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Zakat: A Living Tool for Human Capital and Economic Development

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ABSTRACT

Islam offers its own social, political, and economic approaches that, if applied, will contribute positively to poverty reduction and income inequality, and thus results in improved human capital and economic development. zakat means worshiping Allah by giving that which He has enjoined of various sorts of zakat to those that are entitled to them, consistent with the rules approved in Sharia. This study examines the socio-economic impact of zakat on human capital and economic development. Data for the study was primary data drawn from Fagge, Nassarawa, Tarauni, and Kumbotso Local Government Areas, Kano, Nigeria. The collection of data was through interviews with one four hundred respondents using random sampling techniques. In the end, three hundred and eighty-eight respondents were reached. It, therefore, serves as 100% of the interview. The data were analyzed using simple percentage analysis. The findings of the study show that improved payment and appropriate distribution of zakat in Kano, Nigeria shall promote human capital development. Thus, the paper concludes that zakat has a direct effect on human capital and economic development. The study, therefore, recommends integrating zakat into the overall development strategy and strengthen zakat institutions.

Keywords: zakat, human capital, poverty, macroeconomic.

JEL CLASSIFICATION: I30, I31, I32, H55

INTRODUCTION

Poverty has been a socio-economic concern over the years. The majority of the world's population is experiencing poverty, and some of them live on less than a dollar a day. Allah has provided enough resources to satisfy human needs but poor income distribution leads to the existence of the poor and hence, a lack of reasons to earn adequate income to meet daily needs. Human beings have tried to alleviate poverty according to their respective systems and settings. Hence, various religious, sociological, and economic ideologies have provided their responses varying in opinions and actions.

Islam brings justice to this world and in the mission to alleviate the suffering of humans introduces Zakat as a social welfare levy imposed to Islamic society's wealthier members. The fundamental goal of Zakat is to alleviate the suffering of the poor by providing financial support to help them to improve their economic well-being.

Besides, the Zakat fund could free the recipients from poverty and improve their living standards. The primary purpose of Zakat is to redistribute the wealth of the society among the poor. Therefore, it is appropriate that the management of Zakat should be efficiently and effectively managed to ensure that the targeted group benefited and make productive usage of it. Hassan

(2010), explains that the practice and management of Zakat are different from one country to other, although, in early Islamic states, zakat funds were collected and managed by the state.

It is believed and researched that zakat is an antipoverty instrument. Nonetheless, zakat is not a mere charity but also a very effective tool of the fiscal policy of the Islamic economy. The obligation of the zakat isn't limited to the Muslims living within the Islamic state only but also an obligatory duty of the Muslims living out of the Islamic state. However, the Muslim-dominated area, known as Northern Nigeria (with Kano State inclusive), is experiencing a high poverty rate.

The Kano state of Nigeria is a city that is largely populated by Muslims. It has been a commercial and agricultural state. The state is endowed with mineral resource deposits and it is an investment hub of Northern Nigeria and the third-largest non-oil & gas economy in Nigeria, with a GDP and Purchasing Power Parity (PPP) of approximately \$15-19 billion. The economy is driven largely by commerce, manufacturing, and subsistence agriculture - the dominant activity, with up to 70% of the population engaged directly or indirectly. The informal sector is strong and diverse, with numerous SMEs across all economic activities, and contributing approximately 60-70% of output and employment. Kano is a State of paradox: despite abundant natural resources, the quality of life of a good number of its citizens is low.

Oxford Poverty and Human Development Initiative (2019) reports that the rate of those who are vulnerable to poverty in Kano state is 15.2%, the rate of those in severe poverty is 46.1% and MPI (Multidimensional Poor) is 0.400. In this report, a person is identified as multidimensionally poor (or 'MPI poor') if they are deprived in at least one-third

of the weighted indicators. Weighted indicators are grouped into three dimensions; education (school attendance and years of schooling), health (child mortality and nutrition), and standard of living (electricity, sanitation, water, floor, cooking fuel, and assets). In a situation whereby a person is deprived in 20-33.3% of the weighted indicators, they are considered 'Vulnerable to Poverty', and if they are deprived in 50% or more (i.e. $k=50\%$), they're identified as being in 'Severe Poverty'. There is a need for Islamic redistributive instruments (i.e. zakat) to reduce this alarming rate of poverty in Kano state.

