

Factors influencing zakāt compliance in Jinja, Uganda.

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Abstract

The study was to determine the factors that influence zakāt compliance in Jinja, Uganda. Three different types of occupations or modes of earning were considered, that is salary earning, farming and business inventories. A multiple regression analysis was conducted to establish the effect of these three modes on compliance. The correlation was significant at $p < 0.05$. Kaiser-Meyer-Olkin Measure and Bartlett's Test of Sphericity were conducted to ascertain Sampling Adequacy and the KMO value was > 0.6 . The study revealed that salary earners, business inventories and farming all influenced the zakāt compliance in Jinja, Uganda. From the coefficients' table a multiple regression prediction equation was generated for future analyses and studies. The findings revealed that business occupied Muslims are the most compliant about zakat. The ones with higher profits have a positive attitude towards zakat. It was also found out that zakat attitude and profits earned by companies are some of the major factors that influence business zakat compliance by companies and businesses. Massive sensitization seminars and workshop should be conducted to equip Muslims with business and agricultural skills for maximizing profits, savings and expenditure. This is expected to create more zakat compliant Muslims.

Key words: Zakāt | Compliance | Nisab | Multiple regression

Introduction

Literally zakāt means to purify or increase and growth.¹ Zakāt is one of the five pillars of Islam and in numerous verses of the holy Qur'an, Allah has laid down the foundations of the zakāt command towards the able believers as well as the administration of it by the leaders: “‘And ordain for us good in this world, and in the hereafter. Certainly, we have turned to you.’ He said: (As to) My punishment I afflict therewith whom I will and my mercy embraces all things. (That mercy) I shall ordain for those who are mutaquūn (the pious) and give zakāt; and those who believe in our ayāt.”² Allah further says: “Take charity from their wealth in order to cleanse them and purify them with it.”³

And from the Sunnahs of the prophet, ibn Abbas narrated:” the prophet sent Mu-adh to Yemen and said:

“...Allah has made it obligatory for them to pay the zakāt from their properties, and it is to be taken from the wealthy among them and given to the poor among them...”⁴ and from the

¹ Muhammad Zulfiqar, Zakah According to Quran and Sunnah (Darussalam, 2011), 17.

² Al Hilali and Muhsin Khan. *Translation of the meanings of the Noble Qur'an in the English language*. (Madinah, King Fahad Glorious Qur'an Printing Complex, 1432 A.H), Suratul A'araf 7:156

³ Ibid., Surat at-Tauba 9:103

⁴ Imam-al-Bukhari. *Sahih Al-Bukhari*. trans., Muhammad Muhsin Khan. 10 vols, (Ankara: Hilal Yayinlari, 1979), 2:274

companions of the prophet Abu-Bakr Siddiqi (R.A) sent his governors for example when He sent Anas (R.A) to Bahrain and instructed him to take zakat from the rich for the assistance of the less privileged members of that respective society.⁵

Zakāt can be levied on minerals, agricultural produce, livestock, business inventory. It must fulfill have the minimum amount 'nisāb' and kept at least for one full lunar year.⁶ There are various economic activities in Uganda including agriculture, business inventory, salary earners among others.

Objectives

The objective of the study was to determine the factors that influence zakāt compliance in Jinja, Uganda.

Hypothesis

The study was guided by three null hypotheses;

- i. There is no statistically significant effect between on salaried income and zakāt compliance in Jinja, Uganda
- ii. There is no statistically significant effect between farming and zakāt compliance in Jinja, Uganda
- iii. There is no statistically significant effect between business and zakāt compliance in Jinja, Uganda

Methodology

Multiple regression analysis was used to check on the predictability of the three pre-determined factors, that is salary earners, business and farming on zakāt compliance. Documentary analysis and relevant literature reviewed to enrich the study.

