



INSTITUTIONAL ZAKAT MANAGEMENT IN BANGLADESH: COLLECTION AND DISTRIBUTION PRACTICES

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ABSTRACT

This article explores a comprehensive scenario of the practices of Bangladesh's institutionalized Zakat collection and distribution system. The research meticulously describes the process by which the institutions manage Zakat funds. This study employs a descriptive-analytical method to facilitate this exploration. The data for the current study was obtained through comprehensive field research. A total of 175 individuals who pay and receive Zakat from institutional Zakat management were surveyed using a standardized questionnaire. The study reveals the significant role of private organizations in collective Zakat funds from the Muslims of Bangladesh, a unique aspect of the system. While government institutions are not being accepted on a large scale, private organizations are stepping up. Though most of the Zakat payers are ignorant about Zakat calculation, there is a good sign that they are asking the scholars about Zakat calculation to ensure the accuracy of their Zakat distribution. Zakat institutions of Bangladesh select the recipients by investigating their applications and distribute Zakat commonly through the banking channel. The holy month of Ramadan is regarded as the spring for Zakat distribution. Zakat Institutions run several motivational programs to collect more Zakat funds, contacting Zakat payers, and online activities are mostly visible among them.

Keywords: Zakat Management, Institutional Zakat, Bangladesh, Zakat Practices

INTRODUCTION

Zakat, a form of mandatory charity, is a fundamental principle of Islam. When managed appropriately, Zakat can play a crucial role in poverty alleviation. The Islamic literature suggests that Zakat should be institutionally collected and distributed to accomplish its objectives. Zakat management was institutionalized and under the jurisdiction of the state during the early period of Islam. Zakat's individual and institutional administration in Islam is permissible; however, IZM is more efficacious. The achievement of *maqasid al-Shariah*, the objectives of Islamic law, in a society heavily depends on how efficiently Zakat is collected and distributed. (Sayuthi & Juisin, 2024). (Sayuthi & Juisin, 2024). IZM has a significant opportunity to enhance the productivity and efficiency of Zakat distribution programs, helping the impoverished overcome poverty. Productive Zakat enhances the efficiency of transforming *mustabiq* (Zakat recipient) into *muzakki* (Zakat payer). Productive Zakat is provided to *mustabiq* through business capital or other items utilized for productive enterprises (A. Arif et al., 2024).

A terrible problem that Bangladesh faces, in addition to a great number of other challenges, is poverty. Based on the upper poverty line used in the Household Income and Expenditure Survey (HIES) of 2022, the national poverty rate, Headcount Ratio-HCR, is estimated to be 18.7 percent. In rural regions, the poverty rate is projected to be 20.5 percent, while in urban areas, it is estimated to be 14.7 percent (HIES-2022, 2023). Street children in Bangladesh are frequently encountered in major urban areas and towns, enduring a deplorable existence because of severe poverty. Most of these street youngsters are involved in begging (Islam, Nasrin, et al., 2023). Developing the Zakat system can potentially eliminate street begging in Bangladesh (Billah & Alam, 2017). Another pathetic problem in Bangladesh is income inequality. The Gini coefficient, a measure of income inequality, was 0.482 in the year 2020, suggesting a significant amount of income disparity in the nation (World Bank, 2022, as cited in Ferdous, 2023). Even though the Gini index fell in rural regions from 2016 to 2022, from 30.1 to 29.1, it rose in urban areas, from 33.8 to 35.6 (HIES-2022, 2023). The gap between the rich and the poor has closed slightly in rural regions while widening in urban areas (World Bank, 2024).

To promote social justice, alleviate poverty, and reduce inequality, Bangladesh has implemented many rehabilitation programs as part of its Social

