

UNDERSTANDING BEHAVIOR IN THE SELECTION OF ZAKAT METHODS: AN ANALYSIS OF MUZAKKI IN MALANG CITY, INDONESIA

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ABSTRACT

This paper analyzed the behavior of muzakki (zakat contributor) in Indonesia in selecting zakat methods. In the Prophet and Khulafa 'al-Rasyhidin era, muzakki paid zakat to zakat officer either for apparent or non-apparent property. However, in Uthman b. Affan era, it was different. The question is how muzakki in Indonesia pay zakat for their property? Using descriptive statistics, Pearson Chi Square and Contingency Coefficient test, the main findings reveal that zakat is paid through three methods – directly to mustahiq, through zakat institution and combination of both methods. Muzakki prefer mosque than formal zakat institutions, *Badan Amil Zakat (BAZ)* and *Lembaga Amil Zakat (LAZ)*. The methods selection to pay zakat is significantly associated with monthly income, education and age. Zakat payment through BAZ and LAZ is mostly carried out by muzakki who have high monthly income, high level of education, and at young age.

Keywords: Zakat, Consumer Behavior, Donation, Charity, Islamic Redistribution

JEL Classification: I31, Z12

INTRODUCTION

Zakat is one of the Islam pillars as well as the creed, pray, fasting and pilgrimage¹. Although *zakat* is *muzakki's* obligation, it does not mean that they can choose the payment method freely. *Muzakki* should pay *zakat* on apparent or non-apparent property² to the officer appointed by the government as what has been practiced in the Prophet's time and not pay directly to *mustahiq*³. Whereas in the caliph Uthman b. Affan, *zakat* for tangible assets was committed to *zakat* officer but for intangible assets, *muzakki* can submit it to either *zakat* officer or directly to the *mustahiq*.

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¹ *Zakat* is an act of giving off a number of specific properties required for submission to *Allah* the Almighty (Yusuf al-Qardawi, 1999: xiii).

² Apparent properties are assets that enable people who are not the owners to know and calculate, such as agricultural products, fruit and cattle. Non-apparent assets are assets that do not allow people who are not the owners to know and calculate, such as cash, gold and silver as well as business items (Al-Qardawi, 1999: 744).

³ *Mustahiq* are the eight recipients who are eligible to receive *Zakat* according to *Shariah* (Hafidhuddin, 2002: 125).

Nowadays, how does *muzakki* pay *zakat*? This question arises because of three reasons. First is the differences in social, economic, political and systems used either at the time of Prophet and Khulafa al-Rashidun with the present condition among one country and others. At the moment, the management of *zakat* countries in Southeast Asian Countries can be divided into three, the management of *zakat* by the government, non-governmental organizations (NGOs), as well as both government and NGOs. In Malaysia and Brunei Darussalam, as Muslim majority countries, *zakat* management is conducted by the government. Although Muslims are a minority in Singapore, *zakat* management in Singapore is also conducted by the government. However, in Thailand, *zakat* is managed by NGOs. Justification of the *zakat* payment on unofficial channels, including directly to *mustahiq*, is applied in such countries as Saudi Arabia (Aldeiban, 2008), several states in Malaysia (Ghazali, 1988) and Pakistan (Kahf, 2000).

The second is the existing differences in the understanding and interpretation of the jurists on matters related to *zakat* comprising to whom *muzakki* pays *zakat* for apparent and non-apparent assets. From this point, there is a different opinion among school of Islamic thought such as Hanafi, Maliki, Shafi'i, Hanbali, and Ibadyiyah Zaidiyah (Kasim, 2005). Other differences are on *zakat* transfer to other areas (Al-Zuhaili, 1994) and the payment of *zakat* value (Fakhrudin, 2008).

The third reason is the diversity of institutions that manage *zakat* in Indonesia. Among these institutions are *Badan Amil Zakat* (BAZ), *Lembaga Amil Zakat* (LAZ) (Laws of the Republic of Indonesia number 38 year 1999 on *Zakat* Management), mosques (PIRAC, 2005), orphanages (Bappeda of Palu City and LPPM Tadolako University, 2006), the boarding school (Abdullah, 1991) and *Baitul* mall office (Hamrozi, 2007).

This study has two objectives. The first is to analyze the behavior of *muzakki* in Malang City, Indonesia, in the selection methods of paying *zakat*. The second is to analyze the behavior of *muzakki* based on the demographic factors. There are four reasons why Malang City was chosen as the study site, (1) the potential of *zakat* can be collected from its realization, (2) the diversity of *zakat* institution in Malang city, (3) Malang City does not have regional regulations on the management of *zakat*, and (4) there is still no study investigating the behavior of *muzakki* in Malang City

BEHAVIOR OF ZAKAT PAYMENT

At least, there are two verses in the Qur'an related to whom *zakat* is paid. They are *Surah al- Dzāriyāt* (51: 19)⁴ and *Surah Taubah* (9: 103)⁵. The first verse is a *Makkiyah* verse stated that at that time *zakat* was not an obligation, and in general, its management was carried out by private. The second verse is *Madaniyah* verse stated that *zakat* is obligatory and binding, and its management was done by government (Al-Qardawi, 1999). At the time of the Prophet and Khulafa al-Rashidun, *muzakki* paid *zakat* to *zakat* officers appointed by government either for apparent or non-apparent assets. But, at the time of Caliph Uthman b. Affan, non-apparent assets should be paid directly to *mustahiq* such as relatives, neighbors or acquaintances (Al-Qardawi,1999).