The condition is particularly bad in the Northern part of Nigeria dominated by Muslims as it is represented in percentages above. Muslims are wallowing in hopeless poverty due to their insufficient and unsustainable means of income. The present condition of some Muslims is worsening due to their financial constraints and poverty rate across Nigeria as a result of uncontrolled corruption confronting the nation and unemployment. The conditions of Nigerian Muslims require urgent improvement financially, educationally, socially, and spiritually.

The researcher selected Fagge, Nassarawa, Tarauni, and Kumbotso Local Government Areas, Kano to clearly show the socio-economic impact of zakat in the alleviation of human suffering. The socio-economic impact of zakat in the alleviation of human suffering has not been the subject of wider public discussions which this work seeks to assess. And that zakat is worthy of the alleviation of poverty by reducing financial inequality in the community.

This work could afford the necessary knowledge and beneficial to everyone by providing a basic understanding of the application of zakat in alleviating human suffering; and, Government in tackling socio-economic

issues. The remaining parts of the paper were arranged four. Section two presented a review of literature on the topic matter of the study, Section three explained the methodological approach of the study, Section four shows the results and their discussion while Section five presented the summary and conclusions of the study.

LITERATURE REVIEW

In this part, it is demonstrated that zakat is an important tool, if performed as it should, can alleviate poverty and achieve justice in the distribution of income and wealth in Muslim societies.

Concept of Zakat

The literal meaning of the word ‘zakat’ is “increase” as in growth, “blessings”, “purification” or “commendation”. In the Quran, zakat connotes to clean the believers, be pure, innocent, better in purity, praise oneself, justify, etc. Q 24:21, Q19:19, Q18:74, Q18:81, Q19:13, Q53:32. There are spiritual reasons for zakat to be named as such, these include purification of its giver from sin and growth in the wealth of anyone who pays it from their money and property.

Technically, according to Sayyid Sabiq (1991) as quoted by (Bakar and Rahman, 2007) zakat is an income redistributive tool; transferring part of income by the rich to the poor. It is an obligation on the rich to take a percentage of his income to be given to specified categories of people to worship Allah. It is a specified amount prescribed by Allah the Almighty for those who are entitled to zakat as specified in the Qur’an. The word zakat is to indicate the quantity paid from the funds that are subjected to zakat”. zakat is an obligatory act ordained by Allah to be performed by every adult and able-bodied Muslim. It is a crucial pillar among the five pillars of Islam.

zakat is a part of the wealth and property that Muslims must pay annually, to help the poor. One of the main purposes of zakat is to keep those who are wealthy clean, monetarily, from sin. Therefore, zakat means purifying your wealth for the will of Allah; to acknowledge that everything we own belongs to Allah, and to work towards the betterment of the Muslim Ummah.

Types of Zakat

In Sahih fiqh Sunnah 2/79 and Jami' liahkam fiqh Sunnah 2/126, zakat is classified in to two, namely;

1. zakat Al amwal (zakat on Properties)
2. zakat Al fitr (zakat payable at the end of Ramadan)

zakat on properties as previously explained is one of the pillars of Islam. zakat al fitr is the charity given to the poor at the end of the fasting of the month of Ramadan.

This promotes the circulation of wealth and promotes love and the spirit of brotherhood in society. And this becomes obligatory from the last day of Ramadan or two days before ‘Eid prayer. It is a Saa' (four double handfuls of an average size man) of dried fruits, grains, and food irrespective of differences in income, and newborn baby last minute of the last day of Ramadan should be included). Bukhari 1426 - 1511. Muslim 984 – 986, Daud 1609 – 1629.

The Objectives of Zakah

Allah says: "The parable of these who spend their substance within the way of Allah is sort of a seed of grain: which grows seven spikes, and in each spike is a hundred grains. Allah gives manifold increase to whom He pleases: And Allah cares for all and He knows all things." Q2:261. Objectives of zakat are many; these can be summarized into:

- i. moral;

- ii. social; and,
- iii. economic

The moral objective is visualized in the cleansing of the zakat funds; the social objective is visualized in the redistribution of income in favor of the eight social groups especially the poor and needy. The economic objectives are visualized in fighting hoarding and moving the cash flow to support the necessary expenditure at the expense of extravagance spending, and to encourage non-usury loans for those in the bondage of debt or crippling indebted.

