

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

¹Dr. Muhammad Irfan Khan

²Prof. Dr. Saghir Ghauri

³Sherbaz Khan

⁴Syed Jawwad Ul Hasan

⁵Ramsha Shaikh

Received: September 2022

Accepted: October 2022

Available Online: December 2022

Abstract

This qualitative study adopts content analysis, interview analysis and a review of multidisciplinary literature that primarily relate to zakat institutions, public governance and consumer behavior. Interviews from various Zakat donors, employees of different institutions have given an insight on the people's confidence on that organization. The writing style of this report is thematic with the phenomenological tradition of research is used. The research using a comprehensive qualitative data analysis method to analyze the interview transcription to make the process as scientific as possible. All transcribed information was sifted through identifying significant statements from which meaning were derived. In the next step initial themes were identified from which emerging themes were derived making the approach more robust. The research has proved to be fruitful as it concluded that most trust of people is on Islamic institutions. Banks are opted to be the lowest ranked in confidence of people. The recommendations are also being provided so that the concerned organization look in to improve their services.

Key Words: Muzakki, Mustahiq, Non-Governmental Organization (Ngo's), Religious Institutes (Madrasas), Poverty.

1. Introduction

Poverty rate is calculated by seeking out the percentage of lower-middle income class people who have an income below \$3.2 per day in Pakistan according to the international poverty line standards. According to World Bank report issued in April of 2020, the poverty ratio declined in the period of 2001 – 2015. This ratio started to elevate slowly again after the macroeconomic crises of 2015. According to the survey of World Bank in year 2015 the poverty rate was 24.3. In the year 2018 business recorder estimated the poverty rate of Pakistan to be at 31.3%. World Bank estimated that the poverty rate has been increased to 39.3 % in the fiscal year of 2020-2021. This horrifying trend may be effected from the Covid-19 will decrease in coming years but the

1. Chairperson, Associate Professor, Dept. of Business Admin, Jinnah University for Women. drirfankhan2015@gmail.com
2. HoD, Professor, Dept. of Commerce and Economics, Jinnah University for Women. saghir.ghauri@gmail.com
3. Faculty of Business Admin, Jinnah University for Women. analyzeus@gmail.com
4. Iqra University, Hasan95@gmail.com
5. Jinnah University for women shaikhramshasultan@gmail.com

damage has been done. In order for Pakistan to step out of this negative trend and find economic stability the people must step in to help out the needy. Few of the Muslim countries all over the world have found the right scheme to cater this problem, the Islamic law of Zakat. It is an obligatory duty for any Muslim having wealth more than each year nisab to give 2.5% of his share to the needy. The question arises for Pakistan, with this trend of poverty, how will people zakat alleviate poverty? Stating the article of Arab news, Pakistan collected \$600,000 only in the Ramadan month of 2020 but the needs are close to \$8,073,026. This study tries to find out the issue mentioned above, why does Pakistan being so capable of generosity fails to meet the target and in reducing poverty.

Muslims make the 24.9% of world population. The second highest in the world after Christianity. This estimate shows that a significant amount of people living on this earth must exercise the five pillars of Islam. The third important pillar is the Zakat, which is the obligatory payment of a percent share of a person's wealth if having more than nisab (Al-Salih, 2020). The rules (nisab) for a person to become a zakat payer (Muzzaki) are guided well through the Islamic literature. The Zakat has been emphasized together with Prayer 22 times, this shows that the rights towards other Muslims (Mustahiq) is as important as worshiping All Mighty Allah (Abdul Wahid Al-Faizin, 2017).

The very first mustahiq of zakat should be the people closer to the family circle provided if not belonging to the descendants of Hazrat Muhammad (S.A.W) (Sayyids). They have the very first right to be paid a part of one's zakat. If there is no one eligible for zakat in family, one should find such people in neighborhood. These are the opportunities for a Muslim to fulfill Allah's Command. The Governments have also generated regulated zakat system in some countries like Pakistan, Saudi Arabia, Malaysia and Sudan but their successes have different story to tell (Abdulsalam Ahmed Sawmar, 2021).

The research on the social impacts of zakat as materialistic economic benefits are numerous. The psychological impacts are also been discussed in few research papers (Abdul Wahid Al-Faizin, 2017). The economic stability of the countries applying the zakat model of transference of money is also discussed in case of countries like Saudi Arabia and Malaysia (Al-Salih, 2020). Some of the countries have strong governance and they reap the rewards by instilling the people with high zakat compliance.

The relationship between good governance and its organizational performance has been researched in study of Fadilah (2013). The governance is then measured for its impact of people being compliant to pay zakat is studied in the study of Abdul Salam (2021). The social welfare due to zakat of the people of Saudi Arabia have been studied in the study of Al-Salih (2020). The way Malaysia have controlled poverty rate through Zakat has been researched in the study of Zulkifli (2021). A concept of productive zakat has been highlighted in the study promised to find ways of reducing poverty in Indonesia (Nur Kholis, 2021).

However, with such depth in the information of all the papers, it has been comprehended that there is a literature gap in evaluating Pakistan governance and zakat collection techniques.

Pakistan have 3 main zakat depositing sectors, where people pay their zakat and fulfill their duty. These 3 institutions are government established banking system, Non-Governmental Organizations (NGO's) and religious institutes like Madrasa's and Tableeghi Jamaats. The Government contributes in collecting the zakat in every banks, from there State bank distributes it to the Mustahiqeens (Miao, M., Jalees, T., Qabool, S., & Zaman, S. I. 2019).