Safety Net (SSN) initiatives (Islam, Nasrin, et al., 2023). Bangladesh's social safety net (SSN) programs encompass many forms of assistance, including cash and in-kind transfers, micro-credit schemes, and conditional cash transfers. These programs specifically target vulnerable groups; every program has its own set of goals and methods. However, despite the limited extent of coverage, several SSN programs sometimes cater to the same recipient, and payments are routinely allocated to those who do not require help (Haider & Mahamud, 2017). Zakat empowerment programs and business assistantships encourage the growth of recipients' enterprises, which is advantageous for their overall well-being (Mawardi et al., 2022). Zakat is collected from wealthy people and allocated to destitute and impoverished individuals to assist them in sustaining their livelihoods (Obaidullah, 2015). The primary objective of Zakat is to promote socio-economic equity and fairness (Nawai & Ruzaiman, 2022). Zakat adherence influences on achieving socio-economic fairness at a more significant social level. By acknowledging Zakat as both a moral duty and a component of Corporate Social Responsibility (CSR), businesses may positively impact society while assuring their long-term and sustainable development (Kateb & Ftouhi, 2023). Zakat can transcend beyond religious duties and serve as a practical means of funding sustainable development goals (SDGs) and aiding for social safety net initiatives aimed at marginalized people (Islam, Mitu, et al., 2023).

Zakat payers in Bangladesh distribute zakat individually in most cases. The poor and needy often congregate in large numbers when zakat payers announce the zakat distribution program at their residence or place of business; this sometimes causes mishaps. Three hundred zakat recipients had been crushed to death in the crowd during the previous thirty years because of improper zakat management (Rahman & Obaidullah, 2021). Twenty-seven people were killed in the Noorani Jorda factory in Mymensingh city due to crowd pressure and trampling while collecting Zakat clothes (Stampede in Zakat Delivery, 2015). A stampede and heatstroke in the Satkania upazila of Chattogram districts killed 10 and sickened 30 while collecting zakat and iftar items (Alamgir & Ullah, 2018). Observing those incidences, people misunderstand the role of Zakat in socio-economic welfare.

Despite their unmet potential, Islamic social funding systems such as Sadaqat, Waqf, and Zakat can contribute to development. The worldwide size of the ISF cannot be accurately determined. Many groups have presented divergent

numbers regarding the global dimensions of these instruments. According to the Islamic Development Bank (IDB), a major contributor to the promotion of Islamic social finance tools, the yearly worth of the worldwide Zakat collection exceeds US\$1tn (Dirie et al., 2023; Rehman, 2019). The findings of a research indicate that the Zakat funds in Bangladesh are estimated to amount to BDT 883,979.66 million (calculated using traditional Zakat techniques) and BDT 542,563.92 million (calculated using modern or alternative Zakat methods). These figures represent 3.79 and 2.33 percent of the country's GDP, respectively (Jahangir & Bulut, 2022). The national Zakat volume may cover 23% of the present budget, which exceeds the amount allocated for social protection, indicating its significant potential impact (Hassan et al., 2024). To boost the efficacy of Zakat compliance, implementing legislative measures such as providing tax refunds for timely Zakat payment and setting specific objectives for Zakat collection might serve as additional incentives. Partnerships between Zakat-collecting entities and national/international development organizations can potentially enhance the management and execution of Zakat (Hassan et al., 2024). Nevertheless, obstacles remain to maximize the efficiency of Zakat administration and attract more financial contributions from Zakat payers. Ensuring consistent adherence to Zakat regulations is crucial to fully realizing the potential benefits of Zakat (Sawmar & Mohammed, 2021).

Muslim employees in Zakah management companies often have a strong religious motive to work for Allah SWT, following Shari'ah principles. The previous study shows that utilizing Shari'ah-based motivation and implementing internal control measures may enhance the performance of Zakat management companies (Mufidah et al., 2022). During a time of swift technological progress, Zakat institutions should utilize digital technologies to optimize the efficiency of their collecting and distribution procedures. Implementing internet platforms, mobile applications, and blockchain technology can significantly improve the effectiveness, clarity, and responsibility in managing Zakat money (Muda et al., 2024). Zakat is a necessary source of income for the Muslim economy because it influences the well-being of its recipients. Institutions in Malaysia have been recognized as an Islamic body that ensures social balance in Muslim communities.