Benefits of Zakah

Allah imposed zakat, as He says "So establish regular Prayer and give regular Charity, and obey the Messenger that ye may receive mercy,". Q24 56 He also says: "Take *sadaqah* (obligatory alms) out of their wealth through which you'll cleanse and purify them, and pray for them. Indeed, your prayer may be a source of peace for them. And Allah is All-Hearing, All-Knowing". Q9:103

From zakat many effects result on the individual and society, namely:

1. It cleanses the heart of the one who performed zakat and removes rancor and hatred from the heart of the one who deserved zakat. It is the purification of one's self.
2. Then establishes security and tranquility in the community, and addresses many other social problems.
3. It blesses and develops the money and increases the merits of the performer.
4. Warding away evils: Prophet Mohammad (peace and blessing be upon him) has said "Whoever pays the zakat on his wealth will have its evil removed from him" Ibn Khuzaimah and at-Tabaraani
5. Attainment of piety: Allah says: True piety is this: to believe in God, and the Last Day, the Angels,

the Book, and the Prophets, to give of one's substance, however, cherished, to kinsmen, and orphans, the needy, the traveler, beggars, and to ransom the slave, to perform the prayer, to pay the zakat." Q 2:177 etc.

Obligation to Pay Zakah

Prayer is an act of worship expressing a Muslim's gratitude for the bodily blessings bellowed by Allah, while zakat is an act of worship expressing a Muslim's gratitude for Allah's financial gifts. zakat is the third of the five pillars of Islamic faith, relating to the wealth and welfare of society. zakat is essential as a social welfare levy imposed on specified categories of people to close the gap between the have and have not. However, zakat refers to the amount of money that rich Muslims contribute to support specific groups of people according to eight categories

zakat is a compulsory alms as well as the third pillar of Islam, which entails giving out to eight disadvantaged groups in the society as mentioned in the Qur'an. zakat also serves as a form of security to the poor and needy in relieving their hardship by fulfilling their basic human needs such as food, shelter, safe drinking water, proper sanitation, education, quality health services, etc.... to meet the absolute minimum resources of human basic needs. Hence, distributions of wealth to the beneficiaries of zakat serve the purpose of assets purifying and personal spiritual enlightenment and eventually depicts the purpose of eradicating poverty or at least lessen the burden of the poor and needy.

Punishment for not Giving Zakat

From the authentic narration, the person whom Allah has bestowed with wealth yet does not give its zakat, on the Day of Judgment, his wealth will be turned into a poisonous snake with two poisonous

glands in its mouth which will bite his jaws and say: 'I am your wealth, I am your treasure.' "Then the Prophet (Peace and blessings of Allah be upon him) recited the Holy Verse: "Let not those who covetously withhold...." (To the end of the Verse). *Sahih Al-Bukhari* Hadith 1315 and 4199.

Conditions of Zakat

According to Sayyid (1991), zakat must be paid by the one who is:

1. Muslim
2. Major (*Baligh*)
3. Sane
4. *Sahib-un-nisaab* (owner of wealth above the level of *nisaab*)

zakat is not obligatory on a non-Muslim. Minors are also exempted because of the absence of legal capacity. The zakat payer must be sane, the insane person upon regaining his intellect is exempt from payment of zakat for the duration of his insanity. *Nisaab* is the threshold (of wealth) whose owner is deemed to be rich in the notion of Sharia.

Zakatable Assets

It is optional to pay zakat on every asset. Rather only those assets are the subject matter of zakat that have the potential of growth or increase. In Abu-Malik (2003), these assets may be broadly classified as follows:

1. Trading assets.
2. Cash & Cash Equivalent (like prize bonds, Travelers Checks, etc.)
3. Gold and silver
4. Livestock (goats, sheep, cows, and camels)
5. Agricultural output.

The principle governing the levy of zakat is that only those assets are zakatable. All other possessions are not zakatable unless they are meant for trade and resale.

