

Zakat and Social Responsibilities; An Integration for Public Administration Mechanism

Shamsuddin Bolatito Aina-Obe (PhD)

Faculty of Management Studies, Dept. Public of Administration

Islamic University In Uganda, Mbale Main Campus.

Sam1421h@yahoo.com

Abstract

Zakat is the fifth pillar of Islam for cleaning ones accumulated wealth over a period of one year when it reaches *Nisab* (نصاب) which is the minimum amount that a Muslim must have before being obliged to Zakat. This practice of charitable arms giving of 2.5% on accumulated wealth over a period of one year is crucial in combating poverty and development of welfare of the society through economy integration into public administration of the State. Zakat if voluntarily integrated as a State scheme administration will further better societal development and cleaner environment within the Muslim majority States when interlink with the State Public Administration.

The study attempts to investigate and describe how the perception of Zakat can be linked to Public Administration as shared social responsibilities value to strengthen the efficiency of Public Administration as the best way of solving economic and social problems. The paper further addresses the question of how the theory of Social Responsibilities (SR) practices can provide directions and support for elevating the standard of human living to end poverty and hunger within the Majority Muslim States.

Furthermore, the paper will explore the values and benefits of Zakat and its contribution towards reducing socio-economic and solving human problems in a responsible and sustainable manner.

KEYWORDS: Social Responsibility, Public Administration, Zakat, Muslim Majority States.

1. Background

Zakat as a religious duty has long being part of Muslim Majority Countries as a social welfare for those in need through financial sustenance, alleviation of poverty and social protection within the society. Making Zakat social responsibilities will serve as viable tools to improve and transform many lives financially, socio-economic empowerment, performance of religious

duties, educational support to the less privileged which will in turn be social-morally responsible performance within the Muslim society.

The socio-development of Zakat within the Majority Muslim Countries has gained positive ground as an impactful socio-economic empowerment needed for the present and future development as an integral part of the developing and undeveloped States. A Social Responsibility essential to grow public infrastructure, social protection mechanism to reduce and alleviate abject poverty and empower those in need within the State.

Proper management of Zakat and its integration to address economic and social challenges will help reform, boost and strengthen social protection welfare of the vulnerable member of the Muslim Society.

2. Theoretical Concept of Zakat and Social Responsibility

In every community, there are those people who might find it difficult and are struggling to make a living through their own hard labour work, whether due to incapability owing to disability, lack of job opportunities, low or depressed productivity or wages. Placing such categories of people on Zakat is like helping those needy individuals in the communities to be awake to their collective responsibility, first within Muslim families and society, and then through the international Muslim communities at large. This wellbeing and safety-net framework that guarantees the necessities of life to the poor and needful. It is also an equitable distribution of wealth which provide for economic self-sufficiency for every individual Muslim searching for sustainable means of provisions to themselves.

Second, taking up this responsibility is supposed an obligation of the State which the concept of Zakat has adopted as part of mechanism to ensure equitable distribution of wealth for a better society. A society free of economic crimes and poverty, hunger and devastation of any kinds. Consequently, if all rich people across the world are to pay their Zakat as integration into social responsibility, it will contribute to poverty reduction strategy of the State and empower everyone economically.

Third, both the Muslim scholars and intellectuals need to educate the Ummah and their society on the significance of charities to their community and for the less privileged people in the society. If the communal efforts were made accordingly and properly, the level of abject poverty among the Muslims will be reduced regardless of their tribe, gender, and sect. There should be involvement of a very strong institution at the Federal, State, and Local level that will scrutinize,

manage and monitor the collection, distribution of zakat, *sadaqat*, cash *waqf* and public funding revenue for the purpose of poverty alleviation and sustainable growth rate¹.

3. Methodology of the Paper

This paper adopts a qualitative research method based on secondary data of research method. Data sources were based on previous literature reviews from journals, scholarly works, working papers, case studies and most relevant internet sources.

In line with methodological approach of qualitative research, this paper strives to collect, describe and integrate data from various variety sources of information on the topic of the research as a universal application.

