

*ZAKAT AND WAQF: TOWARDS A COMPREHENSIVE
FRAMEWORK FOR POVERTY REDUCTION IN KANO,
NIGERIA*

BY

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ABSTRACT

Kano State is the most populous Muslim state in Nigeria and a major commercial and industrial center in the West African sub-region. Ironically, it is also the state with the largest number of absolute poor in Nigeria. There is great need and potential to develop and to promote distributive justice through Islamic philanthropic tools such as *zakat* and *waqf*. To help and achieve this, the State government established the *Zakat and Hubusi (Waqf)* Commission Law in 2003 and regulated them in accordance with the dictates of Sharia to promote effective collection, distribution, and investment specifically for poverty reduction. However, after twenty years, the Commission has failed to pool the *zakat* and *waqf* resources needed to reduce increasing poverty levels in the State. This study aimed and developed a comprehensive framework based on empirical investigation of the challenges militating against effectiveness of these institutions. A constructivist qualitative method using grounded theory design was employed in which qualitative data was obtained in two stages. In the first stage, interviews were administered to eleven participants comprised of eight officials of the Commission and three officials from community based and professional philanthropic organizations. Codes and themes developed after transcriptions of the interviews were used to develop the questionnaire for data collection in the second stage of the study. This second stage aimed to strengthen the findings of the first phase and allowed for the generalisation of the result. Findings from the first stage analyses showed that the existing legal and administrative structure is inimical to effective operation of *zakat* and *waqf* institutions in Kano State due to general mistrust attached to government owned establishments and officials. Additional evidence showed that localizing administration through community-based organizations (CBOs) are the major trust drivers and would ease identification of donors and beneficiaries for effective collection and distribution respectively. It would also provide a structure that would instil trust and promote compliance for the system as donors could easily evaluate the transparency and effectiveness of the institutions through achievements of their local CBOs. The findings suggested that promoting accountability, indirect enforcement of compliance, favourable condition of service, employment of digital technology, employment and training of competent officials, building databases for donors and beneficiaries, education and awareness by clerics, empowerment programs, de-politicization of administration and more importantly building trust through legal engagement and partnership with community-based organizations were needed. Findings from the second stage analyses supported the above result and recommendations, and especially recognized a strong positive relationship between donor's trust, partnership with stakeholders and performance of the *zakat* and *waqf* institution. The weaker the government institutions, the lower the level of trust and support from stakeholders. Further findings supported the role of community organization in promoting the role of *zakat* and *waqf* for effective poverty reduction in Kano, Nigeria. Generally, the framework suggested localizing collection and distribution based on effective regulation and partnership with other local organizations and international actors on capacity building, resilience in local response to poverty, building trust, and community education.

خلاصة البحث

ABSTRACT IN ARABIC

ولاية كنو من أكثر الولايات سكاناً للمسلمين في نيجيريا، وهي ولاية صناعية تجارية، ومع ذلك هي من أكثر الولايات فقراً في نيجيريا، ففيه حاجة كبيرة؛ لمساعدة المحتاجين خلال أموال الزكاة والأوقاف، بناءً على هذا أنشأت حكومة الولاية قانون الزكاة والأوقاف عام 2003م؛ وذلك لجمع الزكاة والأوقاف وتوزيعها تخفيفاً للشدة الفقر وفقاً للشرعية الإسلامية، وبعد عشرين سنة لم تتمكن اللجنة من جمع أموال الزكاة والأوقاف للتخفيف زيادة الفقر في الولاية. وهذه دراسة تهدف للكشف عن المعوقات التي تمنع هذا المؤسسة عن أداء واجبها بشكل فعال وفقاً لأحكام الشريعة الإسلامية. وبعد عشرين عاماً، فشلت الهيئة في جمع موارد الزكاة والوقف للحد من مستويات الفقر المتزايدة في الولاية. وتضع هذه الدراسة منهجاً يعتمد على التحقيق التجريبي للتحديات، التي تمنع العمل الفعال لهذه المؤسسات. وقد اعتمدت هذه الدراسة على المنهج المختلط، وذلك باتباع التصميم المتسلسل الاستكشافي، حيث تم الحصول على البيانات النوعية في المرحلة الأولى من خلال المقابلات، التي أجريت مع أحد عشر مشاركاً، يتألفون من ثمان مسؤولين من الهيئة، وثلاث مسؤولين من المنظمات الخيرية المجتمعية والمهنية. وقد تم استخدام الرموز والمواضيع بعد تدوين المقابلات لتطوير استبانة جمع البيانات في المرحلة الثانية من الدراسة. وتهدف هذه المرحلة الثانية إلى تأكيد نتائج المرحلة الأولى؛ لتعمم النتائج. وظهر من خلالها هذه التحليلات النوعية، أنّ هيكل القانوني والإداري الموجود، يتعارض مع سير عمل مؤسسة الزكاة والأوقاف في ولاية كنو، بسبب عدم الثقة المرتبطة بالمؤسسات والمسؤولين من قبل الحكومة. زيادة على ذلك أنّ إدارة نظام المؤسسة تقليدي من خلال المنظمات المجتمعية (CBOs)، هي محركات الثقة الرئيسية ومن شأنها أن تسهل تحديد المانحين والمستفيدين من أجل الجمع والتوزيع الفعال على التوالي. كما أنه سيوفر هيكلًا من شأنه أن يغرس الثقة، ويعزز الامتثال للنظام حيث يمكن للمانحين بسهولة، تقييم شفافية فعاليات المؤسسات من خلال إنجازات منظمات المجتمع المحلي الخاصة بهم. كما تشير أيضاً إلى أن تأكيد المساءلة، والإنفاذ غير المباشر للامتثال، وشروط الخدمة المواتية، وتوظيف التكنولوجيا الرقمية، وتوظيف وتدريب المسؤولين الأكفاء، وبناء قائمة بيانات للمانحين والمستفيدين، والتعليم والتوعية من قبل رجال الدين، وبرامج التمكين، وإبعاد أمور سياسية في الإدارة. والأهم من ذلك، بناء الثقة من خلال المشاركة القانونية والشراكة مع المنظمات المجتمعية. وقد دعمت نتائج التحليلات الكمية النتائج والتوصيات المذكورة أعلاه، وأقرت بشكل خاص بوجود علاقة إيجابية قوية بين ثقة المانحين والوجهاء في الشراكة لأداء مهام مؤسسة الزكاة والوقف. وتدعم النتائج الأخرى دور تنظيم المجتمع في تأكيد دور الزكاة والوقف لتقليل الفقر بشكل فعال في كنو. وكلما ضعفت المؤسسات الحكومية

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APPROVAL PAGE

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DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

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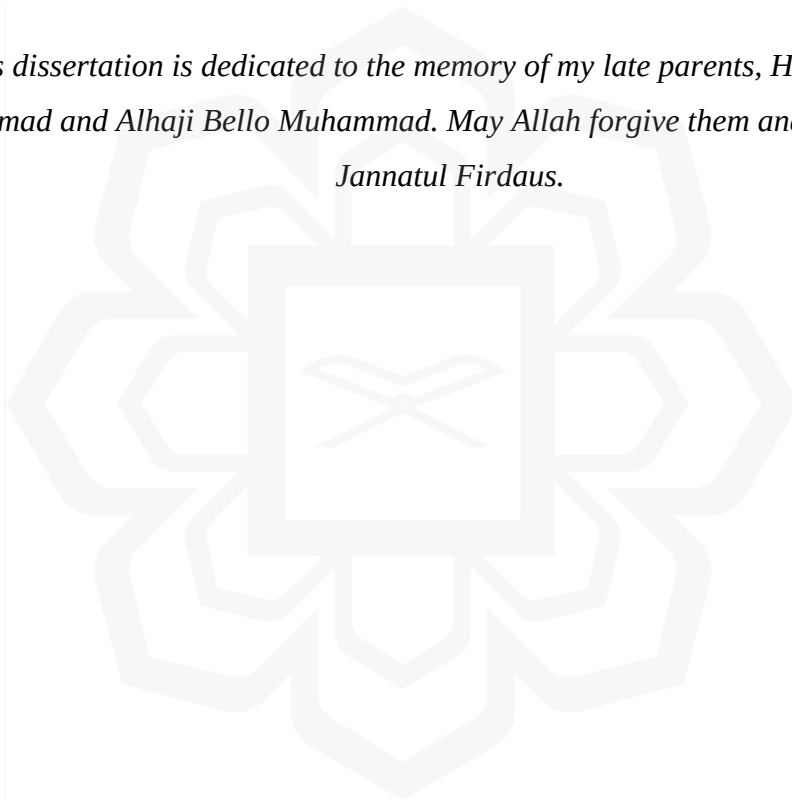
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DEDICATION

This dissertation is dedicated to the memory of my late parents, Hajiya Hafsat Muhammad and Alhaji Bello Muhammad. May Allah forgive them and grant them Al-Jannatul Firdaus.



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LIST OF ABBREVIATIONS

AZAWON	Association of <i>Zakat</i> and <i>Waqf</i> Operators in Nigeria
CB	Role of Community base organization
CBOs	Community Based Organizations
CM	Compliance Mechanism
CT	Compliance Triggers
DG	Director General
EX	Existing Framework
EXP	Expected Framework
FDI	Foreign Direct Investment
GA	Governance and Administration
GDP	Gross Domestic Product
GEEP	Government Enterprise and Empowerment Program
HA	Higher Agreement
HDI	Human Development Index
HPL	Higher Poverty Line
IMAN	Islamic Medical Association of Nigeria
IMF	International Monetary Fund
IPC	International Poverty Line
ISFD	Islamic Solidarity Fund for Development
LA	Lower Agreement
MA	Mal-administration
MDGs	Millennium Development Goals
NAPEP	National Poverty Eradication Program
NASFAT	Nasrul-Lahi Fathi Society of Nigerians
NBS	National Bureau of Statistics, Nigeria
NEEDS	National Economic Empowerment and Development Strategy
NGOs	Non-governmental Organizations
NHGSP	National Home-Grown School Feeding Program
NIPC	Nigerian Investment Promotion Commission
NPC	National Population Commission
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OIC	Organization of Islamic Countries
PAP	Poverty Alleviation Program
PBUH	Peace Be Upon Him
PR	Poverty Reduction Strategies
RC	Emotional and Historical responses to compliance
RNC	Reasons for non-compliance
SDGs	Sustainable Development Goals
SESRIC	Statistical, Economic and Social Research Training Centre

SPDA	Special Program for Development of Africa
SPL	Societal Poverty Line
SPSS	Statistical Package for the Social Sources
SSA	Social Security Administration
UN	United Nation
Z & H	<i>Zakat</i> and <i>Hubusi</i> or <i>Zakka</i> and Hubusi
ZHC	<i>Zakat</i> and <i>Hubusi</i> Commission



CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The United Nations adopted global goals, formally known as Sustainable Development Goals (SDGs) in 2015 to end poverty and protect the environment for a sustainable society. Poverty eradication is the first of the 17 goals that have been adopted. So far, between 2015 and 2017, the number of people living below the international poverty line has decreased from 741 million to 689 million (WorldBank, 2020). Sub-Saharan Africa has experienced the slowest rate of the decline, accounting for 40.2 percent of the total global extreme poverty rate (433.4 million poor) in 2018. Additionally, 18 of the 20 economies with the highest poverty rates in the world are in Sub-Saharan Africa, with Nigeria accounting for 20% (79 million) of the region's extreme poor population (WorldBank, 2020). Even though extreme poverty was already on the rise prior to the pandemic, employment and income losses because of the pandemic are increasing and changing the shape of the global poor.

Nigeria has the largest population and the largest Muslim population in Sub-Saharan Africa (Hackett et al., 2015), it also accounted for 30.7 percent of the total world poor who live in Organisation of Islamic Cooperation (OIC) member countries (OIC Report, 2015). Thus, reducing global poverty will necessitate a significant economic transformation of Muslim societies in Sub-Saharan Africa, which will reduce global poverty by a significant proportion. An analysis of 56,000 households in 36 states and the federal capital of Nigeria was done as part of a collaborative study by the Oxford Poverty and Human Development Initiative (OPHI), the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the National Bureau of Statistics (NBS), and the National Social Safety-Nets Coordinating Office (NASSCO). The findings reveal that 63%, or 133 million people living within Nigeria, are multidimensionally poor (NBS, 2022).



Figure 1.1 Map of Africa and Nearby Continent
Source: (Google Map)



Figure 1.2 Map of Africa Showing Nigeria
Source: (<https://creativecommons.org>)

The systemic poverty incidence is more prevalent in northern Nigeria, as 65% of the total poor (86 million) live in the north, and two-thirds (67.50%) of the poor are children aged 17 and below. However, child poverty is prevalent in rural areas, with almost 90% of rural children experiencing poverty. Other findings based on the geopolitical zones in Nigeria show that child multidimensional poverty is higher in the north-east and north-west, where 90% of children are poor, compared to the south-east and south-west, with 74% and 65.1%, respectively (NBS, 2022).

The population of Nigeria was estimated at 214, 028, 302 in 2020, of which Muslim faithful constitute 53.5 percent of the total (Central Intelligence Agency, 2021). In 2019, the estimated Gini coefficient was 35.1 and the poverty headcount rate was 40.1 percent (NBS, 2020b). However, the high rate of poverty in Nigeria is not equally distributed; Muslims that dominate the northern part of the country account for a significant percentage of the poor population. Out of 17 states in Nigeria that have a poverty rate higher than the national average, 12 are Muslim-dominated states from the northern part of Nigeria. The poverty rates for Muslim majority states in Nigeria are Bauchi State (61.53), Borno (not available), Gombe (62.31), Jigawa (87.02), Kaduna (43.5), Kano (55.1), Katsina (56.42), Kebbi (50.2), Niger (66.11), Sokoto (87.73), and Yobe (72.34) (NBS, 2020a). Although Sokoto State recorded the highest poverty headcount rate, the number of poor in the state was only 4,365,521 compared to Kano State with 7,167,078. Kano State, being Nigeria's most populous state, has the highest number of poor and poor Muslim populations in the country and more people living below the national poverty line (NIPC, 2020).

Kano State represents the model of Nigeria's poverty despite being a major commercial and industrial centre in the West African subregion and in Nigeria. It also functions as the most populous Muslim state in the most populous Muslim country in Africa. Thus, transforming this state would not only transform Muslim communities in Nigeria but also the entire African Muslim community. It was strongly argued that the large population in Kano was influenced by its economy, landscape, soil, climate, and culture (Barau, 2006). More than 95 percent of the people living in Kano are Muslims, which explains their polygamous practices and large population, which was estimated at 13, 076, 892 in 2016 (NBS, 2017). The fertility rate was also estimated at 7.7 in the state, which is among the largest in the country.

Discussions on poverty reveal that Kano has persistently served as a satellite of the high number of poor populations in Nigeria, as the poverty headcount was estimated at 55.1 percent in 2020. This can relate to the failure of the state to design and implement a good framework for the mobilisation and management of resources using both conventional and Islamic social finance tools for poverty reduction. Evidence has shown that despite the state's potential due to its population and active economy, it fails to identify the compliance gap required to generate revenue from taxation, and other Islamic social finance tools such as *zakat* and *waqf* to support the country's poverty reduction strategy. In 2019, the state generated only 40.6 billion Naira (\$133.1 million) as internally generated revenue from taxation, which was considered far below its potential and lower than what was generated by a neighbouring state with a much lower population and economic activities (NIPC, 2020). The state's major sources of revenue were federal government subventions and internally generated revenue from taxation, both of which were deemed insufficient to reduce the state's high level of poverty.

Poverty reduction strategy refers to a situation where some explicit indicators of poverty are systematically reduced, leading to improvements in the wellbeing of the poor in the short-term or long-term. In Nigeria, this strategy can generally be categorised as intervention at the federal, state, and local levels. Federal-level interventions are mostly in the form of macroeconomic interventions initiated and implemented by the central government with minimal support from the state and local governments. One of the major programs launched by the federal government of Nigeria to reduce poverty was the Poverty Alleviation Program (PAP), which commenced in the year 2000. The program's goal was to reduce unemployment; participants were given jobs with a monthly salary of 3,500 Naira. Another intervention was the National Poverty Eradication Program (NAPEP), which began in 2001 with a focus on youth empowerment, rural infrastructure development, social welfare, and national resources and conservation (Anyebe, 2014). In 2004 and 2007, two additional programs were launched. That is, the National Economic Empowerment and Development Strategy (NEEDS) and the Seven-Point Agenda, both of which aim to create jobs, wealth, and reduce poverty. The most recent attempt, however, was the N-Power program in 2016, which aimed to "empower Nigerian youth for prosperity." Under the program, the federal government allocated 500 billion Naira for youth skills acquisition and

development, with the goal of reducing poverty and paving the way for development (Obiwuru, 2019).

However, in 2015, the Nigerian central government launched another poverty-reduction program called the National Social Investment Program, which was designed to ensure more equitable income distribution among young Nigerians. Under this initiative, four programs were launched: 1) the N-Power program, which aimed at job and skill acquisition 2) Conditional Cash Transfers for the poorest of the poor, with the goal of reducing poverty and improving nutrition. 3) The Government Enterprise and Empowerment Program (GEEP), a microlending investment program for small businesses. 4) And the National Home-Grown School Feeding Program (NHGSFP), which aimed to increase school enrolment while decreasing malnutrition among the poor. These programs, which were overseen by the federal ministry of humanitarian affairs, disaster management, and social development, were heavily criticized by Nigerians for being riddled with corruption and mismanagement, resulting in 40.1 percent of Nigerians living in extreme poverty.

At the microeconomic level, poverty reduction intervention involves working directly with community-based organisations (CBOs) and non-governmental organisations (NGOs) at the local level. This coordination has a direct impact on the populace and is more effective when supported by state-funded local agencies (Vanderschueren et al., 1996). Given the large population of Muslims in Kano and Northern Nigeria in general, where poverty levels are much higher, poverty reduction interventions can be more effective if supported by *zakat* and *waqf* institutions to address socioeconomic problems, and as a result of Kano state's significant influence as a major Islamic and commercial centre, its success in poverty reduction strategy and program using Islamic social finance tools can easily be replicated by other Muslim communities in Nigeria, particularly in the north.

Islamic social finance tools such as *zakat* and *waqf* can be an effective intervention for poverty reduction due to their direct impact on the well-being of the poor. According to studies, countries such as Malaysia and Indonesia use these tools to provide health care, universities, and agricultural support for the well-being of the poor in society (Fauzia et al., 2018). The success story of Islamic social welfare tools for the

well-being of the poor can be replicated and developed in Nigeria, specifically in Kano State, which is the most populous Muslim society in the country.

Unfortunately, the current framework for *zakat* and *waqf* Institutions in Kano lacks the holistic laws, management, government, and non-governmental support to guide, manage, and support the government's efforts for poverty reduction. The current *zakat* and *waqf* institutional framework in Kano is characterised by high inadequacies in both governing laws and administration, which fits it into voluntary administration with a high level of evasion (Abdulhameed, 2020). Preliminary investigations conducted at the Kano State *Zakat* and *Hubusi* Commission reveal that despite the enormous potential of Islamic social finance tools such as *zakat* and *waqf* for poverty reduction, a lack of good comprehensive frameworks for the institutions in Kano State has resulted in very low resource generation by the institutions for poverty reduction, Zakat is only 2.5%, a very small percentage to affect poverty reduction. Waqf is underdeveloped, therefore unable to meet the needs of the poor in Nigeria as shown in tables 1.1 and 1.2 below.

Table 1.1 Zakat Collection by Kano State Zakat and Hubusi Commission, Nigeria

Year	Zakat Proceed (₦)	Population	Number of Zakat Poor	Per Poor (₦)
2011	12,000,000.00	11,087,814	7,273,606**	1.65
2012	10,000,000.00	11,459,817	7,517,640**	1.33
2013	6,000,000.00	11,844,300	7,769,861**	0.77
2014	9,000,000.00	12,241,682	8,030,543**	1.12
2015	5,000,000.00	12,652,397	8,299,972**	0.60
2016	5,000,000.00	13,076,892	8,578,441**	0.58
2017	5,000,000.00	13,515,629*	8,866,253**	0.56
2018	8,000,000.00	13,969,086*	9,163,720**	0.87
2019	7,000,000.00	14,437,757*	7,955,204***	0.88
2020	10,000,000.00	14,922,152*	8,222,105***	0.12

*Based on 2016 growth rate. ** % based on 2010 survey. ***% based on 2019 survey.

Source: (Zakat and Hubusi Commission Kano State, 2022; National Bureau of Statistics Nigeria, 2020)

The table above shows *zakat* collection and *zakat* per poor in Kano, Nigeria, over the last ten years. *Zakat* per poor is the total *zakat* collected by the commission each year divided by the number of poor in the State. This indicates that the institution is still in its infancy and lacks the capacity to generate sufficient resources, as the estimated *zakat* per poor person cannot even provide a single meal per person. However, additional information from the *Zakat* and *Hubusi* Commission, Kano, shows that the institution has 35 units of *waqf* assets located throughout the state as of March 9, 2021. These *waqf* assets can be classified as follows:

Table 1.2 Waqf Assets with Kano State Zakat and Hubusi Commission, Nigeria
(2022)

Waqf Asset	Plot of Land	School	Shop	House	Mosque (Masjid)
Units	8	11	1	14	1

Source: (*Zakat and Hubusi Commission Kano State, 2022*)

The value of these *Waqf* assets is unknown; however, most of them are underdeveloped and unable to meet the needs of the poor. Therefore, it is necessary to review the current framework for *zakat* and *waqf* in order to create a comprehensive framework that will guarantee that professionals, government officials, *zakat* and *waqf* payers, and community organizations interact with each other effectively in order to build *zakat* and *waqf* institutions that will support the reduction of poverty in Kano State.