Despite the efforts of Faiz Muhammad and Muhammad Anwar (1991) who highlighted prospects of poverty through the existing Zakat system, Pakistan have not managed to eliminate poverty.

This research paper aim to answer the *why* prospect of the very important question given above. In the last 230 years since the paper above is published there has been a serious increase in poverty (Jiang, Y., Xiao, L., Jalees, T., Naqvi, M. H., & Zaman, S. I. 2018).

The factors may be various like unemployment rate, literacy rate, inflation rate but the countermeasure will be the support from someone to help the underprivileged. The research problem, the research questions and the Research objectives are presented in this section.

1.2 Research Problem

This study aims to explore the Muzzaki Behavior in selection among the Zakat Mustahiq Institutions (Madaris or Religious Schools), Government Institutions for Zakat Distribution and the Zakat Distribution Institutions in form of NGO's in an attempt to help alleviate poverty in Pakistan.

1.3 Research Question

- What organization are people going to deposit their zakat?
- What are the confidence levels for each institution among the Muzzaki?
- Why do the consumers choose each organization for their Zakat?
- Why do the consumers have low / high confidence on any particular institution?
- What is wrong with the low confidence institution?
- What does the institution with high confidence do right to have such trust in the society?
- Does these societies really helping in alleviating the lives of poor and needy?

1.4 Research Objectives

- To understand the confidence levels for each institution among the people of Pakistan.
- To find the reasons on how Saudi Arabia and Malaysia have reduced poverty
- To find out the reasons why Pakistan is lagging behind the aforementioned countries
- To facilitate the readers on the reasons for low confidence on any institute.
- To suggest the institutions how to work together in the pursuit to reduce poverty altogether.

2. Literature Review

Dogarawa (2008) argues that the relationships in today's world have been changed to the economical equivalent of monopoly. The one with the most wealth will always be followed in order to get constant approvals from the elite. However, Islam has always stated to bring a social equality by all means. Islam although does not stops you to earn more and more but it gives you a moral compass to be followed. Zakat is one of those instruments that keeps the money regulating. The paper gives the rich members of the society encouragement to pay their obligatory dues that will benefit society as a whole.

There are various other studies about the particular subject like, Mian. A & Muhammad. A (2014) declared poverty as the curse and threat to any nation. They claim that zakat is the only solution

for Pakistan to get through it. They showed an inverse relation in the poverty and zakat funds. The more the funds the less the poverty. However, they are not so convinced by the current method of zakat distribution and have stated some of the amendments that can help Pakistan in short and long run both.

Theodossiou, T (2015) in his study shows a positive inclination towards the Islamic fundamental law. He states that a centralized system is the key for strong macroeconomics of any Islamic country. Unfortunately, this is the hardest to achieve for any government of the Muslim nations. The people pay zakat where there is more appeal to them, hence the government ends up with less money than there should be.

Gul, W. (2015) seems to be unhappy about the education levels of rural cities of Pakistan. The author weighs in the impact of Ngo's to the development of the cities and site very less improvement. The controversies have also gas light the operations of Ngo's but still they claim success in rural areas.

Al-Farizin (2017) studied the social aspect of zakat as a system. The Author states that the zakat should be made obligatory by the government and must be handled carefully. The author also argues in the qualitative study made on tafsir of Quran Surah Al Tawbah that if one organization is responsible for handling the zakat there will be a balance between the lives of Mustahiq and Muzakki. Furthermore, author also suggests that this kind of balance will help the countries enhance serenity and love among the people. (Al-Farizin, Insani, Widiastuti, 2017)

Ghani, et. Al (2018) highlighted the perception of people to the country's zakat institutions. They concluded that the trust among the payers of zakat should be of utmost priority to any zakat collecting institutions. This will not only help the institution to get more and more zakat but also boost their acceptability among the people (Miao, M., Jalees, T., Zaman, S.I., Khan, S., Hanif, N.-u. and Javed, M.K. 2021). The authors suggested that if diligence of the zakat payers (Muzzaki) is increased there's a chance of sustainability in developing countries. (Ghani, Aziz, Tajularifin, Salmagundi, 2018)

The study of Abbas, S. K., Hassan, H. A., Asif, J., & Zainab, F. (2018) which highlights the income relationship with poverty and formulates the average daily income must be higher than \$1.90. This claim is backed by a quantitative research where they have taken the time series data of Pakistan from year 1987 to the year 2013. The data consists of inflation rate in the given era and the Consumer price indexes (CPI's) of Pakistan(Khan, S., Rashid, A., Rasheed, R. and Amirah, N.A. 2022).

Al-Salih (2020) studied the social welfare of Saudi Arabia and its economic stability through zakat system. The author adapts the qualitative research by examining the historical archives and modern day studies. The author shares the concern of less studies in collaborating the for topics of Muslims way of life and values, the welfare of the people, the sustainability of economy and the mathematical bookkeeping. Still the author shares the knowledge in summarized way and concluded that the Saudi Nationals have gained a lot due to their system of zakat.

Sawmar & Muhammad (2021) studied if there is a connection between the zakat regulatory authority and the Muzzaki compliance. They concluded that there are four factors that are responsible for a person to trust an institute for his compliance of Zakat. These four include the leadership qualities, percentage of transparency of the company, their behavior towards stake holder and the way they allocate their resources (Sawmar, Muhammad, 2021). The authors in their study done through content analysis showed that trust goes hand in hand with the compliance of zakat to the government. The authors also state the fact that the model they used will only be applicable on the countries having an established zakat regulatory policy.

