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Islamic Economics, Finance, Entrepreneurial Development & Public Policy for the Ummah's Socio-economic Wellbeing

Under the above theme, the speakers / paper presenters will discuss the vision of Islamic economics, business and finance, public policy for entrepreneurial development and to enhance social inclusion and good governance, meaning how to develop Islamic countries' economies giving fair opportunity to all segments of the society and provide them not only suitable jobs / employment but also dignity and respect in the society and falah in this world and the Hereafter. As it is possible only through application of the principles of the Shariah, in letter and spirit, in all socio-economic disciplines and business and finance affairs, Shariah compliance of all institutions, products and activities would also be covered in the Theme of the ICIB-2016 event.

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In The Name Of Allah, The Most Beneficent, The Most Merciful



EXAMINING CREDIBILITY OF ZAKAT SYSTEM IN PAKISTANI SOCIETY

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Introduction

This study mainly focuses on following:

1. Mechanisms of charities in Islam
2. Significance of Zakat in Pakistani society
3. Impacts of Zakat on inhabitants of Pakistani society
4. Current Zakat system in Pakistan
5. Highlighting the credibility of Zakat system in Pakistani society

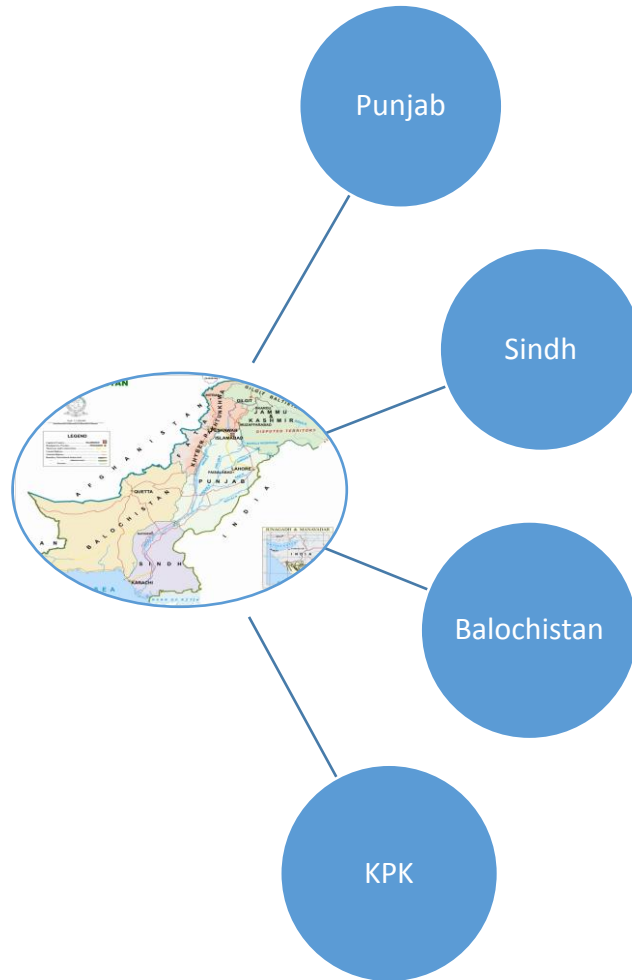
SIGNIFICANCE OF THE STUDY

- Bridges the knowledge gaps between existing literature and newly-constructed dimensions vis-à-vis Zakat system.
- Credibility analysis of such a huge financial mechanism of the nation.
- Examination of credibility of the Zakat disbursement mechanism.