1.2 BEST PRACTICES FOR PHILANTHROPIC INSTITUTIONS

In a modern setting, philanthropic organizations operate like businesses, with a comprehensive governing framework, and rely heavily on the contributions of individuals or organisations for their ongoing operations. Similarly, faith-based philanthropic institutions heavily rely on charity, such as *zakat* and *waqf*, for their operations in most Muslim societies. These institutions are voluntary entities not mandated by the law of the state, especially in secular nations. Their objective is to serve the public and maximize nonmonetary returns such as faith, beliefs, and values. Given the systemic poverty in Kano, Nigeria, and the Muslim-dominated section of the country, there is a need to optimize the potential of *zakat* and *waqf* and tap on them to address current issues with poverty.

An important task in developing best philanthropic practices stressed the need for structuring organizations based on their purpose and the sets of tasks they intended to achieve. These may include the question of whether the organization should be centralized or decentralized, what should be its decision-making process and leadership

style, who are the key stakeholders, and what would be their degree of participation based on the available tasks and socio-cultural environment. Thus, the key problem of organization in philanthropic practices is the relationship between the organization and the nature of the task environment, which refers to the specific elements with which the organization interacts within the course of operation. This includes donors, government agencies, staff, the board of trustees, professional associations, and beneficiaries. The task environment determines what structure is needed for effective management of philanthropic institutions. It also determines the management and leadership style, the government's communication channel, and stakeholders' collaboration.

Scholars argued that decisions on the structure of the organization, whether to be centralized or decentralized, depend on the relationship between coupling and interaction (Anheier & Toepler, 2022). These explain the relationship between the slackness or flexibility of the operation of the organization and the intent with which its operation is predictable or unambiguous. To enhance efficiency of operation, loose coupling and complex interaction are best accommodated by decentralized organizational structures, while tight coupling and linear interaction are best organized as centralized structures (Anheier & Toepler, 2022). Therefore, the complex nature and loose coupling of our task environment in Kano, Nigeria, may necessitate the adoption of a decentralized structure for *zakat* and *waqf* institutions in order to promote efficiency and good management for poverty reduction.

Application of the best management approach to *zakat* and *waqf* organizations can make the organization operate and work toward achieving its objectives by continuously adding value through the provision of the necessary strategies for poverty reduction through social and economic investment. Therefore, the best choice of management must have a holistic approach with the structural features of combining and controlling various component parts, including the stakeholders. Helmut K. Anheier's stakeholder chart for philanthropic organizations provides some key stakeholders, such as individuals, donors, community groups, local government, volunteers, paid staff, regulatory agencies, board members, and others that have a stake in the performance and sustainability of the organization. It was argued that understanding the complexity and relationships of these stakeholders is a good approach to setting the governance requirements of the organization (Anheier, 2005).

Governance is the set of rules and procedures for decision-making in an organization; it is the system in which philanthropic organizations are directed and controlled. It's about the rules, procedures, sanctions, and mechanisms needed to ensure compliance. Governance failure in philanthropic organizations can be attributed to many factors, such as corruption, embezzlement, lack of a conducive environment, lack of effective oversight, low morale, and poor organizational structure, which underscore the importance of stakeholders for the performance and sustainability of the organization (Anheier & Toepler, 2022).

Another modern tool for organizational performance is the improvement of the quality of leadership, which is defined as a behavioural process in which one person attempts to influence other people's behaviour toward the accomplishment of goals. It was suggested that leaders of philanthropic organizations need to focus on four dimensions. (1) internal organizational aspects such as staff and board members, which you need to encourage them to unite for the common goal of the organization; (2) external organizational aspects such as donors, policymakers, and media (3) Present operations such as organization performance and community support (4) Future possibilities, such as sustainability opportunities and potential threats, that may have implications for organization efficiencies (Anheier & Toepler, 2022).

However, marketing, especially through the use of media and modern technology, is another best-practice approach used by organizations to attract resources and reach out to stakeholders. It is also a convenient method used for education, enlightenment, and outreach to donors, potential donors, and beneficiaries. These also include the use of modern technological tools for advocacy in order to promote compliance by donors and potential donors.

Modern practices of philanthropic institutions use most of the frameworks explained above based on the task environment in collaboration with various stakeholders. Public problems such as poverty cannot be effectively addressed by any one sector alone; therefore, it is pertinent to understand the socio-economic incentive of collaboration with other philanthropic organizations, business communities, the government, and local community organizations. These collaborations would create social value beyond what the individual organization could achieve on its own (Anheier & Toepler, 2022), thereby promoting a collaborative value creation framework, which

is a common feature of modern public problem solving that brings different socioeconomic sectors together and leverages their capabilities to promote expert professional practice.

1.3 PROBLEM STATEMENT

It is clear that most of Nigeria's traditional poverty reduction efforts have failed to improve the poor's overall well-being (Anyebe, 2014). The latest available data indicates that Nigeria is an extremely poor country, but the severity of poverty varies across the geopolitical regions, with Muslim-dominated regions in the north having significantly higher rates of poverty than the national average. Despite this key problem, only a few researchers have attempted to develop a better alternative poverty reduction programs in Muslim communities using *zakat* and *waqf* to support the existing system (M. Ahmad, 2019; Elesin, 2017). However, preliminary investigations reveal that, over the last 10 years, government *zakat* and *waqf* institutions in Kano have failed to mobilised sufficient resources to reduce poverty in the state despite being Nigeria's most populous Muslim state (Tables 1.1 and 1.2). As a result, the number of extremely poor people increased from 7.2 million in 2011 to 8.2 million in 2020 (Table 1.1). More people are also expected to be pushed into extreme poverty because of COVID-19, unless this tendency is drastically reversed (WorldBank, 2020).

Although, a few studies that have been conducted on *zakat* and *waqf* institutions in Kano, Nigeria, which have mostly concentrated on Islamic law, administration, and the distribution of *zakat* and *waqf* revenue (Abdulhameed, 2020; A. U. Farouk et al., 2017; S. M. Ibrahim, 2015; NSRP, 2016; Wali, 2013). These studies have neglected to address important systemic issues with the current *zakat* and *waqf* institutional framework, such as political interference, governance, and trust. A framework is a holistic system that addresses how and why things should work. It leads a user through a task experience and gives a collection of components that may be utilised for various studies of institutional operations. These systemic issues have a great connection with the incompatibility of the existing framework of administration with our task environment, and inappropriate components that could enhance *zakat* and *waqf* institutions' potential of raising revenue, increasing payment compliance, and forming partnerships with stakeholders that can provide the necessary intervention to support

the already inadequate government system of poverty reduction. Therefore, in order to support existing government efforts and stop the growing poverty that is destroying Muslim communities in Kano and other Muslim-dominated areas in Nigeria, we need to create a solid framework with strong components that are well-matched with our task environment and would lay the foundation for effective *zakat* and *waqf* institutional systems, covert and lower noncompliance rates, and partner with all stakeholders by acknowledging their contributions and working together for effective poverty reduction in Kano state. The study intends to bridge these gaps in the current literature and offer suggestions for a functional structure of *zakat* and *waqf* institutions using the new data generated by the research.

1.4 RESEARCH OBJECTIVES

Based on the shortcomings of previous studies, this study intends to provide a comprehensive framework for the development of *zakat* and *waqf* institutions to increase revenue for poverty reduction. Due to the inadequacy of government revenue to finance development projects, most poverty-reduction programs implemented in Nigeria have failed to achieve the desired results. The following are the study's objectives:

1. To identify key components for a holistic *zakat* and *waqf* institutional system in Kano, Nigeria.
2. To determine ways to improve *zakat* and *waqf* resource mobilisation and distribution in Kano, Nigeria.
3. To identify key stakeholders in the *zakat* and *waqf* management systems and their specific roles in poverty reduction in Kano, Nigeria.

1.5 RESEARCH QUESTIONS

The research is guided by the following research questions, which are based on the objectives:

1. What are the key components of a holistic *zakat* and *waqf* institutional system in Kano, Nigeria?

2. How can we improve *zakat* and *waqf* resource mobilisation and distribution in Kano, Nigeria?
3. Who are the key stakeholders in the *zakat* and *waqf* management systems, and what specific roles do they play in poverty reduction in Kano, Nigeria?

1.6 SIGNIFICANCE OF THE STUDY

The research is significant for its contributions to the existing body of literature, particularly in Islamic social finance in particular and Islamic economics in general. However, given that most of the existing research in these areas is theoretical and not on practical relevant issues such as trust, compliance, and building *zakat* and *waqf* institutional frameworks in Sub-Saharan African communities, which account for more than 40% of the global poor population, conducting this research would provide a framework for resource mobilization to reduce poverty in the region using Islamic social finance tools such as *zakat* and *waqf*. Specifically, problems impeding the development of these institutions in Sub-Saharan Africa's most populous Muslim community are identified and investigated. The researcher aims to make grass-roots discoveries to better understand the potential of these tools for poverty reduction as well as the underlying phenomenon responsible for their poor performance. The researcher's findings can be used to recommend best practices in the management of *zakat* and *waqf* institutions in Kano, Nigeria, which can further be used for economic development in Kano, Nigeria, and other Muslim Sub-Saharan African communities.

1.7 SCOPE AND LIMITATIONS OF THE STUDY

The study's goal is to provide a thorough investigation into the potent framework and the courses of lower *zakat* and *waqf* payment compliance in Kano, Nigeria. The investigation's findings would provide a solid foundation for the use of these tools for poverty reduction in Kano, Nigeria, the most populous Muslim state in Africa and Sub-Saharan Africa. Kano also has the highest number of poor people; therefore, research findings in Kano may have an impact on other Muslim communities in the region. Most of the literature reviewed is articles from open-access academic journals on philanthropy, *zakat*, *waqf*, and taxation that are indexed in the Scopus database. Few

studies on Nigeria and Sub-Saharan Africa were found in the database; most of the studies are from high- and middle-income countries such as Malaysia and Singapore, which differ from Sub-Saharan Africa not only economically but also in terms of socio-cultural heritage.

The study does not investigate the magnitude of poverty or Islamic jurisprudence on *zakat* and *waqf*; rather, the direction of the research was from the supply side of poverty reduction, aiming to provide an effective structure that would provide the necessary resources and strategies for the wellbeing of the community. However, due to a lack of unified data on income earned by corporations and individuals, as well as a lack of acceptable fatwas for *zakat* payment on salary earners and corporations, the study's population may be limited to *zakat* and *waqf* officials, donors and potential donors, and other poverty reduction stakeholders such as community-based organisations (CBOs) and non-governmental organisation (NGOs).

1.8 ORGANIZATION OF THE THESIS

The thesis aims to investigate key elements or components of a comprehensive framework for poverty reduction in Kano, Nigeria, using Islamic social finance tools such as *zakat* and *waqf*. Poverty is endemic in Nigeria, as findings reveal that 63% of people living within the country are multidimensionally poor, two-thirds of whom are children aged 17 and below. The systemic poverty incidence is more prevalent in Muslim-dominated northern Nigeria, where Kano State has the largest number of poor populations. Evidence has shown that the government poverty reduction programs is not enough to change the situation, thus the need for a comprehensive framework for Islamic social finance tools to support government efforts in Kano, Nigeria. The objective of the study is to identify key components for an effective *zakat* and *waqf* institutional framework in Kano, determine ways to improve *zakat* and *waqf* payment compliance and distribution, and identify key stakeholders in the *zakat* and *waqf* management systems and their specific roles in poverty reduction in Kano, Nigeria.

In order to provide a coherent presentation of findings that would accommodate cohesion in reporting the empirical findings from the mixed method adopted in the research, the thesis comprises seven chapters. Each chapter provides an overview of the contents and a summary at the end of the chapter. The first chapter presents the general

introduction and background of the research, such as the systemic poverty in Nigeria and how a comprehensive framework for Zakat and waqf institutions can support government efforts to reduce the problem. Chapters two and three present literature reviews. In chapter two, a general systematic review of important concepts such as poverty, philanthropy, zakat, and waqf taxation is presented, while in chapter three, the study presents a review of previous studies on zakat, waqf, and taxation specific to Kano and Nigeria. The chapter also presents the study framework and concept used. Chapter four presents the methodology of the study. A constructivist qualitative sequential design is used to collect qualitative data in two stages using interviews and questionnaire respectively. In chapter five, findings from both first stage and second stage data collected are presented, while chapter six presents a discussion of the findings and proposes a framework for zakat and waqf institutions in Kano based on the data collected. Finally, chapter seven presents a conclusion, recommendations, policy implications, limitations, and a future research guide.

1.9 CHAPTER SUMMARY

Despite the extreme poverty that exists in Sub-Saharan African Muslim countries, little has been done by these societies to use Islamic social tools such as *zakat* and *waqf* to improve their well-being. The underdeveloped *zakat* and *waqf* institutions recorded very few donations, which are insufficient to even alleviate the suffering of a few among the region's large and growing poor population. Although it has not been determined whether these Islamic tools have the potential to alleviate poverty in the region, the research aimed to investigate this issue and identify the causes of low *zakat* and *waqf* donations. Using Kano, Nigeria, as a case study, which has the largest Muslim population in the region, the research would provide a thorough analysis and recommend a comprehensive framework for *zakat* and *waqf* management to aid in poverty reduction in the communities.

CHAPTER TWO

POVERTY AND PHILANTHROPY

2.1 INTRODUCTION

This chapter highlights the concept of poverty and how different governments address this issue, taking into account the latest trends and practices. The chapter also examines philanthropic measures taken to reduce poverty from both conventional and Islamic perspectives, as well as how the development of Islamic philanthropy or social finance tools such as *zakat* and *waqf* can be a viable means to support mainstream poverty reduction strategies. Concepts of Islamic philanthropy such as *zakat* and *waqf* have been presented, management strategy and donors' behaviour have been analysed, and critical comparisons between Islamic philanthropic tools and taxation have been presented to show how Islamic social finance is directly solving poverty compared to conventional tools of generating revenue from taxation to fund poverty reduction programs.

Thus, the world would be a better place if everyone on Earth had access to necessities such as nutrition, health, and shelter for their survival and well-being. All these basic needs are attainable for everyone if we can create a good and efficient framework for giving and receiving for the rich and poor, respectively. Extreme poverty reduction can be achieved when rich and poor countries or people work together to take serious steps to end poverty with a high level of commitment (Riedel & Sachs, 2005). The truth is that if the rich cannot afford to give to the poor, they cannot afford not to give due to the serious implicit consequences of poverty.

Until the great depression of the 1930s, classical and neoclassical economists generally held that the appropriate stance for fiscal policy was for governments to maintain balanced budgets. The extreme unemployment of the twentieth-century crises gave rise to the Keynesian concept of counter-cyclicity, which proposed that governments should balance economic business cycles and promote growth through tax and spending policies. The underlying premise of the Keynesian model is called into question by neoclassical economics, which contends that stimulus packages and other expansionary fiscal policies are viewed as short-term tax breaks or spending that must be paid back later (Lin, 2011). Therefore, out of all these perspectives held by global

economists, only the welfare capitalist perspective has a significantly more successful approach to reducing poverty, albeit at the expense of a very high tax on the populace. As a result, welfare programs for the most vulnerable must rely on and be funded by charitable donations.

The global framework developed by the United Nations (UN) and the Organization for Economic Cooperation and Development (OECD), such as the Millennium Development Goals (MDGs), Sustainable Development Goals (SDGs), and Official Development Assistance (ODA), as well as that developed by individuals such as the Bill and Melinda Gates Foundation, Warren Buffett, and John D. Rockefeller, are just a few examples of philanthropists who are contributing to the global decline in extreme poverty. According to research, the number of people living below the international poverty line decreased from 741 million to 689 million between 2015 and 2017, with Sub-Saharan Africa experiencing the lowest decline rate. This progress, however, was jeopardized by the COVID-19 pandemic, which was expected to push an additional 100 million people into extreme poverty due to job and income losses worldwide (WorldBank, 2020). Even though the rate of extreme poverty was increasing prior to the pandemic, job losses during the pandemic are increasing and changing the structure and size of the global poor.

In 2018, Sub-Saharan Africa accounted for 40.2 percent of the total global extreme poverty rate (433.4 million poor), with Nigeria accounting for 20 percent (79 million) of the region's extreme poor (WorldBank, 2020). Sub-Saharan Africa has 18 of the world's 20 economies with the highest poverty rates. This demonstrates how Sub-Saharan Africa serves as a haven for poverty, with its headquarters in Nigeria.

In response to global extreme poverty, various economic and humanitarian initiatives were undertaken by international communities, such as World Bank and International Monetary Fund (IMF) loans and assistance, Official Development Assistance (ODA) by the OECD, and others, to assist poor countries in improving their economic situation. These donor agencies have been accused of having ambiguous concepts that are detrimental to poverty reduction in developing countries (Orliange, 2020). Similarly, member countries of the Organization of Islamic Cooperation (OIC) developed poverty reduction strategies to assist member countries with the necessary funds and support for poverty reduction. The OIC established a well-defined framework

to fund poverty reduction projects such as the Islamic Solidarity Fund for Development (ISFD) and the Special Program for Development of Africa (SPDA), which are channelled through the Islamic Development Bank (IDB). The OIC Vocational Education and Training Initiative, on the other hand, was developed in 2009 by the OIC's Statistical, Economic, and Social Research Training Centre (SESRIC) (COMCEC, 2019). All of this is an effort to empower poor member countries and improve their well-being.

Despite the OIC's unique philanthropic measures for poverty reduction in member countries, the OIC countries are home to 33 percent of the world's poor, with Nigeria accounting for 30.7 percent of the OIC total poor (OIC Report, 2015).

2.2 MAINSTREAM CONCEPT OF POVERTY

This section provides current knowledge and explanations of the concept, types, causes, and remedies of poverty from mainstream economic perspectives.

2.2.1 Definition and Types of Poverty

There are numerous debates about what constitutes a definition of poverty and who can be classified as poor. These definitions evolve over time in response to economic and social conditions. Poverty, according to the World Bank, is defined as a household deprivation in income or expenditure of less than US\$1.90 per day; this benchmark refers to the International Poverty Line (IPL). Thus, using the US\$1.90 per day minimum level of income or expenditure, the poor are distinguished from the non-poor. It was estimated in 2017 that 9.2 percent of the world's population, or 689 million people, live below the IPL (WorldBank, 2020). The World Bank definition of poverty was used in Nigeria for national poverty surveys, in which consumption expenditure rather than income is used to measure the level of welfare of a household (NBS, 2020a). But recently, emphasis has been shifted to the modern definition of poverty, which is the multidimensional nature of poverty and has expanded to include additional variables such as food, water, underemployment, security, school lag, and child deprivation to guide local poverty action (NBS, 2022). This study also uses a multidimensional definition of poverty.

There are three basic approaches to measuring and defining poverty, according to Mahembe & Odhiambo (2019). The first was based on the above-mentioned income or expenditure. The second approach is based on a person's ability to function and improve his or her well-being in society, and the third is a multidimensional approach that defines poverty based on monetary and non-monetary deprivations such as education and basic infrastructure.

Poverty is classified primarily according to its economic, social, or political aspects. In his book 'End of Poverty: Economic Possibilities of Our Time', Jeffry D. Sachs (Riedel & Sachs, 2005) identified the following types of poverty:

- Extreme or Absolute Poverty
- Moderate Poverty
- Relative Poverty

Absolute poverty is defined as a household's inability to meet basic survival needs such as food, shelter, water, and sanitation, among other things. These basic needs are rarely met in moderate poverty. Poverty is also relative if a household's income or expenditure level is less than a certain percentage of the national average to the point where they cannot afford certain goods or services that are not considered essential for survival, such as vacation and quality health care in high-income countries.

However, as the country advances, the types of poverty change according to the level of advancement. According to this assertion, the World Bank introduced four poverty measurement systems in addition to the IPL of US\$1.90 per day for extreme poverty in 2018. The updated poverty metrics are summarized below:

- International Poverty Line (IPL) of US\$1.90 a day for extreme poverty
- Higher Poverty Line (HPL) of US\$3.20 a day as National Poverty Line (NPL) for lower-middle-Income countries
- Higher Poverty Line (HPL) of US\$5.50 a day as National Poverty Line (NPL) for Upper-middle-Income countries
- Societal Poverty Line (SPL) which takes care of additional basic needs requirements as countries becomes richer.