Productive zakat is the right way to alleviate the poverty levels of any country. Study shows that the BAZNAS a zakat collecting institute of Indonesia, have been working day in and day out for the proper and strategic distribution system in the country. They have strategized that the zakat money can be used to provide the people opportunity to run their own businesses. The study also suggested that the if zakat is used for venture capital rather than operating expenditures for the Mustahiq, the poverty level will fall. (Kholis, Mugiyati, Bisnis Islam, 2021)

Poverty is function of three factors, less income, insufficiency of things and uncertainty of jobs. This have worse effects on the life style of people as they may experience many social issues and health emergencies(Khan, S., Rasheed, R., Rashid, A., Abbas, Q., & Mahboob, F. 2022).

The quantitative research using SPSS on the data received from the questionnaire through cluster random sampling revealed that there are two ways a Mustahiq can be transformed in a Muzakki. If the assistance is provided in the field of education or business the people will get out of the poverty rate. (Zulkifli, Taha, Awang, 2021)

It is now quite essential for the government to strengthen their zakat moderating institutions but the non-governmental organization have stepped in to carry the burden. The Ngo's micro financing role for the improvement of poverty levels have been discussed through a quantitative approach study. Ab-Rahim. R & Shah. S, (2019) concluded that the Ngo's have proved to be worthy of zakat Mustahiq as they have had a positive impact on Mustahiq income and operations.

The case study of Waseela foundation proves the fears most of the Muzzaki have for their zakat payment. The wrong usage of their zakat money to actually fund the NGO's operations. The authors were assigned to find a way to design the accounting system such a way that he zakat is used for the zakat specific expenses while the donations are used for the funding of NGO's operations. (Ashraf. J, Rauf. A, 2020)

Non profitable organizations are in operation due to the lack of government facilities to the people of Pakistan. While the Ngo's keep on doing the work of government, they sometimes deviated from their original agenda (Agha, A., Rashid, A., Rasheed, R., Khan, S., & Khan, U., 2021). This lead to the people to criticize the working ethics of an institution they give donations openheartedly. Government introduced strict monitoring protocols and policies for their operations. The authors analyzed those policies and gave some recommendations for the policy makers. (Nisa. F, Kamran, M, Khan. A, 2021)

The Ngo's have been working tirelessly to eradicate poverty in all parts of Pakistan. But the people of a region of Sindh according to the study thinks pessimistic about the Ngo's activities to raise their living standards. The living standards according to the study should be increased by having a robust strategy in pursuit of alleviation of poverty. (Ali. S, Shah. A, Khaskhely. M, Khatoon. S, Abro. I, Latif. D, 2021)

The above study of literature gave the author some ideas that will be used in recommendations along with the authors own ideas. The author tried to look in to the appeal of Zakat Mustahiq as mentioned by Theodossiou. T (2015). This qualitative study will look on to build on this ground that measure the appeal or trust of people on any of the zakat institutions of Paksitan.

3. Methodology

The research paper takes inspiration from the work of Mehdi Ghafoury (2020). The tradition for this kind of research is phenomenological within the domain of qualitative research that is looking answer for the question why the Muzzaki is not trusting few of the organizations. The Sample size of five interviews from people of different stages of life. The questions were asked from two men

and 3 women. The ages of the respondents were diversified having ages from 25 to 56. As soon as we reached a common census or as soon as we get a similarity in data we stopped conducting interviews (Rashid, A., Rasheed, R., Amirah, N.A., Yusof, Y., Khan, S., & Agha, A. A., 2021). The interviews were conducted from telephonic conversation to face to face meet ups. The two interviews were conducted from people living outside Karachi so telephonic interview was conducted. The researchers have used field notes for recording the interview. As the interviews were conducted in Urdu language so the responses were translated and written down verbatim on the spot using google forms as the tool. There were 25 questions overall in the interview which were targeted on 4 major themes.

The questions aimed to find out how much the respondent know about the bank collection and distribution of zakat techniques. Furthermore, it also tries to figure out the perception of people about NGO’s disbursing the money collected on the name of zakat correctly. The working and operations of the Madrasas needs money and for that madrasa seeks out Muzzaki to help them. The questions tried to pick the brain of people if they consider them a zakat mustahiq or not. The questions also seek out the processes involved when a person is eligible to pay zakat.

As stated in the first line the steps for analysis is also inspired from the work of Mehdi Ghafoury (2020). The work steps he provided till finding out the cluster theme is conducted in this study. In the study the author referred Colaizzi’s (1978) method for analyzing data that can be divided in to these steps:

Step 1: The author must read the transcripts of the interviews various times to get the understanding of each respondents feeling and personality.

Step 2: The author must find out the significant statements that have a real value from the whole interview of each respondent.

Step 3: The author must try to give a meaning to the long complex statement in a way that the formulated meaning gives the best gist of the significant statement.

Step 4: It is now author’s job to find out similar formulated meaning from the list and combine them together to group them in initial themes.

Step 5: Use these initial themes to further group them in cluster themes that will give the researcher the firm solution and aspects of the study.

Although the steps continued to find the thematic map of the research, but the study opts to do the above mentioned 5 steps. The next section of this study dives in to the above steps and tries to figure out the answer of the research questions given above (Khan, S., Rashid, A., Rasheed, R. and Amirah, N.A. 2022).

