instance, the estimated macroeconomic models in zakat and socioeconomic variables have shown a positive relationship meaning that these institutions have had a positive effect on poverty alleviation in Malaysia.⁶⁴ However, as has already been stated, it is very difficult to determine exactly the effect that zakat is having on these institutions as people are often funding these institutions on a voluntary basis.⁶⁵

⁶¹ Choudhury, 9

⁶² Choudhury, 9

⁶³ Choudhury, 13

⁶⁴ Choudhury, 16

⁶⁵ This does not mean that Muslims funding these organizations view zakat as voluntary, it is more likely that they are choosing more than one organization towards which to pay their zakat.

Conclusion

The idea of zakat is an interesting one because it is taking an already established institution and putting it to use in modern society. Because zakat was created so long ago it is necessary to be able to understand what it means for a modern society. There are several different ways in which zakat can be integrated in to modern Islamic society. The first of these ways is the more appealing option for those who wish to create a more globalized system of zakat. This is the integration of zakat in to state programs where zakat is collected and distributed by modern majority Muslim states. It helps to create a more globalized system of zakat because when zakat is understood in broad macroeconomic terms it can be easily translated and applied in to Muslim countries all around the world. However, the issue that occurs with a more centralized system of zakat is in the countries that are most impoverished the government is most often the weakest and the least able to collect and distribute zakat effectively. It is here that the second way of approaching the collection and distribution of zakat in a modern Islamic society becomes more appealing. In focusing on smaller, more grassroots organizations those paying zakat are more likely to see directly where their zakat is going whether it is to help pay for the marriage of a young couple in Jordan or for the funding of a microenterprise in a Bangladesh village. The appeal of using zakat funds for these organizations is that the funds theoretically will never be depleted as people are obligated to pay their zakat on a yearly basis. As is the case in Bangladesh with the Women's Sewing Project there is substantial potential for self-reliant development at the grassroots, one that is implemented at a relatively minimum cost while at the same time having

positive social and economic returns.⁶⁶ However, because there is no system controlling how or when zakat is paid it is difficult to make this assumption without some form of a structure.

Both forms of collecting and distributing zakat provide valuable tools to modern Islamic countries to alleviate poverty. As the third “Pillar of Islam” zakat is something that will not fade when popularity wanes, as is the case for a lot of charitable donations. In its capacity of the rich fulfilling a debt towards God it helps eliminate some of the negative connotations that are often found when the rich donate to the poor on a charitable basis. However, both state programs and smaller grassroots programs that use zakat as funding need to become more popular. Not enough people are aware of the positive benefits of using a system like zakat, one that has been around since the seventh century, and the way it can be translated in to a positive method of poverty alleviation in a modern Islamic society.

⁶⁶ Choudhury, 13

Table 1

Shirazi, Nasim Shah, Md. Fouad Bin Amin, and Talat Anwar. "Poverty Elimination Through Potential Zakat Collection in the OIC-member Countries: Revisited [with Comments]." *The Pakistan Development Review*, 2010: 739-754.

Table 4

Resource Shortfall and Potential Zakat Collection

1	2	3	4	5	6	7
OIC- Member Countries	Survey Year	Resource Shortfall % of GDP (US \$ 1.25)	Resource Shortfall % of GDP (US \$ 2)	Z1 (% of GDP)	Z2 (% of GDP)	Z3 (% of GDP)
Albania	2005	0.03	0.19	1.04	2.23	2.52
Algeria	1995	0.16	1.20	1.78	3.81	4.30
Azerbaijan	2005	0.04	0.08	1.68	3.60	4.05
Bangladesh	2005	5.60	23.10	1.58	3.39	3.82
Benin	2003	6.22	21.25	0.36	0.77	0.87
Burkina Faso	2003	9.73	30.07	0.94	2.00	2.26
Cameroon	2001	2.69	9.95	0.36	0.77	0.87
Chad	2002	12.78	35.06	0.97	2.08	2.34
Comoros	2004	8.86	23.30	1.78	3.81	4.30
Cote d'Ivoire	2002	2.01	8.32	0.69	1.49	1.68
Djibouti	2002	1.48	6.54	1.78	3.81	4.30
Egypt	2004	0.04	0.59	1.80	3.51	4.41
Gabon	2005	0.03	0.26	0.02	0.04	0.04
Gambia	2003	5.64	18.58	1.71	3.66	4.12
Guinea	2002	14.62	36.46	1.53	3.27	3.69
Guinea-Bissau	2002	17.26	58.24	0.68	1.46	1.65
Guyana	1998	0.66	1.88	0.18	0.39	0.43
Iran	2005	0.02	0.14	1.76	3.77	4.25
Jordan	2006	0.04	0.09	1.71	3.66	4.12
Kazakhstan	2003	0.03	0.41	0.85	1.81	2.04
Malaysia	2004	0.02	0.09	1.09	2.33	2.62
Mali	2006	8.11	25.18	1.62	3.47	3.91
Mauritania	2000	1.84	8.20	1.78	3.81	4.30
Morocco	2007	0.06	0.56	1.78	3.81	4.30
Mozambique	2002	29.81	72.09	0.36	0.77	0.87
Niger	2005	21.29	56.49	1.62	3.47	3.91
Nigeria	2003	10.19	25.84	0.90	1.93	2.17
Pakistan	2004	1.00	6.77	1.57	3.43	4.31
Senegal	2005	3.20	11.66	1.69	3.62	4.08
Sierra Leone	2002	19.03	56.26	1.08	2.31	2.60
Suriname	1999	0.54	1.71	0.40	0.85	0.95
Tajikistan	2004	1.55	8.19	1.71	3.66	4.12
Togo	2006	6.71	26.26	0.25	0.53	0.59
Tunisia	2000	0.04	0.46	1.78	3.81	4.30
Turkey	2005	0.05	0.24	1.88	4.85	7.43
Uganda	2005	10.28	31.35	0.27	0.58	0.65
Uzbekistan	2003	4.07	14.40	1.60	3.43	3.86
Yemen	2005	0.88	4.94	1.78	3.81	4.30
On Average		1.53	5.20	1.55	3.44	4.31