- Multidimensional poverty measure which takes care of monetary poverty, education, and basic infrastructure as indicators of wellbeing in the countries. These have taken care of six indicators developed by the World Bank, which include income or consumption, educational attainment, educational enrolment, drinking water, sanitation, and electricity, which are mapped up to the three indicators of wellbeing (Jolliffe & Prydz, 2016; WorldBank, 2020; You et al., 2019). The multidimensional poverty index (MPI) is measured using household surveys that take into account nonmonetary variables such as education and infrastructure, as well as income and expenditure. Typically, it exceeds a country's monetary poverty rate. In Nigeria, the MPI includes all of the global MPI dimensions plus a dimension that contains an indicator of employment. It was measured using a household survey questionnaire developed after consultation with government, academia, civil society, and development partners (NBS, 2022)

2.2.2 Causes of Poverty

Poverty's multidimensionality reveals that its causes are also multidimensional. Most early research claimed that the major causes of poverty are low economic growth and unemployment, environmental degradation, deceptive social norms and traditions, an ineffective political system, poor health, illiteracy, lack of participation, food insecurity, a lack of financial resources, a lack of political will and institutional capacity, and climate change (SESRIC, 2015). This study was conducted on OIC member countries, primarily in Sub-Saharan Africa and Asia, and it was discovered that corruption and low educational attainment were two of the major causes of their vicious extreme poverty (Gonzalez, 2016; WorldBank, 2016). However, recent studies that built on previous research suggest that high initial and growing inequality, combined with the poorest countries' inability to translate economic growth into poverty reduction, contributed to the vicious cycle (Fosu, 2017). The culture of large family size, gender discrimination in asset distribution, and economic policy are all responsible for exacerbating the poverty situation, particularly at the local government and community levels (Tahir & Hasan, 2018). The growing awareness of the multidimensional causes of poverty has prompted additional research into not only factors such as capital and family burden or employment opportunities (Zulher & Ratnasih, 2021), but also looking

at poverty in its legal sense, which is a violation of human rights and disrespect to human dignity. It can be argued that it is the responsibility of everyone in society, especially legal officials, to assist in transforming our institutions and policies to elicit human dignity (Aguirre Hernández, 2020).

According to Raies, (2020), one of the major causes of poverty in many countries is a high level of unemployment. Traditional measures taken by some of these countries include taxing all individuals, including the poor, to fund education and other necessities for economic well-being. Evidence suggests that taxing the wealthy only (as in the case of *zakat*) produces a better result in terms of reducing unemployment (Raies, 2020).

2.2.3 Poverty Reduction Approach

The effectiveness of any poverty-reduction strategy is determined by how well the policy interventions work to alleviate all forms of poverty. The framework developed by the Millennium Development Goals (MDGs) has resulted in a remarkable reduction in poverty from 43 percent in 1990 to around 17 percent in 2011, but about 1 billion people are still below the poverty line (Shirazi & Zarka, 2016). Many studies indicate that investment, job opportunities, and a minimum wage will increase consumption and reduce poverty (Zulher & Ratnasih, 2021). However, other studies, such as Alkire et al. (2017), argue that there is no clear relationship between economic growth and poverty reduction because growth alone is insufficient to reduce multidimensional poverty. Economic growth can only reduce poverty if it is accompanied by less inequality, better health, education, and so on.

According to a study conducted by Saleem and Donalson (2016), there are four distinct poverty reduction paths taken by 15 countries that have demonstrated rapid poverty reduction. These are the paths:

- Industrialization: Path taken by Japan, South Korea, Hong Kong, Singapore, Taiwan, and Thailand.
- Rural development: Path taken by Indonesia and Peru.
- Social Welfare: Path taken by Netherlands, Italy, Finland, Norway, and France

- Petroleum generated employment: Path taken by Gabon, Trinidad & Tobago

Current studies did not reject these pathways but rather expanded on them to include current reality. For example, it has been suggested that reducing extreme poverty in Sub-Saharan Africa will require a shift in the pattern of expenditure or income distribution (Jaiyeola & Bayat, 2020). Evidence shows that countries that followed the industrialization and rural development paths for poverty reduction sustained economic growth of at least 7% for 25 years, while the poor's income did not increase by 6%. In some cases, such as Singapore between 1978 and 1983, the poor's income fell by 1.3 percent because of the shift from labour to capital production

methods (Saleem & Donaldson, 2016). Subsidies and other social welfare programs were strongly argued to be some of the most effective means of redistributing income in society. Unlike taxes, which are effective at raising revenue, the subsidies' program is most effective at reducing poverty (Enami et al., 2019). Between 1979 and 1984, Norway achieved remarkable success through social welfare policies; economic growth was 2.8 percent, but income for the poorest increased by 14.6 percent. This demonstrates that while economic growth is an important factor in reducing poverty, it is not the most important one; social welfare programs such as healthcare subsidies, housing and family benefits, unemployment benefits, disability and elderly benefits, minimum wages, and education subsidies are critical for improving the income of the poor and reducing poverty.

Traditionally, poverty reduction programs are primarily funded through taxes, loans, or Official Development Assistance. Given the argument that tax credits can reduce poverty in recipient households and vice versa (Ajilore, 2008; Hamad & Rehkopf, 2016; Hick & Lanau, 2019), and another finding that the transfers must be large enough to fund subsidies, escape poverty, and avoid an ineffective burden on taxpayers (Fanti & Spataro, 2008), the literature shows that tax systems have limits to the extent to which they can mobilize enough resources through taxation to fund poverty reduction programs in order not to promote the poverty they may intend to reduce, because studies have confirmed that tax credits reduce the poverty gap of affected households by two-thirds (Hick & Lanau, 2019).

Pathways to poverty reduction, on the other hand, can be financed by loans, grants, or official development assistance. Even though many studies, including those

by Mahembe and Odhiambo (2019), argued that these methods of financing poverty reduction were effective when they targeted pro-poor public expenditures such as agriculture, education, health, and infrastructure, similar current studies have dismissed it as having no effect on poverty in the short run and a negative impact in the long run (Shitile & Sule, 2019). ODA and other grants can be a means of achieving growth and may have a poverty effect if invested in pro-poor public expenditure and are free of any conditionality that is detrimental to the receiving country's development. However, studies have shown that between 1990 and 2017, foreign direct investment and foreign aid had a negative effect on poverty in the 29 sub-Saharan African countries (Anetor et al., 2020). This was due to the insufficient foreign direct investment (FDI) required to reduce poverty and the lack of institutional requirements needed to translate FDI into poverty reduction. The study further asserted that foreign aid had a negative effect on poverty reduction because foreign aid received was spent on sectors that had no direct impact on job creation or social expenditure for poverty reduction (Anetor et al., 2020).

Whatever path for poverty reduction is chosen, resources are required to fund poverty reduction strategies. Resources should be mobilised and spent in more effective ways so that we do not plunge society into further poverty. These will necessitate a multifaceted approach, which will necessitate humanitarian and religious initiatives aimed at reducing poverty, particularly in Muslim-majority poor communities. Religious values and actors are important factors in poverty reduction (Tomalin, 2018); this is due to their genuine desire for well-being and strong positive impact on poverty and other socioeconomic wellbeing.

2.3 ISLAMIC CONCEPT OF POVERTY

Long before the conventional concept, Islam had its own concept, types, and solutions to a wide range of socioeconomic problems, including poverty, which were widely believed to have had a more positive impact and to be capable of providing long-term solutions to our current problems. Poverty is a major threat to Islam that must be eradicated. According to a hadith narrated by Abu Na'im from Anas, the Prophet ﷺ said, "Poverty can lead to infidelity." This demonstrates how Islam regards poverty as a major threat to humanity. As a result of its positive impact on poverty reduction, religion is now receiving more attention than ever before (Tomalin, 2018). The current

ecosystem in most Muslim poor countries is not enough to reduce poverty; we need more specialized financing tools that would provide and strengthen means of livelihood for the poor. This subchapter provides the definition, causes, and solutions of poverty in the context of Islam.

2.3.1 Definition and Types of Poverty

Poverty, as defined by Islam, is a condition in which a person is unable to meet their daily needs due to insufficient means of livelihood. This definition is based on the Quranic definition of poverty, which divides the poor into two categories: the poor (Miskin) and the destitute (Faqir) (Ajeng & Hidayati, 2015). Both situations are regarded as social evils and a major threat to society by the Quran, Hadith, and Islamic thinkers. Poverty, whether permanent or temporary, should be addressed through charitable contributions such as *zakat*, *waqf*, and other forms of charity.

In the holy Quran, two major terms are associated with poverty: Faqir and Miskin. Both terms refer to people who need assistance to meet their basic survival needs. Although Islamic scholars disagree on the degree of poverty between the two, While some contend differently, others concur that the faqir are in worse condition than Miskin (Ajeng & Hidayati, 2015). it was interpreted differently that those living below the poverty line are the Fuqara (the poor), while those living far below it are the Miskin (the destitute) (Korayem & Mashhour, 2014). According to this view, faqir finds himself lacking income or material to meet his basic needs, which may include unskilled labour, orphans, disabled people, the elderly, and others. However, according to the same view, Miskin is in a worse economic condition than Fakir. Miskin lacks income or means to meet basic needs, either by being unable to work or not earning enough to maintain himself and his family. The two categories are entitled to be helped to reach their sufficiency level, considering the importance Islam attaches to the reduction of poverty. In Nigeria, a significant level of the population lives below the poverty line, indicating widespread deprivation in sanitation, healthcare, food security, education, and housing.

2.3.2 Causes of Poverty

Poverty and prosperity are all tests from God, according to Islam. This does not change the fact that Islam considers the causes of poverty to be both internal and external to society. In 2015, the OIC investigated the following major causes of poverty in member countries: (1) low economic growth and unemployment (2) environmental degradation (3) misguided social norms and traditions (4) ineffective political system and governance (5) illiteracy (6) poor health (7) food insecurity (8) lack of participation (9) lack of financial resources due to inefficient tax systems (10) lack of institutional capacity and political will (11) climate change (OIC Report, 2015). Although these are consistent with mainstream economic causes of poverty, recent Islamic research identifies corruption, injustice, poor moral ethics, and ineffective poverty reduction programs as major causes of poverty in underdeveloped economies (Nuhanović & Babajić, 2019).

According to Ajeng and Hidayati (2015), the causes of poverty in Islam can be natural; human conditions caused by nature, or social and structural conditions. Poverty is naturally regarded as a test from God by Muslims, as stated in the holy Quran (Qur'an 2:155).

And we will surely test you with something of fear and hunger and loss of wealth and lives and fruits....

In Islam, a test from Allah (God) was always regarded as a way of washing away our sins and replacing a worse misfortune. It is also intended to strengthen our faith and bring us closer to God. As stated in the Qur'an (3:46), "Allah loves the patient."

As previously stated, poverty can be caused by the human condition; therefore, Islam encourages hard work and discourages laziness. In hadith 2664 of the Sahih Muslim Book of Destiny, the prophet Muhammad (ﷺ) is reported to have said, "A strong believer is better and more lovable to Allah than a weak believer." Similarly, many Qur'anic verses, such as An-Nisa (9), Maryam (25) have emphasized the importance of the human condition in changing one's state of well-being.

Poverty can also be caused by societal, social, and structural conditions such as injustice, corruption, and stinginess. These are explicitly stated in the holy Qur'an in Chapter 17 verses 16 and 29, as well as Chapter 22 verse 45. Prophet Muhammad (ﷺ)

sought refuge or protection from disbelief and poverty, indicating that poverty is a social evil. "What comes to you of good is from Allah, but what comes to you of evil is from yourself," Allah said (Qur'an 4:79).

In Indonesia, scholars have developed a poverty and welfare measurement model based on Islamic perspectives known as CIBEST. This model of poverty measurement argued that poverty covers both material and spiritual needs. Basic material needs by household include food, clothes, health, and education, while spiritual needs are basic needs required to perform religious obligations, which include ability, strong will, and freedom. The model explains variables of spiritual needs to include prayer (salat), fasting, zakat, household environment, and government policy (Beik & Arsyianti, 2015). Based on this, we can make a strong case that the root causes of poverty can be viewed primarily from human, social, structural, and spiritual conditions that require material and spiritual solutions.

2.3.3 Poverty Reduction Approach in Islam

In the previous section, we looked at how conventional systems address poverty. In the present section, we argue that Islamic social finance tools such as zakat and waqf can provide the best response and support the conventional system for poverty reduction because they target the income and wealth of the rich, are a key part of religious faith, and support the most vulnerable people in society. From conventional approaches to poverty reduction, social welfare has proven to be more effective than any other program. Countries such as Finland, Norway, Italy, France, and the Netherlands have some of the best poverty-reduction programs in the world by providing welfare benefits to the poor. Between 1979 and 1984, the welfare program in Norway increased the income of the poorest by 14.6 percent (Saleem & Donaldson, 2016). The social welfare path to poverty reduction (as adopted by Norway) is in agreement with Islam's approach to poverty reduction, except that the conventional economic welfare programs are funded by taxes while the Islamic economic system of poverty reduction is funded by Islamic social finance tools such as *zakat*, *Fai*, *Kharaj*, *Ushr*, *Khums*, and other forms of sadaqat (charity) such as *waqf* (Islamic endowment). In Islam, *zakat* is obligatory, whereas *waqf* and sadaqat are highly encouraged in accordance with Chapter 9 verse 60 of the Holy Qur'an, as stated below:

Alms-tax is only for the poor and the needy, for those employed to administer it, for those whose hearts are attracted to the faith, for freeing slaves, for those in debt, for Allah's cause, and for needy travellers. This is an obligation from Allah. And Allah is All-Knowing, All-wise.

In modern Islamic countries such as Malaysia, *zakat* and *waqf* have significantly provided the resources needed to improve the lives of the poor. Direct transfers to the poor via these means have been identified as the most effective way to redistribute income and reduce extreme poverty, provided the revenue from these sources is large enough to cover a significant proportion of society (Shirazi, 2017). Some Islamic scholars believe that *zakat* funds must be transferred directly to the poor or beneficiaries listed in the verse above, while others believe that *zakat* funds, like *Waqf* funds, can be used for social investments such as health and education for the benefit of the poor.

2.4 THE CONCEPT OF PHILANTHROPY

In early Greek philosophy, philanthropy meant love for humanity, whereas in modern definition, it is a common act of donating your time, talent, or wealth for the benefit of those in need without monetary compensation. This benevolent behaviour in the form of charitable acts is now referred to as the third sector of the economy. It meets the community's physical, economic, government, and social needs.

The terms philanthropy and charity are frequently used interchangeably, but they are not the same. While the latter seeks to alleviate the pain caused by a problem, the former seeks to address the underlying causes of the problem (Cugliari & Earnest, 2007). According to Spero (2014), philanthropy refers to wealthy people contributing to the poor's well-being, whereas charity refers to alleviating the poor's suffering by reducing hunger and disease. However, in philanthropy, there is a reciprocal relationship between the donor and the receiver, whereas charity does not require such a reciprocal relationship (Acs, 2013). Despite this distinction, some scholars include charity in their definition of philanthropy while distinguishing between social change philanthropy and charitable philanthropy. Charitable philanthropy addresses immediate symptoms such as environmental issues, whereas social change philanthropy addresses political or institutional change.

Much of the resulting scholarship on philanthropy has focused on the mechanisms that motivate people to make philanthropic donations. According to

Bekkers & Wiepking (2011), mechanisms such as awareness of need, solicitation, costs and benefits, altruism, reputation, psychological benefits, values, and efficacy are major driving factors for philanthropic donation. Some of these findings have been supported by Cugliari & Earnest (2007), who identified three primary areas surrounding philanthropic giving. These are influence, connectiveness, and gifts. Donors learned the value of giving through their family and religious values, as well as their desire to sustain the community and provide for future generations. More importantly, religion, because all major religions have some form of charitable giving. Given the impact of religious institutions on giving back to society, connections between religion or religious affiliation and philanthropic giving have been established in countries all over the world (Grönlund & Pessi, 2016).

Growing wealth inequality and environmental issues have been identified as major challenges facing the world in the twenty-first century. These issues, combined with the rise of neoliberal economic policy and the campaign against the welfare state, have accelerated the growth and emergence of new philanthropy (White, 2018). We've seen a surge in philanthropic giving. In the United States, philanthropic contributions by Bill Gates and Warren Buffet alone totaled 62 billion dollars (White, 2018), and approximately two-thirds of Americans made charitable contributions in 2015 (Barman, 2017). The resources generated by the third sector are primarily dedicated to reducing poverty and inequality through investments in health, education, and other areas.

Some scholars, on the other hand, strongly argued that contemporary philanthropic institutions that seek to reduce global inequality and poverty are simply masking structural causes of poverty and inequality with insufficient response, which contributes to the problems (Herro & Obeng-Odoom, 2019). They have used the free-market principle to guide the distribution of philanthropic funds, and thus it is 'philanthrocapitalism' that serves the interests of capital (Herro & Obeng-Odoom, 2019). A similar contemporary movement for non-religious space in society has led to a call for secular philanthropy, which has sparked debate about whether this ideology can replace religion's special influence in motivating philanthropic giving (Grönlund & Pessi, 2016). Non-religious philanthropy is sometimes chastised for lacking genuine altruism. Capitalists frequently engage in philanthropy to avoid paying taxes, as most countries provide a tax deduction or credit to encourage individual or corporate giving (OECD/ATAF/AUC, 2019; OECD, 2020). This and other practices are expected to

change in the twenty-first century because of technological advancement, changing donor attitudes, and the desire for a more transparent philanthropic institution.

Philanthropy in Islam is not only limited to wealthy people, poor people can also participate in some voluntary philanthropy such as Sadaqat, Infaq, or cash waqf donation with a very small amount of money based on their ability (Qur'an 3:134). Thus, the focus of this study is primarily on religious-based philanthropy for faith-based actors, with a particular focus on *zakat* and *waqf* in Nigeria. A general literature review on the potential, compliance, and management of Islamic philanthropy such as *zakat* and *waqf* for poverty reduction was provided. However, studies on modern taxation as an intervening variable and the most used tool for income redistribution were also provided to compare and emphasize the additional benefits *zakat* and *waqf* have over modern taxation for poverty reduction.

2.5 THE CONCEPT OF ZAKAT

Whether we consider *zakat* to be Islamic philanthropy, Islamic taxation, or an income redistribution tool to reduce inequality and poverty, the concept of *zakat* confirmed the existence of 'economics in Islam' and Islam in economics. *Zakat* is one of Islam's pillars. It is an Islamic fiscal policy tool for income distribution and poverty reduction. *Zakat* is one of the social welfare tools that, when used properly, has been proven to be one of the most effective methods for poverty reduction in modern society (Saleem & Donaldson, 2016).

A review of the literature on *zakat* reveals three major categories: the first is Islamic jurisprudence on *zakat* (Fiqh), the second is studies on *zakat* management, and the third is studies on the economics of *zakat* (Nurzaman, 2017). The first category includes contributions from classical scholars on Islamic rulings on *zakat*, while the second deals with the management of *zakat* funds and institutions in various Islamic countries such as Malaysia, Indonesia, Saudi Arabia, Pakistan, and others. The third category is concerned with the relationship between *zakat* and other economic variables such as income, poverty, inequality, taxation, and so on.

This Sub-Chapter presents a general view on *zakat* with special emphasis on economics and Management of *zakat*. It also summarizes the goals of *zakat*, the

beneficiaries of *zakat*, the potential of *zakat*, and how *zakat* has been used in various social welfare programs to alleviate poverty in some Muslim societies.

2.5.1 *Zakat* as a Religious and Socioeconomic Tool

This section highlighted important issues about *zakat* as a religious act and as a socioeconomic tool for poverty reduction in Muslim communities. The section also presents some of the challenges faced in *zakat* practice and some important features of *zakat* that make it more effective for poverty reduction.

2.5.1.1 *Zakat* as a Religious Act of Worship

Zakat is an Islamic term that refers to a portion of wealth prescribed to be given by wealthy individuals or groups to certain deserving groups. Although the actual percentage to be given as *zakat* is not prescribed by God in the Qur'an, the Sunnah of the beloved prophet has clearly stated the percentage of wealth to be given, which is based on the wealth category. Most scholars interpreted the share of wealth to be given as *zakat* to be fixed as determined by Sunnah, and the '*zakatable*' asset must meet certain conditions (Qardawi & Kahf, 2000), which include being fully owned by the *zakat* donor, reaching the *zakat* threshold, developing above the usual needs, and lasting one lunar year. However, according to some scholars, a *zakatable* asset must also be free of debt, but this is regarded as an incorrect condition according to most of the Fiqh scholars. Agricultural products, livestock, gold, silver, and commercial goods are examples of '*zakatable*' assets in the classical approach, whereas modern assets such as securities, Islamic insurance, cash, corporate profit, and so on are examples in the contemporary approach (Asfarina et al., 2019; Monzer Kahf, 1989). Although most scholars agree on a fixed percentage of assets as *zakat*, other scholars argue quantitatively that the rate of *zakat* was not originally fixed arbitrarily but was based on the structure of the then-Islamic society and its wants (Datta, 1939). We can conclude that Islam prioritizes the poor by taking a portion of the rich's wealth and distributing it to them. The goals are to purify the giver's wealth and to help the poor grow. It also fosters psychological and material development for the wealthy in their souls and wealth.

Zakat, also known as Sadaqat (charity), is a mandatory charity that ranks third among Islam's five pillars. Those who refuse to pay *zakat* face severe punishment from

God, state enforcement, and a 50% penalty. The Prophet Muhammad (ﷺ) mentioned this punishment as follows:

He who pays it (*zakat*) seeking the reward from God will be rewarded and he who refuses to pay it, we shall take it from, along with half of his wealth, and by the authority given to us by our lord (Reported by Ahmad, al-Nisai, and Abu Dawud).