4. Proclamation of Zakat as a Religious duty

Islam is a complete code of conduct for life and the five pillars of Islam as discussed by Prophet MUHAMMAD (Peace Be Upon Him) are as follows

“Islam is built on five (pillars): Testification that there is no God but Allah, and Muhammad is His Messenger, performing the Salah-Prayers, giving the Zakat-Charity, fasting Ramadan, and performing Hajj if one is able” (Muslim)²

Based on the above evidence, Zakat is an obligatory religious duty on who-ever wealth as attained the minimum requirements of the payment.

The main undisputed objective of zakat is to achieve socio-economic justice in society; in simple words Zakat is the transfer of certain portion of a person’s wealth to those who don’t possess much wealth as per Shariah Laws. ALLAH orders the collection of zakat in Quran as, *“Take alms out of their wealth, so that thou mayest cleanse them and purify them thereby.” (Al-Taubah, 103)³*

Based on the fore-going, Zakat signifies purification and increases in one’s wealth. Interest in Zakat has been revived in the Muslim world by conservatives who wish to promote greater adherence to the scripture as well as reformers who view Zakat as a tool for attaining social justice⁴. Zakat funds can be used to for equal distribution of wealth, circulation of capital in

¹ S. A. Salih, The Challenges of poverty Alleviation in IDB Member Countries, Islamic Development Bank, October 1999, pp. 69-77.

² Arif, M. (2017). Zakat as a Mode of Poverty Alleviation. Asian Journal of Multidisciplinary studies, 5(11) Nov, 2017.

³ Ibid

⁴ Fauzia, A. (2013). Faith and the state: A history of Islamic philanthropy in Indonesia (Vol. 1). Brill.

economy and mitigating poverty and social permanence achievement⁵. Paying Zakat purify wealth and make heart free from self-indulgence. However, elements of Zakat are not completely fulfilled. It can be evidence from these Verses of Holy Quran:

Those who establish regular prayers and give in regular charity, and have (full) assurance of the hereafter (Surah Naml: 3).

Those who believe, and do deeds of righteousness, and establish regular prayers and regular charity, will have their reward with their Lord: on they shall be no fear, nor shall they grieve (Surah Baqarah, 277).

5. Selection of Beneficiaries

Zakât is paid to deserving individuals who come under one or more of eight zakatable categories designated by God in the Quran. “Indeed, (prescribed) charitable offerings are only (to be given) to the poor and the indigent, and to those who work on (administering) it, and to those whose hearts are to be reconciled, and to (free) those in bondage, and to the debt-ridden, and for the cause of God, and to the wayfarer. (This is) an obligation from God. And God is all-knowing, all-wise. (Qur’an-Al-Tawbah, 9:60)⁶

The eight categories of eligible Zakât recipients are explained as follows:

1. The poor (*al-fuqarâ’*)

Poverty and vulnerability to humanitarian crises are closely linked; the majority of people living in the top recipient countries of humanitarian assistance are chronically poor. *Al-Fuqara* is therefore directly applicable to a large proportion of people in need of humanitarian assistance, and can be applied to people living in extreme or chronic poverty.

2. The needy (*al-masâkîn*)

Could apply to anyone in need of assistance in the aftermath of a crisis or disaster.

3. Zakât-workers

5 Atia M (2011) Islamic approaches to development: A case study of Zakat, Sadaqa and Qurd al Hassan in Contemporary Egypt. 8th International Conference on Islamic Economics and Finance, Center for Islamic Economics and Finance, Qatar Faculty of Islamic Studies, Qatar Foundation.

⁶ Sabiq, As Sayyid. *Fiqh us-Sunnah*. Vol 1. Beirut: Dar Ibn Kathir, 1423-2002.

Alms collectors/administrators of Zakat: Can be used to cover administrative costs related to the collection and distribution of Zakat for humanitarian agencies.

4. Those whose hearts are to be reconciled

The reconciliation of hearts; those who have embraced or are inclined towards Islam: ‘Reconciliation of hearts’ could be interpreted to refer to peace-building activities.

5. Those in bondage (slaves and captives)

People in bondage or slavery: Could apply to people who are enslaved, oppressed or wrongly imprisoned, or to victims of trafficking.