LITERATURE REVIEW

Zakat Management in Islam

The administration of Zakat should be conducted via IZM. Al-Qardawi (2014) said, “The Islamic State assumes the responsibility of gathering and allocating Zakat. Scholars widely concur that the state should designate individuals to collect Zakat, since this practice was followed by the Prophet (pbuh) and his Successors” (p. 627-632). According to Allah’s instructions, eight specific types of individuals are designated as the beneficiaries of Zakat. The *Amils*, personnel participating in Zakat management, are encompassed under these eight groups, which is a noteworthy concern. The Quran specifies that:

إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا وَالْمَوْلَقَةَ قُلُوبُهُمْ وَفِي الرِّقَابِ
وَالْعُرْمِينَ وَفِي سَبِيلِ اللَّهِ وَأَبْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ

“Sadaqah (Zakat) is intended for specific categories of people: the poor, the needy, those employed to administer it, those whose hearts are attracted to the faith, those who are freeing slaves, those who are in debt, Allah's cause, and needy travelers. This is a mandatory obligation from Allah” (Al-Quran, 9:60).

Amil is the third out of eight groups of individuals that get Zakat. Ibn Kathir (2000) said, “They are the people who collect taxes (Zakat) and deliver to the recipients, and earn a salary.” (p. 7:221). An *Amil* Zakat is responsible for overseeing the management of Zakat, which involves collecting, identifying eligible recipients, locating them, and distributing and delivering the funds to them (Hakim & Gunawan, 2020). The presence of the *amil* system in this verse unequivocally suggests the necessity of establishing an organization dedicated to the collection and distribution of Zakat.

In Islam, the duty of collecting and administering Zakat is entrusted to the leader of the state. In the Quran, Allah instructs:

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ

“Collect Sadaqah (Zakat) from their wealth in order to cleanse and bestow blessings upon them, and offer prayers on their behalf—undoubtedly, your prayers bring solace to them” (Al-Quran, 9:103).

The word “تَكْوِينًا”-"take" holds significant importance in this passage of the Quran. Moreover, the passages illustrate that the Zakat administration requires collective collaboration rather than individual responsibility. The Prophet Muhammad (peace be upon him), served as the first leader of the Islamic state in Madinah. He implemented a centralized Zakat administration system overseen by government personnel. He dispatched governors to various regions and assigned them Amils (Zakat officers), who were responsible for the collection and distribution of Zakat. Islam, as a complete set of principles, addresses the issue of economic instability by highlighting the need of the affluent to utilize their riches to improve society. Philanthropy and generosity are core tenets of Islam, and many Muslims consider charity as a kind of religious dedication (Hartono, 2023). Zakat management institutions, like any other entity, need to show their ability to work at their highest degree of efficiency to justify their existence (Johari, 2023).

Zakat Management in the Muslim World

The present-day Muslim world is endeavoring to reinstate IZM. Fifteen Muslim nations have adopted IZM as a voluntary practice, while six others consider Zakat a mandatory duty for charitable endeavors (Hossain, 2021). Both public and private institutions collect and distribute zakat in various Muslim countries. The affluent Islamic countries, Bahrain, Brunei Darussalam, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates have established a centralized Zakat system (Muhammad, 2019). In Indonesia, private organizations are authorized to establish institutions to manage Zakat. These private organizations operate under the supervision of semi-governmental Zakat management (Saidurrahman, 2013). Syukri (2024) stated The State Islamic Religious Council administers zakat in Malaysia in each of the fourteen states. This can provide varied practice. Generally, there are three methods for making zakat payments, initially by designating zakat collectors. Additionally, those obligated to pay zakat can conveniently visit the zakat office in their vicinity. Furthermore, employees can fulfill their zakat obligation by having the amount directly deducted from their salaries by their employers. This practical payment mechanism enables Malaysia to consistently enhance the overall zakat collection in the country every year. In Sudan, Zakat is a mandatory obligation for all individuals. The government oversees its administration and ensures distribution through three

designated channels (Elmaghrabi et al., 2020). Pakistan implements a Zakat system with five tiers that is centrally regulated (M. Arif, 2017). The management of Zakat in certain Muslim nations encounters various challenges, such as inadequate mobilization and utilization of Zakat funds.