Although Muslims pay *zakat* sincerely to please God, noncompliance with *zakat* payments attracts enforcement by the *zakat* institution. When a group commits total noncompliance with *zakat*, an Islamic government can intervene because *zakat* payment is regarded as a means of establishing justice on Earth. So, can *zakat* be equated with modern taxation? *Zakat* and tax are both obligatory payments, and it is the state's responsibility to collect and distribute them to achieve economic justice. *Zakat*, on the other hand, is an essential pillar of Islam and a right of the poor. It is the Islamic state's responsibility to collect *zakat* in predetermined ratios and distribute it to the eight categories specified in the holy Qur'an, as well as to penalize *zakat* evaders. However, *zakat* was not only intended to achieve economic justice; it also had moral, spiritual, social, and political goals (Qardawi, 2009).

Some scholars believe that Muslims are not obligated to pay *zakat* and tax at the same time because *zakat* is both an internal spiritual commitment to God and an external payment of tax, and tax is the body with the spirit of *zakat* (Agung, 2020). By combining the two, Muslim communities would be relieved of a double burden and encouraged to pay more *zakat*. In contrast, Salim (2019) contends that combining *zakat* and taxation may not increase the amount of the *zakat* fund or have an impact on the tax burden for the Muslim population, but it is a method of deepening the Islamization process. However, because *zakat* is compulsory for Muslims, unifying *zakat* and taxation through the introduction of *zakat* tax credits would reduce the high burden on Muslims while increasing *zakat* compliance and supporting poverty reduction.

2.5.1.2 *Zakat as a Socioeconomic Tool*

Zakat is more than just an act of worship or charitable endeavour because of its universality in addressing a wide range of problems. In practice, *zakat* promotes wealth and economic equality and contributes to poverty reduction, thereby promoting social

justice in society (Powell, 2009). *Zakat* is a tool for promoting economic empowerment and fostering community growth. Together with other Islamic tenets, *zakat* creates a foundation for Islam to thrive in our society by satisfying the needs of the faithful and strengthening the community through fostering a sense of togetherness, promoting optimistic thinking, and humbling the donor. (Adam & Bushill-Matthews, 2018).

Experts believed that before *Zakat* can come alive and promote socioeconomic justice, we must pool our *Zakat* funds and entrust them to a trustworthy organization or institution that can speak for the interests of the entire community. In the long run, this would be more advantageous for Muslims strategically than if each Muslim chose to donate their *Zakat* individually. Secondly, in order to positively affect local environmental change and promote community cohesion, *Zakat* should be distributed locally, where *Zakat* payers reside. Thirdly, we should consider all eight recipient categories when allocating *Zakat*, not just the poor. (Adam & Bushill-Matthews, 2018).

During the early period of Islam, *zakat* was first gathered and distributed at the governmental level, but in subsequent centuries, people frequently gave *zakat* to people they thought deserved it (Mattson, 2003). Some donors channel their *zakat* to Islamic organizations considered to be the most trusted. Most of the world's advanced *zakat* institutions have for long been using corporate strategy, which has resulted in an increase in the collection and distribution of *zakat* funds as well as a long-term reduction in poverty. The *zakat* funds have been used to fund poverty-reduction programs that provide non-repayable business capital and entrepreneurship training to the poor and Muslims.

2.5.2 *Zakat* Payers and Beneficiaries

The holy Qur'an clearly distinguishes between *zakat* payers and beneficiaries. *Zakat* is paid by Muslims whose wealth has reached a certain threshold known as Nisab, where a certain percentage of the wealth, usually 2.5 percent, is paid to a designated beneficiary. The holy Quran 9:60 explicitly states that *zakat* should be paid to eight groups of people: (1) the poor (Faqir), (2) the needy (Miskin), (3) *Zakat* collectors (Amil), and (4) converts to Islam and those whose hearts are leaning towards accepting Islam though not yet converted (Al-muallaf) Slaves (5) (Riqab) (6) Creditors (Gharimin) (7) Those who serve and advocate for Islam (Fisabilillah) (8) The

Adventurers (Ibn-asabil). This list of recipients clearly demonstrates the multifaceted nature of *zakat* for economic and moral development (Sloane-White, 2017).

In addition to the greatest support *zakat* provides to most Islamic communities, individuals, and businesses, *zakat* payers believe that *zakat* cleanses and legitimizes their wealth, increases their earnings, and is viewed as a way of repentance against profit greed (Sloane-White, 2017). In another phenomenological method of face-to-face interviews with *zakat*, donors in Pakistan reveal that giving *zakat* brings them a high level of happiness, spiritual comfort, and protection against evil spirits (Kashif et al., 2018).

Despite the potential for economic and social well-being, *zakat* payments are relatively low in comparison to the amount required to alleviate the absolute poverty that afflicts most Muslim societies. This low level of compliance can be attributed to a lack of transparency and trust and the inefficient distribution of *zakat* funds (Kashif et al., 2018). Some studies have linked low compliance to a significant effect of attitude and moral reasoning on *zakat* payment intention (Abashah et al., 2018; S. A. Muhammad & Saad, 2016). Attitude and moral reasoning are heavily influenced by religiosity, as studies show that Muslims with strong religiosity are more likely to pay *zakat* than Muslims with weak religiosity. An empirical study of *zakat* compliance in Malaysia reveals that religiosity has a significant influence on *zakat* donation (M. Abdullah & Sapiei, 2018). Obligatory duties (Wajib) such as five daily prayers, optional rituals (Sunnah) such as reading the Quran, and Islamic virtues are all dimensions of religiosity that are positively related to *zakat* payment (Akhlq). It was also discovered that working females are less compliant than their male counterparts, and a lack of awareness and knowledge of *zakat* could be another cause of non-compliance (M. Abdullah & Sapiei, 2018).

In a study that included respondents from 26 countries, including India, Nigeria, and Malaysia, and used hierarchical cluster analysis to develop a psychographic profile of *zakat* donors, the results show that donors in each country have a distinct behavioural pattern (Obaidullah & Manap, 2017). According to the study, a donor's identity as it relates to his unique economic, social, legal, and political environment has a significant influence on how he attends to faith-related matters such as *zakat*. For example, when compared to their Nigerian and Malaysian counterparts, Indian *zakat* donors were found

to be more frugal and accountable. Although servitude to God was identified as the most important motivator for *zakat* payment, other factors such as wealth purification and expiation, altruism, benevolence and concern for others, self-actualization, and Islamic propagation were identified as additional motivators with varying degrees of importance across countries. Similarly, recent findings on *Zakat* payment motivators confirmed these factors and advocated for more qualitative research on internal and psychological obligations, as well as *zakat* compliance (Farah et al., 2019).

The voluntary nature of *zakat* necessitates the need to understand the motivating factors for *zakat* compliance and what we can do to improve *zakat* donor compliance. Most of the literature on *Zakat* donor behaviour has found that religiosity is a major compliance motivator. Recent studies have revealed additional factors such as the influence of religious teachings, the influence of *zakat* collectors, trust in the fair distribution of *zakat* funds, and the possibility of tax rebates (Farah et al., 2019). Even though many of the findings are from studies of more developed *zakat* institutions and high-income countries such as Malaysia, similar research on the *zakat* system in the Philippines and Nigeria finds a strong influence of attitude and norms toward *zakat* compliance (Andam & Osman, 2019; S. A. Muhammad & Saad, 2016).

More research on *zakat* payers' religiosity, norms, and attitudes is needed to promote *zakat* compliance. Building an effective and transparent *zakat* institution can also instil the confidence of *zakat* donors and increase compliance. However, in a country with corporate *zakat* payers, the imposition of a penalty and effective external auditing will reduce *zakat* avoidance by corporations and increase *zakat* revenue (Oraby & Alhajjaj, 2019).

2.5.3 Zakat Collection and Management

This section presents some important issues and developments in *Zakat* collection and management. Contemporary issues on *Zakat* collection, management approaches, and challenges in global practice have also been highlighted and discussed.

2.5.3.1 Zakat Collection

In the early period of the Islamic community, *zakat* was collected by the state and levied on Muslims (and non-Muslims in Maliki schools) in possession of *zakatable* assets such as livestock, gold, silver, trade goods, crops, buried treasure, or mineral wealth (Powell, 2009). These are some of the major assets during the period, and the criteria for *zakatability* was set at two hundred Dirham or equivalent for stock items. Scholars argued that two hundred Dirham was then enough for the food requirements of a family of three, but obviously below the subsistence level in contemporary society (Monzer Kahf, 1989). The rate of *zakat* was 2.5% for stock items, 5% for irrigated agricultural produce, and 10% for agricultural products when watered by rain, canals, or rivers. *Zakat* collected is distributed to the eight categories of *zakat* recipients, with much emphasis on the poor and needy. In contemporary Muslim society, *zakat* collections have also expanded to include the 'zakatability' of modern assets such as tradable inventory, currency in circulation, financial assets, stock, professional income, and so on.

Most of the world's advanced *Zakat* Institutions began transforming their administration and management a long time ago. For example, since the 1990s, Malaysia has been undergoing transformation, which has resulted in an increase in the collection and distribution of *Zakat* funds, as well as a long-term reduction in poverty. Their market-driven management strategy enabled them to increase *Zakat* funds from RM11.5 million in 1994 to RM517.3 million in 2013 (Müller, 2017). The *Zakat* fund was used to fund poverty-reduction programs such as the "Program Pembangunan Ekonomi" (Program for Economic Development), which provides non-repayable business capital and entrepreneurship training to the poor and Muslims. This increases poor people's purchasing power and economic prosperity.

Zakat collection is not without challenges; one of the internal challenges is the lack of acceptable fatwas for what constitutes *zakat* assets. For example, some scholars believed that salaries, professional income, and income from corporations should not be subjected to *zakat*. Other challenges include the controversy that the Malaysian model cannot be globalized due to inconsistency with secular humanitarian ethics and human rights law (Müller, 2017). The main argument against *zakat* is that it is only given to Muslims; most *zakat* funds are spent on Islamic missionary activities; and state has a monopoly on *zakat* collection and distribution because no *zakat* collection and

distribution is permitted outside of the state of its authorized institution. According to Sloane-White (2017), the corporatized *zakat* institution provides greater support for *zakat* collectors and missionary activities than the poor and needy. However, despite charitable contributions to churches and temples by non-Muslims, the *zakat* income tax rebate is only available to Muslims.

2.5.3.2 Zakat Institutional Management

Although Malaysia and a few Muslim countries have made significant progress in the transformation of the *zakat* institution, mismanagement and a lack of social awareness are to blame for the general inadequacy of *zakat* to reduce poverty and inequality in most Muslim societies. However, due to strict adherence to secular ideology, the governments of these societies do not fully recognize the management and role of Islamic charitable organizations in socioeconomic development (Gamon & Tagoranao, 2018). However, despite Sub-Saharan Africa having the highest poverty rate in the world, their *zakat* system is still in its infancy. For example, in Nigeria, a lack of active government participation and uniformity in fatwa and accounting standards has hampered the country's *zakat* system from functioning properly. This would necessitate a strong institutional framework and political will on the part of the government, particularly in Muslim-dominated societies, to strengthen *zakat* law and enforcement and promote compliance behaviour (R. A. J. Saad & Farouk, 2019).

Many studies have been conducted in recent years to determine how to develop qualitative *zakat* institutional management and stakeholder-oriented *zakat* institutions. Best practice *zakat* institutions, according to Ending Solehudin (2018), must emphasize their fatwa based on Allah's holy book for all *zakatable* items such as agricultural products, money, and other contemporary assets such as securities and productive shares. The lack of uniformity in fatwas has made understanding and calculating *zakat* very difficult, affecting the ease of *zakat* compliance. To overcome this limitation, various technologies were developed to meet the needs and expectations of users, regardless of their Islamic school of thought. The model has considered various wealth categories, Nisab, and specifications (Hamlich et al., 2018). This would bring consistency to the *zakat* system and increase revenue for poverty reduction. The Quality of the management system must also be improved by taking all necessary steps with

employee cooperation and ensuring consistent auditing and evaluation of the system for effective performance and sharia compliance (Azani & Basri, 2018; Basir et al., 2017). To ensure *zakat* institution service quality, Abd. Wahab et al. (2017) proposed five service attributes that will improve *zakat* institution service quality, which include staff reliability and the service rendered by *zakat* institution, employee professionalism and other friendly services, empathy of staff and institution and compliance with Islamic values in investment and general business ethics. This would instil trust in *zakat* donors, resulting in increased *zakat* revenue.

Based on another study, Dunukusuman Indonesia sought the opinion of Islamic scholars on an electronic *zakat* payment system to improve institutional efficiency in collection and distribution as well as to support the government's poverty reduction programs. Given the E-*zakat* system's accountability, efficiency, and transparency, Islamic scholars supported its development if it did not violate Sharia, and mosque leaders played an active role (Mulyadi et al., 2018).

An analysis of common approaches in *zakat* fund and institutional management used by various countries identified eight common approaches to *zakat* management: a centralized approach, a decentralized approach, a distributed approach, a delegated approach, a coordinated approach, a supervised approach, an isolated approach, and an integrated approach. The various approaches can help to understand each country's strengths and weaknesses, as well as the appropriate type of technology to use (Lubis et al., 2019), and their application is based on the capacity, historical context, and traditional context of a country or Muslim community. Whatever approach is taken, the government must play a key role in providing a strong regulatory framework for *zakat* institutions, and the practice must be in line with Islamic principles.

The growing number of mobile communication channels, such as smart phones, necessitates the need for *zakat* institutional management to be digitalized to improve efficiency by providing donors with greater access. It will also reduce the possibility of fraud and promote ease of compliance. As a result, the application's design should reflect the perceptions of *zakat* payers to encourage usability (Shabrina et al., 2019). Recent discussions on maximizing *zakat* collection potential have cast doubt on whether digitizing the *zakat* system can increase collection and efficient use of *zakat* funds. According to studies, building trust in the minds of *zakat* donors can increase *zakat*

collection by the *zakat* institution. However, this requires planning, designing, and constructing a system architecture that can assist *zakat* management (Setiawan et al., 2019). Digitalization can improve management and internal control systems, reducing fraud. However, for the digital system to function properly, the internal control and distribution systems must adhere to Islamic jurisprudence (Handriani et al., 2019).

Modern society has brought about changes in our medium of exchange, which would necessitate a different management strategy in our *zakat* institution; we may require dedicated managers with the necessary skills and qualifications to maximize *zakat* revenue in accordance with the modern economy (Abad et al., 2019). Economic shifts from fiat money to digital currency, such as cryptocurrency, sparked debate over the permissibility of *zakat* payments on digital currency. Many scholars argue that digital currency is '*zakatable*' because it is an asset, like gold and silver. It is also permissible to use new technology in *zakat* payment because it is more efficient, reliable, and manageable (Beik, Nurzaman, et al., 2019).

Government support and policies are critical to the effective and efficient management of the *zakat* institution. State-level policies on collection and distribution would improve compliance and channel more funds to the poor. These policies include, but are not limited to, an effective legal framework, *zakat* awareness, a plan for utilizing *zakat* funds, reporting techniques, a financing plan, guidance and supervision, an information system, a management plan, and more preaching on the importance of paying *zakat* (Kusriyah, 2020). However, Muslim-majority countries or communities have a high potential for adopting these policies, but only with strong government support. Government assistance would increase the potential of *zakat* funds and assist Muslims in fulfilling their religious obligations (Sarif et al., 2020).

In order to improve the management of *zakat*, some Muslim countries designed and developed the National Zakat Index (NZI) as a reference point for assessing the performance and development of *zakat* institutions. This index provides information on the impact of *zakat* on the recipient, the developmental stage of the *zakat* institution, its community participation, and the role and support from the government. The National Board for *Zakat* (BAZNAS), Indonesia, developed this index for the country using the SMART guideline; this means that the component of the index met the criteria of being

specific, measurable, applicable, reliable, and timed bound (BAZNAS, 2017). This index has significantly helped in improving the quality of the *zakat* system in Indonesia.

The components of the national index are divided into macro and micro dimensions. The macro dimension comprises components that indicate the role of government and societal contribution in building *zakat* institutions, while the micro dimension includes components that measure the performance of *zakat* institutions and the impact of *zakat* on the beneficiaries. This can be presented diagrammatically below.

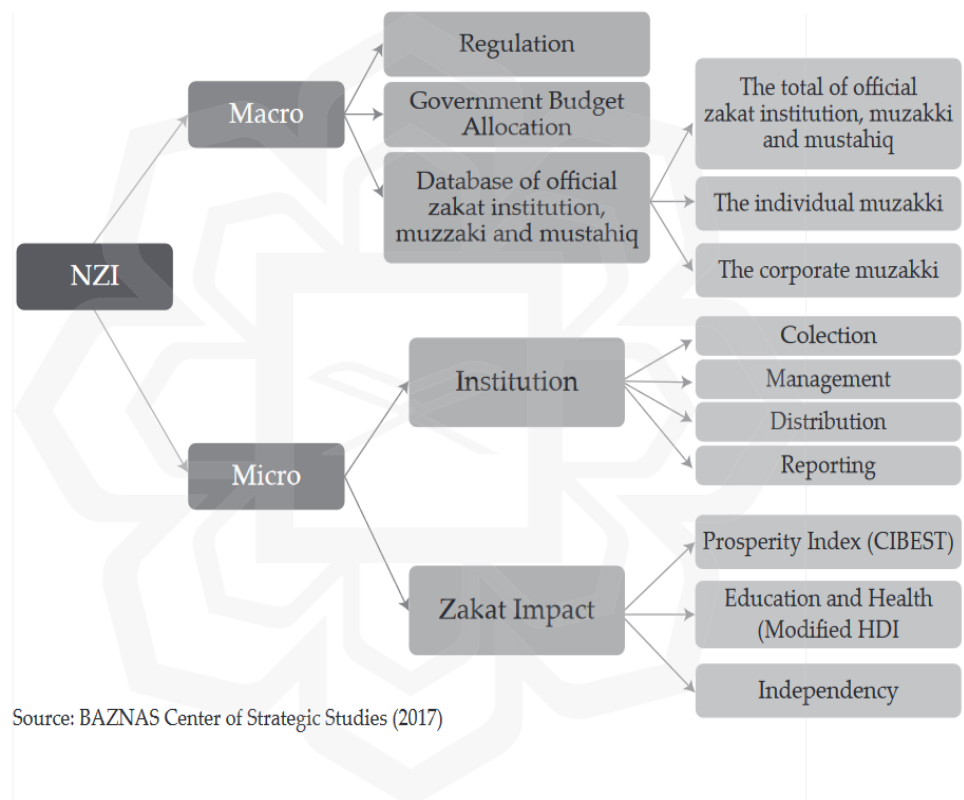


Table 2.1 National Zakat Index Components

The figure above depicts the index's complete component. A formula for calculating the index was devised based on the variables; the value and range for the index is between 0.00 and 100; lower values indicate poor performance, while higher values indicate greater performance of the national *zakat* (Hilmiyah et al., 2018).

2.5.4 Zakat and Poverty Reduction

Despite the enormous potential of the Islamic economic system to reduce poverty, Muslims account for 50% of global poverty (M. Arif, 2017), owing to wide economic disparities between rich and poor in Islamic countries (Subhan, 2018), which cannot be unconnected with most Islamic societies' failure to effectively use Islamic social finance tools available, such as *zakat*, *waqf*, and other forms of Islamic philanthropies. Although some studies attribute the failure to a strong adherence to the idea of secularism (Gamon & Tagoranao, 2018), others point to a lack of political will by most Muslim societies' leaderships to provide the necessary legal support and administrative strategy for realizing the potentials of Islamic fiscal policy tools such as *zakat* (Kusriyah, 2020; Sarif et al., 2020). Whatever the case, if Muslim communities in Russia's non-Muslim state can create a charitable-based economy from the mid-1800s to the 1950s (Ross, 2017), this poses a significant challenge to most of our contemporary Muslim minority and Muslim majority states.

Poverty reduction strategies, from both Islamic and mainstream economic perspectives, necessitate the ability to raise sufficient funds for welfare programs. Enough funds must be raised to avoid putting an ineffective burden on fund donors. As a result, for *Zakat* to be a viable means of poverty reduction, its potential must be large enough to fund welfare programs for the poor (Hayati, 2011). Some researchers attempted to estimate *zakat* potentials in some Muslim majority countries using either a classical or contemporary Islamic jurist approach (fiqh). A study of *zakat* potentials for poverty reduction in Indonesia, estimated using household income from professions or employment above the *zakat* threshold, corporate income, and deposits, concluded that Indonesia has *zakat* potentials that can be used for development and poverty reduction. The potential for corporations was calculated by taking 2.5 percent of profit earned, and manufacturing corporations alone can generate *zakat* of 1.8 percent of Indonesia's total GDP (Firdaus et al., 2012), which is large enough to finance poverty reduction programs in the country. Similar research in Pakistan, using a broader approach that includes *zakat* on agricultural products, tradable inventory, currency in circulation, estimated gold and silver deposits, financial assets, stock market capitalisation, and so on, reveals that *zakat* collection potentials could reach 7% of GDP, which would be sufficient to cover the poverty gap. It would also have a positive effect on the flow of investment, entrepreneurship, and make the capital and real estate

markets more competitive (Shaikh, 2015). In a more recent study (Asfarina et al., 2019), *zakat* potentials in Pakistan were 0.11 percent and 0.60 percent of GDP, respectively, using both classical and contemporary fiqh approaches. The difference between the two approaches was based on the agreed-upon *zakatable* assets, and Pakistan's actual *zakat* collection in 2018 was 0.05 percent of GDP. The disparity between potential and actual *zakat* collection clearly demonstrates the compliance gap and the viability of *zakat* in generating sufficient funds for poverty reduction.

