

# **Exploring Zakat Management Organizations in Muslim and non-Muslim Countries to Propose Suitable Form of Zakat Management Organization in Thailand**

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## **Abstract**

The zakat management of Thailand has a gradual development compared to neighboring countries, although the Islamic Organization Administration Act has been enforced in Thailand for 22 years. This article aims to explore the organization form of zakat management organization in both Muslim and non-Muslim countries. The researchers deployed documentary and qualitative research to find such answers. The results showed that pattern of zakat management organization has three forms which are government-support, private-run and government-link organizations. Detail of those forms are different in each country. Moreover, the result from strength and weakness analysis found that stakeholders of zakat management in Thailand were inclined towards government-link form organizing through the Provincial Islamic Committee. However, the Provincial Islamic Committee has its own strengths and weaknesses. The strengths of this organization are that it is under the Islamic Organization Management Act of 1997, is accepted by the community, and can be linked to tax deductions. The weaknesses are that, such it is not full government organization, it does not have enough budget to implement the whole operation, and it is lack of active coordinator. This discovery will lead to the proposed development plan for the zakat management organization of Thailand.

**Keywords:** Zakat management, Thailand, Provincial Islamic Committee, Strength, Weakness

## **Introduction**

Zakat means increasing and growing. In particular, it refers to the coordinates of certain types of assets that need to be paid to certain people when the conditions are met. The payment of zakat, at the superficial, will decrease property. However, the property may increase in terms of prosperity and sustainable. As Muslim believe, Allah will open the door of provisions to His servant who follow His guidance (Chapra, 2000).

In the early days of Islam, everything was administered centrally by the Prophet or Khalifa ar-Rashidun. Hence, zakat is also centralized by Muslim leader. While in the current era, the geopolitics has changed. Muslims live in multi-cultural and multi-religious societies both in Muslim countries and non-Muslim countries. The management of Zakat is therefore different, not only from the original practice but varies by country as well.

The zakat management of Thailand, a non-Muslim country, has a gradual development compared to neighboring countries, although the Islamic Organization Administration Act has been enforced in Thailand for 22 years. This article aims to explore the organization form of zakat management organization in both Muslim and non-Muslim countries. Then, proposing the suitable form of zakat management for Thailand.

## **Research Design**

The researchers deployed documentary research and focus group method to collect data. Key informants of focus group discussion are 10 imams and 5 provincial Islamic committees in Satun and Pattalung Provinces.

## **Zakat Management in Malaysia**

The management and administration of zakat in Malaysia is controlled by the State Islamic Religion Councils (SIRCs) to centralize all the Islamic Religious activities at state level. The federal government has limitation from involving the state decision made up by state and also regarding the zakat collection owned by state. Zakat Collection Centre located in Federal Territory is the first institution established to perform the task of collecting zakat and it has been corporatized in year 1991 (Razimi, Shahril, Romle, Erdris, & Farid 2016). Later on, other states followed the footsteps of Zakat Collection Centre in Federal Territory. Malaysian Zakat institutions is not government owned. It is parted of SIRCs which aimed to enhance the capability and the effectiveness of zakat collection and distribution.

### **Zakat Management in Brunei Darussalam**

Brunei Darussalam does not face the extreme poverty but rather relative poverty. Bruneian has access to safe water supply, health service, education and other welfare provided by the government. However, relative poverty happens when a household earns less than 50 percent of the average income of the population. (Abdullah, 2009).

The management of zakat is governed by the Islamic Religious Council of Brunei Darussalam (MUIB), under the Ministry of Religious Affairs. MUIB is given the authority by the Laws of Brunei, 1/1984, Religious Council and Kadi Courts, Chapter 77, Section 114, to collect and distribute the zakat fund on behalf of His Majesty according to Shariah.

This role of managing the zakat fund is the responsibility of the Division of Zakat Collection and Disbursement under MUIB. MUIB is in the process of implementing the computerized zakat collection system (Abdullah, 2009).

### **Zakat Management in Indonesia**

Currently, there are two zakat institutions: the state-supported Zakat Collecting Board (BAZ) and the privately-run institution of National Zakat Collectors (LAZ). LAZ has over 20 regional offices and only 18 major national-category offices. Of these 18 LAZ offices, five are considered to have the largest overall roles in society, along with BAZ as the sixth largest agency. In 2008, LAZ collected 236 billion rupiah through its five biggest offices, while BAZ collected only 16 billion rupiah (Firdaus, Beik, Irawan, & Juanda 2012). There is an attempt by the government to merge these two organization into the same organization under government. In order to monitor the zakat flow into the system.

### **Zakat Management in Sri Lanka**

People continue to personally give zakat and sadaqa to those with whom they have long-term relationships, and the work of foundations or projects of corporate social responsibility is strongly connected to the identification of the givers.

Muslims are equally concerned about relationships between individuals and giving. Whilst some small Muslim communities – namely the Bohras and Memons – have developed a tradition of pooling charitable donations for projects to help community members, zakat committees have also begun to spring up amongst the mainstream Sunni majority (Osella, Stirrat, & Widger, 2015).

These are often informal groups of people connected through friendship, university education, profession or business who collect zakat and

sadaqa for specific purposes - for example, the provision of educational scholarships, basic housing and sanitation, and the support of rural employment schemes.

From above discussion, there are 3 types of zakat organization which are government-support organization, private-run organization and government-link organization.

## **Result from Focus Group Discussion**

### **Strength Analysis on Provincial Islamic Committee's Performance**

1. It is formed by the Islamic Organization Management Act of 1997. Actually, all Islamic organization in Thailand is recognized by this act. Especially, the mosque and other Islamic religious organization are legalized through this act. Thus, PIC has operated legally and firmly since the beginning.
2. It is accepted by the community. Consequence of the above mentioned, PIC is recognized and trusted by Muslim community in each province. Moreover, it has strong connection with Thai government through the position of Shiekh ul-Islam of Thailand.
3. Zakat payment will be linked to tax deductions in the future. By the work of PIC, zakat payment through the zakat agents or registered zakat organization will be used as one of tax deduction in the near future.

### **Weakness Analysis on Provincial Islamic Committee's Performance**

1. It is not full government organization. The strong connection with government does not make PIC as government organization. Some key informants saw this issue as the weakness. Because PIC will not be part of the country plan and budget allocation. So, PIC won't run smoothly.
2. It does not have enough budget to implement the whole operation. Consequently, PIC got limited budget from government. PIC's committees, mostly are imams of mosque, are not willing to spend their efforts in productive tasks, including zakat collection and distribution.
3. It is lack of active coordinator. While PIC's committees didn't work properly, coordinator was selected to run this job. However, the coordinator is not hired full-time and given a proper the task-of-responsible. So, the zakat operation is not function systematically and productively.

## **Conclusion**

Unlike other countries, Thailand as a non-Muslim country established zakat management organization separately from government organization. But

by the Islamic Organization Management Act 1997, Provincial Islamic Committee is legally and recognized to community and government.

However, for 22 years of development, PIC operation on zakat is not fully functioned. Most of Thai Muslim solely gave zakat privately. PIC only received a few portions of zakat yearly.

By comparing zakat management organization in various countries, most of participants of zakat management in Thailand were inclined towards semi-government organizing through the Provincial Islamic Committee.

With those mentioned strengths, they believed that PIC will still be able to apply zakat principle to society, practically and productively. However, those weaknesses must be improved and reduced. In addition, cooperation with the government, private and civil society organizations is necessary to drive Zakat management in Thailand to be as standard as other countries. Finally, those who benefit from these efforts are Muslims in the country.

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