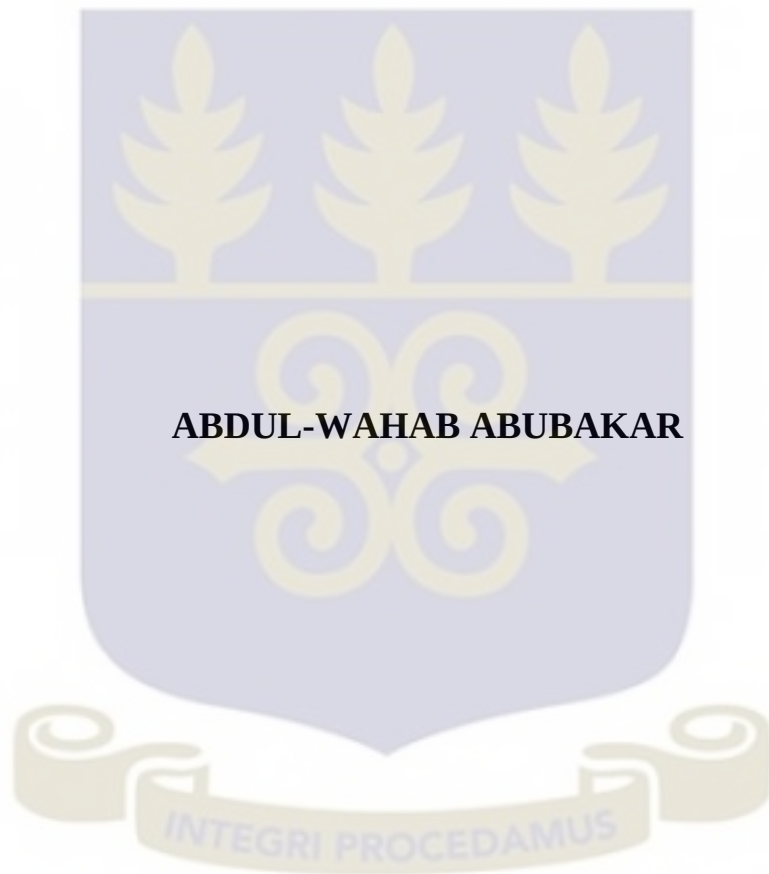


**UNIVERSITY OF GHANA
COLLEGE OF HUMANITIES**

**THE PRACTICE OF ZAKAT AND POVERTY ALLEVIATION IN
ACCRA, GHANA.**



ABDUL-WAHAB ABUBAKAR

DEPARTMENT FOR THE STUDY OF RELIGIONS

JULY, 2018

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ACCRA, GHANA.**

BY

**ABDUL-WAHAB ABUBAKAR
(10444888)**

**THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF
GHANA, LEGON IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF MPhil FOR THE STUDY
OF RELIGIONS DEGREE.**

DEPARTMENT FOR THE STUDY OF RELIGIONS

JULY, 2018

DECLARATION

I, hereby declare that except for references to other people's works which I have duly acknowledged, this thesis has been written by myself, and has not been submitted in any previous applications for another degree.

STUDENT

ABDUL-WAHAB ABUBAKAR

SIGNATURE.....

DATE.....

SUPERVISORS

HAJJ MUMUNI SULEMANA

SIGNATURE.....

DATE.....

DR. COSMAS EBO SARBAH

SIGNATURE.....

DATE.....

ABSTRACT

In Islam, poverty is considered as a very serious problem, and as such Islam recommends some strategies to address poverty. One of such strategies is Zakat which is seen as a mechanism to bridge the gap between the rich and the poor in Muslim communities. The system of Zakat established by Islam is to help the poor find means of sustenance through the proceeds of Zakat, be it in the form of annual payments or through granting them permanent financial security.

In view of the above, this study set out to examine how Zakat is practiced in Accra, Ghana; and to explore how it can be used to alleviate poverty in Madina UN as well as the Tuba Muslim communities in Accra. Consequently, the study utilized the collective administration of questionnaires and unstructured interview as a guide to solicit information from the respondents.

One of the key findings of the study is that there is certain level of poverty among Muslims in Ghana, some of which are structural and colonial legacy. Also, the study identified that the lifestyles of some Muslims, and lack of prioritization may have also contributed to the poverty situation in the Muslim communities. Moreover, the research found that as a result of the negative implication of the effects of poverty, there have been attempts by various stakeholders to alleviate poverty and bring more dignity to the lives of Muslims.

The research recommends among other things that Muslims should be well schooled in the teachings of Islam to practice meaningful lifestyles to help improve of their welfare and also assist in the alleviation of poverty. Additionally, there should be massive education about the modalities of Zakat, be it collection or distributions.

DEDICATION

This thesis is dedicated to my late parents Mr. Abubakar Mustapha and Madam Memunatu Salifu who unfortunately did not live to see this work, and to my beloved wife Asmau Abubakar and my beautiful daughters Intisar, Mariam and Rahma.

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LIST OF ABBREVIATIONS

C.E.O.	Chief Executive Officer
C.E:	Common Era
GDP:	Gross Domestic Product
GPRS:	Ghana Poverty Reduction Strategy
JHS:	Junior High School
LEAP:	Livelihood Empowerment against Poverty
NGOs:	Non-Governmental Organizations
PAMSCAD	Programme of Actions to Mitigate the Social Costs of Adjustments
SAW:	Peace Be Upon Him
SHS:	Senior High School
SAP	Structural Adjustment Programme
SONSETFUND:	Sheikh Osman Nuhu Sharubutu Trust Fund

GLOSSARY OF ARABIC WORDS USED IN THE WORK WITH THEIR MEANINGS

Aamileen: It means Zakat Collectors.

Ahadith: Plural of Hadith which means sayings of Prophet Muhammad.

A'immah: Plural form of Imam which means leaders.

Al- Ganiyyu: The Self- Sufficient

Amwal al- Zahiriah: Visible property.

Amwal al-Batinah: Hidden property;

Asnaf: The recipients of Zakat

Baitul-Maal: Public treasury

Dinar: It is the basic monetary unit of certain countries of the Middle East and North Africa

Dirham: The basic monetary unit of Morocco and the United Arab Emirates.

Faqir: Poor

Khulafa-ur-Rashiduun: The Rightly Guided Caliphs of the Prophet.

Muddu-n Nabi: It is a measurement of volume similar to the size of a large salad bowl.

In modern measurement, it is equivalent to 750ml

Nisab: Minimum amount Zakat is due.

Ramadan: The ninth month of the Islamic calendar

Sadaqah: Voluntary charity in Islam

Shari'ah: It is the Islamic law that governs all aspects of the day-to-day activities of a Muslim.

Zakat: Payment made annually under Islamic law on certain kinds of property and used for charitable and religious purposes. It is also the third pillar of Islam, which is alms-giving.

CHAPTER ONE

1.0 Background of the Study

Islam is built on five pillars; these pillars are: to testify that there is no god but Allah and Muhammad is the Messenger of Allah, to establish prayer, pay *Zakat*, fast in the month of *Ramadan* and perform pilgrimage to the House for whoever can do so. Indeed, these pillars form the superstructure upon which the Muslim practices his or her religion. As indicated above, *Zakat* is the third pillar of the five pillars of Islam. The word *Zakat*, according to the *Lisan al-'Arab* as quoted by Yusuf al-Qaradawi, is the root word in Arabic which means cleanliness, growth, blessing and praise.¹ Another Arabic word used interchangeably by the Qur'an with *Zakat*, is *Sadaqah*. However, the word *Sadaqah* is generally used in Islam to refer to voluntary charity. In this regard, the Qur'an states: Take *Sadaqah* from their wealth to purify and cleanse them and pray for them. Your prayers bring relief to them. Allah is All- Hearing, All-Knowing."²

Zakat is a compulsory tax levied by an Islamic state or the members of the Muslim community, so as to take the surplus money from the comparatively well- to- do members of the society and to give it to the destitute or needy.³ This mechanism, ensures that wealth is not only beneficial to the wealthy persons but to the down trodden as well. Islam lays great emphasis on the relief of poverty by the rich. The Qur'an declares: "And in their wealth (the rich), there is a due share for the beggar and the deprived."⁴ This is not considered to be a favour by the rich if they help the poor

¹ Yusuf al- Qaradawi, *Fiqh al-Zakah*, Translated into English by Monzer Kahf: Jeddah Scientific Publication Center, King Abdul- Aziz University, 2010.

² Qur'an 9:103.

³ Holger Weiss, 'Begging and almsgiving in Ghana, Muslim Position Towards Poverty and Distress,' Nordiska Afrikaninstitute, 2007. 2002. P.10.

⁴ Abdallah Yusuf Ali, *The Meaning of the Holy Qur'an*, (Maryland: Amana corporation, 1993), p.335.

but on the contrary, it is a duty of the rich to take part of the economic hardship of the poor.

With regards to the beneficiaries of *Zakat*, the Qur'an declares, "Alms (*Zakat*) are for the poor, the needy, and those employed to administer the fund, for those whose hearts have been recently reconciled to truth, for those in bondage and in debt, in the course of Allah and the wayfarer. Thus, it is ordained by Allah, and Allah is full of knowledge and wisdom."⁵

According to Muhammad Arif, in Islamic history, *Zakat* was used as a tool to address economic challenges in the past where poverty was alleviated to the extent that the *Zakat* collected could not be distributed for the lack of recipients.⁶ In view of this, it has been suggested by many Ghanaian Muslim scholars that *Zakat* can be used as a tool to address myriads of economic challenges facing the Muslim community if it is correctly implemented. As Rabi'atu Ammah indicates, 'Muslim leadership should create or institutionalize a *Zakat* fund to be managed by technocrats. But more importantly, Muslims should prioritize and eliminate waste in the system. She was of the view that it may help improve the condition of the Muslim community if it is well implemented.'⁷

Poverty according to the Merian Webster Dictionary, is defined as the state of one who lacks a usual or socially acceptable amount of money or material possessions.⁸ Many communities in Ghana are perceived to be poor. In fact, more than 2.8 million

⁵ Qur'an 9 : 60

⁶ Muhammad Arif 'Zakat as a Mode of Poverty Alleviation.' *International journal of economics & Management Science*. 6 (2017):.2-3

⁷ Rabi'atu Ammah, 'Islam and Poverty Reduction Strategies: Attempts at dealing with Poverty in the Ghanaian Muslim community.' *Ghana Bulletin of Theology*, 2 (2007).

⁸ <https://www.merian-webster.com/poverty>. Accessed on 12-02-2019.

Ghanaians representing 10% of the population are living in extreme poverty⁹. A vast number of people are said to be living below the global poverty line of 1.9 dollar spending a day and majority of the Muslims are perceived to be within this bracket.¹⁰

Recent developments also validate the perception that the Muslim community in Ghana is indeed part of the poor community. For instance, as part of the efforts to tackle severe poverty in certain communities in Ghana, the then Minister for Inner-City and Zongo Development, Hon. Alhaji Abubakar Saddique Boniface, expressed concern that the current state of Muslim communities in Ghana, reflects a major challenge that was manifested in poverty, illiteracy, poor environmental sanitation, poor housing conditions, high level of social and economic vulnerability and limited prosperity.¹¹

There are several reasons that account for poverty in Ghana, for example, ignorance, dysfunctional family, lack of education and many others. However, it may be more prevalent in the Ghanaian Muslim community due to some historical antecedents one of which was the fear of proselytization. Muslims equated colonial policy on secular/ Western education to Christianity, and their refusal to access this secular/ Western education where they could learn skills, professions and critical thinking cost them dearly and has contributed to the situation of poverty.¹²

In response to these economic challenges, many individual Muslims and organizations like Islamic Council for Development and Humanitarian Services (ICODEHS), have been providing social services in various forms, including help to the poor. Recently, for example, the Muslim Caucus of Parliament of Ghana, Sheikh Osman Sharubutu

⁹ Emmanuel Adusei, '2.8 million Ghanaians living in extreme poverty,' accessed February 12, 2018, <https://www.campusradar.org/>.

¹⁰ Deadline of Global Extreme Poverty Continues but Has Slowed: World Bank, accessed on 15th April, 2019, <https://www.worldbank.org/en/news/>

¹¹ Prosper K. Kuorsoh, 'Zongo Development Fund not for parochial interest,' accessed February 12, 2018, <https://www.ghananewsagency.org/>.

¹² Rabiatu Ammah, 'Islam and Poverty Reduction Strategies: Attempts at dealing with poverty in the Ghanaian Muslim Community,' *Ghana Bulletin of Theology*, 2 (2007): 12.

Education Trust Fund (SONSETFUND) and the Ghana Muslim Mission have also taken the initiative to establish a *Zakat* and *Sadaqah* fund with the ultimate aim of using the mobilized wealth to alleviate poverty and ignorance among Muslims and non-Muslims in Ghana, through the establishment of educational institutions and provision of scholarships for brilliant but poor and needy Ghanaians.

It is the cherished view of some researchers and Islamic Scholars like Yusuf al-Qaradawi that *Zakat* if correctly implemented can be an effective way to alleviate poverty in Muslim communities. According to Yusuf al-Qaradawi, *Zakat* can provide the unemployed with the necessary tools, machinery and capital for production. It can also fund job training or job rehabilitation programs. Above all, it can establish collective projects and industries run by poor and formerly unemployed workers¹³.

Ahmed Bello Dogarawa is of the view that *Zakat* helps to generate a flow of funds and recruit the necessary manpower and every individual in the society is assured of minimum means of livelihood which provides social security system in an Islamic society.¹⁴ I am therefore of the view that there is the need for a critical examination on this view and to investigate how *Zakat* can alleviate poverty in Ghana. It is in response to these developments and economic challenges that many individual Muslims and Non- Governmental Organizations (NGOs) like the Islamic Council for Development and Humanitarian Services (ICODEHS), have been providing social services in various forms including help to the poor to enhance the development of Muslims through poverty alleviation. Similarly, the Muslim Caucus of parliament of Ghana, Sheikh

¹³ Yusuf al- Qaradawi, *Fiqh al-Zakah*, Translated into English by Monzer Kahf: Jeddah: Scientific Publication Centre, King Abdul-Aziz University, 2010.

¹⁴ A.B. Dogarawa, *Poverty alleviation through Zakat and Waqf institutions: A case of Muslim ummah in Ghana*. Germany: University Library of Munich, 2009.

Osmanu Nuhu Sharubutu Education Trust Fund (SONSETFUND) and the Ghana Muslim Mission (GMM) have also taken the initiative to establish a *Zakat* and *Sadaqah* fund to mobilize wealth in order to alleviate poverty through the establishment of educational institutions and the provision of scholarships, job creation and the inculcation of values among other strategies.

1.1 Statement of the Problem

In recent times the issue of poverty in the Ghanaian Muslim community has attracted attention from the Muslim leadership as well as Islamic scholars in the country. This is because there is a strong belief among Ghanaians that Muslim communities are among the most deprived in the country. On the occasion of the launch of the *Zakat* and *Sadaqah* fund by the Muslim Caucus of Parliament of Ghana, Dr. Mustapha Ahmed, the then Deputy Minister of Water Resources, Works and Housing revealed that, the common enemy of Muslims was no other religions or somebody somewhere but poverty, ignorance, disease and deprivation¹⁵. To mitigate against this view/belief, the President of the Republic Nana Akufo-Addo in 2017 created a Ministry of Inner City and Zongo Development.

The nature of the environment, the daily lives of the people, poor insanitary conditions and many other indicators of poverty, bear eloquent testimony to the fact that the Muslim community (Zongo), deserves the best of attention by policy makers and opinion leaders in the community and the nation as a whole through the effective use of *Zakat* to address the problem of poverty.

¹⁵ 'Muslim Caucus in Parliament launched Zakat and Sadaqah Fund', accessed 15th February, 2018. [https://: www.ghananewsagency.org/](https://www.ghananewsagency.org/).

It is against this backdrop that the researcher decides to investigate into the practice of *Zakat* in Accra Ghana and to see how best it can be used as a mechanism in addressing poverty in the Muslim community.

1.2 Objectives of the study

From the above discussion, the main objectives of the study are to:

1. Highlight the Islamic perspectives of poverty alleviation.
2. Analyze the challenges mitigating against poverty alleviation in the Ghanaian Muslim community.
3. Examine how *Zakat* is being practiced in the Ghanaian Muslim community.
4. Recommend for an establishment of Central *Zakat* Fund in the Ghanaian Muslim community.

1.4 Research Question

What is the state of the practice of *Zakat* in the Accra Muslim community, Ghana?

1.5 Scope of Research

The Study was carried out in Madina UN and Tuba all in the Greater Accra Region of Ghana. In addition to these communities, the Study also focused on the *Zakat* collection and disbursement of the Ghana Muslim Mission and the *Zakat* and *Sadaqah* Trust Fund of Ghana.

1.6 Limitations of the Study

I wanted to interview the Ahmadiyya Muslim Mission and officials managing the SONSETFUND but was not successful. Additionally, some of the respondents could

not speak English and had to spend time explaining the questionnaires to them. However, the outcome of the study could not be affected negatively by the limitations.

1.7 Relevance of the Study

The research work is relevant because academically it will add to knowledge by providing findings to the challenges of poverty in the Ghanaian Muslim communities. Additionally, it will provide the opportunity for the leadership of the Ghanaian Muslim community to see the need to enforce the collection and distribution of *Zakat*. It will also be of benefit to policy makers from the public and private services in their efforts to alleviate poverty in Ghana.

1.8 Methodology

The study was conducted using two approaches namely; the theological and phenomenological approaches.

1.8.1 The Theological and Phenomenological Approaches

A theological approach according to Frank Whaling looks into a religion and seeks to understand what it means to believers within its own terms, and how that system works as a rational worldview to those within it. This approach also seeks to explain itself, its teachings and its formulations¹⁶. Whilst the phenomenological according to Edmund Husserl, is a descriptive theory of knowledge. Nothing in this process can be presupposed. The researcher has to relegate his preconceived knowledge about the events so that such knowledge does not influence his or her study.

¹⁶ Frank Whaling, 'Theological Approaches' in Peter Connolly, *Approaches to the Study of Religion*, London: York House Typographic Ltd, 2004, 229.

1.8.2 Method of Data Collection

This study used both primary and secondary sources. Data collected from primary sources included text from the Qur'an and *Sunnah* of the Prophet (SAW), while data from the secondary sources included the review of books, articles and journals. The researcher relied on two instruments for collecting data thus interviews and questionnaires.

1.8.3 Questionnaire

A questionnaire is a written list of questions, the answer to which is recorded by respondents. In questionnaires, the respondents read the question, interpret what is expected and then write down the answer. Questionnaires can be administered in different ways, such as the mailed questionnaire, the collective administration and administration in public place. In this particular study, the researcher used the collective administration of questionnaires as a guide to solicit information from the respondents. The advantage of this type of questionnaire is that it is less expensive. It also contains both open and close-ended questions to ensure that **respondents are free to express** their views.

1.8.4 Interview and Focus Group Discussion

The researcher interviewed the respondents mainly through the use of unstructured and open-ended questions to solicit for information from the respondents which was conducted mostly in English, Hausa and Ga especially in Tuba. Additionally, the researcher had a focus group discussion with some members of the Ghana Muslim Mission, one of the oldest Muslim organization at Korle-Gonno, to get information on their mission, vision and particularly the motivation for the creation of the *Zakat* fund.

1.8.5 Sample of Data

The researcher engaged some recognized Non-Governmental Organizations i.e., Islamic Council for Development and Humanitarian Services (ICODEHS), Ghana Muslim Mission (GMM), the Sheikh Osmanu Nuhu Sharubutu Educational Trust Fund (SONSETFUND) and the *Zakat* and *Sadaqah* Trust Fund of Ghana. This was done because some of these NGO's have programmes on poverty alleviation whilst others have established *Zakat* funds. Also, the researcher targeted Islamic scholars, Imams (Aimmah) from different mosques and some lay Muslim men and women to highlight their views on the practice of *Zakat*. In all some (44) respondents were targeted out of which ten (10) were Imams and Islamic scholars. These included, Sheikh Mustapha Ibrahim, Sheikh Armiyawo Shaibu, Sheikh Huzaimah from the office of the Chief Imam and Hajia Azara Abukari, the Acting Manager of the *Zakat* and *Sadaqah* Trust Fund of Ghana. But because the focus is Madina UN and Tuba, two (2) Imams and ten (10) Muslim adults each from the areas were interviewed. With the help of the Imams of these two main areas, the researcher adopted the snowball technique and engaged ten (10) poor people each from Madina UN and Tuba.