Empirical studies using the basic need deficiency index developed by N. Abdullah et al. (2015) demonstrate the effectiveness of *zakat* in reducing poverty and inequality in Pakistan. Although the techniques used focused on three main determinants, which are household consumption expenditure, government expenditure in terms of *zakat*, and the number of *zakat* recipients, the study strongly believed that *zakat* can be more effective if distribution is based on the number of core poor in a given society.

Some scholars believe that *zakat* proceeds should be distributed through productive financing, which includes financing models such as education financing, entrepreneurship, capacity building, and empowerment (Nurzaman, 2017; Sumai et al., 2019). In more developed *Zakat* institutions, such as Malaysia's, *zakat* and *waqf* funds are used to provide affordable housing for the poor and needy (K. A. Rashid et al., 2019), significantly improving income, food security, and welfare of the poor. It also has a general economic growth effect by increasing purchasing power and investment. Empirical studies conducted in Butan and Bantul, Indonesia, by Zaenal et al. (2018) and Wibisono et al. (2019), respectively, reveal a more elastic relationship between *zakat* spending and the income of the poor. Apart from improving the poor's and needy economic and psychological well-being, *Zakat* fosters positive attitudes such as sincerity, compassion, and gratitude while discouraging negative attitudes such as arrogance and selfishness. When performed with sincerity and philosophical understanding, *Zakat* can serve as a treatment for neurosis in Muslim patients (Masroom et al., 2020). Thus, to reduce both physical and psychological poverty, the quality of *zakat* spending must be improved. Some scholars divide *zakat* recipients into three categories: the right of the poor, the right of society, and the right of Allah (God) (Qamaruddin et al., 2019).

In most Muslim societies, discussing *zakat* potentials identifies a lack of state law that makes *zakat* payment compulsory, as well as poor planning, as major obstacles that limit the viability of *zakat* for poverty reduction (M. Arif, 2017; Purbasari et al., 2018). This is caused by a lack of state ownership and poor management. The situation is even more complicated in Africa's extreme poor countries, which suffer greatly from poverty, hunger, unemployment, and other social and economic insecurity, with corruption destroying every initiative aimed at improving the poor's economic situation. Because most *zakat* institutions in these countries are in their infancy, studies recommend state-coordinated enabling enactment of the *zakat*, particularly in Muslim-dominated local states, and the use of *zakat* funds for three-phase activities. First and foremost, for the poor and destitute, which may include widows and orphans. Second, for empowerment schemes that necessitate vocational training, and finally, for long-term programs such as orphanages, schools, and hospitals (Abdurraheem & Suraju, 2018). According to similar research, it is best to focus on developing potential and skills of the hardcore poor through developing an ideal personality, continuous training, advisory services, and continuous monitoring (Hamid & Hamid, 2020). In addition to *zakat*, contemporary scholars have emphasized the viability of combining *zakat* with other forms of Islamic philanthropy such as *waqf* and voluntary Sadaqah for poverty reduction, particularly where *Zakat* proceeds are insufficient to alleviate poverty in society. Countries such as Malaysia and Indonesia have significantly reduced poverty by utilizing *Zakat* and *waqf*-funded housing, hospitals, and education for the poor (Miah, 2019; K. A. Rashid et al., 2019). Although there is room for improvement, many scholars have argued, constructively or unconstructively, that the two major Islamic institutions are merely for religious identity.

Contrary to this development, some erroneously perceived destinations of *zakat* payments to terrorists or Muslim charities stem from issues of self-segregation, self-identity, or suspicious intent (Kuran, 2019). This assertion is against post-secular responses to global realities where religion and religious actors are respected in democratic settings. According to Timur Kuran, in the early Islamic state, *zakat* revenue was used to provide public goods and social security, as well as remunerate state employees, but as Islam spread, *zakat* became unsuited to progressive and equitable taxation due to certain exemptions granted by authorities based on power and political status, which set precedent for arbitrary and predatory taxation and state predation.

Let us now consider the predatory state from the standpoint of an economist. According to Vahabi (2020), economists classify states as contractual or predatory. A contractual state is a provider of public goods and services governed by a generous dictator who maximizes his people's interests and intervenes in the event of market failure. On the other hand, a predatory state promotes the private interests of the state's dominant groups, such as politicians, bureaucrats, and the army. However, in a new light, a contractual state may regard predation as merely a means of promoting and protecting the majority's interests. Thus, while contractual states view predation as merely a means of promoting protection, predatory states protect solely to promote their own predation (Vahabi, 2020).

Kuran's special issue, in my opinion, is poorly titled because almost all the issues raised, even if historically correct, have nothing to do with a "missed opportunity" to limit predatory taxation for Islam, as they are purely managerial issues with no reference to historical laws. Islam recognizes the right to private property as well as the rights of God, the community, and those in need of *zakat* (Qardawi & Kahf, 2000). No one is eligible to pay *zakat* until they have accumulated a certain amount of growing wealth, known as Nisab. It was designed to ensure that it was taken from those who could afford it, and it was based on the same principles used in modern tax systems, which give exemptions to low-income earners for the common good of the community. Furthermore, *zakat* is only payable by a sane Muslim adult or guardian for an insane or minor who is not enslaved, and the assets must be fully owned to avoid predation. Thus, intellectuals should be at the forefront of responding to global realities in which productive religious concepts are thoughtfully considered and correctly interpreted to ensure that our state-centred ideology does not skew our understanding of the policy engagement of religious institutions such as *zakat* (May, 2019).

According to the holy Qur'an, *zakat* is only for the poor and needy, etc., and it is not intended to provide temporary relief to the poor's immediate needs but rather to eliminate poverty and make the poor self-sufficient for long-term well-being. Kuran made no attempt to cite any Islamic legal basis that supported the jumbled points raised to support his argument on predation. Arguments about taxation constraints, coercion, *zakat* disbursement, wealth legitimation, fiscal constraints, predictable taxation, poverty reduction, and so on did not objectively interpret the religious character and intents of almsgiving but rather focused on the common features of modern taxation, which are

characterized by a high level of evasion, coercion, wealth legitimization, and fiscal constraint.

Many people are unaware that modern tax revenues are not earmarked specifically for the poor or the needy. In less developed economies, the revenue is practically used to promote private interests, making it predatory taxation. It is also paid by both rich and poor people in the form of certain percentages of income, consumption, or both. *Zakat*, on the other hand, is a divinely mandated right of the poor over the wealth of the rich. Someone with a good understanding of Islamic philanthropy should have known that *Zakat* cannot be exempted based on a group's power or political status. Even if these events occurred after the prophet's era, as claimed by Kuran, they may be against Islamic teaching, even if practiced by Muslim faithful.

However, because of the existence of other Islamic philanthropies such as *waqf* and other forms of charity, *Zakat* did not in any way constrain Islamic states on taxation. *Waqf* has greatly supplemented and contributed to the provision of public goods for the poor (Kuran, 2001). Additional taxes introduced throughout Islamic history, such as *Jizya* and land tax, which were deemed necessary for the then-existing conditions of the Islamic state, are far less numerous than the number of different taxes collectible in the modern tax system, which have no direct benefit to the poor.

Furthermore, Kuran's claims for the non-compulsory nature of *zakat*, whether it should be paid to the state or individuals, and the disappearance of *zakat* in the policy debate in Islamic society sound absurd. As an Islamic studies researcher, he should have been well-versed in the various verses of the holy Quran and Prophetic teaching that confirmed the obligatory nature of *zakat*, the role of the state, and its historical contribution, all of which he has "written" extensively about. In a psychological sense, recent conventional studies have strongly criticized the Kuran argument against wealth-based *zakat* rates and exemptions for lower-income earners from *zakat*. According to studies, transfers of money from rich to poor, such as *zakat*, are an effective way of reducing poverty in society (Thomas & McGarty, 2018), and tax exemption or credit to lower income earners increases income and reduces poverty by two-thirds (Hick & Lanau, 2019; Thomas & McGarty, 2018). As a result, the *zakat* system has been designed in such a way that it does not discourage investment while also promoting the well-being of the lower income group.

According to Timur Kuran, the goals of Islam in the 7th century were to limit taxation, cement property rights, and prevent state predation. If these were the ultimate goals of Islamic taxation, Islam would have already laid a solid foundation to limit not only predatory taxation but also state predation, and it would have condemned any form of predation in both Muslim and non-Muslim societies. Kuran must understand that *zakat* does not stem from issues of asserting Muslim identity or self-segregation but rather from religious rulings and trust, which authorize authorities to distribute funds in accordance with the holy Qur'an and prophetic teachings. None of these can be correctly understood and interpreted unless the religious nature of philanthropies is taken into account (May, 2019). As a result, it is critical for researchers to sincerely understand the nature of Islamic philanthropy to ensure that subjective gazes do not skew our interpretation of policy engagement in our response to contemporary global reality.

2.5.5 Zakat Distribution and Empowerment

Although *zakat* payment is compulsory for all Muslims with certain amounts of wealth, the secular legal system in Nigeria and some other Muslim countries makes it difficult to practically enforce compliance. Even in more developed Islamic countries, not all *zakat* payers pay their *zakat* to state *zakat* institutions. In most cases, *zakat* is collected by religious, private, and community institutions, where effective collection and distribution can be achieved.

Traditionally, most underdeveloped *zakat* institutions distribute *zakat* funds in the form of giving money to the intended beneficiaries for temporary relief. Studies argued that giving *zakat* directly to the poor to spend on daily necessities would create dependency and a vicious circle of poverty (Ab Rahman et al., 2012). Therefore, capacity building to improve the employability of *zakat* recipients through education, training, skills acquisition, and business ventures are some of the empowerment projects that would change the condition of *zakat* recipients to *zakat* payers (Ahmad Razimi et al., 2016).

In a more recent study of institutional management of *zakat* distribution in Malaysia, evidence indicated that Majlis Agama Islam Negeri (State Islamic Religious Council), which is responsible for *zakat* collection and distribution, has designed a sustainable distribution method in which education and humanitarian support were its

priorities in addition to food and shelter (Migdad, 2019). The study went on to conclude that educating and involving *zakat* recipients in productive projects is an efficient approach to distributing *zakat* funds. These can be accomplished by conducting projects aimed at evaluating the beneficiaries' strengths, weaknesses, opportunities, and threats, which would provide valuable insight into the viable distribution methods required, such as business ventures based on their skills, or by enrolling them in skill acquisition or training that would promote their dignity and employability for long-term wellbeing.

Furthermore, *zakat* is obligatory in a rational manner, and the rate is lower when compared to modern taxation. This would encourage private ownership and the accumulation of capital. If the amount derived from *zakat* is insufficient to meet the needs of the poor, the rich may be subjected to additional taxation based on the needs of the poor. These were based on many Islamic scholars' understanding that there are other claims on wealth besides *zakat*, which is supported by the Quran (Q2:177) (Q59:7). As a result, wealthy Muslims are encouraged to establish other forms of charity, such as *Waqf*, for the benefit of the poor and to promote general well-being in society.

2.6 THE CONCEPT OF WAQF

Major recent studies on *waqf* have focused on its role in improving the social and economic well-being of society (Alam, 2018; El-Ansary, 2018; Miah, 2019). Another area of *waqf* research is *waqf* jurisprudence and framework (M. Abdullah, 2018, 2020; Choudhury et al., 2019; Igarashi, 2019), while others are concerned with the innovation and development of *waqf* institutions and principles (Beik, Zaenal, et al., 2019; Nienhaus, 2018; Zabri & Mohammed, 2018). Although there may be some overlap, the focus of this sub-chapter is on reviewing and synthesizing *waqf* studies on the socioeconomic well-being of society. Reviews on *waqf* potential, *waqf* compliance, and *waqf* management for poverty reduction have been presented.

2.6.1 Definition and Types of Waqf

Waqf, also known as Hubusi, is an Islamic endowment of an asset held in perpetual trust for general or specific charitable purposes in society (Zulkhibri, 2017). *Waqf* can be

informed of movable assets such as shares, equities, and sukuk, as well as immovable assets such as land, buildings, farms, educational institutions, and hospitals, among others. *Waqf* is different from *zakat* because *zakat* is compulsory and provides immediate relief to human suffering, while *waqf* provides permanent relief by improving the potential of individuals and society. Like *zakat*, *waqf* was an Islamic practice that existed since the time of Prophet Muhammad (ﷺ), owing to the importance Islam placed on doing good deeds for the betterment of the poor, as stated in the Holy Quran and prophetic teachings, respectively below.

.... And establish Prayer, and pay *Zakat*, and give Allah a goodly loan. Whatever good you send forth for yourselves, you shall find it with Allah. That is better and its reward is greater. And ask for Allah's forgiveness; surely, He is Most Forgiving, Most Compassionate (Quran, 73:20).

Abu Hurairah (Ra) narrated that Allah's Messenger (pbuh) said, when a man dies, his acts come to an end, except three things, recurring charity (*Sadaqatun Jariyatun*), or knowledge, (by which people benefit), or pious offspring, who pray for him (Sahih Muslim, Hadith 14).

Waqf is classified as either family *waqf*, charitable *waqf*, or a combination of the two (Zulkhibri, 2017). Family *waqf* is specifically intended for the benefit of family members and is usually accomplished through wealthy investment or family charter, while charitable *waqf* is intended for the public. *Waqf* can also be divided into religious *waqf*, philanthropic *waqf*, and family *waqf* (Mahon, 2018), though some may argue that including philanthropy is unnecessary because all types of *waqf* are philanthropic in nature. However, in an economic sense, *waqf* is a method of redistributing income from consumption by the rich to investment in productive assets, from which income is generated or goods and services are produced for the benefit of the poor or needy in society or for the benefit of family members.

Aside from the desire to do good deeds, studies have revealed that there are strong historical motivating factors behind the establishment of family *waqf*. These include class formation and the desire to establish a respectable and leading family in society (Doumani, 2017). In the same vein, family *waqf* provides an opportunity to secure one's family's future or to cater to one's own well-being in old age. Sayyid Husayn al-Husayni and Wahid Khan are two historic family *waqfs* in Tripoli and Nablus, respectively (Doumani, 2017).

During the Ottoman Empire, the development of charitable *waqf*, which were primarily socioeconomic in nature, laid a solid foundation for the *waqf* economy, which was founded by Sultans, dynasty members, and top-ranking state servants (Orbay, 2018). They can now control not only the monetary system but the entire economy. Health, education, religion, and feeding services were all provided for free. The system had also laid a solid foundation for employment opportunities and a social welfare system, informing retired *waqf* employees of pensions (Orbay, 2018). Similar developments occurred during the Russian Empire from the 1550s to the mid-1800s (Ross, 2017), when Muslim minority populations developed charitable economies to meet their socioeconomic and religious needs in non-Muslim states. Historical developments have also been observed in some Asian countries, such as Indonesia, China, and India, where charitable public goods such as cemeteries, libraries, mosques, schools, agricultural farms, hospitals, medical dispensaries, and commercial enterprises are provided (Fauzia et al., 2018).

Furthermore, some *waqf* assets are intended for both personal or family benefits and public benefits. Historically, this type of *waqf* existed in many Muslim societies, including Syria and Egypt (Igarashi, 2019). The Qijmas al-Ishaqi, who lived in the country during the late Mamluk period, established *waqf* with these characteristics, based on piety and goodwill toward knowledge and Islamic scholarship.

Throughout human history, much has been written about *waqf* and its transformation. However, one of the most contentious aspects of *waqf* was the requirement for completion and ownership status (M. Abdullah, 2020). It was also hotly debated what we can learn from English trusts to improve the efficiency and effectiveness of our *waqf* trust. Its innovative approach, professional management, transparency, and accountability can also serve as a model for us (M. Abdullah, 2019).

2.6.2 Waqf Compliance and Management

Despite *waqf*'s viability in terms of generating sufficient resources to finance socioeconomic development, the 57 Muslim-majority countries account for 70% of the world's poor (Ariff & Mohamad, 2017). This clearly indicates that the Islamic social finance tools of *zakat* and *waqf* have not been used effectively. Experts have proposed a review of the *waqf* development scheme to attract more funds from the public and

encourage participation to provide beneficiaries with an organized voice (Nienhaus, 2018). Compliance has been a major impediment to the development of *waqf*. Compliance does not refer to the issue of *waqf* completion or ownership status, nor does it refer to regulatory and legal compliance. Setting up an Islamic endowment, such as a *waqf*, is a good investment sent forth for yourself before your God (Allah), and it is strongly advised by our creator, but few Muslims are willing to devote their resources to the establishment of the *waqf*. However, the few *waqf* assets that exist in poor societies are mostly religious *waqf*, which have little impact on improving the well-being of the poor. Even where *waqf* assets, such as land, exist, their development faces many productivity issues as well as a lack of financial resources for efficient utilisation by the beneficiaries (Zulhibri, 2017).

The majority of *waqf* compliance studies focused on internal compliance with the legal framework, accountability, reporting, and investment practices (Awaludin et al., 2018; Yaacob & Nahar, 2017). Although these may boost devout Muslims' confidence and attract more investment in the third sector, empirical research into the factors that motivate Muslims to establish more *waqf* or invest in *waqf* institutions can reveal additional opportunities that may have a greater positive impact on poverty. Earlier research identified some of the major motivators for charitable and family *waqf* as soul nourishment and safeguarding family status and the future (Doumani, 2017). However, as society evolves, people's motivating factors may become similar or dissimilar. Some scholars argue for comparable ease in participating in cash *waqf*, as well as the creation of a 'trust' as a secular tool that can be more effective in achieving the goal of individual devout Muslims, particularly those who do not want to attract undesirable state regulation (Nienhaus, 2018). This can also boost *waqf* donors' confidence and attract more potential *waqif*. It can also have a significant impact on *waqf* institutions' management by providing solutions to some problems that are detrimental to the development of the *waqf* institution.

Numerous studies on *waqf* institution management have identified major global issues that are impeding the development of *Awqaf* institutions, such as improper behaviour of *waqf* administrators, a lack of complete information on all *waqf* assets, the imposition of taxes, state intervention, misappropriation of *waqf* property, a lack of planning, and flaws in *waqf* laws and administration (S. K. Rashid, 2018a). While these are important factors in *waqf* development, other factors such as culture, attitude, and

willingness to comply with religious injunctions may have a significant impact on *waqf* development. A study in Malaysia found that cash *waqf* financing is influenced by subjective norms, attitudes, perceived behavioural control, and perceived cost advantage (Zabri & Mohammed, 2018).

Cash *waqf*, which is thought to have originated in the Ottoman Empire at the end of the fifteenth century (Gürsoy, 2018), has paved the way for effective and efficient management of *waqf* institutions. In cash *waqf*, the charitable donation is invested and generates perpetual returns that are used for the purposes specified by the donors (Hasan et al., 2019). This has provided an effective and sustainable flow of resources for the *waqf* management system to care for the poor, but it has also raised important issues such as appropriate financing options and transparent reporting, which can influence both the willingness to donate and the efficient management of the *waqf* institution.

Because of recent advancements in digital technology, it is also capable of transforming *waqf* institution compliance and management. Although the model of digital donation and philanthropic management is still a new concept, it can be utilized because it can provide a solution to the widespread inefficiency of *waqf* management (Beik, Zaenal, et al., 2019). This is possible if donors, recipients, and *waqf* managers are educated on the digital system. *Waqf* institutions can provide a digital platform through which funds can be mobilised and distributed, and donors can donate electronically, monitor the management and distribution of *Waqf* resources to the poor or needy, and easily assess the impact of their contribution on improving the well-being of the poor and general poverty reduction.

Similar to the index developed to assess the performance and development of *zakat*, Indonesia has developed *waqf* performance measurement, which is intended to address some of the challenges that *waqf* practice faces, such as a lack of government support, a lack of professionalism, and a lack of public awareness. Following a literature review and expert opinion, the produced index is a weighted index with six factors and eighteen subfactors. These factors are the regulatory, institution, process, system, outcome, and impact factors (Sukmana et al., 2021).

