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Moderating Role of Economic Development's on Zakat Success Factors and Compliance: A Saudi Arabian Perspective

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Abstract

The paper report a result of an investigation in the moderating influence of economic development on the relationship between zakat success factors and compliance to pay zakat, focusing on key factors such as zakat awareness, support for zakat practices, understanding zakat application, and willingness to implement zakat. Data from 250 respondents within the General Authority of Zakat and Tax (GAZT) in Saudi Arabia were collected using a quantitative approach using questionnaires. Analysis was conducted utilizing AMOS 20 and SPSS 20.1 software. The study reveals a positive direct effect of zakat success factors on compliance to pay zakat, with economic development playing a crucial moderating role. This underscores the significance of economic development in influencing the relationship between zakat awareness, support for zakat practices, and zakat compliance. The practical implications extend to zakat institutions, urging them to enhance strategies for transparency and compliance by securing additional resources for development and organizing educational initiatives to cultivate positive attitudes towards zakat. The research contributes uniquely to the literature by incorporating economic development as a mediator in the zakat success factors and compliance relationship, offering valuable insights for researchers, economists, and zakat institutions. The findings emphasize the multifaceted impact of zakat on economic structures, social transformation, poverty reduction, and inequality. Additionally, the study highlights zakat's role in achieving sustainable economic growth and reducing social issues, advocating for its integration as a financial system to address challenges in the Muslim world. Despite limitations in respondent selection and timeframe, the research opens avenues for future studies, suggesting a broader exploration of Zakat's impact on sustainable development, climate change, wealth distribution, and economic transformation.

Keywords

Zakat, Economic Development, Compliance, Success Factors, Moderating Role, Awareness, Support, Willingness, Understanding, GAZT, Saudi Arabia

1. Introduction

Zakat is a worship, a religious, and one of the pillars of Islam. It is a financial obligation that must be performed by a capable Muslim. In our Islamic religion, we encourage the performance of zakat for the able, and many Quranic verses link prayer and

zakat as two basic pillars of Islam. According to the Quran [11]: "And be steadfast in prayer; practise regular charity".

And about the reward of zakat and the greatness of the reward of the giver, came in the hadith, a man came to prophet Muhammed peace be upon him and said: Inform me of an action that will take me into Paradise. He said: Worship God and do not associate anything with Him, establish prayer, pay zakat, and uphold the ties of kinship.

In addition, zakat shows gratitude and thanksgiving to God Almighty for the tangible and material blessings that we have in our hands, and in which it is performed as thanks to God Almighty, as in other physical acts of worship such as prayer and pilgrimage, in which there is an expression of gratitude to God Almighty for the blessing of creation. It is not hidden the importance of this great pillar, and on the life of the individual in particular, As stated in the Quran [10]:" Take Sadaqah (alms) from their wealth in order to purify them and sanctify them with it".

Zakat is considered a purification of his soul and money from miserliness and greed, as well as the life of society, as it is a purification of envy and hatred, alleviating poverty, improving the quality of life, and urging people to earn and work. But the impact of zakat does not stop there. Throughout the ages, zakat has been important to repair gaps in the social and economic levels of individuals. It was one of the tools of the state in which it establishes its economy, promotes productivity and employment, and rejects unemployment, as the Zakat Fund can be a catalyst for collecting the efforts made by individuals who contribute zakat and be of assistance to those who are entitled to be beneficiaries and economic producers. Therefore, the association of zakat with the economy as an economic tool, especially in the Muslim community, is closely linked. Zakat is one of the legal and economic tools that made difference.

2. Problem Statement

By looking at the tremendous developments that Saudi Arabia has witnessed recently, and sensing that change in multiple forms is necessary for the growth of the economy, Saudi Arabia has begun enormous and unprecedented reforms since the launch of Vision 2030, one of its most important items was diversification in the economy to achieve sustainable growth. One of the important strategic objectives of the Zakat Authority was to support economic development.

Economic development appears in its form as sustainable and coordinated actions that are taken by policymakers and common groups that contribute to enhancing the standard of living and the economic health of a particular region. Additionally, economic development refers to the quantitative and qualitative changes that an economy is experiencing, and these measures can encompass multiple areas. Nowadays, the economic development sector aims to achieve success in five pillars that are considered the main pillars of economic development, and are sought by policymakers all over the world. These pillars were introduced by O'hara [12]:

"Five types of assets are particularly relevant to ensuring the success of future economic development. These are education, health, social and cultural facilities, environmental quality, access to information, and communication technology (ICT) and transportation."