1.9 The Theoretical Framework

According to Eisenhart, a theoretical framework is 'a structure that guides research by relying on a formal theory constructed by using an established, coherent explanation of certain phenomena and relationships.'¹⁷ Thus the theoretical framework consists of the selected theory (or theories) that bind your thinking with regards to how you

¹⁷ Eisenhart, M., Conceptual frameworks for research circa 1991 : Ideas from a cultural anthropologists ; implications for mathematics education researchers, Paper presented at the Proceedings of the Thirteenth Annual Meeting North American Paper of the International Group for the Psychology of Mathematics Education, Blacksburg, Virginia, USA. p. 205, 1991.

understand and plan to research your topic, as well as the concepts and definitions from that theory that are relevant to your topic.

The Study adopts the theory of the ‘culture of poverty’ as a framework that was coined by Oscar Lewis- an American Anthropologist who conducted research on the urban poor in Mexico and Puerto Rico in 1959. The culture of poverty nurtured by certain special conditions such as an economic setting of cash economy, a high rate of unemployment and underemployment and people with low skills, argues that the poor cultivate certain values and norms that stifle their motivations and desire to escape poverty. These culture of values, norms and aspirations, makes it extremely hard for a particular people to escape poverty. These characteristics are capable of being transmitted from generation to generation. However, this study has shown that the Muslim communities are gradually coming out of this culture.

Those who accept the culture of poverty place the blame squarely upon the dominant culture of society that allows the growing of this sub-culture that makes the poor the unwilling victims of dysfunctional dominant culture. Therefore, in the absence of any voluntary or State support and stable family, the low-income class tends to develop the culture of poverty against the dominant ideology of accumulating of the middle class.

As a result, such people feel marginalized, helpless and inferior and can cultivate a habit for the present. This is because, they have been with chronic poverty over a long period of time and may transmit it to subsequent generations. Thus, according to the theory, poverty begets poverty.

It is observed that people with the culture of poverty are usually passive to most activities going on around them and hardly take part in community or public life. Also, they do not undertake business transactions and attend hospitals among others. Invariably, citizenship is taken away from them because citizenship is intricately linked to active participation in civic life. To redress the situation of poverty, there is the need to surmount obstacles that lie in the way of the poor to bring them closer to opportunities that will engender higher incomes and also increase the self-enhancement and citizen rights of the poor to enable them function as active and productive members of the society.

Undoubtedly, these theory points to the complexities of poverty which is a threat to human existence, it even creates difficulties for the practice of one's faith. But it also seeks to achieve social justice similar to the objectives of the institution of *Zakat* in Islam, one of the mechanisms through which solace and deep concern is provided mostly to the less privileged in Muslim society and through which dignity is attained. Arguably, if the institution of *Zakat* is practiced or implemented properly, it has the ability to check the upsurge of the "culture of poverty" and transform the lives of Ghanaian Muslims.

1.10 Literature Review:

There are numerous scholarly materials written under the topic under research. This includes material on the concept of *Zakat* in Islam, *Zakat* and Poverty Alleviation and Practice of *Zakat* in Muslim Societies. The review of the literature will therefore be done under these themes.

Holger Weiss' *Zakat* and the question of Social Welfare in his book on 'Social Welfare in Muslim Societies in Africa', indicated that even though Ghana and Nigeria are secular States and have many things in common, unlike Ghana, Muslim scholars in Nigeria have been very proactive and are determined to alleviate poverty through the institutionalization and implementation of *Zakat*.¹⁸ For the writer, National *Zakat* organizations can only be effective if there is consensus among Muslims. He also asserts that even though Islamic position on wealth and its distribution is the primary right of those who participated directly in its production, the wealth is also secondary right of those who have not directly taken part in its production. Islam according to him, places responsibility for providing basic needs such as food, shelter, education and health at the door step of the state. In view of this, Holger argues that an elaborate social security based upon *Zakat* must form an integral part of the economy.¹⁹

Ahmed Bello Dogarawa,'s²⁰ article on '*Poverty Alleviation through Zakah and Waqf Institutions: A case for the Muslim Ummah in Ghana*,' is relevant for the study because of its focus on the Ghanaian Muslim Community. He posited that *Zakat* has the capacity to help raise funds in order to create jobs for people in the society. Analyzing the *Zakat* within the concepts of Islamic Social Justice, the author posits that the Islamic teaching on brotherhood and social justice would be meaningless unless it is accompanied with economic justice where there is no exploitation of one person by another. According to him the resources that are in the hands of people must be used in

¹⁸ Holger Weiss, 'Social Welfare in Muslim Societies in Africa,' Nordiska Afrikainstitute, 2002.

¹⁹ Holger Weiss, 'Begging and almsgiving in Ghana, Muslim Position Towards Poverty and Distress,' Nordiska Afrikainstitute, 2002.'

²⁰ Ahmed Bello Dogarawa, "Poverty Alleviation through Zakah, Waqf Institution: A Case for the Muslim Ummah in Ghana," Paper presented at the First National Muslim Summit organized by Alfurqan Foundations, Tamale. 2010.

an equitable and efficient manner, so that everyone gets his due for his contribution in the community.

Yusuf al- Qaradawi's 'comparative study of *Zakat*, regulations and philosophy in the Qur'an and *Sunnah*,²¹ discusses the objectives of *Zakat* and its effects on society. He explained that *Zakat* is a means of training Muslims on the virtues of generosity as such is a means of purification from greed. He posited that once a person is trained to spend on public interests and to give his brother out of his own wealth, he is most likely to be freed from any urge to transgress on another person's wealth and possessions.

He further indicated that *Zakat* trains people to acquire divine characteristics because when one becomes accustomed to the habit of giving and spending, his soul is upgraded from the low human trait of covetousness and aspires to the high divine perfection, since one of the characteristics of God is absolute and unlimited mercy.

Abul A'la Mawdudi, in his book *Towards Understanding Islam* was also consulted for the study. Was of the view that there could be no greater cruelty than to fill one's own coffers while others die of hunger or suffer the agonies of unemployment.²² The book is relevant to the discussion on the need for the well-to-do Muslim to pay *Zakat* to mitigate the conditions of the poor in the society. According to the author, it is the responsibility of every rich Muslim to help his lowly- placed, poor brothers and that the wealth acquired is not to be spent solely for his own comfort and luxury. The poor, the widows, the orphans, the invalid as well as those who have the ability and talent to get useful employment and to acquire knowledge are all rightful claimants on his wealth.

²¹ Yusuf al-Qaradawi, *Fiqh al- Zakah*, Translated into English by Monzer Kahf: Jeddah Scientific Publication Center, King Abdul-Aziz University, 2010.

²² Abu A'la Mawdudi, *Towards Understanding Islam* (London: The Islamic Foundation, 1989), Chapter 9

In Monzer Kahf's article titled "Economics of *Zakah* Book of Reading, No.2," he indicated that the position of Islam with regards to *Zakat* is to basically deal with social and economic injustice like poverty, inequitable incomes, unemployment and indebtedness, irrespective of one's religion, color, race and nationality. The view of this author as far as targeting the poor is concerned is basically to transform them into capital owners and /or income producers.²³

Another work reviewed which is also relevant for the study is Abu- Shariff's article on *Economic System in Islam*. He argued that *Zakat* is a tool of reducing arbitrary dominance of capital. He explained that Islam has mandated the rich to give part of their wealth to the poor in order to ease their suffering. It is charged when ordinary wealth exceeds essential needs of the owner, this is called '*Nisab*' in Islam. This implies that the money will be transferred from the area of surplus to where it is needed and this could really reduce the level of arbitrary dominance of capital resource and at the same time increase the level of resource utilization in the society and also improve the welfare of the poor in the society. He added that, there are some poor and needy people in the society who have skills and are willing to be productive, but due to one reason or the other, they are financially handicapped, but as soon as this category of people get money either in a form of *Zakat* or *Sadaqah* (charity), they will put them into productive use since they are willing to do so.²⁴ It is obvious from the foregoing that the institution of *Zakat* can be used as a mechanism not only to address the economic injustice but also the alleviation of poverty.

²³Monzer Kahf, 'Economics of Zakah, Book of Reading No.2. Islamic Research and Training Institute, Islamic Development Bank Group, Jeddah, 1997.

²⁴ Abu-Shariff, 'Economic System in Islam, Abushariff's publishers. Ilorin. 1999.

Another material that was very relevant to the research, was Rabiātu Ammah's Article titled 'Islam and Poverty Reduction Strategies: Attempts at Dealing with Poverty in the Ghanaian Muslim Community'. According to her, poverty can only be dealt with effectively only when factors that led to it are looked at. The writer was of the view that factors like attitude, power concentration, ideological or war displacement ought to be taken into consideration before poverty can be effectively dealt with. She also added that the response may differ depending on the causes of poverty. In order to forestall such challenges according to her, Islam has provided some mechanisms like *Zakat* and *Sadaqah*. She further stated that, unfortunately these mechanisms provided by Islam have been abused by many who prefer to beg rather than work.²⁵ The researcher shares this opinion to the extent that the abuse of these mechanisms may eventually defeat the purpose and objectives of *Zakat* and *Sadaqah*.

Islam and Muslim Politics in Africa, a book edited by Benjamin F. Soares and Rene Otayek was also beneficial to the Study. The editors are of the view that even though generally *Zakat* is meant for the needy and poor Muslims, it will be appropriate if the aid is extended to non-Muslims who equally deserve it. The editors are of the conviction that *Zakat* can reduce poverty and should not be limited only to Muslims.²⁶

Sheriff's article on "The Role of *Zakat* in Establishing Social Welfare and Economic Sustainability" was also reviewed for the study. In respect to the roles and objectives of *Zakat*, the writer is of the view that *Zakat* was basically, designed to eliminate poverty, to purify souls and for one to attain the sincerity of faith. According to him, for the

²⁵ Rabiātu Ammah, 'Islam and Poverty Reduction Strategies: Attempts at dealing with Poverty in the Ghanaian Muslim Community', *Ghana Bulletin of Theology*, 2 (2007): 10-11.

²⁶ Otayek Rene and Benjamin Soares, eds. 'Introduction: 'Islam and Muslim Politics in Africa,' Palgrave Macmillan, New York, 2007.

institution of *Zakat* to be able to establish social welfare and economic development, it should be properly managed by the Islamic States and charity organizations.

In order to avoid the misapplications of the *Zakat* funds, the writer suggested that local *Zakat* committees at the lower level should be formed and be answerable to the Shari'ah committees. Religious scholars also need to embark on teaching and educating the Muslim *Ummah* on the significance of *Zakat*. This according to him may ensure that the objectives of *Zakat* are achieved.²⁷

A.O. Abudus' work on '*Islamic Economics for The Lay Person*' was also found to be relevant to the study. The writer has argued strongly that the prevailing system where the developed countries have succeeded in integrating the economies of the underdeveloped countries to the extent that it has kept them in a state of dependency is inhuman. He was of the view that the Islamic economic system can do more to alleviate poverty than the economic system of the developed countries. He also challenged the idea that the practice of capitalism is the best system, according to him the system rather worsens the situation of the poor²⁸.

In his study on '*Development and Distribution in Islam*,' Ataul Huq highlighted that out of eight beneficiaries of *Zakat* collection, six are for direct benefit of the poor and needy. Thus, *Zakat* can play a very significant role in the redistribution of income in the society which is performed by the Muslim obligation, who recognized their inborn rights to survival in this world. His study further explained the economic impact of

²⁷ Sheriff Muhammad Ibrahim, International Journal of Management and Commerce Innovations, Vol.3, Issue1, pp: (437-441), Month: April 2015- September 2015.

²⁸ A.O. Abudu, *Islamic Economics for The Lay Person* (Accra: Dyno Media Ltd 1990), Chapter 5.

Zakat from the macro stand points which are, incentives to produce, to invest, to save, to consume and to work. If *Zakat* can be accepted as an economy-wide type of redistribution mechanism of transferring resources from the rich to the poor, then it will provide the best tool for economics' transfer mechanism in the society.²⁹

Another important book reviewed is *Why Zakah? Purposes and Objectives* by Hassan al- Bannah.³⁰ The writer outlined four basic objectives of the institution of *Zakat*. He was of the view that purification is one of the basic objectives for the institution of *Zakat*. To support this view, He quoted a verse from the Qur'an, which reads: 'Take alms (*Zakat*) out of their property, you would cleanse them and purify them thereby'.³¹ According to him, this verse demonstrates the spiritual significance of *Zakat*. He was also of the view that the term 'purification' does not only connote purifying one from the love of this world, attachment to material wealth, greediness and miserliness but also implies washing away dirt from the material wealth one may have acquired in the course of seeking his livelihood.

The writer also mentioned eradication of poverty as one of the basic objectives for the existence of *Zakat*. He was of the opinion that *Zakat* is an instrument established by Islam to eradicate poverty among the members of the Muslim Community and to be able to achieve this objective, the writer is of the view that *Zakat* must be utilized to develop the economy so that the wealth of *Zakat* could be regarded as productive assets.

²⁹ Pramanik Ataul Huq, *Development and Distribution in Islam*. Pelanduk Publications, 1993.

³⁰ Hasan al- Bannah, *Why Zakah? Purposes and Objectives* (Islamic Institute for Development and Research 2013), 1-2.

³¹ Qur'an 9:103

Economic Empowerment was identified by the writer as one of the basic objectives of *Zakat*. He indicated that the economic empowerment of deprived communities is the utmost objective of *Zakat* and therefore the objective of the *Shari'ah* does not limit itself only to an individual.

Socio-Economic Justice according to the writer as an objective of *Zakat*, is to ensure that human beings are made to understand that there is the need to be responsible to one another as fellow human beings. The researcher shares this position only to the extent that wealth is a trust from God, to be acquired by lawful means and to be spent on oneself and society in order to preserve the quality of life intended for us by God.

Sayyid Qutb's book on *The Life and Legacy of a Radical Islamic Intellectual*³² was a very useful reference text on *Zakat*. According to him, *Zakat* reflects the much broader Islamic principle of social justice. It strives to instill a social harmony and integrity by reducing the gap between the rich and the poor that once again reflects the central principle of *Tawhid*.

He stressed that *Zakat* and *Sadaqah* are not gifts but are duties, willed by God and definitely not acts of patronizing handouts. A very strong point raised in his work which is shared by the researcher is that, every person should live by his own labor and effort, but if this is not possible, then the community is responsible for his economic support. But instead of provoking hatred as a response to patron's condescension- self-evident in societies where such social taxes are unwillingly granted- In Islam, no one

³² James Toth, Sayyid Qutb, *The Life and Legacy of a Radical Islamic Intellectual*. 2014

feels degraded since all assets ultimately belong to God and people are merely caretakers or stewards of Allah's creation on earth.

Aland Mizel's article on '*How Zakat and Tithing Can Reduce Global Poverty*,³³' provides a very useful reference. The writer was of the view that our inability to address the problems of poverty despite our desire to do so, was because we have failed to address its root cause. He stated that, even though the United Nations had a strategic plan of eradicating poverty by the year 2015, it has not been able to do so have about three billion population of the world's population still living in poverty. According to him, the kind of system where tax revenues are dispersed and money is taken from the rich and given to the poor will not provide any solution to the problem. The writer states that even though the Bible has outlined some of the causes of poverty to be as a result of unwise decisions, one's irresponsible attitudes and carelessness, but he was of the view that in most cases, it was as a result of greediness of some officials in government seeking power and wealth and even religion which result into people becoming poor. He posits that it is because God is very caring, that is why He requires people who are religious to at least donate some percentage of their wealth to the poor and the needy ones and punish the recalcitrant. The writer claimed that less than 20% of the world population controls over 80% of the wealth and resources on the planet, and yet we have almost 1.4 billion Muslims and approximately 1.5 billion Christians who have beautiful systems like *Zakat* and Tithing enshrined in their scriptures to solve poverty but are rather interested in using these resources for something else.

³³ Aland Mizel, *How Zakat and Tithing Can Reduce Global Poverty and Starvation*, Kurdistan Tribune, 2017.

The researcher shares this position only to the extent that if Muslims truly comply with giving *Zakat* in the world today and Christians gave their Tithe regularly as expected of them, the problems of poverty, hunger, and starvation would be minimized greatly.

Another important book reviewed, was '*Islam and Development: Exploring the Invincible Aid Economy*'³⁴ The writers Mathew Clarke and David Tittensor, are of the view that *Zakat* is not the only institution in Islam designed purposely to combat poverty, rather institutions like *waqf* (religious endowment) and *Infaq* (charity to please God without asking for any favor) also perform similar functions. However, they are of the opinion that, it is the most important and prominent institution of social justice and charity in Islam expressly designed as a tool for addressing poverty and fulfilling the needs of the poor and the needy. *Zakat* according to the writers, highlights the fact that Islam is against inequality, injustice, discrimination, exploitation, deprivation and suffering, though its very existence also suggests that Islam acknowledges, at the same time that, poverty itself is a common social characteristic of all societies. They argue that even though historically, Muslims have shown great success using *Zakat* to alleviate poverty in society, its successful effects have been felt only in some limited periods, otherwise poverty has widely featured in the Muslim world.

Writing in his book *Economic Justice in Islam*³⁵, S.M. Yusuf for his part, defines poverty from the Islamic perspective as lack of satisfaction for basic needs of life (food, clothing, and housing). According to him, it is significant that a poor person is described as one whose basic needs are unsatisfied but who would not beg anyone. He opines that, it is the duty of the society and the State to attend to want and alleviate

³⁴ Clarke M. and Tittensor David, *Islam and Development: Exploring the Invincible Aid Economy*, (Deaken University, Melbourne, 2013), 66.

³⁵ S.M. Yusuf, '*Economic Justice in Islam*,' India, Nusrat Ali Nasri for Kitab Bhavan, 2009.

distress before there is a demand and a clamour for it. The essence of social and economic justice according to the writer, is the acceptance by the society, through the agency of the State, of its collective responsibility to look after the satisfaction of the basic needs of each individual including, the disabled, the decrepit and the handicapped.

1.11 Structure of the study

The Study is organized into five chapters. Chapter one is the Introduction which included the background of the study, statement of the problem, objectives of the study, methodology of data collection, limitations and scope, significance of the work, literature review and the organization of the Study.

Chapter two which is entitled 'The Concept of *Zakat in Islam*,' discussed *Zakat* as a pillar of Islam within the framework of social justice. It discussed the significance *Zakat* and the rules and regulations about the application of *Zakat* in any given Muslim society. It also dealt with the minimum amount (*Nisab*) of property on which *Zakat* is due, the collection and distribution of *Zakat*, conditions warranting the payment of *Zakat* and the significance of *Zakat*.

Chapter three entitled 'Muslim and Poverty Alleviation in Ghana,' analyzes the living situation among Muslims and attempts by stakeholders to work towards poverty alleviation through the institutionalization of *Zakat*. The Chapter first provided a general definition of Poverty and how the state authorities are dealing with it. It then examined the Islamic perspective on poverty alleviation before analyzing the factors responsible for the canker in the Muslim community and the various approaches by

emerging Muslim NGOs and other Muslim groups to reduce poverty in the Muslim community.

In Chapter four, the researcher analyzed the main findings of the research in the selected Muslim communities namely; Madina UN and Tuba that examined how the institution of *Zakat* is being practiced. It also discussed the challenges and prospects of the practice.

Finally, Chapter five which is the conclusion, presented chapter summaries, main findings and recommendations.

CHAPTER TWO

THE CONCEPT OF ZAKAT IN ISLAM

2.0 Introduction

This chapter will explain *Zakat* as a pillar of Islam and its social and economic significance in society. The chapter will among other things discuss the collection *and* distribution of *Zakat*, the minimum amount (*Nisab*) of property on which *Zakat* is due, conditions and requirements concerning the *Zakat* and the Qur'anic recipients of the *Zakat*. In the discussions, the researcher will utilize the resources in the Qur'an and *Sunnah* as primary sources. It will also highlight briefly how *Zakat* was practiced in early Islamic history and use the period of the Khulafaur- Rashidun to illustrate.