Zakat Management in Bangladesh

With 91.08% of the people practicing Islam, Bangladesh is a country inhabited mainly by Muslims (Census-2022, 2023). Zakat is a religious contribution regularly practiced in Bangladesh. Bangladesh has two distinct kinds of Zakat management practices: institutional and non-institutional. Institutional Zakat Management (IZM) involves how institutions collect and distribute Zakat funds. Non-institutional Zakat management (NIZM) involves the individual distribution of Zakat. However, the government only officially established the practice in the late 1970s (Absar, 2024). Zakat is primarily dispersed in Bangladesh through charitable activities based on madrasas (Islamic schools), personal networks, indigent relatives, and Zakat organizations affiliated with the government and the private sector. How these institutions handle the management of Zakat monies is not transparent and does not function in an efficient manner (Adnan et al., 2023). In terms of operations and activities, as well as public acceptance, the credibility of the private sector in Zakat management is more successful (Absar, 2024).

Despite their aversion to certain conflicting aspects, Zakat payers continue to adhere to the customary norms. In addition, they allocate most of the Zakat funds towards buying inexpensive clothing with festive designs for the beneficiaries. They lack knowledge about Islamic law and the legitimacy of such acts. According to experts, these activities do not constitute a genuine system for providing Zakat and are incapable of effectively reducing poverty (Islam, Mitu, et al., 2023).

Zakat Institutions in Bangladesh and their Activities

Many institutions are managing Zakat in Bangladesh; Some prominent organizations are described below:

(1) Zakat Board of Islamic Foundation Bangladesh (IFB)

The Islamic Foundation Bangladesh (IFB) was established in 1975. The Zakat Board, working under this governmental foundation, is responsible for gathering and allocating Zakat, a voluntary donation from Muslims in Bangladesh. The Zakat Fund Management Act was enacted in 2023 with the aim of modernizing the process of collecting and distributing Zakat (*The Zakat Fund Management Bill-2023*, 2023). The Act seeks to optimize the management of Zakat on a national level and harness its full potential to alleviate poverty and enhance community resilience across Bangladesh. The Zakat Board has collected and distributed BDT 425,304,219 for the last ten years (Zakat Board, 2023).

(2) Centre for Zakat Management (CZM)

The Centre for Zakat Management (CZM), established in 1993, is working to promote the Zakat obligation and bring economic prosperity to the destitute. CZM contributes to the nationwide mobilization and distribution of Zakat funds to alleviate destitution. Over the past 15 years, CZM has successfully allocated Zakat amounting to over BDT 300 crore in the form of cash or goods/services to approximately 15 lakh Mustahiqs (recipients of Zakat) (Miah, 2024). CZM has distinguished programs: (1) INSANIAT-Emergency Support; (2) JEEBIKA organizes Zakat-deserving families and provides services such as healthcare, access to clean water and sanitation, education, and skill development; (3) GULBAGICHA provides educational and nutritional support to the disadvantaged; (4) MUDAREEB facilitates micro-entrepreneurs and provides training; (5) NAIPUNA BIKASH assists in employment creation; (6) GENIUS scholarship program; (7) DAWAH raises Zakat awareness; (8) FERDOUSI Healthcare Program for impoverished women and children (CZM, 2024).

(3) As-Sunnah Foundation

As-Sunnah Foundation, establishment in 2017, a non-profit organization is dedicated to Dawah, education, and welfare. The organization oversees a range of initiatives, encompassing self-sufficiency, Qurbani, the delivery of assistance, education for orphans, and charitable endeavors. Zakat monies are allocated towards supporting persons living in poverty, offering urgent medical assistance, and facilitating the development of gifted individuals through training programs (*As-Sunnah Foundation*, 2024). As-Sunnah Foundation has collected BDT

74,855,000 and BDT 116,400,000 as Zakat for two years in a row, from January 1, 2022, to December 31, 2022, and January 1, 2023, to September 30, 2023 (As-Sunnah Foundation, 2023).

(4) Dhaka Ahsania Mission (DAM)

Dhaka Ahsania Mission (DAM) was founded in 1958 with the aim of fostering social and spiritual progress. Considering DAM's institutional mandate, the primary focus of DAM's work remains on disadvantaged and underprivileged individuals. These groups encompass individuals who are experiencing poverty, minority communities, recent migrants in urban areas, environmental migrants, and individuals with disabilities. The DAM established a Zakat Fund known as the "Ahsania Mission Zakat Fund," which collected BDT 15,487,020 in 2022-23 FY (DAM, 2024).

