

Is *Zakah* Effective to Alleviate Poverty in a Muslim Society?: A Case of Kwara State, Nigeria

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Abstract

Kwara State is one of the Muslim-dominated states in Nigeria, where Islamic economic instrument of *zakah* is expected to play vital role in alleviating the problem of poverty in the society. One of the objectives of *zakah* is to economically circulate the wealth and resources from the rich to the poor and eventually realize fair distribution of those wealth and resources in a Muslim society. Therefore, the purpose of this study is to examine the effectiveness of *zakah* in the poverty reduction of the poor Muslims in Kwara State, Nigeria, particularly, the poor Muslim women. The study employs mixed method of data collection whereby the primary data are explored using the questionnaire and interview designed for the potential respondents during the on-going academic research programme 2013/2014 academic session of 360 sample size. Similarly, verses from Holy Qu'ran and *Sunnah* of the Prophet Muhammad (*pbuh*) are used in the study. For the secondary data, existing literature and studies on *zakah* are also used. Data gathered are analysed using frequencies, percentages and inferential statistics via SPSS 20.0. The findings show that *zakah* and its institution are not significantly related to and effective in reducing poverty

among the poor Muslims in Kwara State, Nigeria. However, recommendations are made towards introduction of standard institution of *zakah* in the State in order to assist in poverty reduction among the poor Muslims.

Keywords: Institution of *Zakah*; Muslim Society; Poverty Alleviation; *Zakah*; Kwara State

Introduction

The purpose and effective cause of *zakah* and other charitable funds in Islam is to alleviate poverty among the Muslims, so that the latter can be economically self-reliant or self-dependent in the society (Amuda, 2013). Economically and financially, *zakah* is purposely to redistribute income and wealth from well-to-do Muslims to the less privileged ones in the society in order to enhance the living condition of the poor ones. An individual is categorized as liable to pay *zakah* (*muzakki*) if his wealth exceeds the level of *nisab* defines in terms of gold, silver, livestock, agricultural output and other items that are *zakatable*. Meanwhile, *nisab* is defined as a stock, not a flow of wealth, it essentially measures the excess of inflow of wealth (income) over its outflow (expenditure)

that is sustained for one year (Obaidullah, 2012). *Zakah* funds must be an integral part of any poverty alleviation initiative due to the following two reasons. First, the *zakah* money is meant to provide for the immediate basic consumption needs of the poor, such as food, clothing and accommodation. Second, it is to transform *zakah* recipients to become economically active and productive agents, so that they are able to generate their own income and become *zakah* payers (*muzakki*) as opposed to *zakah* receivers (*mustahiq*) in the society (Obaidullah, 2012).

Zakah is third pillar of Islam after belief in Allah and His Prophet as well as five daily prayers. This is to show the significance of *zakah* obligation in the Muslim society. It is evident in the Holy Quran, the words of Allah (s.w.t) that “Lo! those who believe and do good deeds and establish prayer and pay the *zakah*, their reward is with their Lord.” (Al-Quran 2:277). A person who performs and fulfils this act of *Ibadah* amount to the fulfilment of both rights of Allah and mankind (Deuraseh, 2009:92), as *zakah* is the essence of the rights of the needy and poor in line with the words of Allah (s.w.t) that: “And in their possessions is a share for the beggar and the deprived.” (Al-Quran 51:19).

Zakah in Islam is to be distributed among eight categories of people. These are those that are being recommended as bona fide and eligible recipients or beneficiaries of zakat in Islam and categorically mentioned in the Quran (9:60).

“*As-Sadaqat* (here it means *Zakat*) are only for the *Fuqara*’ (poor), and *Al-Masakin* (the poor) and those employed to collect (the funds), and to attract the hearts of those who have been inclined (towards Islam), and to free the captives, and for those in debt, and for Allah’s cause (i.e. for *Mujahidun*— those fighting in a holy battle), and for the wayfarer (a traveller who is cut off from everything); a duty imposed by Allah. And Allah is All-Knower, All-Wise.” (AL-Quran 9:60).

