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POTENTIAL AND STRATEGY OF ZAKAT COLLECTION FROM FOREIGN WORKERS

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**THE POTENTIAL AND
STRATEGY OF ZAKAT
COLLECTION FROM
FOREIGN WORKERS**

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The Potential and Strategy of Zakat Collection from Foreign Workers

Despite the fact that zakat collection in several states in Malaysia is increasing every year, the state Islamic councils are expected to carry out innovative approaches and play a proactive role to improve zakat collection among eligible zakat payers. One method that could be imposed by the councils to increase the number of eligible payers is by attracting the number of potential payers among Muslim foreign workers who are working in Malaysia.

The present study attempts to identify the level of understanding and the practice of foreign workers as regards to zakat and fitrah in the Federal Territory; to identify the amount of potential collection and number of foreign workers in the Federal Territory who are zakat payers; to recommend the best zakat collection management and marketing strategy to attract foreign workers in the Federal Territory to pay zakat of income and fitrah at the Zakat Collection Center (PPZ); and to analyze the factors that contribute to the probability of Muslim foreign workers choose to pay zakat and fitrah in Malaysia.

The survey was undertaken via a questionnaire designed to be completed by random respondents, who are the Muslim foreign workers in Federal Territory regardless of the professions, which range from low-skilled workers to high-skilled workers. Two areas under the Federal Territory (Wilayah Persekutuan) namely Kuala Lumpur and Putrajaya are involved. The usable data collected is 426. Methods of analysis are used in the study including descriptive analysis, cross tabulation analysis with the use of Chi-square tests, correlation analysis, steps in estimation of potential zakat collection and regression analysis. The findings show that despite good general knowledge and awareness of foreign workers on zakat, they have very limited knowledge and awareness on zakat system in Malaysia. Majority of respondents is paying zakat fitr during Ramadhan but barely paying other types of zakat. In all cases of zakat, foreign workers in study are paying zakat in their own countries but majority of them are willing to pay zakat in Malaysia in the future.

As of method of collecting zakat, 'moving counter' is the highest preferable method of zakat collection among respondents and 'electronic media' is chosen as the best marketing strategy that zakat institutions should adopt to attract more zakat payers. It is also estimated that potential collection of zakat income from Muslim foreign workers in

2019 is between RM100,125,448 and RM115,482,862. It is forecasted that by 2020 onwards, the amount of potential zakat income collection is between RM131,018,9006.70 and RM151,115,017.60 per year. The regression analysis shows that probability of paying zakat income among foreign workers is higher among male workers, highly educated workers and those who have knowledge about zakat income.

The probability that foreign workers opt to pay zakat fitr is higher among those with better knowledge about this type of zakat. Besides, the likelihood that foreign workers will pay zakat in Malaysia in the future is lower for those who have professional/PhD education and the likelihood is higher if the reason of not paying zakat in Malaysia is 'do not have knowledge on how to pay zakat in Malaysia'. The results imply that if proper education and knowledge is imparted to the Muslims, citizen or non-citizen, the zakat system in Malaysia can plan a far greater role in empowering the economics of the Ummah. The statistics imply the importance of building confidence and trust among foreign workers on Malaysian system of zakat collection.

The efforts should be taken by both authorities and zakat institutions to well develop good and efficient method of zakat collection among foreign workers. The religiosity factor has to be addressed carefully to at least to change Muslim foreign workers outlook in life to become potential zakat payers. The mosque is recognized as an important Islamic institution to act as a catalyst in the evolution of zakat management in Malaysia. Nonetheless, target of potential zakat collection should be more on higher educated foreign workers by giving special incentives to them if they are paying zakat in Malaysia.

Keywords:

Zakat Collection, Foreign Workers, Federal Territory, Business Strategy

PART 1

Introduction

The statistic from United Nations had shown the increasing and growing pattern of international migration. In fact, the total migrants in OECD countries has exceeded around 113 million, whereas in the stock of migrants in Asia is more than those in the European Union by more than 71 million (OECD, 2014¹; United Nations, 2013²). Besides, there are many positive roles played by these migrants like as a channel of transferring new knowledge and technologies, facilitate relations of international trade and generate important remittance flows to their home countries. Consequently, the international migration is increasingly recognized as the important driver of growing levels of interconnectedness and interdependency in the economy of the world (Longhi, Nijkamp, & Poot, 2005³; International Organization for Migration [IOM], 2008⁴).

Through decades, the research on the international migration has emerged into the economic impact of foreign workers from the traditional research that only focused on static labour impacts. Particularly, many studies have followed an approach of spatial correlation started by Hatton (2014)⁵ that addressing the question whether the increasing of migrants in labour supply in regional labour markets within host countries could decrease the level of employment and wages among local workers (Borjas, 1994⁶; Kerr & Kerr, 2011⁷). Overall, the evidence indicates that regions which faced negative labour market effects from migrants are modest or absent (Card, 2005⁸; Kerr & Kerr, 2011).

Moreover, there are limited studies that showed migrants with special skills and experience contributed directly to the firm's or industry's performance. Firm can gain more benefits from these migrants in the form of productivity improvement (Aleksynska & Tritah, 2015⁹; Markusen & Trofimenko, 2009¹⁰).

In this present study, we extend the research of economic benefits gained by Malaysia from the international migration in terms of the collection of Zakat among the migrant workers specifically in Federal Territory such as Kuala Lumpur and Putrajaya. Interestingly, Malaysia is a developing country that have around 25 percent of South-East Asia's migrant workers representing 9 percent of its population (World Bank, 2013¹¹).

Problem Statement

Zakat or tithe is a payment that must be fulfilled by Muslims all over the world. The purpose is to assist the less fortunate, as all of the collected payments will be distributed to different channels and handed to those who need it most. In Islam, Zakat is one of the best tools in improving the economy of the citizens. Since the period of Prophet Muhammad (PBUH), Zakat institution emerged and helped the poor and grew the country's economy. Through the education and awareness of huge benefits from giving Zakat in this world and hereafter, most Muslims in that era compete each other to be Zakat givers rather than Zakat receivers. Zakat or tithe is a payment that must be fulfilled by Muslims all over the world. The purpose is to assist the less fortunate, as all of the collected payments will be distributed to different channels and handed to those who need them the most.

According to data tabulated by the Department of Awqaf, Zakat and Haj (Jawhar), the total collection for all 14 states in Malaysia in 2012 was RM1.9 billion. This was considered as low as compared to the ratio of eligible payers. It was insufficient to cover the needs of all zakat receivers which were also on the rise. The state Islamic councils are expected to carry out innovative approaches and play a proactive role to improve zakat management.

1. OECD, (2014). *International Migration Outlook 2014*. Paris: Organisation for Economic Cooperation and Development.
2. United Nations, (2013). *Trends in International Migrant Stock: The 2013 Revision*. New York: United Nations.
3. Longhi, S., Nijkamp, P., & Poot, J. (2005). A Meta-Analytic Assessment of the Effect of Immigration on Wages. *Journal of Economic Surveys*, 19(3), 451-477.
4. IOM. (2008). *World Migration Report 2008: Managing Labour Mobility in the Evolving Global Economy*. Geneva: International Organization for Migration.
5. Hatton, T. J. (2014). *The Economics of International Migration: A Short History of the Debate*. *Labour Economics*, 30, 43-50.
6. Borjas, G. J. (1994). *The Economics of Immigration*. *Journal of Economic Literature*, 32(4), 1667-1717.
7. Kerr, S. P., & Kerr, W. R. (2011). *Economic Impacts of Immigration: A Survey*. *Finnish Economic Papers*, 24(1), 1-32.
8. Card, D. (2005). *Is the new immigration really so bad?* *The Economic Journal*, 115(507), F300-323.
9. Aleksynska, M., & Tritah, A. (2015). *The heterogeneity of immigrants, host countries' income and productivity: A channel accounting approach*. *Economic Inquiry*, 53(1), 150-172.
10. Markusen, J. R., & Trofimenko, N. (2009). *Teaching locals new tricks: Foreign experts as a channel of knowledge transfers*. *Journal of Development Economics*, 88(1), 120-131.
11. World Bank. (2013). *Immigration in Malaysia: Assessment of its economic effects, and a review of the policy and system (Human Development Social Protection and Labor Unit East Asia and Pacific Region)*. Washington, DC: Author.

One method that could be imposed by the councils is to increase the number of eligible payers by attracting the number of potential payers among Muslim foreign workers who are working in Malaysia. Foreign Muslims working in Johor, for example, are not exempted from paying their zakat fitrah and it is obligatory for them to pay their dues in Johor instead of in their countries of origin. This is because they work and reside in Johor and receive their monthly salaries there. The implementation of this exercise should be widened to other states in Malaysia including the Federal Territory which is also the focusing state among foreign workers in Malaysia.

Objectives of study

The objectives of this study are as follows:

- 1) To identify the level of understanding and the practice of foreign workers as regards to zakat and fitrah in the Federal Territory.
- 2) To identify the amount of potential collection and number of foreign workers in the Federal Territory who are zakat payers.
- 3) To recommend the best zakat collection management and marketing strategy to attract foreign workers in the Federal Territory to pay zakat of income and fitrah at the Zakat Collection Center (PPZ).
- 4) To analyze the factors that contribute to the probability of Muslim foreign workers choose to pay zakat and fitrah in Malaysia.

Hypotheses of study

For the present study, several hypotheses are developed based on the above research objectives. The hypotheses are as following:

- H₀1: Muslim foreign workers have no knowledge about zakat (in general, specific zakats, as one of Islamic pillars, calculation of zakat, zakat system in Malaysia)
- H_a1: Muslim foreign workers have good knowledge about zakat (in general, specific zakats, as one of Islamic pillars, calculation of zakat, zakat system in Malaysia)
- H₀2: Religiosity, recognition, altruism, self-satisfaction and organization factors are not significantly affect the willingness of Muslim foreign workers to pay zakat.
- H_a2: Religiosity, recognition, altruism, self-satisfaction and organization factors are significantly affect the willingness of Muslim foreign workers to pay zakat
- H₀3: Muslim foreign workers are not willing to pay zakat in Malaysia.
- H_a3: Muslim foreign workers are willing to pay zakat in Malaysia.

H₀4: There is no significant difference of potential collection of zakat among Muslim foreign workers in WP with the current collection of zakat.

H_a4: There is significant difference of potential collection of zakat among Muslim foreign workers in WP with the current collection of zakat.

H₀5: There is no significant difference of method of zakat collection suggested among Muslim foreign workers in WP with the current methods.

H_a5: There is significant difference of method of zakat collection suggested among Muslim foreign workers in WP with the current methods.

H₀6: There is no significant difference of marketing strategy of zakat collection suggested among Muslim foreign workers in WP with the current strategies.

H_a6: There is significant difference of marketing strategy of zakat collection suggested among Muslim foreign workers in WP with the current strategies.

Significance of study

The current study seeks to investigate the potential collection of zakat among Muslim foreign workers in Wilayah Persekutuan and factors that contribute to the willingness of them to opt paying zakat in Malaysia. In general the study is expected to produce several outcomes. Specifically, the outcomes of this study can contribute to: (i) academics (ii) zakat institutions in WP (iii) economy, and (iv) policy makers.

For academics, this study adds to current body of knowledge on zakat particularly in the area of zakat collection. This is because zakat had played a significant role in the socio-economic development of Muslims in the past history. The findings are expected to positively contribute to the implementation of zakat collection in Malaysia in general and in Wilayah Persekutuan in particular. The dynamics and potentials of zakat collection are also expected to be widened to the non-citizens.

This study could also contribute to the economy in general, since zakat is one of the redistribution schemes in an Islamic economy system. It helps to increase wealth, consumption and investment that later can boost the economy. Furthermore, the increase of potential collection of zakat would help to achieve efficiency of allocation of resources in the economy not only to the Muslim Malaysians but all also to Muslim non-Malaysians.

Lastly, this study could benefit the policy makers including zakat institutions charting a direction on how to plan and focus on more effective methods and strategies that can enhance the potential of zakat collection in their development plans or strategies. Furthermore, it may serve as a material reference in the area of policy formulation for different zakat institutions at different states of the country.

Scope and limitation of study

The major focus of this study is on the potential of zakat collection among Muslim foreign workers particularly in two areas of Wilayah Persekutuan, namely WP Kuala Lumpur and WP Putrajaya. The areas are chosen because they recorded the highest number of foreign workers in Wilayah Persekutuan. Both are easily accessible as they are located in Peninsula Malaysia.

The analysis of present study, however, was restricted to Muslim foreign workers who we perceive are the potential zakat payers in the areas. The analysis does not include Muslim foreign workers in other states. Therefore, the findings of this study may be experienced differently in other states of Malaysia.

Organization of study

The current study consists of six parts. Part One is the introduction of the study. It includes the background of information, problem statement, research objectives, scope of the study, significance of the study and the organization of the study. Part Two reviews related literature on zakat in general and in Malaysia as well as studies on foreign workers in general and in Malaysia. Part Three provides background on zakat and foreign workers in Malaysia, specifically in Wilayah Persekutuan. Part Four describes the methodology of the study. It provides information on the sources of data and the method of analysis. Part Five presents the results and analysis of findings. Part Six provides conclusion with policy implications and the directions for future research.

Highlights of past related study

This part discusses past studies on the issues of zakat as well as foreign workers in several countries including Malaysia. Literature review on zakat is discussed in the first section and followed by literature review on foreign workers in second's section

Literature review on zakat

Paying zakat is one of the five pillars of Islam. It is basically a form of material and spiritual worship. Zakat payment aims to purify the wealth and positions by giving a certain amount of money to the poor and the needy from the net income exceeding nisab for a full year. The term is derived from the Arabic verbal root, which means increase, purification and blessing. By paying zakat, it aims at raising grace, purification and good works (Hafidhuddin, 2002). Al-Qardawi (1993) states that this intelligence obligation refers to twenty-seventh place in the holy Quran where thirty times zakat was associated with prayers. This necessity is emphasized in the number of the hadiths. Zakah has socio-economic goals apart from a compulsory worship. Therefore, it has a very important position in the development of the Muslim community.

In Islam, it was emphasized that the main motivation of the payment of the intelligence should be the worship factor. Muslim is paying the common good by paying zakat, fulfilling the duty of need and the like, and the servant of God. In fact, the word zakah was repeated 32 times in the Qur'an and showed its importance and necessity (see, for example, Quran 2:43, 83, 110, 277).

In addition to the worship factor, the level of understanding of individuals in Islamic principles will motivate people to fulfill the order to pay zakat. This is supported by Aidit (1998) and Qardawi (1998), who argue that non-compliance with the obligation to pay intelligence is primarily due to the level of faith in individuals in religious obligations. Reinstein (2006) also found that religious faith is an important determinant of religious and secular giving. Lunn et. al (2001) also agree with the effect of a person on religious belief. Lunn et al. (2001) states that the relationship between religious inclusion and religious participation is clearly positive.

Lunn et. al (2001) also concluded that those who went to church regularly and conservative Presbyterians would give

more. Firdaus et.al. (2012) found that Muslims who paid zakat monthly and annually in both periods tend to have stronger faith, appreciation, sacrifice and self-esteem. The preferred place to pay for zakat / charity also affects the monthly wage payment preferences of the participants. Those who pay zakat to official institutions have a good decision about the performance of the institution. However, there is almost no difference between the perceptions of those who pay zakat to formal or informal institutions. Therefore, they predict the total zakat potential in Indonesia and explore the relationship between demographic characteristics and zakat payments. The results show that the sum of the various zakat potentials in Indonesia is around 217 trillion rupees. This figure equals 3.4% of Indonesia's 2010 GDP. The study shows that education, occupation and income are important factors affecting the frequency of the participants and the choice of place when paying zakat and charity.

Most studies conducted on zakat in Malaysia concentrated on various areas including theoretical (Mujitahir, 2003; Tarimin, 1995), legal and compliance (Idris et al., 2003; Abdullah and Ahmad, 2002), accounting (Abdul Rahman, 2003; Ismail and Sanusi, 2004) and Muslim awareness and payment behaviour (Nor et al., 2004; Ahmad and Wahid, 2005; Ayob, 2002). However, there are very few studies that examined the performance of zakat institutions. Some studies focused on the performance of zakat collection and distribution (Noor et al., 2005) and some other studies measure the impact of privatisation on the performance of zakat institutions (Nor Ghani et al., 2001; Ahmad and Wahid, 2005).

On the other hand, some studies in Malaysia focused on impact of demographic factors which include gender, age, marital status, education level, number of dependents and income level on zakat. Most of these studies adopted multivariate logistic regression analysis in measuring the significance of the factors on their zakat of income behaviour. For instance, Wahid et al. (2005) tested thirteen factors that might influence the payment or non-payment of zakat of income in Malaysia. They distributed 2500 questionnaires to individual Muslims in every state in Malaysia, using random sampling method. By applying logistic regression analysis, they found that five factors significantly influence the payment of zakat of income in a positive direction. These factors include age, marital status, education level, income level and payment through salary deduction mechanism.

Additionally, it is found that working female is more likely to pay zakat of income. Knowledge on Islam, awareness of income as 'ikhtilaf' wealth and satisfaction in zakat distribution are insignificant, though positively related.

In the context of studies done on public institution of higher learning (IHLs), few studies analyzed the payment behaviour of employees in these institutions towards zakat of income (e.g. Mohd. Ali et al., 2003; Nur Azura et al. 2005). For instance, Mohd. Ali et al. (2003) surveyed 100 employees of National University of Malaysia (UKM). He found six factors may significantly influence their behaviour on zakat on income. These factors include gender, number of dependants, education level, knowledge on zakat on income, knowledge on Islam and level of piety (iman). However, factors such as education level and knowledge on zakat of income negatively impact the zakat of income behaviour while the remaining factors are positively related. In general, many previous studies tested the demographic factors which are anticipated as affecting the payment behaviour. They also tried to logically reason out and justify why the significant (and non-significant) factors act as they do.

Literature review on foreign workers

Foreign workers are needed when a country have too many unskilled workers. For instance, in Saudi, the issue of rising unskilled workers who are in need of training to be incorporated into the labour market has bring about the demand for foreign workers. The labour market needs to accommodate a huge number of workers annually, estimated to be around 300,000 (Alhamad, 2014), making up almost half the unemployed population of 622,533. Foreign workers are required to join the market to enable firms to be more competitive in the international market and thus help the economy grow as a whole.

Furthermore, there are rarely any industrialized countries that can retain high levels of economic growth for a prolonged period without being dependent on huge populations of foreign workers. For example in the case of Japan, there is a need for foreign labour because of the demographic differences and the denial of increasingly wealthy and fairly-educated Japanese youngsters to carry out the 3D (dirty, dangerous, and difficult) jobs (Cheng, 2003; Kim, 2004). This caused the local workforce inability to cope with the rising demand for unskilled labour (Bartram, 2000).

In Malaysia, several attempts have been made to examine issues relating to foreign labour, including the studies by Azizah (2000a, 2000b), Zehadul et al. (1999), Pillai (1998), Kurus (1998), Solehah and Dicks (1999), and Ismail and Zin (2003). Azizah (1998a; 1998b) provides a comprehensive review of the history and existing roles of foreign labour in Malaysia. Both studies also outline governmental acts and regulations relating to migrant workers, while highlighting problems concerning data compilation for research on the

migrant workers. Azizah (1998b) proposes that the Malaysian government should implement a more transparent and comprehensive policy to govern migrant workers. In another study, Pillai (1998) analyses the effect of the 1997 Asian economic crisis on the migrant labour in Malaysia. The study hypothesized that the economic crisis would further accelerate the inflows of foreign labour into the country, especially the illegal migrant workers. The study also predicts that the crisis would likely reduce the income and work conditions of foreign labours engaged in low-end activities that were badly affected by the crisis, including construction, manufacturing, and services. The study recommends that Malaysia should formulate a more comprehensive policy concerning migrant labour in the future. Similar to Pillai (1998), Kurus (1998) also examines the impact of the 1997 Asian economic crisis on migrant labour, but the study focuses on Sabah, where migrant labour makes up a large portion of the population. Similar to previous studies, Kurus (1998) also suggests that the Malaysian government should implement a more systematic mechanism to monitor and facilitate the movement of foreign labours within the region, which could be accomplished through a multilateral agreement with the sending countries. Solehah and Dicks (1999) find that Malaysian firms continue to demand migrant workers because it is cost-effective. According to the study, most employers believe it is much cheaper to employ foreign labour due to relatively low wages than investing in expensive high technology machinery. For many employers, the main advantage of hiring migrant workers is that they are perceived as having a more positive work attitude and ethic than native workers. Green et al. (2007) claims that it is an attitude gap rather than a skill gap that result in employers' tendency to recruit migrants.

Ismail and Zin (2003) study the impact of foreign labour on output growth and the demand for foreign labour in the Malaysian manufacturing sector. The study finds that professional foreign labour contributes significantly to manufacturing output growth. In addition, the study finds that professional foreign labour and local labour are complementary, while the unskilled foreign labour and local labour are substitutes.

Based on economic sense, studies indicated positive correlation between economic growth and foreign labour due to the job creation opportunities and capital accumulation (Rahmah et al., 2003). On the contrary, other studies indicated foreign workers retard the economic growth because majority is unskilled. Countries benefitted from influx of foreign workers as it stimulates economic growth through increase of public demand for goods and services, and capital formation. Nonetheless, massive influx of foreign workers would hamper economic growth due to low-skilled and low-educated work force. Influx of foreign workers significantly impact economic growth, employment opportunities and wage of local workers. This is because the flooding of foreign workers increases the capital formation and creates new job opportunities for local workers (Abdul, 2017).

Rahmah et al. (2003) studied the role of foreign labour on output growth, job opportunity and wage in the Malaysian manufacturing sector and found that professional foreign labour contributed significantly to manufacturing output growth. The study also found that professional foreign labour and local labour are complementary, while the unskilled foreign labour and local labour are substitutes. Similar to Rahmah et.al. (2003), Idris and Rahmah (2006) also analysed the elasticity of substitution between foreign and local workers in the Malaysian manufacturing sector. The results from the study showed that the foreign and local workers are more of substitute than complement. It indicates that when the foreign wage decreased, firms would be willing to take foreign workers to cut cost of production. A high substitutability is found in heavy industry of basic metal products. Idris and Rahmah (2006) also suggested that the influx of foreign labour may jeopardized the local in terms of job opportunity, especially in heavy industry.

But until now, this is the first study conducted in Malaysia which is trying to find out the zakat potential for foreign workers in Malaysia.

PART 3

Background: Foreign workers and zakat collection

This part provides background on foreign workers working in the country by looking at some statistics by sectors and trend throughout several years. This will enable us to analyze the current situations of foreign workers employed by different sectors in Malaysia. In addition, this part is also focusing on Muslim workers statistics in Malaysia, particularly in Wilayah Persekutuan. Nonetheless, additional sections discuss on the background of zakat in Malaysia and focusing on the collection of zakat by states, in particular, collection of zakat within Wilayah Persekutuan. Yearly statistics are provided and discussed.

Foreign workers in Malaysia

Malaysia is one of developing countries, located in South-East Asia region, consisting of the population of 32.66 million people. There are three major cultures live in this country namely Malay, Chinese and Indians (Department of Statistic Malaysia, 2019)¹. The four nearest neighbourhood countries around Malaysia are Indonesia, Thailand, Singapore and Brunei. Recently, the Malaysian's economy grows about 4.5 percent in first quarter of 2019 compared to 4.7 percent in the year 2018 (Department of Statistic Malaysia, 2019)². All sectors posted a positive growth on the production side except for mining and quarrying sector which has -2.1 percent in the first quarter of 2019. Furthermore, three sectors that anchored the Malaysia's economy are services, manufacturing and agriculture sectors.

In the 1970s, foreign workers in Malaysia were mostly employed in the rural plantation and construction sectors in small numbers to meet seasonal demand. The rapid industrialisation and economic growth in the 1980s transformed a situation characterised by high unemployment in the mid-1980s to full employment by the early 1990s, with widespread labour and skill shortages, and rising wages (Kanapathy, 2001). This situation attracted the influx of foreign workers to the country. Dependency on foreign labour gives negative impacts to the nation from the social, economic and cultural perspectives. Industrial players in Malaysia have to hire foreign labours because the

country experiences a critical shortage of labour especially in construction and manufacturing sectors. Domestic labours are not interested in works that require them to use physical strength and they prefer working in offices and they abhor the 3D (dirty, dangerous and demeaning) works. Other than that, the salary paid to foreign labours is cheaper than domestic labour even though with the implementation of minimum wage act in Malaysia. However, by employing low-skilled foreign labour leads to low productivity and poor quality of work (Ahmad et al., 2017).