Table 1: Showing the population of the study, sample Size and Sampling technique

Category	Population	Sample Size	Sampling Technique
Business occupation	100	80	Random sampling
Farming occupation	20	20	Census inquiry
Salaried occupation	10	10	Census inquiry
Administrators	10	10	Census inquiry
Total	140	120	

Source; (UEMS zakat office, 2017)

Literature

Zakāt collections on income, salaries and wages is one of the debatable issues which still exist in the Muslim scholarly world, different scholars have various opinions regarding the same. Some scholars have opposing opinions, others propose and support the notion while other

⁵ Ibn Ismail Muhammad. *Bulugh Al-Maram*. (Riyadh: Darussalam, 2002.),191

⁶ Yusuf Al-Qaradawi. *Fiqh al-Zakah: A comprehensive study of zakat regulations and philosophy in the light of the Qur'an and Sunnah*. ed. Iqbal Siddiqui, trans., Monzer Kahaf (Kuala Lumpur: Islamic book Trust, 2011), 15-70.

scholars choose to remain silent about it. In this section however the researcher shall discuss some of these opinions.

The completion of one lunar year on zakâtul-mal is important because of the tradition of Prophet Muhammad where he is reported to have said “there is no zakât on wealth until hawl (one lunar year) has passed”⁷ it is against this principal of hawl that the scholarly arguments and deductions prevailed.

In Imam Malik’s school of thought, zakât cannot be taken from any property until one year elapses as this is a fundamental requirement or pre-requisite for zakât on property. He further argues that even if the minimum is achieved a day before or after the completion of a lunar year, another year has to elapse, then zakât can be levied from such wealth he uses the above hadith as evidence and more he quotes Abdullah bin Umar who used to say “zakât does not have to be paid on property until a year has elapsed”⁸

Other scholars who hold the same view like imam Malik include Imam Shafi’i, Imam Abu-Hanifah and others on grounds of the condition of the passage of one full lunar year once Nisab is realized in the income however Abu-Hanifah gives an exception once the owner has assets of the same kind as the earned income then the income can be combined and zakâted.⁹ Ibn Hazm does not agree with the opinion of the three on grounds of insufficient proof from all the sources of Islamic law, he argues that the passage of a full lunar year applies to all items of zakât.¹⁰ However his own position regarding the zakât on income is not indicated and he does not add the exception of agricultural produce according to this report.

Abu Dâwûd is of the view that zakât can be levied from whoever earns salary, once it has Nisab no need to wait for a full year, then zakât must be paid immediately.¹¹ Al-Qaradawi holds the same opinion, like Ibn-Hazm he says Imam Malik and other scholars of the former position lack any form of evidence, also regarding the growing needs in the Muslim world and within Muslim communities alongside the objectives of zakât, it can be levied from income, salaries and wages once it has nisab. The other justification is the generality of the language that Allah uses while instructing believers to be compliant for example when Allah said “O you who believe! Spend of the good things which you have (legally) earned...”¹² He did not specify the duration of the full lunar year; this implies that in His infinite wisdom He Allah (S.W) knew that salaries remunerations would be there that’s why He instructed generically. Then the analogy of the farmers who pay zakât without waiting for a full lunar year passage. Therefore, zakât should be levied from salary income earners.¹³

Al-Qaradawi and other scholars who hold this opinion have won the hearts of many jurists and economists in Malaysia. This popular argument of paying zakât from salary as soon as it is received without hawl has led to an establishment of a policy in Malaysia known as the zakât salary deduction scheme, most of the states are compliant with a few that have objected this policy on grounds of violating one of the fundamental pre-requisites of zakât and that is hawl. According to Abdullah and other scholars, Al-Qaradawi in his deliberations about zakat on salary he neglected the condition of hawl which does not only leave a juristic questions and gaps but also operationally causing havoc, the case in Malaysia where compliant states in the salary deduction scheme automatically deduct money from people’s accounts without considering Nisab. This deduction leaves a gap that the contemporary Muslim scholars need to harmonize and resolve.¹⁴

⁷ Sunan Ibn Majah 3:1792

⁸ Imam Malik, *Al Muwatta*. ed. Idris Mears, trans., Aisha Abdarahman, & Yakub Johnson (Norwich: Diwan press, 1982),122

⁹ Yusuf Al-Qaradawi. *Fiqh al-Zakah: A comprehensive study of zakat regulations and philosophy in the light of the Qur'an and Sunnah*. ed. Iqbal Siddiqui, trans., Monzer Kahaf (Kuala Lumpur: Islamic book Trust, 2011), 336.