This is what the Saudi vision includes, along with economic development plans aimed at sustainable development, and the expected rise in Zakat revenues from 17 billion in 2019 to 19 billion in 2021.
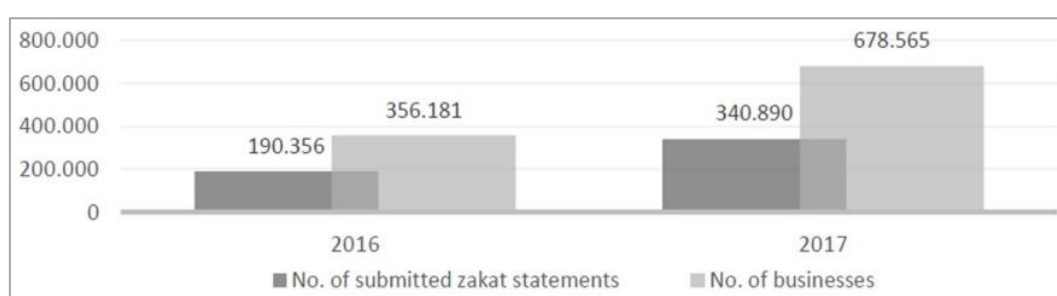

Figure 1. Level of Zakat Non-Compliance Issues in the Last Two Years.

Since zakat is one of the pillars of economic development in Saudi Arabia, and in the Islamic approach it is the third pillar of Islam, and its application during the era of Omar bin Abdulaziz proved sufficiency and alleviation of poverty in all its forms.

After observing the economic situation in the Kingdom of Saudi Arabia, and despite the absence of official statistics about poverty in the Kingdom, many reports showed there is a large extent of poverty that exists in the Kingdom. For example, a report by Thelwell [18] states that poverty in Saudi Arabia is a hidden problem. According to the statistics from human development reports and other social indicators, the poverty rate in Saudi Arabia ranges between 10-20%. Additionally, there are unofficial reports that estimate that about 20% of Saudis live below the poverty line [3]. An additional indicator of the issue at hand is the large number of beneficiaries of social

welfare programs in Saudi, according to the latest official report, there are 1,222,411 citizens registered with the Social Security Agency of the Ministry of Labour and Social Development (Saudi Ministry of Labor and Social Services, 2017). This number represents about 16% of the Saudi population, excluding non-Saudi citizens.

In a study by Sawmar and Mohammed [15], they discovered that those who are obligated to pay Zakat may not be fully committing to doing so. The General Authority for Zakat and Income published the latest statistics comparing the numbers of registered businesses required to comply with Zakat laws from 2016-2017 to the actual data provided. As shown in Figure 1 [15], it is clear that more must be understood about what drives societal success in fulfilling the important obligation of Zakat.

Therefore, determining the factors that lead to higher rates of Zakat compliance is crucial. Most prior research on this topic has relied heavily on religious and legal sources alone, without employing specific social science methodologies (Al-Juhani, 2016; Al-Tamimi, 2019). This narrow approach limits understanding of how to effectively encourage more widespread participation in Zakat. Apart from the study by Sawmar and Mohammed [15], examined the significant gap between Zakat performance and the governance of the Zakat Authority using a qualitative approach, including interviews with a specific group to refine the methodology of the Zakat and Income Authority.

Therefore, this study sheds light on the role of economic development in the relationship between the effectiveness of the elements of Zakat and the obligation to pay Zakat. As well as the desire to know if the performance of economic development could be used as a good mediator for related variables such as the obligation to pay the zakat. Economic development is not just one manageable program, it is a combination of individual initiatives, each with multiple stakeholders, that are best kept as a part of an overall strategy to stimulate the economy of a community or region and create economic vitality.

It is necessary to comprehend that the economy of each community or region is unique; since each has different geographical and socio-economic features rarely repeated in other societies. Thus, this research study intends to bridge the gap in the literature by adopting the quantitative approach and assessing the specific and empirical relationship between the practices of Zakat performance in terms of the impact of independent variables (awareness of zakat, support for zakat practices, understanding the application of zakat, willingness to pay zakat) on the commitment to paying Zakat. The study intends to employ about 250 employees in the financial and banking sectors as respondents to manage the exploration search tool, and to understand the relationship between these variables and the extent of the impact to prove the effectiveness of Zakat. The expected results of the research are to prove that economic development plays a significant role in the obligation to pay the Zakat in the economic development sector in Saudi Arabia since these medium variable forms an

incentive for raising the commitment to the performance of the Zakat by affecting the independent variables in the relationship.