Counting foreign workers in Malaysia is not easy, given the presence of undocumented workers. At best the overall figure, encompassing documented and undocumented cases, is a rough estimate. However, according to the Labour Force Survey (LFS), the number of foreign workers, encompassing documented and undocumented cases, increased from 1.8 million in 2013 to 2.2 million in 2016. In recent years, the number of holders of documented foreign work permit has decreased, based on the registry of Ministry of Home Affairs, from 2.2 million in 2013 to 2.1 million in 2016 and 1.8 million in 2017. The number of undocumented persons, however, has never been robustly computed. Official disclosures quoted the overall foreign worker population at 6.7 million in 2014, but this fell precipitously – and implausibly – to 3.8 million in 2016 (Lee & Khor, 2018). Based on the report officially launched by Khazanah Nasional Bhd in 2018, the managing director Shahril Ridza Ridzuan stated that the foreign labour force stood at about 1.7 million in 2010. Providing data for 2015, the report also stated that Indonesians remained the dominant group of foreign workers at 39.2%, followed by Nepalese (23.5%) and Bangladeshis (13.2%).

Ministry of Home Affairs statistics on the number of foreign workers by country of origin (2000–2015) identified at least 8 countries as the major source for foreign workers to Malaysia (see Figure 1). The main contributor countries listed are Indonesia, Bangladesh, Thailand, Philippines, Pakistan, Myanmar, Nepal, and India. Based on the supply patterns, Indonesia, Bangladesh, Nepal and Myanmar can be considered as the major active contributors for Malaysia's foreign workforces (Abdul Rahman, 2017).

1. Department of Statistics Malaysia (DOSM). (2019). *Population & Demography*. Retrieved from https://www.dosm.gov.my/v1/index.php?r=column/ctwoByCat&parent_id=115&menu_id=L0pheU43NWJwRWVSZklWdzQ4TlhUUT09 on 18 June 2019.

2. Department of Statistics Malaysia (DOSM). (2019). *Malaysia Economic Performance*. Retrieved from https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=100&bul_id=U1ZrNVVjQ3ljDhmRmc2M0hTcWNZdz09&menu_id=TE5CRUZCb1h4ZTZMODZlbnk2aWRRQT09 on 18 June 2019.

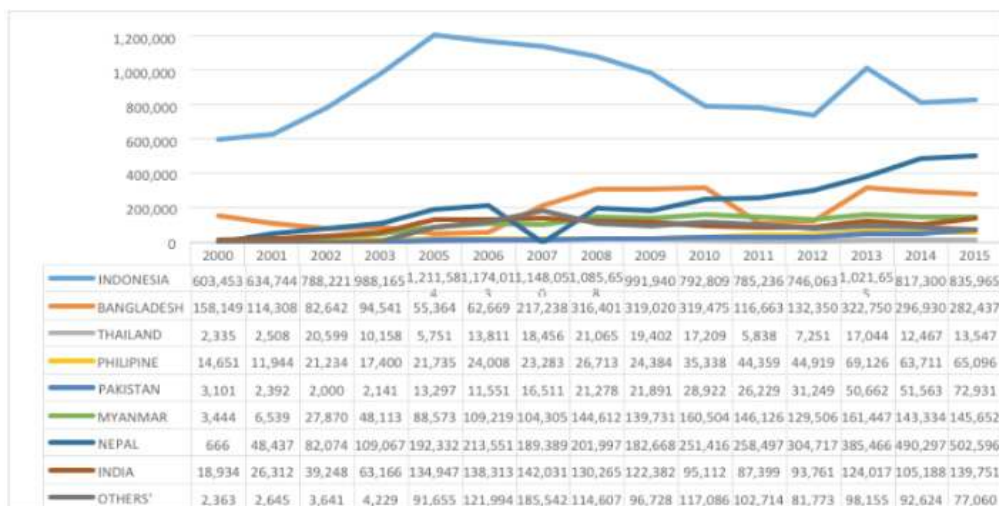


Figure 1: Number of Foreign Workers by Country of Origin, 2000 - 2015

Source: Ministry of Home Affairs, in Abdul Rahman (2017)

Instead of the contribution from the local labour force participation in 2018 which is 68.3 percentage that equal to 15.3 million persons, there were also the significant contribution from the foreign workers in Malaysia (Department of Statistic Malaysia, 2019)³.

Using recent data, based on the number of foreign workers by country of origin from 2009 until 2018, Ministry of

Home Affairs identified again at least eight countries as the major contributor for foreign workers to Malaysia namely Indonesia, Nepal, Bangladesh, India, Pakistan, Myanmar, Philippines and Thailand. Throughout these 10 years, it can be considered five countries as the major active source for Malaysia's foreign workforces such as Indonesia, Nepal, Bangladesh, Myanmar and India⁴.

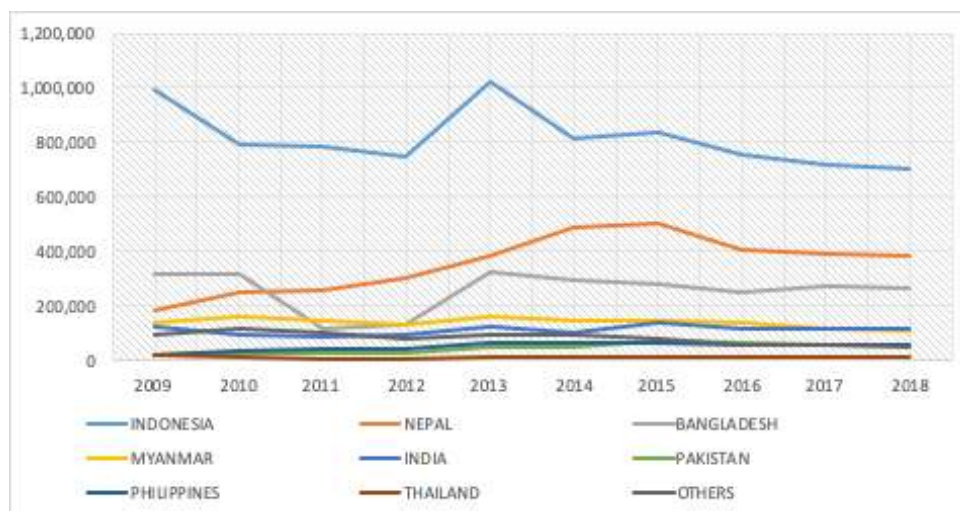


Figure 2: Number of Foreign Workers by Country of Origin, 2009-2018.

Source: Ministry of Home Affairs (2019)

3. Department of Statistics Malaysia (DOSM). (2019). Labour Force Survey Report, Malaysia. Retrieved from https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=126&bul_id=ekU0SG1yQk1wcExKUDhvN2RHThjZz09&menu_id=U3VPMldoYUxzVzFaYmNkWXZteGduZz09 on 18 June 2019..
4. Ministry of Home Affairs, (2019). Set of Data on Foreign Workers in Malaysia. Retrieved from http://www.data.gov.my/data/ms_MY/dataset?q=pekerja+asing&page=1 on 27 June 2019.

Figure 2 above indicates that Indonesia still tops for 10 years over other countries in contributing foreign workers to Malaysia since 2009. Even the number hiked suddenly in 2013 with the increment by 37 percent, the percentage of Indonesian workers remain decline in these 10 years. For being 51 percent in 2009 over all foreign workers, it falls by six percent in 2013 and still reduces in 2018 to 40 percent of foreign workforce in Malaysia. On the other side of the coin, Nepal as the second highest contributor of foreign workers to Malaysia since 2011 until 2018, has the positive pattern in these 10 years whereas the percentage of Nepal workers rises from 3.5 percent in 2009 to 17.1 percent in 2013. This number keeps increasing until 2018 by 4.7 percent.

Besides, Bangladesh, Myanmar and India show the consistent pattern of foreign workers contribution to Malaysia for 10 years at around fifteen, seven and six percent respectively. Instead of Myanmar which shown the slight decreasing pattern around one percent for five years, Bangladesh and India have slight fluctuated pattern when both countries declined in 2013, but keep increasing until 2018 to 15.2 and 6.4 percent respectively. Despite of these figures, it cannot be denied that Pakistan, Philippines, Thailand and other countries also have their own contribution to Malaysia's foreign workforce for many years.

(9.6 percent). On the other hand, the least number of male foreign workers is in the housekeeping sector while for female, it is in the construction sector with 0.05 and 4.1 percent respectively.

Overall, construction and farming sectors have attracted a huge number of foreign workers after the sector of manufacturing industries (36.6 percent) with 18.8 and 15.1 percent respectively. Since the male foreign workers is outnumbered the female workers by four times in overall total, the male foreign workers in these employment sectors also exceeded the number of female workers except in the housekeeping sector which shown the male workers is only 0.6 percent of the female workers.

In the nutshell, these figures mainly imply that the foreign workers in Malaysia have significant contribution to the economy of Malaysia. If domestic workers and immigrants are perfect substitutes, the labour market is flexible and the investment climate is supportive and theory predicts that the influx of migrants will have the same effect on the economy as a one-time increase of the domestic labour force; it raises the return to capital, stimulates investment, and in the longer run, leads the economy to return to the same capital-labour ratio and initial wage (Solow, 1956). The inflow of migrants

Table 1: Foreign Workers by Gender in Six Employment Sectors

EMPLOYMENT SECTOR	MALE WORKER	FEMALE WORKER	TOTAL
Manufacturing Industries	504,447	138,675	643,122
Services	210,166	29,495	239,661
Construction	315,614	14,907	330,521
Farming	230,407	34,620	265,027
Agriculture	134,367	20,351	154,718
Housekeeping	728	124,461	125,189
Total	1,395,729	362,509	
OVERALL TOTAL	1,758,238		
Percentage (%)	79.4	20.6	

Source: Ministry of Home Affairs (2019)

Table 1 shows the statistic provided by the Ministry of Home Affairs regarding the foreign workers in Malaysia by gender according to six employment sectors. In fact, until February 2018, there are around 1.76 million foreign workers working in Malaysia in various sectors such as sector of services, manufacturing, agriculture and construction (Ministry of Home Affairs, 2019)⁵. From this number, around 79.4 percent consists of male foreign workers while the rest of 20.6 percent are female, which are around 1.4 million workers and 0.36 million workers, respectively.

The data proves that the manufacturing sector has the highest number of foreign workers for both male and female which are 36 and 38.3 percent respectively. Individually, it followed by construction (22.6 percent) and farming sector (16.5 percent) for male workers while for female workers, it follows by housekeeping (34.3 percent) and farming sector

temporarily lowers the wages of incumbents as it reduces the capital-labour ratio. It must also, in the short run, reduce the numbers of employed domestic as lower wages will lead some of them to prefer not to work. Unemployment is ruled out by the assumption that labour markets are sufficiently flexible.

In a world where, as a first approximation, returns to scale are constant, a large one-time influx of migrants simply scales up the economy proportionately to the increase in the labour force associated with migration, and wages decline only temporarily while the adjustment takes place but are unchanged in the steady state. The adjustment to the new equilibrium will occur faster in an open economy which can import capital to accompany the larger labour force and where labour-intensive industries can expand to absorb the additional labour. Flexible and buoyant economies with a

5. Ministry of Home Affairs, (2019). Statistics of Foreign Workers in Malaysia. Retrieved from http://www.data.gov.my/data/ms_MY/dataset/statistik-pekerja-asing-terkini-mengikut-negeri-dan-sektor on 18 June 2019.

conducive investment climate and efficient capital markets will adjust faster to a migration shock - as to any shock - than economies that do not display those characteristics (Dadush, 2014).

Muslim foreign workers in Malaysia

In fact, there is no specific data on Muslim foreign workers in Malaysia as well as in the states of Malaysia. However, from the data given as in Table 2, it can be predicted that Muslim foreign workers are coming from Muslim countries or Muslim-majority country like Indonesia, Bangladesh and Pakistan. Moreover, after some comparison of statistics from the same source of Ministry of Home Affairs, there are five countries in category of 'others' as in Table 2.0 above such as Vietnam, China, Sri Lanka, Cambodia and Laos. Unfortunately, none from these countries has the Muslim as majority of their population.

Hence, in 2009, the total of Muslim foreign workers come to Malaysia is more than half of total foreign workers, which is equal to 69.5 percent by the combination of three countries as mention before, namely Indonesia, Bangladesh and Pakistan. However, the number of Muslim foreign workers in Malaysia after five years in 2013 decline by 7.5 percent and it keeps declining until 2018 to 58.6 percent. This decreasing pattern of Muslim foreign workers is due to the decline number of foreign workers from Indonesia which shown a fall by 11 percent for 10 years from 2009 to 2018.

Instead of Indonesia and Bangladesh, Pakistan is the only country that shows the increment in the percentage of foreign workforce for these 10 years, but the number is a bit small. For instance, in 2009, it is only 1.14 percent and increase by 1.11 percent in 2013 and keep increasing to 3.23 percent in 2018. However, Pakistani workers only contribute 1.6 percent to the Muslim foreign workers statistic in 2009, increasing to 5.6 percent in 2013 and only 5.5 percent in 2018. On the other hand, Table 3 is the data of foreign

workers in Malaysia according to the employment sectors and countries in 2016 as provided by Ministry of Home Affairs (2019)⁶.

Over thirteen countries listed, seven countries are the nearest neighbourhood countries with Malaysia which are located in South-East Asia region namely Indonesia, Myanmar, Philippines, Vietnam, Thailand, Cambodia and Laos. Moreover, another six countries also come from Asia region which are India, Pakistan, Bangladesh, Nepal, Sri Lanka and China. Interestingly, all of these thirteen countries are in developing and least-developed country category.

Furthermore, this table shown that Indonesia is at the top with the highest number of workers in Malaysia which is 40.64 percent of all foreign workers in this country, which is equal to 758,487 workers. It is followed by Nepal, Bangladesh, India and Myanmar with the percentage of 21.72 percent, 13.52 percent, 7.42 percent and 6.43 percent respectively. Besides, over the six employment sectors, Indonesia only leads four sectors which are the sector of construction (206,858), agriculture (213,366), farming (78,265) and housekeeping (92,675). As for manufacturing industries, it is the second highest with 126,127 workers behind Nepal (287,008) while in the service sector, Indonesia is at the third after Nepal (88,975) and India (49,425) with the number of workers of 41,196.

To sum up, around 1.87 million foreign workers with difference background of countries, skills and educations are contributing to the economic growth of this country in 2016 through various employment sectors.

Table 2: Number of Foreign Workers by Country of Origin (2009-2018).

CITIZEN	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Indonesia	991,940	792,809	785,236	746,063	1,021,655	817,300	835,965	758,487	720,464	705,154
Nepal	182,668	251,416	258,497	304,717	385,466	490,297	502,596	405,336	388,836	382,651
Bangladesh	319,020	319,475	116,663	132,350	322,750	296,930	282,437	252,365	271,100	268,050
Myanmar	139,731	160,504	146,126	129,506	161,447	143,334	145,652	138,492	114,507	107,555
India	122,382	95,112	87,399	93,761	124,017	105,188	139,751	119,984	117,314	113,891
Pakistan	21,891	28,922	26,229	31,249	50,662	51,563	72,931	62,745	58,510	56,719
Philippines	24,384	35,338	44,359	44,919	69,126	63,711	65,096	58,366	55,184	54,402
Thailand	19,402	17,209	5,838	7,251	17,044	12,467	13,547	12,374	16,177	15,515
Others	96,728	117,086	102,714	81,773	98,155	92,624	77,060	58,220	55,285	54,301
TOTAL	1,918,146	1,817,871	1,573,061	1,571,589	2,250,322	2,073,414	2,135,035	1,866,369	1,797,377	1,758,238

Source: Ministry of Home Affairs (2019)

6. Ministry of Home Affairs, (2019). Statistics of Foreign Workers in Malaysia Based on Country. Retrieved from http://www.data.gov.my/data/ms_MY/dataset/jumlah-pekerja-asing-plks-aktif-mengikut-jantina-dan-negara-sumber on 18 June 2019.

Table 3: Statistics of Foreign Workers in Malaysia According to Employment Sector in 2016

COUNTRY	MANUFACTURING	SERVICE	CONSTRUCTION	FARMING	AGRICULTURE	HOUSE KEEPING	TOTAL	PERCENT (%)
Indonesia	126,127	41,196	206,858	213,366	78,265	92,675	758,487	40.64
Nepal	287,008	88,975	11,609	3,810	13,865	69	405,338	21.72
Bangladesh	91,080	28,549	101,530	18,220	12,851	135	252,365	13.52
Myanmar	100,003	15,096	17,147	1,607	4,536	103	138,492	7.42
India	2,813	49,425	9,214	19,838	37,786	908	119,984	6.43
Pakistan	4,005	6,274	26,734	6,155	19,545	32	62,745	3.36
Philippines	4,244	5,567	3,489	4,372	4,102	36,592	58,366	3.13
Vietnam	26,345	1,440	3,775	56	411	522	32,549	1.74
China	904	5,767	6,624	23	17	106	13,441	0.72
Thailand	329	8,900	597	460	1,763	325	12,374	0.66
Sri Lanka	3,587	910	186	389	231	895	6,198	0.33
Cambodia	2,162	1,020	170	181	267	2,195	5,995	0.32
Laos	14	1	1	1	2	18	37	0
TOTAL	648,621	253,120	387,934	268,478	173,641	134,575	1,866,369	100

Source: Ministry of Home Affairs (2019)

Foreign workers in Wilayah Persekutuan

Basically, there are fourteen states in Malaysia including the Federal Territory of Kuala Lumpur as a centre and capital of this country. However, after Kuala Lumpur, there are two areas that are officially declared as Federal Territory of Malaysia namely, Labuan and Putrajaya which are granted in year 1984 and 2001 respectively.

Table 4 below is the summary of foreign workers data in three areas of Federal Territory of Malaysia as the year of 2018. According to the statistics reported by Ministry of Home Affairs, Kuala Lumpur is at the 3rd rank as the highest population of migrants working in this area after Selangor and Johor with the percentage of 14.57 percent, equal to 256,126 workers. On the other hand, with the small area and capacity of working place, the foreign workers in Putrajaya are only 0.45 percent which equal to 7,874 migrants while Labuan is at the last rank among other 15 states with only 0.13 percent which is equal to 2,283 foreign workers after Kelantan (0.39 percent) and Perlis (0.17 percent).

Furthermore, in Kuala Lumpur, the construction sector has the highest contribution in the number of foreign workforce with 36.5 percent and followed by service sector (21.4 percent) and farming sector (14.4) percent. On the other hand, farming sector is the highest sector with foreign workers number in Putrajaya with 66.3 percent while in Labuan, housekeeping sector has the highest percentage of foreign workers with 32 percent. In summary, male foreign workers outnumbered the female in all three states by leading in all employment sectors except in the sector of housekeeping.

Muslim foreign workers in Wilayah Persekutuan

Recently, there is no specific data regarding the religion of foreign workers in Malaysia. However, as the prediction had been made by authors in previous section, Table 5 shows the prediction of Muslim foreign workers in three Federal Territory areas of Malaysia:

Table 4: Statistics of Foreign Workers in Federal Territory of Malaysia

Employment Sector	Kuala Lumpur		Putrajaya		Labuan	
	Male	Female	Male	Female	Male	Female
Manufacturing Industries	21,752	2,969	8	5	16	8
Services	49,667	5,058	966	54	436	183
Construction	89,424	4,144	544	19	464	18
Farming	36,304	568	5,082	142	0	0
Agriculture	16,904	1,036	529	9	354	73
Housekeeping	253	28,047	5	511	1	730
Total	214,304	41,822	7,134	740	1,271	1,012
Total	256,126		7,874		2,283	
Percentage (%)	14.57		0.45		0.13	

Source: Ministry of Home Affairs (2019)

Table 5: Muslim Foreign Workers in Federal Territory (2009-2018)

Citizen	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Muslim Foreign Workers	1,332,851	1,141,276	928,128	909,635	1,395,067	1,165,067	1,191,333	1,073,597	1,050,074	1,029,923
Kuala Lumpur (14.57%)	194,196	166,283	135,228	132,533	203,261	16,985	173,577	156,423	152,995	150,059
Putrajaya (0.45%)	5,997	5,135	4,176	4,093	6,277	5,246	5,360	4,831	4,725	4,607
Labuan (0.13%)	1,732	1,483	1,206	1,182	1,813	1,515	1,548	1,395	1,365	1,338
Total	201,925	172,901	140,610	137,808	211,351	23,746	180,485	162,649	159,085	156,004

Source: Author's Prediction (2019)

The number of Muslim foreign workers from 2009 until 2018 is the sum of total foreign workers that come from Muslim-majority countries such as Indonesia, Bangladesh and Pakistan. Besides, the source of percentage of foreign workers in each Federal Territory area, as in the Table 5, is sourced from the Ministry of Home Affairs, as in Table 2 which is based on the data of 2018.

Hence, the only accurate figure is for year 2018 which shown Kuala Lumpur has 96.2 percent of Muslim foreign workers while for Putrajaya and Labuan, the percentages are 2.9 and 0.9 percent respectively. However, this prediction can be used to see the pattern and the figure of foreign workers over the three places. In terms of number, there is a slight increase in year 2013 for these three areas since the increment in the number of total Muslim foreign workers also rise in the same year. In fact, there is decreasing pattern of foreign workers in all three areas from 2009 to 2013 and from 2013 to 2018.

To sum up, even Labuan has the smallest number for these years, the figure of 1,100 and more of foreign workers in the small area like Labuan has give the significant contribution to the Malaysian economy for many years.

Zakat in Malaysia

The zakat system in Malaysia has started when Islam arrived in Malay Archipelago in the 13th century. However, the data of collection and distribution of zakat is obviously hard to find and it is limited in nature if it could be found particularly in the period before the coming of colonial power. During that time, the zakat system is conducted via informal framework. For instance, it was traditionally activity by deliver the goods to religious teachers who will distribute them in accordance with the need of available zakat beneficiaries or asnaf (Aidit, 1988)⁷.

The Federal Constitution of Malaysia (1957) proclaims Islam as the official religion of the federation. However,

any issue related to Islamic laws and customs including zakat administration are under the jurisdiction of respective states, which is Sultans or Raja, except in Federal territory whereby the Islamic law and administration are governed by the Federal government. Moreover, the Sultan of each state is advised by a State of Islamic Religious Council or Majlis Agama Islam Negeri (MAIN) (Md Saad & Abdullah, 2011)⁸.

Historically, Kelantan was the first state in establishing its own MAIN known as 'Majlis Ugama Islam and Istiadat Melayu Kelantan' in 1915. This was followed by Terengganu, Pahang (1922), Perlis (1930), Johor (1934), Kedah (1936), and other states in Malaysia. MAINs are responsible on all matters related to religious and each state has set up its own zakat management institutions (Mahamud, 2011)⁹.

Over the years, there are many improvement had been done by the government towards the zakat system in Malaysia. The latest transformation happened in 1990's when it is introduced in privatization era by institutionalising a body that acts as a subsidiary under the MAIN to perform the zakat collection. This privatization is specifically for the administration of zakat including to provide specified officers, to provide offices or counters for zakat collection separately from MAIN, to utilize the technology in recording and reporting all zakat related dealings and to set up a corporate working system which is not bound by bureaucracy. In this way, it would encourage innovation, creativity, proactive, and accelerate the system of delivery (Ahmad & Shofian, 2010)¹⁰.

Zakat collection in Malaysia

There are four different forms of zakat corporations in dealing with the collection and distribution of Zakat in Malaysia (Ahmad & Shofian, 2010)¹¹. Firstly, a corporation has been established under the zakat enactment. For instance, Jabatan Zakat Negeri Kedah which has been established under the Kedah Zakat Enactment 1955. The enactment is completely separated from the Kedah

7. Aidit, G. (1988). *Zakat Satu Tinjauan*. IBS Buku Sdn. Bhd. Cet 1. Selangor, Malaysia.

8. Md Saad, N & Abdullah, N. (2011). *Is Zakat Capable of Alleviating Poverty? An Analysis of the Distribution of Zakat Fund in Malaysia*. Paper presented at World Zakat Conference 2011.

9. Mahamud, L. H. (2011). *Alleviation of Rural Poverty in Malaysia: The Role of Zakat, A Case Study*. Unpublished doctoral dissertation. The University of Edinburgh. Retrieved from <http://www.era.lib.ed.ac.uk/handle/1842/5554> on 20 June 2019.

10. Ahmad, S. M. & Shofian, A. (2010). *Transformasi Pengurusan Zakat di Malaysia*. Paper presented in International Islamic Development Management Conference (IDMAC), on 21-22 December 2010 at Universiti Sains Malaysia, Pulau Pinang, Malaysia.

11. Ibid

Administration of Islamic Law Enactment. Another example is Tabung Baitulmal Sarawak which has been introduced by virtue of Sarawak Islamic Corporation in 1984 with a task of managing the zakat collection and distribution as well as assets of baitulmal.

Secondly, a corporation has been established under the state administration of Islamic Law Enactment such as Lembaga Zakat Selangor which is established under the virtue of Trustee (Corporation) Act 1952. Besides, Pusat Urus Zakat Pulau Pinang (PUZ) also is a subsidiary to Majlis Agama Islam Pulau Pinang which has been set up under Companies Act 1965.