2.1 Zakat as a Pillar of Islam.

The word ‘*Zakat*’ literally means to grow or to increase. According to Qaradawi,³⁶ the word has been mentioned a significant number of times in the Qur'an. He states that the word has been mentioned in isolation thirty-two times and eighty- two times in conjunction with other pillars of Islam. In *Lisan Arab*, it is said that the root of the word *Zakat* in Arabic means cleanliness, growth, blessings and praise. Therefore, *Zakat* is the means of increasing, cleansing, purifying of growth and getting blessings from almighty Allah. However, when used technically in *Shariah*, *Zakat* is a concept referring to the distribution of wealth prescribed by God in Qur'an 9:60-66 to a deserving category of people who would be forced to beg because they do not have. Consequently, begging is an act Islam discourages and the Prophet is reported to have said ‘Whoever begs from people to accumulate wealth, he is asking for live coal (fire)

³⁶Yusuf al- Qaradawi, *Fiqh al-Zakah: A comparative study of Zakah, Regulations and Philosophy in the light of Qur'an and Sunnah*. Saudi Arabia: King Abdul- Aziz University, 1999.

from hell, so let him ask for a lot or a little.’³⁷ What this means is that, if everyone pays *Zakat* to the poor and the needy, it will go a long way to discourage begging in society, since the poor will use the proceeds of *Zakat* to do some business or productive venture. Extreme poverty is a major social problem which Islam frowns upon because it dehumanizes. *Zakat* has many objectives among which are the elimination of greediness among Muslims as well as the love for materialism. Overall, it is expected that the payment of *Zakat* will purify the income of the *Zakat* payer, reconcile the hearts of the payer and beneficiaries (*asnaf*), satisfy the basic needs of the poor and needy and solve the social problems such as poverty, unemployment, indebtedness, and unfair income distribution.³⁸ *Zakat* may therefore be considered as a door to investment and assist in development especially because it has both social and economic aspects.

To understand the pillar of *Zakat* properly, it is important to situate it within the overall Islamic understanding of wealth and riches. As intimated by Zaki Hammad,³⁹ ‘Resources ultimately belong to Allah the Creator. Wealth and resources that are harnessed by human beings for sustenance are not only gifts from God, but are also considered as trust to the human beings that goes with accountability.’ Due to the fact that the resources belong to Allah alone, Allah has given certain guidelines as to how these resources should be utilized for the benefit of the individual and the society at large in order to achieve both moral and economic equilibrium. Therefore, Qur’an in several verses⁴⁰ commands Muslims to spend their God-given wealth or resources in the way of Allah. These commands teach Muslims several principles and values that seek to improve the welfare of the individual and society as a whole.

³⁷ Sahih Muslim Vol. No. 3, Hadith No. 2399

³⁸ Yusuf al- Qaradawi, *Fiqh al- Zakah*, Translated into English by Monzer Kahf: Jeddah Scientific Publication Centre, King Abdul-Aziz University, 2010.

³⁹ Zaki Hammad, ‘Zakat Foundation of America’ Author House, 2008.

⁴⁰ Qur’an 8:2-4.

As a result, the payment of *Zakat* demonstrates one's loyalty to Allah, for by renouncing part of his/her property and wealth willingly in obedience, the Muslim exhibits love for Allah. It is in the light of this that the Qur'an stated, 'Allah has purchased of the believers their persons and of their good. For theirs in return is the garden of paradise.'⁴¹ According to Imam al- Ghazali, the payment of *Zakat*, also represents a test of one's character, especially after the declaration of the confession of faith (Shahada), 'There is no God but Allah- Muhammad is God's Messenger.' This truth of claim to love is therefore put to the test, and one is asked to give up the wealth that Allah has bestowed on him/her and that is so desired and loved. By doing this, Allah teaches that true piety is given away one's wealth in spite of love for it to lose relatives, orphans, the wayfarer and beggars, the emancipation of slaves and for those who do not have. This practice of willingly giving, helps in the elimination of miserliness, which is considered a vice and a deadly sin. This habit according to Imam al- Ghazali is only eliminated by making oneself accustomed to spending money but it teaches caring and sharing. According to Ghazali, payment of *Zakat* is also an expression of gratitude to Allah for the many personal and material benefits received.

According to Zaki Hammad, there are those who may genuinely find it difficult to earn a living through their own labour, due to lack of opportunity, depressed wages or income in every society. He further explains that, in the absence of adequate social restraints and mechanism for redistribution, wealth will invariably concentrate in the hands of few people and to the detriment of the underprivileged. In order to counter this problem, God in His own wisdom established the institution of *Zakat*, which is a compulsory tax levied on the relatively rich in society to cater for relatively poor in

⁴¹ Qur'an 9:111

society. Thus, the *Zakat* which is the third pillar of Islam, is a response to social concerns towards the poor and the determination to address poverty which dehumanizes people. *Zakat* therefore aims to provide adequate and suitable standard of living and to help Muslims remain above the level of poverty. It is also meant to assist recipients to achieve a better quality of life and in turn become contributors for the well-being of others. Through this, Muslims are able to contribute to the welfare of other Muslims in different ways. Subsequently, in the Islamic understanding, the emphasis is on the need for equitable distribution of income and wealth for the fulfillment of the needs of humankind.

Abu-Shariff has explained that *Zakat* is a tool of reducing arbitrary dominance of capital. He explained that Islam has mandated the rich to give part of their wealth to the poor in order to ease their suffering. It is charged when ordinary wealth exceeds the essential needs of the owner, this is called *Nisab* in Islam. This implies that the money will be transferred from the area of surplus to where it is needed and this could really reduce the level of arbitrary dominance of capital resources and at the same time increase the level of resource utilization in the society and also improve the welfare of the poor in society. He added that, there are some poor and needy people in society who have skills and are willing to be productive, but due to one reason or the other, they are financially handicapped, but as soon as this category of people get money either in the form of *Zakat* or *Sadaqah* (Charity), they will put them into productive use since they are willing to do so.⁴² It is obvious from the foregoing, that the institution of *Zakat* can be used as a mechanism not only to address the economic injustice, but also the alleviation of poverty. Subsequently, the institution of *Zakat* aims to eliminate the gaps and differences between the rich and the poor in the society. This way, property will

⁴² Abu -Shariff, 'Economic System in Islam', Abushariff's publishers, Illorin, 1999.

not be something that is owned by one class only. Through *Zakat*, the rich share with the poor who will then be able to meet their needs and live comfortably in the community.

For Muhammad bin Jamil Zeno,⁴³ if one ponders carefully, on texts of the Qur'an and the *Sunnah*, there is a great wisdom in the institution of *Zakat*. According to him, the lightening of the burden of a Muslim debtor, by helping him to pay off his debts, helping the stranded traveller to complete his journey from the *Zakat* fund, and the fact that one's heart will be cleansed from the despicable qualities of miserliness and stinginess, and their effects as a result of paying *Zakat*, are indeed good steps in alleviating poverty. From the above, it is clear that whilst certain categories of people are entitled to *Zakat*, others are not entitled to it as it is wealth taken from a particular category and given to another category. For example, the rich Muslim is exempted from collecting *Zakat*, as he/she is rather obligated to pay; so are close dependents or relatives⁴⁴. In actual fact, *Zakat* is the means of increasing, cleansing, and purifying of growth and of blessings and of ensuring protection against poverty and of submission to Almighty Allah.

2.1.2 Collection of Zakat

Because of the importance of *Zakat* as an economic system that can help in the alleviation of poverty, Islam has institutionalized the collection and distribution of *Zakat* with the expectation that, it will be effective. According to Yusuf al- Qaradawi, the collection of *Zakat* began when Prophet Muhammad (SAW) was in Makkah long

⁴³ Muhammad bin Jamil Zeno, 'Lines for Individual and Social Reform', 2014.

⁴⁴ E.g. Grandparents, parents, the spouse of the payer, children and grandchildren, are exempted from benefiting from *Zakat* proceeds. Also, non-Muslims and apostates are not entitled to *Zakat*.

before *Zakat* was made a pillar of Islam.⁴⁵ *Zakat-ul-fitr* or a voluntary form of *Zakat* is where a staple food of a particular country or community is shared to the poor before *Eid* in the month of *Ramadan*. The reason for this particular law was to help the poor who as a result of having reverted to Islam were being tortured and boycotted by the Makkans. However, the payment of *Zakat* was made obligatory on wealthy Muslims after the Prophet's migration to Madina. According to Yusuf al-Qaradawi, the rationale behind the obligatory nature of *Zakat* was to enable the establishment of the government in Madina to function effectively and as a result cater for the welfare of the population. This was necessitated to ensure an efficient collection of *Zakat* or wealth to be distributed equitably.

Islam has imposed *Zakat* on wealth and properties which as stated before have the attribute of increasing and which also could be preserved safely, for which reason it is assessed every year during which one has had ample chances of spending. It is based on this principle that gold, silver, cash,⁴⁶ business stock, goats, sheep and cattle which themselves by grazing and all the produce from the land are assessable for *Zakat*.

With regard to *Zakat* collections, the *Sunnah* documents the authorization of intermediaries within the early Muslim communities. The most important Hadith authorizing the community's enforcement of *Zakat* payment is traced to Abu Bakr, the first Caliph who justified the use of force in collecting *Zakat* from tribes refusing to pay. Abu Bakr identifies *Zakat* directly with Salat (Prayer), implying that one who refuses to pay *Zakat* is not truly a Muslim: 'I will fight those who differentiate between

⁴⁵ Yusuf al-Qaradawi, *Fiqh al Zakah*, Translated into English by Monzer Kahf: Jeddah Scientific Publication Centre, King Abdul-Aziz University, 2010. P. 749.

⁴⁶ Mubarak Ahmad, *The Philosophy of Zakat*, Paper presented at the 1975 UK Annual Gather 15th January, 2019.

(Salat) prayer and *Zakat*.⁴⁷ So from the period of the first caliphate, there is a precedent for the mandatory payment of *Zakat* to the central government, which is then distributed to the deserving categories of people. Invariably, Abu Bakr was continuing with one of the policies of the Prophet.

2.1.3 NISAB

Against this historical background, *Zakat* is considered a compulsory act of worship that requires Muslims who own wealth above a certain threshold called the *Nisab* to donate a portion of that wealth, typically 2.5% to those who are eligible except farm produce. *Nisab* is defined as the amount of wealth or property which makes one liable to pay *Zakat*. If one does not possess the *Nisab*, then he or she is considered poor and not liable to pay the *Zakat*. In order to be liable to pay *Zakat*, the property or wealth on which *Zakat* is paid should be in the possession of the payer for a whole lunar year. However, there are some categories of wealth by their nature which do not stay in the possession of the payer for a whole lunar year. Therefore, because what comes out from the land for example, is perishable and may not last for a year, it should be paid immediately after harvest. Two measures are used to determine the *Nisab*, these measures are either Gold or Silver.

The Types of Wealth on which Zakat is to be collected are:

1. Precious Metals (Gold, Silver and Money).
2. Livestock (Camels, Cows, Sheep and Goat).
3. Farm Products- mainly on Cereals (Rice, Corn, Barley, Lentils, Millet and Guinea Corn).

⁴⁷ Sahih al- Bukhari 1399, 1400. Book 24, Hadith 5.

4. Commercial Goods

2.1.3 Zakat on Gold, Silver and Money

The payment of *Zakat* on gold and silver, derives its validity from the Qur'an and the Ahadith of the Prophet (SAW). The Qur'an declares: 'And those who hoard up gold and silver, and spend them not in the Way of Allah, announce unto them a painful torment.'⁴⁸ This is a clear warning for those who have these items to pay the requisite amount. Subsequently, the *Nisab* on these items have been worked out as follows:

The *Nisab* on Gold, Silver and Money depends on the real value of Gold, which changes from time to time. The *Nisab* for Gold is 20 *Dinars* (Gold Coins), the *Nisab* for Silver is 200 Dirhams or 20 *Dinars*. Thus, if a person intends to pay *Zakat*, there is the need for him or her to know the real value of Gold or Silver. The Prophet (S.A.W) said: 'When you possess two hundred *dirhams* and one-year passes on them (*Hawl*) five *dirhams* are payable. Nothing is incumbent on you, that is on Gold, till it reaches 20 *Dinars* and one-year passes on them half a *dinar* is payable.'⁴⁹

Silver: The *Nisab* by the Silver standard is 21 ounces of Silver (612.36 grams) or its equivalent in cash.

Gold: The *Nisab* by the Gold standard is 3 ounces of Gold (87.48 grams) or its equivalent. But this will vary with the current market value of Gold which is approximately \$ 3,905.⁵⁰ The *Nisab* on gold, silver and money depends on the real value of gold, which changes from time to time. The *Nisab* for gold is 20 *Dinars* (gold coins), the *Nisab* for silver is 200 *Dirhams* (silver coins) and the *Nisab* for money is the

⁴⁸ Qur'an 9:34

⁴⁹ Sunnan an-Nasaa'i, Book of az-Zakah.

⁵⁰ [https:// www. Islamic-relief:.org> zakat>nisab](https://www.Islamic-relief.org/zakat/nisab). 11-06-2018.

value of 200 Dirhams or 20 *Dinars*. If a person intends to pay *Zakat*, there is the need for him or her to know the real value of gold or silver in his/ her country.

2.1.4 Zakat on Livestock

As far as livestock is concerned, the most valuable kind of wealth *Zakat* is due are the camels, cows, sheep and goats. *Zakat* is to be paid once a year on livestock such as cows, camels, sheep and goats when their number has reached the *Nisab*.

2.1.5 Zakat on Camels

When one has five grazing camels for one year, their due is one sheep which is also the due for 5 to 9 camels. The due for 10 to 14 camels is 2 sheep. For 15 to 19 camels is 3 sheep and for 25 to 35 camels, is a two- year- old camel. For 46 to 60 camels is a 4 year- old she camel. For 61 to 75 camels is a 5 year- old she camel, and for 76 to 90 is two 3- year- old she camels and for 91 to 120 is two 5 years-old she camel.

Number of cows owned

Zakat to be given

30 to 39

A two- year-old cow

40 to 59

A three- year old cow

Number of sheep or goats owned

Zakat to be given

40 to 120

A one-year-old sheep or goat

121 to 200

Two sheep or goats

201 to 399

Three sheep or goats

400 and above

One sheep or goat for each hundred owned

However, it is important to add that, if a person owns a minimum property required for *Zakat* but acquires additional property in the course of the year, and the amount is equal to the original property, then the person's *Zakat* will be calculated by combining the two properties. What this implies therefore is that, if a *Zakat* payer owns five camels and was able to acquire additional five in the same year, he or she is required to pay one goat as opposed to two goats paid from two sets of five camels each.

2.2.2 Zakat on Agricultural Produce

Agricultural products refer to harvests, crops or any product that grows on the land.⁵¹ Such products are liable to *Zakat*, as the Qur'an clearly stated "pay *Zakat* on the day of its harvest."⁵² These products are considered to comprise wealth as they are valuable for their possessor. The Qur'an used the word 'harvest' to emphasize the fact that agricultural products become Zakatable when they exist as grown crops and when they become useful for their possessor. Complete *Zakat* is to be paid on grains and crops whenever a crop is harvested, whether once or more in a year. Everything that land produces that can be eaten and stored is Zakatable. It is to be paid on wheat, barley, lentils, sorghum, maize, guinea corn, millet, rice and other grains, and all kinds of beans and peas, groundnuts, dates, olives and their equivalents in various parts of the world. It is not however, to be paid on fruits and vegetables which perish quickly when harvested, such as oranges, bananas, pineapples, mangoes, guavas, lettuce, spinach, tomatoes pepper, among others.

⁵¹ Yusuf al-Qaradawi, *Fiqh al- Zakah*, Muassassah, Risalah, Beirut 2002 vol. 1, p. 391.

⁵² Qur'an 6: 141.

The *Nisab* for grains and crops is 1,200 *Muddu -nNabi*⁵³ by volume. The rate of *Zakat* on such produce is one tenth for the farmer who depends solely on natural means of water. However, if the farmer depends on artificial irrigation, the *Zakat* is one twentieth.

2.2.3 Zakat on Commercial Goods

With regards to goods involved in trade, *Maliki law* clearly establishes that *Zakat* is not paid on goods unless they are intended for commerce. Accordingly, goods intended for personal use are not subject to *Zakat*. By contrast, goods such as real estate, land, clothes, wheat, all grains, fruit and animals are subject to *Zakat* payment provided they meet the minimum criteria for *Zakat* to become due. According to the *Maliki law*, many conditions should be complied with in order for the goods to become qualified for *Zakat* payment. They are: Intention, location, ownership through payment, payment for goods and length of time. There should be an intention by the owner to use the goods for merchandise and those goods intended for merchandise should be located in the market until a time when good profit is gained from them. A person who pays *Zakat* on property should have acquired it through an ordinary sale transaction and not by inheritance or other means that excludes a financial exchange in order to qualify for *Zakat* that year. Anything that is prepared for purchase and selling with the intention of making a profit can be defined as commercial goods. It is so named because it is not stable. It is displayed and thereafter it is removed, because in reality, the trader is not interested in his commercial goods just for the sake of it, but the profit to be realized from it. Commercial goods encompass all types of wealth, apart from currency. For example, cars, clothing, fabrics, steel, timber, and others that are intended for sale. It is

⁵³ A *Muddu-nNabi* is what can be contained by two hands of average size held together.

compulsory due to Allah's statement: "O you who believe, spend from the good things which you have (legally) earned, and of that which We have (legally) produced from the earth for you."⁵⁴ The money used in business is one of the most manifest wealth; it is therefore imperative to pay *Zakat* on it.

- Its value must have attained the *Nisab*; and the *Nisab* is estimated from the value of gold or silver.
- Lapse of one year on it.
- It should be for the sole purpose of business, that is, to earn a living from it.

If one changes his intention from selling to employing it for personal use, the year being counted is stopped. If he reverts to his intention of business, a new year is started afresh. If he does this in order to escape *Zakat*, the year being counted is not disrupted.

Payment of *Zakat* on Merchandise is paid.

After a complete year has elapsed, the trader takes stock of the merchandise for sale and its cost, according to its current market price. Subsequently, he pays *Zakat* from this- either from the goods directly or from its monetary value, as the need of the poor dictates.

Islamic Jurists, including Yusuf al-Qaradawi, have indicated that goods should be treated similarly to gold and silver as goods are simply a different type of money or currency. The *Zakat* rate and allowance of goods should be similar to that of gold, silver and currency, which is 25% and 85kg of gold allowance. Abu Obaid and Yusuf al- Qaradawi indicated that goods ought to be evaluated according to the market price

⁵⁴ Qur'an Chapter 2:267

rather than the cost. The selling price is the actual value of the goods and demonstrates how much they are truly worth.⁵⁵

2.3 Conditions for the Payment of Zakat

Zakat is obligatory on every free Muslim male or female, young or old. It is not obligatory on slaves because they are considered to be the property of their owners. Unlike the case with the *Zakat* on farm produce and collection of valuable objects, all the other categories of *Zakat* must have reached a quantity called *Nisab* and remained in that quantity for a year (*hawl*) can be due to be taken from each of them. In the case of farm produce, it must also reach the *Nisab* in quantity but *Zakat* will be due from the quantity or immediately the produce has been harvested. As the categories of property which attract *Zakat* vary from one another so do their (*Nisab*) vary from one another.

All the Muslim Jurists have agreed to the fact that *Zakat* is obligatory on the funds of a sane Muslim who has reached the age of puberty, however there is disagreement on whether it is obligatory on the funds of the child and the insane. Abu Ubayd, one of the scholars who disagreed for the use of the funds of the child and the insane to be used for the payment of *Zakat*, is of the view that *Zakat*, just like the other pillars of Islam, is an obligatory worship which requires intention as a prerequisite for one's worship to be accepted, since children and the insane have been exempted from any aspect of worship, then they are not obliged to pay the *Zakat* for this reason, he argues, the same thing should be applied in the payment of *Zakat*. Jabir bin Zayd, one of the scholars who was in favour of the use of the child and insane funds for the payment of the *Zakat*, argues that the verse of the Qur'an which states: Take *Zakat* from their wealth to

⁵⁵ Yusuf al- Qaradawi, *Fiqh al- Zakah, Muassassah Risalah*, Beirut 2002, vol. 1, p. 392.

purify and cleanse them,⁵⁶ speaks in general terms. According to him, since the verse did not specify a particular group of people, it includes everybody. He suggests that the purpose of *Zakat* itself supports this view, since *Zakat* aims at satisfying the needs of the poor and the needy as a sign of showing gratitude. Therefore, since the funds of the insane and child can achieve the purpose of *Zakat*, then the guardians who are responsible for payment, should do so on their behalf. Looking at the two arguments, it is the stance of the majority of scholars among the companions, that God made the institution of *Zakat* a right of the poor; the needy, and other beneficiaries. Since the verse did not make any specifications regarding the age and the sanity of the rich, then they are obliged to pay *Zakat*.

Similarly, scholars such as Ibn Othaimeen⁵⁷ and Yusuf al-Qaradawi, refer the issue to Qur'an's "Take *Zakat* from their wealth...",⁵⁸ and note that the verse does not literally exempt incapacitated persons from paying the *Zakat*. They argue that, the incapacity of minors and insane persons is not an adequate justification to exempt them from paying *Zakat*, particularly when those incapacitated persons are under guardianship. Thus, as long as the minors and the insane are under guardianship, they cannot be considered to be incapacitated.