2.1. Research Objective

The research aims to reach the following objectives:
1. To study the relationship between Zakat awareness and Compliance.
2. To study the relationship between Support for Zakat practices and Compliance.
3. To study the relationship between Thorough understanding of the Zakat application and Compliance.
4. To study the relationship between Willingness to pay Zakat in their organization and Compliance.
5. To examine the moderating role of economic development on the relationship between the zakat success factors and the compliance.

2.1.1. Research Questions

From the researcher's point of view, the study seeks to answer the following research question:

Q1. What is the relationship between Zakat awareness and Compliance?

Q2. What is the relationship between Support for Zakat practices and Compliance?

Q3. What is the relationship between Through understanding of the Zakat application and Compliance?

Q4. What is the relationship between Willingness to pay Zakat and Compliance?

Q5. Does economic development moderate the relationship between the zakat success factors and the compliance?

2.1.2. Research Design

The study used a quantitative (survey method) approach which suits the type of research and the type of data analysis. Those hypotheses are developed based on the research questions to be tested depending on the research topics.

The study employed a proportional stratified random sampling approach, which is one of the probability sampling designs, and using this sort of sampling offers every element in the population a fair chance of being chosen as a subject. A total of 250 respondents sampled from within the General Authority of Zakat and Tax (GAZT) in Saudi Arabia.

The dependent variable of the study is zakat compliance. A total of five Independent Variables have been studied which have an impact on the Dependent Variable which are awareness of zakat, support for Zakat practices, through an understanding of the Zakat application, willingness to implement Zakat in their organization, and the economic development as a mediating variable.

2.1.3. Research Model

The study's dependent variable is zakat payment compli-

ance. Zakat awareness, support for Zakat practices, understanding of Zakat application, willingness to implement Zakat in their organization, and economic development as Moderator are the five Independent Variables studied that have an impact on the Dependent Variable.

The present study has designed a research model in the determination of the research hypotheses as displayed in Table 2. In the model, the direct effects between the constructs, specifically H1, H2, H3, and H4, and the moderation effects of Economic Development (ED) as signified by H5, H6, H7 and H8, were tested.

Accordingly, the hypotheses in the research model in addition to their corresponding paths can be viewed in the following Figure 2:
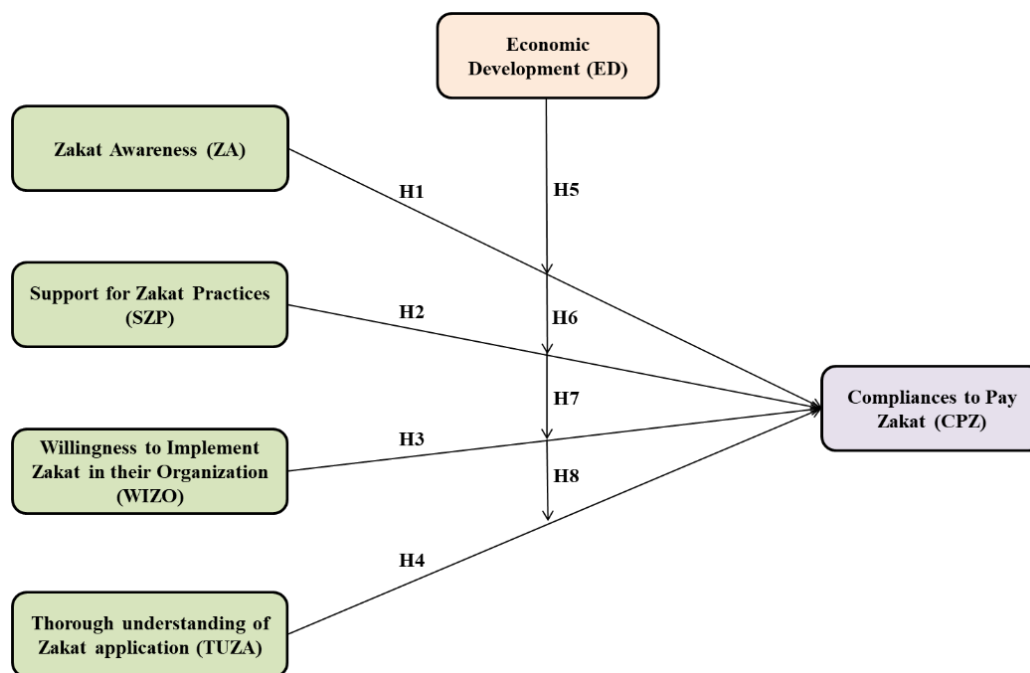

Figure 2. *Research Hypotheses in Research Model.*

2.2. Research Hypothesis

The main relationships investigated in this study are stated in the following research hypotheses:

H1) Zakat's awareness has a positive effect on Compliance to Pay Zakat.