The third is a corporation that has been established under an act or state administration of Islamic Law Enactment with a duty to collect zakat only. All zakat collection would be channelled to MAIN which distributes zakat to the rightful beneficiaries. For example are PPZ-MAIWP (Harta Suci Sdn. Bhd.), PZM-MAIM (Pusat Zakat Melaka Sdn. Bhd.), PZNS-MAINS (Pusat Zakat Negeri Sembilan Sdn. Bhd.) and PKZ-MAIP (Pusat Zakat Pahang Sdn. Bhd.). Lastly, the collection and distribution of zakat is executed by MAIN through its own unit or department of Baitulmal or zakat centres such as Majlis Agama Islam Johor, Majlis Agama Islam Perlis, Majlis Agama Islam dan Adat Melayu Perak, Majlis Agama Islam dan Adat Istiadat Melayu Kelantan, Majlis Agama Islam dan Adat Istiadat Melayu Terengganu and Majlis Ugama Islam Sabah.

Last but not least, zakat administration in various states and Federal Territory have gone through many phases of development process and restructuring with a view to strengthen the institution of zakat in providing the best and

efficient services to the community as a whole. According to Al-Qardhawiyy (2001)¹², there are five requirements as the key performance indicators for zakat institutions: 1) the expansion of new resources for zakat; 2) the collection of zakat from tangible and intangible properties; 3) systematic zakat management; 4) efficient zakat distribution and; 5) thoroughness in the implementation of Islamic rules and principles.

The incomplete data as shown in Table 6 due to the different ways of zakat centre in every state in revealing and exposing their own statistics on the collection of zakat to the public. Beside Perlis that not reveal its data on zakat collection for these five years, Kelantan also seems difficult in data exposing of zakat collection for four years consecutively.

In fact, Wilayah Persekutuan is in the second highest collection of zakat since 2013 until 2017 after Selangor with the difference around 15 to 20 percent. Another top five highest states in zakat collection are Johor, Kelantan and Perak. However, for Kelantan, data are available only for year 2017. Besides, Sabah is consistent as the lowest zakat collection with around 9.5 percent compared to Selangor for these years except in 2017 where it exceeded its nearest 'competitor', Melaka.

In summary, the total collection of zakat for all states in Malaysia has declining in its increment from 2013-2014 until 2015-2016 collection which the latter shows the sharp drop from 20.3 percent increment in the former years to 14.7 percent reduction. However, the total zakat collection increased sharply for the next year in 2016-2017 collection with highest increment at 47 percent.

Table 6: Zakat Collection in 14 States of Malaysia (2013-2017)

STATE	2013	2014	2015	2016	2017
W. Persekutuan	492,402,030.53	540,795,062.34	565,830,627.18	580,690,160.84	621,414,431.00
Selangor	517,305,275.00	582,120,552.00	627,220,773.00	673,736,282.00	757,112,778.00
Johor	199,328,056.19	211,218,871.25	239,919,232.51	-	260,761,607.01
Terengganu	120,881,661.74	120,120,120.62	126,639,148.45	133,360,034.38	137,949,523.03
Perak	-	-	132,584,966.22	-	170,804,873.16
P. Pinang	84,981,280.27	87,935,987.80	94,320,447.25	96,781,464.11	101,454,432.72
Pahang	115,826,642.24	109,325,106.94	118,082,517.70	122,248,982.33	133,655,623.03
Kelantan	-	-	-	-	179,303,841.00
Kedah	-	128,939,859.94	134,556,613.46	140,448,128.00	166,966,730.00
N. Sembilan	-	88,200,428.43	94,420,490.70	104,760,388.36	125,495,635.45
Melaka	53,106,623.54	58,280,964.15	65,967,051.30	70,536,967.22	85,603,863.97
Sarawak	69,462,067.00	67,319,511.00	68,573,996.00	-	92,492,168.00
Sabah	49,211,488.48	52,829,145.28	61,796,692.17	63,704,056.64	88,318,640.15
Perlis	-	-	-	-	-
TOTAL	1,701,505,123.99	2,047,085,609.75	2,329,911,558.94	1,986,266,463.88	2,920,244,146.98

Source: Zakat Centre of Federal Territory Book Report 2017

12. Al-Qardhawiyy, Y. (2001). *Dawr al-Zakah fi 'ilaj al-Muskilah al-Iqtisodiyah Wa Syurut Najahiha*. Dar al-Syuruq, Kaherah: Egypt.

Table 7: The Collection of Zakat in Wilayah Persekutuan (2013-2018)

TYPES OF ZAKAT	2013	2014	2015	2016	2017	2018
Income	318,789,659	369,796,560	385,157,869	392,446,919	408,848,038	445,442,588
Business	97,161,344	86,168,015	94,121,305	106,304,269	122,142,890	118,140,629
Saving	23,377,180	24,833,184	35,349,658	39,328,135	42,812,531	45,951,227
Wealth	35,970,139	42,183,419	39,960,077	39,606,805	37,745,826	38,032,628
Compensation	627,947	623,694	590,943	432,985	1,071,491	777,187
Others	1,799,212	2,259,452	2,463,886	2,571,047	2,578,332	2,883,773
TOTAL	484,652,029	532,915,062	557,643,738	580,690,161	615,199,108	651,228,033

Source: Zakat Centre of Federal Territory (2019)

Zakat collection in Wilayah Persekutuan, Malaysia

The collection of zakat in Wilayah Persekutuan keeps increasing for many years. There are many strategies and alternatives have been done by the Zakat Centre of Federal Territory or Pusat Pungutan Zakat (PPZ-MAIWP) in order to raise the zakat collection. Among those are creating a moving counter, improving advertisement in various mediums such as radio, social media and television, providing online services and creating zakat calculator to facilitate people in calculating their own portion of zakat¹³.

Table 7 shows the top five zakat collection in Wilayah Persekutuan. Consistently, collection of zakat of income is the highest for these years followed by business zakat and zakat of wealth. However, the increment of income zakat collection fluctuated along these six years. It drops from 16.0 percent increment in 2013-2014 collection to only 2.0 percent increment for the collection in 2015-2016, but it rises back for next two years and achieved 9.0 percent increment for the latest year of 2017-2018.

Interestingly, most of types of zakat above have the same story as zakat of income in terms of pattern over years except for business zakat where it shows the increasing pattern from 2013 (reduction of 11.0 percent in 2013-2014 collection) to 2017 (15.0 percent increment in 2016-2017 collection). Unluckily, it falls sharply in the case of 2017-2018 collection with the reduction by 18.0 percent. In fact, the worst downfall is recorded twice with the reduction until 27.0 percent which are happened in 2015-2016 collection of compensation zakat and 2017-2018 collection of zakat of

wealth. On the other side of the coin, the highest increment happened on compensation zakat also only a year after its worst downfall, with an increment until 147 percent for 2016-2017 collection.

To sum up, the total collection of zakat in Wilayah Persekutuan consistently increases over the six years from 2013 until 2018 despite of fluctuation pattern in different types of zakat.

The main factor contributes to patterns in zakat collection is the number of zakat payers for each type of zakat in Wilayah Persekutuan. Similar to previous data, the highest number of zakat payers in Wilayah Persekutuan for these years is payers of zakat income. However, for zakat of business, even the collection of this zakat is the second highest based on Table 7, but the number of zakat payers is the second lowest over all above types of zakat.

Furthermore, despite of the fluctuation pattern, all types of zakat as shown in Table 8 have positive increment for six years from 2013 to 2018 except for zakat of wealth and compensation zakat with at least twice reduction in zakat payer number. The worst reduction of number of zakat payers happened in 2014-2015 case with 18.6 percent reduction in zakat of compensation while the highest increment of zakat payer number is in the same year with 47.4 percent increment for other types of zakat.

In conclusion, the total number of zakat payers constantly increases over the years and this situation has a huge impact to the amount of zakat collection in Wilayah Persekutuan. It is believed that the PPZ-MAIWP would improve their strategies in order to have more zakat payers in the future.

Table 8: Number of Zakat Payers in Wilayah Persekutuan (2013-2018)

TYPES OF ZAKAT	2013	2014	2015	2016	2017	2018
Income	108,929	212,606	130,089	135,275	143,388	151,477
Business	2,101	2,447	2,454	2,558	2,680	2,763
Saving	9,682	9,875	15,604	16,353	16,977	16,951
Wealth	4,753	4,709	4,781	4,357	4,270	4,066
Compensation	362	420	342	332	448	517
Others	7,836	9,198	13,517	16,434	16,614	20,815
TOTAL	138,852	153,382	166,787	175,309	184,377	196,589

Source: Zakat Centre of Federal Territory (2019)

13. Pusat Pungutan Zakat (PPZ-MAIWP). Retrieve from <http://www.zakat.com.my/> at 29 June 2019.

PART 4

Data And Research Methodology

In this part, data sampling and design of questionnaires are discussed at the very beginning before it proceeds with methodology section. In methodology section, several methods of analysis are explained such as descriptive analysis, cross tabulation analysis with the use of Chi-square tests, correlation analysis, steps in estimation of potential zakat collection and regression analysis.

Data sampling

The present study conducts a survey on a sample of foreign workers in Federal Territory. There were around 380,000 foreign workers in Malaysia in 1990 according to the Labour Force Surveys (LFS). The number increased rapidly to around 2.1 million in 2010. Foreign workers are concentrated in several big states and their distribution across states is stable over time. Sabah has always been the largest destination state in Malaysia for immigrants, with over 36 per cent of the total foreign population residing there in 2010. Selangor and Johor are with 15 per cent and 12 per cent of the foreign population, respectively, in 2010. As of 2010, these three states were hosts to almost two-thirds of all foreigners in Malaysia. Other states (or territories) with over five per cent share of foreigners are Pahang, Pulau Pinang, Sarawak, and Kuala Lumpur. As of 2010, Indonesians were the main foreign group (55 per cent), and Filipinos the second largest group in Labour Force Surveys (20 per cent) (Carpio et.al, 2015). Assuming that Federal Territory (Kuala Lumpur) is having 5 per cent of total foreign workers in 2010, thus the total number of foreign workers in Kuala Lumpur is approximately 105,000. Since Indonesians are the main group and most of them are Muslims, the number of Muslim foreign workers is assumed to be about 57,750 in Federal Territory.

In order to get the sample size, this study applies the most widely used formula provided by Yamane (1967) which is given below:

$$n = \frac{N}{1 + N(e)^2}$$

where:

n = desired sample size

N = the population size (total number of foreign workers in Federal Territory, approximately 57,750)

e = level of precision or sampling error (sampling error in this study is 5 percent)

Base on the above formula, the desired sample size required in this study is 397. It is calculated with 95 percent confidence level and 5 percent error level.

While doing the survey, more than 600 questionnaires are distributed at two areas under the Federal Territory (Wilayah Persekutuan) namely Kuala Lumpur and Putrajaya. The study does not include Labuan as the target area since it located at East Malaysia. The number of 489 responses is able to be collected. After cleansing the response data, 426 sample are usable. The remaining 63 responses are excluded from the analysis due to several defects such as location outside Wilayah Persekutuan and incomplete major information.

Questionnaires design

The survey was undertaken via a questionnaire designed to be completed by random respondents, who are the Muslim foreign workers in Federal Territory regardless of the professions. It is ranged from low-skilled workers to high-skilled workers. The questionnaire are delivered by hand to each Muslim foreign worker and collected within the same day. Besides, we are also distributed the questionnaires using 'google form' for those who can be reached by emails and mobile phones.

The questionnaire is divided into six sections:

- 1) Background of respondent (information on gender, citizenship, profession, income level, working duration, education level, age etc.)
- 2) Knowledge and awareness of respondents on zakat
- 3) Factors motivating respondents to pay zakat
- 4) Practice of respondents of paying zakat
- 5) Suggestions of zakat collection methods (for respondents to rank the priority)
- 6) Suggestions of marketing strategies (for respondents to rank the priority)

Methods of analysis

As of the analysis, data collected are coded and then analyzed using SPSS (a statistical package with routines specifically designed for analyzing social science data) and other software.

Descriptive analysis

Summary tables, often involving frequencies and cross-tabulation of responses against socio-economic status, are displayed and analyzed for the main findings. The frequencies involves analysis on the number of respondents for each variable or item such as demographic and zakat variables. Cross-tabulation statistics display the analysis of relationship between two or more variables. Cross tabulations provide a way of analyzing and comparing the results for one or more variables with the results of another (or others).

Chi-squared tests

For some responses, it is possible to determine statistically significant differences between sub-groups (eg. low-skilled and high-skilled workers) using a Chi-Squared test. This test is conducted for frequencies data.

In cross-tabulation, a similar Chi-Squared test could also be used to test for relatedness or independence between variables. Pearson chi-square and the likelihood-ratio chi-square are used for the test. For the cross-tabulation too, Correlations test can also be calculated and it yields Spearman's correlation coefficient, rho (numeric data only). Spearman's rho is a measure of association between rank orders. When both table variables (factors) are quantitative, Correlations yields the Pearson correlation coefficient, r , a measure of linear association between the variables.

Correlation analysis

In addition, correlation analysis is conducted on variables in study. Correlation is a statistical measure that indicates the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel. A negative correlation indicates the extent to which one variable increases as the other decreases. The correlation coefficient is a statistical measure that also calculates the strength of the relationship between the relative movements of two variables. The values range between -1.0 and 1.0. A correlation of -1.0 shows a perfect negative correlation, while a correlation of 1.0 shows a perfect positive correlation. A correlation of 0.0 shows no relationship between the movements of the two variables.

There are several types of correlation coefficients but the one that is most common is the Pearson correlation (r). This measures strength and direction of the linear relationship between two variables. It cannot capture nonlinear relationships between two variables and cannot differentiate between dependent and independent variables. The strength of the relationship varies in degree based on the value of the correlation coefficient. For example, a value of 0.2 shows there is a positive relationship between the two variables, but it is weak and likely insignificant. Experts do not consider correlations significant until the value surpasses at least 0.8. However, a correlation coefficient with an absolute value of 0.9 or greater would represent a very strong relationship.

Method to estimate potential zakat collection

Zakat is based on income and the value of all of one's possessions (Decobert, 1991). It is customarily 2.5% (or 1/40) of a Muslim's total savings and wealth above a minimum amount known as nisab (Sawar, 2015; Yusuf al-Qaradawi, 1999) but Islamic scholars differ on how much nisab is and other aspects of zakat. According to Islamic doctrine, the collected amount should be paid to the poor, the needy, Zakat collectors, those sympathetic to Islam, to free from slavery, for debt relief, in the cause of Allah and to benefit the stranded traveller. Today, in most Muslim-majority countries, zakat contributions are voluntary, while in Libya, Malaysia, Pakistan, Saudi Arabia, Sudan, and Yemen, zakat is mandated and collected by the state (Marty and Appleby, 1996; Samiul Hassan, 2015).

Based on the 2.5% of zakat should be paid yearly from one's income, the calculation of estimated zakat income collection from Muslim foreign workers at two areas of Wilayah Persekutuan is shown by the following steps:

Step 1

Data of monthly income of each individual respondent are collected. There are two methods to extract these data from the survey questions developed. The first method is using range of incomes in which data of 'average monthly income' is obtained using the average (mean) income between the scale (provided in questionnaire) as shown in Table 9.

Table 9: Re-computation of 'average income per month' for each respondent

Range of income (monthly) [as in questionnaires]	Average monthly income between ranges
RM 0 - RM 2,500	RM1,250
RM 2,501 - RM 5,000	RM3,750
RM 5,001 - RM 10,000	RM7,501
RM 10,001 - RM 15,000	RM12,501
RM 15,001 and above	RM17,501

The second method is using data from the question on 'approximate income per month' addressed in the survey question. The second method is a good method to collect the actual amount of income data among respondents but the weakness is that not all respondents are willing to disclose information on their income. Taking this into consideration, we will expect that using this method, the number of respondents could be used for calculation will be lesser.

Step 2

Once data in step one are collected for each respondent, 'yearly income' for each respondent is calculated by multiplying 'average monthly income' or 'approximate monthly income' by 12 months. It is imply be written as:

Yearly income (per respondent) = average monthly income X 12 months

Yearly income (per respondent) = approximate monthly income X 12 months

Step 3

Zakat should be paid by each respondent is then calculated based on 2.5 per cent of gross yearly income obtained. The following formula is used:

Zakat should be paid (yearly) = Yearly income (per respondent) x 0.025

Step 4

Using sample size (n), the average zakat collection among sample respondents is obtained to estimate how much zakat able to be collected on average per person. The following formula is then used:

Average zakat collection per person = Summation of zakat should be paid (yearly) of each respondents / total number of respondents (n)

Step 5

In this step, the number of Muslim foreign workers is estimated. Based on Home Affairs Ministry data, the following are the number of foreign workers in two areas of Wilayah Persekutuan:

WP Kuala Lumpur = 256,126

WP Putrajaya = 7,874

Thus, the total *foreign workers in WP* is 264,000.

Based on Home Affairs Ministry, most Muslim foreign workers are from Indonesia and Bangladesh. Majority hailing from Indonesia with 728,870 workers and Bangladesh with 221,089 workers (Nasa, 2017). Using this information, below

is the estimated percentage of Muslim foreign workers in Malaysia:

% of Muslim foreign workers in Malaysia
= (Indonesian + Bangladesh)/total foreign workers
= (728,870 + 221,089)/ 1,781,598 X100
= 53.32%

Thus, the Muslim foreign workers in WP can be estimated as:

Muslim foreign workers in WP

= 53.32 % x total foreign workers in WP
= 53.32% X 264000
= 140,766

Step 6

Estimation of zakat collection among Muslim foreign workers is calculated by using the estimated number of Muslim foreign workers in Kuala Lumpur and Putrajaya in step 5 and average zakat collection per person estimated at step 4.

Estimated collection for population Muslim foreign workers at WP

= Average zakat collected per person x Muslim foreign workers in WP
= Average zakat collected per person x 140,766

Regressions analysis

Furthermore, the study will use a nonlinear regression model specifically designed for binary dependent variables. The purpose of this model is to test the probability that Muslim foreign workers will opt to pay zakat income and fitrah in Malaysia. Unlike linear probability model, this model adopts a nonlinear formulation that forces the predicted values to be between 0 and 1 by using cumulative probability distribution function (c.d.f.) which is denoted by F. The logistic cumulative distribution function has a specific functional form, defined in terms of the exponential function. The population logit model of the binary dependent variable Y with multiple regressors could be expressed as Figure 3.

- 1) Referring to Figure 3, in modeling determinants of opting for payment of zakat income and fitrah in Malaysia by foreign workers, we develop a Logit Model as follows:

$$L_i(Y) = b_0 + b_1(X1) + b_2(X2) + b_3(X3) + b_4(X4) + b_5(X5) + b_6(X6) + b_7(X7) + b_8(X8) + b_9(X9)$$

$$\Pr(Y=1|\chi_1, \chi_2, \dots) = F(\beta_0 + \beta_1\chi_1 + \beta_2\chi_2 + \dots \beta_k\chi_k) = \frac{1}{1 + e^{-(\beta_0 + \beta_1\chi_1 + \beta_2\chi_2 + \dots \beta_k\chi_k)}}$$

Figure 3: Nonlinear Regression Equation

2) Referring to Figure 3, where L_i is a dummy variable with value of 0 or 1. $L_i = 0$, if the worker not opt to pay zakat and fitrah in Malaysia (answer of 'no') and $L_i = 1$ if the worker opt to pay zakat and fitrah in Malaysia (answer of 'yes'). For predictor variables, among the variables included are country of origin (X1), level of income (X2), working duration (X3), gender (X4), profession (X5), age (X6), working sector (X7), knowledge on zakat and fitrah (X8), education level (X9).

In general, if we take the antilog of the slope coefficients (β 's), subtract one from it, and multiply the result by 100, we will obtain the percent change in the odds for a unit increase in the j th regressor. The percentage change could be interpreted as probability that worker will opt to pay zakat and fitrah in Malaysia due to a unit increase in independent variables such as age, level of income and others.

It is also important to note that the R^2 is a poor measure of fit for the linear and nonlinear probability model (Stock and Watson, 2007). Therefore, we use another measure of fit for this model of binary dependent variable, namely "fraction correctly predicted". Besides, we will also perform Pearson χ^2 -type tests of goodness-of-fit, namely Hosmer-Lemeshow (1989) and Andrews (1988a, 1988b).

Table 10: Foreign workers statistic by states and sectors up until 28 February 2018

No	State	Manufacturing		Construction		Farming		Service		Agriculture		Housekeeping		Total		Overall Total	Percentage (%)
		L	P	L	P	L	P	L	P	L	P	L	P	L	P		
1	Selangor	174,586	33,060	109,301	6,371	29,394	568	82,946	8,340	29,374	2,588	268	50,652	429,869	101,579	527,448	30
2	Johor	139,356	31,479	45,102	1,158	20,406	1,025	23,622	2,690	30,298	2,369	26	10,659	258,810	49,380	308,190	17.53
3	WP Kuala Lumpur	21,752	2,969	89,424	4,144	36,304	568	49,667	5,058	16,904	1,036	253	28,047	214,304	41,822	256,126	14.57
4	Pulau Pinang	48,989	38,073	16,160	634	445	25	13,714	1,566	2,897	103	9	7,461	82,214	47,862	130,076	7.4
5	Sabah	7,518	3,497	5,854	119	50,671	14,191	4,165	1,074	19,042	11,171	11	8,220	87,261	39,272	126,533	7.2
6	Sarawak	21,707	6,041	19,466	979	41,731	16,675	5,285	4,675	5,851	810	18	3,178	94,058	32,331	126,389	7.19
7	Perak	31,401	8,844	5,978	375	16,090	282	6,335	806	6,695	329	12	4,301	66,511	14,937	81,448	4.63
8	Negeri Sembilan	18,409	3,747	5,517	316	5,511	232	7,620	716	4,447	300	21	2,463	41,525	7,774	49,299	2.8
9	Melaka	16,479	6,817	8,527	423	2,153	69	5,422	906	5,005	231	8	2,744	37,594	11,190	48,784	2.77
10	Pahang	4,873	400	3,637	169	13,855	486	3,680	636	10,560	567	59	1,977	36,664	4,235	40,899	2.33
11	Kedah	16,219	3,214	4,345	143	1,653	111	4,005	773	1,694	586	13	1,837	27,929	6,700	34,629	1.97
12	Terengganu	949	17	895	18	3,951	14	1,267	483	162	25	5	649	7,229	1,206	8,435	0.48
13	WP Putrajaya	8	5	544	19	5,082	142	966	54	529	9	5	511	7,134	740	7,874	0.45
14	Kelantan	1,740	152	272	11	2,909	117	470	141	180	24	17	836	5,588	1,281	6,865	0.39
15	Perlis	445	379	128	10	252	115	566	394	375	130	2	160	1,768	1,188	2,956	0.17
16	WP Labuan	16	8	464	18	0	0	436	183	354	73	1	730	1,271	1,012	2,283	0.13
Total		504,447	138,675	315,614	14,907	230,407	34,620	210,166	29,495	134,367	20,351	728	124,461	1,395,729	362,509	1,758,238	100
Overall Total		643,122		330,521		265,027		239,661		154,718		125,189		1,758,238		BTMR	
Percentage (%)		38.58		18.8		15.07		13.63		8.8		7.12		100			

Source: Home Affairs Ministry, 2018

PART 5

Analysis and Finding

Respondents who participate in this study are Muslim foreign worker in Wilayah Persekutuan (WP Putrajaya and WP Kuala Lumpur), Malaysia. The target sample size determined before the survey was conducted is about 400. However, the study able to collect four hundred eighty nine responses in the field study (n=489). Out of this collected number of responses, 63 (12.88 percent) out of the 489 respondents are excluded from the analysis due to incomplete survey responses and false location of respondents ie. not in Wilayah Persekutuan (WP).

The results and findings are derived and analyzed from the total of 426 effective responses. First section will starts by providing background information, detailed characteristics of the respondents descriptively, including some analysis of one-sample Chi-square and correlation. The following section discusses results based on the cross-tab between variables including Chi-square test for relatedness or independence. Furthermore, the third section elaborates results on correlation analysis between variables in study. The next section will estimates the potential amount of zakat of income could be collected from Muslim foreign workers based on steps of calculation mentioned on Part 4 and in the last section displays and discusses the results derived from the regression of models.

Descriptive analysis

Distribution of Respondents by Gender, Education Level, Employment sector, Type of Employment and Monthly Salary

As depicted in Table 11, 65.7 percent of the respondents are male while 32.6 percent are female. Majority of respondents are educated, with almost 40.6 percent obtain secondary school education, 7.5 percent holding a college diploma, 17.4 percent holding a bachelor degree and more than 10 percent hold postgraduate qualification of Master and PhD. As of employment sector they are in, most of the respondents are working in service sector (41.8 percent). The second most popular sector is manufacturing (13.8 per cent), regardless of the other sectors stated in study. Agricultural sector ranked the lowest popular sector by respondents to work in. Nonetheless, it is also found that more than 50 percent respondents are working in non-government type of employment (53.5 percent) and surprisingly, almost 25

percent of them are self-employed. As of monthly salary (RM), 70.4 percent of respondents earn less than RM2,500 per month. About 23.4 percent of them earn between RM2,500 to RM5,000 per month. Thus, majority of foreign workers in study are low income foreign workers.