Another category exempted from *Zakat* payment, are Public Bodies and Governmental Institutions. Clearly budgets are allocated to such institutions in order to ensure public welfare. Al-Qaradawi argues that public bodies and governmental institutions are not obliged to pay *Zakat* because what they possess is not owned by anyone in particular

⁵⁶ Qur'an chapter 9:103.

⁵⁷ Ibn Othaimeen, M., *Majmou Fatawah wa Rasaa'il AL Shaikh Muhammad Ibn Saleh Ibn Othaimeen* (Dar AlThurayah, Riyadh 2003, Ed. By AlSuaiman, F.). vol. 18, p. 16.

⁵⁸ Qur'an 9: 103.

but for the public which in effect is distributed.⁵⁹ Moreover, because public budgets have no specific owner responsible for *Zakat* payments, hence, it is illogical to impose *Zakat* on a non- identifiable entity.⁶⁰ Therefore the *Zakat* directive in the Qur'an, to 'Take *Zakat* from their wealth',⁶¹ obliges individuals, and supposes that wealth must be owned by individuals to be '*Zakatable*'. For the same reason, Al- Qaradawi and Ibn Othaimeen state that all public trusts and funds from *Waqf* or charitable communities are not subject to *Zakat*.

2.3.1 Zakat Administration

Zakat administrators (collectors) are officials appointed by the leader or his deputy to collect it from the rich. Among them are the custodians of *Zakat*, shepherds and clerks for its administration. They must be Muslims and should consist of those who are potentially not eligible for *Zakat*. This includes the family of the Prophet (SAW)-that is Banu Abdul Muttalib. It is related by al- Muttalib Ibn Rabi'ah ibn Harith Ibn Abdul Muttalib that he and al-Fadl Ibn Abbas went to the Prophet (SAW) order to ensure that *Zakat* administrators *Aamileen* live up to their responsibilities and do not violate the rules of its collection and disbursement or engage in any misappropriation of the *Zakat* funds, the Qur'an 9:60 mentioned them as one of the recipients of the funds. In fact, the Prophet (SAW) is said to have been the first *Zakat* administrator. Under his leadership, *Zakat* were collected and distributed by the appointed workers *Aamileen*. Mu'adh bin Jabal, and ibn al- Lutbyyah were among those who were appointed as *Zakat* administrators under the leadership of the Prophet (SAW). When Umar ibn al- Khattab became a Caliph, he also introduced many changes by setting many check points on

⁵⁹ Yusuf al-Qaradawi, *Fiqh al- Zakah Muassassah Risalah*, vol.1, p. 165.Beirut, 2002.

⁶⁰ Rahman M., *Zakat Calculation* (The Islamic Foundation, Leicester 2003). p. 24.

⁶¹ Qur'an 9: 103

highways. This practice did not end with the second *Caliph* but was maintained and practiced by successive *Caliphs*.

The main functions of the *Zakat* administrators include, gathering information, collecting, distributing, and keeping of records. These functions are categorized into two; namely collection and distribution. The functions of the collection department can be likened to that of revenue collectors or revenue officers in the modern world. Staff under this department is basically engaged in the gathering of statistics of *Zakat* payers and their *Zakat* items and ensuring that these items collected are well kept. The distribution department's roles can also be likened to the modern-day social insurance department or social welfare. Staff of this department is supposed to be trained to be able to look out for deserving recipients of *Zakat* funds and their needs. And to ensure that recipients of *Zakat* items are attended to without undue delay.

In order to ensure that the proceeds from *Zakat* get to the recipients without undue delay, the state and its *Zakat* distribution officers should keep records and statistics of those entitled to the *Zakat* and their individual needs, so that their due *Zakat* can reach them quickly, especially since some collected items may be perishable.

In the matter of collection of *Zakat*, both collectors and *Zakat*-payers have been directed to be responsible, trustworthy and lenient. According to the Prophet (SAW) 'Whoever had camels or cows or sheep and did not pay their *Zakat*, those animals will be brought on the Day of Resurrection far bigger and fatter than before and they will tread him under their hooves, and will butt him with their horns and (those animals will

come in circle): When the last does its turn, the first will start again, and this punishment will go on till Allah has finished the judgements amongst the people.’⁶²

Upon the appointment of Ubaydah ibn Samit as *Zakat* administrator, the Prophet (SAW) warned him: Fear God! And appear not on the Day of judgement in the state of one forced into carrying a (*Zakat*- embezzled) bellowing camel upon your shoulder while looking to me for help!⁶³

It is the responsibility of a Muslim government in an Islamic society to collect *Zakat*, however, if there is no such a body to carry forth the communal obligation of *Zakat* collection and distribution among Muslims, then the Muslims of each locality or region must create an independent *Zakat* agency to facilitate and manage this individually and communally obligatory worship. Only the most trustworthy and professionally qualified Muslims from each community, locality or region should administer the collection and distribution of *Zakat* funds. It is also important that these individuals should not only limit their responsibilities to only collections and distribution but must also see the need to educate Muslims about the importance of paying *Zakat* as the third pillar of Islam. They must also design detailed and effective plans that will optimize local collection and distribution sequences.

2.3.2 Zakat Distribution

There are eight categories of people outlined in the Qur’an as the beneficiaries of the proceeds from *Zakat* who are entitled for *Zakat* payment. According to the Qur’an: ‘Alms (*Sadaqah*) are for the poor and the needy, and those employed to administer the

⁶² Sahih Bukhari Vol. No. 2, Hadith No. 540.

⁶³ Tabarani, verified by Albani, Sahih Al-Taghib Wal Tarhib, no. 775.

(funds) and for those whose hearts have been recently reconciled to (truth); for those in bondage and in debt; in the cause of God; and for the wayfarer; (thus is it) ordained by God, and God is full of Knowledge and Wisdom.’⁶⁴ Obviously, the Qur’an is categorical about the recipients of *Zakat*. Therefore, Muslim leaders have no authority to use the *Zakat* funds for any other purpose except what has been earmarked for it in the Islamic State or Muslim society.

In his study on ‘Development and Distribution in Islam,’ Ataul Huq highlighted that out of eight beneficiaries of *Zakat* collection, six are for direct benefit of the poor and needy. Accordingly, *Zakat* play a very significant role in the redistribution of income in the society which is performed by the Muslim obligation. He further explained that from the economic point of view, *Zakat* provides incentives to produce, to invest, to save, to consume and to work hard. In his view therefore, if *Zakat* can be accepted as an economy-wide type of redistribution mechanism of transferring resources from the rich to the poor, then it will provide the best tool for economics’ mechanism in the society.⁶⁵ *Zakat* therefore helps the economy by encouraging people to invest. This is because, it is levied on wealth that remains idle for a year and has reached *Nisab*. This wealth if put in proper use, has the potential to grow and improve the economic condition of the people.

It is obvious from the foregoing, that the institution of *Zakat* can be used as a mechanism not only to address the economic injustice, but also alleviate poverty.

2.3.1 Beneficiaries of Zakat

The eight beneficiaries of *Zakat* are:

⁶⁴ Qur’an 9:60.

⁶⁵ Ataul Huq, *Development and Distribution in Islam*. Pelanduk Publications, 1993.

The Poor: This refers to those with insufficient means of livelihood to meet their basic needs. The poor depends on others for his sustenance. According to the Arabic usage, *fuqara'a* (poor), are all those people who depend on others for the necessities of life. The Arabic word *fuqara'a* is a general term for all those who are needy because of some physical defects, or old age, or temporarily out of living means, and can become self-supporting if they are helped like orphans, widows, disabled people and the unemployed. For example, in this category, are the disabled persons who cannot work and earn a living. Also, in this category are people who genuinely cannot earn as much resources to live decently and may even be reduced to the point of starving. According to Benthall, the category 'poor', may include 'orphans and foundlings, widows and divorcees, prisoners and their families, unemployed and homeless people, students who cannot afford to marry, disaster victims, and those in need of free medicines or dignified funerals.'⁶⁶

The Needy: According to the Arabic usage, *Miskeen* is an indigent person who is in greater distress than the poor person. The Prophet (SAW) enjoined the Muslims to help such people as they are unable to find the necessary means to satisfy their wants and are in very dire circumstances but are so self-respecting that they would not beg for anything. According to another definition, a *Miskeen* is one who cannot make ends meet, though his appearance does not show that he needs help. In brief, a *Miskeen* is a self-respecting person who has become needy. This refers to those who do not have material possessions nor means of livelihood. The *Miskeen* is defined as one who confines himself to his own house and who does not go begging after people, nor does

⁶⁶ Jonathan Benthall, 'The Care of Orphans in the Islamic Tradition, Vulnerable Children, and Child Sponsorship Programs,' *Journal of Muslim Philanthropy & Civil Society*, Vol.3.No.1 (2019): p.4.

he let them know of his poor condition. Such a person maintains his dignity even if he is at death's door and does not extend his hand begging.

Zakat Workers: This refers to people in *Zakat* administration, whose main responsibility is to collect and distribute *Zakat* funds. This category is paid from the *Zakat*. This not because of poverty or need but simply because they are administrators.

New Reverts: This category of beneficiaries is reverts to Islam who may require assistance to integrate into the Muslim communities. Due to fear of the non-Muslims, though they are definitely very much inclined towards Islam, they are unable to openly declare themselves Muslims. People who qualify under the interpretation of *Muallafat Qulub* are also people who may lose their means of livelihood if they declare openly, they are Muslims. However, some Islamic Jurists think that, this category of beneficiaries *Muallafat Qulub*, does not exist anymore. One of the reasons they gave for this assumption is that, when the Prophet (SAW) was alive, some of the *Zakat* proceeds were given to non- Muslims in order to encourage them to accept Islam. But since his demise, the Companions unanimously discontinued with that policy. When Umar Ibn al- Khattab succeeded Abu Bakr, and realized that Islam was spreading far and near, he put a stop to it.⁶⁷

The second reason was as a result of the emergence of human rights law that spoke against the discrimination of individuals for reverting from his religion to another.⁶⁸

No persons or individuals according to the human rights principles can prevent any person from changing his religion. This law actually protected the converts to Islam.

⁶⁷ Ibn Mannie, A, *Bohooth fi Aliqtisaad AlIslami*, Al-Maktab AlIslami, Beirut 1996.

⁶⁸ Article 18 of the Universal Declaration of Human Rights: 'Everyone has the right to freedom of thought, conscience and religion, this rights includes freedom to change his religion or belief.

For those in Bondage: The freeing of people in bondage refers to Muslim slaves who may be bought to give them their freedom. Their price may be paid out of *Zakat* funds. Alternatively, a slave might have agreed a deal to buy his own freedom and he is given what helps him to complete the deal and buy their freedom. This allows slaves to be good members of society, able to conduct their own affairs and to serve Allah's cause as best as best as they can.⁶⁹ On the basis of this, it has been stated that *Zakat* funds can be used to purchase slaves in order to free them from slavery irrespective of their (slaves) religious background.

The Indebted: This refers to people burdened by debts and unable to pay. This consist of several kinds of beneficiaries, for example those who took upon themselves responsibility to discharge a debt; those who guaranteed debts of others and therefore, upon default, the debts have become their obligation; those who mismanaged their finances; those who borrowed money because they had to; those who were involved in sinful acts and then repented; and those who had to pay a fine for repentance. In cases, the *Zakat* funds could be used to help such people from this situation. According to Yusuf al-Qaradawi, the *Zakat* authourity should not consider the debtor as a beneficiary unless the latter's debt meets the following three requirements: Firstly, to approve the application of a debtor for *Zakat* proceeds, the activities which created the applicant's debt must not be prohibited under Islamic law,⁷⁰ Therefore if someone owes an alcohol trader, gambling or is in debt because of bank interests, the authority will not be obliged to give the debtor any *Zakat* proceeds as such activities are illegitimate under Islamic law. However, any debts arising from legitimate activities are acceptable.⁷¹

⁶⁹ https://islamicfiqh.net/en/newmuslims/9/51/articles/80/the_beneficiaries-of-zakat. Accessed on February 14, 2018.

⁷⁰ Yusuf al-Qaradawi, *Fiqh- al Zakah* Muassassah Risalah, Beirut 2002, Vol .2, p. 97.

Secondly, if the applicant debtor has sufficient financial resources to pay the debt or has sufficient spare money, he cannot be considered as a beneficiary. Thirdly, the debt must be currently payable or be payable soon. If the authority finds that the debt is a long term one, to the extent that the applicant debtor can manage to afford to pay it off, the latter would not be eligible as a beneficiary of *Zakat*.⁷²

In the Path of Allah: *Fi sabil lillah* means for the sake of Allah- it is making use of knowledge and deeds to attain Allah's pleasure. Islamic Jurists agree that *Fi sabil lillah* are those activities that promote and protect the interest of Islam or the Islamic States. Al Qaradawi for example, also suggests that the *Fi sabil lillah* category does not only comprise those who are fighting to protect Islam, but any person or activist who intends to preserve Islam. This category has no precise definition or standard to identify the *Fi sabil lillah* beneficiaries.⁷³

The Wayfarer: This also refers to the stranded traveler who does not have enough money to complete his journey. Any person whether rich or poor could be a victim and may stand in need of financial assistance. Scholars agree that a traveler stranded in a foreign country should be given *Zakat* if he lacks the means to achieve his objectives. The extension of *Zakat* is, however, tied to the condition that the journey must have been taken for Islamically acceptable reasons. According to Malik and Ahmad, only the passer-by is eligible for *Zakat* and not one travelling within his own country.

On a priority basis, this verse clearly shows that the fulfillment of the needs of the poor and the needy is the most important in the effort to combat poverty in the Muslim

⁷² Abu Zaid, M., *Wajib AlHokomah AlIslamiya Iza' AL Zakat* Dar AL Nahda Al-Arabiya, Cairo 2009.

⁷³ Yusuf al-Qaradawi, *Fiqh al- Zakah* Muassassah Risalah, Beirut 2002.

community. The assistance offered to wayfarers and debtors with *Zakat* funds, gives a sense of social security. For those in bondage, the *Zakat* fund is used to ensure their freedom. Similarly, those ‘whose hearts are to be reconciled,’ implies to those who should be helped in order to be sincere to Islam and friendly to Muslims. Whilst ‘those who collect them,’ refers to the people in the administration of *Zakat*. There are differences of opinion as to what the term ‘way of Allah’ constitutes. According to Abu Ubayd, the term implies that, the proceeds from *Zakat* fund should be used only to equip the Muslims to enable them to partake in a holy war against the enemies of Islam.⁷⁴ However, other Islamic scholars opine that this limitation of the category of the ‘way of Allah’ is not acceptable. A renowned scholar ar- Razi, holds the view that the term ‘the way of Allah’, covers every act of piety such as construction of bridges, burial of dead and the expenses of mosques.⁷⁵ Considering the nature of *Zakat*, it seems appropriate to extend the scope of the term ‘the way of Allah’, beyond the defense of Islam, so that the ultimate purpose may not be defeated.

2.3.2 Zakat Administration During the Era of The Khulafaur-Rashidun

Abu Bakr

When Abu Bakr became the first caliph after the demise of the Prophet (SAW) in 632 CE, he did not only retain the managers of *Zakat* appointed by the Prophet, he also instituted a statutory *Zakat* system and established a principle that *Zakat* must be paid to the legitimate representatives. He therefore made intense efforts to enforce the payment of *Zakat* but was met with stiff resistance by some of the Arab tribes who objected to the payment of *Zakat*, saying that it was only paid to the Prophet when he was alive. Abu Bakr sent messengers to remind them that there is no distinction

⁷⁵ Yusuf al- Qaradawi, *Fiqah al- Zakah*, Beirut: Muassassah, Risalah, 1984, Vol. 2. P. 644.

between *Zakat* and *Salat*. He indicated that, the two are among the five pillars of Islam. He was recorded as saying 'If they withhold given *Zakat*, even a little rein of a camel or a small baby sheep (that is due them), I will fight them for it. *Zakat* is an obligation on properties. By God, I will fight whoever discriminates between *Salat* and *Zakat*.'⁷⁶ The people eventually had to comply with *Zakat* payment.

Even though his tenure as a Caliph lasted a little over two years, Abu Bakr was able to roll out a policy whereby a guaranteed minimum standard of income of twenty dirhams was granted to each recipients annually from the *Zakat* funds.

Umar

Giving his reasons for placing Umar Ibn al- Khattab 52nd on the list of 100 influential persons in human history, Michael Hart stated that his achievements as a Caliph was so impressive that it will be a grave mistake to ignore his contributions to humanity.⁷⁷

When Umar took over the leadership of Islam in 634 after the death of Abu Bakr, he introduced a new method of *Zakat* collection known as al-Ashir. This policy ensured that tax collectors were appointed and placed at several check points on major highways to collect taxes from Muslim traders. Again, in order to effectively manage the *Zakat* funds, Umar introduced the concept of Baytul-Mal (Public Treasury). There was no permanent Baytul- Mal during the time of the Prophet (SAW) as well as the era of the first Caliph, as a result, the revenues that were accumulated were not kept but were immediately distributed. In effect, one of the main purposes of the Baytul-Mal was to maintain the welfare and provision of the poor through investment. The Baytul-Mal played a very important role in building up of a sound economy of the Muslims. It

⁷⁶ Hadith- Fiqh-us-Sunnah, Vol. 3, p. 7.

⁷⁷ <https://www.islamicity.org/umar-ibn-al-khattab> 28-04-2017.

was from the public treasury that the poor, the widow, the orphans, the needy as well as the physically challenged were taken care of.

He also introduced a pension and welfare scheme as part of *Zakat*. Even though, there were other sources of revenue for the public treasury (Baytul-Mal), *Zakat* remained the prime source. Under his leadership, the poor were given stipends from the public treasury irrespective of their religious background. According to Ahmad Hanbali, when Mu'adh bin Jabal the governor of Yemen during the reign of Umar Ibn al-Khattab sent one-third of the *Zakat* collection in a particular year to him in Madina, the Caliph rejected the fund saying: 'I sent you to take from the rich and render it to the poor among them. 'He responded that he could not find anyone who deserved the *Zakat* money. The following year Mu'adh sent one- half of the *Zakat* collection and a similar conversation ensued between the two. In the third year, the governor sent all the *Zakat* collected to Umar and told him 'this year, I did not find any single person who needs from me anything of the *Zakat*.'⁷⁸

Uthman

During the era of the third Caliph Uthman Ibn Affan (RA), the dynamics of economy further evolved and to keep with changing dynamics, he divided property into two types i.e. visible property (Amwal al- Zahiriah) and non-visible (Amwal a- Batinah), he made *Zakat* on visible properties compulsory to be paid through state institutions and *Zakat* on invisible properties was left on individuals desire.⁷⁹ During the time of the Prophet (SAW) and the first two Caliphs Abu Bakr and Umar, Muslims were obliged to pay *Zakat* on their capital assets. They did not levy *Zakat* on horses and slaves, because many people had lost their horses in the cause of battles and they were not enough

⁷⁸ Ahmad, H., *Role of Zakat and Awqaf in Poverty Alleviation*, Islamic Research and Training Institute, Islamic Development Bank, Jeddah, Saudi Arabia.

⁷⁹ <https://books.google.dz>books>

horses in the system. On assuming office, Caliph Uthman Ibn Affan, realized that the number of horses and even slaves had increased considerably as a result of the expansion of the Muslim authority. The horses and the slaves at that time played very important roles as far as the economy was concerned. Uthman decided to review the position and ordered that *Zakat* should be levied on horses and slaves as well.⁸⁰ Other items that had also escaped taxation were levied, as a result the income of the State increased considerably.