Thus, the Islamic scholars provide more details. According the Hanafi's and Maliki's scholars, *zakat* of apparent assets is mandatory given to the government and if *muzakki* distribute it themselves, then it is not counted (Al-Zuhaili, 1994). However, Maliki's scholar added that the government should be in fair conditions, and *muzakki* should voluntarily paying *zakat* to the Government. If *muzakki* are able to distribute *zakat* to the rightful persons then they are allowed to distribute their own *zakat* (Al-Zuhaili, 1994).

In terms of *zakat* of non-apparent assets, *muzakki* should distribute *zakat* by themselves or give it to the government (Al-Zuhaili, 1994). *Zakat* of non-apparent assets could also be paid to the government because of four reasons. First, the Government can act as a substitute recipient which protects the orphans. Second, the Government knows more about the distribution points. Third, there is the possibility for *muzakki* to give *zakat* to those who do not deserve. Fourth is to avoid public accusations upon *muzakki* (Wahbah al-Zuhaili, 1994).

Shafi'i scholar has a different point of view. *Muzakki* may distribute *zakat* of apparent assets like non-apparent assets (Al-Zuhaili, 1994). It means that, *muzakki* can pay *zakat* either for apparent or non-apparent assets to the government or directly to the *mustahiq*. This view is adopted by many of the Muslims in the archipelago including Indonesia and Malaysia. Hanbali scholar recommended *muzakki* to distribute their *zakat*

⁴ *Adh-Dhariyat* (51: 19) states "And from their properties was [given] the right of the [needy] petitioner and the deprived."

⁵ *Al-Tawbah* (9: 103) states "Take, [O, Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allah's blessings] upon them. Indeed, your invocations are reassurance for them. And Allah is Hearing and Knowing."

directly to *mustahiq*. This makes *muzakki* more certain that *zakat* for apparent or non-apparent assets are received by the rightful parties (Fakhruddin, 2008).

Due to the various ways to pay *zakat* and charity institutions, *muzakki* should determine how and to whom *zakat* is paid whether to pay through *zakat* institutions or directly to *mustahiq*. If they pay through *zakat* institutions, which institutions do they choose? This is the problem of consumer behavior. The problem of this study is in line with the Engel et al. statement (1995) that the consumer behavior is an activity directly involved in obtaining, using and spending of goods and services, including the decision processes that precede and follow the activity (Simamora, 2004).

In Malaysia, *muzakki* officially pay *zakat* to the treasury which is directly under the State Islamic Religious Council (Majlis Agama Islam Negeri, MAIN) or to a corporate (Mohd Izuddin b. Sith and Iwansuzairie b. Hari, 2008). The study of Salleh and Yusoff (1997) and Ahmad and Wahid (2005) are quite different. Study conducted by Salleh, et al (1997) in the state of Kelantan found that *muzakki* prefer to pay *zakat* directly to persons who are classified as *mustahiq*. Ahmad, et al (2005) found that there are still many people paying *zakat* directly to *mustahiq* or do not pay *zakat* in all states of Malaysia.

According to the Law number 38 of 1999 about *zakat* management, Indonesian *muzakki* should pay *zakat* to the two *zakat* institutions, *Badan Amil Zakat* (BAZ) and *Lembaga Amil Zakat* (LAZ). More than ten years later, some studies found that *zakat* payment through BAZ and LAZ were low. Study of Indonesia Magnificence of *Zakat* (IMZ) in 2010 found that 2.10% of *muzakki* in Jakarta, Bogor, Depok, Tangerang and Bekasi (Jabodetabek) pay *zakat* through BAZ and LAZ. The Public Interest Study studies and Advocacy Center (PIRAC) in 2008 found that *muzakki* who pay *zakat* through these institutions was 7.2%. While *zakat* paid directly to *mustahiq* was 25.0% and the other was 59.0% paid through the mosque in their neighborhood. In contrast, according to the findings of PIRAC, study conducted by Wira (2005) in West Sumatra province and Uzaifah (2007) in Yogyakarta found that the payment directly to *mustahiq* is the most widely chosen by *muzakki*.

More than 50% of the West Sumatra *muzakki* pay *zakat* directly to *mustahiq*. According to PIRAC, only 0.8% and 0.4% of *muzakki* pay *zakat* through BAZ and LAZ, while 0.4% of *muzakki* pay *zakat* through mosque committee (Wira, 2005). Commonly, *muzakki*

only choose one way to pay *zakat*, but the study also found there are some *muzakki* choose two (32.7%), three (7.7%), even five ways (0.4%).