These groups are enumerated below:

- 1) The Destitute - those who do not have material possessions or means of livelihood.
- 2) The Poor – comprises those with inadequate means of livelihood to meet their basic necessities to survive.
- 3) The Debtors - those who are unable to settle their debts.
- 4) The Travelers - the wayfarers who do not have enough money to complete their journey, that is, stranded travellers.
- 5) The Slaves - slaves: zakat money is to be used to purchase captives and free them.
- 6) The Converts - those who newly joined Islam and require help to integrate themselves into the Muslim community.
- 7) In the Cause of Allah - anyone who works in the Path of Allah (s.w.t), zakat money can also be spent in this way.
- 8) *Zakah* Collectors - zakat workers are those whose job is to collect and re-distribute *zakah* money. Therefore, they can also get their salary from the zakat money.

Definitions of Zakah and Poverty

Zakah is an Islamic economic tool to eradicate poverty and deprivation in a Muslim community. This is a process of transferring money/fund from the more-to-do Muslim individuals to the less-to-do ones, in other words, it is an Islamic obligation of transferring part of wealth or richness, from the economically strong and rich Muslim individuals to the economically weak and poor Muslim individuals, in order to enhance the living standard and equally alleviate poverty of the latter. Amuda (2013) defines *zakah* as “an obligatory duty on financially secure Muslims to donate or pay a specific percentage of his or her wealth to the poor in a society”. Qardawi (1986) sees the word *zakah* as growth, cleanness and purity in Arabic word (cited in Ahmad Fahme et al., 2013).

According to Imam Al-Ghazali, poverty is being defined as a situation or condition of someone who does not possess both the material wealth

and who also does not have strong relationship with Allah (s.w.t) and as a slave to the Al-Mighty Allah. This is called *fakir-mutlak* or simply absolute poverty (Puziah et al., 2008 cited in Ansari and Nair, 2008:137-138). Animashaun(2010) views poverty as lack of access to both visible and invisible items which can improve the level of welfare such as shelter, drinkable water, food, security, education, health care and other services.

Nexus of Zakah and Poverty Alleviation

It has been argued that *zakah* can assist a country to alleviate poverty as well as enhance the standard of living of the poor and the needy. *Zakah* has been described as an instrument of poverty alleviation and this is proven true as it is properly managed and efficiently distributed among the poor and the needy. It is further argued that *zakah* is used to generate income and make the recipients become more economically self-reliant (cited in Anita et al., 2011). The finding of the study carried out by Ahmad Fahme et al. (2013) in Kelantan, Malaysia, shows that *zakah* positively contributes to alleviate poverty among the poor and the needy in Kelantan.

According to Obaidullah (2012), *zakah* is a powerful instrument of poverty reduction in Islam and truly the early history of Islamic societies show the possibility of broad alleviation of poverty with the use of *zakah*. The sunnah of Prophet Muhammad (pbuh) has clearly mentioned that “Indeed Allah (s.w.t) has made *zakah* obligation on the wealthy Muslims that can alleviate poverty. It is not possible for the poor to suffer hunger or lack of clothes unless it is caused by tight-fisted wealthy Muslims ...” (cited in Obaidullah, 2012). Therefore, it can be deduced from this sunnah that with proper distribution of *zakah*, the problem of poverty can become history in a Muslim society. Similarly, the more the availability and well distribution of *zakah* is, the lesser the level and incidence of poverty among the Muslims.

Bello (2009) and Akgunduz (n.d.) argue that *zakah* and *waqf* are both necessary tools in Muslim society or country to ensure socioeconomic balance and to resolve the problem of social chaos. They further stress that poverty and related socioeconomic problems facing a given society, especially the Muslim society, can only be eliminated through the adoption of Qur’an injunctions that are related to giving zakat, social assistance and mutual help, almsgiving, observing due daily prayers, abstaining from usury and interest. With proper implementation of most of the these teachings of Islam, it is believed that poverty problem in particular and the socioeconomic problems in general, would be alleviated in Muslim societies or countries.

Research Question

Is there a significant relationship between the amount of *zakah* money received and the level of poverty reduction among the poor Muslim women in Kwara State, Nigeria?

Research Hypothesis

There is a significant relationship between the amount of *zakah* money received and the level of poverty reduction among the poor Muslim women in Kwara State, Nigeria.