H2) Support for Zakat practices has a positive effect on Compliance to Pay Zakat

H3) Through an understanding of the Zakat application has a positive effect on Compliance to Pay Zakat

H4) Willingness to implement Zakat in their organization has a positive effect on Compliance to Pay Zakat

H5) There is a significant influence between the Moderator, zakat's awareness, and Compliance to Pay Zakat

H6) There is a significant influence between the Moderator, support for Zakat practices, and Compliance to Pay Zakat

H7) There is a significant influence between the Moderator, through an understanding of the Zakat application, and Compliance to Pay Zakat

H8) There is a significant influence between the Moderator, willingness to implement Zakat in their organization, and Compliance to Pay Zakat.

2.3. Population and Sampling Method

The study's population of interest according to Casteel, A., and Bridier, N. L [4]; is the primary group about which research is concerned is comprised of the individuals, dyads, groups, organizations, or other entities one tries to understand and to whom or to which the study's findings may be generalized or transferred.

Populations define the scope of a study and offer the reader with environmental and contextual signals. Such boundaries impose natural limits on the research, allowing the researcher to focus appropriately and avoid presenting a one-size-fits-all set of data. The researcher can also clearly designate subpopulations, such as the target population, sampling frame, and sample, and assure alignment between these groups within the research by defining boundaries. [14]

According to Turner [19], the simple definition of a sampling frame is the set of source materials from which the sample is selected. In this study, the population would take considerably enough numbers of GAZT's Employees (General Authority of Zakat and Tax) located in Saudi Arabia.

Sampling can be used to draw conclusions about a popula-

tion or to make generalizations based on current theories. Essentially, this is determined by the sample technique used.

The Convenience sampling method is implemented as it is the most dependable way and practice for data collection. In most circumstances, testing the entire group is nearly impossible because they are difficult to contact.

Convenience sampling involves picking people who are frequently and conveniently available. Convenience sampling is a popular sampling strategy among students since it is inexpensive and simple compared to other sample strategies [1]. Convenience sampling frequently aids in overcoming many of the limitations of research [17]. To calculate the sample size based upon Confidence levels in 90, Margin of Error (0,05), and population of interest size (2500) employee in GAZT according to Alhamry Statistics (2017), we use the following equation:

$$N = \frac{z^2 \times \breve{p}(1-\breve{p})}{\varepsilon^2}$$

Furthermore, there are variations in educational level, marital status, employment experience, and income level. The total number of respondents was roughly 250, with a mix of male and female respondents.

Based on the foregoing, it is appropriate to select a sample of at least 250 employees based on the size of the research's target audience. The sample is the set of units chosen to represent the population of interest [6]. The data presented of the sample will be analyzed the results concluded (quantitative) and assigned to the population of interest. The sample should be representative of the chosen population of interest. And it is a requirement that is addressed by appointing an accurate sampling frame and by utilizing an appropriate sampling method. When choosing a sample, there are two primary factors; how many units must be in the sample (sample size) and how will these units be selected (sampling methods) [4]. As a result, based on the prior, it is appropriate to select a sample of at least 250 employees based on the size of the research's target audience.

2.4. Data Collection

A questionnaire is the most acceptable data collection approach. (Google Docs online and offline survey). This additional information will allow us to plan the final survey based on previous queries about the subject. A major amount of the data collected is quantitative in nature. These data must be evaluated and interpreted before they can be used. The quantitative data can be imported into other analytic packages. The AMOS 20 and SPSS 20.1 software packages were used to conduct the analysis in this study.

Initial Instrument Structure

The instrument is divided into two sections, as detailed below:

Section A: The first section (section A) includes five demographic questions: Gender, Age, Job Position, Education Level, and Work Experiences.

Section B: Questions concerning the dependent variable and questions about the independent variables comprise the second section.

Questions addressing the direct relationship between the dependent variable and the independent factors are known as dependent variable questions.

In other words, these questions demonstrate the direct relationship between independent and dependent variables. The dependent variable is a query concerning Zakat compliance, followed by the independent factors that would affect the procedure of this research, which are: (Zakat Awareness – thorough understanding of Zakat application - Support for Zakat practices- Willingness to implement zakat in their organization) to bring a fresh argument that has never been discussed before, with the help of the unused Moderator (Economic Development), which can act as a crucial role of this research and reveals precisely the common factor that can affect the Compliances to Pay Zakat.