Uzaifah (2007) found that *muzakki* in Yogyakarta (lecturers at the Islamic University of Yogyakarta as the samples) pay *zakat* through mosque (11%), social foundation (4%), *amil zakat* (39%) and directly to *mustahiq* (46%). A total of 89.66% of *muzakki* pay *zakat* on their property once a year in *Ramadhan* month and pay the 8.62% and 1.72% at the time other than *Ramadhan*.

Sidoarjo region regulation on the *zakat* management allows *muzakki* to pay half of their *zakat* through BAZ and the rest is paid to other fixed target (Sidoarjo Region Regulation number 4, year 2005 on the Management of *Zakat*, Infaq and Shadaqah).

METHODOLOGY

This study uses survey method. The study population includes all Muslim household's heads paying *zakat* property in Malang City. There are 210,672 Muslim households in Malang city. There are 420 respondents chosen based on the proportionate stratified cluster sampling. Data were collected through questionnaires and interviews. Calculation of the sample size of every district is shown in Table 1.

Table 1. Calculation of Sample Size in Every District

District	Muslim Household (%)	Sample Size in District	Sample size in Village	
			Urban	Rural
Kedungkandang	17.96	$0.1796 \times 420 = 75$	38	37
Sukun	18.51	$0.1851 \times 420 = 78$	39	39
Klojen	14.59	$0.1459 \times 420 = 61$	30	31
Blimbing	17.99	$0.1799 \times 420 = 76$	38	38
Lowokwaru	30.95	$0.3095 \times 420 = 130$	65	65
	100.00	420	210	210

Note: calculated from the number of households in each district multiplied by 84.24% and divided by the total Muslim households in Malang city. 84.24% is the percentage of Muslim population in Malang city.

The behavior in selection of *zakat* methods was interpreted as the behavior of *muzakki* in paying *zakat* and choosing *zakat* payment methods. The first includes the type of *zakat* property, ways to calculate the amount of *zakat*, frequency in paying *zakat*, the

amount of *zakat* to be paid and the source of information. The second covers ways to pay *zakat*, the selection of *zakat* institutions and the main method to pay *zakat*. Previous studies found that *muzakki* pay *zakat* directly to *mustahiq* and through *zakat* institutions. The *zakat* institutions are mosque, social fondation, BAZ (*Badan Amil Zakat* – government *zakat* institution), LAZ (*Lembaga Amil Zakat* – private *zakat* institution), orphanage and Islamic boarding school. This study used four main methods to pay *zakat* namely directly to *mustahiq*, BAZ & LAZ, mosque and others.

Descriptive statistics is used to analyze the behavior of *muzakki* in Malang City, Indonesia in selecting methods of paying *zakat* including tables, frequencies, percentages, graphs, and mean. Graph, Pearson Chi Square and Contingency Coefficient test are used to analyze the behavior of *muzakki* based on the demographic factors. The demography factors are monthly income⁶, education⁷, and age⁸.

BEHAVIOR OF MUZAKKI IN MALANG CITY

From 420 questionnaires answered by the respondent, there were 397 questionnaires which could be used. The behavior of Malang City's *muzakki* in the selection of *zakat* paying methods is presented in Table 2.

Table 2. Type of Zakat Properties paid by Muzakki in Malang City

Type of <i>zakat</i> property	n*	%
▪ Gold, silver, and money	16	4.03
▪ Business and industry	50	12.59
▪ Agriculture, horticulture, and fisheries	11	2.77
▪ Result of mining	0	0.00
▪ Result of livestock	0	0.00
▪ Professional laborers' earning	260	65.49
▪ Exploited assets and gifts	1	0.25
▪ Two types	59	14.86

Source: Raw Data, 2012.

Based on the law number 38 of 1999 about The Management of *Zakat*, there are five types of *zakat* properties paid by *muzakki* in Malang city as shown in table 3. They are

⁶ Monthly income is divided into five groups, i.e. very low (less than IDR 2 million), low (IDR 2 - < IDR 4 million), medium (IDR 4 - < IDR 6 million), high (IDR 6 - < IDR 8 million), dan very high (IDR 8 million and above).

⁷ Level of education is divided into three groups, i.e. low (primary and secondary school), medium (high school and diploma), and high (undergraduate and postgraduate programs).

⁸ Muzakki age is divided into three groups, i.e. young (less than 30 years), middle (30 - < 50years), and old (50 years and above).

(1) gold, silver and money, (2) trade and industry, (3) agriculture, horticulture and fisheries, (4) income and services, and (5) entrenchment. Most of the respondents pay *zakat* in income and services (n = 260; 65.49%) and followed by *zakat* for trade and industry (n = 50; 12.59%). Compared to the number of workers in the trade sector or GRDP contributed by the commercial sector, payment of *zakat* in trade and industry is relatively low. The number of employees of this sector in 2007 was 33.87%, while the GRDP of this sector was 36.88%. No respondents paid *zakat* from mining and livestock. The contribution of the mining sector to GRDP in 2000, 2006 and 2007 was 0.00% (mineral, oil, & gas and not mineral, oil, & gas) and only 0.06% in 2007 (minerals). Contribution of Livestock sub-sector in 2007 was very low at 0.24% (Malang City Central Statistics Bureau, 2008). More than 14% of the respondents pay two types of *zakat* properties (n=59, 14.86%).