4. ANALYSIS AND DISCUSSION

Significant Statements

Significant Statements about Banks									
<u>1</u>	<u>Q</u>	<u>2</u>	<u>Q</u>	<u>3</u>	<u>Q</u>	<u>4</u>	<u>Q</u>	<u>5</u>	<u>Q</u>
Banks and other institutions submit the collection to State Bank, hence the government, which at least the current government is	4					I don't like to share my zakat in banks. Because I want to give my zakat to some chosen people. I have filled a zakat non deduction form	4	This should not happen, one should not force people to deduct the zakat, especially where there is little trust about it.	12

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

utilizing in many seen projects.

so that they don't deduct my precious money.

There is no mistrust on banks people just don't want to pay zakat and even the bank managers provide less education to their customers	17	Because the mostly don't show where they spend	17	Riba is associated with Banking which makes the actions of banks questionable. So I don't feel right giving my zakat to such questionable organization	17	Their model for the distribution is ambiguous, People do not know if their money is spent well or not. So a huge mistrust. state bank being a government organization so mistrust of government reflects on zakat too	17
--	----	--	----	--	----	---	----

Significant Statements about Madrasa

I have rarely given, reason lack of trust due to their own deeds	5	Yes, because these institutes are nominated for zakat in shariah. These converts into sadqa e jariah	5	I trust as I think religious scholars will not withheld it being an embodiment of Islam	19	They have the knowledge about the right ways to spend zakat due to Islamic background I feel completely happy when my zakat lands there	19	There is huge trust on religious institutions as you can see it being spent on people who needs it	19
--	---	--	---	---	----	---	----	--	----

Yes a heavier chunk should be distributed to religious institutions as it will enhance the ease to those institutions in order to spread Islam.

Significant Statements about NGO's

There are very few because mostly are run by unprofessional	7	Any organization where management really know Islamic laws related to zakat distribution	9	Advertising their deeds will evoke others also to serve humanity.	10	As explained above, I do not think they can be trusted with your zakat. So whenever I pay them some money I assume half of it is been	7	There are some NGOs that are doing a great job in utilizing the resources where they are needed just like, Sarim Burney, JDC and others.	6
---	---	--	---	---	----	---	---	--	---

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

counted as zakat and other half as kherat.

Some are genuine and their word / mission needs to reach every corner	10	NGOs are really working upon their abilities. Their operations are need based. And these may be reflexed upon their activities and campaigns	6	I think positively towards NGO's as they serve humanity.	6	It should not happen like that. But for the motivation of people I think its okay. Allah said do not let your other hand know if you do well from one hand.	10	I am strictly against such people. This is because they are not keeping the veil on those people they help. This gives them a negative feeling and it should be done quietly.	10
NGO is consider as a foreign projects hence the mistrust	18	Not fully mistrust not so MUCH TRUST. I see an equal because many people need to pay zakat as compulsory instrument to pay. But pay whole and sole to a single unit to NGO to make it hassle free.	18			I cannot trust them 100% so i will say its 50 50. Zakat is a Muslim tradition and should be given to Muslims. I have doubts they fulfill this. I think their distribution is doubtful to me. Giving their zakat to non-believers.	6	Yes, I sometimes agree with this statement, as NGOs are open to humanity, it may spend your money of zakat to non-Muslims that are not the Mustahiq of zakat specially. this can corrupt your calculations.	15

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

Significant Statements about Zakat Process									
The formula is simple, yes measuring the wealth can be tricky, as the actual gold in the ornaments is less then shown	11	Very good while its very much distributed to real needy	2	It is very liable as in most of the sects it is automatically deducted from the account at a particular time of year.	2	It's good in religious manner but I have some reservations about Pakistan management. If the zakat is managed and distributed in right manner and according to Allah directives. The poverty will be nowhere to be seen.	2	I cannot say much about it. Most of the people are giving their zakat just for getting a religious obligation done. They do not work to find real needy people, they give their zakat to institutions and organizations but they do not think about their relatives much.	2
Yes when a Maulana be a Maulana and not thrive for power	20	Yes. Most people use their default forms and default distribution list which they have used last years	11	No amount can be substantial as there is so much poverty, though if it will be given by everyone it would definitely.	21	It's easy as we can calculate it personally, but there are people (like jewelers) who can do it for you. All you need to know is your assets and your liabilities.	11	We should make sure that the zakat should go to the real needy people through your own hand. This gives you a satisfaction of your deed. If you give these Organizations zakat, it is unsure and unsatisfying that where this money will go.	3
There is and there never will be enough. If everyone pays what he owns to the Almighty things might be better	21	Even distribution of wealth and timely take to distribute this will certainly help BUT to really needy people not those people who take this professionally	24	Yes, since most of the people are not aware that how much important and necessary is to pay zakat so the law that we have that it should be deducted directly from account will compel.	22	They need to be transparent in their work. Show their complete collection to the people, show their complete distribution to the people. All big companies are needed to disclose their earnings; NGOs should be treated like that.	20	Yes, it can, but one has to make sure that the process is clean and visible to people. If everything checks out, people can trust government.	20

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

If Quran is not sufficient to make one understand What else fear is possible	22	If all those who are well off ,pay Zakat this will definitely eradicate poverty because God's system is always flawless	24	If the trust of people lies in government things could have been better but due to the questionable work of previous governments this is very hard to repair.	21	Giving them food is not the solution, giving them businesses to run will eradicate poverty. Education sector should also be improved.	24
				The ideal model would have been the government collecting information about the mustahiq and then urging the people to deposit in one account so the amount is divided and distributed evenly.	24		