Table 11: Distribution of Respondents by Gender, Education, Employment sector, Type of Employment and Monthly Salary

Variable	Categories	Frequency	Percent
Gender	Male	280	65.7
	Female	139	32.6
	Missing number	7	1.6
Educational Level	Primary school	63	14.8
	Secondary school	173	40.6
	College Diploma	32	7.5
	Bachelor	74	17.4
	Master	41	9.6
	PhD/Professional	16	3.8
	Missing number	27	6.3
Employment Sector	Manufacturing	59	13.8
	Services	178	41.8
	Construction	53	12.4
	Agriculture	1	0.2
	Farming	4	0.9
	Housekeeping	40	9.4
	Others (IT, retail, business, landscape, carpenter etc.)	80	18.8
	Missing number	11	2.6
Type of Employment	Government	16	3.8
	Non-government	228	53.5
	Self-employed	106	24.9
	Missing number	76	17.8
Monthly Salary (RM)	0 – 2,500	300	70.4
	2,501 – 5,000	100	23.4
	5,001 – 10,000	17	4.0
	10,001 – 15,000	5	1.2
	15,001 and above	4	0.9

It is somehow interesting to know which countries are these respondents are from. Table 12 displays the distribution of respondents by country of origin. Based on collection of data in study, it is found that the highest percentage number of them is from Indonesia (39.2 percent). This is followed by Bangladesh (25.8 percent) and Pakistan (5.9 percent). In general, the distribution of countries is from Middle East, Asia, Africa and Europe.

Table 12: Distribution of Respondents by Country of Origin

Country	Frequency	Percent
Afghanistan	10	2.3
Algeria	1	0.2
Bangladesh	110	25.8
Cambodia	1	0.2
China	2	0.5
Egypt	5	1.2
Germany	1	0.2
Guinea	1	0.2
India	11	2.6
Indonesia	167	39.2
Iran	3	0.7
Iraq	3	0.7
Malawi	3	0.7
Mynmar	5	1.2
Nigeria	2	0.5
Pakistan	25	5.9
Palestine	2	0.5
Philippines	1	0.2
Saudi Arabia	7	1.6
Sierra Leone	1	0.2
Singapore	1	0.2
Somalia	9	2.1
Sudan	2	0.5
Syria	11	2.6
Tanzania	1	0.2
Thailand	22	5.2
Tunisia	1	0.2
Turkey	1	0.2
United Kingdom	2	0.5
Vietnam	1	0.2
Yaman	10	2.3

As for the continuous data/variables, Table 13 shows the descriptive statistics in detailed. As for age of respondents, the minimum age found is 19 years-old and the maximum of age is 64 years-old. The average age among respondents is 33 years-old. The minimum of working duration of respondents is 0.2 years (2.4 months) and the maximum duration is 30 years. On average, the working duration of respondents is about 6.7 years. The respondents are also asked on the approximate monthly income that they received. Even though there is only 270 respondents answer this question, it could be extracted that the minimum monthly income received by them is RM600.00 while the maximum of monthly income is RM120,000.00. The mean income per month received by respondents is approximately RM2,735.00

Table 13: Descriptive Statistics on Continuous Variables

Variable	N	Minimum	Maximum	Mean	St dev.
Age	425	19.00	64.00	33.26	8.16
Working duration (year)	375	0.2	30.00	6.66	5.65
Approximate monthly income (RM)	270	600.00	120000.00	2734.63	7795.39

Descriptive analysis on the knowledge and awareness about zakat

In Section 2 of the questionnaire, respondents were asked on their knowledge and awareness on zakat. Table 14 shows the statistics on the responses of the respondents. Majority of respondents knows about zakat in general and they also know that zakat is one of 5 pillars in Islam. More than 95% have good knowledge on zakat in Islam.

Despite this general knowledge and awareness of foreign workers on zakat, they have very limited knowledge and awareness on zakat system in Malaysia. Only 50 percent of them have good knowledge on collection of zakat in Malaysia. However, just 31.9 percent know about distribution of zakat in Malaysia.

Table 14: Distribution of responses on knowledge and awareness about zakat

Question addressed		Yes	No	Missing data	Total
Do you know about zakat generally?	N	415	9	2	426
	%	97.4	2.1	0.5	100
Do you know zakat is one of the five Islamic pillars?	N	407	12	7	426
	%	95.5	2.8	1.6	100
Do you know about zakat system in Malaysia – the collection of zakat?	N	213	212	1	426
	%	50.0	49.8	0.2	100
Do you know about zakat system in Malaysia – the distribution of zakat?	N	136	289	1	426
	%	31.9	67.8	0.2	100

Table 15: Distribution of responses on good knowledge on each type of zakat

Type of zakat		Yes	No	Total
Zakat of fitr (Ramadhan)	N	408	18	426
	%	95.8	4.2	100
Zakat of Income	N	210	216	426
	%	49.3	50.7	100
Zakat of Business	N	128	298	426
	%	30.0	70.0	100
Zakat of Saving	N	129	297	426
	%	30.3	69.7	100
Zakat of Share/Stock	N	86	340	426
	%	20.2	79.8	100
Zakat of Gold/Silver	N	148	278	426
	%	34.7	65.3	100

Type of zakat		Yes	No	Total
Zakat of Plants/Crops	N	92	334	426
	%	21.6	78.4	100
Zakat of Livestocks/Farm Animals	N	87	339	426
	%	20.4	79.6	100
Zakat of Minerals	N	68	358	426
	%	16.0	84.0	100
Zakat of Compensation (Qadha)	N	99	327	426
	%	23.2	76.8	100

When the question addressed particular on each type of zakat, surprisingly most of the Muslim foreign workers in the study only have knowledge on 'zakat fitr' (fitrah) which should be paid every month of Ramadhan (refer to Table 15). The score of responses is 95.8 percent. When it comes to 'zakat income', barely half of the respondent's number has knowledge on this type of zakat. The score is 49.3 percent. As expected, other types of zakat are seemed unfamiliar for most of them, particularly on zakat minerals, zakat livestock/farm animals, zakat share/stock, zakat plants/crops and zakat compensation. For each of these zakat, the score of good knowledge among respondents is less than 30 percent.

Descriptive analysis on the practice of zakat

In this section, data are analyzed on the practice of zakat among Muslim foreign workers. The statistics are displayed on Table 16 and 17. Observing the percentage of responses on the question on paying zakat every year, it is found that majority of respondents is paying zakat fitr during Ramadhan but barely paying other types of zakat. The percentage of paying zakat income is 24.2 percent, zakat business is 9.2 percent, zakat saving is 11 percent, zakat gold/silver is 9.2 percent while the rest of zakat are only less than 6 percent.

Table 16: Distribution of responses on payment of zakat every year

Type of zakat		Yes	No	Total
Zakat of fitr (Ramadhan)	N	381	45	426
	%	89.4	10.6	100
Zakat of Income	N	103	323	426
	%	24.2	75.8	100
Zakat of Business	N	39	387	426
	%	9.2	90.8	100
Zakat of Saving	N	47	379	426
	%	11.0	89.0	100
Zakat of Share/Stock	N	15	411	426
	%	3.5	96.5	100
Zakat of Gold/Silver	N	39	387	426
	%	9.2	90.8	100
Zakat of Plants/Crops	N	19	407	426
	%	4.5	95.5	100
Zakat of Livestocks/Farm Animals	N	13	413	426
	%	3.1	96.9	100

Type of zakat		Yes	No	Total
Zakat of Minerals	N	11	415	426
	%	2.6	97.4	100
Zakat of Compensation (Qadha)	N	24	402	426
	%	5.6	94.4	100

When they are asked on the place where they are paying the zakat, in all cases of zakat, the number of those who are paying zakat in their own countries is exceed the number of those who are paying zakat in Malaysia. Having said that, zakat fitr is the type of zakat that most of them pay in Malaysia. The score is the highest (33.6 percent) among other types of zakat.

Table 17: Distribution of responses on place where zakat is/are paid

Type of zakat		Malaysia	Own country	Missing data	Total
Zakat of fitr (Ramadhan)	N	143	222	61	426
	%	33.6	52.1	14.3	100
Zakat of Income	N	37	65	324	426
	%	8.7	15.3	76.1	100
Zakat of Business	N	14	24	388	426
	%	3.3	5.6	91.1	100
Zakat of Saving	N	13	34	379	426
	%	3.1	8.0	89.0	100
Zakat of Share/Stock	N	4	11	411	426
	%	0.9	2.6	96.5	100
Zakat of Gold/Silver	N	10	29	387	426
	%	2.3	6.8	90.8	100
Zakat of Plants/Crops	N	4	15	407	426
	%	0.9	3.5	95.5	100
Zakat of Livestocks/Farm Animals	N	5	8	413	426
	%	1.2	1.9	96.9	100
Zakat of Minerals	N	3	8	415	426
	%	0.7	4.5	94.8	100
Zakat of Compensation (Qadha)	N	3	19	404	426
	%	0.7	4.5	94.8	100

The respondents are also asked on how zakat payment is delivered. The results displayed on Table 18 shows that more than 50 percent deliver zakat through zakat institution and less than 50 percent pay directly to asnaf. However, there is no significant difference between the percentages obtained in both cases. Thus, it is believed that both methods of delivery are very common methods used by Muslim foreign workers to safely deliver the zakat payment.

Table 18: Distribution of responses on how zakat payment is delivered

Method of zakat delivery		Yes	No	Total
Directly to the asnaf	N	201	225	426
	%	47.2	52.8	100
Through zakat institution	N	244	182	426
	%	57.3	42.7	100

Table 19: Distribution of reasons why prefer to pay zakat in country of origin

Reason to pay zakat in country of origin		Yes	No	Total
To assist the poor in own country	N	359	67	426
	%	84.3	15.7	100
Do not have knowledge on how to pay zakat in Malaysia	N	91	335	426
	%	21.4	78.6	100
Just follow friends	N	40	386	426
	%	9.4	90.6	100
Other reasons	N	11	415	426
	%	2.6	97.4	100

While asking on the reasons why they prefer to pay zakat in their countries of origin, the most popular answer is to assist the poor in their own countries (refer to Table 19). Surprisingly, majority of them are willing to pay zakat in Malaysia in the future (71.6 percent) as shown in Table 20. Even though only 27.9 percent of Muslim foreign workers are not willing to pay zakat in Malaysia in future, the statistics imply the importance of building confidence and trust among them on Malaysian system of zakat collection. The efforts should be taken by both authorities and zakat institutions to well develop good and efficient method of zakat collection among foreign workers.

Table 20: Distribution of responses on willingness to pay zakat in Malaysia in the future

Question		Yes	No	Missing data	Total
Do you willing to pay zakat in Malaysia in the future?	N	305	119	2	426
	%	71.6	27.9	0.5	100

Descriptive analysis on suggestions of method and marketing of zakat collection

The respondents are also asked to rank the suggested methods of zakat collection and marketing the zakat collection as shown in Table 21. The rank placed by respondents on the items/suggestions is counted and the rank is determined by the largest frequency of each item among respondents. As shown in the table, for method of zakat collection, respondents rank 'moving counter' as the highest preferable method of zakat collection. This is followed by zakat counter, online method and deduction of salary. The results imply that the involvement of zakat officers and collectors with the public is the most preferable method among the zakat payers. This is probably the fastest and cheapest ways for zakat payers to practice their obligation as Muslims. However, this method might not be the cheapest method to zakat institutions as they have to place more human resources to different locations and it might also be time consuming.

Table 21: Ranking on method of zakat collection and marketing of zakat collection

Variable	Item	Rank According to Respondent	Frequency (percent) Rank According to Respondent
Method of zakat collection	Moving counter (such as mosque, mall, roadside etc.)	1	167 (39.2)
	Zakat centre office counter	2	171 (40.1)
	Online method	3	176 (41.3)
	Deduction from salary	4	215 (50.5)
	Other methods	5	406 (95.3)
Marketing of zakat collection	Electronic media (such as TV, radio etc.)	1	110 (25.8)
	Flyers, posters and banners	2	117 (27.5)
	Seminar conducted by mosque	3	114 (26.8)
	Social media (such as FB, Whatsapp, twitter etc.)	4	97 (22.8)
	Face to face	5	153 (35.9)
	Seminar conducted by the employer	6	95 (22.3)

Notes: The frequency for each suggestion reported is based on the largest frequency among the responses. The rank is determined by the largest frequency and percent for each selection

As for the marketing strategies, 'electronic media' is chosen as the best marketing strategy that zakat institutions should adopt to attract more zakat payers. This is followed by non-electronic media such as flyers, banners and posters, seminar conducted by mosques, social media, face to face and finally seminar conducted by employers.

Descriptive analysis on factors motivating to give zakat

The survey questions on Part III do ask on the factors that motivate respondents to pay zakat. There are 5 factors listed in question, namely, religiosity, recognition, altruism, and self-satisfaction and organization factors. Several items are listed under each factor to be selected by respondents. The answers selected for each item is either 'yes' or 'no' to be responded.

Table 22: Factors motivating to give zakat – Religiosity factor

Item		Yes	No	Total
Heavenly reward	N	263	163	426
	%	61.7	38.3	100.0
Believe in punishment of hell	N	196	230	426
	%	46.0	54.0	100.0
It is obligatory	N	227	149	426
	%	65.0	35.0	100.0

Table 23: Factors motivating to give zakat – Recognition factor

Item		Yes	No	Total
To be seen as generous	N	135	291	426
	%	31.7	68.3	100.0
Increase business opportunity	N	153	273	426
	%	35.9	64.1	100.0
To get social support and praised	N	94	332	426
	%	22.1	77.9	100.0

In this section, the descriptive analysis on the responses for each factor is discussed. By referring to Table 22, two important items considered as motivation for respondents to pay zakat due to religiosity factor are ‘the heaven reward’ and ‘the obligation’. The scores of ‘yes’ answer to these two items is more than 50 percent. When items of recognition factor are listed, surprisingly it is found that none of the items are considered as major motivations for the respondents to pay zakat. Those items are to be seen as generous, to increase business opportunity and to get social support and praised. The percentage of ‘yes’ answers to these three items are far less than 40 percent each. The results imply that majority of respondents are not being motivated to pay zakat because to get recognition but rather they prefer to pay zakat as obligation and to get rewards in the hereafter.

Table 24: Factors motivating to give zakat – Altruism factor

Item		Yes	No	Total
Rights of poor and needy	N	286	140	426
	%	67.1	32.9	100.0
To show gratitude	N	165	261	426
	%	38.7	61.3	100.0
To get blessing from Allah	N	240	186	426
	%	56.3	43.7	100.0
Increase level of piety	N	130	296	426
	%	30.5	69.5	100.0
Cleanse one's wealth	N	175	251	426
	%	41.1	58.9	100.0
Sense of guilt	N	59	367	426
	%	13.8	86.2	100.0

Table 24 shows the frequencies of responses for the list of items under altruism factor. Obviously, it could be seen that only two items are mostly important motivating items for the altruism factor to pay zakat. Those are ‘the rights of poor and needy’ and ‘to get blessing from Allah’. Both items score 67.1 and 56.3 percents of ‘yes’ answer, respectively. The results simply highlight the concern of respondents over other peoples who exceed their self-purification and self-rewarding.

Table 25: Factors motivating to give zakat – Self-satisfaction factor

Item		Yes	No	Total
Zakat improves Muslim economic condition	N	256	170	426
	%	60.1	39.9	100.0
I am socially responsible person	N	127	299	426
	%	29.8	70.2	100.0

Item		Yes	No	Total
I am happy to pay zakat	N	155	271	426
	%	36.4	63.6	100.0
I am generous	N	64	362	426
	%	15.0	85.0	100.0
I like to be an exemplary	N	49	377	426
	%	11.5	88.5	100.0

The only self-satisfaction motivation which can be identified from the findings is the intention of respondents to look Muslims economic condition is improved through zakat system. The results displayed on Table 25 show that this item is the only item scores more than 50 percent as a ‘yes’ answer. Again, the self-satisfaction among respondents is achieved by looking at the improvement of other Muslims in their economic situation from zakat system established in the country.

Furthermore, the items of organization factors are listed to capture a possible motivation from the zakat institution itself such as the services and facilities provided. Eleven items are listed to be selected by respondents. The results of frequencies are displayed on Table 26. The results show that in all cases/items, the score of ‘yes’ answer is less than the ‘no’ answer in percentage. Given this results, the analysis is done by looking at the highest score of the ‘yes’ answer among respondents. It is found that only item 1 (availability of zakat collection centre) is obtained the highest percentage of 47.7 percent while other items score less than 30 percent. The second highest score is item 2 (satisfactory services) and followed by item 4 (convenient payment system). Taken these 3 items, it could be concluded that the main motivation of paying zakat among respondents is because of availability of zakat collection centre. This is followed by satisfaction of zakat collection services and convenient payment system that the zakat institutions provided currently. The findings construe that zakat payment system should always be improved to facilitate zakat payers particularly in term of services given and conveniences.

Table 26: Factors motivating to give zakat – Organization factor

Item		Yes	No	Total
Availability of zakat collection centre	N	203	223	426
	%	47.7	52.3	100.0
Satisfactory services	N	115	311	426
	%	27.0	73.0	100.0
Confidence in zakat collection centre	N	83	343	426
	%	19.5	80.5	100.0
Convenient payment system	N	97	329	426
	%	22.8	77.2	100.0
Services offered by zakat collection centre	N	73	353	426
	%	17.1	82.9	100.0
Various services provided to facilitate zakat activities	N	44	382	426
	%	10.3	89.7	100.0
Transparent of information on collection and distribution	N	44	382	426
	%	10.3	89.7	100.0

Item		Yes	No	Total
Professionally managed	N	62	364	426
	%	14.6	85.4	100.0
Influenced by zakat advertisements	N	25	401	426
	%	5.9	94.1	100.0
Online facilities	N	29	397	426
	%	6.8	93.2	100.0
Salary deduction facility	N	40	386	426
	%	9.4	90.6	100.0

Chi-square test for goodness of fit

The chi-square test for goodness of fit explores the proportion of cases that fall into the various categories of a single variable, and compares these with hypothesized values. It is used to test hypotheses about the shape or proportions of a population distribution. The test determines how well the obtained sample proportions fit the population proportions specified by the null hypothesis. This test is also referred to as the one-sample chi-square.

In this study, below are the hypotheses developed for each variable:

Hypotheses 1

Ho1: In the population, 50% know about zakat and 50% do not know about zakat.

Ha1: In the population, the proportion of population do know about zakat and do not know about zakat is not 50%-50%.

Hypotheses 2

Ho2: In the population, 50% know zakat as one of 5 islamic pillars and 50% do not know zakat as one of 5 islamic pillars.

Ha2: In the population, the proportion of population do know and do not know zakat as one of 5 islamic pillars is not 50%-50%.

Hypotheses 3

Ho3: In the population, 50% know zakat collection system in Malaysia and 50% do not know zakat collection system in Malaysia.

Ha3: In the population, the proportion of population do know and do not know zakat collection system in Malaysia is not 50%-50%.

Hypotheses 4

Ho4: In the population, 50% know zakat distribution system in Malaysia and 50% do not know zakat distribution system in Malaysia.

Ha4: In the population, the proportion of population do know and do not know zakat distribution system in Malaysia is not 50%-50%.

Hypotheses 5

Ho5: In the population, 50% willing to pay zakat in Malaysia in future and 50% not willing to pay zakat in Malaysia in future.

Ha5: In the population, the proportion of population willing and not willing to pay zakat in Malaysia in future is not 50%-50%.

Hypotheses 6

Ho6: In the population, 50% pay zakat directly to asnaf and 50% not pay zakat directly to asnaf.

Ha6: In the population, the proportion of population pay and not pay zakat directly to asnaf is not 50%-50%.

Hypotheses 7

Ho7: In the population, 50% pay zakat through zakat institution and 50% not pay zakat through zakat institution.

Ha7: In the population, the proportion of population pay and not pay zakat through zakat institution is not 50%-50%.

Based on Chi-square test results on Table 27, it could be seen that the Chi-square statistics in most cases are significant (p-value of sig. less than 0.05), particularly in hypothesis 1, 2, 4, 5 and 7. In hypothesis 1, it could be concluded that there is significant difference in the frequency of having knowledge and not having knowledge about zakat in general. Similarly, in hypothesis 2, the rejection of null hypothesis reflects that there is significant difference between those who know zakat is one of 5 Islamic pillars and those who don't. As for hypothesis 4, there is also significant difference between those who know about zakat distribution system in Malaysia and those who do not know. Finally, there are also significant difference between those who are willing and not willing to pay zakat in Malaysia in the future and significant difference between those who prefer to pay zakat through zakat institution and those who do not prefer to pay through zakat institution.

Table 27: Chi-square test for goodness of fit

	Variables						
	Know about zakat	Know zakat is one of 5 islamic pillars	Know collection zakat sys in Malaysia	Know distribution zakat sys in Malaysia	Willing to pay zakat in Malaysia in future	Prefer to pay zakat directly to asnaf	Prefer to pay zakat through zakat institution
Chi-square stat.	388.76	372.37	0.002	55.08	81.59	1.35	9.02
df	1	1	1	1	1	1	1
Asymp. Sig.	0.000	0.000	0.961	0.000	0.000	0.245	0.003

As for hypotheses 3 and 6, the results show that the Chi-square statistics are insignificant ($p\text{-value} > 0.05$). The results imply that there is no significant difference in frequency between those who know about zakat collection system in Malaysia and those who do not know. Similarly, there is also no significant difference in the frequency of those who prefer to pay zakat directly to asnaf and those who do not prefer to do so.

Cross-tab statistics

A cross-tabulation of knowledge about zakat in general by gender, education, employment sector, types of employment and monthly salary are shown in Table 28. The statistics indicate that almost similar percentages of male and female have knowledge about zakat in general (98.6 is for male and 96.4 is for female). As of education, the higher level of education, particularly PhD/professional, master and diploma, contribute fully to the knowledge on zakat among respondents. Those who are working in government sector are found fully aware about zakat as compared to those in non-government sector and self-employed. Furthermore, those who are working in construction, farming and agricultural sectors are also those who have good knowledge about zakat. It is also found that those who earn salary more than RM5000 per month are those who have more knowledge about zakat in general.

Table 28: Cross-Tabulation of knowledge about zakat in general by gender, education, employment sector, types of employment and monthly salary

		Have knowledge about zakat in general		Total (N)	Pearson Chi-Square
		Yes N(%)	No N(%)		
Gender	Male	275(98.6)	4(1.4)	279	2.096 (sig. = 0.148)
	Female	133(96.4)	5 (3.6)	138	
Education	Primary	61(96.8)	2(3.2)	63	2.50 (sig. = 0.777)
	Secondary	168(97.7)	4(2.3)	172	
	Diploma	32(100.0)	0(0.0)	32	
	Bachelor degree	72(97.3)	2(2.7)	74	
	Master	40(100.0)	0(0.0)	40	
	PhD/Professional	16(100.0)	0(0.0)	16	
Types of employment	Government	16(100.0)	0(0.0)	16	1.293 (sig. = 0.524)
	Non-government	224(98.7)	3(1.3)	227	
	Self-employed	102(97.1)	3(2.9)	105	
Employment Sector	Manufacturing	57(96.6)	2(3.4)	59	2.343 (sig. = 0.886)
	Services	173(97.2)	5(2.8)	178	
	Construction	53(100.0)	0(0.0)	53	
	Agriculture	1(100.0)	0(0.0)	1	
	Farming	4(100.0)	0(0.0)	4	
	Housekeeping	39(97.5)	1(2.5)	40	
	Others	77(98.7)	1(1.3)	78	
Monthly salary(RM)	0 – 2500	291(97.7)	7(2.3)	298	0.645 (sig. = 0.958)
	2501 – 5000	98(98.0)	2(2.0)	100	
	5001 – 10000	17(100.0)	0(0.0)	17	
	10001 - 15000	5(100.0)	0(0.0)	5	
	15001 and above	4(100.0)	0(0.0)	4	

Furthermore, the Chi-square values are obtained to test the relatedness or independence between the variables in cross-tabulation. In other words, the test is conducted to explore the relationship between two categorical variables. The test compares the observed frequencies or proportions of cases that occur in each of the categories, with the values that would be expected if there was no association between the two variables being measured. The hypotheses which could be developed for this test are:

Hypotheses 1

Ho1: The knowledge about zakat among Muslim foreign workers is independent of gender.

Ha1: The knowledge about zakat among Muslim foreign workers is dependent on gender.

Hypotheses 2

Ho2: The knowledge about zakat among Muslim foreign workers is independent of education level.

Ha2: The knowledge about zakat among Muslim foreign workers is dependent on education level.

Hypotheses 3

Ho3: The knowledge about zakat among Muslim foreign workers is independent of types of employment.

Ha3: The knowledge about zakat among Muslim foreign workers is dependent on types of employment.

Hypotheses 4

Ho4: The knowledge about zakat among Muslim foreign workers is independent of employment sectors.

Ha4: The knowledge about zakat among Muslim foreign workers is dependent on employment sectors.

Hypotheses 5

Ho5: The knowledge about zakat among Muslim foreign workers is independent of monthly salary.