Table 3. Method of *Zakat* Properties Payment by *Muzakki* in Malang City

How to pay <i>zakat</i>:	n*	%
▪ Taken by staff	40	10.08
▪ Cutting salary by finance division	22	5.54
▪ Cutting directly from savings account	2	0.50
▪ Paying <i>zakat</i> to the <i>zakat</i> officer by yourself	117	29.47
▪ Provided directly to <i>mustahiq</i>	176	44.33
▪ Paid by parents or friends	3	0.76
▪ Using the two ways	37	9.32

Source: Raw Data, 2012.

Almost of 50% of *muzakki* give *zakat* directly to *mustahiq*, more than 29% of *muzakki* pay directly to *zakat* officer and only 0.50% *muzakki* pay *zakat* through savings account deduction. Low payment of *zakat* through the facilities provided by the bank is in line with IMZ study in Jabodetabek either by transfer via teller machines (ATMs) or auto debit bank account. Most of *muzakki* get the information about *zakat* from direct talk of preacher (n = 127; 31.99%) and from family or friends (26.95%). In this era, the role of the mass media either print (n = 36; 9.07%) or electronic (n = 4; 1.01%) is small. Compared to the mass media, the more effective way to provide information about the charity is through the preacher and family or friends.

Table 4. Methods of Calculating the amount of Zakat by Muzakki in Malang City

Calculating the amount of Zakat:	n*	%
▪ Assisted by a staff <i>zakat</i>	49	12.34
▪ Calculated <i>zakat</i> by yourself	342	86.15
▪ Other	6	1.51

Source: Raw Data, 2012.

Most of the respondents count *zakat* by themselves (n = 342; 86.15%) and about 12% of the respondents are assisted by a *zakat* staff. This finding is in line with IMZ (2010) on *muzakki* in Jabodetabek. From the aspect of *zakat* payment frequency, the majority of respondents pay once a year, either in *Ramadhan* or not (n = 188; 46.88%). Uzaifah's study showed that 56% of Yogyakarta's *muzakki* pay once a year in *Ramadhan* and 5% outside *Ramadhan*. Malang's *muzakki* do it in almost the same percentage (around 23%). About 20% of the respondents pay *zakat* property every month.

Table 5. Frequency of Paying Zakat per Year by Muzakki in Malang City

Frequency of paying zakat per year:	n*	%
▪ Once	92	23.17
▪ Once during <i>Ramadhan</i>	94	23.68
▪ Every month	80	20.15
▪ No specific time depending on fortune	108	27.21
▪ Twice	23	5.79

Source: Raw Data, 2012.

Low payment of *zakat* through the facilities provided by the bank is in line with IMZ study in Jabodetabek either by transfer via teller machines (ATMs) or auto debit bank account.

Table 6. Source of Zakat Information Got by Muzakki in Malang City

Source of zakat information got by muzakki:	n*	%
▪ Ads and speeches written in print	36	9.07
▪ Advertisement and talk in electronic media	4	1.01
▪ Direct talk with preacher	127	31.99
▪ Family or friends	107	26.95
▪ Myself and my environment	70	17.63
▪ More than one source	53	13.35

Source: Raw Data, 2012.

Most of *muzakki* get the information about *zakat* from direct talk of preacher (n = 127; 31.99%) and from family or friends (26.95%). In this era, the role of the mass media either print (n = 36; 9.07%) or electronic (n = 4; 1.01%) is small. Compared to the mass media, the more effective way to provide information about the charity is through the preacher and family or friends. However, almost all of BAZ or LAZ have provided information media either through monthly reports, monthly newsletters or website.

Table 7. Amount of *zakat* paid last year by *Muzakki* in Malang City

Amount of <i>zakat</i> paid last year:	n*	%
▪ IDR 50.000 - < IDR 600,000	145	36.52
▪ IDR 600,000 -< IDR 1,200,000	107	26.95
▪ IDR 200,000-< IDR 2,400,000	56	14.11
▪ IDR 400,000-< IDR 3,600,000	39	9.82
▪ IDR 600,000-< IDR 5.000,000	21	5.29
▪ ≥ IDR 5,000,000	11	2.77
▪ No answer	18	4.53

Source: Raw Data, 2012.

The amount of *zakat* paid per year by the most of respondents starts from IDR 50,000 to IDR 600,000 (n = 145; 36.52%) and more than 26 % ranging from IDR 600,000 to IDR 1,200,000 (IDR 50,000 to IDR 100,000 per month). Average *zakat* paid by Malang’s *muzakki* is IDR 520,637.38. This amount is smaller than the average *zakat* paid by *muzakki* in ten cities in Indonesia (PIRAC, 2007), but bigger than the average *zakat* paid by Jabodetabek’s *muzakki* (IMZ).