Formulated Meaning

S. No	Significant Statement Regarding Banks	Formulated Meaning
1	Banks and other institutions submit the collection to State Bank, hence the government, which at least the current government is utilizing in many seen projects.	The Respondent Believe that State Bank is now utilizing Zakat for good cause.
2	There is no mistrust on banks people just don't want to pay zakat and even the bank managers provide less education to their customers	The Respondent believe that the Bankers are less concerned about Zakat Collection.
3	Because the mostly don't show where they spend	The Respondent seeks Transparency.
4	I don't like to share my zakat in banks. Because I want to give my zakat to some chosen people. I have filled a zakat non deduction form so that they don't deduct my precious money.	The Respondent shows an aggression towards Bank Zakat Collection.
5	Riba is associated with Banking which makes the actions of banks questionable. So I don't feel right giving my zakat to such questionable organization	The Respondent associates Riba with banking, making it non-preferred organization.
6	This should not happen, one should not force people to deduct the zakat, especially where there is little trust about it.	The Respondent feels concerned about the people money used without their will by banks.
7	Their model for the distribution is ambiguous, People do not know if their money is spent well or not. So a huge mistrust. state bank being a government organization so mistrust of government reflects on zakat too	The Respondent thinks corruption in government will likely be happening all around the institutions, so their money is not safe.

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

	Significant Statement Regarding Madrasa	Formulated Meaning
1	I have rarely given, reason lack of trust due to their own deeds	The Respondent shares his mistrust over Madrasa's due to their wrong deeds.
2	Yes, because these institutes are nominated for zakat in shariah. These converts into sadqa e jariah	The Respondent believe that religious organizations should be priority.
3	I trust as I think religious scholars will not withheld it being an embodiment of Islam	The Respondent shares her believe on Religious scholars being pious enough to refrain from illegal usage of Zakat Money.
4	They have the knowledge about the right ways to spend zakat due to Islamic background I feel completely happy when my zakat lands there	The Respondent shares her believe on Religious scholars being educated enough to know the right usage of Zakat Money.
5	There is huge trust on religious institutions as you can see it being spent on people who needs it	The Respondent believes that the people getting zakat are benefiting.
6	Yes a heavier chunk should be distributed to religious institutions as it will enhance the ease to those institutions in order to spread Islam.	The Respondent believes that zakat in such organization will help spread Islam
	Significant Statement Regarding NGO's	Formulated Meaning
1	There are very few because mostly are run by unprofessional	The Respondent believes that such organizations are inadequate for the job.
2	Some are genuine and their word / mission needs to reach every corner	The Respondent thinks that the real mustahiq organizations should be promoted.
3	NGO is consider as a foreign projects hence the mistrust	The Respondent shares the common Norm of people considering NGO's are financing foreign countries.
4	Any organization where management really know Islamic laws related to zakat distribution	The Respondent emphasizes on the organizations following the Islamic laws for zakat
5	NGOs are really working upon their abilities. Their operations are need based. And these may be reflexed upon their activities and campaigns	The Respondent feels that NGO's are working to the maximum limit.
6	Not fully mistrust not so MUCH TRUST. I see an equal because many people need to pay zakat as compulsory instrument to pay. But pay whole and sole to a single unit to NGO to make it hassle free.	The Respondent feels people are seeking easy ways, so they give away all zakat to one institution.
7	Advertising their deeds will evoke others also to serve humanity.	The Respondent wishes that advertisement can make others realize their duty towards humanity.
8	I think positively towards NGO's as they serve humanity.	The Respondent is happy about the NGO's work.
9	As explained above, I do not think they can be trusted with your zakat. So whenever I pay them some money I assume half of it is been counted as zakat and other half as kherat.	The Respondent is skeptical about the functionality of NGO.
10	It should not happen like that. But for the motivation of people I think its okay. Allah said do not let your other hand know if you do well from one hand.	The Respondent thinks that the intention should be aligned to inspire people not advertise themselves.
11	I cannot trust them 100% so i will say its 50 50. Zakat is a Muslim tradition and should be given to Muslims. I have doubts they fulfill this. I think their distribution is doubtful to me. Giving their zakat to non-believers.	The Respondent believes that NGO's work for humanity, so their distribution of Zakat is Questionable.
12	There are some NGOs that are doing a great job in utilizing the resources where they are needed just like, Sarim Burney, JDC and others.	The Respondent shows believe on some NGO's that promote themselves by advertising.
13	I am strictly against such people. This is because they are not keeping the veil on those people they help. This gives them a negative feeling and it should be done quietly.	The Respondent is concerned about the Beneficiary of Zakat integrity, if the organization is promoting their work.