General conditions for all zakatable assets

1. Ownership: The subject matter of zakat requires complete ownership, zakat is not liable for it if it is possessed but not owned.
2. Potential growth: The asset must have the potential of growth as the word zakat itself means "Growth" or "Increase".
3. The asset must be more than basic necessity: The subject matter of zakat should be other than the necessities of a person. So the assets included in the necessities e.g. crockery, furniture, car, etc are not the subject matter of zakat provided that these assets are not purchased with the intention of sale.
4. One year must elapse over the asset: One year must elapse over the asset which is subject to zakat.

Intention of Zakat

The intention to give zakat is a prerequisite for the discharge of the zakat. This is a condition for the acceptance of all worships. The Prophet (peace and blessings of Allah be upon him) said: actions are to be judged according to the intention. Bukhari The requirement of an intention to fulfill zakat is necessary to distinguish payment of zakat from other forms of worship.

The Principles of At-Tamleek

At-Tamleek means the transfer of ownership of zakat from the zakat payer to a poor and needy person. According to Meezan (2010) is subject to the following conditions:

1. The transferor must be the zakat payer (or his agent).
2. The transferee (or recipient) must be a natural person entitled to receive zakat in terms of the eight categories of the recipient of zakat.
3. The transfer of zakat must be unconditional.

4. The transfer of zakat must not be a consideration for services rendered by the recipient.
5. The transferee (or recipient) must acquire physical possession of zakat and thereby becomes the owner thereof.

The Beneficiaries of Zakat

Zakat is to be spent on eight categories. Allah says:

“As-Sadaqaat (here it means zakat) are only for the Fuqaraa’ (poor), and Al Masaakeen (the poor) and those employed to collect (the funds), and to attract the hearts of those who are inclined (towards Islam); and to free the captives; and for those in debt; and for Allah’s Cause (i.e. for Mujahidin — those fighting in a holy battle), and for the wayfarer (a traveler who is cut off from everything); a duty imposed by Allah. And Allah is All-Knower, All-Wise” Quran, 9:60

According to Sheik Ibn ‘Uthaymeen in Majmoo’ Fataawa (18/331-339), these eight are the categories who are entitled to zakat and to whom it must be paid:

1. The Poor
2. The Needy
3. Those employed to collect the zakat
4. To attract the hearts of those who have been inclined towards Islam
5. To free slave
6. Those who are in debt
7. For Allah’s Cause
8. The Wayfarers

Contribution of Zakat to Human Capital and Economic Development

Islam is a complete code of life that includes among other things, the economic side of life. zakat is one of the essential principles of the Islamic economy, supported welfare and

therefore the fair distribution of wealth. In addition to the compulsory payment of zakat, Muslims are also encouraged in Sharia to give charity (Sadaqah). Through the payment of zakat, income redistribution is ensured. zakat is a significant source of financing to meet public expenditure and a significant tool to reduce poverty, unemployment, and inflation.

Firstly, the importance of zakat as a source of financing to satisfy public expenditure in terms of the eight categories as mentioned within the Quran. Allah says, “Take sadaqah (obligatory alms) out of their wealth through which you’ll cleanse and purify them”. Q9:103 However, pay zakat means the growth of faith and then the growth of zakat fund. And then it contributes to economic development, and specifically alleviates human suffering. zakat globally needs to be investigated to emphasize the need for zakat as a financial system to evaluate the growth of the economy.

Apart, one of the main objectives of zakat is to redistribute income, thus, promoting human capital development and enabling an environment for the low-income group. The low-income group comprises of productive and unproductive households; unproductive households are trapped with functional constraints (i.e. aged people, the sick) and productive households cannot use the full potential of their resources as a result of constraints i.e. individual behavior, community condition, exploitation, and political/economic structures.

Model: Contribution of Zakat to Economic Development

Zakat is like an injection into the economy as shown in Figure 1; it is a living tool for human capital and economic development. It is an income transfer to the poor or a form of social transfer to provide necessary input in

terms of physical, human capital, and financial capital for the poor to be productive. It will enable the poor to have needed access and control of entitlements, endowments, and Capital. Access and control form the social, political dynamic through which people interact around. At a micro level, a periodic stipend from zakat makes

unproductive and productive households to be socially protected with the provision of health, security, basic needs, etc. The institutionalization of zakat and other social programs ensures the sustainability and productivity of the opportunities created that will eventually result in human capital development.