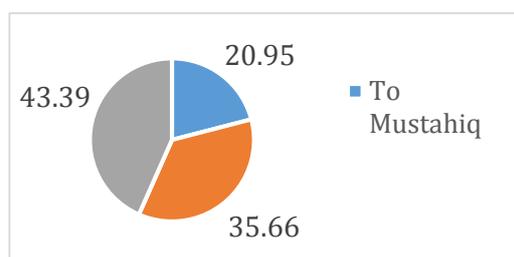


Figure 1. How do Muzakki Pay Zakat? (%)

Source: Raw Data, 2012

Compared to *zakat* paid directly to *mustahiq* (n = 87; 20.95%) or through *zakat* institution (n = 141; 35.66%), most of *muzakki* in Malang City (n = 174; 43.39%) pay *zakat* by employing two methods (directly to *mustahiq* and through *zakat* institution). Paying *zakat* directly to the *mustahiq* was done by *muzakki* not only in Indonesia but also in Malaysia. Study conducted by Ghazali (1988) in eight states in Malaysia found that 17.00% of *muzakki* do not pay *zakat* via *zakat* institution. Although there is no certain percentage, Salleh et al. (1997) in Kelantan exhibited that *muzakki* apparently prefer to pay their *zakat* directly to the person classified as *mustahiq*. While the study of Ahmad, et.al. (2005) found that 47% of respondents in eleven states in Semenanjung Malaysia prefer to pay *zakat* directly to *mustahiq*. Study by Ahmad, et.al. (2006) in the six states of privatized *zakat* institutions found that 10.50% of *muzakki* pay *zakat* directly to *mustahiq*, not through *amil*, central *zakat* or *zakat* counter.

Zakat payments directly to *mustahiq* by Malang's *muzakki* is relatively smaller than Jabodetabek's (IMZ, 2010), the average of ten big cities in Indonesia (PIRAC, 2008) as well as in West Sumatra (Wira, 2005). Three methods of paying *zakat* were done either by Malang's *muzakki* and West Sumatra's *muzakki*, but the method of paying *zakat* is different. The differences are (1) most of West Sumatra's *muzakki* pay *zakat* directly to *mustahiq* (53.00%), most of Malang's *muzakki* pay *zakat* directly to *mustahiq* and through *zakat* institutions together (43.39%), (2) Paying *zakat* through *zakat* institution is higher for Malang (35.52%) than West Sumatra (3.80%). It shows that Malang's *muzakki* have higher awareness to pay *zakat* through *zakat* institutions and socialization done by LAZ in Malang city is more intensive. The high number of *zakat* payment by using a combined method (directly to *mustahiq* and *zakat* institutions) done by Malang's and West Sumatra's *muzakki* show that individual commitment to the environment within kinship or residence cannot be separated.

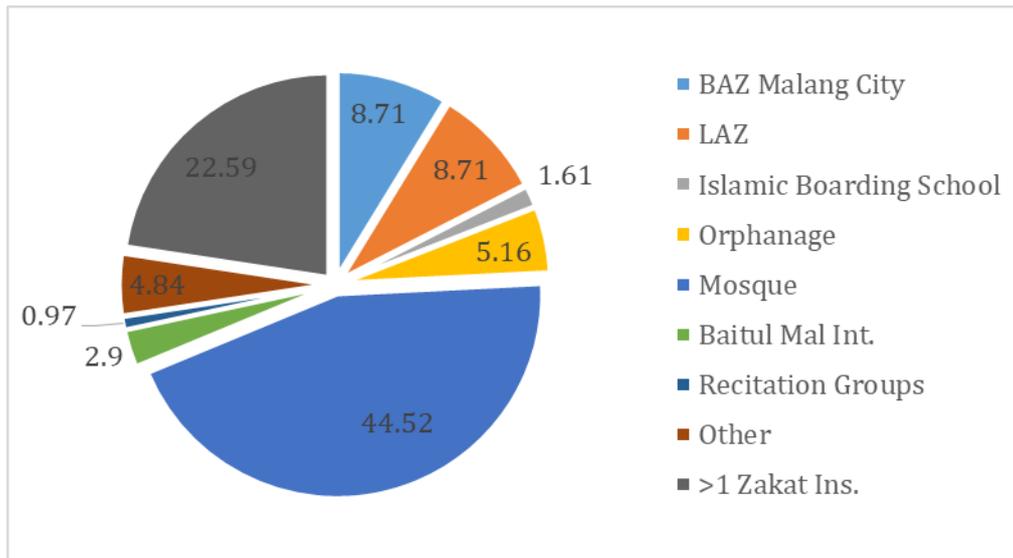


Figure 2. Zakat Institutions Selected Malang's Muzakki (%)

Source: Raw Data, 2012

Malang's *muzakki* pay *zakat* directly to *mustahiq* is 21.91% and through *zakat* institutions either formal or informal institutions is 78.09%. Most of them pay through mosques (n = 138; 44.52%), more than 17% of *muzakki* pay formal *zakat* institutions (BAZ: n = 27; 8.71% and LAZ: n = 27; 8.71%), and 22.59% of *muzakki* pay *zakat* through two to four institutions. *Zakat* payments to more than one *zakat* institutions also occur among *muzakki* in West Sumatra even with a higher percentage of 43.60% (Wira, 2005). This is related to the introductory level of *muzakki* on *zakat* institutions in Malang City.