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

14	Yes, I sometimes agree with this statement, as NGOs are open to humanity, it may spend your money of zakat to non-Muslims that are not the mustahiq of zakat specially. This can corrupt your calculations.	The Respondent is concerned about the money being used elsewhere.
	Significant Statement Regarding Zakat Process	Formulated Meaning
1	The formula is simple, yes measuring the wealth can be tricky, as the actual gold in the ornaments is less than shown	The Respondent deems calculations of Zakat to be easy, provided a correct Measure of wealth.
2	Yes when a Maulana be a Maulana and not thrive for power	The Respondent believes that Religious Scholars should stick to their job.
3	There is and there never will be enough. If everyone pays what he owns to the Almighty things might be better	The Respondent is unsure if there can be a way to eradicate poverty and hopes people do their job
4	If Quran is not sufficient to make one understand What else fear is possible	The Respondent believes that the Quran is enough to compel people to pay zakat.
5	Very good while its very much distributed to real needy	The Respondent Thinks zakat as religious duty is essential if distributed correctly.
6	Yes. Mostly people use their default forms and default distribution list which they have used last years	The Respondent Highlights the fact that people have made their zakat ledger which helps them each year for calculating Zakat.
7	Even distribution of wealth and timely take to distribute this will certainly help BUT to really needy people not those people who take this professionally	The Respondent weighs on the importance of effectively distribution of Zakat.
8	It is very liable as in most of the sects it is automatically deducted from the account at a particular time of year.	The Respondent is satisfied with the yearly deduction of Zakat by banks.
9	No amount can be substantial as there is so much poverty, though if it will be given by everyone it would definitely.	The Respondent shares her concern about the high level of Poverty and Hopes for best.
10	Yes, since most of the people are not aware that how much important and necessary is to pay zakat so the law that we have that it should be deducted directly from account will compel.	The Respondent Believes stringent actions from government Should be taken for collecting zakat.
11	If all those who are well off ,pay Zakat this will definitely eradicate poverty because God's system is always flawless	The Respondent is hopeful that Zakat if properly distributed will help reduce poverty.
12	Its good in religious manner but I have some reservations about Pakistan management. If the zakat is managed and distributed in right manner and according to Allah directives. The poverty will be nowhere to be seen.	The Respondent is not happy with current Pakistan zakat collection and distribution.
13	It's easy as we can calculate it personally, but there are people (like jewelers) who can do it for you. All you need to know is your assets and your liabilities.	The Respondent believes Zakat Calculations are easy over the known assets.
14	They need to be transparent in their work. Show their complete collection to the people, show their complete distribution to the people. All big companies are needed to disclose their earnings; NGOs should be treated like that.	The Respondent Shares her solution for improving trust on NGO's is to be Transparent
15	If the trust of people lies in government things could have been better but due to the questionable work of previous governments this is very hard to repair.	The Respondent thinks that Banks can never be trusted due to government influences.

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

16	The ideal model would have been the government collecting information about the mustahiq and then urging the people to deposit in one account so the amount is divided and distributed evenly.	The Respondent admits that the way to reduce poverty is a single institution governing all other institutions.
17	I cannot say much about it. Most of the people are giving their zakat just for getting a religious obligation done. They do not work to find real needy people, they give their zakat to institutions and organizations but they do not think about their relatives much. Similarly, the zakat institutions are benefiting from such people but we cannot see people getting out of poverty.	The Respondent have mentioned that the intentions of people paying zakat have shifted just to get rid of a religious duty.
18	We should make sure that the zakat should go to the real needy people through your own hand. This gives you a satisfaction of your deed. If you give these Organizations zakat, it is unsure and unsatisfying that where this money will go.	The Respondent weighs on the importance of distributing zakat from own hands.
19	Yes, it can, but one has to make sure that the process is clean and visible to people. If everything checks out, people can trust government.	The Respondent Claims that transparent management of funds will help NGO's.
20	Giving them food is not the solution, giving them businesses to run will eradicate poverty. Education sector should also be improved.	The Respondent believes that the poverty will only be eradicated if the money is used to make people self-employed, educated and well-skilled.

Initial Themes

Formulated Meaning	Initial Themes
The Respondent Believe that State Bank is now utilizing Zakat for good cause.	The Respondent had less knowledge of Banks Zakat Distribution Programs.
The Respondent believe that the Bankers are less concerned about Zakat Collection.	
The Respondent seeks Transparency.	
The Respondent shows an aggression towards Bank Zakat Collection.	
The Respondent associates Riba with banking, making it non-preferred organization.	
The Respondent feels concerned about the people money used without their will by banks.	
The Respondent thinks that Banks can never be trusted due to government influences.	
The Respondent thinks corruption in government will likely be happening all around the institutions, so their money is not safe.	
The Respondent shares his mistrust over Madrasa's due to their wrong deeds.	
The Respondent believe that religious organizations should be priority.	
The Respondent believes that Religious Scholars should stick to their job.	The Respondent is confident that Religious Institutes with good religious scholar can be a valid recipient of Zakat.
The Respondent shares her believe on Religious scholars being pious enough to refrain from illegal usage of Zakat Money.	
The Respondent shares her believe on Religious scholars being educated enough to know the right usage of Zakat Money.	