Another very important issue that arose in the time of Uthman Ibn Affan was whether *Zakat* should be assessed by the person concerned or the State. His view on this issue which unfortunately, was met with mixed feelings by the people was that, since *Zakat* was not a tax but a religious obligation and as such a matter between the person concerned and His God, it should be assessed by the person concerned and then be collected by the State functionaries. This decision had a significant impact on the future of the state's role in the collections and distributions of *Zakat*.⁸¹

Ali

With regards to Caliph Ali, there was no significant changes as far as the practice of *Zakat* was concern compared to 'Uthman's period. The only difference was the political differences between Caliph Ali in Madina and Governor Mu'awiyah in Sham (Syria). This created confusion and the people didn't know who to fulfill their *Zakat* obligation to. He adopted a different strategy for the collection of *Zakat*. He gave a standing instruction as model code of conduct to *Zakat* collectors. He also directed them not to be harsh but rather considerate towards the *Zakat* payers and should accept

⁸⁰ www.alim.org/khalifa/content/KUT

⁸¹ <http://www.alim.org/librarybiography/khalifa/content/KUT/11/13>.

what they willingly disburse as their *Zakat* liability. In order to motivate them, the Caliph directed that any *Zakat* payer who paid his *Zakat* without being compelled to do so, would have the final choice of retaining what he wished. He also reminded the *Zakat* collectors that *Zakat* was in fact a person's due to Allah and should be distributed among the poor and the destitute fairly. He made it clear to them that the greatest crime is against the community when public funds are mismanaged. Caliph Ali focused his attention on the managers of *Zakat*. He monitored their behaviour to ensure that there was no coercion to the property owners and to guarantee their welfare.⁸² In order to ensure that there was strict supervision of his government officials; Caliph Ali divided his entire state services into dependents and sub-dependents. The Finance Department, Army, Central Secretariat, Judiciary and Provincial Offices was the structure of his government. The Finance Department was sub-divided into three departments namely: Land Revenue, *Zakat* and *Sadaqah*, Income from the sources of *Zakat* and *Sadaqah* was reserved for the administration of Collection and Distribution for grants donations and aids to the poor, orphans, aged, widows and physically challenged people.⁸³

2.4 Significance of Zakat

Zakat as an institution plays a very important role in the Islamic economic system and will go a long way in alleviating poverty in Muslim communities if properly implemented. Mathew Clarke and David Tittensor⁸⁴, are of the view that *Zakat* undoubtedly is not the only institution in Islam designed purposely to combat poverty and suggest that though institutions like *waqf* (religious endowment) and *Infaq* (charity to please God) without asking for any favour) also perform similar functions, *Zakat* is

⁸² <https://books.google.dz/books>

⁸³ Al-lim tripod.com>Administrator.

⁸⁴ Clarke M. and David Tittensor, *Islam and Development: Exploring the invincible Aid Economy*, (Deaken University, Melbourne 2013), 66.

the most important and prominent institution of social justice and charity in Islam expressly designed as a tool for addressing poverty and fulfilling the needs of the poor and the needy. *Zakat*, according to the writers highlights the fact that Islam is against inequality, injustice, discrimination, exploitation, deprivation and suffering. But it also points to the fact that Islam acknowledges poverty, which is common social characteristic of all societies. They argue that even though historically, Muslims have shown great success using *Zakat* to alleviate poverty in society; its successful effects have been felt only in some limited periods and areas. This is confirmed by the fact that poverty is endemic in contemporary Muslims societies.

It is against this background that Saiful Azhar⁸⁵ argues strongly that *Zakat* plays a very important role in poverty eradication and income redistribution of Muslims which is a critical component of public finance in Islam. He indicated that *Zakat* administration in essence deals with the collection of *Zakat* from *Zakat* payers and distribution of *Zakat* to the eight recipients. He further explained that the increasing number of shareholdings by Muslims in business corporations as well as companies using the Islamic label such as Islamic banks and *Takaful* companies have provided strong basis for a systematic and efficient system of collection and distribution.

From the discussion so far, it is clear that circulation of wealth rather than accumulation is the objective of the Islamic economic system. This is because accumulation of capital will result into slowing the economic activities of the society. This is supported by the Qur'anic verse which states: 'Whatsoever, Allah may restore unto His Messenger, is due unto Allah and His Messenger, the orphans and the needy so that it may not be

⁸⁵ Saiful Azhar, Malaysia and Islamic Economics, International Center for Education in Islamic Finance; (Paper presented at the Hadrri Economic Roundtable Conference, University Kebangsaan Malaysia, 25th November, 2008, Malaysia.

confined to the rich amongst you.’⁸⁶ Therefore for a country to gain economic development, it is important that its capital should circulate instead of accumulating, because accumulation of capital will result into slowing the economic activities.

Zakat helps in redistribution among the communities and prevent the accumulation of wealth in the hands of few whilst serving as a preventive mechanism against poverty. It could be used as a part of a long-term strategy for the alleviation of poverty. *Zakat* does not only provide relief to the poor but also makes it possible for them to own the means of production by giving them the tools and machinery necessary for productive work, so that they will be removed from the category of the poor and the needy.

2.5 Conclusion

This chapter discussed the history, meaning and significance of *Zakat* in Islam. It also dealt with the types of wealth on which *Zakat* is due, the *Nisab* and the recipients of *Zakat* as clearly stated in the Qur’an. In the chapter, the researcher also explained how *Zakat* funds were administered during the time of the Prophet (SAW) and in early Islam. But more importantly the chapter brought out the significance and objective of *Zakat* as a mechanism for the alleviation of poverty and avenue for creating social justice (a principle upon which Islam is founded) in Muslim society.

Accordingly, *Zakat* makes the Muslim community a single family in which the strong helps the weak and the rich helps the poor. In the next chapter, an attempt will be made to explore how Ghanaian Muslims are using the institution of *Zakat* to address poverty.

⁸⁶ Qur’an 59:7

CHAPTER THREE

MUSLIMS AND POVERTY ALLEVIATION IN GHANA

3.0 Introduction

In the previous chapter, the researcher examined the Institution of *Zakat* in Islam and its significance. It stated among other things that it can help reduce poverty which since time immemorial, has confronted human beings. Thus culture of poverty still persists in many 21st century societies including Ghana, with a sizable Muslim population. This chapter discusses the general definitions of poverty and the Islamic perspective of poverty. It will then examine the causes of poverty particularly among Muslims as it presents in Ghana, the attempts by the state and Muslim stakeholders to address the situation, and the role of *Zakat* in this enterprise.

3.1 Definition of Poverty

There is no universally accepted definition of poverty even though many attempts have been made to define it by scholars who have written on issues related to poverty. According to Abdullah- Al- Mamun and Joseph Adaikalam before 1995, there was no internationally agreed definition of poverty and, that it was at the World Summit for Social Development in Copenhagen that the definition of absolute poverty as ‘a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information’ was adopted. According to them, poverty encompasses lack of income, lack of productive assets, lack of education and quality entertainment, ill- health, inadequate housing, unsafe living environment, and poor social and cultural life⁸⁷. Irfan ul Haq defines poverty as a state in which one lacks the basic needs of food, clothing and shelter that

⁸⁷Abdullah Al- Mamun and Joseph Adaikalam, ‘Examining the Level of Unsatisfied Basic Need among Low- Income Women in Peninsula Malaysia, *International Research Journal of Finance and Economists* (2011): 74.

are necessary not only for continued survival but also for a healthy and productive survival.⁸⁸ Mwangi Esther and Helen Markelova in their study also revealed that poverty refers to whether individuals or households possess enough resources or abilities to meet their current needs. This definition also implicitly includes the probability or risk of falling deeper into poverty at some point in the future.⁸⁹

According to Khan Reza Ali, it is very difficult to have a precise definition of poverty. Poverty according to him is hunger, complex and confusing term, and as yet, there is no consensus on the concept and definition of poverty, some relate it to paucity of food, while others call it a state of being underpaid for a given job. He further stated that, no two social scientists agree on how to define poverty, what is the poverty line and how to measure it, has made this issue more complex.⁹⁰ Muhammad Tariq, in his study on the historical role played by Islamic *Waqf* in the reduction of poverty, identified the following as the most important and tangible dimensions of poverty or the problem of poor people: shortage of food leading to ill-health, inadequate levels of health due to less food, lack of medicine and sanitation, lack of education and education opportunities, lack of shelter, clothing and empowerment, lack of economic opportunities, and lack of income, non-availability of water for drinking and sanitation and irrigation, and poor social and cultural life.⁹¹ Joseph Orji (in his book *New approaches to effective poverty alleviation in Nigeria*) also argued that poverty can be conceptualized as a phenomenon that exists at National, community, household and

⁸⁸ Irfan ul Haq, *Economic Doctrines of Islam*, Herndon: International Institute of Islamic Thought, 1996.

⁸⁹ Mwangi Esther and Helen Markelova. 'Collective Action and Prosperity Rights for Poverty Reduction'. A Review of Methods and Approaches, *International Food Policy Research Institute*, Washington, DC. USA CAPRI Working Paper No. 82, 2008.

⁹⁰ Khan Reza Ali 'Understanding Poverty through the Eyes of Low Salaried Government Employees': A Case Study of the NED. University of Engineering and Technology. *The Pakistan Development Review* 46:4, Part II, 623-641. 2007.

⁹¹ Muhammad Tariq, 'The Historical Role Played by Islamic Waqf in the reduction of Poverty,' *Pakistan Institute of Development Economic*, Islamabad, 2014.

individual levels. He opined that at the national level, poverty represents a state of general socio-economic underdevelopment arising from poor human resource endowment, low productivity and stagnating national income or gross domestic product, inadequate availability of social and infrastructural facilities and services and a general inability to provide a minimally decent living for the ordinary citizens. At the community level, poverty is a state of general socio-economic deprivation arising from environmental and natural resources degradation, inadequate to social services and basic infrastructure, inadequate local employment and income generating opportunities and general appearance of physical decay and wasting of community assets. At the household or individual levels, poverty is the inability to gain access to basic necessities of life, such as food, clothing and decent shelter and so on.⁹²

The most commonly method to measure poverty is based on incomes. A person is considered poor if his or her income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the ‘poverty line.’ What is necessary to satisfy basic needs varies across time and societies. Therefore, poverty lines vary in time and place, and each country uses lines which are appropriate to its level of development and societal values⁹³.

The Ghana’s Poverty Reduction Strategy Paper⁹⁴ (GPRSP) of 2001 also defined poverty as not only by the low level of income but also by the absence of medical services, lack of good drinking water and inability to participate in governance. The

⁹² Joseph, I. Orji, ‘New approaches to effective poverty alleviation in Nigeria,’ Joyce Graphics Printers and Publishers, Kaduna- Nigeria.

⁹³ Ugo Gentilini and Andy Summer, ‘What do National Poverty Lines Tell Us about Global Poverty?’ <https://www.ids.ac.uk/files/dmfile>.

⁹⁴ World Bank file, ‘Poverty Reduction Strategy Formulation’- Ghana *Case Example* 2000, <https://www.worldbank.org/participation/ghanacase>.

current definition of poverty which seem to be generally acceptable and used, are the absolute, relative and social exclusion. The lack of sufficient resources with which to keep body and soul together is defined as the absolute poverty. The inability of one to fully participate in daily life affair because he or she lacks the material needs to do so is classified as relative poverty, whilst the social exclusion refers to the situation where a particular society suffers from different kinds of poverty related problems like low incomes, unemployment and poor housing. Absolute and Relative poverty are two different abstract principles normally used to determine whether one is poor or not. If one's income level falls below what is needed to sustain a minimum standard of living, then he or she is considered by this yardstick as poor.⁹⁵

According to Margaret Essamuah and Steve Tonah, poverty is a relative concept and its definition changes from place to place and across time, but according to them, it is generally defined in terms of what is considered to be unacceptable physiological and social deprivation that an individual or community experiences. They further explained that, even though the method of measuring poverty at the individual level, is the most widely used method, Ghana however, measures the incidence of poverty by considering households with an average consumption of level of goods and services totaling below 900,000 cedis per annum in monetary terms to be poor.⁹⁶

With regards to the conventional definition to poverty, the approach used to measure the minimum standard of living is the basic needs approach. The basic needs approach

⁹⁵ 'Understand different faces of poverty and social exclusion in old age', accessed on March 25, 2019. <https://ageing-equal.org/understand-different/>.

⁹⁶ 'Government of Ghana, Ghana Poverty Reduction Strategy 2003-2005'. An Agenda for growth and Prosperity, Accra, Ministry of Finance.

looks at the economic, social, political and cultural needs. If all these basic needs are fulfilled, then one is said to have attained the minimum standard of living.

UNDP's Human Development Report in 1997,⁹⁷ introduced the concept of human poverty. It argued that if income is not the sum total of well-being, lack of income cannot be the sum total of poverty. According to the report, human poverty does not focus on what people do or do not have, but on what they can or cannot do. It is a deprivation in the most essentials capabilities of life, including leading a long and healthy life, being knowledgeable, having adequate economic provisioning and participating fully in the life of the community. The report further identifies direct and indirect measures of human poverty. The direct measures are illiteracy, malnutrition, poor maternal health and illness from preventive diseases. The indirect measures on the other hand, are lack of access to goods, services and infrastructure, energy, sanitation, education, communication and drinking water necessary to sustain basic human capabilities.

3.2 Ghana Situation

Despite the numerous programs pursued by successive governments over the years to accelerate the growth of the economy, the programs have not been very effective in ensuring that poverty is alleviated in the country. Few examples of these programs were the Programme of Actions to Mitigate the Social Cost of Adjustment, the Economic Recovery Program, Structural Adjustment Programs and the Ghana Poverty Reduction Strategy.

⁹⁷ UNDP, 'Overcoming Human Poverty', *In Poverty Report New York*, U.S.A.2000.

3.2.1 Programme of Actions to Mitigate the Social Cost of Adjustment (PAMSCAD).

The Programmes of Actions to Mitigate the Social Cost of Adjustment (PAMSCAD), was initiated in 1987 with the prime objective of addressing the needs of the vulnerable groups who were in uncertain condition due to the earlier periods of economic decline. These included small farmers, mainly in the regions of northern Ghana, whose productivity was very low and who also faced hunger and unemployment during the less farming season. Others were urban-based unemployed and underemployed, and workers and workers retrenched from the public and private sectors of the economy due to these policy reforms. Projects implemented under PAMSCAD included a set of community-based projects that were to help in the rehabilitation and construction of social and economic infrastructure, thereby generating employment. However, an evaluation of the programme indicates that it was unsuccessful and inadequacy tackling the levels of poverty of the target population.⁹⁸

3.2.2 The Economic Recovery Program

In 1983, the government launched the Economic Recovery Program (ERP) under the guidance of the World Bank and IMF. The overriding purpose of the ERP was to reduce Ghana's debt and to improve its trading position in the global economy. The stated objectives of the program focused on restoring economic productivity at minimum cost to the government and included the following policies: lowering inflation through fiscal, monetary and trade policies; increasing the flow of foreign exchange into Ghana and directing it to priority sectors; restructuring the country's

⁹⁸ Asenso K.O., *Integration of poverty alleviation programmes into overall development strategies with special reforms to Ghana's PAMSCAD*, Saga Publication, Accra, Ghana, 1993.

economic institutions; restoring production incentives; rehabilitating infrastructure to enhance conditions for the production and export of goods, and finally, increasing the availability of essential consumer goods. In short, the government hoped to create an economic climate conducive to the generation of capital. The ERP was carried out in three phases. Beginning in 1983, the government focused on reducing its expenditures while creating incentives for private production. Initial expenditure cuts and improved tax collection brought the budget deficit down from 6.3 percent of GDP in 1982 to 0.1 percent by 1986 relieving government pressure on the banking system, while a series of cedi devaluation boosted export activity. During the second phase, which lasted from 1987 to 1989, the government moved to divest itself of many assets through privatization and to institute radical foreign exchange reforms to devalue the cedi further. Although privatization was sluggish, the hard currency black market was nearly eliminated with the introduction of foreign exchange bureaus in 1988. In the ERP's third phase, the government intensified monetary reforms and reduced private corporate taxes to boost private-sector growth. By the end of 1991, ERP efforts had improved the country's international financial reputation, because of its ability to make loan repayments (although not wipe out foreign debt) and its first entry onto international capital market in almost two decades. Critics maintained however, that the ERP had failed to bring a fundamental transformation of the economy, which still relied on income earned from cocoa and other agricultural commodities. Critics also contended that many Ghanaians had seen few, if any, benefits from the program. In addition to its focus on stabilizing the country's financial structure, the ERP also aimed to promote production, especially in the export sectors. In 1986 the government began to rebuild infrastructure through a US\$ 4.2 billion program, more than half of which was provided by external sources. This amount was provided roughly equally among infrastructure

repair, energy imports and export industries. Increased import financed by the IMF, the World Bank, and other sources made possible the rehabilitation and repair of some key parts of the infrastructure through the supply of spare parts and inputs for industry, mining, utilities and agriculture. Although the ERP was geared primarily toward restoring the country's international economic standing, it came under popular criticism inside Ghana for ignoring the plight of those not involved in the export sector. The overwhelming shift in resources was toward cocoa rehabilitation and other export sectors not toward food production. Government employees especially those in state enterprises, were actively targeted, and many lost their jobs. Farmers suffered as the percentage of the total budget devoted to agricultural fell from 10 percent in 1983 to 4.2 percent in 1986 and to 3.5 percent in 1988 excluding foreign aid projects.⁹⁹

3.2.3 Structural Adjustment Program

In Ghana, the implementation of structural adjustments involved in reducing government's expenditures through cuts in social services and privatization of state-owned enterprises. Ghana also increased its production and exportation of staple products such as cocoa and timber, as well as non-traditional exports. Ghana's economic reform program was financed by more than six billion dollars in loans from the World Bank and other institutions. As stated earlier, implementation of SAPs resulted in a dramatic turnaround of Ghana's overall economic performance. For example, from the early 1990s, gross national investment rose from 3.7% to 16% and inflation declined from an average annual rate of 73% to about 13%. The structural adjustment era in Ghana also resulted in the expansion of their industrial capacity from about 25% in the 1970s to 46% in the 1990s. These improvements resulted in the

⁹⁹ Ghana- 'The Economic Recovery Program,'- Country Studies, accessed on March 25, 2019, <https://countrystudies.us/ghana/70.ht>.

overall balance of payments position switching from deficit to surpluses, facilitating the elimination of external payments and a buildup of gross official reserves. SAPs also increased international confidence in Ghana's economy, which helped attract foreign capital particularly in the fields of mining and infrastructure. Despite these considerable improvements, critics of SAPs have questioned their overall benefits. They pointed out that national economic success does not necessarily translate into improved wellbeing for citizens. Instead, they consider how goods are distributed, the reduction of poverty, and an improvement in the quality of life for the majority of citizens. The World Bank and the IMF maintain that their primary objective is poverty alleviation; yet, poverty in Ghana was actually higher after Structural Adjustment than before its implementation.¹⁰⁰

3.2.4 Ghana Poverty Reduction Strategy

The Poverty Reduction Strategy Paper is a national document that analyses the causes of poverty in a country and sets out a strategy to overcome them. The PRSP are prepared by member countries in broad consultation with stakeholders and development partners, including the Staffs of the World Bank and IMF. Updated every three years with annual progress reports, they describe country's macroeconomic, structural, and social policies in support of growth and poverty reduction, as well as associated external financing needs and major sources of financing.¹⁰¹ The GPRS started in 2002, when Ghana joined the heavily indebted Poor Countries (HIPC) initiative in response to its debts crisis. The GPRS adopts a trickle-down approach to poverty alleviation, but this has not worked. The only new aspect of the GPRS is

¹⁰⁰ 'Conditional Development: Ghana Crippled by Structural Adjustment Programmes,' accessed on March 25, 2019. [https:// www.e-ir.info](https://www.e-ir.info).

¹⁰¹ Albania: "Poverty Reduction Strategy Paper-National Strategy for Development and Integration," 2008, International Monetary Fund.

increased in social spending. While the document recognizes that poverty is extensive in the country, it still considers the poor to be special sector of the population, when in fact the majority of Ghanaians are living in poverty. The GPRS did not depart from the past policy choices and continues to be burdened by HIPC and donor conditionalities since it was drawn up mainly to fulfill one of the qualifying conditions of the HIPC initiative.¹⁰²

According to a recent report by the World Poverty Clock, even though Ghana is on track to achieve the Sustainable Development Goal (SDG) Goal 1 of ending poverty in all forms by 2030, the vast number of Ghanaians are said to be living below the global poverty line of a \$ 1.90 spending a day. The report further revealed that more than 2.8 million Ghanaians representing 10 per cent of the population are living in extreme poverty. The Northern part of the country which has a high concentration of Muslims according to the report, is the most affected. Extreme poverty is evident in inequalities of access to social infrastructure including education and healthcare. Other features of extreme poverty in these areas include low income, social exclusion and high vulnerability to disasters and diseases.¹⁰³

According to Ghana's figures, one person in five lives in poverty and one in eight lives in extreme poverty. A person is deemed to be "poor" in Ghana if their income is less than 1,314 GHC per adult per year (which was US\$1.83 per day in 2013) when the relevant survey was undertaken, but was only 80 cents in April 2018, while the "extreme poor" live on less than 792 GHC per adult per year (US\$1.10 per day, in

¹⁰² Social Watch, 'Poverty Eradication and Gender Justice,' accessed on March 25, 2019. [http: www. Socialwatch.org/](http://www.Socialwatch.org/)

¹⁰³ 'About Ghana /UNDP in Ghana', accessed 18th March, 2019. www.gh.undp.org.> home> countryinfo.