Ha5: The knowledge about zakat among Muslim foreign workers is dependent on monthly salary.

The results of the test are displayed at the last column on Table 28. Since the p-value or sig. of all Chi-square values are more than 0.05, it could be concluded that there are no association between knowledge about zakat among Muslim foreign workers and gender, education level, types of employment, employment sectors and monthly salary.

Table 29: Cross-Tabulation of willingness to pay zakat in Malaysia in future by gender, education, employment sector, types of employment and monthly salary

		Willing to pay zakat in Malaysia in future		Total (N)	Pearson Chi-Square
		Yes N(%)	No N(%)		
Gender	Male	191(68.5)	88(31.5)	279	4.372 (sig. = 0.037)
	Female	108(78.3)	30(21.7)	138	
Education	Primary	44(69.8)	19(30.2)	63	9.981 (sig. = 0.076)
	Secondary	127(73.8)	45(26.2)	172	
	Diploma	24(75.0)	8(25.0)	32	
	Bachelor degree	47(63.5)	27(36.5)	74	
	Master	24(58.5)	17(41.5)	41	
	PhD/Professional	15(93.8)	1(6.3)	16	
Types of employment	Government	13(81.3)	3(18.8)	16	0.534 (sig. = 0.766)
	Non-government	166(73.5)	60(26.5)	226	
	Self-employed	77(72.6)	29(27.4)	106	
Employment Sector	Manufacturing	42(71.2)	17(28.8)	59	9.227 (sig. = 0.161)
	Services	132(74.6)	45(25.4)	177	
	Construction	32(61.5)	20(38.5)	52	
	Agriculture	1(100.0)	0(0.0)	1	
	Farming	1(25.0)	3(75.0)	4	
	Housekeeping	27(67.5)	13(32.5)	40	
	Others	61(76.3)	19(23.8)	80	
Monthly salary(RM)	0 – 2500	203(68.1)	95(31.9)	298	9.150 (sig. = 0.057)
	2501 – 5000	82(82.0)	18(18.0)	100	
	5001 – 10000	12(70.6)	5(29.4)	17	
	10001 - 15000	5(100.0)	0(0.0)	5	
	15001 and above	3(75.0)	1(25.0)	4	

Table 29 shows a cross-tabulation of willingness to pay zakat in Malaysia in future by gender, education, employment sector, types of employment and monthly salary. The statistics in the table indicate that female workers are willing to pay zakat in Malaysia in the future as compared to male workers (68.5 percent is male and 78.3 percent is female). As of education, those with higher level of education, particularly PhD/professional are those who have higher percentage to pay zakat in Malaysia in the future (93.8 percent). In almost all cases of education level, the percentage of those who are willing to pay zakat in Malaysia is exceeding 60 percent. Those who are working

in government sector, non-government sector and self-employed are willing to pay zakat in Malaysia in future with the score of more than 70 percent. Furthermore, more than 50 percent of those who are working in all sectors, except farming, are willing to pay zakat in Malaysia in the future. This reflects a positive response by foreign workers on the current method of zakat collection practiced by zakat institutions in the country. Again, it is also found that at each level of monthly salary, the respondents who are willing to pay zakat in Malaysia in the future are exceeded 60 percent.

The test the relatedness or independence between the variables in cross-tabulation is also conducted using Chi-square test to explore the relationship between two categorical variables. The general hypotheses developed are:

Ho: The willingness to pay zakat in Malaysia in the future among Muslim foreign workers is independent of gender, education level, types of employment, employment sector and monthly salary.

Ha: The willingness to pay zakat in Malaysia in the future among Muslim foreign workers is dependent on gender, education level, types of employment, employment sector and monthly salary.

The results of Chi-square test reveal that the willingness to pay zakat in Malaysia in the future is only dependent on gender with p-value or sig. less than 5 percent. However, the willingness to pay zakat in Malaysia in future is independent of education level, types of employment, employment sector and monthly salary. Thus, it is suggested that more marketing strategies should be used to attract the potential zakat payers among male foreign workers in the future to pay zakat in Malaysia rather than their own countries of origin.

Furthermore, a cross-tabulation of paying zakat fitr by gender, education, employment sector, types of employment and monthly salary is also analyzed. The statistics in Table 30 indicate that male workers and female workers have almost similar percentage in term of zakat fitr payment (90.0 percent is male and 87.8 percent is female). As of education, at

all level of education, the payment of this zakat among respondents are high (exceed 75 percent). Those who are working in government sector, non-government sector and self-employed are paying zakat fitr with the score of more than 80 percent. Nonetheless, more than 70 percent of those who are working in all sectors are paying zakat fitr every year. Similarly, it is also found that at each level of monthly salary, the numbers of respondents who are paying zakat fitr are more than 80 percent.

The Chi-square statistics show that there is significant difference between types of employment and employment sectors on this payment of zakat fitr. In other words, the payment of zakat fitr is dependent on types of employment and employment sectors of the foreign workers. These findings are shown by the lower sig values of the Chi-square test for these two variables with the following general hypotheses:

Ho: The payment of zakat fitr among Muslim foreign workers is independent of gender, education level, types of employment, employment sector and monthly salary.

Ha: The payment of zakat fitr among Muslim foreign workers is dependent on gender, education level, types of employment, employment sector and monthly salary

Table 30: Cross-Tabulation of paying zakat fitr every year by gender, education, employment sector, types of employment and monthly salary

		Willing to pay zakat in Malaysia in future		Total (N)	Pearson Chi-Square
		Yes N(%)	No N(%)		
Gender	Male	252(90.0)	28(10.0)	280	0.482 (sig. = 0.488)
	Female	122(87.8)	17(12.2)	139	
Education	Primary	56(88.9)	7(11.1)	63	9.940 (sig. = 0.077)
	Secondary	154(89.0)	19(11.0)	173	
	Diploma	25(78.1)	7(21.9)	32	
	Bachelor degree	68(91.9)	6(8.1)	74	
	Master	40(97.6)	1(2.4)	41	
	PhD/Professional	16(100.0)	0(0.0)	16	
Types of employment	Government	16(100.0)	0(0.0)	16	8.975 (sig. = 0.011)
	Non-government	214(93.9)	14(6.1)	228	
	Self-employed	90(84.9)	16(15.1)	106	
Employment Sector	Manufacturing	42(71.2)	17(28.8)	59	27.354 (sig. = 0.000)
	Services	166(93.3)	12(6.7)	178	
	Construction	51(96.2)	2(3.8)	53	
	Agriculture	1(100.0)	0(0.0)	1	
	Farming	4(100.0)	0(0.0)	4	
	Housekeeping	37(92.5)	3(7.5)	40	
	Others	70(87.5)	10(12.5)	80	
Monthly salary(RM)	0 – 2500	265(88.3)	35(11.7)	300	3.491 (sig. = 0.479)
	2501 – 5000	90(90.0)	10(10.0)	100	
	5001 – 10000	17(100.0)	0(0.0)	17	
	10001 - 15000	5(100.0)	0(0.0)	5	
	15001 and above	4(100.0)	0(0.0)	4	

Table 31: Cross-Tabulation of paying zakat income every year by gender, education, employment sector, types of employment and monthly salary

		Willing to pay zakat in Malaysia in future		Total (N)	Pearson Chi-Square
		Yes N(%)	No N(%)		
Gender	Male	80(28.6)	200(71.4)	280	9.204 (sig. = 0.002)
	Female	21(15.1)	118(84.9)	139	
Education	Primary	7(11.1)	56(44.9)	63	45.299 (sig. = 0.000)
	Secondary	27(15.6)	146(84.4)	173	
	Diploma	8(25.0)	24(75.0)	32	
	Bachelor degree	31(41.9)	43(58.1)	74	
	Master	18(43.9)	23(56.1)	41	
	PhD/Professional	10(62.5)	6(37.5)	16	
Types of employment	Government	2(12.5)	14(87.5)	16	5.151 (sig. = 0.076)
	Non-government	53(23.2)	175(76.8)	228	
	Self-employed	35(33.0)	71(67.0)	106	
Employment Sector	Manufacturing	12(20.3)	47(79.7)	59	5.469 (sig. = 0.485)
	Services	48(27.0)	130(73.0)	178	
	Construction	9(17.0)	44(83.0)	53	
	Agriculture	0(0.0)	1(100.0)	1	
	Farming	1(25.0)	3(75.0)	4	
	Housekeeping	7(17.5)	33(82.5)	40	
	Others	24(30.0)	56(70.0)	80	

		Willing to pay zakat in Malaysia in future		Total (N)	Pearson Chi-Square
		Yes N(%)	No N(%)		
Monthly salary(RM)	0 – 2500	60(20.0)	240(80.0)	300	35.067 (sig. = 0.000)
	2501 – 5000	25(25.0)	75(75.0)	100	
	5001 – 10000	10(58.8)	7(41.2)	17	
	10001 - 15000	4(80.0)	1(20.0)	5	
	15001 and above	4(100.0)	0(0.0)	4	

A cross-tabulation of paying zakat income by gender, education, employment sector, types of employment and monthly salary is also being explored. The results are shown on Table 31. Surprisingly, the results indicate that both male workers and female workers who are paying this type of zakat are very low in number (28.6 percent is male and 15.1 percent is female). The payment of zakat income is also very low among those who are having low level of education. Those who are working in government sector are found to score low rate of payment as compared to those in non-government sector and self-employed. Nonetheless, less than 30 percent of those who are working in all sectors are paying zakat income every year. Looking at cross-tab by salary, it is found that the numbers of respondents who are paying zakat income are more for higher level of income group, particularly for the monthly salary more than RM5,000.

The Chi-square statistics show that the payment of zakat income is dependent on gender, education and monthly salary of the foreign workers. The findings are shown by the lower sig values of the Chi-square test for these three variables with the following general hypotheses:

Ho: The payment of zakat income among Muslim foreign workers is independent of gender, education level, types of employment, employment sector and monthly salary.

Ha: The payment of zakat income among Muslim foreign workers is dependent on gender, education level, types of employment, employment sector and monthly salary.

The analysis of cross tabulation is conducted further on the factors that motivate respondents to pay zakat. The analysis is done for all 5 factors, namely, religiosity, recognition, altruism, self-satisfaction and organization factors. For each factor, 3 items are selected to represent each factor.

Table 32 displays cross-tabulation statistics for religiosity factors based on 3 items (heavenly rewards, believe in punishment of hell and it is obligatory) by gender, education level, types of employment, employment sector and monthly salary. The focus of analysis is on the possible significant religious motivation depends on gender, education level, types of employment, employment sector and monthly salary. Thus, the concentration is paid on the Chi-square values to test the following hypotheses:

Ho: The payment of zakat due to religiosity factor among Muslim foreign workers is independent of gender, education level, types of employment, employment sector and monthly salary.

Ha: The payment of zakat due to religiosity factor among Muslim foreign workers is dependent on gender, education level, types of employment, employment sector and monthly salary.

The Chi-square statistics for the item 'heavenly rewards' show that the payment of zakat due to this factor is dependent on education, types of employment and employment sector working of the foreign workers. The findings are shown by the lower sig values of the Chi-square test for these three variables. On the other hand, the payment of zakat due to 'believe in punishment of hell' is dependent on education, types of employment and monthly salary of the foreign workers. As for item 'it is obligatory', the payment of zakat due to this factor is dependent on education and gender of foreign workers. In general, taken significant values of Chi-square statistics in all 3 items, it could be concluded that religiosity factor is depend mostly on education level of respondents.

Next, in Table 33, cross-tabulation statistics for recognition factors based on 3 items (to be seen as generous, increase business opportunity and to get social support and praised) by gender, education level, types of employment, employment sector and monthly salary are displayed. Similarly, the concentration is paid on the Chi-square values to test the following hypotheses:

Ho: The payment of zakat due to recognition factor among Muslim foreign workers is independent of gender, education level, types of employment, employment sector and monthly salary.

Ha: The payment of zakat due to recognition factor among Muslim foreign workers is dependent on gender, education level, types of employment, employment sector and monthly salary.

Surprisingly, there is no significant relationship between item 'to be seen as generous' and all demographic variables. The relationship could be seen only with other two items. As for item 'increase business opportunity', the payment of zakat due to this item is dependent on education level, types of employment and month salary. Interestingly, payment of zakat 'to get social support and praised' is highly dependent on all variables of gender, education, types of employment, employment sector and month salary.

Table 32: Cross-Tabulation of religiosity factors by gender, education, employment sector, types of employment and monthly salary

	Heavenly rewards		Pearson Chi-Square	Believe in punishment of hell		Pearson Chi-Square	It is obligatory		Pearson Chi-Square
	Yes N(%)	No N(%)		Yes N(%)	No N(%)		Yes N(%)	No N(%)	
Gender									
Male	175 (62.5)	105 (37.5)	0.016 (sig.= 0.90)	68 (48.9)	71 (51.1)	0.384 (sig = 0.536)	174 (62.1)	106 (37.9)	3.373 (sig = 0.066)
Female	86 (61.9)	53 (38.1)		128 (45.7)	152 (54.3)		99 (71.2)	40 (28.8)	
Education									
Primary	37 (58.7)	26 (41.3)	11.992 (sig. = 0.035)	24 (38.1)	39 (61.9)	14.738 (sig = 0.012)	44 (69.8)	19 (30.2)	11.839 (sig = 0.037)
Secondary	101 (58.4)	72 (41.6)		90 (52.0)	83 (48.0)		114 (65.9)	59 (34.1)	
Diploma	17 (53.1)	15 (46.9)		12 (37.5)	20 (62.5)		16 (50.0)	16 (50.0)	
Bachelor degree	58 (78.4)	16 (21.6)		44 (59.5)	30 (40.5)		42 (56.8)	32 (43.2)	
Master	29 (70.7)	12 (29.3)		12 (29.3)	29 (70.7)		27 (65.9)	14 (34.1)	
PhD/Professional	10 (62.5)	6 (37.5)		7 (43.8)	9 (56.3)		15 (93.8)	1 (6.3)	
Types of Employment									
Government	7 (43.8)	9 (56.3)	6.403 (sig. = 0.041)	4 (25.0)	12 (75.0)	7.185 (sig = 0.028)	12 (75.0)	4 (25.0)	0.634 (sig.= 0.728)
Non-government	143 (62.7)	85 (37.3)		100 (43.9)	128 (56.1)		153 (67.1)	75 (32.9)	
Self-employed	77 (72.6)	29 (27.4)		59 (55.7)	47 (44.3)		69 (65.1)	37 (34.9)	
Employment Sector									
Manufacturing	43 (72.9)	16 (27.1)	13.391 (sig. = 0.037)	26 (44.1)	33 (55.9)	6.195 (sig = 0.402)	37 (62.7)	22 (37.3)	8.634 (sig. = 0.195)
Services	117 (65.7)	61 (34.3)		89 (50.0)	89 (50.0)		122 (68.5)	56 (31.5)	
Construction	29 (54.7)	24 (45.3)		23 (43.4)	30 (56.6)		34 (64.2)	19 (35.8)	
Agriculture	0 (0.0)	1 (100.0)		0 (0.0)	1 (100.0)		1 (100.0)	0 (0.0)	
Farming	4 (100.0)	0 (0.0)		1 (25.0)	3 (75.0)		1 (25.0)	3 (75.0)	
Housekeeping	20 (50.0)	20 (50.0)		20 (50.0)	20 (50.0)		20 (50.0)	20 (50.0)	
Others	44 (55.0)	36 (45.0)		29 (36.3)	51 (63.8)		54 (67.5)	26 (32.5)	
Monthly Salary (RM)									
0 – 2500	181 (60.3)	119 (39.7)	1.766 (sig. = 0.779)	120 (40.0)	180 (60.0)	16.41 (0.003)	191 (63.7)	109 (36.3)	2.284 (sig.= 0.684)
2501 – 5000	65 (65.0)	35 (35.0)		63 (63.0)	37 (37.0)		67 (67.0)	33 (33.0)	
5001 – 10000	10 (58.8)	7 (41.2)		9 (52.9)	8 (47.1)		13 (76.5)	4 (23.5)	
10001 - 15000	4 (80.0)	1 (20.0)		2 (40.0)	3 (60.0)		4 (80.0)	1 (20.0)	
15001 and above	3 (75.0)	1 (25.0)		2 (50.0)	2 (50.0)		2 (50.0)	2 (50.0)	

Table 33: Cross-Tabulation of recognition factors by gender, education, employment sector, types of employment and monthly salary

	To be seen as generous		Pearson Chi-Square	Increase business opportunity		Pearson Chi-Square	To get social support and praised		Pearson Chi-Square
	Yes N(%)	No N(%)		Yes N(%)	No N(%)		Yes N(%)	No N(%)	
Gender									
Male	85 (30.4)	195 (69.6)	0.747 (sig.= 0.225)	95 (33.9)	185 (66.1)	2.437 (sig.= 0.119)	68 (24.3)	328 (75.7)	3.272 (sig.= 0.070)
Female	48 (34.5)	91 (65.5)		58 (41.7)	81 (58.3)		23 (16.5)	116 (83.5)	
Education									
Primary	25 (39.7)	38 (60.3)	1.13 (sig. = 0.531)	15 (23.8)	48 (76.2)	9.998 (sig. = 0.075)	17 (27.0)	46 (73.0)	16.750 (sig. = 0.005)
Secondary	51 (29.5)	122 (70.5)		68 (39.3)			25 (14.5)	148 (85.5)	
Diploma	12 (37.5)	20 (62.5)		8 (25.0)			7 (21.9)	25 (78.1)	
Bachelor degree	28 (37.8)	46 (62.2)		33 (44.6)			21 (28.4)	53 (71.6)	
Master	11 (26.8)	30 (73.2)		18 (43.9)			16 (39.0)	25 (61.0)	
PhD/Professional	6 (37.5)	10 (62.5)		7 (43.8)			6 (37.5)	10 (62.5)	
Types of Employment									
Government	8 (50.0)	8 (50.0)	1.916 (sig. = 0.384)	4 (25.0)	12 (75.0)	15.485 (sig. = 0.000)	7 (43.8)	9 (56.3)	6.340 (sig. = 0.042)
Non-government	76 (33.3)	152 (66.7)		67 (29.4)			56 (24.6)	172 (75.4)	
Self-employed	35 (33.0)	71 (67.0)		54 (50.9)			18 (17.0)	88 (83.0)	
Employment Sector									
Manufacturing	18 (30.5)	41 (69.5)	7.783 (sig. = 0.254)	20 (33.9)	39 (66.1)	9.646 (sig. = 0.140)	11 (18.6)	48 (81.4)	18.375 (sig.= 0.005)
Services	60 (33.7)	118 (66.3)		73 (41.0)			33 (18.5)	145 (81.5)	
Construction	17 (32.1)	36 (67.9)		13 (24.5)			23 (43.4)	30 (56.6)	
Agriculture	0 (0.0)	1 (100.0)		1 (100.0)			0 (0.0)	1 (100.0)	
Farming	2 (50.0)	2 (50.0)		1 (25.0)			0 (0.0)	4 (100.0)	
Housekeeping	18 (45.0)	22 (55.0)		17 (42.5)			6 (15.0)	34 (85.0)	
Others	18 (22.5)	62 (77.5)		23 (28.8)			18 (22.5)	62 (77.5)	
Monthly Salary (RM)									
0 – 2500	95 (31.7)	205 (66.3)	4.309 (sig. = 0.366)	93 (31.0)	207 (69.0)	15.59 (sig.= 0.004)	61 (20.3)	239 (79.7)	8.526 (sig. = 0.074)
2501 – 5000	32 (32.0)	68 (68.0)		52 (52.0)			22 (22.0)	78 (78.0)	
5001 – 10000	4 (23.5)	13 (76.5)		5 (29.4)			8 (47.1)	9 (52.9)	
10001 - 15000	1 (20.0)	4 (80.0)		1 (20.0)			1 (20.0)	4 (80.0)	
15001 and above	3 (75.0)	1 (25.0)		2 (50.0)			2 (50.0)	2 (50.0)	

Furthermore, similar tests are conducted for altruism factors. Only 3 items are selected from 6 items. Those are rights of poor and needy, to show gratitude and to get blessing from Allah. Results of Chi-square tests and cross-tabulation statistics are provided on Table 34. The hypotheses of the tests are as following:

Ho: The payment of zakat due to altruism factor among Muslim foreign workers is independent of gender, education level, types of employment, employment sector and monthly salary.

Ha: The payment of zakat due to altruism factor among Muslim foreign workers is dependent on gender, education level, types of employment, employment sector and monthly salary.

The significant of Chi-square value of the first item (rights of poor and needy) only can be found for monthly income variable. On the other hand, all Chi-square values of item 2 (to show gratitude) are significant for all variables except education level. As for item 3 (to get blessing from Allah), there are significant Chi-square statistics for education and monthly income variables. Again, the findings construe that altruism factors motivate the payment of zakat are dependent on some demographic variables particularly monthly salary of foreign workers. This is based on small sig. value (less than 0.05) of Chi-square statistics that reject the null hypotheses in all 3 items.

Table 34: Cross-Tabulation of altruism factors by gender, education, employment sector, types of employment and monthly salary

	Rights of poor and needy		Pearson Chi-Square	To show gratitude		Pearson Chi-Square	To get blessing from Allah		Pearson Chi-Square
	Yes N(%)	No N(%)		Yes N(%)	No N(%)		Yes N(%)	No N(%)	
Gender									
Male	194 (69.3)	86 (30.7)	1.508 (sig. = 0.220)	88 (31.4)	192 (68.6)	22.351 (sig.= 0.000)	150 (53.6)	130 (46.4)	2.601 (sig. = 0.107)
Female	88 (63.3)	51 (36.7)		77 (55.4)	62 (44.6)		86 (61.9)	53 (38.1)	
Education									
Primary	38 (60.3)	25 (39.7)	4.737 (sig. = 0.449)	23 (36.5)	40 (63.5)	6.564 (sig. = 0.255)	30 (47.6)	33 (52.4)	11.726 (sig. = 0.039)
Secondary	116 (67.1)	57 (32.9)		78 (45.1)	95 (54.9)		99 (57.2)	74 (42.8)	
Diploma	20 (62.5)	12 (37.5)		8 (25.0)	24 (75.0)		15 (46.9)	17 (53.1)	
Bachelor degree	52 (70.3)	22 (29.7)		28 (37.8)	46 (62.2)		46 (62.2)	28 (37.8)	
Master	31 (75.6)	10 (24.4)		13 (31.7)	28 (68.3)		27 (65.9)	14 (34.1)	
PhD/Professional	13 (81.3)	3 (18.8)		7 (43.8)	9 (56.3)		14 (87.5)	2 (12.5)	
Types of Employment									
Government	12 (75.0)	4 (25.0)	2.362 (sig. = 0.307)	5 (31.3)	11 (68.8)	13.002 (sig. = 0.002)	11 (68.8)	5 (31.3)	1.733 (sig. = 0.420)
Non-government	150 (65.8)	78 (34.2)		72 (31.6)	156 (68.4)		127 (55.7)	101 (44.3)	
Self-employed	78 (73.6)	28 (26.4)		55 (51.9)	51 (48.1)		65 (61.3)	41 (38.7)	
Employment Sector									
Manufacturing	41 (69.5)	18 (30.5)	5.231 (sig. = 0.515)	28 (47.5)	31 (52.5)	14.180 (sig. = 0.028)	39 (66.1)	20 (33.9)	8.104 (sig. = 0.231)
Services	119 (66.9)	59 (33.1)		81 (45.5)	97 (54.5)		105 (29.0)	73 (41.0)	
Construction	39 (73.6)	14 (26.4)		12 (22.6)	41 (77.4)		27 (50.9)	26 (49.1)	
Agriculture	1 (100.0)	0 (0.0)		0 (0.0)	1 (100.0)		1 (100.0)	0 (0.0)	
Farming	4 (100.0)	0 (0.0)		1 (25.0)	3 (75.0)		1 (25.0)	3 (75.0)	
Housekeeping	25 (62.5)	15 (37.5)		14 (35.0)	26 (65.0)		18 (45.0)	22 (55.0)	
Others	49 (61.3)	31 (38.8)		25 (31.3)	55 (68.8)		43 (53.8)	27 (46.3)	

	Rights of poor and needy		Pearson Chi-Square	To show gratitude		Pearson Chi-Square	To get blessing from Allah		Pearson Chi-Square
	Yes N(%)	No N(%)		Yes N(%)	No N(%)		Yes N(%)	No N(%)	
Monthly Salary (RM)									
0 – 2500	192 (64.0)	108 (36.0)	8.820 (sig. = 0.066)	102 (34.0)	198 (66.0)	18.005 (sig. = 0.001)	152 (50.7)	148 (49.3)	15.583 (sig. = 0.004)
2501 – 5000	72 (72.0)	28 (28.0)		56 (56.0)	44 (44.0)		67 (67.0)	33 (33.0)	
5001 – 10000	15 (88.2)	2 (11.8)		4 (23.5)	13 (76.5)		13 (76.5)	4 (23.5)	
10001 - 15000	5 (100.0)	0 (0.0)		1 (20.0)	4 (80.0)		4 (80.0)	1 (20.0)	
15001 and above	2 (50.0)	2 (50.0)		2 (50.0)	2 (50.0)		4 (100.0)	0 (0.0)	

Table 35 displays cross-tabulation and Chi-square statistics for self-satisfaction factors based on 3 items (zakat improves Muslim economic condition, I am socially responsible person and I am happy to pay zakat) by gender, education level, types of employment, employment sector and monthly salary are displayed. The concentration is paid on the Chi-square values to test the following hypotheses:

Ho: The payment of zakat due to self-satisfaction factor among Muslim foreign workers is independent of gender, education level, types of employment, employment sector and monthly salary.

