

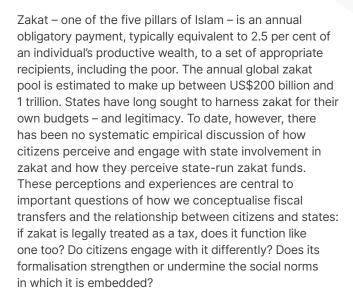
Research in Brief

Issue 94 • August 2023

Between God, the People, and the State: Citizen Conceptions of Zakat

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Summary of Working Paper 167



This paper provides what is likely the first comparative analysis of how citizens in Muslim-majority countries conceptualise zakat, attempting to situate it between religion, charity, and the state. It does so in the context of three lower middle-income countries – Morocco, Pakistan, and Egypt – representing variation in state involvement in zakat, relying on nationally representative surveys covering 5,484 respondents, of whom roughly half (2,648) reported that they had paid zakat in the preceding 12 months.

Despite differences in state practice across the three countries, the paper finds commonalities in how citizens perceive zakat. Across the three cases, citizens understand zakat as existing beyond the state, even where the state is involved in zakat administration and enforcement. Rather than viewing it as a legal obligation akin to taxation or merely as a charitable payment, Muslims across diverse religious and institutional contexts mostly conceive of zakat as a form of informal tax, rooted in social pressures and sanctions in the afterlife, but existing beyond the limits of state authority.

Research Design

We categorise state involvement in zakat along two key axes: whether there is a state-administered zakat fund, and whether states are directly involved in the enforcement of zakat payments. Each country examined in the paper captures a different intersection of these two factors and operationalises zakat through different Islamic jurisprudential frameworks. In Pakistan, zakat is both enforced by the state and the state runs a zakat fund. In Egypt, zakat payment is neither legally mandated nor enforced by the state, but there is a state-established zakat fund. In Morocco, zakat donations are completely voluntary and managed by citizens and non-state organisations. Due to jurisprudential differences, the threshold at which individuals are obligated to pay zakat (the nisab) also differs between the three countries. with Pakistan's threshold sitting considerably lower than those of Morocco and Egypt. Beyond this key variation, these countries share a range of features that make them broadly comparable (i.e. all are lower middle-income countries; broadly autocratic; and Sunni-majority).

State Involvement and Zakat

The share of the population which pays zakat, and the total amounts raised, are unsurprisingly driven by the varying eligibility thresholds and levels of wealth across countries. Among those above the threshold, however, the distribution of reported payment did not match our expectation of how the state's role in zakat administration and enforcement would affect payment rates. For one, payment is higher in Egypt than in Pakistan, despite the state only actively enforcing payments in the latter. Further, while zakat payment closely tracks tax payments in Egypt and Morocco, reported tax payment in Pakistan is substantially lower than reported zakat payment. And in Morocco, where there is no state role in zakat administration – that is, where zakat is more theoretically similar to charity - reported zakat payment is similar to tax payment and higher than charitable giving.

Notably, where state funds exist, they perform poorly even where states actively enforce payment into them. The paper suggests that four factors help to explain this apparent anomaly:

1. Lack of trust in the state

In all three countries, there is a concern about corruption within state institutions. Non-payment to state funds may reflect both a lack of trust and represent an implicit critique.

2. Weak state capacity

Low organisational and enforcement capacity can decrease the attractiveness of the state as a manager of zakat, and limit the state's ability to compel payment.

3. A desire to know the recipient of funds

More than half the respondents reported that it is very or somewhat important that people know the zakat recipients. The perception of zakat as a boost to social capital may diminish the appeal of state funds for citizens.

4. Questions about the appropriateness of the state playing a role in zakat collection or distribution. Some of the opposition to state funds is likely not merely principled opposition to the state's role in general, but a critique of the actual fund and state performance in practice.

Zakat Beyond the State

While expectations may be that the role of the state in zakat administration would shape citizen perceptions of and engagement with zakat (i.e. that it would mirror a tax where states treat it as such, and an informal tax or a form of charity where they do not), this paper instead finds that citizen perceptions of zakat are independent of the role of the state in its administration. Citizens largely engage with the practice independent of state preferences, choosing to prioritise social relations instead. These perceptions and practice indicate, perhaps unsurprisingly, that zakat in practice represents an informal tax, rooted in social pressures and sanctions in the afterlife, and existing beyond the limits of state authority.

This finding has important conceptual implications for the study of public finance, which has been predominately state-centric, while suggesting that there are clear limits to states' ability to harness zakat payments into public finance systems. It also suggests clear limits to the ability of states to 'harness' zakat as a fiscal tool through centralised administration or mandated enforcement.

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Further reading

Gallien, M., Javed, U., and van den Boogaard, V. (2023), Between God, the People, and the State: Citizen Conceptions of Zakat, ICTD Working Paper 167, Brighton: Institute of Development Studies, DOI: 10.19088/ICTD.2023.027

Gallien, M.; Javed, U. and van den Boogaard, V. (2023) Zakat, Non-State Welfare Provision and Redistribution in Times of Crisis: Evidence from the Covid-19 Pandemic, ICTD Working Paper 163, DOI: 10.19088/ICTD.2023.021

Citation: Gallien, M., Javed, U., and van den Boogaard, V. (2023), Between God, the People, and the State: Citizen Conceptions of Zakat, ICTD Research in Brief 94, Brighton: Institute of Development Studies, DOI: 10.19088

Credits

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The ICTD is funded with UK aid from the UK Government, Norad and by the Bill & Melinda Gates Foundation; however, the views expressed herein do not necessarily reflect the UK Government's official policies, nor those of the Bill & Melinda Gates Foundation. Readers are encouraged to quote and reproduce material from the series. In return, ICTD requests due acknowledgment and quotes to be referenced as listed.



ICTD is based at the Institute of Development Studies, Brighton BN1 9RE UK.

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DOI: 10.19088/ICTD.2023.041

ICTD is proudly funded by

BILL & MELINDA GATES foundation