2013, and 48 cents in April 2018). Ghana's poverty is increasingly rural, with 38.2% of people in rural areas being poor, compared to 10.4% in urban areas.¹⁰⁴

3.2.5 The Heavily Indebted Poor Country (HIPC)

The Heavily Indebted Poor Country' (HIPC) initiative in 1996 by the World Bank and International Monetary Fund (IMF), were meant to look for new ways to remove the debt of the poorest countries. HIPC sought to link debt relief to poverty reduction. Debt relief is considered as an integral part of broader efforts to implement outcome-oriented poverty reduction strategies using all available resources. To benefit from the initiative, debtor countries are required to follow strict procedures. Debt is reduced only when countries reached the completion point. Ghana benefited from this¹⁰⁵HIPC facility and proceeds were used to provide so many infrastructural projects.

3.2.6 Millennium Development Goals (MDG)

Another initiative to alleviate poverty in the country was Millennium Development Goals. The International Community in September 2000 made what is now referred to as the Millennium Compact, which was aimed at reducing poverty by one-half within fifteen (15) years. Ending 2015. The compact involves the attainment of specified poverty reduction objectives through the combined efforts of rich and poor countries within a specified time period. Several global commitments had been made in the past with limited results. The Millennium Development Goals (MDGs) included poverty reduction target for employment, maternal and child health, education, water and sanitation, gender and aid. Africa remains the only continent in which most of these targets are predicted to be unattainable by 2015. One report estimates that only 10

¹⁰⁴ Human Rights Council, *Report of the special rapporteur on extreme poverty and human rights on his mission to Ghana*, 18 June-6 July 2018.

¹⁰⁵ Ghana Poverty Reduction Strategy, 2003-2005.

African countries would meet the MDGs targets¹⁰⁶. In the next segment, I shall discuss Islam's understanding of poverty and its alleviation, the causes of poverty among Muslims in Ghana and the various attempts to address the canker.

3.3 Islam and Poverty Alleviation in Ghana.

The World Bank defines poverty alleviation or reduction as designing, implementing and targeting appropriate methods to ensure that scarce resources are allocated to activities that are likely to yield the greatest impact on the poor and to decrease their levels of deprivation and vulnerability.¹⁰⁷ However, poverty alleviation in the context of this study, refers to the Islamic efforts through some of its mechanisms such as *Zakat* at reducing the magnitude of poverty. Poverty in the view of Islam is the non-satisfaction of the basic needs in a complete way. According to Abu Al-Ahwass, the Prophet (SAW) said; 'Beware! Their rights upon you are to provide them their clothes and food seemly¹⁰⁸.' This indicates that the basic needs whose non-satisfaction is considered as poverty are food, clothing and accommodation. With regards to the additional needs, these are considered as luxuries.

Additionally, there are numerous verses of the Qur'an which made mention of the Arabic terminology for poor *faqir* and its plural form *fuqaraa'a* at various places in the Qur'an. According to Seyed, a careful look at these verses, one will realize that they are used to connote spiritual and material poverty. The spiritual poverty refers to a situation where a person is unable to sustain himself and is in absolute need of Allah. For

¹⁰⁶ Dele O, Governance Division, African Development Bank, Retrieved March 15, 2011 from <http://www.undp.org/governance/decentralization.htm>

¹⁰⁷ World Bank, *World Bank Annual Report*, New York, Oxford University Press, 1995.

¹⁰⁸ Seyed Mohamed M. Mazahir, 'An Analysis of Compatibility Alleviation of Poverty with Distribution of Wealth: A Study of Islamic Perspectives in Comparison with The Alternative Economic Systems', *a Journal of Arabic and Islamic Studies*, Published by Faculty of Islamic Studies and Arabic Language, South Eastern University of Sri Lankan, September, 2018.

instance, one of the verses of the Qur'an states: 'O Mankind, you are those in need of Allah, while Allah is free of need.'¹⁰⁹

However, material poverty in the context of this study refers to lack of basic human requirements of religion and necessities of life. Islam therefore considers the following five groups of activities and things to be the basic human necessities. If these basic human needs are not fulfilled, then one is said to be poor by Islamic standard. (a) Life (Physical Self): This includes basic needs such as food, clothing, shelter, transport, health etc. In other words, physical self means all those that could provide a healthy body to lead a purposeful life. Islam, holds the human souls in high esteem and considers the attack on innocent human beings a grave sin. (b) Religion: Religion is considered as a fundamental right of every individual. One is free to practice the religion of his or her choice. There should not be any compulsion in choosing one's religions, nor obstruction to practice it. (c) Intellect or Knowledge: The intellectual nature of man, is made up of mind or intelligence or reasoning power. To this aspect, Islam pays extraordinary attention and builds the intellectual structure of man on most sound foundations. (d) Family Life and Offspring: Islam considers family life as the very heart of society and everything must be done to ensure that it is not attacked and turned upside down as many others handed- down traditions. (e) Wealth: Due to the globalization process, the maximum wealth of the world is now accumulated in few hands. Islam, however, frowns at such and rather calls on people to share their wealth with the poor and the needy¹¹⁰. Islam's ultimate objective is to ensure that good living is provided not only to an individual but the society as a whole.

¹⁰⁹ Quran 35:15.

¹¹⁰ Ahmed Akgunduz, 'Norms and Values in Islam', *The Journal of Rotterdam Islamic and Social Sciences (JRISS)*, Vol.1 No. 1, 2010.

Another criterion used in Islam to determine who a poor person is one's inability to meet the *Nisab* requirement. *Nisab* is defined as an amount of wealth which makes one liable to pay *Zakat*. However, if one does not possess the *Nisab*, then he or she is considered poor and therefore qualifies to receive rather than to pay.¹¹¹

According to Ghana's 2010 Population and Housing Census, Muslims constitute almost 20% of the population, therefore the issue of poverty in Ghana is important to them because they also face challenges of poverty and as a community, they have peculiar problems that contribute to poverty. Apart from the structure of the Ghanaian economy which has been the primary underlying cause of poverty in the Muslim community and the nation as a whole, the colonial legacy and historical processes have impacted negatively on the Muslim community. According to Holger Weiss, Muslim parents repelled Western education in the precolonial era simply because of the perception that it could endanger the religious and values of their children. According to him, due to the structural economic changes that followed with the changes in institutions of the colonial economy, the strategy of the non-interference of the Muslim leadership with the State, resulted in a deep structural crisis for the majority of the Muslims in Ghana. Furthermore, Weiss explains that being blocked from Western education, there were few opportunities for 'makaranta'-educated Muslims to enter the modern economy. Even though according to him, there might be successful individual Muslim entrepreneurs and politicians, the Muslim community has a weak social, economic and political position in contemporary Ghana as a result of the decision taken by the Muslim leadership in the precolonial era.¹¹²

¹¹¹ Fiqh-us- Sunnah, The Recipients of Zakah: Vol. 3, p. 95.

¹¹² Holger Weiss, 'Begging and almsgiving in Ghana, Muslim position Towards Poverty and Distress', Nordiska Afrikainstitute, 2007.

Similarly, Rabiātu Ammah stressed that, the inability of Muslims in the past to take advantage of the secular education to educate and equip themselves with skills for fear of being proselytized, has largely contributed to the situation of poverty in the Muslim community. According to her, during the colonial era, Christian missionaries were central agents in the development of education and curriculum systems, some Muslim families did not send their children to these schools fearing their conversion. These decisions, unfortunately, had a profound impact on them which denied them the opportunity of learning skills, professions and critical thinking and eventually contributed to the situation of poverty¹¹³.

Misplacement of priorities is also another factor contributing to poverty in the community. Some, especially the youth in this community, do not prioritize education as key to having a better future, rather travelling outside the country to search for greener pastures has been the order of the day. Within the community in which I live, it is an open secret that the Muslim youth would prefer spending the little resources they have accumulated over the years to acquire the necessary documents to travel outside, unfortunately these dreams are most often not achieved. The few ones who are lucky to make it come back home empty handed to narrate the ordeals they went through. There are many such examples of brilliant Muslims in the community, who have come out with good grades from the Senior High Schools to pursue further studies at the tertiary level but will rather prefer to go abroad for non-existence jobs.

Additionally, many Ghanaian Muslims are mainly found in the informal sector where they also contribute their quota to the development of the nation even without formal

¹¹³ Rabiātu Ammah, 'Islam and Poverty Reduction Strategies: Attempts at dealing with Poverty in the Ghanaian Muslim community,' *Ghana Bulletin of Theology*, 2 (2007), 12.

education. The women especially, are known to be associated with vocations like trade in cola, selling of *tuo zaafi*, *waakye*, banana and groundnuts, *laamunji*, and many other foodstuffs. Apart from the traditional security services that some of their men are associated with, they also trade in livestock while others are into money changing business. Many of the forex bureaus across the country are also owned by Muslim businessmen. Unfortunately, the monies they make from such businesses are not judiciously used and as such are unable to lift themselves up from the poverty level. Most of them waste these monies on social functions like *awurey*, *suuna* and *adua*, these monies are used to purchase clothing they refer to as *yaayi*, cows are bought and slaughtered on such occasions to the detriment of their children's education. The above evidence, even though supports the researcher's contention that the lifestyle and attitude of the Ghanaian Muslim community is rather contributing to poverty, it is what is important to note at this stage the effort the Muslim community is making to change this perception and alleviate poverty.

Conscious of the fact that poverty can influence a person's moral character, encourage people to indulge in criminal activities, and even weaken a person's faith to the extent that the person may reject the existence of God, Islam has outlined various measures in dealing with this canker. According to Rabiātu Ammah,¹¹⁴ to alleviate poverty especially at the societal level, several factors need to be taken into consideration. According to her, it is important to find out whether the cause of poverty is as a result of political or ideological reason, whether it is as a result of power concentration, whether it is as a result of civil strife or as a result of attitude. The outcome according to her, may differ depending on the causes.

¹¹⁴ Rabiātu Ammah, 'Islam And Poverty Reduction Strategies: Attempts at dealing with Poverty in the Ghanaian Muslim Community', *Ghana Bulletin of Theology*, 2 (2007):10.

3.3.1 Poverty Alleviation Strategies

In contrast to the other religions, Islam is not a static mode of life. The goal of Islam is welfare of mankind. This concept of welfare comprehends both the worldly and the eternal life. The Qur'an teaches the believers to offer the following prayer: 'and there are men who say: 'Our Lord! Give us good in this World and good in Hereafter, and defend us from the torment of the Fire!'¹¹⁵ To forestall the problem of poverty as discussed in the last chapter, Islam has assigned certain responsibilities to the relatively rich Muslims to pay *Zakat* and *Sadaqah* to the poor and the needy as a social responsibility. It is the belief of Islam that if these mechanisms are followed strictly to the letter, it will go a long way in addressing the economic challenge of the Muslim community.

Profit and Loss sharing system (*Mudaraba*) was formulated by Islam to encourage fair trading among the people instead of interest. The idea is to help the poor in particular who do not have enough capital to engage in business in order to earn a livelihood. The profit and loss sharing system is an agreement between the owner of a capital and the entrepreneur. In this kind of business, the profit is shared, and when there is a loss, both partners have nothing to share¹¹⁶.

The establishment of *Waqf* is also another important institution put in place to alleviate poverty by the religion. *Waqf* is made up of any sum of money, size of real estate or volume of other properties that a Muslim offers for establishing an endowment during his life time or after his death. This would then be used for the benefit of any other aspect of a Muslim community that this person may specify. For any Muslim who wish

¹¹⁵ Qur'an 2: 201.

¹¹⁶ Saif Siddiqui, *Islamic Economic System and Poverty Reduction*, Centre for Management Studies, Jamia Milla Islamia (A Central University), New Delhi- 110025, India.

to make this type of donation only after his death, such a person states in his Will the relevant item of his wealth that he wishes to be put into a trust. The trustees will then strive to efficiently administer the resources, through suitable investment activities. The incomes and other resources that are produced will then be used for the benefit of whatever worthwhile causes have been stated in the Will of the deceased. This could include the establishment of educational and vocational institutions, medical clinics, taking care of handicapped and other underprivileged people, administering mosques and many others.¹¹⁷.

Al- Qard al-Hasan (Interest Free Loan). It is a loan which is returned at the end of the agreed period without any interest. The receiver is only required to repay the original amount of the loan. This is also another mechanism put in place by Islam to help the poor. Islam does not recognize any loan with interest for the benefit of the debtor. By virtue of Qard Hassan, one can get the resources to start a business and to meet his needs. This makes his economic position secured. So, this is very effective source of poverty alleviation. There are many verses in the Qur'an that admonish Muslims to abide by this injunction. One of such verses said: 'Allah destroys interests and gives increase for charities, And Allah does not like every sinning disbeliever.'¹¹⁸

Musharakah can be defined as a 'form of partnership where two or more persons combine their capital or labour together, to share the profits, enjoying similar rights and liabilities.' It is a limited contractual agreement between the partners, to use both human and financial resources and distribute whatever profit and loss they make in accordance with capital and human resources invested.

¹¹⁷ A.O. Abudu, 'The Islamic System of Inheritance', Picus Books, India, 1999.

¹¹⁸ Qur'an 2:276

In such a kind of Islamic partnership, partners need not have equal shares, or equitable responsibility for the management. Losses would be shared in accordance with capital contribution. It is not only the contribution of capital that governs *Musharakah* in Islam. In practice labour, skills, management, goodwill, credit-worthiness and contacts can also form the partners' contribution.¹¹⁹

Bay Salam is another mode which enables the small farmers and traders to get financing from Islamic Bank through forward sales of their products. It means advance payment of the price for future delivery of a good or asset. It was allowed by the Prophet (SAW) to help farmers and traders by selling agricultural products and merchandise in advance. It is viable because it is incentive compatible. It is beneficial to the seller because he receives the price in advance and is also beneficial for the bank because normally the price in Salam is usually lower than the price in spot sales. The difference between two prices shows the profit of the Islamic bank. To make sure the seller shall deliver the commodity on agreed date, the bank can demand a security in the form of mortgage. In case of default in the delivery, the guarantor may be asked to deliver the same commodity, and if there is a mortgage, the bank can sell the mortgaged property and the sale proceeds can be used to either realize the required commodity by purchasing it from the market or to recover the price advanced by him¹²⁰.

¹¹⁹ Saif Siddiqui, *Islamic Economic System and Poverty Reduction*, Centre for Management Studies, Jamia Milia Islamia (A Central University), New Delhi- 110025, India.

¹²⁰ Muhammad Ramzan Akhtar, *Poverty Alleviation on sustainable basis in the Islamic framework*, the *Pakistan Development Review*, Vol. 39, No. 4, Papers and proceedings PART II Sixteenth Annual General Meeting and Conference of the Pakistan Society of Development Economists Islamabad, January 22-24, 2001 p. 631-634, Published by: Pakistan Institute of Development Economics, Islamabad.

Another strategy adopted by Islam to alleviate poverty is the system of inheritance. Islam has put inheritance for the deceased family an obligation to be distributed after the death of a relative both for the male and the female, the wives, the husband and the parents, and the son or daughters, uncles and aunts. There is an elaborate way to distribute the legacy of a deceased as provided in the Qur'an and the Hadith and the explanation of Muslim scholars. The Qur'an in this regard, states: 'from what is left by the parents and those nearest related, there is a share for men and there is a share for the women whether the property is small or large, a determinant share.'¹²¹

3.3.2 Social Ethics

The teachings of the Prophet (SAW) placed the greatest emphasis on food earned through lawful means and condemned laziness and begging. He therefore stated that no one eats any food better than which he has earned with his own hands.¹²² Human beings are therefore obliged in Islam to use their faculties rationally and make good use of the resources to produce enough to meet their needs and wants in an efficient manner.

Another method adopted by Islam for alleviating poverty is the giving out of gifts. The Prophet (SAW) was quoted to have said: 'Give out gifts and you will love each other.'¹²³ But he also cautioned Muslims to refrain from the attitude of going back on their words. According to the Prophet (SAW), it is illegal for a Muslim to give a gift and turn back on it except a father in what he gives to his child.

¹²¹ Qur'an 4:7.

¹²² Sahih Muslim, Book 10: Kitab al- Buyu' (The Book of Transactions)

¹²³ Bukhari AdabulMufrid and Abu Ya'la in his Musnad.

Moderation as a golden mean in Islam is another mechanism that may help alleviate poverty. By this, Muslims are taught to be moderate in all aspects of life. The Qur'an said: 'those when they spend, are not extravagant and not niggardly but hold a medium way between those (extremes).'¹²⁴

3.3.3 Ghanaian Muslims and Poverty Alleviation

Conscious of the fact that the welfare of the poor and the needy cannot be left in the hands of individual Muslims alone, it has been observed that since the 1990's, people's responsiveness seem to have improved due to the effort being made by some organizations that are emerging to find ways of addressing the developmental challenges of Muslims. Weiss has identified Ghanaian leadership as one of the major reasons for this state. He opines that the inability of Ghanaian Muslims to institutionalize *Zakat* in Ghana is basically because there is no consensus among the Muslim leadership. For this reason, though some Muslims pay *Zakat*, the mode of payment could best be described as *Sadaqah* and not *Zakat*. Additionally, he bemoaned the absence of regional or national *Zakat* committees for education on *Zakat*.¹²⁵ Similarly, Abdul-Fatah Twahir Akinyele,¹²⁶ also contends that social-economic problems facing the Muslim community, call for an urgent and concerted effort to translate lip-service to practical action with regard to the *Zakat* institution. According to him, Muslim leadership seems to have been in some deep slumber over this issue and has not been able to see to the practical implementation and administration of *Zakat* in the Muslim community, through which many of the socio-economic problems facing Muslims could be solved.

¹²⁴ Qur'an 25:67

¹²⁵ Holger Weiss, 'Begging and almsgiving in Ghana, Muslim position Towards Poverty and Distress,' Nordiska Afrikaninstitute, 2007.

¹²⁶ T.A. Abdul-Fatah, "Zakat- The share of the needy: Islam's panacea for the eradication of the menace of poverty" (unpublished manuscript, June 12, 1996).

It is probably against this backdrop that that some Muslim NGOs such as the Sheikh Osman Nuhu Sharubutu Education Trust Fund (SONSETFUND), Islamic Council for Development and Humanitarian Services. (ICODEHS), Ahlul Sunnah Wal Jama'ah (ASWAJ), Ghana Muslim Mission (GMM) and particularly the *Zakat* and *Sadaqah* Trust Fund have emerged to help alleviate poverty through the use of *Zakat*. These Muslim NGOs, have common objectives to ensure the development of Muslims.

3.3.4 (A) SONSETFUND

The SONSETFUND was established in 2009 to among other things to help raise the educational standards within the Muslim community and also support the youth to acquire literacy and skill training because that would help develop Muslims and ensure a certain level of decent living and reduce poverty. By supporting brilliant but needy student, it contributed to the development of the human resource. It would appear that SONSETFUND is dormant now probably because it has ceded its mandate to the *Zakat* and *Sadaqah* Trust Fund.¹²⁷

3.3.5 (B) ICODEHS

Another well-structured Muslim NGO championing the course of social responsibility in the country is (ICODEHS), founded in 1989 by Sheikh Mustapha Ibrahim. ICODEHS has objectives that include; seeking to create awareness for the needs and aspirations of the people, aspiring to generate actions towards social change, organizing people to develop programs and projects for the grassroots and aiming to help effect change through education, facilitating the self-help initiatives of rural and local communities by assisting them in resource development. In an interview with the

¹²⁷ www.sonsetfundgh.org> resources

chairman and founder of ICODEHS at his head office in Accra,¹²⁸ Sheikh Mustapha Ibrahim, mentioned that his organization is able to provide social services to alleviate poverty through donations he receives from Muslims in the Arab world, particularly Kuwait *Zakat* Fund. According to him, for the past thirty-years, the activities and programs of ICODEHS have contributed immensely to the improvement of lives of the vulnerable in all the regional capitals except the Central region where it is yet to have an office. According to him, the organization has so far built 52 Schools, 239 Mosques, 4 Clinics, 2 Orphanages, and 431 Wells to address the socio-economic and spiritual needs of Muslims across the country. Currently, the outfit is providing for the needs of 300 orphans. Further, he explained that through a scheme instituted to complement the poverty alleviation programme of the government, some 27 people have been brought out of poverty when it granted loans totaling one hundred million cedis in 2005 small scale traders of the Association of Caretakers of Orphans under the sponsorship of the Orphan Department of the Council in Accra and its surrounding areas.¹²⁹

3.3.6 (C) ASWAJ

Another NGO that is working in this area is Ahlus-Sunnah Wal Jama'ah (ASWAJ) It started in the early sixties when an Islamic scholar Alhaj Yusuf Afa Ajura from Tamale preached against what he thought were interpolations that have been introduced into Islam.