6. The debt-ridden

People burdened with debt: Where debt is faced as an element of extreme or chronic poverty or as a consequence of humanitarian crisis, Zakat can be used as a recovery mechanism. It could also be argued under this category that Zakat could be used to support people living in countries impacted by high levels of national debt, where that debt reduces the government’s domestic spending capacity and therefore limits citizens’ access to basic services (note however that Zakat can only be used to support individuals, and not to relieve the burden of debt for the government). Almost one third of the people in need of humanitarian assistance in 2012 were living in low-income countries classified by the World Bank and International Monetary Fund as having a moderate or high risk of debt distress, or were already in debt distress⁷.

7. In the cause of God

Those in the path of God: There are no clear links between the category of *Fi-sabilillah* and people in need of humanitarian assistance. This category is also particularly compromised by the interpretation of whether non-Muslims are eligible to benefit from Zakat.

8. The wayfarer (the stranded, or one traveling who lacks resources)⁸

The wayfarer, or stranded traveller: Refugees and internally displaced people.

5. 1. Who Cannot Benefits from the Zakât?

⁷ Stirk, Chloe. (2015). An Action Faith, Huamitarian financing and Zakat, Briefing Paper, March, 2015

⁸ al-Qardawi, Yusuf. *Fiqh az-Zakat*. Translated by Monzer Kahf. Edited by Abdalhaqq Bewley and Mohmed Isa Waly. London: Dar Al-Taqwa, 1999.

If a person does not come under one of the prescribed eight categories, they are prohibited from receiving Zakât. Relevant to paper, this includes six types of people, but there are exceptions within these types:

1. The rich
2. The work- and earning-capable
3. Devotees who refuse to work
4. Inveterate unbelievers and renouncers of Islam
5. Other Non-Muslims
6. Children, parents, and wives of Zakât payers⁹

6. The Integration of Zakat as Public Administration Mechanism

Poverty and hunger if not well tackled can result to loss of basic essential human needs thus become a vicious circle which affect generations after generations. It will further undermine citizens' social and moral right or entitlements to basic services, a minimum standard of living, social inequality and denied of justice leading to devastating socio-structure. Likewise, inability to solving social and economic problem.

Integrating Zakat into public administration mechanism will creates chances for efficient use of resources and creation of wealth since increase in wealth will help bring about improvements to living conditions as wealth is earned and shared. Social responsibility begins with meeting the basic and essential needs of the people in collective common good. A good example is providing good and affordable health facilities, affordable food, provision for the orphanage, equality and social justice. The permission of Zakat philanthropic tenets of Islam ensures safety-net for people to live in abundance provisions and sought no excess wealth making poverty to fall to nearly negligible levels.

Funds generated from Zakat can also help in provision of health care facilities, emergencies services like floods, fire disasters, relieve packages to the vulnerable household.

In general, zakat assistance could serve as complementary to other programmes of the States regardless of the benefits level, for example, it contributes to social welfare supports of the Government of the States

⁹ Op.Cit, Pg. 2

Failing to integrate Zakat as an effective and efficient social responsibility will deprive Muslim Majority Countries the comprehensive economic injunctions need to save the society and uphold a living social standard.

7. Zakat for Development and Social Responsibility

Zakat as Social Responsibility can be defined as ethical religious duty ordained by ALLAH-The Almighty Creator on individual Muslims to give compulsorily 2.5% of their acquired wealth to improve the lives of individual 8 categories within the environment in which they live or beyond.

Zakat serves as one of the fundamental pillars of Islam that has direct economic implication within the society. It requires every Muslim individual who has attained *Nisab* to pay *Zakat*. As per Islamic principles, every year, 2.5% of wealth subject to *Zakat* has to be paid by the Muslims to the 8 specified heads of beneficiaries and causes¹⁰.

It is also an effective financial tool for redistribution of income, wealth and financing economic development in favour of the poor group within the society. A link between the rich and the poor and constitutes an important revenue source for the State treasury for spending on those in need¹¹.