Content legitimacy is the degree to which a test measures the substance region that it means to quantify [5]. Besides, content legitimacy is set up by master judgment. The two requirements of substance legitimacy are the thing legitimacy and inspecting legitimacy.

In this study, the researcher provided the questionnaire to two academic experts from two different governmental universities in Saudi Arabia; King Abdulaziz University and Umm AlQura University for the sake of verifying the questionnaire of the reviewer. They were asked to provide comments on the length of time required to complete the instrument, the accuracy of the statements and instructions, typographical errors, and the layout/structure of the instrument. Two useful feedbacks are acquired from the recommendations generated by this pre-testing:

As previously mentioned, the pilot test is undertaken prior to the primary empirical study to establish the reliability of the measurement devices. Meanwhile, Gay, Mills, & Airasian, [5] define dependability as the amount to which a test consistently assesses whatever is being tested. Cronbach's alpha also assesses the initial reliability and internal consistency of data gathered from the pilot study (Cronbach, 1984), and the Cronbach alpha value can be raised by increasing either the average correlation or the number of items [20].

Furthermore, Henryson [7] stated that a "item-to-total-test correlation should fall within the range of 0.3 to 0.7 for inclusion" in a survey test. Following that, a more thorough reliability analysis is performed on the entire collection of data. If the obtained reliability coefficient has a high value, the instrument is extremely reliable.

Table 1. Scale Reliability Alpha –Pilot Test of Model's Questionnaire (n=30).

Case Processing Summary		N	%
	Valid	24	55.8
Cases	Excluded[a]	19	44.2
	Total	43	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
.725	30

Table 2. The Factor Analysis Loadings of model using the Varimax Rotation.

Variables of the study		Component				
		1	2	3	4	5
	Q1	.888				
	Q3	.881				
Compliances to Pay Zakat	Q5	.848				
	Q2	.716				
	Q4	.667				
	Q6	.600				
Economic Development	Q10	.584				
Willingness to implement zakat in their organization	Q26	.463				.445
Economic Development	Q9	.457				
	Q27		.808			
Willingness to implement zakat in their organization	Q28		.807			
	Q22		.784			
Support for Zakat practices	Q23		.759			
Willingness to implement zakat in their organization	Q29		.664			
Economic Development	Q8		.490			
	Q18			.869		
Thorough understanding of Zakat application	Q17			.797		
Support for Zakat practices	Q21			.754		
Thorough understanding of Zakat application	Q16			.675		
Support for Zakat practices	Q24			.575		
	Q19			.504		
Thorough understanding of Zakat application	Q20	-.401-		-.481		
Zakat Awareness	Q15				.815	

Variables of the study		Component				
		1	2	3	4	5
Zakat Awareness	Q14				.770	
Zakat Awareness	Q11				.770	
Zakat Awareness	Q12	.474			.583	
Economic Development	Q7		.541		.555	
Support for Zakat practices	Q25					.807
Zakat Awareness	Q13					.737
Willingness to implement zakat in their organization	Q30			.440		.582

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

2.5. Questionnaire Design

The questionnaire is made up of a series of questions designed to collect data, analyze it, address the research questions, and test hypotheses. The current study's questionnaire was divided into six sections, which are as follows:

Question numbers 1-5: demographic background influence.

Question numbers 6-10: Compliances to Pay Zakat.

Question numbers 11-15: Economic Development.

Question numbers 16-20: Zakat Awareness.

Question numbers 21-25: Thorough understanding of Zakat application.

Question numbers 26-30: Support for Zakat practices.

Question numbers 31-35: Willingness to implement zakat in their organization.

The questionnaires were circulated to 250 from GAZT's Employees (General Authority of Zakat and Tax) via Google forms.

The GAZT's Employees were asked to complete the questionnaire based on Likert scale from 1 to 5 as a point of measurement, which is described as follows:

5 = strongly agree

4 = agree

3 = neutral

2 = disagree

1 = strongly disagree

3. Summary of the Finding and Discussions

Following the distribution and collection of the questionnaire from 250 respondents for this study. The most efficient way to set up the Questionnaire procedure is to create a Google Drive account and create a new FORM on Drive. The researcher was able to preserve the deliverability of the questionnaire to responders by using the Drive sheet. The questionnaire included several categories for the respondents, beginning with a demographic questionnaire that included five items: Gender, Age, Marital Status, Educational Level, Job Position, and Working Experience.