Currently, under the leadership of Sheikh Umar Ibrahim Imam who returned from the Kingdom of Saudi Arabia with a degree in Islamic Studies from the famous University of Madina in 1968, ASWAJ is trying to bring development to the Muslim community. For example, after he set up an Islamic School at Nima where he taught, he was also

¹²⁸ Sheikh Mustapha Ibrahim, Interview 7th February 2019, ICODEHS Head Office, Accra.

¹²⁹ Cf. "Islamic Council in Poverty Alleviation". *The Humanitarian* 1/8 (2005), p. 17.

able to secure scholarships for many of his students to study in various secondary schools and tertiary institutions in the Arab World. He later established the Islamic Research and Reformation Center which gave birth to the Institute of Islamic Studies and created an employment avenue for his students.¹³⁰

As part of his efforts to alleviate poverty in the Muslim community, the Imam of Ahlus-Sunnah Wal Jama'ah, Sheikh Ibrahim Umar Imam, established an Endowment Fund (*Al-Waqf*) in 2005. The main objective of the fund, was to target about 60,000 *Sunni* Muslims who could donate GHC 1 daily. The idea was to constitute a revolving fund after five years of collection and then invest it in a business. The profit realized was to be used for developmental projects. To achieve this laudable objective, a structure was put in place where some members started to donate their *Zakat* to the Imam's *Bait-ul-Zakat* Fund, which was used to invest in a Sachet Water Company. This great idea which could have helped in alleviating poverty, did not last because it eventually collapsed.

3.3.7 (D) GMM

Another organization that is working on poverty alleviation through the institution of a *Zakat* Fund, is the Ghana Muslim Mission that was formed in 1957 and currently has 8 regional branches in the country. Among its objectives are to seek to develop people morally, spiritually and intellectually through the provision of education, health and other social infrastructure, mobilize resources for the establishment of educational institutions at all levels, building mosques, health care centers and provision of other social facilities. The Mission has so far built 117 basic schools across the country and is

¹³⁰ 'History of Ahlusunnah Wal Jama'ah in Ghana'', accessed on March 30th, 2019. <https://googleweblight.com>

currently putting up a University in Kumasi in the Ashanti Region, a College of Education in Koforidua, in the Eastern Region, and has currently acquired a land to build a Nursing Training College at Atebubu also in the Ashanti Region.¹³¹

In a focus group discussion with executive members of the Greater Accra Branch of the GMM, it was disclosed that in 2014, the Greater Accra Regional Branch launched its *Zakat* Fund to assist the poor and the needy in the GMM who could not afford decent living because there was no Central *Zakat* Fund. According to the National Organizer and a member of the *Zakat* Committee of the GMM, Haj Muhammad Doku, the Mission seeks to encourage Muslims to pay their *Zakat* into a fund which will in turn be managed for the good of beneficiaries as prescribed in the Qur'an and Hadith. In order to ensure that the objectives of the Fund are achieved, the Mission has set up a Board of Trustee to take oversight responsibility of the Fund.¹³² Haj Doku explained that even though the fund is only five years old, it has been able to provide scholarships to six students, one of whom has graduated from school and is currently working as a professional nurse. Also, the Fund has been able to provide a Well worth six thousand cedis which is currently providing potable water for the Korle- Gonno community, in Accra. Additionally, the Fund is currently taken care of the medical needs of some sick and aged members of the GMM. Obviously, it can be said that within five years, the Fund has made modest gains.

3.3.8 (E) ZAKAT AND SADAQAH TRUST FUND

The *Zakat* and *Sadaqah* Trust Fund is another organization that seeks to provide a nationwide institutional channel for the effective, efficient and accountable collection and disbursement of *Zakat* and *Sadaqah* to address the welfare needs of the less-

¹³¹ Ghana Muslim Mission, Interview on 14th February, 2018, at Korle-Gonno, Accra.

¹³² Muhammad Doku, Interview, March 15th, 2019, via Telephone.

fortunate among Muslims. This was established by the Muslim Caucus and Staff of Parliament of Ghana in collaboration with the National Chief Imam and national Imams of the groups in Ghana on the 6th of September, 2010.

According to Hajia Azara Abukari, the Acting Administrative Officer of the institution, the purpose for the creation of the Fund is to enable Muslims working in both private and public sectors of Ghana to observe the third pillar of Islam (*Zakat*) in fulfilment of their faith. The Acting Administrative Officer of the Institution, also indicated that the main vision of *Zakat* and *Sadaqah* Trust Fund is to have the capacity to give hope and guarantee the welfare of the less fortunate in the Muslim community. According to her, even though the primary objective of the institution is to provide scholarship to needy but brilliant students, it has also been very supportive to widows, widowers as well as the aged in many areas. Since 2013, the *Zakat* and *Sadaqah* Trust Fund has been able to provide 210 scholarships to new entrance to tertiary institutions, supported 60 continuing students, assisted 60 students from the technical and vocational institutions and assisted 17 women (mostly widows) who wanted to establish micro businesses. She also stated that 19 people have benefited from the fund for medical reasons.¹³³

Views of some Imams and Muslim Scholars in Accra.

In order to have an idea on how *Zakat* is being practiced in Accra, some Imams and Muslim Scholars within the city were interviewed. According to them even though some of their congregants do make enquiries about the practice of *Zakat*, they do not

¹³³ Hajia Azara Abukari, Interview, 30th April, 2018, at the Zakat and Sadaqah Trust Fund office, Accra New-Town.

bring their *Zakat* for proper distributions to be made as indicated by the Qur'an and Hadith of the Prophet (SAW).

In expressing his views on this issue, Imam Abubakar Alhassan of Asoma Banda Mosque in Accra had this to say: ‘‘Even though some of my congregants do bring their *Zakat* mainly for the maintenance of the Mosque, I am also aware that majority of them send their *Zakat* to their respective villages every year and distribute it in smaller denominations so that they will satisfy their target of reaching to all.’’¹³⁴

According to Sheikh Sualah Abubakar, Imam of the Alajo Central Mosque, many Ghanaian Muslims are not well informed about *Zakat*. What most of them understand and do pay regularly is the *Zakat-ul-Fitr* which is paid in the last days of *Ramadan* as indicated in chapter two of this study. According to him, even the few prosperous Muslims who pay *Zakat*, distribute it in such a manner that it does not conform to the teachings of the Qur'an and *Sunnah* of the Prophet (SAW). According to him, instead of donating the fund to one poor person to help him out of poverty, the fund is rather distributed in smaller quantities to many individuals which eventually defeats the purpose for which *Zakat* meant. He further stressed the need for the creation of *Zakat* committees in every Muslim community in Ghana so that immediate needs of the poor and the needy can be addressed.¹³⁵ Sheikh Mustapha Ibrahim of ICODEHS on his part, bemoaned the fact that lack of trust among Muslim leadership has been the major reason why its implementation has been a challenge in Ghana.¹³⁶ Other Imams interviewed also expressed similar sentiments.

¹³⁴ Imam Abubakar Alhassan, Interview, 14th March, 2019.

¹³⁵ Sheikh Sualah Abubakar, interview, 13th May, 2019.

¹³⁶ Sheikh Mustapha Ibrahim, Interview, 7th February, 2019.

3.3.9 Conclusion

In this chapter, I tried to do a definition of poverty which is a complex phenomenon and its manifestation in Ghana and how the state is attempting to deal with it. Then I also addressed the issue of the Ghanaian Muslim and poverty alleviation. The chapter further attempted to explore the Islamic strategies for alleviation of poverty in the light of the Qur'an and the *Sunnah* of the Prophet (SAW) and how Ghanaian Muslim leadership are utilizing them in order to reduce poverty in their community. Obviously, it was also clear and from the responses of the Imams, that there is little information about the collection and distribution of *Zakat* and therefore the practice is fraught with some challenges. The study also revealed that lack of trust among Muslim leadership, lack of proper information for the Muslim populaces are among the reasons why Muslims are not implementing the *Zakat* as it should. The system, if implemented in true spirit and totality has the potential not only to alleviate poverty but also to increase economic activity and decrease unemployment and uplift the living standard of the Muslim community. The next chapter presents the findings and analysis of how *Zakat* is practiced in the study areas.

CHAPTER FOUR

AN ANALYSIS OF THE PRACTICE OF ZAKAT IN MADINA AND TUBA

4.0 Overview

In the previous chapter, the researcher highlighted some perspectives on poverty among Muslims and how some Muslims groups and Non- Governmental Organizations in Ghana are addressing this canker through several means. Among other things, it was noted that some organizations are using *Zakat* to alleviate poverty. But most importantly there was a trend towards the establishment of a National *Zakat* Fund. In this chapter, the researcher examines the actual practice of *Zakat* among Muslims in the two selected communities i.e., Madina UN and Tuba both in Accra. These communities were chosen for the study because the populations are predominantly Muslims and perceived to be among the poor communities in Accra.

4.1. HISTORY AND DEVELOPMENT OF MADINA

Madina is a town founded on June 14, 1959 under the leadership of Alhaji Seidu Kardo. History has it that Alhaji Seidu Kardo and his people had settled on the Shiashi land given to them by La Mantse, Nii Anyeertei Kwakwaranya II. As a result of increasing population at Shiashi, Alhaji Seidu requested for a new land for his people and he was given land at Mile 10, very close to the existing La village, Nkwantanang (Crossroads). The original number of people that moved with Alhaji Seidu to their new place were 849. 81 of this number were from Nkwantanang, 30% of them were Ga and Dangme, 12.8% Ewe, 0.7% Akan, 23.6% from northern Ghana while 32.9% of the populations were non- Ghanaians.

According to Kropp- Dakubu, the initial plan was to expand the new area as part of Nkwantanang but because the two groups were not in good terms, Alhaji Seidu eventually developed Madina without Nkwantanang. The new town was formally named “Madina,” an Arabic word meaning ‘City’ at the request of Alhaji Seidu Kardo. It is said that Alhaji Seidu chose the name Madina because, like the Prophet, he had been driven away from his original home. But the name was rejected by the Klanaa division of La, powerful contenders for the land. They preferred an indigenous Ga name. As a result, Paul Tagoe Commission was instituted to investigate the claims of the Klanaa division. However, Tagoe Commission’s final report endorsed the name Madina for the new settlement

After the resolution on the name Madina, in 1964, Alhaji Seidu Kardo was formally installed as headman of Madina by Paul Tagoe, the first Parliamentary Secretary with the approval of the La Traditional Council headed by Nii Anyetei Kwakwaranya II. The allodial rights in the land were held by the La state; a portion of the land was reserved for the use of La (badi) people. Thus, by the 1990s, each ethnic group had its own community head, and Alhaji Seidu’s son Baaba was recognized as Chief of Madina by at least some of them.

After the destoolment of Nii Anyetei Kwakwaranya II, the new La Mantse in 1991, changed the name Labadi to La and Madina to La Hee (New La). An article in the 12 October 1991 edition of Mirror changing the name of Madina, stated that “Madina is not Ghanaian.” The La Youth Association also stated that the installation of a La citizen as chief of La Hee as well as the change of name of Madina are all part of a program designed to reflect the heritage of the La people, but they obviously do not

4.1.1 HISTORY AND DEVELOPMENT OF TUBA

The other area of study Gidan Tuba or Tuba for short, is predominantly a Muslim community made up of Ga- Dangbe ethnic group called ‘Ningo’. The community was founded in September 1942 by a group of Muslim brothers of Ningo descent under the leadership of Tetteh Agbo (Tetteh Ibrahim). It is located at the South- Western part of Greater Accra Region about 45 kilometers away from the city of Accra. The community shares boundary with Kokrobite in the Greater Region and Kasoa in the Central Region. The founders of Gidan Tuba, after embracing Islam in the 1930’s, at Ntumkum a village near Suhum in the Eastern Region of Ghana, wanted a place that would bring them close together as a single Muslim community (Ummah). They also wanted to move away from the un-Islamic practices around them, so that they would be free from activities such as; pig rearing, selling and drinking of alcohol, and to bring up their children with the best Islamic moral values without any external influence.

Upon their arrival in Kokrobite in September 1942, they initially settled with the Hausa Muslim community that lived in the Kokrobite Zongo. Tetteh Ibrahim later made a formal request to the then Kokrobite Chief, Nii Ardey Takyi for a land for farming and settlement with his people. 300 hectares of land at the Western Corner of Kokrobite called Takiman was allocated to them by the Chief. In the year 1950, Tetteh Ibrahim decide to change the name Takiman to Gidan-Tuba. This name which is from a Hausa language literally means, “the house of the converts”. The word Tuba is a corrupt form of the Arabic word ‘Tawba’, meaning repentance. So far, three chiefs have ruled the community since its inception in 1942, namely: Chief Hussein

e researcher interacted with some forty (40) people on the Practice of *Zakat* in the selected communities.

4.1.3. Gender Distribution of Madina UN and Tuba Community

It is realized from Madina UN Muslim community, that 4 out of the 10 respondents were males while 6 were females. However in Tuba, 3 of the respondents were males and 7 were females. This clearly shows that there were more female participants than males in this study and may be as a result of the snowball technique used in selecting respondents.

4.1.4. Educational Qualifications of Respondents

On the educational qualification of respondents from Madina UN, it was realized that 3 out of the 10 respondents have WASSCE Certificates, while 7 have no formal education. In Tuba, 7 of the respondents have BECE Certificates while 3 of them have no formal education. The number of respondents with no formal educational background can partly explain the high level of unemployment and poverty in these communities.

4.1.5. Employment Status of Respondents

This was to find out the employment status of the respondents from Madina UN.

Out of 10 respondents from Madina UN, 2 are self-employed, 1 is employed by someone, while 7 are unemployed, however in Tuba, 2 are employed by someone while 4 of the respondents are farmers (self-employed) and 4 are unemployed.

4.1.6. Age Distribution of Respondents

Age of the respondents is one of the most important characteristics in understanding the views of respondents about a particular problem. It indicates level of maturity of individuals to examine the results.

5 of the respondents from Madina UN, were between the ages of 30 to 40, only 3 respondents above 40 years participated while 2 of the respondents were between the ages of 18 and 30. In Tuba, 2 of the respondents were people within the ages of 18 and 30. Respondents within the ages of 40 and above were 8 representing 80%.

4.1.7. Does Poverty Exist in Your Community?

The issue of poverty is one of the main reasons why Muslims are obliged to pay *Zakat*, I therefore sought to find out whether poverty exist in their communities, 9 respondents from Madina UN representing said that there is poverty in their communities, however 1 responded otherwise, however in Tuba all the respondents representing 100% said poverty exists in the community. The respondents who indicate there is poverty in their communities went further to give the following as the indicators of poverty: struggle to pay house rents, cannot afford two square meals a day, cannot pay children's school fees, cannot visit the hospital when sick and also cannot buy new dresses for children on *Eid* days

4.1.8. Why People in these Communities Are Poor?

30% of the respondents from Madina UN said the poverty is due to unemployment. 50% of the respondents said they are poor because they are underemployed and 2 representing 20% are poor because they lack financial support for investments. In Tuba, 2 representing 20% are poor due to unemployment, 5 representing 50% are poor as a

result of large family, 1 representing 10% lack financial support for investment whilst people's unwillingness to search for employment account for 10% in Tuba.

4.1.9. What in Your View, Can Be Done to Alleviate Poverty in Your Community?

To alleviate poverty, 40% of the respondents from Madina UN said people in the community can alleviate poverty by creating or finding jobs themselves instead of depending on the central government for non-existing jobs, 20% said their parents should avoid unnecessary expenditures especially during weddings, funerals and outdooring. They should rather channel such resources into their children's education. 40% percent said the community leaders should establish a *Zakat* Committee so that they can be supported to establish their own business, whilst in Tuba, 70% of the respondents are also of the view that the community can alleviate poverty by creating or finding jobs instead of depending on the central government for non-existing jobs. 30% of the respondents said that parents should channel their resources into their children's education instead of spending it weddings, funerals and outdooring.

4.2.0 Is Zakat A Pillar of Islam?

It was stated in chapter one of this thesis that Islam is built on five pillars and *Zakat* is one of these pillars. In finding out from the respondents in Madina UN and Tuba whether *Zakat* is a pillar of Islam, all the respondents representing 100% said that *Zakat* is a pillar of Islam.

4.2.1 Have You Ever Received Zakat?

On the issue of whether the respondents have ever received *Zakat*, 7 out of the total number, said that they had never received *Zakat*, while 3 of the respondents said that they had. However, in Tuba 6 of the respondents said that they have received *Zakat* while 4 of the respondents did not respond to the question.

4.2.2 Have You Ever Given Zakat?

In an answer to whether they had ever given *Zakat*, all the respondents in the exception of 2 in Madina UN said that they had never given *Zakat* before. Some of the reasons assigned for the inability to pay their *Zakat* was because they were not working or what they earn is not enough to pay for *Zakat*, even though they wish they could. 4 in Tuba said they had and the rest said they had not.

4.2.3 From Whom Did You Receive Your Zakat?

Responding to the question ‘from whom did you receive your *Zakat*,’ out of the 10 respondents, 7 said that they did not receive *Zakat* from anybody, while 3 of them said that they received their *Zakat* from a wealthy Muslim. However, in Tuba, 4 of the respondents said they received their *Zakat* from an Imam in the community while 2 said that they received their *Zakat* from a wealthy Muslim.

4.2.4 How Do You know What You Received Was Zakat?

Responding to this question, 30% of the respondents from Madina UN, were actually told by the wealthy Muslim that what they received was *Zakat* while 70% of the respondents did not respond to the question. In Tuba, out of the 10 respondents, 4 said that they were actually informed by the person that it was *Zakat*.

4.2.5 Was the Zakat Fund You Received Sustainable?

The objective of the *Zakat* Fund is to lift the poor from the poverty level in order to have a meaningful and sustainable life in the society. The interviews however, revealed that 3 respondents from Madina UN, said the fund was not sustainable, because it was not enough to be used as a capital to start a business and 7 of the respondents did not respond to the question probably because they have never received it and therefore have no idea of what to say. One of the respondents¹⁴⁰ actually told this researcher in an interview, that what she received cannot be described as *Zakat*. As far as she was concerned it was *Sadaqah*, because it was not enough to solve her problem. Even though the lady may be right, especially the way and manner *Zakat* funds are distributed in smaller bits, it is also possible that the woman may have had a wrong assumption that *Zakat* funds are supposed to be much more than *Sadaqah*. All these boils down to ignorance. Again, when the researcher asked the respondents from both areas whether *Zakat* is impacting positively in their community, all of them, representing 100% hold the view that *Zakat* has not impacted positively on the community.

4.2.6 How Do You Find Out What the Nisab For A particular Year Is?

As indicated in chapter 2, *Nisab* is defined as the amount of wealth and property which makes one liable to pay *Zakat*. However, if one does not possess the *Nisab*, then he or she is not liable to pay *Zakat*. Knowing when and how much to pay is therefore very important. Responding to the question ‘how do you find out what the *Nisab* for a particular year is’, 50% of the respondents from Madina UN, said the mosques is their

¹⁴⁰ A trader, Interviewed on 14th April, 2018, at Madina UN.

source of information, 30% of the respondents mentioned the local Imams while 20% of the respondents also said they get their information from friends.

In Tuba however, all the respondents representing 100% said that they get their information from the Mosque every year in *Ramadan*.

4.2.7 Do you think that creating a Zakat Committee Within Your Community Can Motivate Payment of Zakat?

In finding out whether creating a *Zakat* committee within the Muslim community in Madina UN can motivate payment of *Zakat*, 8, representing 40% of the respondents, strongly agree with that assertion, 12 representing 60% said they agree while no one strongly disagree or agree in that order. What it therefore implies is that the creation of *Zakat* committee within the Muslim community in Madina UN can be very helpful in the payment of *Zakat*.

4.2.8 Do You Give Your Zakat to Be Distributed by An Imam or You Distribute It Yourself?

Out of the total number of respondents from Madina UN, 7 did not respond to the question, 3 representing 30% of the respondents said that they distribute it themselves to the deserving beneficiaries, while in Tuba 4, representing 40% of the respondents said, they distribute it themselves to the poor.