LITERATURE REVIEW

1. Mohammad (1991)
2. Shirazi (1996)
3. Suhaib (2009)
4. Tarar & Riaz (2012)
5. Abdullah (n.d)

METHODOLOGY



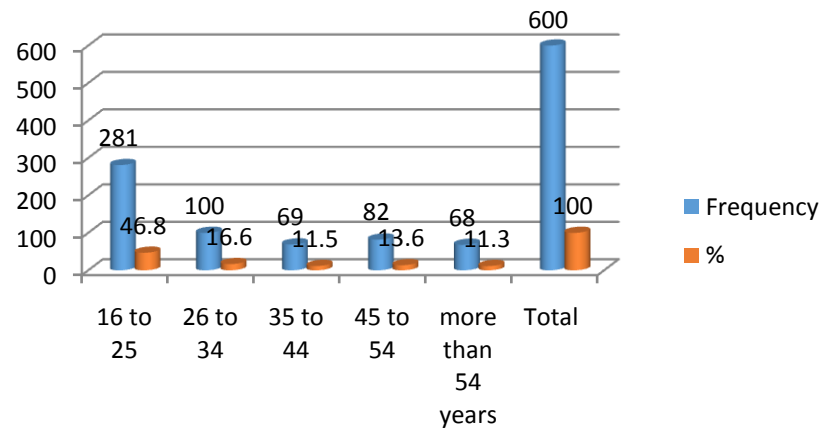
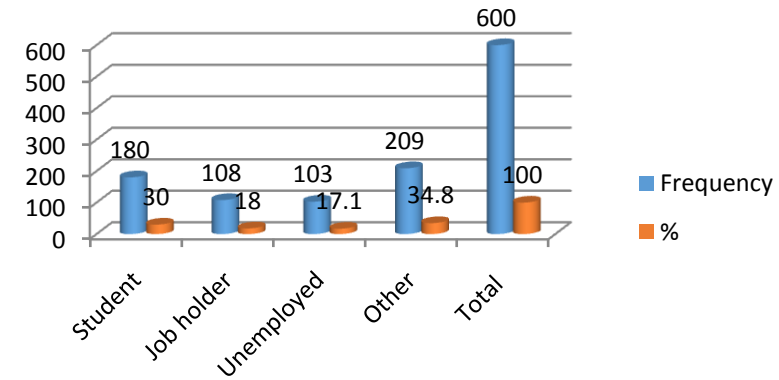
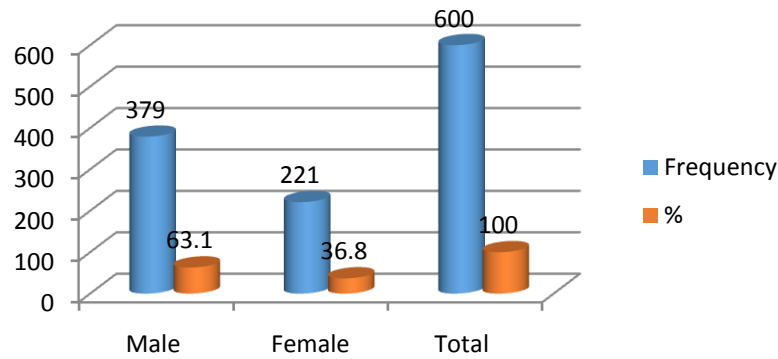
By using simple random sampling, capitals of the four provinces were selected and then by purposive sampling respondents were approached that made total of 600 sample size for the study.

RESEARCH TOOL

- Corporate Credibility Scale (2001) by Newell and Goldsmith.
- Corporate Credibility Scale had further divided into two subscales;
 - Trust/ Truthfulness
 - Expertise
 - both sub scales have 4, 4 statements respectively.

MAJOR FINDINGS

Distribution of respondents as per Gender, Age and Professional status



Continues.....

Measurement of the credibility of Zakat system in Pakistan

Sr. No.	Dimension/ Construct	Pakistan Baitul Maal and Ushr Khyber Pakhtoon khwa Mean (%)	Pakistan Baitul Maal and Ushr Punjab Mean (%)	Pakistan Baitul Maal and Ushr Sindh Mean (%)	Pakistan Baitul Maal and Ushr Balochistan Mean (%)	Mean (%)
1	Trustworthiness	6235/12000=51.95	5042/12000=42.01	3009/12000=25.07	4333/12000=36.10	38.78
2	Expertise	5220/12000=43.50	6952/12000=57.93	4622/12000=38.51	3095/12000=25.79	41.40
Mean Performance (%)		47.70	49.95	31.78	30.94	40.09

Summary

- Aimed at analyzing the credibility of the zakat system in Pakistani society
- Highlighted the brief account of detail about Zakat mechanism in Islam and Pakistan
- This study is conducted in four provinces, Punjab, Sindh, Balochistan, and KPK, of Pakistan simultaneously.
- Corporate Credibility Scale (2001) by Newell and Goldsmith.

Summary

- Corporate Credibility Scale responses that of two constructs trustworthiness in all provinces i.e. 38.78 percent, and expertise is i.e 41.40 percent.
- Punjab has higher ratio of i.e 49.95 percent among all province. Balochistan has lower ratio of i.e 30.94 percent.
- Khyber Pakhtoon khwa has ratio of 47.70 percent that is considered second in comparison.
- Sindh has ratio of i.e 31.78 percent.
- In the light of the findings, core reasons of lower statistics is that bad governance, lack of skillful persons and lack of welfare spending.

Policy Recommendations

- To take emergency measures in improving services delivery as it was shown that effectiveness of services was not up to the mark.
- Recruitment process should be transparent that will also increase the credibility of the organization in the society.
- Welfare spending should be increased by the government.
- Accessibility to the services should be easy and less time consuming.

- Questions???