(5) Quantum Foundation

The Quantum Foundation in Bangladesh is a philanthropic organization dedicated to advancing scientific meditation, organizing blood donation campaigns, and implementing rehabilitation programs. The foundation also utilizes Zakat and provides financial assistance to the impoverished (Quantum Foundation, 2024).

(6) The Bangladesh Thalassemia Foundation (BTF)

The Bangladesh Thalassemia Foundation (BTF) is a philanthropic organization dedicated to assisting and aiding those suffering from thalassemia. The Zakat Fund of Bangladesh Thalassemia Foundation offers vital medical care to impoverished and indigent thalassemia patients nationwide. In 2022, a total of 1577 patients were provided medical treatment through the Zakat fund, and in 2023, this number was 1614 (BTF, 2024).

(7) Anjuman Mufidul Islam (AMI)

Anjuman Mufidul Islam (AMI) is a philanthropic organization from Bangladesh that was established in 1905. The organization offers complimentary humanitarian aid to anyone in need, regardless of any form of bias. This aid encompasses many services such as education, orphanages, poverty alleviation

programs, mobile medical assistance, relief efforts, and funeral services. The main source of funding is derived from Zakat (AMF, 2024).

(8) Private Banks

Some private banks are dedicated to managing Zakat in Bangladesh, collecting from the banking channel of the Zakat payers and distributing the funds to needy people. Islami Bank Bangladesh PLC (IBBPLC) distributed BDT 1,062,913,871 from Zakat fund in the year 2023 (IBBPLC, 2024). In 2020, the Zakat paid by five Islamic banks stood at BDT 2,238.52 million. IBBPLC paid the highest amount (66.40%), followed by EXIM Bank (13.35%), Social Investment Bank (7.40%), Shahjalal Islami Bank (7.19%), and First Security Islami Bank (5.65%) (Nabi et al., 2021). Standard Bank Limited (SBL) and Social Islami Bank Ltd. (SIBL) are also involved in Zakat collection and distribution in Bangladesh.

(9) Madrasahs (Islamic Schools) and Orphanages

Madrasahs, the Islamic educational institutions of Bangladesh, are two types: *Qawmi* madrasah (non-govt.) and *Alia* madrasah (govt., semi-govt., and non-govt.). Generally, Qawmi madrasahs are more involved in Zakat collection programs for distribution to poor pupils. Here are many orphanages that collect Zakat funds for disadvantaged children who lost his/her parents.

METHODOLOGY

This exploratory research followed a predominantly qualitative approach and some quantitative data to describe the existing practices of IZM in Bangladesh. Both primary and secondary data have been used. Primary data were collected through a questionnaire survey from the study sample: the payers and recipients of Zakat from IZM. A total of 175 respondents (65 Zakat payers and 110 Zakat recipients) were selected randomly as a study sample for the field survey with a structured questionnaire. The sample was chosen with a snowball sampling procedure from Thirteen Upazilas/Thanas, considering urban and rural areas from six districts (Dhaka, Manikganj, Sylhet, Moulvibazar, Rajshahi, and Chapainawabganj) of Bangladesh. Data was collected from September 2023 to March 2024 with a face-to-face interview. As the primary sources of Islamic literature, The Quran and hadith have been quoted when needed. Secondary data

have been collected from relevant books, journals, articles, periodicals, thesis papers, dissertations, newspapers, institutional publications, websites, blogs, and other electronic materials.

RESULTS AND DISCUSSION

The study explores two dimensions of zakat management in the institutional method: the Zakat collection system and the Zakat distribution system. Both will be explained separately.

Zakat Collection System of IZM in Bangladesh

Zakat collecting Institutions

The various sorts of institutions are engaged in collecting and distributing Zakat. Among the 214 respondents, a vast majority (62.15%) stated that non-government entities were responsible for managing Zakat. This suggests a substantial reliance on private or autonomous organizations for tasks linked to Zakat (Table 1).

Table 1: Type of Institutions Collected and Distributed Zakat

Type of Institutions	Frequency	Percent
Government Institution	81	37.85
Non-Government Institution	133	62.15
Total	214*	100.00

Source: Field survey, 2023-24. *Four persons replied that they were involved in both types of institutions.