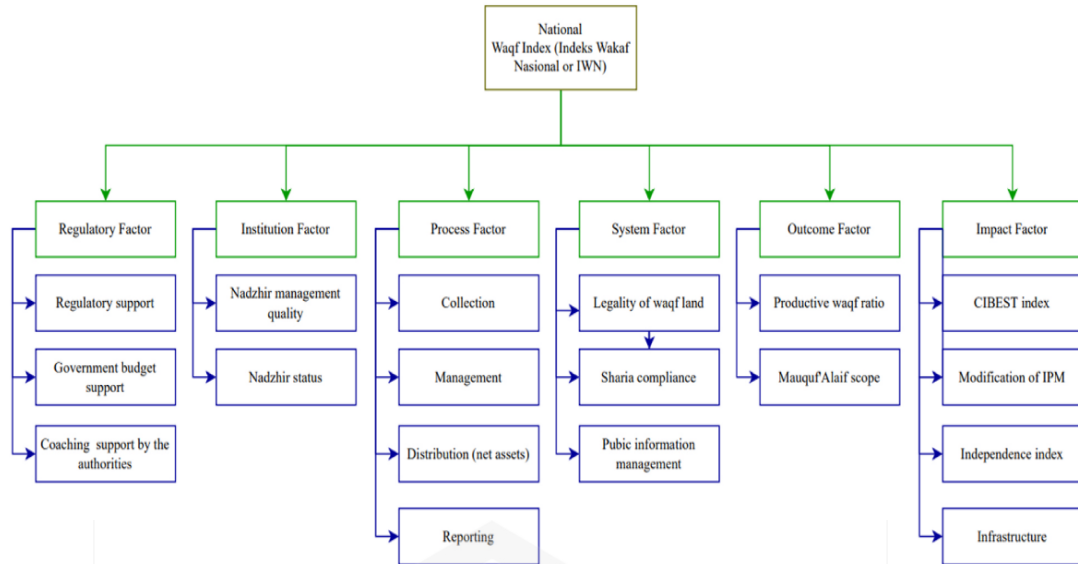


Table 2.2 National Waqf Index Components

Source: (Lestari et al., 2023)

This index is designed to be used by *waqf* authorities to evaluate and monitor *waqf* performance and development in a jurisdiction, as well as to serve as a policy-making database. *Waqf* managers can use it as a benchmark for their commercial operations as well as a comprehensive technical reference for national *waqf* index management in Indonesia (Lestari et al., 2023).

2.6.3 *Waqf* Potentials for Poverty Reduction

Waqf is made up of three parts: the endowment (*waqf*), the endower (*waqif*), and the beneficiaries. *Waqf* property is managed in perpetuity and can be in cash or in kind, such as real estate and stocks. An individual, a group of individuals, or a corporate entity can be the endower and beneficiary. The income generated by *waqf* investments is set aside for a sharia-compliant deed such as assisting the poor, orphans, or relatives (Miah, 2019). In another dimension, *waqf* is used in conjunction with *zakat* to benefit converts to Islam by providing food, shelter, and employment opportunities (Ali et al., 2018). This can be a viable means of reducing poverty if done professionally and diligently. By supplementing *waqf* with *zakat*, poor countries can have a stronger tool to deal with

extreme poverty in the short run while also meeting the poor's development needs in the long run.

According to studies, *Waqf* has the capacity to finance poverty reduction in Muslim majority countries and can aid in the achievement of other Sustainable Development Goals (SDG) in accordance with *maqasid alsharia* (M. Abdullah, 2018). These funds can be used to fund education, health care, and infrastructure development. Some Islamic organizations raised funds internally or through public contributions and invested them in a *waqf* model to be used for poor socioeconomic development as part of their corporate social responsibility (Darus et al., 2017). Although the study attempted to equate the SDGs' objectives with the higher goals of Sharia, it is unclear how these goals can be met. According to a similar study, *waqf* development can not only reduce poverty but also recover Islam's intellectual heritage and challenge the rise of environmental problems through scientific, technological, and socioeconomic development (El-Ansary, 2018). This was feasible and contributed to poverty reduction in earlier Muslim societies such as the Ottoman Empire, Russian Empire, Nablus, and so on.

Despite the potential and success stories, Muslim societies have failed to use the potential of *waqf* to reduce the prevalence of extreme poverty in their communities. In his published article on the potential of *waqf* in the modern world, Sayed Khalid Rashed identifies low-income generation capacity and poor Awqaf administration as the major causes of *waqf*'s failure to finance the economic well-being of Muslim societies (S. K. Rashid, 2018a). Effective *waqf* reforms can be achieved by separating religious *waqf* management from socioeconomic *waqf* management, with the former remaining under state control and the latter being entrusted to a more dynamic and professional board of trustees, but with accountability to all stakeholder groups (Haneef, 2018). We can conclude that increasing Awqaf income generation and removing administrative bottlenecks may help alleviate Muslim society's economic ills. But how are we going to increase Awqaf's income? First, we must expand the *waqf* by establishing new ones, which can only be accomplished by encouraging potential donors to participate in the establishment of new *waqf* or contribute to the development of existing Awqaf. Second, we must examine a society's or region's income generation capacity in relation to the number of poor people to determine the potential of *waqf* for poverty reduction. Third, for efficient and effective administration, we must improve the management of *waqf*

institutions. We can accomplish this by hiring qualified personnel, training existing personnel, and improving transparency in the collection, accounting, and distribution of funds to beneficiaries.

Some academics advocated for the use of cash *waqf* for economic development and poverty reduction. The model has been shown to be very effective in Malaysia, where cash is used to provide public goods such as education, health, agriculture, housing, and other religious and community services (Azrai Azaimi Ambrose et al., 2018; Che & Rahman, 2018; Hasan et al., 2019). Exploring these possibilities may be impossible without addressing genuine bottlenecks such as transparency, compliance, and mismanagement. A study on the 'potential of Awqaf in social and economic development' confirmed these challenges (Alam, 2018). Corruption, mismanagement, and excessive state intervention were identified as major obstacles that must be addressed in *waqf* institutions. State intervention can also be beneficial if it is limited to providing an effective framework to encourage compliance and good management.

It is obvious that no two countries have the same potential to capitalize on the opportunity provided by the cash *waqf* model for mobilizing resources for development. Recent studies have recommended that a global cash *waqf* be established as a more viable alternative to reducing extreme poverty in Muslim countries. The model aimed to raise funds, primarily from wealthy Muslim countries, to eradicate poverty in the Muslim world. It is a global vision for the distribution of income among Muslim countries (Saiti et al., 2021). To realize this vision, a comprehensive review of the *waqf* administration system is required, not only by encouraging cash *waqfs* but also by using the proceeds to develop education, small and medium enterprises, promote transparency in *waqf* administration, and provide employment opportunities in agriculture and industry (Mukhitdinova & Khadzhaev, 2020). Islamic scholars can enlighten and educate capitalists to set aside a portion of their profits for the development of *waqf* to attract Allah's pleasure and strengthen their relationships with poor people or countries. This tool can aid in the maintenance of global security and the achievement of the Sustainable Development Goals.

Many *waqf* funds have been established and administered in many nations to reduce poverty and improve people's well-being. For example, in Saudi Arabia, the Nafaqah *Waqf* Fund was one of the Shariah-compliant, multi-asset investment vehicles

established for those experiencing income loss or instability, and it is regulated by the General Authority for *Awqaf* and the Capital Market Authority. Jadwa, the fund manager, will take subscriber donations and invest them in accordance with international endowment best practices, with the goal of protecting and growing the fund's assets. This endowment fund will provide for the basic needs of families who have lost income due to litigation or instability. Since its beginning on 11/15/1438 AH (corresponding to 7/8/2017), the funds have benefited over 10,000 Saudi residents (Saudigazette, 2020). Another development was the formation and promotion of *waqf* ILMU by the Majelis Ugama Islam Singapura (MUIS), popularly known as the Islamic Religious Council of Singapore. MUIS is responsible for administering all Muslim endowments and funds vested in it under any written law or trust and is the country's sole *waqf* institution. Waqf ilmu began in 2012 with the collecting of cash *waqf*, and its beneficiaries are Singapore's six full-time educational institutions. MUIS manages and invests the capital collected from the cash *waqf*. The proceeds from the investment are then transferred to the beneficiaries. Up to the end of 2018, SGD14.8 million had been collected and invested, with around SGD1.96 million in income for distribution (Listiana & Alhabshi, 2020).

A similar best practice was the *Waqf* Share Scheme in Kuwait, which now dominates the practice of *waqf* institutions in the country. Its functioning procedure includes *waqf* institutions issuing shares at various prices and inviting philanthropists to donate the shares for different projects. The *waqf* institution acts as trustee, issuing contributors with a cash *waqf* certificate indicating their *waqf* share ownership and the project chosen for sponsorship. The *waqf* institution invests the cash, and the profits are utilised to benefit recipients in a variety of programs around the world, including health care, education, clean water, agriculture, mosques, orphan support, and many other socioeconomic support (Al-Daihani et al., 2023).

Another major advancement in *waqf* practice for poverty reduction is the corporate *waqf*, which can be considered an Islamic corporate social responsibility (CRS) (Nor Azurah et al., 2017). Corporate *waqf* uses cash *waqf* and *waqf* shares in its application. It is a novel technique for generating income for the benefit of the general public in the form of cash *Waqf*, *Waqf* shares, and other asset investment strategies. In Malaysia, a successful example of corporate *waqf* is the Waqf An-Nur Corporation Berhad (WANCorp), a limited company established by Jahor Corporation and its group

of companies as a receiver, manager, and administrator of their *Waqf* endowment and serving as beneficiary (Maukuf Alaihi) to stock and other forms of the company's security that have been put under the endowment as a whole. The funds generated by these endowments are distributed in four major areas: religion (mosque management), health (clinics and dialysis centres), socioeconomic (microcredit, vocational centres, and entrepreneurship), and social welfare (food banks, community outreach, and support for the homeless and elderly). International contributions were made through Somalia Humanitarian Aid and the GAZA Humanitarian Fund. WANCorp provided RM945, 502.13 for contribution purposes and fi sabililah benefit payout in 2011 (Nor Azurah et al., 2017).

2.7 THE CONCEPT OF MODERN TAXATION

While taxes are important aspects of contemporary life, they serve a variety of functions. They are employed not just as a fiscal instrument for income distribution but also as a socio-economic and political tool by the government to achieve a certain political and economic goal. This sub-chapter reviews and synthesizes the origins and concepts of modern taxation, as well as the relationship between modern taxation and Islamic taxation, as well as the impact on poverty reduction.

2.7.1 Definition and Types of Taxation

In its most basic definition, taxation is simply the act of levying a tax on a person or thing by the taxing authority, which is typically the government. To cover the costs of public expenditures, the government requires all citizens to make a mandatory payment known as tax (or taxation). Explain taxation in the words of the founding fathers of standard economic thought, such as William Petty, Adams Smith, and David Ricardo: "Taxation is a voluntary payment made for the benefit of government growth" (History of Taxes). It has been the case that taxes have been in place since the founding of a nation, when it was the primary concern of state officials to raise funds to finance the expenditures of the state. Redistribution of national income as well as the use of the currency as a tool for economic management are among the other goals of the country. This type of regulation could take the form of inflation control, changes in effective demand or savings in the economy, protection of local industries against foreign

competition, or fiscal measures to reduce consumption of harmful goods, which could have a positive impact on the poor or have a negative impact on the poor depending on the circumstances.

Taxes are levied directly or indirectly on the income, expenditures, or assets of an individual, partnership, company, or any other legal entity. Direct taxes include taxes like company income tax, personal income tax, and so on. While indirect taxes include value-added tax, excise duties, and so on, in some countries, assets are also subject to tax. Taxes such as inheritance tax or capital gains tax, which are levied on gains from the disposal of chargeable assets, are a few examples. The concept of a good tax system proposed by Adam Smith was that everyone should be taxed proportionately to their level of income, which means poor people must also pay tax in proportion to their little income or their consumption level. Although some tax jurisdictions exempt certain income thresholds from the payment of income tax, this is not true for the payment of consumption taxes.

A study by Smith & Shone (2016) shows evidence from developed tax jurisdictions that the more progressive a tax system is, the greater the number of welfare recipients are if the revenue from taxes is spent on programs that aid in the redistribution of income (Atkinson, 2017). Although taxation can take the form of a regressive, proportional, or progressive system of taxation, a progressive tax system taxes higher-income earners significantly more than lower-income earners. Even though the progressive nature of the tax system is a necessary condition for poverty reduction, it is insufficient if the revenue generated by the taxes is not directed directly to the welfare of the poor.

2.7.2 Taxpayers and Tax Beneficiaries

In today's tax system, taxpayers are individuals or businesses who are obligated to pay taxes to the government on their earnings. Every individual or entity in modern society has a legal obligation to pay taxes on their income or consumption, regardless of whether they are wealthy or impoverished. In contrast, *zakat* donors, who must meet certain wealth thresholds to be liable for the payment of *zakat*, are not subject to this requirement. A review of the modern tax system reveals that the system was not created with low-income taxpayers in mind, as the government can resort to imprisoning or

seizing the assets of lower-income taxpayers to finance the state's own activities, which is detrimental to the poor (Katzenstein & Waller, 2015).

Accordingly, studies have concluded that tax rebates have a positive impact on the increase in liquidity, the settlement of debt, and the improvement of the emotional wellbeing of taxpayers (Lachowska, 2015), which may explain the findings (Hisnanick & Kern, 2018). The definition of who pays tax has been established in some jurisdictions by providing tax exemptions and tax holidays to high-income taxpayers who are underserved by the system, which has had a negative impact on income distribution and poverty reduction in the community.

A pioneering piece of literature on taxpayers' compliance behaviour was written by Allingham and Sandmo in 1972, who assumed that taxpayers were utility maximisers, and that tax evasion was beneficial only when the financial gains outweighed any monetary costs. Consequently, the economic deterrence model is the theoretical approach used in this literature to examine factors such as the complexity of the tax system, penalties for noncompliance, the level of revenue information, and so on. Most recent taxpayer compliance studies have been based on social and psychological theories, which hold that human behaviour, rather than economic benefit, plays an important role in taxpayers' compliance behaviour. A fiscal and psychological model, for example, incorporates elements of both the economic deterrence model and the social psychological modelling framework. It contained a variety of attitudes and beliefs that interacted with one another and responded to social norms (Devos, 2014b). According to this approach, factors such as taxpayer perceptions of the fairness of the tax system and that of the tax authority, as well as moral values, are some of the factors that influence taxpayers' compliance behaviour.

Recent research on government spending in the United States reveals that two-thirds of those interviewed believe that taxpayer money is not being spent appropriately and that politicians are the primary beneficiaries of tax revenue. In contrast to *Zakat*, which rationally exempts lower-income earners and provides benefits exclusively to the poor, the Social Security Administration (SSA) does not. Politicians use taxpayer-funded funds to attend conferences, receive health care, receive pensions, and enjoy other benefits that are not available to the average American. They also spend a significant amount of money traveling outside of the United States, including to Europe

and Asia (Williamson, 2019). Corrupt practices and a lack of transparency in government have both been identified as major impediments to the efficient utilization of government tax revenues. This is exacerbated even further by the fact that tax revenue is no longer solely intended for direct benefit to the poor, as has been the case in previous years. A greater amount of research is required to develop and refine our tax system in a manner that would have a positive impact on income distribution and poverty, both of which are on the rise in our society now.

2.7.3 Tax and Poverty Reduction

Although earlier studies indicate that government tax policy reduces poverty regardless of the indices employed (DeFina & Thanawala, 2004), more recent studies have provided inconsistent results as tax policies are designed to achieve multiple fiscal objectives, which may negatively affect income distribution. This has been confirmed by a study of anti-poverty policies based on data from 17 developing countries for which taxes are used as sources of funding. The analysis indicates that poor people pay more in taxes than they receive in transfers, which makes a substantial proportion of the poor poorer (Higgins & Lustig, 2016). In a similar study of Spanish tax reform in 2015 and 2016, evidence has shown that income distribution and poverty reduction can be achieved through significantly lower personal income taxes. The reform was able to achieve 6.3 percent more redistribution of income with only 4.4 percent less tax revenue due to lower income taxes (Badenes-Plá & Buenaventura-Zabala, 2017). We may infer from these studies that taxing lower income groups is always detrimental to poverty reduction programs, which is consistent with the principles of Islamic taxation.

Tax credits are given to most working families in industrialized countries like the United Kingdom to establish a solid foundation for reducing poverty. According to some estimates, tax credits accounted for one-third of working-class households' social security income (Hick & Lanau, 2019). The relationship between tax income and poverty reduction is complex, and it is not unmediated. As some studies have shown (Nnyanzi et al., 2018), corruption and governance have a negative impact on tax income (I. Arif & Rawat, 2018). Transfers to the poor, on the other hand, should be sufficient to enable them to not only meet the burden imposed by taxes on their meagre income but also to help them overcome poverty.

Taxation and Islamic philanthropy such as *zakat* and *waqf* both have the aim of improving the welfare of people and communities; the former is used to generate revenue by the government, while the latter is used by both the Islamic government and nongovernmental charitable institutions to provide public goods (Jamal et al., 2024). Providing tax incentives for the development of *waqf* would encourage *waqf* practice and increase the provision of public goods through *waqf* and vice versa. Likewise, the introduction of the *zakat* tax credit system would increase *zakat* payment compliance, which would translate to increased government revenue.

In countries such as Malaysia, Muslim taxpayers have two obligations: paying taxes to the government and paying *zakat* if their income is above a particular threshold (Mansor et al., 2019). To alleviate this burden, the Malaysian government implemented a tax rebate for taxpayers who pay *zakat*; this means that the bigger the amount of *zakat* paid by the donor, the less tax payable to the government. This rebate applies to individuals, organisations, and other types of *zakat* payers. According to Section 44(11A) of the Income Tax Act (ITA) 1967, corporations that pay for business *zakat* are only entitled to a 2.5% rebate on their total income, whereas individual taxpayers receive a tax rebate based on the actual amount spent on *zakat*, subject to the maximum tax rate (Mansor et al., 2019). However, in countries with a Muslim majority population, certain tax incentives are provided to encourage *waqf* practice, such as income tax deductions that make the amount of income donated to *waqf* tax deductible, exemption from capital gains tax for assets or property given as *waqf*, and a corporate tax deduction for *waqf*-related companies (Jamal et al., 2024).

2.8 GENERAL RESEARCH GAP

According to the literature, different countries took different paths to reduce poverty, but the social welfare path increases poor people's income more than industrialization, rural development, or petroleum-generated employment (Saleem & Donaldson, 2016). *Zakat* and *Waqf* are clear examples of social welfare tools on which some Asian countries have made significant research and progress using this Islamic philanthropy to fund social welfare programs in health, education, agriculture, and general infrastructure (Fauzia et al., 2018). However, almost no scholarly work has been done to develop Islamic philanthropy in the poorest Muslim countries of Sub-Saharan Africa,

which accounts for 40.2 percent of the world's extreme poor population (WorldBank, 2020). Instead, these impoverished countries were persuaded to accept grants, foreign aid, and ODA, all of which had a negative impact on poverty reduction (Anetor et al., 2020; Shitile & Sule, 2019).

Importantly, research on poor countries has not made any attempt to investigate and come up with a comprehensive framework for the development of the potentials of Islamic philanthropy in these countries and to identify how income level, cultural and geographical peculiarities, and the influence of secularism in these countries may have affected their ability and desire to donate to Islamic philanthropy such as *zakat* and *waqf*. This, and other findings in this area, may help to explain whether the successes seen in Asian countries can be replicated in the world's poorest region.

However, financing poverty reduction requires sufficient resources to meet the needs of the poor. It was discovered that most of the literature on *zakat* and *waqf* focused on management, distribution, and jurisprudence, with little emphasis on how to identify the driving force behind *zakat* and *waqf* donation compliance. The best model must be potential, compliance, and management. Before you can mobilize *Zakat* or *Waqf*, you must first have the potential. If there is potential, payment must be made before the fund can be realized for management and disbursement to the poor. As a result, more research on *Zakat* and *waqf* potentials and compliance in sub-Saharan Muslim societies is required.

2.9 CHAPTER SUMMARY

From both Islamic and mainstream economic perspectives, poverty is an evil that requires a concerted effort to eradicate. Numerous studies have identified various paths that different countries have taken to alleviate poverty, including industrialization, rural development, social assistance, and petroleum-related jobs. Social welfare has proven to be the most effective of these approaches for boosting poor people's income and reducing poverty. Finland, Norway, the Netherlands, and Italy have all taken this path.

Although social welfare is rarely funded through borrowing or foreign aid due to the limitations attached to these sources of funding, taxes are used to finance social welfare in most countries. However, because of the added burden taxes impose on the

poor, supporting social welfare through increased taxes burdens the poor and exacerbates their plight. Taxes can also be diverted to undermine the effectiveness of social welfare financing.

The feasibility of financing social welfare through philanthropic contributions has been established. While contemporary philanthropy has been criticized for concealing tax evasion and promoting ‘Philanthrocapitalism’, Islamic philanthropy such as Zakat and waqf have proven to be viable tools for poverty reduction in most Asian countries due to their direct impact on the poor through the provision of social welfare, goods and services in education, health, agriculture, and general infrastructure.

Despite the successes in developing Islamic philanthropy in some Muslim countries such as Malaysia and Indonesia, additional research is needed to improve it and determine whether this model can be implemented in Muslim majority countries in Sub-Saharan Africa, as this would provide a strong foundation for identifying their potential and determining the causes of their lower performance in Islamic philanthropy for the improvement of the poor population's wellbeing.