Methodology

This paper has been aforementioned that is largely based on the findings of on-going academic research work. The area of study is Kwara State, which was created on 27th May 1967. Kwara State is chosen by virtue of having large number of Muslims as inhabitants in the society. More so, majority of Muslims particularly, the women are poor in the State and the issue of *zakah* and institution of *zakah* are not performing the expected role in reducing poverty among the poor Muslims in the State. Kwara State is one of the oldest states in Nigeria and the motto of the State is known as the “State of Harmony” on the account of the peaceful

co-existence among its multi-cultural, religious and diverse population of 2.4 million people according to the last population census in 2006 (National Population Commission, NPC, 2006), although the current population of the State is more than this figure. Kwara State has 16 Local Government Areas (LGAs) which are politically and geographically grouped into three constituencies, that is Kwara Central, Kwara North and Kwara South. The major economic activities include farming, trading and civil service.

For this paper, both questionnaire and interview are used to collect data from the respondents. Three hundred and sixty (360) respondents are selected, of which 200 of them are the women participants in the State anti-poverty programme under Women Empowerment Strategy (WES) programme and the remaining 160 respondents are from outside the programme. The method of selection is stratified sampling technique whereby all the three senatorial constituencies in the State are reflected in choosing the respondents that is, total number of 140 respondents chosen from Kwara Central and 110 respondents each from Kwara North and Kwara South. This is a technique in which the population is divided into strata or sub-population after which samples are chosen randomly and independently from one another. Both questionnaire and interview are incorporated in the method of data collection

of the main study. Therefore, the data generated from the study are analysed using frequency tables and percentages, and Pearson Correlation Coefficient (r) is used to respond to the research question and the hypothesis raised earlier in the study using SPSS version 20.0 for analysis of the data.

Results and Discussion

This section primarily analysed the extent of the role of *zakah* in alleviating economic difficulty of the women in Kwara State, Nigeria. More so, various sources of *zakah* are also examined. Muslim scholars agree to make sufficient procurement for the *al-masakin* and *al-fuqara* or poor and needy via *zakah* money in a given society. Imam Abu Hanifah suggests the amount of *zakah* money given to the poor must bring the finance of the poor to the minimum taxable income. Both Imam Maliki and Hambali agree that the provision must be enough to provide for their needs for a year while Imam al-Shafi'i stresses that the amount of *zakah* money given to them must be sufficient to cover their needs for their entire life. Unanimously, all the Muslim scholars concord that the amount of *zakah* money given to the poor must adequately cover both their basic needs and the means to guarantee them to employment opportunity (Uthman & Adesina-Uthman, 2012:243).

Table 1: Distribution Based on *Zakah* Money Received, Source of *Zakah* and How Regular they Receive *Zakah*

Variables	Frequencies	Percentages (%)
Zakah Money Received:		
Yes	66	18.3
No	294	81.7
Total	360	100.0

Sources of Zakah:		
Institution of <i>Zakah</i>	1	1.5
Islamic Charity Group (ICG)	16	24.2
Imam	26	39.4
Individual Rich Person	19	28.8
Others	4	6.1
Total	66	100.0
How Regular Received Zakah:		
Monthly	4	6.1
Yearly	32	48.5
One-off	30	45.5
Total	66	100.0

Source: Field Survey 2014, questionnaires

Table 1 reveals that majority of the respondents or women irrespective of their status (either participants or non-participants) in the WES programme in Kwara State never received *Zakah* money/fund in their respective communities. When asked whether they have ever received *Zakah* money, 294 (81.7 per cent) of the respondents indicated “No”, while the remaining respondents 66 (18.3 per cent) indicated “Yes”. Out of this 66 respondents, 26 (39.4 per cent) received their *Zakah* money through Imam of their respective mosques, while 19 (28.8 per cent) of them received their *zakah* from Individual rich or wealthy persons in the society. Respondents 16 (24.2 per cent) received *zakah* money from Islamic Charity Group (ICG), whereas 4 (6.1 per cent) and 1 (1.5 per cent) of the respondents’ sources of *zakah* money come from others and institution of *zakah*, respectively. Based on how regular they received *zakah* money, 32 (48.5 per cent) respondents, 30 (45.5) and 4 (6.1) received their *zakah* money on yearly, one-off and monthly basis respectively. Five (5) of the *zakah* recipients (7.6 per cent) fall below the national APL (N4,533.43) of the country, although, findings from the interview reveal that “*zakah* money does not have significant contribution on the monthly income earned or money income

of the *zakah* recipients in Kwara State”. (R1).