¹⁰ *Ibid.*,336

¹¹ *Ibid.*,335

¹² Sûrat al-baqarah 267

¹³ *Ibid.*,337-345

¹⁴ Abdullah et al., "Zakat on Salary and Wages: The Unsettled juristic issues." (Paper presented at the *International Conference of Global Islamic Studies*, 2014).

Al-Qaradawi cannot be accused of the misinterpretation and misapplication of his deduction. His deliberations about zakāt on salaries and wages remains scholarly since he does not claim that his opinion is final and irrevocable. Besides regarding Al-Qaradawi's method of deliberation in his fiqh zakāt, Ikhlās Muhammad, Luqman and Mohd Anuar had this to say:

*"He first gathers the view of the previous scholars, analyzing them before establishing his own view on the issue. In many cases he bases his view on the principle of maqâsid and he does not bind himself to any particular school of law. In one issue he chooses a certain position of a school and in another issue he follows the other school of law as long as the view is in line with maqâsid. He also does not stick to the four school of law but goes beyond that to the time of the salaf."*¹⁵

Al-Qaradawi gives his opinion according to the need of his own times. This remains important since time, context and place always dictate the juristic deductions most especially regarding appropriateness and applicability. There is no juristic problem for fatwas changing overtime. In this case the researcher takes Al-Qaradawi's position to be the soundest opinion since some salary earners get huge chunks of money so if they are waived because of the condition of the passage of one lunar year, then they might resort to extravagancy and spend all the money in the course of the year to escape paying zakāt yet the farmers pay as soon as they harvest. But also most importantly given the needs of the Muslim population not only in Jinja but the whole of Uganda, exempting salary earners from paying zakāt would be depriving the specified category of beneficiaries of their social-economic right.

In the same regard Muhammad Ibrahim encouraged the contemporary scholars to look at the socio-economic objectives of Zakat and the obviousness of the fact that the system of Zakat accommodates changes in accordance with the changes in the concept of wealth recognized at any given time or in by any given society, he also emphasized the need to understand the reasons and objectives upon which Zakat was obliged. He thus recommended contemporary Muslim scholars to broaden their search to discover more items supposed to be among Zakatable properties.¹⁶ This is the gap Al-Qaradawi was trying to cover in his means.

In Jinja municipality the collections of zakāt on income is very low, the zakāt administrators report that it may be a new a concept or poor mobilization yet there are quite a number of Muslims who are salary earners.¹⁷ This will also be incorporated in the researcher's investigation

The Zakatability of income has been subjected to so many scholarly deductions and arguments, the study was conducted in international Islamic University in Malaysia, of which Malaysia is an Islamic environment and thus has proper system and guidelines to levy Zakāt on income this is so because in government institutions, each state manages the administration of zakāt following the Islamic guidelines, however the findings revealed that only 33% of the eligible potential Zakāt payers were complying indicating that there was a problem.¹⁸ The other inconsistency is the advance payment of zakāt that exists in Malaysia is the automatic reduction of zakāt from salaries without necessarily considering the condition of nisab. In Uganda, however the state is a secular state and therefore the government focuses on only its duties for example pay as you earn, social security funds and others therefore the potential eligible Zakāt payers are self-motivated since non – Muslim state cannot push them to comply.

Agricultural produce is among the category of wealth from which zakāt can be levied or collected. Allah says in the Quran:

¹⁵ Ikhlās Muhammad et al., "Al-Qaradawi's Juristic Perspectives On Zakah of Agricultural Wealth as Reflected in His Fiqh Al Zakah." *Journal of Emerging Economies and Islamic Research* I, no. 3 (2003): 1-12.

¹⁶ Ibrahim Sheriff Muhammad. "Towards Accommodating the Contemporary Wealth into The Zakat Folds." *South East Asia Journal of Contemporary Business, Economics and Law* V, no. 3 (December 2014).

¹⁷ Committee, Zakat. "Executive summary on zakat distribution for the union of eastern Muslim scholars." Jinja, 2016, 3.

¹⁸ Nur Barizah Abu Bakar et al., "Motivations of Paying Zakat on Income: Evidence from Malaysia"; *International Journal of Economics and Finance* (International Islamic University Malaysia) II (August 2010); 76-84.