The number of *muzakki* in Malang who do not know and understand BAZ and LAZ in Malang City is higher than those who know and understand. Almost all of them know and understand from mosque in their neighborhood. While *Baitul* mall institution, Islamic boarding school and orphanage in the neighborhood are still not widely known. The introductory level is supported by data concerning with the formal and informal *zakat* obtained from the questionnaire.

The number of *muzakki* paying *zakat* directly to both *mustahiq* and through *zakat* institutions is (42.64%) whereas *muzakki* who pay *zakat* to more than one *zakat* institution is 22.59%. Thus, it raises a question on the *muzakki's* preferences in paying *zakat*. Nearly 50% of *muzakki* choose to pay *zakat* directly to *mustahiq* as the main mean of payment (n = 193; 48.38%). This is related to the understanding of Indonesian Muslims in general following Syafii schools of thought that allow *muzakki* to distribute their own

zakat either for apparent or non-apparent properties (Al-Zuhaili, 1994). This method is given by preacher including in electronic media. Moreover, it suggested that *zakat* is distributed to those closest.

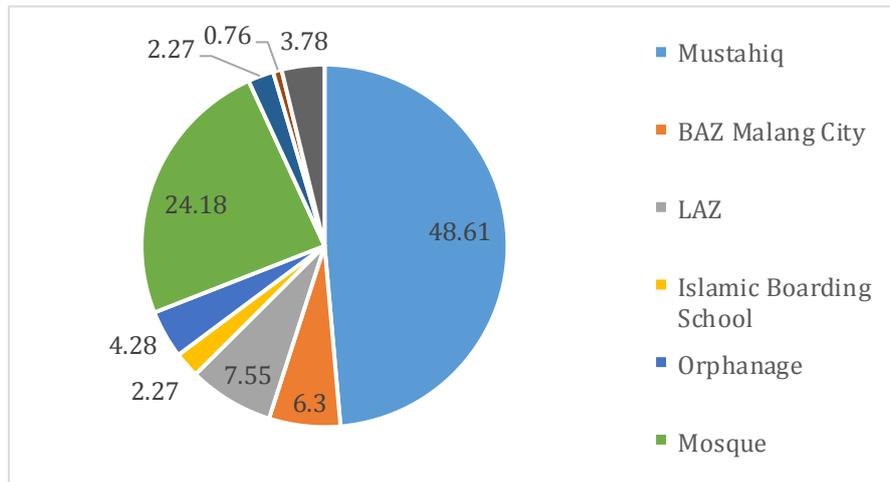


Figure 3. The Malang Muzakki's Main Choice to Pay Zakat (%)

Source: Raw Data, 2012.

BAZ and LAZ as formal *zakat* institutions were chosen by 13.86% of *muzakki* (BAZ 6.30%, LAZ 7.56%), while mosque as informal *zakat* institution was chosen by 24.18% of *muzakki* in Malang City. 93% of *muzakki* in West Sumatra prefer to pay *zakat* directly to *mustahiqq* and just less than 7 % pay through either formal (BAZ 2.00%, LAZ 0.40%) or informal *zakat* institutions (2.80% through mosque, 1.30% for the others) (Wira, 2005). Figure 1 shows the comparison of the findings of this study and PIRAC (2008) and Wira (2005).

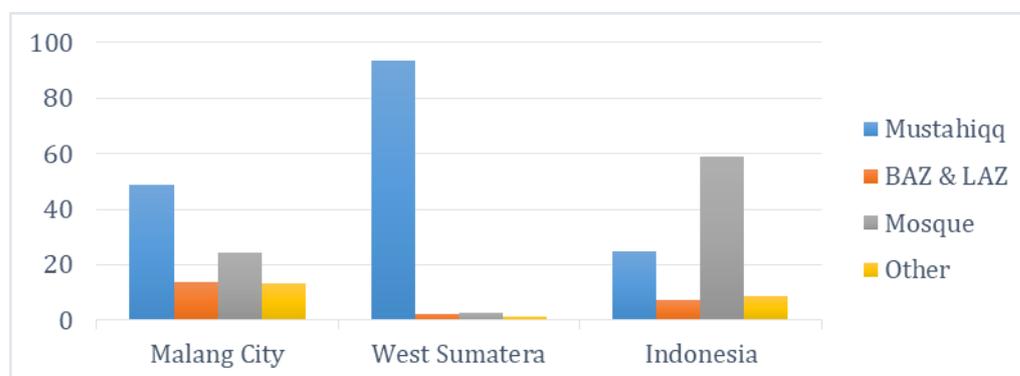


Figure 4. Comparison of the main method of *zakat* payment in Malang City, West Sumatra and Indonesia

Most *muzakki* in ten major cities in Indonesia pay *zakat* through mosques (59%), but most of Malang's and West Sumatra's *muzakki* pay *zakat* directly to *mustahiqq*. Nevertheless, the figure above shows a very different percentage, more than 93% of West Sumatra's *muzakki*, but less than 50% for Malang's *muzakki*.