4.2.9 How Do You Distribute Your Zakat?

Regarding how the distribution of *Zakat* is done in these communities, out of 10 respondents, 3 representing 30% in Madina UN, said that they distribute it to many people they identify as poor, and 4 representing 40% of the total number of respondents in Tuba also distribute their *Zakat* to people they identify as poor. When the researcher

probed further to understand why they distribute it to more than one person, according to them, the more people they give the more blessings they will get.

Do You Think Trust Is A Key Issue in The Collection and Distribution of Zakat in Your Community?

It is realized from the data collected, that the majority representing 80% of respondents from Madina UN, strongly agreed with the opinion that Trust is a key issue in the collection and distribution of *Zakat* in their community while 20% of the respondents disagreed. In Tuba, all the respondents representing 100% agreed that Trust is very important in the collection and distribution of *Zakat* in their community. This clearly supports the concern raised by Holger Weiss in chapter 3 that the institutionalization of *Zakat* will fail if the administrators are not accountable to the Muslim community.

Interviews with Imams from Madina UN

According to Sheikh Hussein Molah, the Imam of Madina UN, even though there is no *Zakat* institution in the community, some Muslims within the community, do come to him to make some enquiries regarding the payment of *Zakat*. Unfortunately, according to him, they do not bring their *Zakat* for distribution. He therefore assumes that they do the distribution themselves. The researcher's interview with the Imam also revealed that it is unacceptable for *Zakat* Funds to be used for building of mosques and schools, unless the entire need of the poor and needy has been satisfied and there is no poor person around to be attended to. In an answer to a question as to how as an Imam of the UN community, he is able to determine who a poor person is. According to him, he is able to do that because they do come to him to seek for *feesabilillah* on their behalf for some pressing issues. On what can be done to enhance the payment of *Zakat* in his

locality, Imam Molah was of the view that the Imams (A'immah) and Muslim leadership need to be transparent in their dealings with the members of the community in order to win their trust back. He also thinks that the Muslim scholars need to embark on regular teaching about *Zakat* so that people can have a better understanding of it. Sheikh Abdul-Mumeen Musah, also an Imam from Madina, expressed similar reflections. According to him, when people realised that the *Zakat* they pay are not managed well, it may discourage people from paying. Regarding the use of *Zakat* fund to put up infrastructure at the detriment of the poor, Imam Mumeen says that is not the purpose for which *Zakat* was introduced by Islam. On the issue of *Nisab*, the Imam admits that even though he do informs his congregants, he thinks that a lot of work like publicising the *Nisab* on the actual wealth *Zakat* is due on regular basis, has to be done in that direction. Responding to the question as to how he is able to identify the poor in his community before he disburses the *Zakat* fund, the Imam said, some of the poor people in his community do come to seek his support, and that is how he is able to identify them, but he also bemoaned the fact that some of the people in his community who pay *Zakat* do not consult him and the disbursement is mostly not done accordance with the rules of Islam. According to him, apart from the few women of Ahlus-Sunnah Wal Jama'ah who bring their *Zakat* for distribution, majority in the community do not.¹⁴¹

Interviews with Imams from Tuba

Sheikh Umar Borbordji, one of the chief Imams of the area, is of the view that effective leadership and unity in the Tuba community were the reasons why Muslims in Tuba were paying their *Zakat*. According to him, at the time of his arrival in Tuba in 1992, he observed that the people were paying *Zakat*, unfortunately the payment was *not done*

¹⁴¹ Imam Abdul-Mumin Musah, Interviewed on 14th of March, 2019, via Telephone.

according to the laid down rules in the *Qur'an* and *Sunnah* of the Prophet. The *Zakat* administrators used the *Zakat* fund to build mosques and educational facilities at the detriment of the poor. Therefore, it was regarded as ordinary charity (*Sadaqah*) and the giver would not have been deemed to have fulfilled his or her obligations of *Zakat*. It was in view of this that a *Zakat* Committee was established. The members of the committee were given training on *Zakat* as an Islamic institution. Imam Borbordji took them through the mode of collections and distributions of the funds. The members of the committee were trained to educate the community on the importance of *Zakat*, to identify and register the recipients of *Zakat* in the community, to identify and register members of the community on whom *Zakat* is due and to collect, manage and distribute *Zakat*. At the beginning according to him, the committee was able to collect about 13 cows, GH159, 000 cedis (old cedis) in cash and about 15 sacks of maize. The Village Community Centre was largely funded from the proceeds of the *Zakat* Fund. The *Zakat* Fund was also used to support the weak and poor people in the Community, stranded travellers were occasionally assisted with the Fund.’’¹⁴²

However, information the researcher gathered from the field indicated that even though the Islamic rules of collection of the *Zakat* were strictly followed, the mechanism used in the distribution was not according to the Quranic stipulations. This unfortunately has affected the rate at which members of the community respond to the payment of *Zakat*. In recent times, even though the community members still pay *Zakat*, the desire to do so has reduced. Some of the issues raised against the leadership were that the poor and the needy in the community do not benefit from the *Zakat* Fund. According to them, the Funds are rather used for the building of Schools and Mosques to the detriment of the

¹⁴² Sheikh Umar Borbordji, Imam. Interviewed on May 8, 2018 at Tuba.

poor. In view of this unfortunate development, some individual members of the Tuba community, prefer to distribute the *Zakat* directly to people they identify as poor and needy. A similar incidence occurred at Kamgbunli as stated in chapter three, where Muslim scholars used *Zakat* funds to construct Mosques and schools, but fortunately, the mistake was corrected by an Islamic scholar who hailed from that community. According to Holger Weiss, ‘any institutionalization of *Zakat* will fail if the funds are not properly handled and invested for the common good.’¹⁴³

In an interview with Dhikrullah Suleiman,¹⁴⁴ also an Imam in the community on how he is able to determine a poor person in the community before the disbursement of *Zakat* funds, he explained that, he is not only an Imam but also a teacher in one of the community schools, and by virtue of these positions he occupies, parents who are unable to pay their children’s school fees come to plead. As an Imam too on *Eid* occasions, these same parents do come to seek for some help so that they can also be part of the merry making.

In an answer to whether as an Imam of the locality people make enquiries on how to pay their *Zakat*, he responded in the affirmative. Additionally, in finding out whether he was aware of any *Zakat* institution in the Tuba community, he said no, but what they have is a *Zakat* committee which has been in existence for many years. According to the Imam, in *Ramadan* all the Imams in the community meet to take a decision on how distribution of *Zakatul Fitr* or *Zakatul Maal* that are in their possessions be made.

¹⁴³ Holger Weiss, ‘Islam and Begging in Ghana,’ Afrikainstitute, Sweden, 2007.

¹⁴⁴ Dhikrullahi Suleiman, interviewed on April 20th via Telephone

In an answer to how the people get information on the *Nisab*, the Imam said, announcements are made in the mosques every year, particularly in the month of *Ramadan*.

With regards to the Tuba community, it can be said that the leadership role exhibited by Sheikh Umar had an immense influence in ensuring that the people pay *Zakat*. It also came to light from the interview that even though Sheikh Umar was able to win the trust of the Muslim community, and therefore did not have much problem as far as the collection of *Zakat* was concerned, the beneficiaries (*asnaf*) of *Zakat* expressed their displeasure because they do not benefit from the *Zakat* funds directly. According to them, the funds are rather being channelled to the building of schools and other infrastructure, and they felt neglected, this may have resulted into apathy among the payers.

The researcher's interview with the Imam which also revealed that it is unacceptable for *Zakat* funds to be used for other than what it has been stated for in the Qur'an and *Sunnah* of the Prophet (SAW). On what can be done to enhance the payment of *Zakat* in his community, the Imam said, it is important for the Muslim leadership to put in charge of administering the *Zakat* funds to ensure that the *Zakat* funds are used to alleviate poverty, so that there will be improvement in the life of the poor. He also suggests for the establishment of *Zakat* institutions in every Muslim community, according to him, when these are done, it will encourage people to pay *Zakat*.

4.2 Conclusion

The researcher has attempted to present the current practice of *Zakat* in Madina UN and Tuba Muslim communities. Through interviews with leadership particularly Imams, some poor people and other Muslims, the researcher was able to garner some information. Among other things, it is apparent from the study that people in Madina UN have issues with the practice of *Zakat* though it is predominantly Muslim community. Therefore, the practice of *Zakat* is not felt like in the Tuba Muslim community where there is a committee that is trying to institutionalize *Zakat*. The lack of *Zakat* committee among others, might have contributed to the seemingly low patronage in the practice of *Zakat* in Madina UN.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of the main findings obtained from the data collected in relation to the objectives and research question of the study, conclusions drawn from the findings and the corresponding recommendations of the study. The study had four specific objectives; the first objective is to highlight the Islamic perspectives of poverty alleviation; the second being to analyze the challenges mitigating against poverty alleviation in the Ghanaian Muslim community. The third is to examine how *Zakat* is being practiced in the Ghanaian Muslim community and finally to recommend for an establishment of Central *Zakat* Fund in the Ghanaian Muslim community. The theological approach empowered the researcher to effectively use verses of the Qur'an, the Hadith and other Islamic literatures in the discussions. The phenomenological approach also guided the researcher in allowing the respondents to freely express their views on the subject matter.

The study examined how *Zakat* is practiced in the Accra Muslim Community with particular reference to Madina UN and Tuba all in the Greater Accra Region and how it helps in poverty alleviation. The thesis is organized into five chapters. Chapter one focussed on the introduction of the study and dealt with the statement of problem, objectives of the study, research questions, scope of research and relevance of the study. The chapter also included the methodology used, the theoretical framework and the literature review for the study.

Chapter two of the thesis discussed the Institution of *Zakat* in Islam. The chapter among other things discussed the history, meaning and significance of *Zakat* in Islam. It also dealt with the types of wealth on which *Zakat* is due, the *Nisab* and the

recipients of *Zakat* as clearly stated in the Qur'an. The researcher also explained how *Zakat* funds were administered during the time of the Prophet (SAW) and in early Islam. But most importantly, the chapter brought out the significance and objective of *Zakat* as a mechanism for the alleviation of poverty and avenue for creating social justice in Muslim society.

Chapter three focused on the definition of poverty and its manifestation in Ghana. The chapter revealed that poverty is a complex phenomenon to define. The chapter further explored the Islamic strategies for alleviating poverty in the light of the Qur'an and *Sunnah* of the Prophet (SAW) and how Ghanaian Muslim leadership can utilize them in order to reduce poverty in their communities. The chapter discussed the different poverty situation in Ghana and attempts by governments to address the poverty issue. It also discussed the causes of poverty particularly among Muslims in Ghana and their attempts to alleviate it through the institution of *Zakat*. Chapter 4 analysed the practice of *Zakat* in Madina and Tuba, through interviews with leadership particularly Imams and some members of the Madina and Tuba Muslim communities, the researcher was able to garner data on how *Zakat* is practiced in these communities. It is apparent that people in Madina have issues with the practice of *Zakat* though, it is a predominantly Muslim community. The practice of *Zakat* is not felt like the Tuba community where there is a *Zakat* committee. The lack of a *Zakat* committee probably contributed to the low patronage in the practice of *Zakat* in Madina.

5.1.1 Major Research Findings

On the basis of the data gathered and analyzed, it is important to bring to the fore certain major findings on the issue of the practice of *Zakat* as a mechanism for alleviating poverty among Muslims in Ghana.

It was obvious from the data that there is certain level of poverty among Muslims in Ghana, some of which are structural. But also, due to colonial legacy, Muslims were disadvantaged. Additionally, the lifestyle of some Muslims and lack of prioritization, may have also contributed to the poverty in the community.

Secondly, as a result of the negative implication of the effects of poverty, there have been attempts by various stakeholders to alleviate poverty and bring more dignity to the lives of Muslims. Several organizations and NGOs are embarking on programs and projects to alleviate poverty. Therefore, several mechanisms such as *Zakat* have been put in place to help the poor and the needy in the society. The ICODEHS and Ghana Muslim Mission are the two examples that are seriously implementing *Zakat* schemes to help the Muslims. Also, there is an effort to create National *Zakat* fund as evident in the *Zakat* and *Sadaqah* Trust Fund initiated by the Muslims Caucus in Parliament so that *Zakat* can be streamlined and institutionalized. This view was reiterated by Sheikh Armiyawo Shaibu, the former CEO of *Zakat* and *Sadaqah* Trust Fund when he explained that because the institution of *Zakat* has not been part of the mind-set of the Ghanaian Muslims for many years, its implementation has created difficulties.

However, there are challenges among which are; ignorance, or lack of information, accessibility and lack of trust as far as the effective practice of *Zakat* is concerned.

5.1.2 Lack of Information/ Ignorance

One of the main factors that hindered the practice of *Zakat* among Muslims is the lack of proper information for the Muslim populace. Though Muslims know that the *Zakat* is a pillar of Islam, the modalities are not well known to the generality of Muslims. It was also clear as shown from the responses of the Imams, that there is little information

as far as *Zakat* collection and distribution is concerned. This came up in the manner *Zakat* funds are distributed to the poor in the selected communities.

Additionally, what became evident from the study is the lack of availability of information on *Nisab*. Apart from the Mosque in Ramadan and those who pay their *Zakat* to *Zakat* and *Sadaqah* Trust Fund, having access to information on *Nisab* is very difficult. But in most cases, Muslims do not know the *Nisab* because it is not well publicised and it raises the question of whose responsibility it is.

5.1.3 Accessibility

Due to lack of information, certain Muslims, have chosen to give *Zakat* directly to the needy because there is no *Zakat* Center where they could send their *Zakat* to be distributed to the poor and the needy. This is one of the critical issues as far as the practice of *Zakat* is concerned as discussions suggest that some Muslims claim that they do not know where to send their wealth to.

5.1.4 Trust

Closely related to the above stated challenges is the issue of trust. This was corroborated by Sheikh Mustapha Ibrahim, the chairman and founder of (ICODEHS) who suggests that to be the major problem affecting the institutionalization of *Zakat* in Ghana.

Generally, Muslims are weary of leadership because of lack of transparency. Therefore, some Muslims are unwilling to send their *Zakat* to their local Imams for disbursement. This came up for example in the Tuba community where some members of the community were unhappy about the manner of utilization of *Zakat* funds. Instead of the

administrators of the fund to attend to the needs of the poor, the funds are rather used in the building of educational facilities. This then, obviously discouraged *Zakat* payers from paying directly to the *Zakat* committee.

5.3 Recommendations

Against this background of the major findings, the researcher recommends the following for the general Muslim community and the selected communities studied.

5.3.1 General

Muslims should be well schooled in the teachings of Islam to practice meaningful lifestyles to help improve of their welfare and also assist in the alleviation of poverty. There should be massive education about the modalities of *Zakat*, be it collection or distributions. Muslims must also be informed of the *Nisab* which most have no knowledge of. The beneficiaries of *Zakat* must also be enlightened on how to spend what is given to them for the *Zakat* proceeds appropriately in order to serve the purpose for which it is given. There should also be an establishment of a National *Zakat* Trust to be managed by technocrats. The *Zakat* and *Sadaqah* Trust Fund can be enhanced and publicised more for effectiveness. Regional and local funds can also be set up and supervised by the National for effectiveness. In order to overcome this canker of lack of trust, there should be transparency and the need for all Muslim groups to unite and ensure that the fund is managed by technocrats after its establishment.

5.3.2 Recommendations to Madina UN and Tuba Muslim Communities.

Since the lack of *Zakat* institution in Madina UN was identified as one of the factors contributing to the low patronage in the practice of *Zakat*, this study recommends that Muslim scholars in Madina UN should create a *Zakat* committee so that Muslims

within this community could send their *Zakat* to be distributed to the beneficiaries. Moreover, sensitization programs by the local Imams and Muslim scholars should be intensified in various platforms within these two communities, so that members of the communities will be abreast with information about *Zakat*. It is highly recommended in the light of the findings of the present situation of the *Zakat* committee in Tuba that the Muslim leadership employed the services of only the most trustworthy and professionally qualified Muslims in the community to administer the collection and distribution of *Zakat* funds. This may build trust in *Zakat* payers, and will also ensure transparency. These individuals should not only limit themselves to the collection and distribution, but must also see the need to educate Muslims in the community about the importance of paying *Zakat* as the third pillar of Islam.

The administrators of *Zakat* in both Madina UN and Tuba communities should also publicise the *Nisab* on the actual wealth *Zakat* is due on regular basis. The beneficiaries of *Zakat* in both communities, should also be enlightened by the *Zakat* administrators on how to spend what is given to them from the *Zakat* proceeds appropriately in order to serve the purposes for which it is given. Furthermore, administrators of *Zakat* in both Madina UN and Tuba, should employ and train field workers who will effectively and efficiently manage the collection and distribution of the proceeds. They must also design detailed and effective plans that will optimize local collection and distribution. Finally, in order to gain public confidence and also as part of responsibility to the public, the *Zakat* committees of Madina UN and Tuba should submit transparent and full disclosures of financial information to the community.

5.3.3 SUGGESTIONS FOR FURTHER RESEARCH

Further research could be undertaken to investigate ‘The Role of Islamic *Waqf* in Poverty Alleviation in Ghanaian Muslim Society.’

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APPENDICES

APPENDIX A

SAMPLE QUESTIONNAIRES

This questionnaire is meant to collect data for a research work titled ‘The Practice of Zakat and Poverty Alleviation in Accra, Ghana.’ The Study is pursued as part of the requirements for the award of a Master of Philosophy of Study of Religions at the University of Ghana, Legon. The confidentiality of the answers given is assured. Please tick the answer (s) of your choice to each of the following questions.

1. Gender a. Male () b. Female ().
2. Age a. 18-30 b.30-40 c. 40 and above
3. Educational Background (a.) no formal Education (b) Basic (c.) Pre- Tertiary
(d) Tertiary
4. Employment Status a. Self Employed b. Employed by Someone
c. Unemployed d. Schooling
5. Does poverty exist in your community? (a) Yes (b) No
6. If yes, what are the indicators?
i.....
ii.....
iii.....
7. In your view can poverty be alleviated in your community? (a.) Yes (b) No
8. What in your view can be done to alleviate poverty in your community?
9. Is Zakat a pillar of Islam? (a) Yes (b) No
10. Have you ever received Zakat? (a) Yes (b) No
11. Have you ever given Zakat? (a) Yes (b) No
12. From whom did you receive your Zakat?

(a) Local Imam (b) a wealthy Muslim (c) a Muslim scholar.

13. How do you know what you received was Zakat?

(a) I assumed it was Zakat (b) I was told by the donor (c) I was told by another beneficiary.

14. Was the Zakat fund you received, sustainable?

(a) Yes (b) No

15. How do you get to know about Nisab?

(a) On air (b) from Zakat committee (c) announcement from the Mosque

16. Do you think creating a Zakat committee in your community, can motivate payment of Zakat?

(a) Yes (b) No

17. Do you give your Zakat to be distributed by an Imam or you distribute it yourself?

(a) to an Imam (b) I distribute it myself.

18. Do you think Trust is a key issue in the collection and distribution of Zakat?

(a) Yes (b) No

APPENDIX B

INTERVIEW GUIDE FOR ZAKAT INSTITUTIONS

This questionnaire is meant to collect data for a research work field, ‘‘The practice of Zakat and Poverty Alleviation in Accra, Ghana.’’ The Study is being pursued as part of the requirements for the award of a Master of Philosophy in the Study of Religions at the University of Ghana, Legon. The confidentiality of the answers given is assured.

1. Can you tell me a bit about your organizational structure?
2. Do you engage permanent staff in running the office?
3. Do you have branches in other parts of the country?
4. How are your economic needs as management funding needs.
5. Which category of Zakat beneficiaries is your institution helping and why?
6. What mechanism do you use in the distribution of Zakat donation?
7. How many beneficiaries have benefitted from the fund so far?
8. What are the achievements so far?

APPENDIX C

INTERVIEW GUIDE FOR IMAMS

1. Do you know of any Zakat institution in your community?
2. Do you think that the payment of Zakat can alleviate poverty in your community?
3. As an Imam of your community, do people seek your advice on how to pay their Zakat?
4. What do you think can be done to enhance the payment of Zakat in your community?
5. How do you determine a poor person in your community?
6. Can you use Zakat funds for projects?
7. Do you inform the members of your community about Nisab?
8. How do you distribute Zakat to the poor?

APPENDIX D

APPENDIX: PHOTOGRAPHS



Hajia Azara Abukari, acting CEO of Zakat and Sadaqah Trust Fund of Ghana.



In a Focus Group discussion with some members of the Ghana Muslim Mission.



In an interview with Imam Hussein Molah of Madina Zongo (UN)