The implication of *zakah* based on the data above in Kwara State, a Muslim-dominated state, is that *zakah* money is not well spread or distributed in the society. Perhaps, the rate of giving out *zakah* by the rich or wealthy people is very low and this may be attributed to high poverty incidence in the State as it is not a wealthy state. Similarly, lack of existence of institution of *zakah* in the State may contribute to poor rate of *zakah* collection and distribution in the State. This reflects the amount or quantity of *zakah* money received by the poor in the State, which is very low and rarely bring people out of poverty-stricken well or stream. It is quite unfortunate that institution of *zakah* has been neglected by many Muslim countries (including Nigeria), which promotes harbouring of high poverty incidence in their economies. Similarly, *zakah* has been treated as a private affair in some Muslim countries (Nasim Shah, 2014), just as the case of Kwara State in particular and Nigeria in general. “Majority of the contemporary countries, however, leaves the collection of *zakah* entirely to the private organizations to manage the collection and management of *zakah*” (Bello, 2009).

In the Kwara society, the findings reveal that there is no basis or yardstick used for the distribution of *zakah*, in this respect, *zakah* money by private individual or any Imam is inappropriately distributed to the recipients. There is no other measure or criterion employed to justify what they allocate to an individual poor or needy in the society, since there is no record or personal information/data of the poor. The individual rich men, Imam and Islamic charity group distributing this little *zakah* money they collected or brought to them do not have much information about the recipients in terms of the latter size of household and level of their monthly income. Thus, this is simply an arbitrary distribution or allocation of *zakah* in the society. At this juncture, more awareness and orientation on how and when it is due to give out *zakah* are needed to be spread in the society. This is necessary as some wealthy people are not rich in the knowledge and teachings of Islam to know appropriate channel to give out or deliver their *zakah* money, goods, animals, farm products and properties, although, they cannot be totally blamed as the institution of *zakah* is non-existence or non-entity in the State.

From Table 2, the relationship between poverty alleviation scale and *zakah* money scale was investigated using Pearson product-moment correlation coefficient. Preliminary analyses were performed to ensure no violation of

the assumptions of normality, linearity and homoscedasticity. There was a weak, positive correlation between the two variables, $r = .06$, $n = 360$, $p (.276) > 0.05$, with low levels of total *zakah* money associated with lower levels of total poverty alleviation. From the correlation output, Pearson correlation is $.058$, which indicates $0.34 (.058 \times .058 = .003364)$ per cent shared variance when squared. *Zakah* assists to explain less than 1 per cent of the variance in respondents' scores on the poverty alleviation scale. However, direction of relationship or impact is positive with small strength and statistically insignificant.

Therefore, it can be concluded that there is insignificant contribution or impact of *zakah* on poverty alleviation of the women in Kwara State, Nigeria. Also, the response to the research question raised earlier is that "is there a significant relationship between the amount of *zakah* money received and the level of poverty reduction among the poor Muslim women in Kwara State, Nigeria?" is hereby "negative" and the research hypothesis that states thus, "there is a significant relationship between the amount of *zakah* money received and the level of poverty reduction among the poor Muslim women in Kwara State, Nigeria", cannot be accepted. Clearly, the hypothesis can be rejected, as *zakah* does not make any meaningful contribution to the lives of women

Table 2: Pearson Product-Moment Correlation Coefficient (r) Between Variables of Zakah Money and Poverty Alleviation in Kwara State, Nigeria

Variables	Pearson corr. (r)	N	sig. (2-tailed)
Zakah scale	.058	360	.276
Poverty alleviation scale	.058	360	.276

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

in Kwara State, Nigeria. This is partly due to the ineffectiveness of the institution of *zakah* in the society. This equally means from the findings that Muslims in general and Muslim women in particular, hardly perceived that *zakah* is doing anything to better off and enhance their general living standard or poverty reduction, despite the fact that Kwara State is one of the predominantly Muslim states in Nigeria.