“O you who believe! Spend of the good things which you have (legally) earned, and of that which we have produced from the earth for you, and do not aim at that which is bad to spend from it...”¹⁹

It is not permissible for a farmer to sell or transact, or even consume part of the harvest before it is assessed and zakât taken from it.²⁰ The zakât levied on the produce of the earth or agricultural products is done basing on the method of irrigation or watering, this is what determines the amount to be paid in for zakât and it is usually 5% or 10% on harvesting if the produce has a minimum of 5 awsuq.²¹

Awsuq, singular wasq, was a unit of measurement for weight prevalent in the times of Prophet Muhammad. One wasq is equivalent to another unit of measurement sa' and in this case 60 Sa's, this is approximately 135KGs.²² Abu Sa'id reported that Allah's apostle said “No zakât is due on property mounting to less than five Uqiyâs (of silver), and no zakât is due on less than five camels and there is no zakât on less than five wasqs.” It is however agreed by many scholars that the most sound opinion is that the wasq is equivalent to 60 Sa's where each 1 sa' equals 3KGs.²³ In another opinion 1 Sa' equals 2.6 KGs.²⁴ These therefore indicate that 5awsuq is approximately 900kgs or 780Kgs respectively.

The *nisab* on agricultural produce is 609.84 KGs dried and winnowed, crops must be free from husks, if *nisab* is to be determined before winnowing then the *nisab* is 1219.868 KGs otherwise zakât is not levied on crops that are not winnowed.²⁵ The first opinion indicates that the minimum is 675Kgs and this will be the preferable opinion applied in this document regarding the *Nisab* of products like wheat, rice, barley and sorghum.

Much as most of the scholars agree to the minimum of agricultural produce being five Awsuq, the dispute only lies in what it equates to in kilograms or when it is converted in other scales, the constant measurement always referred to is five Awsuq. Contrary to this imam Abu-Hanifah is of a view that since the condition of full lunar year is not applicable on agricultural produce the *Nisab* on these produce is thus lifted and hence zakât can be levied on any amount produced, Abu-Hanifah supports his argument with a prophetic tradition where the prophet said that: “A one-tenth due is obligatory on that which the sky waters,” in this tradition Abu-Hanifah says the prophet speaks generically and does not specify the amount of produce on which zakât can be levied. Ibrahim al-Nkhai and Ata' are some of the scholars holding the same opinion. Other scholars like Baqir say that the *Nisab* is only for the agricultural produce mentioned in hadiths like barley, raisins, dates and wheat. The other agricultural produce have no *Nisab*.²⁶

According to Al-Qaradawi, the above opinions are rather contradicting the concept of *Nisab* which is paramount in determining the rate of zakât in this case 5 awsuq on agricultural produce, the harvest of the agricultural produce serves as the roundup of the season and that constitutes the would be year of the produce. In his argument He quotes Ibn Qudama who said: “the passage of the year is disregarded in agriculture because the time of harvesting represents the complete growth for the land”. The hadith of one-tenth is to distinguish between zakât on naturally irrigated fields and those that are artificially irrigated²⁷

¹⁹ Al Hilali and Muhsin Khan. *Translation of the meanings of the Noble Qur'an in the English language*. (Madinah, King Fahad Glorious Qur'an Printing Complex, 1432 A.H), Surat al Baqara 2:267

²⁰ Ahmad Ibn-Naqib al-Misri. *Reliance of the traveller. A classical manual of Islamic sacred law*. trans., Nuh Ha Mim kellar (Delhi: Aamna Publishers 1994),256

²¹ Ikhlas Muhammad et al., "Al-Qaradawi's Juristic Perspectives On Zakât of Agricultural Wealth as Reflected in His Fiqh Al Zakât." *Journal of Emerging Economies and Islamic Research* I, no. 3 (2003): 1-12.

²² <http://www.islamepedia.in/stories.php?id=3&tid=241> (accessed may 20,2017)

²³ Imam-al-Bukhari. *Sahih Al-Bukhari*. trans., Muhammad Muhsin Khan. 10 vols, (Ankara: Hilal Yayinlari, 1979), 2:277

²⁴ Muhammad Zulfiqar, *Zakah According to Quran and Sunnah* (Darussalam 2011), 65.