Recently, Muslim Organizations collecting and distributing Zakat have been engaging in poverty reduction initiatives and capacity empowerment programs in developing their States and Society. Muslim believes that Social Responsibility is a religious duty (*Mua'malat*) which is a social voluntary obligation carried out by responsive individuals and corporate religious bodies. It is when Zakat money is paid for different projects like educational support, good health facilities, infrastructure facilities, empowerment projects and combating illiteracy will record high social impact on economic development of the Majority Muslim countries as a social safety net. This also contributes to the creation of the moral and virtuous society by giving support to the group marriage regarding those who do not have the means, to the less privileged women and to support youth capacity building as well as the disabled people in the State.

Using Zakat to solve high unemployment rate, inequality in financial income and low levels of productivity in primary sector will provide social security to support the needs of the poor and

¹⁰ Shaikh, S.A and Ismail, A. (2017). Role of Zakat in Sustainable Development Goals, International Journal of Zakat, Vol.2(2) 2017, pp 1-9.

¹¹ A document on the Experience of Zakat in Sudan, Republic of Sudan, Zakat Chamber Secretariat General, Institute of Zakat Sciences, 2017.

incapacitated people in the society such as orphans, widows, divorcees, and elderly people within the society.

It is observed that if Majority Muslim countries exhibited their potential to mobilize untapped Zakats, their wealth alone will exonerate the global world out of abject poverty therefore solving socio-economic problems confronting human race.

8. Challenges for Zakat in International Development

The war on terrorism and Islamophobia has adversely affected the internationalization of Zakat due to the high restrictions on Muslim charitable activities. This disproportional discrimination and financial damage to Zakat in funding international development projects affected the Muslim Zakat Organizations both home and at the international forums. In 2012, Islamic Relief World Wide found that donations from a Swiss bank (UBS) were blocked¹² while in the 2014, the accounts of three Muslim charities in the United Kingdom (CAGE UK, Muslim Welfare Trust and the Finsbury Park Mosque) were closed¹³. In Nigeria, Al-Harramain Islamic Foundation charitable activities were suspended just after the September 11 terrorist attack. This and many more unreported Islamic Organizations relying on Zakat confronted reputational damages making Zakat funding for humanitarian activities restricted.

According to the Muslim Charities Forum, 37% of members had difficulties opening bank accounts especially when working in regions where there is conflict and violent extremism such as Somalia, Sudan and Iraq¹⁴. This blockage scaled down has affected terribly provision of aid to Muslim Majority countries in need of Zakat for development.

9. Discussions of the Findings

Using theoretical arguments and findings from the literature reviews, the paper provides recommendations and various policies that Zakat collectors, policy makers, practitioners, academia, and researchers may find relevant and applicable to integrating Zakat as social shared values in meeting public administration mechanism in the Muslim Majority Countries.

¹² Keating, T. (2014). *Uncharitable Behaviour*. DEMOS. Retrieved from <https://www.demos.co.uk/files/DEMOSuncharitablebehaviourREPORT.pdf>.

¹³ Ibid

¹⁴ Taraboulsi-McCarthy, S., & Cimatti, C. R. (2018). *Counter-terrorism, de-risking and the humanitarian response in Yemen: a call for action* (Working Paper). Humanitarian Policy Group and ODI. Retrieved from <https://www.odi.org/sites/odi.org.uk/files/resource-documents/12047.pdf>

The extent to which Zakat can be used to finance social protection measures varies not only in the way it is collected and administered but also with the country's geographic and political conditions¹⁵. Cases study from Sudan shows that Zakat is integrated as social responsibilities under the Ministry of Social Welfare who manages Zakat through Sudan Chamber of Zakat as a semi-autonomous agency¹⁶ while Nigeria reveals that Zakat administration is under 4-sectors, the 1st sector is administered by Non-Government Organizations (NGOs) established by Islamic Societies like NASFAT Agency For Zakat and Sadaqah under the administration of NASFAT Society of Nigeria. Zakat and Sadaqah Foundation is registered as an autonomous organization and several others like Al-Habibiyah Foundation who also collects and distributes Zakat within their Islamic Organization.