Table 8. Reasons Underlying the Preference of *Muzakki* in Malang on *Zakat* Payment Methods

No.	Preference on <i>Zakat</i> Payment Methods	Reason for Selection By Sequence
1.	Paying directly to <i>mustahiqq</i>	Targeted Priority to close Direct beneficial
2.	Mosque	The location is close. Practical, can be trusted Targeted
3.	BAZ and LAZ	Easy, practical, not fussing Can be trusted Targeted
4.	Other Institutions	Targeted Practical Custom, traditional practice

Source: Raw Data, 2012.

The accuracy of *mustahiqq* target is the reason for choosing all of methods either paying directly to *mustahiqq*, BAZ and LAZ, mosque or other institutions. *Muzakki* who pay directly to *mustahiqq* or other institutions enhances this method was the main reason. This is because they know the true condition of the recipients and certainly know the recipients. The recipients are relatives or close neighbors of *muzakki*. Similarly, the payment of *zakat* to the orphanage or Islamic boarding school is done by *muzakki* after they are convinced that the children deserve to receive it. *Muzakki* who pay directly to *mustahiqq* assume that *zakat* can be used directly by *mustahiqq*. In contrast, when *zakat* is paid through BAZ, LAZ or mosques, this requires additional time to distribute it. The third reason is that *muzakki* who pay *zakat* through the BAZ, LAZ or permanent mosque assume that accuracy in determining *mustahiqq* is important. Most respondents indicate that the facility in the payment of *zakat* becomes the main reason for the most *muzakki* who pay *zakat* via BAZ and LAZ. Among the facility mentioned is the availability of *zakat* staffs that take or may be deducted directly from the salary by the finance division, so *muzakki*

receive net salaries. Meanwhile, reason of trust is related to financial reports that are published.

Advantage of *zakat* payments through mosques compared by BAZ and LAZ is close to proximity, while the other reason is no different. Proximity of location is the reason for most *muzakki* who prefer to pay through the mosque. In Malang city, there are 546 mosques. Mosques can be found in all residential area, so they can facilitate payment efficiently and *mustahiq* is the community around the mosque.

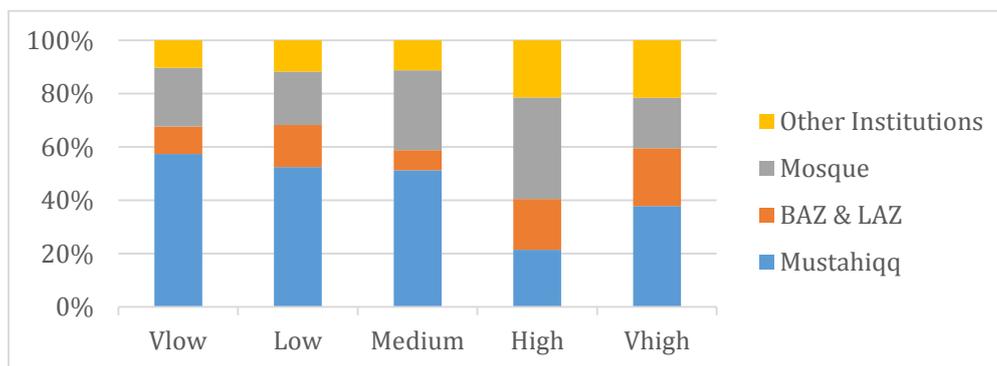


Figure 5. Main method of *zakat* payment based on monthly income

All methods are chosen by all income groups from very low to very high. *Zakat* payment directly to *mustahiqq* is chosen by the highest percentage of all income groups except the high income. Mosque is *zakat* institution which is chosen by the majority of *muzakki* from all income groups except the highest income. Payment of *zakat* through BAZ, LAZ, and other institutions are done mostly by the high and highest income.

Table 9. Relationship between the Selection of *Zakat* Payment Methods and Monthly Income, Education, and Age

	Monthly Income	Education	Age
<i>Pearson Chi Square</i>	26.018	31.372	12.538
<i>Asymp. Sig (2-sided)</i>	0.011	0.000	0.051
<i>Contingency Coeff.</i>	0.248	0.271	0.175
<i>Approx. Sig.</i>	0.011	0.000	0.051

It can be concluded that there is a dependency relationship between *zakat* paying methods which are selected by *muzakki* and their monthly income, because *Asymp. Sig (2-sided)* *Pearson Chi Square* for monthly income is 0.011 (less than 0.05). This means that there are differences in *zakat* paying methods which are selected by *muzakki* among

monthly income groups. The higher income group, the higher *zakat* payment through BAZ and LAZ is, except the high income group and the lower *zakat* payment directly to *mustahiqq*. The relationship, however, is weak (Contingency Coeff. is 0.247).