Ha: The payment of zakat due to self-satisfaction factor among Muslim foreign workers is dependent on gender, education level, types of employment, employment sector and monthly salary.

The results reveal that all 3 items are dependent significantly on education level of foreign workers. Meanwhile, only item 1 and item 3 are depending on monthly salary of respondents. In general, all items of self-satisfaction are independent from gender and employment sector. Again, it could be concluded that the self-satisfaction factor motivating payment of zakat is very much depending on the education level of foreign workers in study. Different monthly salary level is another variable that contributes to the motivation of paying zakat from self-satisfaction point of view.

Table 35: Cross-Tabulation of self-satisfaction factors by gender, education, employment sector, types of employment and monthly salary

	Zakat improves economic condition		Pearson Chi-Square	I am socially responsible person		Pearson Chi-Square	I am happy to pay zakat		Pearson Chi-Square
	Yes N(%)	No N(%)		Yes N(%)	No N(%)		Yes N(%)	No N(%)	
Gender									
Male	176 (62.9)	104 (37.1)	2.593 (sig. = 0.107)	82 (29.3)	198 (70.7)	0.248 (sig. = 0.619)	105 (37.5)	175 (62.5)	0.093 (sig. = 0.760)
Female	76 (54.7)	63 (45.3)		44 (31.7)	95 (68.3)		50 (36.0)	89 (64.0)	
Education									
Primary	30 (47.6)	33 (52.4)	13.345 (sig. = 0.020)	16 (25.4)	47 (74.6)	17.169 (sig. = 0.004)	20 (31.7)	43 (68.3)	28.566 (0.000)
Secondary	106 (61.3)	67 (38.7)		43 (24.9)	130 (75.1)		49 (28.3)	124 (71.7)	
Diploma	19 (59.4)	13 (40.6)		8 (25.0)	24 (75.0)		12 (37.5)	20 (62.5)	
Bachelor degree	49 (66.2)	25 (33.8)		34 (45.9)	40 (54.1)		31 (41.9)	43 (58.1)	
Master	33 (80.5)	8 (19.5)		12 (29.3)	29 (70.7)		24 (58.5)	17 (41.5)	
PhD/Professional	12 (75.0)	4 (25.0)		9 (56.3)	7 (43.8)		13 (81.3)	3 (18.8)	
Types of employment									
Government	11 (68.8)	5 (31.3)	5.026 (sig. = 0.081)	6 (37.5)	10 (62.5)	0.322 (sig. = 0.851)	8 (50.0)	8 (50.0)	5.197 (sig.= 0.074)
Non-government	129 (56.6)	99 (43.4)		70 (30.7)	158 (69.3)		90 (39.5)	138 (60.5)	
Self-employed	73 (68.9)	33 (31.1)		33 (31.1)	73 (68.9)		30 (28.3)	76 (71.7)	

	Zakat improves economic condition		Pearson Chi-Square	I am socially responsible person		Pearson Chi-Square	I am happy to pay zakat		Pearson Chi-Square
	Yes N(%)	No N(%)		Yes N(%)	No N(%)		Yes N(%)	No N(%)	
Employment Sector									
Manufacturing	38 (64.4)	21 (35.6)	6.542 (sig. = 0.365)	11 (18.6)	48 (81.4)	8.043 (sig. = 0.235)	16 (27.1)	43 (72.9)	5.533 (sig. = 0.477)
Services	111 (62.4)	67 (37.6)		54 (30.3)	124 (69.7)		71 (39.9)	107 (60.1)	
Construction	35 (66.0)	18 (34.0)		17 (32.1)	36 (67.9)		20 (37.7)	33 (62.3)	
Agriculture	0 (0.0)	1 (100.0)		0 (0.0)	1 (100.0)		0 (0.0)	1 (100.0)	
Farming	3 (75.0)	1 (25.0)		0 (0.0)	4 (100.0)		1 (25.0)	3 (75.0)	
Housekeeping	20 (50.0)	20 (50.0)		16 (40.0)	24 (60.0)		11 (27.5)	29 (72.5)	
Others	43 (53.8)	27 (46.3)		26 (29.9)	54 (70.1)		31 (38.8)	49 (61.3)	
Monthly Salary (RM)									
0 – 2500	167 (55.7)	133 (44.3)	10.231 (sig= 0.037)	90 (30.0)	210 (70.0)	5.118 (sig. = 0.275)	104 (34.7)	196 (65.3)	18.004 (sig. = 0.001)
2501 – 5000	69 (69.0)	31 (31.0)		25 (25.0)	75 (75.0)		32 (32.0)	68 (68.0)	
5001 – 10000	12 (70.6)	5 (29.4)		7 (41.2)	10 (58.8)		12 (70.6)	5 (29.4)	
10001 - 15000	5 (100.0)	0 (0.0)		3 (60.0)	2 (40.0)		3 (60.0)	2 (40.0)	
15001 and above	3 (75.0)	1 (25.0)		2 (50.0)	2 (50.0)		4 (100.0)	0 (0.0)	

Again, similar tests are conducted for organization factors. 3 items are selected from 11 items. Those are availability of zakat collection centre, satisfactory services and confidence in zakat collection centre. Results of Chi-square tests and cross-tabulation statistics are provided on Table 36. The hypotheses of Chi-square tests are as following:

Ho: The payment of zakat due to organization factor among Muslim foreign workers is independent of gender, education level, types of employment, employment sector and monthly salary.

Ha: The payment of zakat due to organization factor among Muslim foreign workers is dependent on gender, education level, types of employment, employment sector and monthly salary.

The significant of Chi-square value of the first item (availability of zakat collection centre) only can be found for gender variable. Meanwhile, all Chi-square values of item 3 (confidence in zakat collection) are not significant for all variables which reflect the independent of this item from all demographic variables. As for item 2 (satisfactory services), there are significant Chi-square statistics for type of employment and monthly income variables. Overall, the findings construe that organization factors motivate the payment of zakat dependent on few demographic variables particularly monthly salary, gender and type of employment of foreign workers. This is based on small sig. value (less than 0.05 or 0.10) of Chi-square statistics that reject the null hypotheses in any of the 3 items of organization factor.

Table 36: Cross-Tabulation of organization factors by gender, education, employment sector, types of employment and monthly salary

	Availability of zakat collection centre		Pearson Chi-Square	Satisfactory services		Pearson Chi-Square	Confidence in zakat collection centre		Pearson Chi-Square
	Yes N(%)	No N(%)		Yes N(%)	No N(%)		Yes N(%)	No N(%)	
Gender									
Male	122 (43.6)	158 (56.4)	7.274 (sig. = 0.007)	72 (25.7)	208 (74.3)	0.950 (sig. = 0.330)	54 (19.3)	226 (80.7)	0.043 (sig. = 0.835)
Female	80 (57.6)	59 (42.4)		42 (30.2)	97 (69.8)		28 (20.1)	111 (79.9)	
Education									
Primary	23 (36.5)	40 (63.5)	8.688 (sig. = 0.122)	17 (27.0)	46 (73.0)	0.396 (sig. = 0.995)	17 (27.0)	46 (73.0)	6.404 (sig. = 0.269)
Secondary	87 (50.3)	86 (49.7)		46 (28.3)	124 (71.7)		27 (15.6)	146 (84.4)	
Diploma	13 (40.6)	19 (59.4)		8 (25.0)	24 (75.0)		6 (18.8)	26 (81.3)	
Bachelor degree	41 (55.4)	33 (44.6)		22 (29.7)	52 (70.3)		16 (21.6)	58 (78.4)	
Master	25 (61.0)	16 (39.0)		12 (29.3)	29 (70.7)		12 (29.3)	29 (70.7)	
PhD/Professional	7 (43.8)	9 (56.3)		4 (25.0)	12 (75.0)		4 (25.0)	12 (75.0)	
Types of employment									
Government	5 (31.3)	11 (68.8)	4.380 (sig. = 0.112)	4 (25.0)	12 (75.0)	6.721 (sig. = 0.035)	3 (18.8)	13 (81.3)	0.277 (sig. = 0.871)
Non-government	110 (48.2)	118 (51.8)		53 (23.2)	175 (76.8)		44 (19.3)	184 (80.7)	
Self-employed	60 (56.6)	46 (43.4)		39 (36.8)	67 (63.2)		23 (21.7)	83 (78.3)	
Employment Sector									
Manufacturing	22 (37.3)	37 (62.7)	6.509 (0.369)	14 (23.7)	45 (76.3)	6.835 (sig. = 0.336)	11 (18.6)	48 (81.4)	5.881 (sig. = 0.437)
Services	90 (50.6)	88 (49.4)		53 (29.8)	125 (70.2)		32 (18.0)	146 (82.0)	
Construction	26 (49.1)	27 (50.9)		15 (28.3)	38 (71.7)		6 (11.3)	47 (88.7)	
Agriculture	0 (0.0)	1 (100.0)		1 (100.0)	0 (0.0)		0 (0.0)	1 (100.0)	
Farming	2 (50.0)	2 (50.0)		2 (50.0)	2 (50.0)		0 (0.0)	4 (100.0)	
Housekeeping	23 (57.5)	17 (42.5)		11 (27.5)	29 (72.5)		11 (27.5)	29 (72.5)	
Others	34 (42.5)	46 (57.5)		16 (20.0)	64 (80.0)		18 (22.5)	62 (77.5)	
Monthly Salary (RM)									
0 – 2500	138 (46.0)	162 (54.0)	5.424 (sig. = 0.247)	69 (23.0)	231 (77.0)	8.540 (sig. = 0.074)	57 (19.0)	243 (81.0)	1.656 (sig. = 0.799)
2501 – 5000	52 (52.0)	48 (48.0)		37 (37.0)	63 (63.0)		19 (19.0)	81 (81.0)	
5001 – 10000	6 (35.3)	11 (64.7)		6 (35.3)	11 (64.7)		4 (23.5)	13 (76.5)	
10001 - 15000	4 (80.0)	1 (20.0)		2 (40.0)	3 (60.0)		2 (40.0)	3 (60.0)	
15001 and above	3 (75.0)	1 (25.0)		1 (25.0)	3 (75.0)		1 (25.0)	3 (75.0)	

Estimation of Potential Zakat Collection

Estimation of potential zakat collection by end of 2019

Based on the steps discussed in methodology part on how the potential zakat income collection could be estimated, Table 37 provides details on the calculation at each step until the final estimation is reached. The estimation is made for potential collection by the end of 2019 using the information of 2018.

Table 37: Calculation of estimated zakat income collection on 2019 – using all respondents' income levels in sample

	Method 1	Method 2
	Using 'Average monthly income between ranges'	Using 'Approximate monthly income'
Step 1	Calculation of average monthly income per respondent	Calculation of approximate monthly income per respondent
Step 2	Yearly income (per respondent) = average monthly income X 12 months	Yearly income (per respondent) = approximate monthly income X 12 months
Step 3	Zakat should be paid (yearly) = Yearly income (per respondent) x 0.025	Zakat should be paid (yearly) = Yearly income (per respondent) x 0.025
Step 4	Average zakat collection per person = Summation of zakat should be paid (yearly) of each respondents / total number of respondents (n=426) =303,007.8/426 =RM711.29	Average zakat collection per person = Summation of zakat should be paid (yearly) of each respondents / total number of respondents (n=270) =221,505/270 =RM820.39
Step 5	Muslim workers in WP = 53.32 % x total foreign workers in WP = 53.32% X 264000 =140,766	Muslim workers in WP = 53.32 % x total foreign workers in WP = 53.32% X 264000 =140,766
Step 6	Estimated collection for population Muslim foreign workers at WP (per year) = Average zakat collected per person x Muslim foreign workers in WP = Average zakat collected per person x 140,766 =RM711.29 X 140,766 =RM100,125,448	Estimated collection for population Muslim foreign workers at WP (per year) = Average zakat collected per person x Muslim foreign workers in WP = Average zakat collected per person x 140,766 =RM820.39 X 140,766 =RM 115,482,862

In general, it is estimated that potential collection of zakat income from Muslim foreign workers in 2019 is between RM100,125,448 and RM115,482,862.

The estimation is based on two methods adopted in estimation. Next, taking consideration that zakat income payment should be made by those who gained income above a specific nisab, the study also attempt to calculate the estimation of zakat collection in 2019 using income of respondents above the nisab determined by PPZ in 2019, that is, RM13,968.00 per year (about RM1,164.00 per month). Table 38 shows the steps of calculation and estimation of

zakat income collection for population of Muslim foreign workers at Wilayah Persekutuan (per year) using 2 methods. There is a slight modification made on step 5 as the number of foreign workers in WP is now should only be those earned income more than the nisab. In order to obtain the number of foreign workers under this category, we refer to the percentage of foreign workers (expatriates) who work under category I and II of employment passes. Foreigners seeking work opportunities in Malaysia will be able to choose from three different types of Employment Pass options available:

- Employment Pass Category I (EP) –Available for applicants who have a fixed monthly salary which amounts to a minimum of RM10,000 along with an employment contract which must be valid for a minimum of 5 years at the very least.
- Employment Pass Category II (EP II) – Available for applicants who have a fixed monthly salary which amounts to at least RM5,000 per month and along with an employment contract which is valid for 2 years at the very least.
- Employment Pass Category III (EP III) Available for applicants who have a fixed monthly salary amounting to at least RM3,000 at the minimum, going all the way up to RM4,999 along with a contract period that does not exceed 12 months.
(available on website: <https://www.3ecpa.com.my/sme/revised-salary-requirements-to-hire-a-foreigner-in-malaysia/>).

Based on 2018, Human Resource Ministry reported that there were 117,000 expatriates working under several sectors, with 2,158 expatriates working under Category III (which is about 1.84%). It also means that 98.16% are working under category I and II which is above RM5000 (above nisab). Taking this percentage into calculation, the new number of Muslim foreign workers in WP under these categories I and II (above nisab) is calculated, that is, 138,176.

The results show that the amount of collection estimated in method 1 is RM98,283,207. But using method 2, approximate monthly income, the number of respondents who are eligible to pay zakat, above nisab, is only 236. Using this new sample size, the estimation of zakat income collection is recalculated and the amount is RM 124,138,700.

Table 38: Calculation of estimated zakat income collection on 2019 – using respondents' income above nisab

	Method 1	Method 2
	Using 'Average monthly income between ranges'	Using 'Approximate monthly income'
Step 1	Calculation of average monthly income per respondent	Calculation of approximate monthly income per respondent
Step 2	Yearly income (per respondent) = average monthly income X 12 months	Yearly income (per respondent) = approximate monthly income X 12 months
Step 3	Zakat should be paid (yearly) = Yearly income (per respondent) x 0.025	Zakat should be paid (yearly) = Yearly income (per respondent) x 0.025
Step 4	Average zakat collection per person = Summation of zakat should be paid (yearly) of each respondents / total number of respondents (n=426) =303,007.8/426 =RM711.29	Average zakat collection per person = Summation of zakat should be paid (yearly) of each respondents / total number of respondents (n=236) =212,025/236 =RM898.41
Step 5	Muslim workers in WP, earned > RM5000 per month (category I and II) = [53.32 % x total foreign workers in WP] x (% of foreign workers earned RM5000 per month) = [53.32% X 264000] x 98.16% =140,766 x 0.9816 = 138,176	Muslim workers in WP, earned > RM5000 per month (category I and II) = [53.32 % x total foreign workers in WP] x (% of foreign workers earned RM5000 per month) = [53.32% X 264000] x 98.16% =140,766 x 0.9816 = 138,176
Step 6	Estimated collection for population Muslim foreign workers at WP (per year) = Average zakat collected per person x Muslim foreign workers in WP = Average zakat collected per person x 140,766 =RM711.29 X 138,176 =RM98,283,207	Estimated collection for population Muslim foreign workers at WP (per year) = Average zakat collected per person x Muslim foreign workers in WP = Average zakat collected per person x 140,766 =RM898.41 X 138,176 =RM 124,138,700

Estimation of Potential Zakat Collection by 2020 onwards

It is estimated that for every documented foreign worker, there are 2.5 undocumented ones. Together, they number six million, or one-fifth of Malaysia's population of 30 million. The 11th Malaysia Plan set a cap on total employment of foreign workers to not more than 15%, or 2.3 million of the total workforce, by 2020. (Esther Lee and Ahmad Naqib Idris, The Edge Malaysia, September 06, 2018). The information that collected earlier stated that:

- 1) Percentage of foreign workers in WP Kuala Lumpur and WP Putrajaya = 15.02% (based on 2018 data by Home Ministry)
- 2) Percentage of Muslim foreign workers = 53.32% (based on Nasa, 2017)

Using this information, the calculation of estimated zakat collection is forecasted by 2020 onwards. The results are displayed on Table 39. It is forecasted that by 2020, the amount of potential zakat income collection is between RM131,018,9006.70 and RM151,115,017.60. In general, there is an increase of collection by 30.9 percent in 2020 from year 2019.

Table 39: Calculation of estimated zakat collection by 2020 onwards – using all respondents' income levels in sample

- Expected number of foreign workers = 2.3 million = 2,300,000 (based on the 11th Malaysian Plan)
- Number of foreign worker at WP = 15.02% X 2300000 = 345,460
- Number of Muslim foreign workers at WP = 53.32% X number of foreign worker in WP
= 53.32% X 345,460 = 184,199
- **Estimated collection for population Muslim foreign workers at WP by 2020 (using average monthly income between ranges) = RM711.29 X 184,199 = RM131,018,906.7 (increased by 30.9% from year 2019)**
- **Estimated collection for population Muslim foreign workers at WP by 2020 (using approximate monthly income) = RM820.39 X 184,199 = RM151,115,017.6 (increased by 30.9% from year 2019)**

On Table 40, the recalculation of estimation is done using income above nisab and the forecasted potential zakat collection for year 2020 onwards using method 1 is similar as in Table 39 but using method 2, there is a slight increase in the amount of estimation that is RM165,486,223.60. In both methods, it is expected that the potential zakat income collection among foreign workers in Wilayah Persekutuan is increase about 30.9 percent.

Table 40: Calculation of estimated zakat collection by 2020 onwards – using respondents' income above nisab

- Expected number of foreign workers = 2.3 million = 2,300,000 (based on the 11th Malaysian Plan)
- Number of foreign worker at WP = 15.02% X 2300000 = 345,460
- Number of Muslim foreign workers at WP = 53.32% X number of foreign worker in WP
= 53.32% X 345,460 = 184,199
- Number of Muslim foreign workers at WP, earned >RM5000 per month (category I and II)
= 98.16% x Number of Muslim foreign workers at WP
= 0.9816 x 184,199 = 180,809.74
- **Estimated collection for population Muslim foreign workers at WP by 2020 (using average monthly income between ranges) = RM711.29 X 180,809.74 = RM128,608,158.8 (increased by 30.9% from year 2019)**
- **Estimated collection for population Muslim foreign workers at WP by 2020 (using approximate monthly income) = RM898.41 X 180,809.74 = RM162,441,278.5 (increased by 30.9% from year 2019)**

Result of correlation analysis

In statistics, a correlation is a single numerical value that is used to describe the relationship between variables. When two variables have a positive correlation, it means the variables move in the same direction. This means that as one variable increases, so does the other one. It is used to study the strength of a relationship between two, numerically measured, continuous variables. This particular type of analysis is useful when a researcher wants to establish if there are possible connections between variables.

Table 41 shows the correlation statistics among few variables of 'knowledge on zakat' and 'payment of zakat' by respondents in study. Most of significant variables (with sig. value less 0.05 or 0.01) are having positive sign of Pearson correlation statistics except the statistics between 'willing to pay zakat in Malaysia in the future' and 'payment of zakat income every year'. The positive and strong relationship (more 0.5) is found between variables 'know about zakat distribution system in Malaysia' and 'know about zakat collection system in Malaysia'. Other significant correlations are quite weak (less 0.5) even though they are significant. Those are between 'know about zakat in general' and 'do pay zakat fitr every year', between 'know zakat is one of 5 islamic pillars' and 'do pay zakat fitr every year', between 'know about zakat distribution system in Malaysia' and 'do pay zakat fitr', between 'do pay zakat income every year' and 'know zakat is one of 5 islamic pillars', between 'know about zakat collection system in Malaysia' and 'willing to pay zakat in Malaysia in the future' and between 'know about zakat distribution system in Malaysia' and 'willing to pay zakat in Malaysia in the future'.

More correlation analysis is conducted between religiosity factor, recognition factor and payment of both zakat fitr and zakat income. Table 42 displays the results of correlation between the variables. It is found that most religiosity items are significant and positively relate to recognition items. The only exceptional case with negative sign is between item 'to get social support and praised' (recognition factor) and item 'it is obligatory' (religiosity factor). This negative relationship clearly implies that those who are consider paying zakat as an obligatory in Islam; they will not assume social support and praises as motivational factors. The positive and negative correlations in most cases are weak in strength (value of statistics less than 0.5). Besides, almost all items from the two factors (religiosity and recognition factors) are significantly related to 'payment of zakat income' but not significantly related to 'payment of zakat fitr'. Similarly, the strength of relationship is weak with the Pearson correlation values less than 0.5.

Correlation analysis is conducted between altruism factor and payment of both zakat fitr and zakat income. There are six items under altruism factor as shown in Table 39. Results are also displayed on Table 43. All altruism items are found to

be significant and positively correlated to each other. Some of the relationship is quite strong with the values between 0.4 and 0.5.

Out of 6 items, 5 items are seen to be significant and positively relate to 'payment of zakat income' by respondents. As of 'payment of zakat fitr', only one item of altruism factor is positive and significantly correlate to this payment. It is 'to increase level of piety' while the other items are not significant. This reflects the importance of altruism factor to encourage respondents to pay zakat income every year. Payment of zakat fitr rarely requires this altruism motivation as it is an obligatory for every Muslim.

Further correlation analysis is conducted between self-satisfaction factor and payment of both zakat fitr and zakat income. There are five items under self-satisfaction factor as shown in Table 44. From Table 44 too, most self-satisfaction items are found to be significant and positively correlated to each other. Most relationship is moderately strong with the values between 0.2 and 0.5. Out of 5 items, 4 items are significant and positively relate to 'payment of zakat income' by respondents which shows that self-satisfaction factor is a motivation for respondents to pay zakat income yearly. As of 'payment of zakat fitr', only one item of is positive and significantly correlate to this payment that is 'I am socially responsible person'. Other items are not significantly related to payment of zakat fitr. Again, this implies that self-satisfaction is not the major factor to motivate payment of zakat fitr as its payment is compulsory and every person is responsible to pay it every year.

Finally, the study explores possible correlation between organization factor and payment of both zakat fitr and zakat income. There are 11 items under this type of motivational factor. Results from Table 45 show that most organization items are found to be significant and positively correlated to each other with moderate strength with the correlation values between 0.1 and 0.45. Surprisingly, only 5 items of organization factor are positive and significantly related to the 'payment of zakat income'. Those are 'availability of zakat collection centre', 'confidence in zakat collection centre', 'convenient payment system', 'professionally managed' and 'salary deduction facility'. These factors are basically the important motivation why the respondents are paying zakat income. Out of 11 items, only one item is a motivating factor for respondents to pay zakat fitr, that is, 'availability of zakat collection centre'.

Overall, it could be concluded that there is strong and positive relationship between those who have knowledge about zakat distribution system in Malaysia and those who have knowledge about zakat collection system in Malaysia. Nonetheless, it is found that the payment of zakat income is highly motivated by all factors mentioned in the study even though the strength is moderate and sometimes weak. However, payment of zakat fitr is rarely motivated by all factors/motivations except in a very few cases.