²⁵ Ahmad Ibn-Naqib al-Misri. *Reliance of the traveler. A classical manual of Islamic sacred law*. trans., Nuh Ha Mim kellar (Delhi: Aamna Publishers 1994),250

²⁶ Yusuf Al-Qaradawi. *Fiqh al-Zakah: A comprehensive study of zakat regulations and philosophy in the light of the Qur'an and Sunnah*. ed. Iqbal Siddiqui, trans., Monzer Kahaf (Kuala Lumpur: Islamic book Trust, 2011), 245.

²⁷ *Ibid.*,246

According to Imam Malik the zakāt which is taken from agricultural products includes olives, seeds like the cereals which include barley, wheat, sorghum, millet, rice, lentils, peas, beans sesame seeds among other grains which are edible, if any of these of a particular kind reaches an amount of 5 Awsuq after harvest, then a tenth or twentieth be deducted for zakāt. If the farmer harvests 4 Awsuq, then he cannot pay zakāt unless if any of a particular kind like sorghum is 5 Awsuq and above, only then can zakāt be levied from it. The 5 Awsuq cannot be a combination of variety. The farmer may also choose to pay the zakāt in form of seeds after harvest or the product but with similar quantity of zakāt for example a 10th of flour or oil for maize and olives respectively. Estimation of zakāt in this case is only done on fresh fruits that can ripen quickly and are thus perishable like grapes, the estimation is thus permissible before harvest because the use of such fruits is immediate. Estimation is however not permissible for cereals and grains which can be harvested and stored for longer periods of time like maize and therefore their zakāt can only be calculated only after harvest. Zakāt is not levied on vegetables or herbs of any kind since they cannot be dried or stored the same applies to fruits like apples pears peaches pomegranates and others but if they are sold, once their profit has the Nisab then it must wait for a full lunar year.²⁸ Many other scholars hold the same view for example Abdullah ibn Umar among others who only consider wheat, barley, dates and raisins some of them add corn. They say vegetables and other fruits are not mentioned anywhere in hadiths and the prophet did not levy zakāt from them while in Hejaz.²⁹

Volume remains the standard of measurement not weight except in cases where some crops are compressed like saffron and cotton then the value is considered to determine the Nisab value.³⁰

Imam shafi' an exception of Zakātability on two fruits that is dates and grapes which he supports with the fact that the prophet levied zakāt on both while in Hejaz. Both Imam Malik and Imam Shafi' agree that the olives are zakātible and pomegranates are not zakātible.³¹

Another opinion is of Imam Ahmad that once a crop is measurable it is zakātible, this applies both on eatable crops and non-edible crops like some vegetables though not specified, sesame all fruits, cotton among others can be zakātible. He supports his opinion with the hadith where the prophet is reported to have said that "there is one-tenth due obligatory on that which is watered by the sky." He says this hadith is general and therefore does not discriminate any crops.³² However Imam Ahmed himself goes on to argue that crops like apples, pears, peaches, apricots are all non zakātible.

Imam Abu-Hanifah's opinion is that any crop cultivated and harvested with profit making intentions is zakātible. He does not consider edibility, measurability and other conditions, he rather focuses on the evidence from the Quran and the Sunnah of the prophet respectively.³³

Allah says in the Quran: "O you who believe! Spend of the good things which you have (legally) earned, and of that which we have produced from the earth for you, and do not aim at that which is bad to spend from it..."³⁴ He argues in this verse when Allah mentions the produce of the earth he does not limit therefore it cannot be scaled down to merely cereals and grains; the other evidence he puts forward is the noble tradition of prophet Muhammad (S.A.W) where he said: "Ushr (one-tenth of the yield to be levied as zakāt) is to be imposed on the yield of land which is either irrigated by rain or running water..."³⁵

Like Imam Ahmed imam Abu-Hanifah takes the above tradition to be generic but unlike Ahmed, Abu-Hanifah has no exception in the kind of crops for as long as they yield a

²⁸ Imam Malik, *Al Muwatta*. ed. Idris Mears, trans., Aisha Abdarhman, & Yakub Johnson (Norwich: Diwan press, 1982),130-132

²⁹ Yusuf Al-Qaradawi. *Fiqh al-Zakah: A comprehensive study of zakat regulations and philosophy in the light of the Qur'an and Sunnah*. ed. Iqbal Siddiqui, trans., Monzer Kahaf (Kuala Lumpur: Islamic book Trust, 2011), 239