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

<p>The Respondent believes that the people getting zakat are benefiting.</p>	
<p>The Respondent believes that zakat in such organization will help spread Islam</p>	
<p>The Respondent believes that such organizations are inadequate for the job.</p>	
<p>The Respondent is concerned about the Beneficiary of Zakat integrity, if the organization is promoting their work.</p>	
<p>The Respondent is skeptical about the functionality of NGO.</p>	
<p>The Respondent thinks that the intention should be aligned to inspire people not advertise themselves.</p>	<p>The Respondent have concerns over the working ethics of the NGO's</p>
<p>The Respondent shares the common Norm of people considering NGO's are financing foreign countries.</p>	
<p>The Respondent believes that NGO's work for humanity, so their distribution of Zakat is Questionable.</p>	
<p>The Respondent is concerned about the Beneficiary of Zakat integrity, if the organization is promoting their work.</p>	
<p>The Respondent is concerned about the money being used elsewhere.</p>	
<p>The Respondent thinks that the real mustahiq organizations should be promoted.</p>	
<p>The Respondent emphasizes on the organizations following the Islamic laws for zakat</p>	
<p>The Respondent feels that NGO's are working to the maximum limit.</p>	<p>The Respondent believes that NGO's should be researched before donating precious Money.</p>
<p>The Respondent have mentioned that the intentions of people paying zakat have shifted just to get rid of a religious duty.</p>	
<p>The Respondent feels people are seeking easy ways, so they give away all zakat to one institution.</p>	
<p>The Respondent wishes that advertisement can make others realize their duty towards humanity.</p>	
<p>The Respondent is happy about the NGO's work.</p>	<p>The Respondent emphasizes on carefully designing the promotional campaigns.</p>
<p>The Respondent shows believe on some NGO's that promote themselves by advertising.</p>	
<p>The Respondent deems calculations of Zakat to be easy, provided a correct Measure of wealth.</p>	
<p>The Respondent Highlights the fact that people have made their zakat ledger which helps them each year for calculating Zakat.</p>	<p>The Respondent Believes that the Zakat Calculation Is very Easy, as it is according to one's wealth</p>
<p>The Respondent believes Zakat Calculations are easy over the known assets.</p>	
<p>The Respondent is not happy with current Pakistan zakat collection and distribution.</p>	
<p>The Respondent is unsure if there can be a way to eradicate poverty and hopes people do their job</p>	
<p>The Respondent shares her concern about the high level of Poverty and Hopes for best.</p>	<p>The Respondent feels a need of Transparency and Effectiveness in Zakat collection and Distribution.</p>
<p>The Respondent is hopeful that Zakat if properly distributed will help reduce poverty.</p>	
<p>The Respondent Thinks zakat as religious duty is essential if distributed correctly.</p>	

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

The Respondent weighs on the importance of effectively distribution of Zakat.	
The Respondent Shares her solution for improving trust on NGO's is to be Transparent	
The Respondent Claims that transparent management of funds will help NGO's.	
The Respondent believes that the poverty will only be eradicated if the money is used to make people self-employed, educated and well-skilled.	
The Respondent weighs on the importance of distributing zakat from own hands.	
The Respondent admits that the way to reduce poverty is a single institution governing all other institutions.	
The Respondent believes that the Quran is enough to compel people to pay zakat.	
The Respondent is satisfied with the yearly deduction of Zakat by banks.	The Respondents feel that Government should manage Zakat Payers every year and keep accounting.
The Respondent Believes stringent actions from government Should be taken for collecting zakat.	
Cluster Themes	
Initial Themes	Cluster Themes
The Respondent has less knowledge of Banks Zakat Distribution Programs.	
The Respondent Links questionable behavior form government reflecting the work in Banks Zakat Management	Low Confidence on Banks.
The Respondent is confident that Religious Institutes with good religious scholar can be a valid recipient of Zakat.	High Confidence on Religious Institutes.
The Respondent have concerns over the working ethics of the NGO's	
The Respondent believes that NGO's should be researched before donating precious Money.	Skeptical but Medium Confidence on NGO's.
The Respondent emphasizes on carefully designing the promotional campaigns.	
The Respondent Believes that the Zakat Calculation Is very Easy, as it is according to one's wealth	
The Respondent feels a need of transparency and effectiveness in Zakat collection and Distribution.	Proper Calculation, Collection, Distribution and Accountability of Zakat.
The Respondents feel that Government should manage Zakat Payers every year and keep accounting.	

5. Conclusion And Recommendation

The people have shown very low confidence on the banks as their zakat distributor. They think that the banks being influenced by government are not the right place to give zakat. The Religious institute have the highest liking and trust among the people. The scholars of each sect are the role model for the people and they get a huge chunk of people zakat. However, there have been cases of misuse of zakat money. The moderate level of zakat is collected by the Ngo's as their functionality have been a question for many stake holders. The study has also concluded that the system for zakat calculation is very easy, but if the organization shows complete transparency and give full disclosures on their deeds, there is a strong possibility that the perception gets changed. The recommendations to these organizations from the authors are i) zakat should be used to

develop under privileged but in reality it is consumed in operations expenditures. So this form of zakat is less productive, if the institute establish businesses from zakat funds that will be productive. Banks and NGO's should be transparent in terms of their zakat collection and distribution. People who do not pay zakat should be forced to do it. A single united organization can implement the programs well if they have registered the Zakat Mustahiqeens. These things will really help Pakistan alleviate poverty ratio in coming few years.

5.1 Implications

It is suggested that any laws that are against Islamic teaching, such as regulations regulating interest, be replaced with Islamic laws, as the Constitution of Pakistan states that no legislation may well be undertaken in Pakistan against the principles of the Sacred Quran & Tradition of the Messenger (P.B.U.H). It is the State's duty to do this according to the constitution, as well as to religious and moral principles. The increased collection of Zakat will assist reduce poverty by increasing economic activity in the country.

Islamic doctrine should be applied holistically in order to produce the best outcomes and protect people from suffering in this life and the next. Islamic tradition and Pakistan's Zakat system's track record since its 1980 introduction suggest that it can help reduce poverty. There was a decline in Pakistani poverty during the initial years after the Zakat system was instituted. While accurate in its initial decade of use, this method eventually failed to replicate the same levels of accuracy. The creation of Zakat commissions and the distribution of Zakat by these committees are plagued by corruption, favoritism, and political interference. An insufficient monitoring mechanism is to blame for these issues. There's also the fact that most people don't trust government agencies, so they're not interested in contributing to Zakat through that channel. Because to this discrepancy, Zakat processes cannot keep pace with the general public's rising standard of living and material prosperity. Fifth, it's crucial that such a massive system be kept from failing. The problems with the current system must be fixed so that modern Muslims can once again reap the benefits that the Zakat system provided during the reigns of Hazrat Umar (R.A.) and Umar bin Abdul Aziz (R.A.).