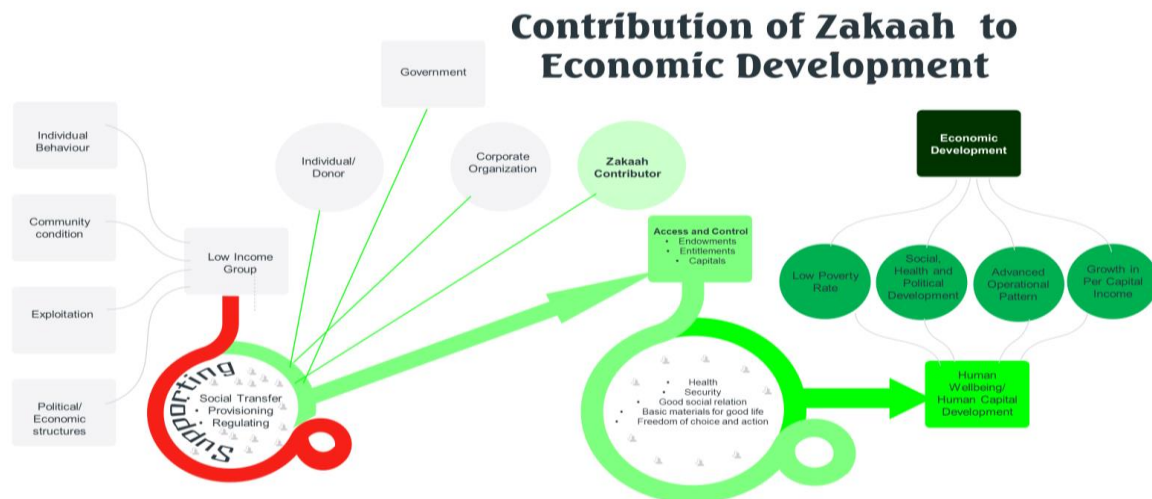


Figure 1. Contribution of zakat to Economic Development

Human capital development encompasses material, health, and security factors, good social relations, and freedom of choice and action. It has effects on the common indicators of economic development; social health and political development, low poverty rate, advanced operational pattern, and growth in per capita income. Thus, zakat plays a significant role in strengthening macroeconomic policies, and it is a living tool for alleviating human suffering.

RESEARCH DESIGN

The design of the study is a descriptive research method. The descriptive design is found to be suitable because it addresses major objectives and research questions proposed in the study adequately and it stimulates respondents to "use their voice" and produce information from their viewpoint. The

population comprises inhabitants of Kano State.

The researcher sampled a total of one hundred respondents from Fagge, Nassarawa and Kumbotso Local Government Areas of Kano State. Primary data were employed in this research. The collection of data was through interviews with one hundred respondents using random sampling techniques. Reasons for using interview includes: respondents will produce narration from their viewpoint and this allows them to contribute to determining what the most relevant themes are in an area of research; it is practical; it is cost-effective; and, results of the interviews can be quickly and easily qualified. At the end, ninety-seven respondents were reached. It, therefore, serves as 100% of the interview.

DATA PRESENTATION & RESULTS

This section presents the data gathered through responses from a personal interview held with the respondents. The information was represented using percentages in Table 1.

Table 1. Age of Respondents

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
30 – 40 years	224	57.7
41 – 50 Years	148	38.2
51 – Above	16	4.1
Total	388	100

Source: Field Survey, 2019.

The analysis in Table 1 shows the frequencies and percentages of respondents for this survey. The number of age groups 30 – 40 is higher than others followed by 41 - 50. Hence the information provides will be of a high-quality independent group.

Table 2. Gender

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Male	268	69
Female	120	31
Total	388	100

Source: Field Survey, 2019.

The analysis in Table 2 shows the frequencies and percentages of male and female respondents for this survey. The number of male respondents is higher than the number of the female as respondents fill 268 and 120 for male and female respectively. In Islam, males are the protectors of females and expected to provide for the needs of the family, hence the information provide will be of high-quality form practical experience. Also, females are not left out for being part of the major household members that share responsibilities in some cases.

Since the percentage of unemployed respondents is 52.6% then respondents were mainly unemployed.