The 2nd sector is under the State Government in most part of Northern Nigeria, such States include Sokoto State Zakat and Endowment Commission (SOZEC) whose major bulk of their financial operation is from the Sokoto State Government budget. Rather than SOZEC being an autonomous agency, it is dependent on the State Government whose future continuous prosperity is depended on the State Governor who can either chose to sustain the Zakat program of the State or disband them for political reasons and others attributed to it. Other Examples includes Kano State Zakat and Endowment Commission and several others has been merged to be under the State Muslim Welfare Board.

The 3rd sectors of Zakat in Nigeria is the coming on-board of Jaiz Zakat and Waqf Foundation which is an organ under Jaiz Foundation.

The 4th is Mosque administered Zakat which are run as Zakat paid to the Zakat Committee of the Mosque or *Imam* (Spiritual leader) of the Mosque to be distributed to those 8-categories.

In Uganda and South Africa, Uganda House of Zakat and South Africa National Zakat Fund are both registered Non-Governmental Organizations (NGO) that collects and distributes Zakats based on the 8-categories mentioned in the Qur'an.

Zakat administrations in Sudan, Nigeria, Uganda and South Africa plays crucial roles in the society than just an alms-giving organizations. It can be said they have integrated Social Responsibilities (SR) as additional duties alongside the 8-categories of recipients of Zakat. Zakat Chamber in Sudan provide State like functions by providing medical equipment to hospitals,

¹⁵ Machado, A.C, Bilo, C and Helmy I. (2018). The role of Zakat in the provision of social protection: a comparison between Jordan, Palestine and Sudan. International Policy Centre for Inclusive Growth (IPC-IG), pg. 15

¹⁶ Ibid

water projects, health projects, educational project and emergency assistance to vulnerable families of various disasters and empowerment fund for farmers¹⁷.

Similarly, all Zakat Organization in Nigeria, Uganda and South Africa provides similar functions such as Orphan support, Financial assistance to the poor, Food packages, Educational support, Health/Medical support, Relief packages to the internally displaced people (IDPs), financial empowerment projects, and monthly cash assistance.

10. Conclusion

This paper explores Zakat as a religious duty and social responsibility to provide social amenities to the needy Muslims Majority Countries by meeting their development challenges. The proper integration into social responsibility will make the dilapidating social amenities into modern infrastructure needed by the destitute and the vulnerable in the society.

When Zakat are linked into Corporate Social Responsibilities (CSR), it provides the needed social responsive aide needed by the States institutions for job creation and income generation initiatives, emergency cash transfers to the neediest household, health care programme, monthly cash assistance to vulnerable people and a cash support scheme specifically targeting orphans in the communities.

11. Recommendations

- Majority Muslim Countries should revive Zakat Institutions and enact legal framework for it implementation as a State Agency for the economic empowerment and development of the Muslim Societies.
- Zakat should be integrated as agent for social and economic development of the State in other to boost Public Administration performance and functions.
- Establishing a Centralised Zakat Administration as one of the institutions that sustain the economic well-being of the citizenry¹⁸. Given the secular orientation of Nigerian Government, Zakat Administrative Board may be established, as an experimental process, at the State level, particularly in Muslim dominated states in North West, North East, North Central and South West geo-political zones. To avoid being riddled with partisan politics, we propose that members of the Zakat Committee or Board should be

¹⁷ Op.Cit, Pg 7

¹⁸ Abdurraheem, H. and Suraju S.B. Taming Poverty in Nigeria: Language, Zakat and National Development. Qudus International Journal of Islamic Studies, Volume 6, Issue 1, February 2018. Pg. 18.

appointed by, in states where there are Shari'ah Courts of Appeal, the Grand Kadi of the Sharicah Court of Appeal.

- Systematic approach to make Zakat as global assets for funding global needs conforming with Public Administration Mechanism.
- Adopting Zakat as Social Responsibility through provision of water system for the communities and villages, reconstruction of deplorable schools, hospitals, health services, broken bridges and roads and provision of more public utilities.
- Finally, Zakat is effective in solving socio-economic problem of Majority Muslims Countries through elimination of Malaria, eradication of diseases and epidemic.

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