Of the institutions mentioned, 37.85% of respondents indicated their engagement with the Zakat Board (Islamic Foundation), making it the most common. The Madrasah and Orphanage category is next on the list, with 61 mentions (28.50%) (Table 2). The total percentage of private organizations is higher than that of public institutions.

Table 2: Name of Institutions Collected and Distributed Zakat

Name of Institutions	Frequency	Percent
Zakat Board (Islamic Foundation)	81	37.85
Center for Zakat Management	29	13.55
As-Sunnah Foundation	39	18.22
Madrasah and Orphanage	61	28.50
Other	4	1.87
Total	214*	100.00

Source: Field survey, 2023-24. *Four persons replied that they were involved in both types of institutions.

Motivation for Paying Zakat to the Institution

Table 3 investigates the reasons why respondents opt to make Zakat payments to specific entities. The primary determinant was “Trust,” identified by 60 participants (43.48%), underscoring the crucial role of faith in the institution's credibility and leadership. Another significant factor driving preference was “familiarity,” as indicated by 36 respondents (26.09%) who preferred institutions they were already acquainted with.

Table 3: Motivation for Paying Zakat to the Institution

Criteria	Frequency	Percent
Trust	60	43.48
Nearness	6	4.35
Familiarity	36	26.09
Transparency	20	14.49
Easy system	14	10.14
Other	2	1.45
Total	138*	100.00

Source: Field survey, 2023-24. *This question was only for IZM payers, allowing multiple responses.

Zakat Payers' Inquiry of the Institutions

Table 4 investigates whether individuals who pay Zakat question about the accuracy of the distribution of Zakat by organizations. Out of the 65

respondents who responded to this question, 28 persons (43.1%) acknowledged that they verified the proper distribution of their Zakat. On the other hand, 37 participants (56.9%) stated that they did not ask about the distribution procedure. This implies that although many individuals who pay Zakat are interested in ensuring the appropriate allocation of funds, a majority do not actively confirm how their donations are handled. This lack of verification might affect Zakat's efficiency in meeting the requirements of the beneficiaries.

Table 4: Inquiring whether Zakat is being correctly distributed

Criteria	Frequency	Percent
Yes	28	43.1
No	37	56.9
Total	65*	100.0

Source: Field survey, 2023-24. *This question was only for IZM payers.

Zakat Calculation Before Distribution

Table 5 indicates that a significant majority of the respondents (83.1%) reported that they engaged in calculating their Zakatable assets before making the distribution. On the contrary, 16.9% of the respondents did not calculate. The data indicates that most participants are engaged in calculating their Zakat. This finding shows significant awareness and a commitment to ensuring Allah (SWT)'s order regarding Zakat payments.

Table 5: Calculation for Zakat payment

Criteria	Frequency	Percent
Yes	54	83.1
No	11	16.9
Total	65	100.0

Source: Field survey, 2023-24.

Calculation System of Zakat

Table 6 shows the Zakat calculating method employed by the Zakat payers of IZM. Asking a Mufti or Alim, skilled in Zakat calculation, for guidance is the dominant method chosen by 31 respondents (47.69%). Seventeen Zakat payers

(26.15%) reported self-calculation as a general approach. Significantly, 11 respondents (16.92%) did not calculate their Zakat. This demonstrates a reliance on classical religious authority to know the calculation of Zakat, with a small portion utilizing technology.

Table 6: Zakat Calculation System

Calculation System	Frequency	Percent
Self-Calculation	17	26.15
Knowing from Mufti or Alim	31	47.69
Asking the Local Imam	5	7.69
Using the Zakat Calculator App	1	1.54
Not calculated	11	16.92
Total	65	100.00

Source: Field survey, 2023-24.

Knowledge for Zakat Calculation

Table 7 examines the understanding of individuals who pay for Zakat and the method used to calculate Zakat. Most respondents (72.3%) acknowledged a lack of comprehension regarding this calculation, whereas only 27.7% asserted familiarity with the Zakat calculation system. The lack of comprehension regarding Zakat calculation among most respondents emphasizes the potential impact on the precision of their Zakat contributions.