The analysis shows that unbiased answers are expected and makes the results reliable

Table 3. Employment Status

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Employed	184	47.4
Unemployed	204	52.6
Total	388	100

Source: Field Survey, 2019.

Table 4. Marital Status

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Single	176	45.3
Married	164	42.3
Divorce/Widow	48	12.4
Total	388	100

Source: Field Survey, 2019.

Table 4 shows that 42.3% of respondents are married living together, and 45.3% representing single (never married). This implies that respondents are those who take responsibility for the family and those under the sponsorship of parents or others. This shows how rich the result of this survey will be for considering other segments of the economy.

Table 5. Size of the Household

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
1 – 10 members	260	67
11 – 20 members	138	33
Total	388	100

Source: Field Survey, 2019.

Table 5 shows that 260 respondents have between 1 - 10 members in the household that represents 67% of total respondents. This implies that at least every respondent has experience in family settings and what it takes to maintain a family.

Table 6 shows that 268 respondents own accommodation whilst 120 rent houses. This shows that relatively reliable answers were given.

Table 6. Living in Own accommodation or Rent

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Accommodation	268	69
Rent	120	31
Total	388	100

Source: Field Survey, 2019.

Table 7. Academic Qualification

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
'O' Level	244	63
B.sc./HND	128	33
Master/Professional	16	4
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 7 that 63% of respondents have 'O' level followed by degree representing 33%, hence there is a relatively more educated segment of the economy in the sample selected, which suggests that educated respondents will be able to provide credible answers. This means that the data collected from this selected group is rich in quality.

Table 8. Knowledge of zakat

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	388	100
No	0	0
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 8 that 100% of respondents have knowledge of the benefit of zakat which implies that educated respondents will be able to provide credible answers. This means that the data collected from this selected group is rich in quality.

Table 9. Knowledge of Benefit of zakat

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	376	97
No	12	3
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 9 that 94% of respondents have knowledge of the benefit of zakat which suggests that educated respondents will be able to provide credible answers. This means that the data collected from this selected group is rich in quality.

Table 10. Payment of zakat

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	8	98
No	380	2
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 10 that 95% of respondents don't pay zakat, hence the researcher concludes that the majority of the populace are not eligible to pay zakat.

Table 11. Beneficiary of zakat

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	184	47.4
No	204	52.6
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 11 that 52.6% of respondents never benefited from zakat, hence the researcher concludes that the majority of the respondents have not benefited from zakat.

Table 12. Period of being a beneficiary of zakat (in Years)

<i>Description (in Years)</i>	<i>Frequency</i>	<i>Percentage</i>
1 – 10	164	89
11 – 20	20	11
21 – Above	0	0
Total	184	100

Source: Field Survey, 2019.

The analysis shows in Table 12 that 89% of benefited respondents benefited from zakat within the last 10 years ago; hence the researcher concludes

that the majority of the benefited respondents benefited from zakat within the last 10 years.

Table 13. Mode of Getting zakat from zakat Payers (Proprietors)

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
By searching	12	33
Not searching	172	67
Total	184	100

Source: Field Survey, 2019.

The analysis shows in Table 13 that 67% of beneficiaries of zakat among respondents luckily receive zakat without searching.

Table 14. Correctness of Calculation of zakat

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	128	33
No	260	67
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 14 that 67% of respondents agree that many don't know about calculating zakat, hence the researcher concludes that many don't know how to calculate zakat.

Table 15. Usefulness of zakat

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Productive activities	64	35
Unproductive activities	120	65
Total	184	100

Source: Field Survey, 2019.

The analysis shows in Table 15 that 65% of beneficiaries of zakat among respondents used the zakat for their acute personal desires.

Table 16. Impact of zakat on Wellbeing

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Positive	388	100
Negative	0	0
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 16 that 100% of the respondents agree that zakat has a positive impact on the wellbeing of the recipients who enjoyed the gift as gratuitous.

Table 17. Appropriate Beneficiary of zakat

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Appropriate	60	15
Inappropriate	328	85
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 17 that 85% of respondents believe that zakat is inappropriately distributed, hence it is being given to the wrong person. Therefore, the researcher concludes that zakat is being given to inappropriate beneficiaries.

Table 18. Knowledge about zakat Foundation in Kano

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	276	71
No	112	29
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 18 that 71% of respondents know about zakat Foundation in Kano, hence the researcher concludes that the inhabitants are aware of the zakat Foundation.