In this study, the Independent Variables: Zakat Awareness (ZA), Support for Zakat Practices (SZP), Willingness to Implement Zakat in their Organization (WIZO), and Thorough understanding of Zakat application (TUZA) are enclosed 5 items for investigation, the Moderator was included as Economic Development (ED) enclosed of 5 items for investigation, and the Dependent Variable Compliances to Pay Zakat (CPZ) enclosed of 5 items for investigation. Those questionnaires were designed to measure the relationship of each variable and how it can reverse the impact on the study.

There were methods in place to examine the questionnaire results. The demographics of respondents were shown in frequencies and percentages throughout the analysis. The first phase of preliminary data analysis was to ensure the adequateness of the data in fulfilling the core assumptions in the SEM application. In the second stage, the research hypotheses were tested using the structural models. This study constructed two structural models for examining the four established hypothesized direct effects and the four hypothesized moderation effects of Economic Development analysis was carried out with the use of AMOS.

The findings of the study shows the positive direct effect of the dependent variables as: Zakat Awareness (ZA), Support for Zakat Practices (SZP), Willingness to Implement Zakat in their Organization (WIZO), and Thorough understanding of Zakat application (TUZA) on the independent variable: Compliances to Pay Zakat (CPZ) that were significant statistically.

And this is an opportunity of individuals to participate in

several prospective paths such as Zakat Awareness (ZA), Support for Zakat Practices (SZP), Willingness to Implement Zakat in their Organization (WIZO), and understanding of Zakat application (TUZA) because its significantly related to both the individual's level of Compliances to Pay Zakat.

While the study examined a moderate effect of Economic Development (ED) on the effects of Zakat Awareness (ZA), Support for Zakat Practices (SZP), Willingness to Implement Zakat in their Organization (WIZO), and Thorough understanding of Zakat application (TUZA) as independent variables, on Compliance to Pay Zakat (CPZ) as the dependent variable. The result showed the positive effect of Economic Development as a moderate variable (ED) on the Zakat Awareness (ZA), and Support for Zakat Practices (SZP).

From above, the result shows their beliefs towards the mod-erate effect of Economic Development (ED) the relationship between Zakat Awareness (ZA) Support for Zakat Practices (SZP) as independent variables, and Compliance to pay zakat (CPZ) as dependent variable. And to achieve these positive results, we strongly recommended ongoing Awareness to the individuals, as well as the organizations applying zakat regulations. And a more professional commitment to aid in building an approach to innovation and transparency. And based on the findings, the respondent's numbers in GAZT were very likely to perform well in Compliances to Pay Zakat and the effect of Economic Development on success factors of Zakat.

For testing the hypothesized direct effects of the variables, this study examined the coefficient parameters estimates, with the results exhibited in the following Table 3.

Table 3. Examining Results of Hypothesized Direct Effects of the Variables.

Path	Unstandardized Estimate		Standardized Estimate	critical ratio (c.r.)	P-value	Hypothesis Result
	Estimate	S.E.	Beta			
ZA☐CPZ	0.208	0.066	0.184**	3.143	0.002	H1) Supported
SZP☐CPZ	0.459	0.115	0.292***	3.997	0.000	H2) Supported
WIZO☐CPZ	0.175	0.073	0.160*	2.385	0.017	H3) Supported
TUZA☐CPZ	0.298	0.1	0.205**	2.998	0.003	H4) Supported

*p<0.05, **p< 0.01, ***p< 0.001

From the results shown in Table 4, it is clear that all paths from Zakat Awareness (ZA), Support for Zakat Practices (SZP), Willingness to Implement Zakat in their Organization (WIZO), and Thorough understanding of Zakat application (TUZA) on Compliances to Pay Zakat (CPZ) were significant statistically. This was evidenced by a p-value of lower than the standardized significant level of 0.05. Hypotheses H1, H2, H3 and H4 were thus supported.

As evidenced by the results, Support for Zakat Practices (SZP) was the strongest predictor of Compliances to Pay Zakat (CPZ) and the achieved value of standardized path coefficient was0.292. The second strongest determinant was Thorough understanding of Zakat application (TUZA and the achieved value of the standardized path coefficient was 0.205.

Table 4. Moderation Effects of Economic Development (ED).