Table 7: Having Knowledge of Zakat Calculation

Category	Frequency	Percent
Yes	18	27.7
No	47	72.3
Total	65	100.0

Source: Field survey, 2023-24.

Zakat Distribution System in Bangladesh

Items of Zakat Distribution in Bangladesh

Items of Zakat distribution in Bangladesh may be broadly categorized into two main types: (1) Providing cash as zakat and (2) Providing products as zakat. Table 8 indicates that most zakat donors contributed cash; likewise, most zakat recipients acknowledged receiving cash in most instances.

Table 8: Items of Zakat distribution

Items of Zakat	Payers of IZM	Recipients of IZM	Total Frequency	Percent
Cash provided	65	92	157	83.07
Products provided	0	32	32	16.93
Total	65	124	189*	100.00

Source: Field survey, 2023-24. *Fourteen recipients were provided with both cash and products.

Amount of Cash Grants Provided as Zakat

Table 9 revealed that about 60 percent of participants reported giving or receiving less than BDT 10,000 in zakat. Most individuals who received zakat from the organization reported receiving zakat amounts ranging from BDT 5000 to 7000. Most individuals who directly received zakat from the donor reported receiving just a tiny quantity. A small proportion of individuals contribute the requisite sum to elevate someone beyond the poverty threshold. Only 7% of individuals either donated or received zakat amounts above BDT 50000.

Table 8: Amount of cash provided as zakat

Amount Range	Payers of IZM	Recipients IZM	Total Frequency	Perce nt
BDT 1-10000	27	68	95	54.29
BDT 10001-20000	9	4	13	7.43
BDT 20001-30000	3	8	11	6.29
BDT 30001 or above	5	12	17	9.71
Not given/No comment	21	18	39	22.29
Total	65	110	175	100

Source: Field survey, 2023-24.

Name of provided Zakat Products

Contributing products in the form of zakat is not particularly impactful in NIZM, as there is a common tendency to give food and clothing as zakat in most circumstances. However, in this instance, IZM offers products that generate money. The Zakat institutions in Bangladesh offer various assets such as rickshaws (three-wheeler vehicles), sewing machines, cows, and other means of generating income. In this survey, 21 individuals were provided with rickshaws (Table 10).

Table 9: Name of products provided as zakat

Cash provided	Payers of IZM	Recipients IZM	Total Frequency	Percent
Rickshaw	0	21	21	12.00
Sewing machine	0	1	1	0.57
Foods	0	0	0	0.00
Clothes	0	8	8	4.57
Animal	0	3	3	1.71
Not given	65	89	154	88.00
Total	65	110	175	100.00

Source: Field survey, 2023-24.

Zakat Distribution procedure

Table 11 presents the various approaches through which individuals receive Zakat from organizations. 80% of the respondents receive Zakat payments through an application process, suggesting an efficient and structured method where recipients formally request assistance. In contrast, 20% have been discovered by institutions without needing individuals to apply. The findings indicate that the prevailing method is the application process.

Table 10: The procedure of receiving Zakat from institutions

Method	Frequency	Percent
On application basis	88	80.00
Found out from the organization	22	20.00
Total	110	100.00

Source: Field survey, 2023-24.

Route of Zakat Distribution

Zakat Distribution is performed through banking channels in most cases. A significant majority, 60.91%, of the Zakat recipients stated that they received Zakat through banks (Table 12). This indicates the development of a fair and easy management system.

Table 11: Route of Zakat Distribution

Route	Frequency	Percent
Through Banking	67	60.91
Directly to Zakat recipients	26	23.64
Gathering all Zakat recipients	17	15.45
Total	110	100.00

Source: Field survey, 2023-24.

Time of Zakat Payment

The most observed month for the distribution of Zakat is Ramadan, during which 86.2% paid their significant dues. Only 1.5% of Zakat distributions are made during Zulhajj, while 12.3% are made yearly. Based on all this data, table

13 reflects that Zakat payments peak during Ramadan due to the spiritual importance of paying Zakat.

Table 13: Time of Zakat Payment

Time	Frequency	Percent
Ramadan	56	86.2
Zulhajj	1	1.5
Throughout the year	8	12.3
Total	65	100.0

Source: Field survey, 2023-24.