Table 19. Poverty Reduction through zakat

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	364	94
No	24	6
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 19 that 94% of respondents believe that zakat will reduce poverty, hence the researcher concludes that zakat will reduce poverty if paid.

Table 20. Rate of Poverty in Fagge, Nassarawa, Tarauni and Kumbotso

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Increasing	348	90
Indifferent	36	9
Decreasing	4	1
Total	388	100

Source: Field Survey, 2019.

Respondents were asked to rate poverty whether it increased, decreased, etc. Since 90% of respondents think that poverty is increasing rapidly as according to Table 20 shown above.

Table 21. Poverty in Fagge, Nassarawa, Tarauni and Kumbotso will Reduce if zakat is being Paid Regularly

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	388	100
No	0	0
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 21 that 100% of respondents believe that zakat will reduce poverty in Fagge, Nassarawa, Tarauni and Kumbotso, hence the researcher concludes that zakat will reduce poverty in Fagge, Nassarawa, Tarauni and Kumbotso if paid correctly.

Table 22. Improved Payment and Appropriate Distribution of zakat in Kano shall Reduce Poverty

<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	388	100
No	0	0
Total	388	100

Source: Field Survey, 2019.

The analysis shows in Table 22 that 100% of respondents believe that improved payment and appropriate distribution of zakat in Kano shall reduce poverty. Therefore, the improved payment and appropriate distribution of zakat in Kano shall reduce poverty in Kano.

The data analyzed shows that effectively using zakat will strengthen macroeconomic policies. Poverty cannot be alleviated without macroeconomic policies that include institutional reforms plus income redistributive instruments i.e. zakat, Endowment (Waqf), Charity, etc. A full-bodied policy that encompasses sectoral, fiscal, and monetary policies is a pathway to human capital development. These policies create opportunities for the poor to thrive, enhance social security, and facilitate empowerment.

SUMMARY, CONCLUSIONS & RECOMMENDATIONS

This section is designed purely as the concluding part of this research that summarizes the study findings and recommendations for further research and immediate action. Both the summary and also the recommendation shows the area of disagreement and solutions to that effect. Base on the analysis carried out on the data collected for the research work as follows.

Summary of Major Findings

The summary of the major findings are as follows:

- (i) zakat has a direct effect on human capital and economic development.
- (ii) zakat has a positive economic impact on reducing poverty and income inequality
- (iii) Respondents know what is zakat and its benefits but collection and distribution is not well coordinated
- (iv) zakat is not integrated into the development strategy of the government.

Conclusions

Based on the review of related literature, discussion of results, and general observations, the subsequent are the main conclusions of the study:

- (i) An improved payment and appropriate distribution of zakat shall promote human capital and economic development.
- (ii) Ratification of macroeconomic policies that include institutional reforms will ensure the sustainability of social protection programs.
- (iii) Existing zakat system in Kano State, Nigeria needs improvement in promoting income redistribution among the inhabitants.
- (iv) Integration of zakat into overall development strategy will guarantee timely economic development.

Recommendations

Based on the conclusions of the study, the subsequent recommendations are suggested:

- a. Integration of zakat into the overall development strategy
- b. A full-bodied policy that encompasses sectoral, fiscal, and monetary policies should be enacted to ensure proper coordination of social programs.
- c. zakat should be properly managed by the government to alleviate human suffering in Kano State.
- d. zakat should be channeled to the needy to reduce poverty and income inequality.
- e. Institutionalization of zakat in every Local Government in Kano, Nigeria should be a priority in promoting income increase and distributions.
- f. zakat committees should be constituted at the lower level to

ensure compliance and equitable distribution of zakat to the needy.

- g. zakat activities are to be overseen by the *Sharia* committees to be responsible for ensuring *Sharia* compliance and avoidance of any misapplications.
- h. The use of electronic and print media, Muslim Scholars, and *Khateeb*s (Religious Scholars) should be used to enlighten the people about the importance of zakat and its social, moral, economic, and spiritual impact on society.
- i. The government should enact laws that will strengthen zakat institution's right to collect zakat on zakatable incomes or properties.
- j. Creation of an online platform in which zakat can be paid electronically should be considered.

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