CHAPTER THREE

POVERTY AND PHILANTHROPY IN NIGERIA

3.1 INTRODUCTION

Poverty is a global phenomenon, but extreme poverty is an African phenomenon, with Sub-Saharan Africa accounting for more than 40% of the world's extreme poverty (WorldBank, 2020). This is inextricably linked to the fact that most institutional philanthropy is concentrated in high-income countries outside of Africa. According to research, there are 260,358 institutional philanthropists in 38 countries and Hong Kong (Johnson, 2018). Europe has the most institutional philanthropies (154,271), followed by North America, Asia, Latin America, and the Middle East, which have 91,850, 13,170, 859, and 161, respectively. Despite the region's high level of poverty, Africa has only 47 institutional philanthropies, 26 of which are in Nigeria and 21 in South Africa. Because of the region's unique and humanistic African philosophy of life, philanthropy in the region can take a non-institutional form or a combination of formal and informal based on the principles of solidarity, mutuality, reciprocity, or religious obligations (Mati, 2017). Although the philanthropic sector in the region is underdeveloped, there may still be opportunities to use this sector to reduce poverty in the region.

Nigeria has the region's largest population and the highest rate of poverty. It also has the largest Muslim population in Sub-Saharan Africa (Hackett et al., 2015). Nigeria accounts for 30.7 percent of the total world poor who live in Organisation of Islamic Cooperation (OIC) member countries (OIC Report, 2015). Even in Nigeria, the incidence of poverty is higher in the country's northwest, which is dominated by Muslims. This was confirmed to be as high as 67 percent (Jaiyeola & Bayat, 2020). This is not because Islam lacks a philanthropic framework for poverty reduction, but rather because societies have failed to identify and overcome the obstacles to a functional Islamic philanthropic tool. Muslim countries can combat this high rate of poverty by promoting *zakat* and *waqf* and developing effective policies based on comprehensive data to promote the role of these tools (OIC Report, 2015). Kano State in Nigeria was chosen as the study area due to the state's large and poor Muslim population and its

significant influence in promoting Islamic values in Nigeria. As a result, the chapter examined the history, demography, and current development of *zakat* and *waqf* in Kano.

3.2 HISTORY AND DEMOGRAPHY OF KANO, NIGERIA

Kano State is one of Nigeria's 36 states, located in the country's north-western region. The Hausa tribe, Nigeria's and Sub-Saharan Africa's most populous ethnic group, rules the state. The state's population was estimated to be 13,076,892 in 2016, maintaining its position as Nigeria's most populous state. Kano was founded in the 7th century by a group of blacksmiths from the Gaya ethnic group, led by a man named Kano (Willett, 1971). It rose to prominence in the 13th century, when it began operating as a trans-Saharan and Sahelian trade terminal (Odoemene, 2016). However, some argue that Kano and other Hausa-dominated cities grew in popularity because of the collapse of the Kanuri empire to the east and the western Sudanic kingdoms of Mali and Songhay in the 15th and 16th centuries (Falola & Heaton, 2008). Whatever the case, Kano's importance is growing because of changes in trade routes to the central savanna and its development as an Islamic religious centre.

The Hausa people's predominant and historically established religion is Islam. It has been identified as a major contributing factor to Kano's influence and development in the region's socioeconomic and political life. It was first introduced in the 14th century and became the state religion in the 15th century, making Kano a notable Islamic learning centre. Kano had become not only an important commercial centre in the area but also an important Islamic religious and educational centre by the early nineteenth century (Odoemene, 2016). Kano fell under the control of the Sokoto caliphate following the Fulani Jihad at the beginning of the nineteenth century. Following that, Kano was completely transformed into the strongest state in Hausa land, with the strongest military power in the northern states, and it was later incorporated into the British 'Nigeria Project' by the colonisers in 1903 (Odoemene, 2016).

Despite the presence of some industrial activities in Kano, the state's dominant socioeconomic activities are trading, farming, local crafts, livestock rearing, and others (M.M. Sanusi, 2015). Kano State has produced notable industrialists such as Alhaji Aliko Dangote, the world's richest black man.

3.3 MAP OF KANO, NIGERIA



Figure 3.1 Map of Nigeria Showing Kano

Source: (Google Map)



Figure 3.2 Map of Kano Nigeria

Source: (Google Map)

3.4 POVERTY REDUCTION PROGRAMS IN NIGERIA

Apart from a few poverty-reduction programs initiated by the Kano state government, such as free education, agricultural empowerment, and health empowerment (Lafiya Jari), among others, the Federal Government of Nigeria initiated most of the poverty-reduction initiatives in the state. These include the Poverty Alleviation Program (PAP), which was launched in the year 2000 with the primary goal of reducing unemployment. Participants were given a monthly salary of 3,500 Naira. Other programs include the National Poverty Eradication Program (NAPEP) in 2001, the National Economic Empowerment and Development Strategy (NEEDS) in 2004, and the Seven-Point Agenda in 2007, all of which aim to create jobs, wealth, and reduce poverty. However, the most recent attempt to reduce poverty was in 2015 with the National Social Investment Program, which was established to ensure more equitable income distribution among young Nigerians. The N-Power program, Conditional Cash Transfer for the Lowest Income Group, Government Enterprise and Empowerment Program (GEEP), and National Home-Grown School Feeding Program (NHGSFP) were all launched. These federally funded programs were implemented in every state with the goal of reducing poverty on multiple fronts.

Despite these programs, poverty continues to rise in Nigeria, with Kano having 55.1 percent of poverty incidents (NBS, 2020a). This equates to more than 8 million poor people, which is more than the number of poor people in any state in the country. According to research, 80 percent of these poor people rely on subsistence agriculture or the urban informal sector for a living (Bello, 2016). Given the potential of the state and its large number of Muslim faithful, transforming the *zakat* and *waqf* institutions can provide enough resources to support existing programs and directly empower the poor population. Most of these conventional programs have failed because resources are typically distributed based on political affiliation rather than to hard-core poor people. As a result, we must devise effective poverty-reduction strategies based on Islamic Shariah and make the necessary commitments to make them a reality.

3.5 ISLAMIC PHILANTHROPY IN KANO, NIGERIA

Despite Kano State's large Muslim population, which is estimated to be 97 percent Muslim (Ostien, 2012), *Zakat* and *waqf* were not officially harmonised and consolidated

until after the adoption of Islamic Sharia as the state religion in the year 2000. This paved the way for the state government to form a *Zakat* and Hubsu commission in 2003. The commission is charged with the administration of *Zakat* and Hubsu (*Waqf*) in the state, which includes, among other things, collecting and disbursing *Zakat*, managing *Waqf* for the benefit of the poor, collecting and distributing other forms of charity, educating people on *Zakat* and *Waqf*, educating farmers and other businesses on the importance of corporations for the development of their wealth, and educating people on Islamic investment (Kano ZHC, n.d.). The government's goal was to incorporate Islamic principles into all the state's socioeconomic activities. However, after 20 years of inauguration, the administration of *Zakat* and *Waqf* in Kano is still in its infancy. As a result, this sub-chapter examines current developments in the state regarding *Zakat* and *waqf*, as well as the conventional tax system, which serves as the primary source of internally generated income for financing poverty-related programs.

3.5.1 Contribution of *Zakat* Institution

Basically, the 19 northern states in Nigeria are dominated by Muslims, and some of them had an independent *zakat* council even before the creation of state laws establishing *Zakat* and *Waqf* commissions. After the implementation of the sharia legal system by some northern states in the year 2000, 12 out of the 19 states enacted laws that govern *zakat* and *waqf* in their respective states (Maidoki & Sani, 2018). These states include Kano, Sokoto, Zamfara, Jigawa, Katsina, Niger, etc. Afterwards, some states, such as Sokoto and Zamfara, have had more comprehensive *zakat* and *waqf* institutions with greater coverage; this gives them more progress than others. Their coverage includes health intervention, human resource development, Ramadan food packages, shelter, and rehabilitation. The two states are also actively engaged in giving financial assistance to orphans, widows, people with disabilities, and neuro- and psychiatric patients.

In Kano State, even though the collection and distribution of *zakat* by organized bodies can be dated back to 1982 with the establishment of *zakat* council. Little progress was recorded due to lack of comprehensive framework and proper coordination between individuals, government, and non-governmental bodies (S. M. Ibrahim, 2015). The current *zakat* and *waqf* Framework is purely characterised by weak regulation, poor

compliance framework, and lack of sound knowledge that will facilitate the adoption of modern system of *zakat* collection and distribution. Most of the findings from research on *zakat* and *waqf* in Kano attributed non-payment of *zakat* by the rich and poor accountability as major factors militating against the effective use of *zakat* for poverty reduction in the state (Wali, 2013). Some of these problems are also common to most of the *zakat* and *waqf* institutions in northern Nigeria, as evidence shows that even more developed institutions in Sokoto and Zamfara states suffer from poor compliance, huge collection costs, unqualified staff, and unnecessary political influence (Maidoki & Sani, 2018). However, we can conclude that developing a comprehensive framework to solve these problems can effectively provide sustainable *zakat* revenue to empower the poor not only through temporary relief but also through economic empowerment such as vocational training and skill acquisition, which are powerful enough to reduce poverty in the state. This is supported by similar research by S. M. Ibrahim (2015), but he adds that issues concerning state law and religion must be effectively addressed because the Nigerian constitution does not make any religious contribution enforceable by law, as in modern taxation. This problem has been exacerbated by the state's ineffective role in ensuring that *zakat* administrative costs are reduced and revenue is distributed to rightful owners for poverty reduction (S. M. Ibrahim, 2015).

In general, challenges to the *zakat* administration in Kano extend beyond distribution, enforcement, and accountability. Identification and valuation of 'Zakatable' wealth have been major challenges, which can be attributed to a lack of sufficient manpower, inadequate staff remuneration, and poor information management in the *zakat* commission (S. M. Ibrahim & Shaharuddin, 2015; NSRP, 2016). Some of these challenges may be difficult to overcome in the absence of strong state support to strengthen *zakat* laws and employing qualified personnel with the necessary skills and expertise to implement these laws. Training and retraining of *zakat* officials must also be prioritized, particularly in digital technology. The staff must be up-to-date on what is going on in developed *zakat* institutions around the world to determine its applicability in the local context.

In south-western Nigeria, Islamic religious institutions like *zakat* were not prominent compared to the northern part, which has the highest Muslim population. Thus, *zakat* in south-western Nigeria was supported by prominent wealthy individuals such as the late Moshood Abiola and the late Abdul Wahab Folawiyo, whose *zakat* were

distributed to poor people and organizations for both poverty reduction and religious development. The efforts of these wealthy individuals were later supported by non-governmental organisations across the major states in the region that specialised in *zakat* management and poverty reduction. Some of these organisations include Zakat and Sadaqat Foundation (Lagos State), the NASFAT agency for *Zakat* and Sadaqat (Lagos State), the Ar-Rahmah Zakat Foundation (Ogun State), the An-Nur prayer group *Zakat* and Sadaqat program (Osun State), and the Sharia panel *Zakat* and Sadaqat program (Oyo State). These organisations administer and manage *zakat* in the region by collecting *zakat* from *zakat* payers and distributing it to beneficiaries (Afolabi, 2020).

The major distinction between *zakat* institutions in Northern Nigeria and South-West Nigeria is that in northern Nigeria, *zakat* is administered by governmental *zakat* institutions, although certain individuals distribute their *zakat* directly to the beneficiaries (S. M. Ibrahim, 2015). In southwestern Nigeria, however, *zakat* is administered by non-governmental organizations, which have effectively managed to mobilize resources for the benefit of the beneficiaries. Strategies adopted by these non-governmental organizations include advertisement, high-level marketing, door-to-door collection, and the use of modern technology to connect with eligible *zakat* payers (Afolabi, 2020). These methods are virtually non-existent not only in Kano but in the entire northern part of Nigeria, where *zakat* collection is monopolized by government *zakat* and *waqf* institutions. Basically, we need both methods to build a good framework for an effective *zakat* and *waqf* institution for poverty reduction.

According to recent studies, Kano State and northern Nigeria need to first identify their *zakat* payers and categorize classes of *Zakatable* assets before performing the actual calculation and identifying the eligible recipients (A. U. Farouk et al., 2017). While this may address the issue of *zakat* management to some extent, it was unclear in the studies whether these were enough to offer solutions to the common challenges facing *zakat* institutions in Nigeria, such as *zakat* evasion, poor management, a lack of trust, and a lack of an effective regulatory framework to mobilize the necessary resources needed for the reduction of extreme poverty in the state. We must respond to why most of the wealthy are not fulfilling their religious obligation to pay *zakat*. These would provide a solid foundation for addressing other management issues to maximize *zakat* revenue in the state.

However, the law governing the *zakat* institution in Kano State does not give *zakat* officials the authority to enforce payment; instead, *zakat* officials use a reminder and persuasive appeal to encourage *zakat* payers to comply with their obligations. This demonstrates that *zakat* administration in Kano is based on a voluntary model (Abdulhameed, 2020), which means that the amount of *zakat* revenue that goes to the commission is determined by *zakat* officials' ability to persuade *zakat* payers. This practice allowed for a wide range of *zakat* evasions, resulting in low *zakat* revenue to help the poor. Based on these and the inherent fixed rates applicable to *zakat*, the best way to alleviate poverty in Kano is to completely overhaul *zakat* and other forms of charity, such as *waqf*.

3.5.2 Contribution of *Waqf* Institution

Waqf (or *Hubs*) is an Islamic religious endowment that plays a larger role in providing public goods and services that can effectively eradicate poverty in society. Endowments can be religious, such as mosques (*Masjid*) and Islamic schools, or they can be used to fund other sectors, such as health, infrastructure, and agriculture, for the general good of society. Despite its potential, the *Waqf* sector is completely ignored and undervalued not only in Kano but throughout Nigeria's Muslim societies. According to research, the public in Kano does not have a holistic view of *waqf*; instead, most people view *waqf* from a religious standpoint (I. N. Muhammad, 2014). This resulted in many *waqf* mosques and Islamic schools, but no corresponding development in areas that can actively improve the lives of the poor, such as health and other economic empowerment. While the study advocated for a balanced approach to *waqf*, it also emphasized the need for further research into the motivations behind *waqf* donations, which will encourage donations for *waqf* assets and reduce poverty.

Waqf assets are managed individually or by the endower (*Waqif*) in many Nigerian Muslim societies. As a result, the asset perishes with the death of the *Waqif*. According to some studies, integrating *waqf* with social insurance in Nigerian Muslim societies can solve this problem and improve the well-being of the poor (Elesin, 2017). While this challenge can be viewed as part of a larger issue, *waqf* development in Nigeria necessitates long-term contributions to society, and the donation must be sufficient to alleviate the suffering of the poor (Adebayo & Ashafa, 2018; Gidado &

Sani, 2018). This problem in Kano was caused by insufficient legislation for the management of *waqf* institutions. *Waqf* laws in Kano did not make much mention of the existence of cash *waqf*, which can be effectively used to alleviate the suffering of the poor (H. Farouk et al., 2019). This, combined with the lack of economic *waqf*, has exacerbated the severity of poverty in Kano and other Muslim societies in Nigeria.

Despite the challenges that the *Waqf* institution in Kano faces, we can still make significant progress if we use our large Muslim population effectively. This is because, despite Nigeria's secular nature, profits from charitable institutions such as *Waqf* are exempt from taxation if the proceeds are used for charitable purposes. As a result, we can take advantage of this opportunity to mobilize resources for profitable investment in various sectors such as health, education, agriculture, and vocational training to improve the welfare of the extremely poor. The modern development of ethical capitalism has resulted in what we call *waqf*-based Sukuk, which, if used effectively in Kano, can mobilize resources for the renovation, modification, reconstruction, and development of *waqf* assets (Umar & Aliyu, 2019). While this can be an effective method, major bottlenecks in terms of potential and compliance that would allow for adequate resource mobilization must be investigated and addressed. Nonetheless, public trust must be earned because the majority of Kano residents dislike political involvement in the *waqf* administration, which resulted in the appointment of unqualified staff (M. Ahmad, 2019). If these challenges are properly addressed, *waqf* and *zakat* can provide the necessary resources for social welfare better than the modern system of taxation, which has no direct impact on alleviating the suffering of the poor.

3.5.3 Contribution of Modern Taxation

A tax is a mandatory, unrequited payment to the government in exchange for no direct benefit (James & Nobes, 1996; OECD/ATAF/AUC, 2019). This means that paying taxes may not directly benefit the poor, especially in countries with high levels of corruption and mismanagement. Taxation is strongly supported by law in Nigeria, which has empowered the Kano state government to collect income taxes payable by individuals and businesses, as well as other taxes and levies included in the approved list of taxes and levies for collection decree of 1998. This includes, for example, personal income tax, capital gains tax, stamp duty, development levies, road taxes, and

so on. According to studies, tax revenue collection in Kano has several issues, including insufficient information on all taxpayers, illegal exemptions, and a lack of taxpayer education (Y. Ibrahim, 2012). Similar research has confirmed issues such as a lack of qualified personnel, understaffing, poor working conditions, and a low tax-paying culture in the state (Gorondutse, 2012). We can conclude that these issues have all contributed to a decrease in tax revenue that could be used to improve the well-being of the poor.

In contrast, Y. Ibrahim (2012) reported that tax management improved from 2001 to 2010, resulting in a significant reduction in Kano poverty in the state. Even though the researcher used very limited data in his research because he was denied enough data by the Kano revenue board, a recent report revealed that Kano tax revenue is far below the state's potential. The state was reported to have generated \$40.6 billion in internal tax revenue in 2019 (NIPC, 2020). This was thought to be very low and did not reflect the state's capacity, as other states with lower potentials generated much higher amounts in taxes. Whatever the case may be, taxes have no direct impact on the lives of the poor, particularly in economically corrupt societies. As a result, we must strengthen Islamic philanthropic contributions such as *Zakat* and *waqf*, which have a direct impact on the poor, by providing a holistic system that focuses on how and why things should work for the general well-being of not only the poor but the entire society.

Despite the substantial Muslim population in Kano, Nigeria, resource generation through Islamic philanthropy such as *zakat* and *waqf* does not align with conventional revenue generation through taxes. The current tax legislation did not recognise or encourage Islamic philanthropy by reducing the dual burden placed on Muslim taxpayers to pay income taxes while also fulfilling their religious responsibility of paying *zakat* or establishing *waqf* (PITA Legislation, 1993). Malaysia and some other Muslim countries were able to harmonise these two distinct streams of revenue by providing tax rebates and other tax incentives for *zakat* and *waqf* practices in order to encourage compliance and support the development of Islamic philanthropy (Jamal et al., 2024).

However, under Nigerian Companies Income Tax legislation, certain incentives were provided to companies that made donations to ecclesiastical, charitable, benevolent, educational, and scientific institutions established in Nigeria; this donation

is tax deductible if it does not exceed 10% of the company's total profits for the year (CITA Legislation, 1990). Therefore, new legislation is required in Kano State, particularly in relation to personal income tax, to support a structure that would enhance the strong relationship between taxes and Islamic philanthropy and to encourage the practice while also supporting the government's poverty reduction program.

3.6 FRAMEWORK DEVELOPMENT

Basically, a framework is a holistic system that focuses on how and why things should work. It guides a user through a task experience and provides a set of variables that can be used for different analyses of institutional procedures (Ostrom, 2011; Stanojević et al., 2011). *zakat* and *waqf* institutions frameworks go beyond single reusable solution or guidelines to a commonly occurring problem, such as the model of optimal *zakat* and *waqf* allocation or *zakat* and *waqf* compliance theory. Frameworks seek a universal element that any theory relevant to Zakat and waqf needs to include. These elements confined in the framework help experts generate the question that needs to be solved when conducting analysis (M. D. McGinnis, 2000).

Although frameworks, theories, and models are used by some scholars interchangeably, the three concepts are not the same but related in explaining human behaviour and providing a solution to a problem. Basically, frameworks identify elements and their relationships for institutional analysis, problem-solving, and prescriptive inquiry. While theories enable experts to state which element of a framework is particularly relevant to a particular question and to make general assumptions about the nature and strength of the elements, Theoretical assumptions are used by analysts for the diagnosis, explanation, and prediction of a given phenomenon (Ostrom, 2011). Thus, many theories are well-harmonised in a single framework to provide institutional analysis and to generate and solve societal problems. Islamic economic theory, Islamic legal theory, Islamic political theory, Islamic ethical theory, and Islamic social finance theory are all compatible with the *zakat* and *waqf* comprehensive frameworks for poverty reduction.

However, the third related concept is the model, which involves assumptions about limited variables and a set of parameters to drive predictions about the result of a combination of these variables using a specific theory. *Zakat* allocation models, *waqf*

financing models, and other *zakat* and *waqf* institutional administration models are used to systematically explore the consequences of these assumptions on a limited outcome. Thus, multiple models are well-matched with most theories.