Path	Unstandardized Estimate		Standardized Estimate	Critical Ratio (c.r.)	P-value	Hypothesis Result
	Estimate	S.E.	Beta			
(ED*ZA) ☐ CPZ	0.156	0.054	0.161**	2.883	0.004	H5) Supported
(ED*SZP) ☐ CPZ	-0.211	0.059	-0.219***	-3.555	0.000	H6) Supported
(ED*WIZO) ☐ CPZ	-0.011	0.059	-0.011	-0.188	0.851	H7) Rejected
(ED*TUZA) ☐ CPZ	0.015	0.057	0.015	0.257	0.797	H8) Rejected

*p<0.05, **p< 0.01, ***p< 0.001

The next step was to check the coefficient parameters estimates. This was to determine the moderation effects of Economic Development (ED). The results of examining the moderation effect hypotheses are displayed in Table 4.

It can be observed in Table 4 that the interaction of Economic Development (ED) with Zakat Practices (SZP) and Support for Zakat Practices (SZP) had significant effects on Compliances to Pay Zakat (CPZ). These results indicated that Economic Development (ED) moderates the effects from Zakat Practices (SZP) and Support for Zakat Practices (SZP) on Compliances to Pay Zakat (CPZ). Therefore, hypothesis H5 and hypothesis H6 were supported.

3.1. Implication of the Findings

The important part of this research from the researcher's view is that this research is a contribution to the literature related to Zakat and economic development in general, and the performance of Zakat in particular. This study presented Zakat from a different perspective so that the economic development factor (ED) is a mediator between the variables of the study; they are the obligation to pay Zakat (CPZ) as a dependent variable, Awareness of Zakat (ZA), Support for Zakat Practices (SZP), willingness to implement Zakat in their organization (WIZO), and a thorough understanding of Zakat application (TUZA).

This study is useful to researchers and other workers in economics, especially in Islamic economics, and for those working in zakat institutions, as well as for anyone interested in the role that zakat plays in economic development. It is a multifaceted process that entails considerable changes in economic structure, social transformation, poverty reduction, inequality, and unemployment in an economic setting since the zakat variable has a positive and significant long-run elasticity [16].

The impact of the obligation to pay zakat on economic development will be the subject of consideration and concern of everyone who has a stake in the economy, so this research will raise their awareness of it. The most important factor is that achieving economic development not only contributes to the development of the individual, but the entire society, and its influence extends psychologically and socially.

Zakat will be integrated as a financial system to address this gap and minimize social problems in the Muslim world. It may also contribute to economic activities aimed at achieving sustainable development, as well as drive and construct development strategies aimed at achieving sustainable economic development and raising people's standard of living. From an Islamic standpoint, development plays a significant impact on poverty. Poverty alleviation is a moral and social responsibility of all people [8], and zakat responsibilities have a variety of good social and economic purposes, not only for the recipients of zakat but also for the payers of zakat and society as a whole.[13]. With regard to Saudi Arabia as an Islamic country, in which zakat is compulsorily applied to every individual who fulfills the conditions of zakat in a manner consistent with the economic development plans, which it seeks to achieve, this study will contribute, albeit in a small way, to show the impact of economic development on the obligation to pay Zakat and its connection with individuals' direct awareness and behavior.

According to the study's [2], the feasibility of a Zakat fund that can be implemented as a poverty alleviation instrument, and if such a fund exists, it should only be handled by an Islamic NGO or an Islamic organization. Therefore, it is imperative to emphasize that Zakat was a unique mechanism of wealth distribution in the past. As noted by Bakkar and Rashed (2010); That every time Muslims sincerely engage in the zakat system as commanded by God and His Messenger, extraordinary zakat goals are achieved. Contrary to the study by Arip Perbawa & Hjh Rose Abdullah [9] that indicates the most important factors on awareness of paying Zakat, It is earning and then religiousness.

Paying zakat will promote inclusive economic growth that not only leads to economic growth, but also reduces unemployment, poverty, and the gap between classes of society since Zakat provides a social, economic, and equitable distribution of wealth [13].

According to previous studies; no research has been conducted on the processes of incorporating awareness of zakat, nor a thorough understanding of the application of zakat, support for zakat practices, willingness to implement zakat in their organization, the impact of economic development as a mediator between these processes, nor compliance with the payment of zakat. Subsequently; this research makes an effort to determine the relationship between these variables and the compliance with Zakat payment.

3.2. Limitation and Suggestions for Future Study

In this study, the researcher followed the quantitative approach in the research methodology. Like any other study, this study was subject to some limitations, including those that fall under the tools of the study, the scope of the study, or revolving around the nature of the study in itself.

As for the limitations in the study tools, this study applies a quantitative research design where data were collected through a survey, the researcher's tools in this study were conducting questionnaire, but some of the difficulties faced by the researcher are the abstention of many of the groups that were based on certain factors (age, academic or professional specialization) This resulted in delays and constant search for respondents to these questionnaires.