³⁰ Ibid.,250

³¹ Ibid.,240

³² Ibid.,241

³³ Ibid.,241

³⁴ Al Hilali and Muhsin Khan. *Translation of the meanings of the Noble Qur'an in the English language*. (Madinah, King Fahad Glorious Qur'an Printing Complex, 1432 A.H), Surat al Baqara 2:267

³⁵ Imam-al-Bukhari. *Sahih Al-Bukhari*. trans., Muhammad Muhsin Khan. 10 vols. (Ankara: Hilal Yayinlari, 1979), 2:327

reasonable amount of profit equivalent to the Nisab, this is why in this opinion all fruits, vegetables cash crops like cotton, sugarcane, spices are all zakatable once Nisab is realized in any of them. According to Al-Qaradawi this is the strongest opinion in this case.³⁶

Much as this is the strongest opinion some of the crops are not grown with in Uganda like the apples, peaches among others; they are rather imported therefore they could be considered as merchandise.

There are some agricultural produce and livestock whose Nisab is clearly defined by either the Quran or Sunnah like corn, millet, goat, among others but there are other produce that are not mentioned but still yield some income. They can still be charged if properly assessed by the Zakāt administrators this might be applied in cases where people are doing fish farming or fishing as a means of livelihood, the fish its self might not be Zakatable but over time as the fish monger accumulates wealth which is Zakatable then the business can be Zakatable.³⁷ This properly applies in the case of Jinja which is surrounded by water bodies L. Victoria and River Nile which supports the fishing industry. Umar Bin Abdul Aziz wrote to his governor of Oman instructing him not take anything from fish until it reaches two hundred dirhams in value similar to Nisab of money. During those times the Nisab was two hundred dirhams so once the profit of fish reached the Nisab the governor was instructed to take zakāt from it.³⁸ However according to the pilot study, much as Jinja is surrounded by water bodies, the Muslims who are involved in the fishing industry are few, the implication however could be that the Muslims involved in fishing are not sufficiently sensitized.

As for business inventory, there is a significant fraction of Muslims who do business in Uganda and Jinja in particular and are legible to pay zakāt.³⁹ Yusuf Al-Qaradawi illustrated that business inventories have to pay zakāt after deduction of all the expenses, he further elaborated that zakāt can be paid in cash or in kind. *Urūd tijārah* can be defined as any items or services acquired with the aim of making profits. For a business inventory to qualify for zakāt payment must have obtained *nisāb*, be owned by a Muslim and a full lunar year (*haul*) elapsed. Then zakāt can be levied on other items or services rendered by the business other than fixed assets such as furniture, refrigerators, machinery and other equipment that may aid the business.⁴⁰

Results and Key Findings

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.693
Bartlett's Test of Sphericity	Approx. Chi-Square	1964.873
	Df	300
	Sig.	.000

Source: field data (2017)

The Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity were used to Measure the Sampling Adequacy. The KMO value is greater than 0.60 and the level of significance ($p < 0.5$) which implies factor analysis can proceed given the level of confidence.

³⁶ Yusuf Al-Qaradawi. *Fiqh al-Zakah: A comprehensive study of zakat regulations and philosophy in the light of the Qur'an and Sunnah*. ed. Iqbal Siddiqui, trans., Monzer Kahaf (Kuala Lumpur: Islamic book Trust, 2011), 242.

³⁷ Muhammad Zulfikar, *Zakah According to Quran and Sunnah*(Darussalam 2011),147-149

³⁸ Yusuf Al-Qaradawi. *Fiqh al-Zakah: A comprehensive study of zakat regulations and philosophy in the light of the Qur'an and Sunnah*. ed. Iqbal Siddiqui, trans., Monzer Kahaf (Kuala Lumpur: Islamic book Trust, 2011), 501-526

³⁹ Gyagenda, AbdulSwamad. "The Relationship Between Muslim Business Occupation and zakāt Compliance in Jinja Municipality, Uganda". *Journal of Islamic Studies and Arabic Language* 1, no. 1 (May 31, 2022): 65–75.