Source: Based on Tables 2 and 3.

Table 2

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Table-4
Resource Shortfall and Potential Zakāt Collection

	Survey Year	Z1	Z2	Z3	Resource Shortfall under \$ 1.25 per annum as % of GDP	Resource Shortfall under \$ 2 per annum as % of GDP
Group 1: Countries with moderate Resource shortfall under USD 1.25 per day (< 1.0 percent of GDP)						
Albania	2008	1.042	2.226	2.509	0.030	0.109
Algeria	1995	1.723	3.678	4.146	0.165	1.205
Azerbaijan	2008	1.706	3.611	4.066	0.019	0.115
Cameroon	2007	0.361	0.770	0.868	0.246	2.752
Egypt	2004-05	1.625	3.468	3.909	0.042	0.590
Gabon	2005	0.175	0.374	0.422	0.030	0.264
Guyana	1998	0.183	0.388	0.437	0.663	1.876
Iran	2005	1.765	3.774	4.254	0.020	0.141
Jordan	2006	1.710	3.657	4.122	0.039	0.095
Kazakhstan	2007	0.847	1.811	2.041	0.017	0.027
Malaysia	2009	1.108	2.366	2.667	0.012	0.020
Morocco	2007	1.812	3.840	4.324	0.056	0.557
Pakistan	2006	1.732	3.699	4.169	0.709	5.201
Suriname	1999	0.396	0.846	0.954	0.539	1.711
Tunisia	2000	1.781	3.809	4.294	0.038	0.459
Turkey	2005	1.782	3.811	4.296	0.053	0.244
Yemen	2005	1.774	3.795	4.278	0.876	4.939
Indonesia	2009	1.588	3.389	3.820	0.411	2.831
Iraq	2007	1.778	3.802	4.286	0.074	1.098
Group 2: Countries with intermediate Resource shortfall under USD 1.25 per day (1.0 percent to 6.0 percent of GDP)						
Bangladesh	2005	0.873	1.853	2.087	5.596	23.100
Cote d'Ivoire	2008	0.694	1.481	1.669	2.040	7.790
Djibouti	2002	1.774	3.793	4.276	1.483	6.535
Gambia	2003-04	1.702	3.627	4.087	5.643	18.580
Mauritania	2000	1.771	3.788	4.270	1.836	8.196
Senegal	2005	1.694	3.606	4.063	3.198	11.657
Tajikistan	2004	1.699	3.633	4.095	1.554	8.192
Uganda	2009	2.730	0.577	0.650	4.688	16.861
Uzbekistan	2003	1.587	3.395	3.827	4.067	14.401
Group 3: Countries with severe Resource Shortfall (≥ 6.0 percent of GDP)						
Benin	2003	0.220	0.469	0.528	6.224	21.249
Burkina Faso	2003	0.457	0.978	1.102	9.732	30.068
Chad	2002-03	0.954	2.041	2.301	12.778	35.061
Comoros	2004	1.760	3.765	4.244	8.856	23.299
Guinea	2007	1.514	3.235	3.646	6.295	20.739
Guinea-Bissau	2002-03	0.660	1.411	1.590	17.260	58.244
Mali	2006	1.598	3.416	3.851	8.106	25.181
Mozambique	2008	0.354	0.756	0.852	12.921	35.194
Niger	2007	1.584	3.388	3.820	7.902	32.511
Nigeria	2003-04	0.889	1.901	2.143	10.192	25.838
Sierra Leone	2002-03	1.046	2.238	2.523	19.035	56.260
Togo	2006	0.242	0.518	0.584	6.707	26.265
Total		1.526	3.265	3.680	1.067	4.091

Source: Based on Table 2 and 3

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