Paying and receiving Zakat repeatedly

Dependence on Zakat and its frequent delivery are common issues in Zakat distribution in Bangladesh. Zakat payers give zakat to the same recipients every year in small portions, making them move around the zakat payers for zakat money. Table 14 lists the frequency of Zakat payments to the same recipients and receipts from the same payers. Though 45.14% of the respondents acknowledged one-time zakat distribution, 35.43% admitted zakat giving or receiving many times.

Table 12: Picture of paying Zakat (to same recipients) and receiving Zakat (from same payers) repeatedly

Repetition level	Frequency	Percent
One time	79	45.14
Two times	21	12.00
Three times	13	7.43
Many times	62	35.43
Total	175	100.00

Source: Field survey, 2023-24.

Request for Getting Zakat

Table 15 illustrates the way recipients make requests to the payers for Zakat. Among the 110 recipients, forty-two (34.29%) often sought Zakat, while 68 (62.38%) no longer requested it. In addition, 3.33% of individuals received Zakat

through the recommendation of others. This indicates that many recipients are not searching for Zakat at once. However, a significant portion rely on Zakat and asking donors, which indicates a dependency on the help of others.

Table 15: Request for getting Zakat

Category	Frequency	Percent
Requested	42	34.29
Not requested	68	62.38
By request of others	0	3.33
Total	110	100.00

Source: Field survey, 2023-24.

Crowd in Zakat Distribution Program

There is a common scenario of NIZM Zakat distribution in which people gather to receive zakat. Table 16 investigates whether the Zakat distribution of IZM comes across enormous gatherings of humans. 77.50% of recipients stated that those programs were free from crowds. This implies that even though Zakat distribution occasions can be crowded, in most of the cases of IZM, there was no crowd.

Table 16: Crowd in Zakat Distribution Program

Category	Frequency	Percent
Yes	25	22.50
No	85	77.50
Total	110	100.00

Source: Field survey, 2023-24.

Motivation Programs of Institutions to Collect Zakat

Table 17 shows IZM agencies' strategies to motivate people to pay for Zakat. Among all the techniques identified, touch with Zakat payers is the most common, accounting for 33.21% of all strategies. Meetings/discussions and leaflet distribution were also founded. Online methods have been used sporadically, accounting for 10.70%. Using the online method is a good sign. Zakat institutions should prioritize enhancing their social media services by

incorporating crucial elements like credibility and transparency while catering to the preferences of *muzakki*. Furthermore, Zakat information shared on social media platforms should be presented appealingly and offer features that enable *muzakki* to actively engage, express their opinions, provide suggestions, and contribute input (Hamdani et al., 2024).

Table 17: Methods of IZM for motivating people to pay Zakat

Methods	Frequency	Percent
Distributing leaflet	38	14.02
Broadcast by miking	8	2.95
Announcing by Imam	51	18.82
Contacting with Zakat payers	90	33.21
Seminar/Discussion	55	20.30
Online	29	10.70
Total	271	100.00

Source: Field survey, 2023-24.

CONCLUSION

The study explains a comprehensive overview of the zakat collection and distribution process of IZM in Bangladesh, revealing that private zakat institutions are more prominent in managing zakat. As a government institution, the Zakat board is lagging in the race to widen the amount of Zakat collection. Bangladeshi zakat institutions are inclined to distribute cash to the recipients through banking channels, though there have been some incidents of product giving. Trust is a prime thing driving Zakat's contributions to institutions. While maximum members interact in calculating their Zakat payments, a big expertise gap exists regarding the proper calculation methods, indicating a need for higher instructional assets. In Bangladesh, the distribution of Zakat often follows a direct distribution method, which is the maximum, not unusual, approach. Additionally, many Zakat recipients do now not actively request assistance, and distribution applications are usually manipulated to keep away from large crowds. These findings highlight areas for development, which include the need for more suitable academic initiatives on Zakat management, greater rigorous verification strategies to ensure proper and productive distribution, and better

techniques for attracting recipients and coping with distribution programs. Trust, transparency, accountability, knowledge, and engagement are the significant issues of zakat management. Addressing those issues may appreciably enhance Zakat's efficacy, ensuring it is a more successful tool for poverty alleviation and wealth redistribution.

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