More so, it is attributed to the failure of Kwara State in Nigeria to see *zakah* collection to be well administered (Amuda, 2013). This happened as there is no standard institution to coordinate *zakah* money (both *zakah* collection and distribution) in Kwara State and *zakah* collection is mainly done by individual Muslim scholars (Table 1). Without proper channel, recording, planning and not including it as part of a strategy, it would be difficult to see the contribution or impact of *zakah* in poverty alleviation (Nasim Shah, 2014). However, in Egypt, Abdelbaki (2014) finds out that the potential *zakah* collection in Egypt cannot alone eradicate poverty from the Egyptian economy unless other charitable tools play important role to eradicate poverty in the country, as this is shown in the estimation of effect of *zakah* on aggregate consumption of the country's economy. However, Hossain (2012) has observed that *zakah* instrument is a strong weapon to fight poverty in Islamic countries.

During the interview session, the respondents were asked if *zakah* played or contributed to their living condition. Most of them heard and knew the existence of *zakah* as *ibadah* for every Muslim in a society, but hardly received it and not feeling its impact on their living standard. According to one woman, "*I can say that I received zakah money occasionally, maybe more than one year interval but the money is insignificant to have any impact on my living condition*" (R3). Another interviewee said, "*I never received any zakah in my life, I can only hear of it in the discussion over the radio or when Imam is giving sermon in the mosque near my house*" (R5). Another woman said, "*I*

received zakah money at times but very small amount and cannot be used to achieve anything in life" (R2). One of the women interviewed said that, "*what people are given as zakah here in our community to me is sadaqah and not zakah*" (R4). Meanwhile, one woman who later confessed that she is a non-Muslim said that: "*sir, I don't think that I'm qualified to enjoy zakah money or who would give me, I don't know anything about it*" (R8). Generally, effective and efficient *zakah* collection and distribution are non-existent in Kwara State, Nigeria and this results in its playing less contributive role in the lives of the poor and needy in the society.

Although, it has been argued wide and far in literature and studies that spiritually as well as economically, *zakah* is an *ibadah* and mainly to improve the lives of the poor and less privileged ones in a given society. It is to procure the poor and the needy with meaningful lives by uplifting them from poverty problem to alleviation of poverty. Strictly speaking, *zakah* can be seen as an anti-poverty measure as it is an Islamic economic instrument to tackle economic and financial obstacle or poverty problem of the Muslims.

Conclusion

This paper has examined the effectiveness of *zakah* in reducing poverty problem among the poor Muslim women in the society of Kwara State, Nigeria. It is apparent that majority of Muslim women that are living in poverty are not able to access in order to benefit from the *zakah* money as the institution of *zakah* is not effective in the State. The findings show weak and insignificant correlation between *zakah* money and poverty reduction among the poor Muslim women in Kwara State. The issue of *zakah* collection and distribution needs dire attention from the authority in Kwara State. There is no peculiar and standard institution responsible for the collection and management of *zakah*. Hence, this has resulted in poor collection and distribution, and eventually low impact of *zakah* money on the poor and

needy Muslims in the society. At this juncture, Kwara State needs to re-establish, re-structure and re-organize the fragile and unstructured institution of zakah, mostly under the siege of the private individuals and organizations. The institution of zakah has to remain viable as an Islamic economic instrument and safety-net for the Muslims in all spheres of life.

Based on the findings of this paper, the following policy recommendations can be adopted in the State to improve the contribution, collection and distribution of zakah and alleviate poverty among the poor Muslim women:

Kwara State government should formally support and standardize the management of zakah and waqf collection among Kwaran Muslims which are the sources of alleviating poverty in Islam. This would be a source of help to the government of the day to achieve her goal of poverty eradication in the State and fellow poor States in the country, reduce government outlay on poverty and attain faster economic growth and development in the country (Abdussalam et al., 2013).

Both State government and Local Government Areas (LGAs) should initiate contribution towards the institution of *zakah* prior to approaching an individuals or private companies for the collection. Kwara State can even emulate Sokoto State in Nigeria in terms of the establishment of *zakah* and *waqf* fund, according to Wamakko and Maitafsir (2008). This can be incorporated in the State poverty alleviation policy. In the long run, this type of institution can serve the entire people (irrespective of their religions) of the State, either directly or indirectly.

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