Citation

- Abdul Wahid Al-Faizin, T. D. (2017). Zakat as an Obligatory System and its Implications for Social Psychology. *International Journal of Zakat*, 43-53.
- Abdulsalam Ahmed Sawmar, M. O. (2021). Enhancing zakat compliance through good governance. *International Journal of Islamic Finance*, 136-154.
- Agha, A., Rashid, A., Rasheed, R., Khan, S., & Khan, U., (2021), Antecedents of customer loyalty at telecomm sector, *Turkish Online Journal of Qualitative Inquiry* 12 (9), 1352-1374, 2021
- Ahmad Bello, D. (2008). Islamic Social Welfare and the Role of Zakah in the Family System. *Munich Personal RePEc Archive*, 1-25.
- Al-Salih, A. N. (2020). The Role of Zakat in Establishing Social Welfare and Economic Sustainability: The Case of Saudi Arabia. *International Journal of Financial Research*, 196-202.
- Anwar, F. M. (1991). Prospects of Poverty Eradication Through the Existing "Zakat" System in Pakistan. *Papers and Proceedings PART II Seventh Annual General Meeting of the Pakistan Society of Development Economists*.
- Erlane K Ghani, A. A. (2018). Effect of Board Management and Governmental Model on Zakat Payers' Trust on Zakat Institutions. *Global Journal Al-Thaqafah*, 73-87.
- Fadilah, S. (2013). THE influence of good governance implementation to organization performance. *International Journal of Social Sciences*, 15-33.
- Fatima Nisa, M. K. (2021). Evaluating Government Policy of Monitoring NGOs in Pakistan. *Mediterranean Journal of Social Sciences*, 50-78.
- Gul, W. (2015). Role of NGOs in Education from Pakistani Context. *RISUS - Journal on Innovation and Sustainability*, 139-145.
- Jiang, Y., Xiao, L., Jalees, T., Naqvi, M. H., & Zaman, S. I. (2018). Moral and ethical antecedents of attitude toward counterfeit luxury products: Evidence from Pakistan. *Emerging Markets Finance and Trade*, 54(15), 3519-3538.
- Khan, S., Rasheed, R., Rashid, A., Abbas, Q., & Mahboob, F. (2022). The Effect of Demographic Characteristics on Job Performance: An Empirical Study from Pakistan. *The Journal of Asian Finance, Economics and Business*, 9 (2), 283 – 294. <https://doi.org/10.13106/JAFEB.2022.VOL9.NO2.0283>
- Khan, S., Rashid, A., Rasheed, R. and Amirah, N.A. (2022), "Designing a knowledge-based system (KBS) to study consumer purchase intention: the impact of digital influencers in Pakistan", *Kybernetes*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/K-06-2021-0497>
- M. Akram, M. a. (2014). Dynamic Role of Zakat in Alleviating Poverty: A Case Study of Pakistan. *Munich Personal RePEc Archive*, 1-45.

A Phenomenological Study to Analyze People Trust over Zakat Mustahiq Institutions

- Mehdi Ghafoury, A. R. (2020). A Phenomenological Study of Customer Disvalue. *Iranian Journal of Management Studies (IJMS)*, 367-390.
- Mehdi Ghafoury, A. R. (2020). A Phenomenological Study of Customer Disvalue. *Iranian Journal of Management Studies (IJMS)*, 367-390.
- Miao, M., Jalees, T., Qabool, S., & Zaman, S. I. (2019). The effects of personality, culture and store stimuli on impulsive buying behavior: Evidence from emerging market of Pakistan. *Asia Pacific Journal of Marketing and Logistics*.
- Miao, M., Jalees, T., Zaman, S.I., Khan, S., Hanif, N.-u. and Javed, M.K. (2021), "The influence of e-customer satisfaction, e-trust and perceived value on consumer's repurchase intention in B2C e-commerce segment", *Asia Pacific Journal of Marketing and Logistics*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/APJML-03-2021-0221>
- Muhammad Faris ZULKIFLI, R. T. (2021). Combating Poverty in Malaysia: The Role of Zakat. *Journal of Asian Finance, Economics and Business*, 505-513.
- Nur Kholis, M. F. (2021). Distribution of Productive Zakat for Reducing Urban Poverty in Indonesia. *International Journal of Innovation, Creativity and Change*, 1-12.
- Rashid, A., Rasheed, R., Amirah, N.A., Yusof, Y., Khan, S., & Agha, A. A., (2021), A Quantitative Perspective of Systematic Research: Easy and Step-by-Step Initial Guidelines, *Turkish Online Journal of Qualitative Inquiry* 12 (9), 2874-2883, 2021
- Redaelli, S. (2020). Poverty & Equity Brief. World Bank Group.
- Sayyed Khawar Abbas, H. A. (2018). HOW INCOME LEVEL DISTRIBUTION RESPONDS TO POVERTY. *Global Scientific Journals*, 131-142.
- Sikandar Ali, A. A. (2021). An Investigation of NGOs' Role in Diminishing Poverty in Sindh. *European Journal of Business and Management Research*, 33-38.