⁴⁰ Saleh, and Ruslan. "Zakat On Business Inventory: Issues And Challenges In Negeri Sembilan." *E-Prosiding Seminar Antarabangsa Islam dan Sains 2021 "Wawasan Kemakmuran Bersama 2030"*. 2021. 971-986.

Table 3: Showing the model summary from multiple regression between business, farming, salaried occupations and compliance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.385 ^a	.148	.140	.74277	.148	17.702	1	102	.000
2	.547 ^b	.299	.285	.67716	.151	21.720	1	101	.000
3	.602 ^c	.363	.344	.64862	.064	10.084	1	100	.002

a. Predictors: (Constant), business

b. Predictors: (Constant), business, salary

c. Predictors: (Constant), business, salary, farming

d. Dependent Variable: compliance

Source (Field data, 2017)

From the above table 4.29, for business occupation, $r = .385$, $R^2 = .148$ and $Adj.R^2 = .140$. This means that the relationship between business occupation and zakāt compliance is 38.5%, its effect on the sample is 14.8% and its effect on the population is 14%. Business is the stand alone predictor of compliance. This implies that the business occupied Muslims are the Most informed about zakāt as compared to the rest, the ones with higher profits and perhaps their attitude towards zakāt is relatively positive. Similarly, it was discovered that some of the major factors that influenced business *zakat* compliance were entrepreneurs' *zakat* attitude and profits earned by the company, businesses and merchandise.⁴¹

Salary earners can be predictors only if combined with business occupants which makes salaried occupation to be the second predictor though not stand-alone predictor of zakāt. And farming occupation not stand-alone predictor and since not statistically significant, does not predict compliance unless if combined with business occupation and salaried occupation, hence taking the third position.

It is revealed that there is a positive low and significant effect between Muslim salaried occupation and zakāt compliance in Jinja municipality. The researcher therefore rejects the null hypothesis which states that "There is no statistically significant effect between salaried occupation and zakāt compliance in Jinja municipality" and the researcher takes the alternative hypothesis which states that "There is a statistically significant effect between salaried occupation and zakāt compliance in Jinja municipality"

It is revealed that there is positive low and insignificant effect between farming occupation and zakāt compliance therefore the empirical evidence supports the null hypothesis which states that "There is no statistically significant effect between farming occupation and zakāt compliance in Jinja municipality"

The researcher rejects the null hypothesis which states that "There is no statistically significant effect between business occupation and zakāt compliance in Jinja municipality." And takes the

⁴¹ Muhammad, Izlwanic. "Factors That Influence Business Zakat Compliance Among Small and Medium Entrepreneurs." *The Journal of Muamalat and Islamic Finance Research* XIII, no. 1 (June 2016): 97-110.

alternative hypothesis which states “There is a statistically significant effect between business occupation and zakāt compliance in Jinja municipality”

Table 4: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		95.0% Confidence Interval for B		
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	-4.410	1.138		-3.874	.000	-6.668	-2.151
	business	.673	.099	.604	6.762	.000	.475	.870
	farming	.489	.154	.272	3.175	.002	.184	.795
	salary	1.218	.227	.457	5.375	.000	.769	1.668

a. Dependent Variable: compliance

from the coefficients table above, $y = b_1x_1 + b_2x_2 + \dots + b_nx_n + c$.

Hence the multiple regression prediction formula becomes:

$$Y = -4.410 + 0.673x_1 + 0.489x_2 + 1.218x_3$$

Conclusions and recommendations

Muslim leaders should work collectively with experts from various fields such as agriculture, imports and exports, in business, entrepreneurship and so on to organize workshops specifically to equip Muslims with entrepreneurship, business and agriculture skills, how to maximize profits, expenditure as well as savings. Consequently, this will create more zakāt compliant Muslims. Moreover, the dynamics of earning and saving have changed, Muslim experts need to work out a formula that can be used by salary earning Muslims and business proprietors to evaluate themselves and know what should be paid in zakāt. Furthermore, massive sensitization and mobilisation is still needed to avail Muslims with adequate information on the relevance of zakāt in the transformation of the Muslim community. In addition, Muslims who depend on only salaries should diversify the means of earnings by venturing into new entrepreneurial activities such as small scale businesses to maximize on their earnings hence strengthening their ability to pay zakāt.

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