One of the limitations faced by this study is the nature of the study itself, which revolves around knowing The moderating role of economic development on the relationship between zakat success factors and Compliance to Pay Zakat.

The study was limited to the opinions of members General Authority of Zakat and Tax (GAZT), in addition to the timeframe, which took a long time.

4. Suggested Future Research

Based on the importance of Zakat in the Islamic economic system, its effective role in the development of society, the eradication of poverty, and solving the economic and social problems, and between the current role of Zakat and the role expected of it to achieve through a broader and deeper view of aspects of life, deeper and greater steps must be taken so that the impact of Zakat widens from a local to a global perspective.

Bridging this gap by linking Zakat to sustainable development in three dimensions:

1) Dimensions related to climate change and environmental issues, the impact they have on poverty, and the impact of Zakat on that.

2) The social dimension and the distribution of wealth and income, which is one of the most important factors of sustainable development and the impact of Zakat on it.

3) The structural transformation of the economy, focusing on high-productivity sectors and the role of Zakat in influencing it.

Therefore, the proposals presented to researchers are the study of Zakat and its impact on the applications of sustainable development, which is a priority of the requirements of modern times.

At the local level, Zakat is considered to be the generator and the biggest sponsor of the individual in need and having their needs met. This demands studies in the impact of Zakat on the behavior of the individual in need from consumer to producer; by understanding the relationship between Zakat and supporting small projects.

Therefore, I propose that these two topics to be presented as a field for researching and studying the applications of Zakat more effectively and realistically:

1. The Effectiveness of Zakat on Sustainable Development.
2. Effect of Zakat on Supporting Small Businesses.

5. Recommendations

Many challenges face Zakat when viewed as an important economic tool, and as a major role in economic development.

These challenges were examined in this research within a set of necessary and important factors to study the effectiveness and impact of economic development on the relationship between Zakat and the factors of success of its performance, which are important and required in this study.

Our results indicate that answers to these challenges are difficult, but not impossible. The following recommendations and suggestions can be useful to managers and accountants in zakat organizations:

Developing this type of research study to determine if any other challenges that may lie in compliance with the performance of Zakat and its role in economic development to take more corresponding measures.

Securing more financial and human resources for development -not only the current system- for accounting for zakat and its role in collection and distribution, and privatizing the institutions responsible for collecting zakat to provide more options for managers and accountants to find strategies that improve expected results and achieve greater transparency.

Organizing special educational societies that contribute to and support the development and awareness of accountants' and managers' knowledge of Zakat and seek to conduct awareness sessions in companies and institutions subject to Zakat.

Educating individuals by conducting training courses on accounting for Zakat and understanding its estimates to raise the individual's religious and social responsibility.

6. Conclusion

The main objective of this study is to examine the moderating role of economic development in the relationship between the♀ zakat success factors that influence zakat compliance and identify these factors.

The findings have identified economic development as a criterion that helps in evaluating the performance of zakat and the elements of success in its performance, which leads to economic improvement in terms of poverty mitigation, a decrease in the unemployment rate, and achieving sustainable development goals in 2030, and based on previous literature in this field present that zakat has a significant and positive relationship with economic growth, as the flexibility of the zakat variable in the long term is positive and meaningful [16]. The findings yielded a positive influence of zakat success factors on zakat compliance, also the positive effect of the moderate role of economic development on zakat awareness and support for Zakat practices had given a strong influence on compliance pay zakat.

The findings of this study have the managerial contribution to zakat institution to provide more improvement strategies and achieve the greatest level of transparency and enhance the zakat collection by taking into consideration all the determining zakat success factors involved in this study in order to compliance pay zakat. Besides, the findings of the study can be useful to researchers and workers in economics, especially in Islamic economics, and for those working in zakat institutions, as well as for anyone interested in the role that zakat plays in economic development because the zakat variable has a positive and significant long-run elasticity [16].

Other than that, it is expected that the results of this study will guide in improving the zakat success factors performance, compliance pay zakat, and reconsider the moderate role of economic development in this relationship.

Abbreviations

ZA: Zakat Awareness
SZP: Support for Zakat Practices
WIZO: Willingness to Implement Zakat in their Organization
TUZA: Thorough Understanding of Zakat Application
ED: Economic Development
CPZ: Compliances to Pay Zakat
GAZT: General Authority of Zakat and Tax

Conflicts of Interest

The authors declare no conflicts of interest.

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