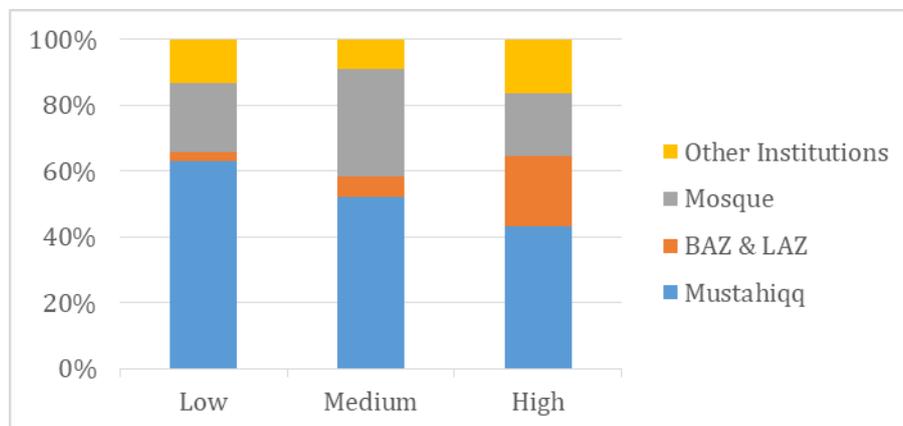


Figure 6. Main Method of *Zakat* Payment Based on Level of Education

Muzakki from all education groups choose all of *zakat* paying methods either directly to *mustahiqq*, or pay through mosque, BAZ and LAZ, or other institutions. *Zakat* payment through BAZ and LAZ is chosen by the majority of *muzakki* who have high education. *Zakat* payments directly and through mosque are done by all of education groups with almost similar percentages. Difference in *zakat* payment methods is supported statistically, Asymp. Sig (2-sided) Pearson Chi Square for age is 0.051 (less than 0.10). Although the correlation level is weak (Contingency Coeff. is 0.175), but it can be said that the higher the level of education the lower percentage of *muzakki* who pay *zakat* directly to *mustahiqq* and conversely the higher percentage *muzakki* who pay *zakat* through BAZ and LAZ.

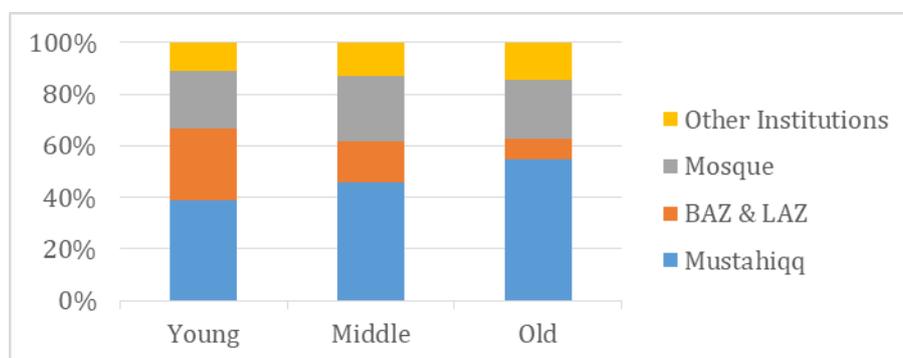


Figure 7. Main method of *zakat* payment based on age

Muzakki in all age groups choose all of *zakat* payment methods. Direct *zakat* payment to *mustahiqq* and through other institutions are done by the majority of *muzakki* who are classified in old groups. *Zakat* payment through BAZ and LAZ are dominated by *muzakki* who are in young age. Difference in *zakat* payment methods is supported statistically by Asymp. Sig (2-sided) Pearson Chi Square for education is 0.051 (less than 0.10). Although the correlation level is low (Contingency Coeff. is 0.175), but it can be said that the higher the *muzakki's* age the higher the percentage of *muzakki* who pay *zakat* directly to *mustahiqq* and through other institutions, conversely the lower percentage of *muzakki* who pay *zakat* through BAZ and LAZ.

CONCLUSION

Muzakki in Malang City pay *zakat* by employing three methods either for apparent or non-apparent assets. First, they pay to *zakat* institutions either formal or traditional (35.66%). Second, they pay *zakat* directly to the *mustahiq* (20.95%). Third, they pay to both *zakat* institution and directly to *mustahiq* together (43.39%). Payment through *zakat* institutions is done not just to one *zakat* institution, but there is also the two even four institutions. Although 79.05% *muzakki* pay *zakat* through *zakat* institutions, but nearly 50% of *muzakki* choose to pay *zakat* directly to *mustahiq* as the main method to pay *zakat*. BAZ and LAZ as formal *zakat* institutions selected by 13.96% of *muzakki*, while the mosque as a traditional *zakat* institution was chosen by more than 24.44% *muzakki* of *Zakat* payment through BAZ and LAZ was done by more *muzakki* who have high monthly income, high level of education, and younger age groups.

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