Table 41: Correlations –knowledge on zakat and payment of zakat

		Correlations						
		do u know about zakat	do u know zakat is one of 5 islamic pillars	do u know zakat system in msia - collection of zakat	do u know zakat system in msia - distribution of zakat	do u pay zakat every year - zakat fitr	do u pay zakat every year - zakat income	do u willing to pay zakat in msia in future
do u know about zakat	Pearson Correlation Sig. (2-tailed) N	1 424	-.026 .603 418	.050 .303 423	.066 .173 423	.218** .000 424	.007 .884 424	-.055 .256 422
do u know zakat is one of 5 islamic pillars	Pearson Correlation Sig. (2 talled) N	-.026 .603 418	1 .419 419	.086 .078 419	.026 .600 419	.178** .000 419	.098 .045 419	-.044 .365 417
do u know zakat system in msia - collection of zakat	Pearson Correlation Sig. (2 talled) N	.050 .303 423	.086 .078 419	1 .425 425	.624** .000 425	.047 .332 425	.048 .323 425	.164** .001 423
do u know zakat system in msia - distribution of zakat	Pearson Correlation Sig. (2 talled) N	.066 .173 423	.026 .600 419	.624** .000 425	1 .425 425	.101* .038 425	.000 .992 425	.225** .000 423
do u pay zakat every year - zakat fitr	Pearson Correlation Sig. (2 talled) N	.218** .000 424	.178** .000 419	.047 .332 435	-.101* .038 425	1 .426 426	.087 .073 426	.023 .632 424
do u pay zakat every year - zakat income	Pearson Correlation Sig. (2 talled) N	.007 .884 424	.098* .045 419	.048 .323 425	.000 .992 425	.087 .073 426	1 .426 426	-.099* .042 424
do u willing to pay zakat in msia in future	Pearson Correlation Sig. (2 talled) N	-.055 .256 422	-.044 .365 417	.164** .011 423	.225** .000 423	.023 .632 424	-.099* .042 424	1 424

*Correlation is significant at the 0.01 level (2-tailed)

**Correlation is significant at the 0.05 level (2-tailed)

Table 42: Correlations – religiosity factor, recognition factor and payment of zakat

		Correlations							
		Religiosity factor – heavenly reward	Religiosity Factor – believe In punishment of hell	Religiosity factor – it is obligatory	Recognition factor – to be seen as generous	Recognition factor – to increase business opportunity	Recognition factor – to get special support and praise	Do you pay zakat every year – zakat fitr	Do you pay zakat every year – zakat income
Religiosity factor – heavenly reward	Pearson Correlation Sig. (2-tailed) N	1 426	.291* .000 426	-.091 .060 426	.121* .012 426	.096* .048 426	.058 .221 425	.059 .221 426	.219** .000 426
Religiosity factor – believe In punishment of hell	Pearson Correlation Sig. (2 talled) N	.291* .000 426	1 .426 426	-.064 .190 426	.191** .000 426	.183** .000 426	.133** .006 426	.026 .591 426	.139** .004 426
Religiosity factor – it is obligatory	Pearson Correlation Sig. (2 talled) N	-.091 .060 426	-.064 .190 426	1 .426 426	-.114* .019 426	.067 .169 420	.165** .001 426	-.028 .566 426	.069 .153 426
Recognition factor – to be seen as generous	Pearson Correlation Sig. (2 talled) N	.121* .012 426	.191** .000 426	-.114* .019 426	1 .426 426	-.058 .235 420	.063 .192 426	-.078 .109 426	.146** .003 426
Recognition factor – increase business opportunity	Pearson Correlation Sig. (2 talled) N	.096* .048 426	.183** .000 426	.067 .169 426	-.058 .235 426	1 .420 420	.133** .006 426	.050 .300 426	.183** .000 426
Recognition factor – to get special support and praise	Pearson Correlation Sig. (2 talled) N	.058 .233 426	.133** .000 426	.165** .001 426	.063 .192 426	.133** .000 420	1 .426 426	.036 .464 426	.228** .000 426
Do you pay zakat every year – zakat fitr	Pearson Correlation Sig. (2 talled) N	.059 .221 426	.026 .591 426	-.028 .566 426	-.078 .109 426	.050 .000 420	.036 .464 426	1 426	.087 .073 426
Do you pay zakat every year – zakat income	Pearson Correlation Sig. (2 talled) N	.219** .000 426	.139** .004 426	.069 .153 426	.146** .003 426	.183** .000 420	.228** .000 426	.087 .037 426	1 426

*Correlation is significant at the 0.01 level (2-tailed)

**Correlation is significant at the 0.05 level (2-tailed)

Table 43: Correlations – altruism factor and payment of zakat

		Correlations							
		Do you pay zakat every year – zakat fitr	Do you pay zakat every year – zakat income	Altruism factor – to show gratitude	Altruism factor – to get blessing from Allah	Altruism factor – level of pety	Altruism factor – cliense one's wealth	Altruism factor – sense of guilt	Altruism factor – right of poor and needy
Do you pay zakat every year-zakat fitr	Pearson Correlation Sig. (2-talled) N	1 426	.087 .073 426	.022 .645 426	.067 .167 426	.112* .021 426	-.055 .261 426	.027 .575 426	.036 .459 426
Do you pay zakat every year-zakat income	Pearson Correlation Sig. (2 talled) N	.087 .073 426	1 426	.057 .237 426	.099* .041 426	.102* .035 426	.164** .001 426	.155** .001 426	.173** .000 426
Altruism factor – to show gratitude	Pearson Correlation Sig. (2 talled) N	.022 .645 426	.057 .237 426	1 426	.175** .000 426	.310** .000 426	.316** .000 426	.337** .000 426	.095 .051 426
Altruism factor – to get blessing from Allah	Pearson Correlation Sig. (2 talled) N	.067 .167 426	.099* .041 426	.175** .000 426	1 426	.368* .000 426	.321** .000 426	.298** .000 426	.069 .154 426
Altruism factor – level of pety	Pearson Correlation Sig. (2 talled) N	.112* .021 426	.102* .035 426	.310** .000 426	.368** .000 426	1 426	.421** .000 426	.413** .000 426	-.116* .016 426
Altruism factor – cliense one's wealth	Pearson Correlation Sig. (2 talled) N	-.055 .021 426	.1648** .001 426	.310** .000 426	.321** .000 426	.421** .000 426	1 426	.356** .000 426	.239** .000 426
Altruism factor – sense of guilt	Pearson Correlation Sig. (2 talled) N	.027 .565 426	.155** .001 426	.337** .000 426	.298** .000 426	.413** .000 426	.356** .000 426	1 426	.223** .000 426
Altruism factor – right of poor and needy	Pearson Correlation Sig. (2 talled) N	.036 .459 426	.173** .000 426	.095 .051 426	.069 .154 426	.116* .000 426	.239** .000 426	.223** .000 426	1 426

*Correlation is significant at the 0.01 level (2-tailed)

**Correlation is significant at the 0.05 level (2-tailed)

Table 44: Correlations – self-satisfaction factor and payment of zakat

		Correlations						
		Do you pay zakat every year-zakat fitr	Do you pay zakat every year-zakat income	Self satisfaction factor – zakat improves muslim economic condition	Self satisfaction factor – I am socially responsible person	Self satisfaction factor – I am happy to pay zakat	Self satisfaction factor – I am generous	Self satisfaction factor – I like to be an exemplary
Do you pay zakat every year-zakat fitr	Pearson Correlation Sig. (2-talled) N	1 426	.087 .073 426	.079 .105 426	.124* .011 426	.085 .079 426	.016 .738 426	.028 .562 426
Do you pay zakat every year-zakat income	Pearson Correlation Sig. (2 talled) N	.087 .073 426	1 426	.180** .000 426	.219** .000 426	.177** .000 426	.163** .001 426	.071 .141 426
Self satisfaction factor – zakat improves muslim economic condition	Pearson Correlation Sig. (2 talled) N	.079 .105 426	.180** .000 426	1 426	.080 .097 426	.080 .097 426	.068 .159 426	.159** .001 426
Self satisfaction factor – I am socially responsible person	Pearson Correlation Sig. (2 talled) N	.124* .011 426	.219** .000 426	.080 .097 426	1 426	.222** .000 426	.329** .000 426	.392** .000 426
Self satisfaction factor – I am happy to pay zakat	Pearson Correlation Sig. (2-talled) N	.085 .079 426	.177** .000 426	.068 .159 426	.222** .000 426	1 426	.242** .000 426	.339** .000 426
Self satisfaction factor – I am generous	Pearson Correlation Sig. (2 talled) N	.016 .738 426	.162** .001 426	.101* .037 426	.329** .000 426	.242** .000 426	1 426	.466** .000 426
Self satisfaction factor – I like to be an exemplary	Pearson Correlation Sig. (2 talled) N	.028 .562 426	.071 .141 426	.159 .001 426	.392** .000 426	.339** .000 426	.466** .000 426	1 426

*Correlation is significant at the 0.01 level (2-tailed)

**Correlation is significant at the 0.05 level (2-tailed)

Table 45: Correlations – organization factor and payment of zakat

Correlations													
	Do you pay zakat every year – zakat fitr	Do you pay zakat every year – zakat income	Organization factor – availability of zakat collection centre	Organization factor – satisfactory services	Organization factor – confidence in zakat collection centre	Organization factor – convenient payment system	Organization factor – services offered by zakat collection centre	Organization factor – various services provided to facilitate zakat activities	Organization factor – transparent information on collection and distribution	Organization factor – professionally managed	Organization factor – influenced by zakat advertisement	Organization factor – online facilities	Organization factor – salary deduction facility
Do you pay zakat every year – zakat fitr	1	.087 .073 426	.129** .008 426	.054 .265 426	.053 .272 426	.041 .400 426	-.026 .591 426	-.009 .856 426	.066 .171 426	.055 .256 426	.021 .668 426	.063 .197 426	.032 .509 426
Do you pay zakat every year – zakat Income	.087 .073 426	1	.109* .025 426	.039 .417 426	.110* .023 426	.164** .001 426	.092 .057 426	.061 .212 426	.061 .212 426	.171** .000 426	.092 .057 426	-.022 .650 426	.100* .039 426
Organization factor – availability of zakat collection centre	.129** .008 426	.109* .025 426	1	.013 .794 426	.183** .000 426	.177** .000 426	.127** .008 426	.217** .000 426	.124* .010 426	.126** .009 426	.142** .003 426	.059 .222 426	.031 .520 426
Organization factor – satisfactory services	.054 .265 426	.039 .417 426	.109* .025 426	1	.262** .000 426	.111* .022 426	.229** .000 426	.280** .000 426	.211** .000 426	.259** .000 426	.186** .000 426	.067 .170 426	.022 .654 426
Organization factor – confidence in zakat collection centre	.053 .272 426	.053 .272 426	.110* .023 426	.039 .417 426	1	.228** .000 426	.217** .000 426	.300** .000 426	.242** .000 426	.217** .000 426	.281** .000 426	.149** .002 426	.065 .180 426
Organization factor – convenient payment system	.041 .400 426	.164* .001 426	.177** .000 426	.111** .022 426	.228** .000 426	1	.184** .000 426	.257** .000 426	.276** .000 426	.268** .000 426	.222** .000 426	.164** .001 426	.113* .020 426
Organization factor – services offered by zakat collection centre	-.026 .591 426	.092 .057 426	.127** .008 426	.229** .000 426	.217** .000 426	.184** .000 426	1	.337** .000 426	.194** .000 426	.095 .050 426	.205** .000 426	.149** .002 426	.131** .007 426
Organization factor – various services provided to facilitate zakat activities	-.009 .856 426	.061 .212 426	.217** .000 426	.280** .000 426	.300** .000 426	.257** .000 426	.337** .000 426	1	.417** .000 426	.254 .000 426	.276** .000 426	.306** .000 426	.129** .008 426
Organization factor – transparent of information on collection and distribution	.066 .171 426	.061 .212 426	.124* .010 426	.211** .000 426	.242** .000 426	.276** .000 426	.194** .000 426	.417** .000 426	1	.297** .000 426	.178** .000 426	.276** .000 426	.155** .001 426
Organization factor – professionally managed	.055 .256 426	.171** .000 426	.126** .009 426	.259** .000 426	.280** .000 426	.268** .000 426	.222** .000 426	.205** .000 426	.297** .000 426	1	.180** .000 426	.206** .000 426	.141** .004 426

	Do you pay zakat every year – zakat fitr	Do you pay zakat every year – zakat income	Organization factor – availability of zakat collection centre	Organization factor – satisfactory services	Organization factor – confidence in zakat collection centre	Organization factor – convenient payment system	Organization factor – services offered by zakat collection centre	Organization factor – various services provided to facilitate zakat activities	Organization factor – transparent information on collection and distribution	Organization factor – professionally managed	Organization factor – influenced by zakat advertisement	Organization factor – online facilities	Organization factor – salary deduction facility
Organization factor – influenced by zakat advertisement	.021 .668 426	.092 .057 426	.142** .003 426	.186** .000 426	.281** .000 426	.222** .000 426	.205** .000 426	.276** .000 426	.178** .000 426	.180** .000 426	1 426	.210** .000 426	.159** .001 426
Organization factor – online facilities	.063 .197 426	-.022 .650 426	.059 .222 426	.067 .170 426	.149** .002 426	.164** .001 426	.149** .002 425	.306** .000 426	.276** .000 426	.206** .000 426	.210** .000 426	1 426	.137** .005 426
Organization factor – salary deduction facility	.032 .509 426	.100* .039 426	.031 .520 426	.022 .654 426	.065 .180 426	.113* .020 426	.131** .020 426	.129** .008 426	.155** .001 426	.141** .004 426	.159** .001 426	.137** .005 426	1 426

*Correlation is significant at the 0.01 level (2-tailed)

**Correlation is significant at the 0.05 level (2-tailed)

Results of regression analysis

Logit Regression on Payment of Zakat Fitr and Zakat Income

In this section, the study attempts to evaluate the factors that might contribute to the likelihood (probability) of paying zakat among sample of foreign workers. Logistic regression allows us to test models to predict categorical outcomes with two or more categories. The predictors/independent variables can be either categorical or continuous, or a mix of both in one model.

The model developed in this study is Binary Logistic, where the dependent variable has only two categories, one and zero. 'One' is coded to the response of 'yes' for the survey question on 'Do you pay zakat fitr every year?' and 'zero' is coded to the response of 'no' on similar question. The independent variables or regressors are demographic variables such as gender, age, education level, working duration and income level. Other controlled variables included are 'knowledge on zakat in general' and 'knowledge on specific zakat' (fitr or income).

In some cases, the independent variables are dummy variables such as gender and knowledge about zakat. There are also continuous and categorical variables such as age, working duration, educational level and income level. There are two regressions (Model 1 and Model 2) formed with the first one focusing on payment of 'zakat fitr' and the second one focusing on 'zakat income'. The results are shown on Table 46.

Table 46: Logistic regression results: Paying zakat

Independent variables	Binary logistic			
	Dependent variables:			
	Paying zakat fitr (1)		Paying zakat income (2)	
	B	Exp(B)	B	Exp(B)
Constant	-1.933 (1.511)	0.145	-2.213* (1.193)	0.109
Dummy Gender	0.390 (0.446)	1.477	0.842** (0.369)	2.321
Age	0.005 (0.032)	1.005	0.007 (0.024)	1.007
Education Level				
Education Level(Category 1)	0.077 (0.595)	1.080	0.521 (0.551)	1.683
Education Level(Category 2)	-0.883 (0.742)	0.414	1.446** (0.727)	4.246
Education Level(Category 3)	0.374 (0.769)	1.453	1.030* (0.576)	2.802
Education Level(Category 4)	2.032 (1.536)	7.628	-0.159 (0.700)	0.853
Education Level(Category 5)	18.355 (9574)	93680412	1.623* (0.859)	5.071
Working Duration	0.045 (0.053)	1.046	-0.034 (0.037)	0.967

Independent variables	Binary logistic			
	Dependent variables:			
	Paying zakat fitr (1)		Paying zakat income (2)	
	B	Exp(B)	B	Exp(B)
Income Level				
Income Level(Category 1)	-0.208 (0.541)	0.812	0.528 (0.407)	1.695
Income Level(Category 2)	17.698 (9512.5)	48563573	0.555 (0.669)	1.742
Income Level(Category 3)	16.083 (17107.5)	9654422	3.757** (1.531)	42.839
Income Level(Category 4)	16.152 (22984)	10346667	22.450 (23077)	6E+009
Dummy Knowledge On General Zakat	-1.472 (1.559)	0.229	-2.950*** (1.025)	0.052
Dummy Knowledge On Zakat Fitr	5.130*** (1.203)	169.064		
Dummy Knowledge On Zakat Income			3.436*** (0.563)	31.062
Diagnostic tests				
% correct classification	92.7		80.1	
Omnibus Chi-square stat.	64.961***		128.248***	
Hosmer & Lemeshow Test stat..	5.617		8.175	
Cox & Snell R-square	0.173		0.313	
Nagelkerke R-square	0.354		0.465	

Notes: 1. Standard errors are in parentheses; 2. ***statistically significant at the 1% level; **5% level; *10% level.

From Table 46, the regression results of Model 1 show that the only significant predictor is 'Dummy of knowledge of zakat fitr'. The positive value of beta (2), that is 5.130, indicates that an increase in independent variable score, that is the higher knowledge of respondents on zakat fitr will result in an increased probability of the case recording a score of 1 in the dependent variable (ie. paying zakat fitr). Other independent variables do not contribute significantly to the probability of paying zakat fitr among foreign workers. The odd ratio (Exp (2)) for this dummy variable is 169.06. This could be interpreted that the odds of a person paying zakat fitr, is 169 times higher for someone who have knowledge about zakat fitr as compared to those who have no knowledge about zakat fitr, all other factors being equal.

Overall, the probability that foreign workers opt to pay zakat fitr is higher among those with better knowledge about this type of zakat. In the classification table, with no predictor, the overall percent of correctly classified cases is 89.4%. When a set of predictor variables is entered, it improves the accuracy of this prediction to 92.7%. Since the Omnibus tests of Model coefficients in Block 1 are significant (p-value < 0.05), the model with set of variables used as predictors is better than the SPSS's original guess shown in Block 0. The Chi-square value in this test is 64.961 with 14 degree of freedom.

The Hosmer & Lemeshow test also supports the 'goodness of fit' of the model with the Chi-square statistics of 5.617 and significance level of 0.690. The pseudo R-square statistics (Cox & Snell R-square and Nagelkerke R-square) show that between 17% and 35% of the variability in the dependent variable is explained by the set of predictor variables.

Observing results in model 2, using zakat income payment as the dependent variable, it is found that there is higher probability of paying zakat income by male workers and among those who are highly educated, particularly above the secondary level of education. This could be seen from the positive coefficients of the variables. The odd ratio (Exp (2)) for this dummy gender is 2.321. This could be interpreted that the odds of a person paying zakat income, is 2.3 times higher for someone who are male than female, all other factors being equal. Taking one education variable under category 2 (diploma level), the odd ratio is 4.246. This could be interpret that the odds of a person paying zakat income, is 4.2 times higher for someone who have diploma education as compared to those who primary education (base category of education), all other factors being equal. Similar results obtained for those who have bachelor and PhD/professional level of education. Another variable which is also significantly contributing to probability of foreign workers paying zakat income is the knowledge of zakat income itself. The odd ratio (Exp (2)) for this variable is 31.062. This could be interpreted that the odds of a person paying zakat income is 31 times higher for someone who have knowledge about zakat income as compared to those who have no knowledge about zakat income, all other factors being equal. Surprisingly, the result shows that coefficient of dummy knowledge on zakat in general is negative and significant. The odd ratio is less than one and it could be interpreted that the odd of paying zakat income is 0.052 times lower for those who have knowledge about zakat in general as compared to those who have no knowledge about zakat in general, ceteris paribus. The results imply that probability of paying zakat income among foreign workers is higher among male workers, highly educated workers and those who have knowledge about zakat income. Not necessary those who have good knowledge about zakat in general would be willing to pay zakat income every year.

Basically, in Model 2, the diagnostic tests show that Model 2 is better in its performance. When a set of predictor variables is entered, it improves the accuracy of this prediction to 80.1%. The Chi-square value for the Omnibus test is 64.961 with 14 degree of freedom and the p-value < 0.05 which indicates that the model with set of variables used as predictors is better than with no predictor. The Hosmer & Lemeshow test also supports the 'goodness of fit' of the model with the Chi-square statistics of 8.175 and significance level of 0.417. The pseudo R-square statistics (Cox & Snell R-square and Nagelkerke R-square) is even better than Model 1 which show that between 31% and 47% of the variability in the dependent variable is explained by the set of predictor variables.

Logit Regression on Payment of Zakat in Malaysia in the Future

Further logistic regression analysis is conducted to evaluate the factors that might contribute to the likelihood (probability) of paying zakat in Malaysia in future among sample of foreign workers. The model developed with the dependent variable has only two categories, one and zero. One is coded to the response of 'yes' for the survey question on 'Do you willing to pay zakat in Malaysia in the future?' and zero is coded to the response of 'no' on similar question. The independent variables or regressors are demographic variables such as gender, age, education level, working duration and income level. Other controlled variables included are knowledge on zakat in general, reasons of paying zakat in country of origin and factors motivating respondents to pay zakat such as religiosity, recognition, altruism, self-satisfaction and organization factors.

In some cases, the independent variables are dummy variables such as gender, knowledge about zakat, reasons of pay zakat in own countries and all motivational factors mentioned. There are also continuous/categorical variables

such as age, working duration, educational level and income level. There are six regressions (Model 1 until Model 6) formed with the first one as the based model where not all independent variables are included. The only regressors included in this based model (Model 1) are demographic variables, dummy variable of knowledge on zakat in general and dummy variables on reasons of paying zakat in country of origin, not in Malaysia. There are 3 reasons selected here which form as dummy variables. Those reasons are to 'assist the poor in my own country', 'do not have knowledge on how to pay zakat in Malaysia' and 'just follow friends'.

In Model 2, the regression model is using the based model with additional independent variables (dummy variables) ie. items of religiosity factors (3 items). In Model 3, more independent are added from Model 2 with the inclusion of 3 items of recognition factor. Model 4 added even more regressors from Model 3 with 6 items of altruism factor. Meanwhile Model 5 incorporates additional 5 items of self-satisfaction factor into Model 4. Model 6 finally includes all 11 items of organization factor into Model 5. The results for Model 1 until Model 6 are shown on Table 47 and Table 48.

Table 47: Logistic regression results: Pay zakat in Malaysia in future (1)

Independent variables	Binary logistic					
	Dependent variables: Pay zakat in Malaysia					
	(1)		(2)		(3)	
	B	Exp(B)	B	Exp(B)	B	Exp(B)
Constant	4.95** (2.366)	141.37	5.39** (2.448)	219.51	5.55** (2.507)	257.79
Dummy Gender	-0.257 (0.304)	0.773	-0.207 (0.312)	0.813	-0.150 (0.320)	0.861
Age	0.003 (0.021)	1.003	0.002 (0.021)	1.002	0.001 (0.022)	1.001
Education Level						
Education Level(Category1)	-1.481 (1.159)	0.228	-1.426 (1.171)	0.240	-1.311 (1.158)	0.270
Education Level(Category 2)	-1.396 (1.132)	0.248	-1.282 (1.146)	0.278	-1.265 (1.132)	0.282
Education Level(Category 3)	-1.497 (1.194)	0.224	-1.420 (1.215)	0.242	-1.276 (1.204)	0.279
Education Level(Category 4)	-1.367 (1.140)	0.255	-1.155 (1.157)	0.315	-1.056 (1.146)	0.348
Education Level(Category 5)	-2.399** (1.167)	0.091	-2.52** (1.180)	0.080	-2.349** (1.168)	0.096
Working Duration	0.030 (0.031)	1.030	0.032 (0.032)	1.032	0.029 (0.032)	1.030
Income Level						
Income Level(Category 1)	-0.531 (1.422)	0.588	-1.063 (1.432)	0.345	-1.166 (1.469)	0.311
Income Level(Category 2)	0.162 (1.414)	1.176	-0.214 (1.416)	0.807	-0.316 (1.453)	0.729
Income Level(Category 3)	-1.072 (1.512)	0.342	-1.544 (1.520)	0.214	-1.494 (1.560)	0.225
Income Level(Category 4)	20.25 (16714.0)	6E+008	20.015 (1.6757)	5E+008	19.917 (16624)	4E+008
Dummy Knowledge On General Zakat	-1.000 (1.114)	0.368	-0.872 (1.148)	0.418	-1.086 (1.190)	0.337
Dummy Reason_assist Poor	-1.492*** (0.570)	0.225	-1.289** (0.582)	0.275	-1.242** (0.583)	0.289

Independent variables	Binary logistic					
	Dependent variables: Pay zakat in Malaysia					
	(1)		(2)		(3)	
	B	Exp(B)	B	Exp(B)	B	Exp(B)
Dummy Reason_not Have Knowledge	1.139*** (0.407)	3.125	1.283*** (0.422)	3.609	1.346*** (0.440)	3.841
Dummy Reason_follow Friends	-1.616*** (0.472)	0.199	-1.451*** (0.475)	0.234	-1.597*** (0.485)	0.203
Dummy Rel Factor_reward			-0.515 (0.317)	0.598	-0.547* (0.322)	0.579
Dummy Rel Factor_punish			-0.478 (0.293)	0.620	-0.429 (0.301)	0.651
Dummy Rel Factor_obligatory			0.314 (0.286)	1.369	0.423 (0.294)	1.526
Dummy Recog Factor_generous					0.083 (0.306)	1.087
Dummy Recog Factor_buss Opp					0.278 (0.297)	1.320
Dummy Recog Factor_support					-0.663** (0.337)	0.516
Diagnostic tests						
% correct classification	72.9		72.6		75.3	
Omnibus Chi-square stat.	60.574***		69.440***		73.992***	
Hosmer & Lemeshow Test stat..	10.748		9.135		8.967	
Cox & Snell R-square	0.163		0.185		0.196	
Nagelkerke R-square	0.233		0.264		0.279	

Notes: 1. Standard errors are in parentheses; 2. ***statistically significant at the 1% level; **5% level; *10% level.

Starting with the based model, Model 1, it is found that there are four significant variables contribute to the likelihood that foreign workers will pay zakat in Malaysia in the future. The first variable is 'education of category professional/PhD' with a negative sign of coefficient (-2.399). The odd ratio is less than one (ie. 0.091) and it could be interpreted that the odd of paying zakat in Malaysia in future is 0.091 times lower for those who have professional/PhD education as compared to those who have primary level of education, ceteris paribus. Coefficient of dummy variable of reason why pay zakat in own country (to assist the poor in my country) is also negative and significant at 1% level. The odd ratio of 0.225 reflects that the likelihood that foreign workers paying zakat in Malaysia in the future is 0.225 times lesser for this particular reason. However, the other two dummy reasons ('do not have knowledge on how to pay zakat in Malaysia' and 'just follow friends') have positive and negative significant coefficients, respectively. The odd ratio of the former is more than one and for the later is less than one. As for dummy reason of 'do not have knowledge on how to pay zakat in Malaysia', the odd of foreign workers paying zakat in Malaysia in the future is 3.125 times higher for this particular reason, all other factors being equal. But the odd of foreign workers paying zakat in Malaysia in the future is 0.199 times lower for the reason of 'just follow friends', all other factors being equal.

In Model 2, 3 items/variables of religiosity are included to capture possibility that foreign workers likelihood to pay zakat in Malaysia in the future could be determined by these

items. However, the results reveal that all items of religiosity are not statistically significant contribute to this probability. Coefficients of education (PhD/professional level) and dummy variables of reason to pay zakat in own countries remain the same in term of signs and significance level. The results of all significant coefficients are consistent as in Model 1.

Model 3 displays regression results with additional independent variables on recognition factor with 3 items (to be seen as generous, increase business opportunity and to get social support and praised). In this new regression, besides all previous significant variables mentioned earlier, two new variables are found to be significant. Those are dummy of religiosity item of 'heavenly reward' and dummy recognition item of 'to get social support and praised'. Coefficient of dummy of religiosity item is -0.547 with the odd ratio less than one. It reflects that the odd of paying zakat in Malaysia in the future is 0.579 times lower because of this religiosity motivation of 'heavenly reward', other things constant. Similarly, coefficient of dummy recognition factor of 'to get social support and praised' is also negative (ie. -0.663). The odd ratio is 0.516 which means that the likelihood of paying zakat in Malaysia in the future is lower 0.516 times due to this recognition factor, all things equal.

Table 48: Logistic regression results: Pay zakat in Malaysia in future (2)

Independent Variables	Binary logistic					
	Dependent variables: Pay zakat in Malaysia					
	(4)		(5)		(6)	
	B	Exp(B)	B	Exp(B)	B	Exp(B)
Constant	5.84** (2.54)	344.96	6.13** (2.577)	459.57	6.05** (2.818)	427.11
Dummy Gender	-0.178 (0.341)	0.837	-0.142 (0.347)	0.868	-0.078 (0.368)	0.925
Age	0.001 (0.022)	1.001	0.004 (0.023)	1.004	0.007 (0.024)	1.007
Education Level						
Education Level(Category1)	-1.375 (1.176)	0.253	-1.454 (1.209)	0.234	-1.542 (1.227)	0.214
Education Level(Category 2)	-1.405 (1.150)	0.245	-1.432 (1.176)	0.239	-1.805 (1.207)	0.164
Education Level(Category 3)	-1.421 (1.227)	0.241	-1.279 (1.265)	0.278	-1.727 (1.284)	0.178
Education Level(Category 4)	-1.183 (1.160)	0.306	-1.356 (1.180)	0.258	-1.699 (1.199)	0.183
Education Level(Category 5)	-2.503** (1.192)	0.082	-2.474** (1.209)	0.084	-2.808** (1.234)	0.060
Working Duration	0.030 (0.033)	1.031	0.029 (0.034)	1.030	0.028 (0.037)	1.028
Income Level						
Income Level(Category 1)	-1.285 (1.469)	0.277	-1.358 (1.505)	0.257	-0.617 (1.808)	0.540
Income Level(Category 2)	-0.467 (1.461)	0.627	-0.409 (1.501)	0.664	0.350 (1.803)	1.419
Income Level(Category 3)	-1.521 (1.564)	0.218	-1.427 (1.616)	0.240	-2.88 (1.911)	0.750
Income Level(Category 4)	19.764 (16754.5)	4E+008	19.753 (16102)	4E+008	20.318 (15299)	7E+008
Dummy Knowledge On General Zakat	-1.091 (1.192)	0.336	-1.146 (1.208)	0.318	-1.604 (1.265)	0.201
Dummy Reason_assist Poor	-1.312** (0.599)	0.269	-1.466** (0.627)	0.231	-1.475** (0.644)	0.229
Dummy Reason_not Have Knowledge	1.379*** (0.458)	3.971	1.348*** (0.465)	3.849	1.429*** (0.498)	4.174
Dummy Reason_follow Friends	-1.516*** (0.504)	0.220	-1.662*** (0.517)	0.190	-1.991*** (0.564)	0.137
Dummy Rel Factor_reward	-0.485 (0.361)	0.616	-0.306 (0.372)	0.736	-0.318 (0.403)	0.728
Dummy Rel Factor_punish	-0.323 (0.323)	0.724	-0.518 (0.345)	0.596	-0.561 (0.363)	0.571
Dummy Rel Factor_obligatory	0.593* (0.333)	1.810	0.625* (0.343)	1.868	0.536 (0.364)	1.710
Dummy Recog Factor_generous	0.150 (0.326)	1.162	0.139 (0.342)	1.149	0.029 (0.363)	1.030
Dummy Recog Factor_buss Opp	0.420 (0.320)	1.521	0.331 (0.341)	1.392	0.251 (0.361)	1.285
Dummy Recog Factor_support	-0.536 (0.359)	0.585	-0.527 (0.377)	0.591	-0.508 (0.416)	0.601
Dummy Altruism Factor_poor	-0.463 (0.342)	0.629	-0.665* (0.362)	0.514	-0.627 (0.381)	0.534
Dummy Altruism Factor_gratitude	-0.270 (0.349)	0.764	-0.348 (0.359)	0.706	-0.265 (0.383)	0.767
Dummy Altruism Factor_blessing	0.455 (0.353)	1.577	0.520 (0.370)	1.682	0.493 (0.384)	1.637
Dummy Altruism Factor_piety	0.001 (0.414)	1.001	-0.073 (0.429)	0.930	-0.158 (0.453)	0.854

Independent Variables	Binary logistic					
	Dependent variables: Pay zakat in Malaysia					
	(4)		(5)		(6)	
	B	Exp(B)	B	Exp(B)	B	Exp(B)
Dummy Altruism Factor_cleanse	-0.007 (0.374)	0.993	-0.035 (0.391)	0.966	-0.037 (0.412)	0.964
Dummy Altruism Factor_guilt	-0.748 (0.472)	0.473	-0.626 (0.498)	0.535	-0.611 (0.523)	0.543
Dummy Self Satis. Factor_economic			0.247 (0.346)	1.281	0.056 (0.370)	1.057
Dummy Self Satis. Factor_soc Resp			0.750** (0.378)	2.118	0.686* (0.403)	1.985
Dummy Self Satis. Factor_happy			-0.917*** (0.328)	0.400	-1.084*** (0.361)	0.338
Dummy Self Satis. Factor_generous			0.472 (0.484)	1.603	0.733 (0.519)	2.081
Dummy Self Satis. Factor_example			-0.357 (0.588)	0.700	-0.364 (0.628)	0.695
Dummy Org. Factor_avail					0.812** (0.361)	2.253
Dummy Org. Factor_satisfy					-0.360 (0.401)	0.698
Dummy Org. Factor_confidence					-0.554 (0.423)	0.574
Dummy Org. Factor_convenient					0.026 (0.407)	1.026
Dummy Org. Factor_service					0.068 (0.458)	1.070
Dummy Org. Factor_various Services					1.237* (0.708)	3.445
Dummy Org. Factor_transparent					-0.603 (0.593)	0.547
Dummy Org. Factor_professional					0.340 (0.495)	1.405
Dummy Org. Factor_advert					-0.936 (0.812)	0.392
Dummy Org. Factor_online					-0.681 (0.662)	0.506
Dummy Org. Factor_slry Deduct					0.927 (0.750)	2.527
Diagnostic Tests						
% Correct Classification	76.8		76.2		81.2	
Omnibus Chi-Square Stat.	83.114***		96.062***		112.200***	
Hosmer & Lemeshow Test Stat..	20.391***		14.355*		34.708***	
Cox & Snell R-Square	0.217		0.246		0.281	
Nagelkerke R-Square	0.309		0.351		0.401	

Notes: 1. Standard errors are in parentheses; 2. ***statistically significant at the 1% level; **5% level; *10% level.

In Model 4 (Table 48), 6 items/variables of altruism factor are included to capture possibility that foreign workers likelihood to pay zakat in Malaysia in the future. However, the results reveal that all additional items of altruism are not statistically significant to this probability. All coefficients of education (PhD/professional level) and dummy variables of reason to pay zakat in own countries remain the same or consistent as in Model 1. Nonetheless, it is also found that dummy religiosity factor of 'it is obligatory' is significant at 10% level. The coefficient is positive (0.593) and the odd ratio is 1.810. The result can be construed that the odd of foreign workers paying zakat in Malaysia in the future is

1.810 times higher for this particular religiosity motivation, all other factors being equal.

Model 5 displays another regression results with the inclusion of self-satisfaction items. There are 5 items inserted into the model. All coefficients of education (PhD/professional level), dummy variables of reason to pay zakat in own countries and dummy of religiosity item are consistent as in Model 4. Now, in this model, additional 4 variables are found to be significant. Those are dummy altruism factor of 'rights of poor and needy' and dummies self-satisfaction factor of 'I am socially responsible person' and 'I am happy to pay zakat'.

The altruism dummy is with negative sign and the odd ratio is 0.514 which could be interpreted that the odd of paying zakat in Malaysia in the future is 0.514 times lesser for this altruism item of 'rights of poor and needy', *ceteris paribus*. The results also show that item of 'I am socially responsible person' is with positive coefficient (ie. 0.750) and odd ratio of 2.118. Thus, the odd of foreign workers paying zakat in Malaysia in the future is 2.118 times higher for this particular self-satisfaction motivation, all other factors being equal. On the other hand, the negative sign of item 'I am happy to pay zakat' show opposite response. The odd of foreign workers paying zakat in Malaysia in the future is 0.400 times lower for this self-satisfaction motivation, all other factors being equal.

Finally, in Model 6, 11 additional items under organization factor are included in the model to get robust results. Most of coefficients' sign and significant level are consistent as in Model 1 and Model 5. But, in this model, all items under religiosity, recognition and altruism factors are not significant. There are two items under organization factors are significant with positive sign. Those are item of 'availability of zakat collection centre' and 'various services provided to facilitate zakat activities'. Both variables/items are with 0.812 and 1.237 values of coefficients. The odd ratios for both items are 2.253 and 3.445, respectively. Thus, the odd of foreign workers paying zakat in Malaysia in the future is 2.253 and 3.445 times higher for these organization motivations, respectively, all other factors being equal.

Overall, the diagnostic tests show that Model 1, 2 and 3 are better in their performance. When a set of predictor variables is entered, it improves the accuracy of this prediction to 72.9%, 72.6% and 75.3%, respectively. The Chi-square values for the Omnibus test are 60.574, 69.440 and 73.992 with the p-values < 0.05 which indicate that the models with set of variables used as predictors are better than with no predictor. The Hosmer & Lemeshow test also supports the 'goodness of fit' of the models with the Chi-square statistics of 10.748, 9.135 and 8.967 (with p-values more than 0.05). The pseudo R-square statistics (Cox & Snell R-square and Nagelkerke R-square) is improving from Model 1 to Model 3 which show that between about 16% and 27% of the variability in the dependent variable is explained by the set of predictor variables. Model 4 until Model 6 are improving in terms of pseudo R-square statistics as the values are getting bigger. Similarly, the percentage of correct classification is higher than the first 3 models which imply that the accuracy of prediction is improving. The results of Omnibus test for Model 4 until Model 6 are significant which reflect that the models are good models even though they are not supported by Hosmer & Lemeshow test results. In general, all 6 models are considered as good models to make inferences from.

Conclusion and Policy Recommendation

Concluding remarks

It is an obligatory to pay zakat for all Muslims not only in Malaysia but also around the globe. As it has been stipulated in many verses in Al-Quran, paying zakat is part of Muslim responsibility, where to help the eight beneficiaries to undergo their live. Paying zakat also a method to clean one wealth from dirt and get blessed from Allah S.W.T. Zakat also a tool for Islam to fight or against poverty across Muslim society and to maintain the stability of socioeconomic.

Malaysia have an authorized body who manage zakat called State Islamic Religion Councils (SIRC) that works independently to their state to ensure the zakat administration and management become more efficient and effective. According to the Departments of Statistics Malaysia (2011), there are 17.4 million Muslims between the ages of 15–64, of which 64.5% participate in the labour force, and only the highest income earners (60%) are “zakatable.” US\$1.617 billion zakat on income alone is sufficient to bring about major poverty reduction or finance a large-scale and comprehensive community development project (Shariff et al., 2011). Zakat will be effective as a supplement to eradicate poverty if the zakat collected is equal to at least 3.1% of national GDP. By using these funds, it is fully expected that the number of poor can be enormously mitigated (Shariff et al., 2011). Malaysia can be considered as one of the outstanding and excellent countries in managing and distributing zakat compared with other Islamic countries. The result of peace and national development helps to reduce poverty successfully (Lubis et al., 2011).

Yusoff (2006) analyses the potential of zakat as the major fiscal policy instrument in an Islamic State. Zakat plays its role in the macroeconomic stabilization policy through the non-discretionary and discretionary policies. The built-in stabilizer mechanism occurs when zakat collection is automatically reduced during recession giving more money to people to spend which tends stimulate the economy; while during the boom period more zakat is collected, reducing the ability of the people to spend which tends to dampen economic activities. These reduce macroeconomic fluctuations. As a discretionary fiscal policy, the government varies the disbursement of zakat to the recipients whenever necessary during the phases of the business cycle (Yusoff, 2006, p.141). During the expansion phase of a business

cycle, the government decreases zakat disbursement to reduce aggregate spending. Likewise, zakat disbursement is increased when the economy is in the downswing to increase aggregate spending.

Nevertheless, Yusoff (2010) provides concrete empirical evidence in support of zakat as a fiscal tool in an Islamic state. Specifically, his empirical evidence using Malaysian panel data supports the hypothesis that zakat spending is a potent fiscal instrument to stabilize macroeconomic fluctuations. He suggests that Muslim countries must make all effort to establish zakat as the major tool for stabilization policy. In order to make this a success, the zakat collection and zakat spending have to be carried out in the most effective and efficient manner (Yusoff, 2010, p.158). As long as zakat collection and spending are disorganized we can never achieve the potential of zakat as an effective fiscal instrument.

M. Kabir Hassan and Juanyed Masrur Khan (2007) estimate the impact of zakat funds on the annual development plan of Bangladesh. The zakat funds can increase the taxation potential of the government through the improvement of productivity, employment and output. Further, the implementation of zakat in Bangladesh has several potential effects on government budgets such as relieving budget categories targeted for poverty alleviation for other budgetary need, increase the potential of taxation through the improvement of productivity, employment and output, and also zakat collection can be used as an important economic policy tools by the government (M. Kabir Hassan and Juanyed Masrur Khan, 2007, p. 25).

In Kuwait, public zakat committees were formed to address the needs of the poor, through the mosque as the socio-cultural and religious institution (Ajeel, 1995; p. 260). The first zakat committee was formed as a voluntary body in 1973 at the Othman Mosque which served about 7.5 per cent of the total population of Kuwait. These committees have grown and reached 25 units by 1995 and were distributed throughout Kuwait owing to good public response and also its great success in making people aware of the duty of zakat (Ajeel, 1995; p. 260).

In this current study, there are several outcomes or remarks could be extracted as regard to potential zakat collection among foreign workers particularly in Wilayah Persekutuan, Malaysia. They could be summarized as following:

- 1) Majority of respondents knows about zakat in general and they also know that zakat is one of five pillars in Islam. Despite this general knowledge and awareness of foreign workers on zakat, they have very limited knowledge and awareness on zakat system in Malaysia. 50 percent of them have good knowledge on collection of zakat in Malaysia and only 31.9 percent of respondents know about distribution of zakat in Malaysia.
- 2) In specific, most of the Muslim foreign workers in the study only have knowledge on 'zakat fitr' which should be paid every month of Ramadhan (95.8 percent). Barely half of the respondent's number has knowledge on 'zakat income' (49.3 percent) and other types of zakat are seemed unfamiliar for most of them, particularly on zakat minerals, zakat livestock/ farm animals, zakat share/stock, zakat plants/crops and zakat compensation.
- 3) Majority of respondents is paying zakat fitr during Ramadhan but barely paying other types of zakat. The percentage of paying zakat income is 24.2 percent, zakat business is 9.2 percent, zakat saving is 11 percent; zakat gold/silver is 9.2 percent while the rest of zakat are only less than 6 percent.
- 4) In all cases of zakat, the number of those who are paying zakat in their own countries is exceed the number of those who are paying zakat in Malaysia. Having said that, zakat fitr is the type of zakat that most of them pay in Malaysia. The main reason why they prefer to pay zakat in their countries of origin is to assist the poor in their own countries.
- 5) Majority of them are willing to pay zakat in Malaysia in the future (71.6 percent).
- 6) For method of zakat collection, respondents rank 'moving counter' as the highest preferable method of zakat collection. This is followed by zakat centre office counter, online method and deduction of salary.
- 7) As for the marketing strategies, 'electronic media' is chosen as the best marketing strategy that zakat institutions should adopt to attract more zakat payers. This is followed by non-electronic media such as flyers, banners and posters, seminar conducted by mosques, social media, face to face and finally seminar conducted by employers.
- 8) Two important items considered as motivation for respondents to pay zakat due to religiosity factor are 'the heaven reward' and 'the obligation'. Surprising, it is found that none of the 'recognition' items is considered as major motivation for the respondents to pay zakat. The only self-satisfaction motivation which can be identified from the findings is the intention of respondents to look Muslims economic condition be improved through zakat system. . For organization factor, It is found that only item 'availability of zakat collection centre' is obtained the highest score.
- 9) There is no association between knowledge about zakat among Muslim foreign workers and gender, education level, types of employment, employment sectors and monthly salary. The willingness to pay zakat in Malaysia in the future is only dependent on gender but independent of education level, types of employment, employment sector and monthly salary. The payment of zakat fitr is dependent on types of employment and employment sectors of the foreign workers. The payment of zakat income is dependent on gender, education and monthly salary of the foreign workers. In general, religiosity factor motivates respondents to pay zakat is dependent on education level of respondents. Surprisingly, most recognition factor is dependent on education level, types of employment, monthly salary, gender and employment sector. Altruism factor motivates the payment of zakat is dependent on some demographic variables particularly monthly salary of foreign workers. The self-satisfaction factor motivating payment of zakat is very much depending on the education level of foreign workers in study while organization factors motivate the payment of zakat are dependent on few demographic variables particularly monthly salary, gender and type of employment of foreign workers.
- 10) In general, it is estimated that potential collection of zakat income from Muslim foreign workers in 2019 is between **RM100,125,448** and **RM115,482,862**. The estimation is based on two methods adopted in estimation. But using method 2, using approximate monthly income, the number of respondents who are eligible to pay zakat, above nisab, is only 236. Using this sample size, the estimation of zakat income collection is recalculated and the amount is **RM126,465,582**.
- 11) It is forecasted that by 2020, the amount of potential zakat income collection is between **RM131,018,9006.70** and **RM151,115,017.60**. In general, there is an increase of collection by 30.9 percent in 2020 from year 2019. The recalculation of estimation is done using income above nisab and the forecasted potential zakat collection for year 2020 onwards using method 1 is similar as in Table 39 but using method 2, there is a slight increase in the amount of estimation that is **RM165,486,223.60**.
- 12) There is strong and positive relationship between those who have knowledge about zakat distribution system in Malaysia and those who have knowledge about zakat collection system in Malaysia. Nonetheless, it is found that the payment of zakat income is highly motivated by all factors mentioned in the study even though the strength is moderate and sometimes weak. However, payment of zakat fitr is rarely motivated by all factors/motivations except in a very few cases.
- 13) Overall, the probability that foreign workers opt to pay zakat fitr is higher among those with better

knowledge about this type of zakat. The results imply that probability of paying zakat income among foreign workers is higher among male workers, highly educated workers and those who have knowledge about zakat income. Not necessary those who have good knowledge about zakat in general would be willing to pay zakat income every year.

- 14) It is found that the likelihood that foreign workers will pay zakat in Malaysia in the future is lower for those who have professional/PhD education as compared to those who have primary level of education and also lower for the reason of 'to assist the poor in my country' and 'just follow friends'. However, the likelihood is higher if the reason is 'do not have knowledge on how to pay zakat in Malaysia'. Only few items from 5 motivational factors are significantly contributed to the probability of paying zakat in Malaysia in the future among respondents.
- 15) Based on these findings, the following section attempts to list policy recommendations which might benefit PPZ, policy makers and other stakeholders.

Policy recommendation

- 1) Despite general knowledge and awareness of foreign workers on zakat, they have very limited knowledge and awareness on zakat system in Malaysia. It implies that if proper education and knowledge is imparted to the Muslims, the zakat system in Malaysia can plan a far greater role in empowering the economics of the Ummah. If the zakat institution could overcome the problem of getting the information, the process of zakat distribution could become easy and it will thus ensure that distribution of zakat is more efficient (Sirageldin, 2000). Zakat collection and distribution could be implemented by Islamic institutions at various levels including the village, city or state in accordance with size of the Muslim population. During the Prophet's (pbuh) time, the management of zakat started from the mosque in Medina, especially in the large mosques (jami') where all Muslims gathered.
- 2) The results of the current study show that for method of zakat collection, respondents rank 'moving counter' as the highest preferable method of zakat collection. This is followed by zakat collection centre counter, then online method and deduction of salary. The results imply that the involvement of zakat officers and collectors with the public is the most preferable method among the zakat payers. This is probably the fastest and cheapest ways for zakat payers to practice their obligation as Muslims. It is believed that the proposed institution that should be established to manage zakat is the mosque (Zayas, 2003). The establishment of zakat centers in the mosque in a particular village, district or state, must be linked to the main mosque (jami') as a branch of the zakat center. This is known as localization of zakat (Abdul Aziz, 1993; Kahf, 1995;

Zayas, 2003; Muhammad Syukri Salleh, 2006).

- 3) It is also found that majority of the respondents are willing to pay zakat in Malaysia in the future (71.6 percent). Even though only 27.9 percent of Muslim foreign workers are not willing to pay zakat in Malaysia in future, the statistics imply the importance of building confidence and trust among them on Malaysian system of zakat collection. The efforts should be taken by both authorities and zakat institutions to well develop good and efficient method of zakat collection among foreign workers. Islamic institutions such as JAKIM, especially Jabatan Zakat, Wakaf dan Haji (JAWHAR), should endeavour to increase public confidence among the Muslim society. This could be effectively implemented through various strategies designed to encourage participation and cooperation among the Muslim ummah as whole and local Muslim community, specifically.
- 4) Muslims in Malaysia (either Malaysian or foreigner) are encouraged to make their zakat payments to the government's zakat collection centres for proper distribution to the needy. One way to easily pay zakat is through a monthly salary deduction scheme. In order to avoid a clash with the monthly tax deduction (potongan cukai bulanan) for income tax, employers can make adjustments so that the monthly zakat deduction is taken from the monthly tax deduction. In order to encourage employers to involve in this scheme, more collaboration should establish between zakat institutions and Inland Revenue (LHDN) in disseminating information and awareness.
- 5) The 'religiosity factor' has to be addressed carefully to at least to change Muslim foreign workers outlook in life to become potential zakat payers. The mosque is recognized as an important Islamic institution to act as a catalyst in the evolution of zakat management in Malaysia. Besides, electronic media is highly recommended to be used to address this issue of awareness among foreign workers probably with new innovation of multi-languages slots, short and interesting tazkirah and others.
- 6) Target of potential zakat collection should be more on higher educated foreign workers by giving special incentives to them if they are paying zakat in Malaysia. These special incentives might be related to opportunities to children education reliefs, duration of stay, residency or others in which collaboration of zakat institutions and immigration department could be established.
- 7) Finally, this study proposes that the imam or ulama', as a highly respectable person, and the amil lead the changes in the system of zakat management, to resolve the zakat problem in Malaysia, as suggested by Abdul Aziz (1993). General standardization should properly be outlined on major decisions to different states in Malaysia to ensure consistency. This should be well monitored by Ulemas and Head of Religion.

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