Researchers and other experts in extremely poor countries like Nigeria must provide an effective and comprehensive framework for the development of their *zakat* and *waqf* institutions to reduce poverty. An effective framework involves obtaining the best possible results from the activities of these institutions. Effectiveness can be categorised into System resource approach, Goal approach, internal resource approach, or Strategic constituencies approach (Poskart, 2014). The research adopted the strategic constituencies approach, which focuses not only on the effectiveness of one variable or component of *zakat* and *waqf* institutions but also on groups that have a stake in the institutions, such as donors, government, beneficiaries, the community, and other stakeholders that can or are influenced by the institution directly or indirectly. The framework will help to organize the diagnosis, analysis, and prescriptive capabilities of the institutions. It will also aid in the accumulation of empirical knowledge and the assessment of the strengths and weaknesses of past reforms and efforts for the development of *zakat* and *waqf* in Kano, Nigeria. Without undertaking this systematic assessment of *zakat* and *waqf* institutions, recommendations for reforms of these institutions may be based on weak ideas, which can continuously maintain the poor performance of the institutions. The figure below presents a framework for institutional analysis that provides the basic structure that every institution must have for effective function and good outcomes.

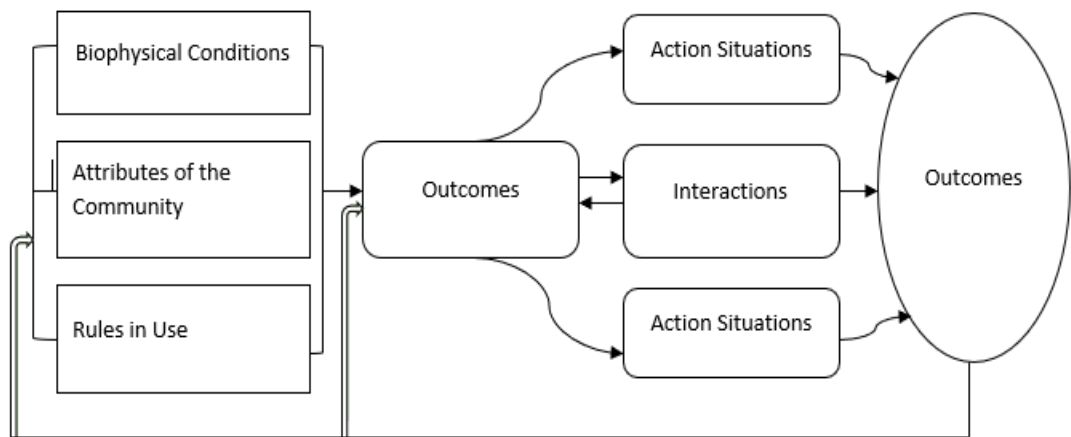


Figure 3.3 Framework for Institutional Analysis

Source: (E. Ostrom, 2011)

The above frame will be adapted by the study. The key part of the framework is to identify action situations and the resulting patterns of the interaction of the components of the framework, the possible outcome, and its evaluation. The study seeks to be ‘comprehensive’, that is, it will be based on strong empirical evidence, a rigorous conceptual and methodological framework, and a tangible development strategy for effective poverty reduction (Entrepreneurship, 2014). It can also be redesigned for improved activity by the institutions, as presented below.

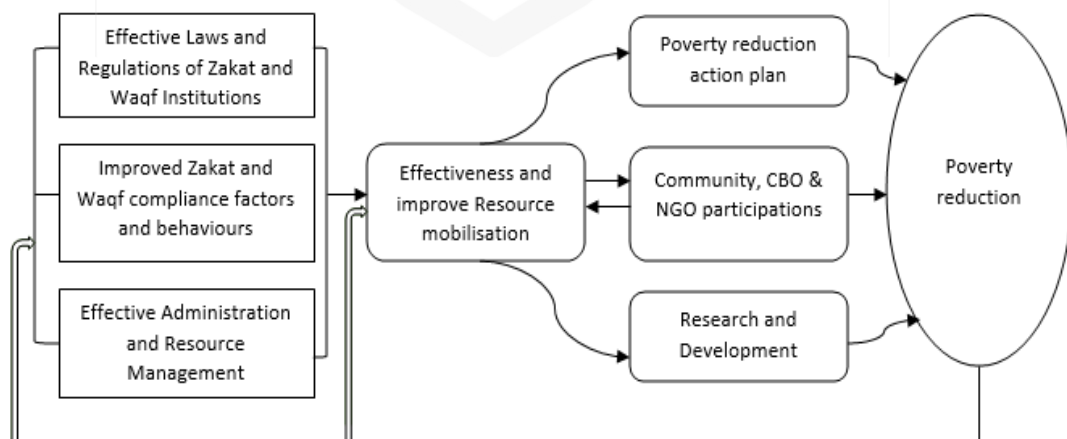


Figure 3.4 Framework for *Zakat* and *Waqf* Institutions

Source: (Adapted from E. Ostrom, 2011)

However, partnership with all stakeholders and localisation of *zakat* and *waqf* administration are other concepts adapted by the studies. Localisation promotes accountability, compliance, and an effective strategy for poverty reduction. By definition, localisation means increasing investment in the capacity, delivery, and leadership of local humanitarian responders. In other words, localization means the process of recognizing, respecting, and strengthening the independence of leadership and decision-making of local actors by national actors in humanitarian action in order to better address the needs of the affected community. Major areas committed to achieving localization are partnerships with local actors, capacity assessment and strengthening, financing or funding support, and coordination. Other areas include issues related to gender, donors arrangements, and intermediaries' arrangements, which are vital in promoting and strengthening local actors (Stoddard et al, 2017).

Similar to this concept was studies by Alberto De Camargo et al. (2019) which confirmed that giving voice to stakeholders during the execution of socially-oriented projects would allow for better accountability, transparency, and stakeholder satisfaction. Thus, one important finding from studies conducted on empowering locals was that community members' trust and legitimacy were attributed to the local institution and organization, and thus putting local organizations at the centre of any response supported by both national and international actors could significantly strengthen the bond and improve aid effectiveness (Kuipers et al., 2019).

The concept of localisation is, in essence, about scale. not only geographical but also in sociological, political, or economic terms. Localisation is also a relational concept dealing with power relations between the local and the international, the local and the regional, or the local and the national (Barakat and Milton, 2020). Thus, knowledge of the local context is a crucial aspect of understanding, resolving, and transforming humanitarian needs effectively. If state actors in Kano are genuinely committed to effective poverty reduction using *zakat* and *waqf*, they must engage with locals through community-based organizations, including local faith actors, by building partnerships, learning, and capacity-sharing exercises.

Despite the role of localization in ensuring effective humanitarian response, which includes faith-based responses like *zakat*, their role is neglected as most decisions on localization were conducted without valuable contribution from the locals. Recent

empirical studies found that there is little faith in the commitments towards localization among local actors and that only limited participation is enabled for local faith actors in the localization movement (Wilkinson et al, 2022). It is therefore necessary to identify and recognize the contribution of local organizations to the achievement of an effective humanitarian response to crises such as poverty and other socioeconomic crises.

3.7 HYPOTHESIS OF THE STUDY

Given the strategic importance of Kano to Muslims in Nigeria and sub-Saharan Africa, overcoming the high rate of poverty is not only beneficial to the state but to the entire Muslim community. Evidence has shown that the current tax system in Kano failed to realise the needed resources to develop the productive base of the state and reduce poverty due to corruption, a lack of taxpayer education, and other administrative inadequacies (Gorondutse, 2012). It is therefore imperative for the Muslim communities in Kano to develop their heritage as the most viable means for poverty reduction. Thus, the hypothesis that guided this research is:

- *Zakat* and *waqf* holistic frameworks can increase resource mobilisation and play a significant role in the fight against poverty at the grass-roots level in Kano, Nigeria.

3.8 EXPECTED FINDINGS

Perhaps the concept and framework used in this study mapped out the connection between the framework used by the organization or institution and the expected outcome. Therefore, in this study, we are expected to evaluate the basic structure required for the effective working of *zakat* and *waqf* institutions in Kano, Nigeria, and the impact on performance, especially in the area of promoting compliance and governance. Thus, the basic structure includes laws and regulations, compliance mechanisms, administration and resource management, poverty reduction strategies, community participation, research, and development. The research would provide a model based on two stage sequential qualitative data and recommend how these basic structures can be used effectively for the development of *zakat* and *waqf* in line with the framework for institution analysis and the concept of localization.

3.9 SPECIFIC RESEARCH GAP

Extreme poverty is more prevalent in Muslim-dominated areas of Nigeria. Kano State has the highest proportion of Muslims and poor people in the country. It was argued that successful tools such as *zakat* and *waqf*, which are virtually ignored in Kano but widely used in other Muslim societies, can be used and domesticated to reduce the state's rising poverty rate. This may not be possible without a comprehensive framework to identify and develop key areas that are vital for the development of Islamic philanthropy for poverty reduction. Unfortunately, the few traceable studies on *zakat* and *waqf* in Kano have primarily focused on administration and distribution, with no deep investigation to provide a framework on how and why things should work, which will provide a holistic system looking beyond a single issue or element but to a wide range of issues, such as (1) a regulatory framework, (2) *zakat* and *waqf* compliance and resource management, (3) poverty reduction action plan, (4) community participation, and (5) research and development. These components are essential in providing a comprehensive framework for poverty reduction in Kano, Nigeria. Thus, a preliminary investigation has revealed that the state has a very low donation rate for *zakat* and *waqf* due to noncompliance. This can be overcome not only by identifying the root cause of noncompliance but also by providing an encompassing system that will provide solutions to the problems of both demand and supply sides for optimum resource mobilization and poverty reduction. However, studies in this field use qualitative or, to some extent, quantitative research to investigate this phenomenon. This may not provide universal perspectives of the causes and solutions in strong terms. Thus, an improved paradigm is required with a sequential qualitative approach to provide a potent, comprehensive, and effective framework for the development of Islamic philanthropy and poverty reduction in Kano, Nigeria.

3.10 CHAPTER SUMMARY

Kano has historically been a strategic Muslim state, not only in Nigeria but also in Sub-Saharan Africa. Despite being a major commercial and industrial centre, the state has the highest population of poor people in the country. Additionally, it has the potential to influence the development of other Muslim communities in Nigeria. Various efforts were made to reduce extreme poverty in the state using conventional poverty reduction

programs funded by taxes, but no significant success was recorded. With the implementation of Sharia law in Kano by 2000, the state established the *Zakat and Hubs* commission in 2003, tasked with mobilizing resources from *zakat* and *waqf* for poverty reduction in the state.

After about 20 years of the commission's establishment, no positive impact was recorded for the institution to support the fight against poverty in the state, as statistics show that the number of poor people in the state is increasing (NBS, 2020a). Evidence suggests that *zakat* and *waqf* institutions, being among the institutions responsible for poverty reduction in Kano, face numerous challenges, including inadequate legislation, a lack of transparency and accountability, and a lack of qualified staff. The most troubling challenge, however, is the failure to raise sufficient funds for the poor's well-being. Developing Islamic philanthropy in the state requires a holistic approach to address key problems, which includes a comprehensive framework based on robust empirical evidence and strong development strategies to support a wide range of policies for poverty reduction. Thus, the research attempts to identify elements for building a strong framework for *zakat* and *waqf* institutions in Kano, specifically identify ways to improve *zakat* and *waqf* payment and distribution, and identify key stakeholders and their role in poverty reduction using *zakat* and *waqf* in Kano, Nigeria.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter describes the philosophical foundation that guided the entire study and the methodology adopted to carry out the research project. A research project is an investigation to gain knowledge that is guided by a philosophy and method. It must first define a problem, formulate hypotheses, or define objectives before collecting, organizing, and analysing data, drawing conclusions, and making deductions. Thus, this chapter discusses the broad principles that guide the entire research process to solve the research problem.

4.2 PHILOSOPHICAL FOUNDATION OF THE RESEARCH

The fundamental element in selecting the research approach is the philosophical foundation. It is a fundamentally sound knowledge of the nature of reality, founded on ontological and epistemological values. The research's philosophical foundations help us identify the school of thought that supports the study's goals. This gives us the knowledge required to guide the choice of research methods and procedures. A philosophical foundation will assist us in comprehending that knowledge is shaped by how we frame the research problem and how we collect, analyses, and interpret data (Merriam, B ; Tisdell, 2016).

Philosophers' most important questions are "What is reality?" (called "Ontology") and "How do we know it?" (referred to as "epistemology"). How we see and answer these two philosophical questions differentiates the two philosophical perspectives known as naturalistic research and experimental research. The naturalistic philosophical perspective, also known as interpretivism, uses inductive and abductive reasoning for research and is based on the tradition that reality is explicable by nature and natural laws. Experimental research, on the other hand, relies on logical positivism, which holds that all truth can be verified and proven scientifically, as well as measured and observed, and is the basis for deductive reasoning and predictive research design. The interpretivist approach uses qualitative data, while positivism uses quantitative data

to get a broader picture of the problem. The two perspectives have both advantages and disadvantages. In this way, combining the strengths of the two research traditions can overcome the weaknesses of either tradition and improve understanding of the approach and type of study (Merriam, B ; Tisdell, 2016). Integrating the two lines of research gave rise to what is known as pragmatism, our third philosophical viewpoint. This philosophical stance provides a solid rationale for utilizing a mixed-methods approach, which combines experimental and naturalistic methods of investigation to address a knowledge problem (Mayring, 2007).

While these philosophical aspects are important for scholarly research, this has to be complemented by additional Islamic perspectives based on the belief in the Oneness of God (Tawhid), who has knowledge of all beings, as revealed in the Quran and Sunnah. It uses Allah's epistemology to understand His ontology. However, qualitative data is collected in two stages because having multiple data sources is critical for strengthening research findings and overcoming challenges that may arise as a result of institutional bias and poor record-keeping attitudes in most institutionally weak Muslim communities, such as Kano. The first stage of data collection included zakat and waqf officials from government institutions as well as experts from community-based groups, while the second stage covered donors and potential donors all through a purposeful sampling process. Experts here mean officials of community organisations with knowledge of zakat and waqf management. Their involvement contributed to more solid and reliable exploratory outcomes from this investigation.

4.3 APPROACH TO THE STUDY

The research approach refers to the strategy or framework for carrying out the research, and it encompasses the intersection of research philosophy, research design, and the specific method employed during the research (Cresswell & Cresswell, 2018). In other words, the approach to research depicts the nature of the knowledge or guiding principles used, the strategies chosen, and the data collection and analysis techniques used to integrate and present the components of the study in a logical and coherent manner. This is presented in the figure below.

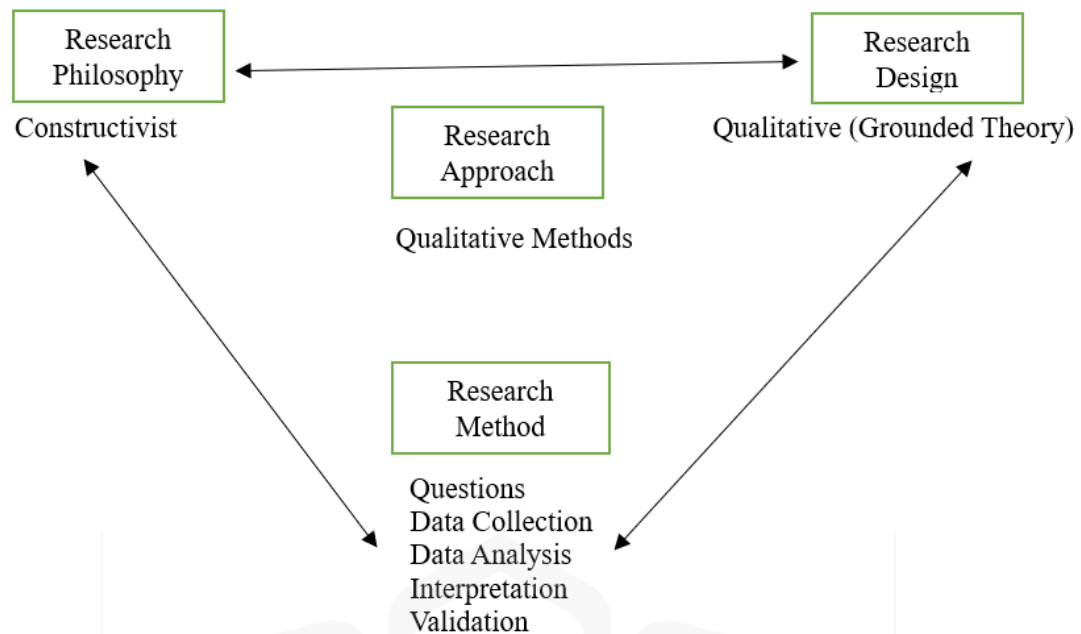


Figure 4.1 Research Framework – Interconnection of Worldview, Design and Research Method

Source: (Adapted from Creswell, 2018)

4.3.1 Research Philosophy

The study is founded on a constructivism worldview and a real-world, practice-oriented, albeit Islamic, approach. It is a social construct of reality and Islamic method of inquiry which focuses on the research problem and research questions and depends on the participants views of the situation to comprehend the problems militating against the functioning of the *zakat* and *waqf* institutions in Kano. The philosophy is employed to perform an investigation on how to identify important elements toward providing a comprehensive framework for a workable regulatory framework, institutional coordination, community participation, resource mobilization and management, and a poverty reduction strategy and action plan for poverty reduction. To meet the needs and purposes of the research, a qualitative method of inquiry is employed, with a qualitative assumptions, techniques, and procedures. The ontology and epistemology used by this philosophical thinking provide the best understanding of the problem at the time.

Some worldview argues that we should stop asking questions about reality and natural laws (Cherryholmes, 1992), and dedicated more attention to the way of life we are choosing when we are asked these questions. This has opened the door to different

worldviews, multiple methods, and various types of data collection and analysis (Cresswell & Cresswell, 2018). However, some of the worldview, as advocated by scholars such as Peirce (1905), Rorty (1990–1991), James (1907–1981), and Dewey (1917) (Cherryholmes, 1992), are not consistent with the Islamic worldview and therefore not free from human error. Thus, Islamic constructivist worldview is employed by the study to operate within the framework of revelation, and human reasoning guided by Quran and Prophetic teachings. It is a philosophy based on belief in the Oneness of God (Tawhid), who has knowledge over all creatures, as manifested in the Quran and Sunnah. The “Tawhidi” methodological worldview is an Islamic research philosophy where all knowledge and its induced space and time comprise a constant connection with the ontology and epistemology of Tawhid as Law (Choudhury, 2019). This philosophy is coherent and internally consistent with the research problem investigated and focuses on problem solving skills, It provides inductive, and abductive reasoning which is embedded in the tradition of Muslim problem-solving skills (Gul, 2019).

4.3.2 Research Design

The strategy used in the investigation is provided by the research designs, which provide specific direction for the procedure of the research study. Technological advancement has improved our ability to design research in which a wide range of data can be articulated and analysed using a computer. Different alternative methods are commonly used in a qualitative research design such as narrative research design, phenomenological research design, grounded theory design, ethnography research design, and case study research design (Cresswell & Cresswell, 2018).

The study employs grounded theory qualitative method design, which derives general abstract theory of a process, action, or interaction grounded in the views of participants. The process of the design involved two stages of data collection and refinement and the interrelationship of information (Charmaz, 2014; Corbin & Strauss, 2014). In the first stage, the study explores participant perspectives on various elements of the *zakat* and *waqf* framework, such as the regulatory framework, institutional coordination, community participation, resource mobilisation, resource management, poverty reduction action plan, research and technology usage, and so on. Participants in

the first phase include *zakat* and *waqf* experts and officials, non-governmental organisations, or community organisations collecting *zakat* and *waqf* for poverty reduction. The qualitative data is then analysed, and the information is used to build the second phase of the study. The second stage employs a survey instrument that will be administered to a sample of the population to strengthen, validate, and generalise the first stage findings to the entire population (Crede & Borrego, 2013; Cresswell & Cresswell, 2018). Participants in the second phase are different from those in the first phase, and they include *zakat* and *waqf* donors and potential donors which are selected using a purposeful sampling. The research design is depicted in the diagram below.

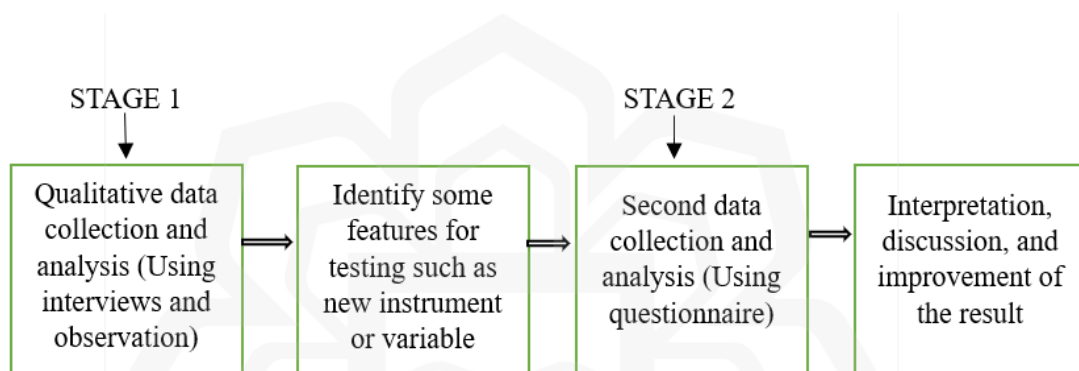


Figure 4.2 Research Design

Source: (Adapted from Creswell and Creswell, 2018)

4.3.3 Research Method

The study employs a qualitative method in seeking answers to the research questions. This approach aims to create a comprehensive picture of the subject or issue being studied, reporting different perspectives, identifying the many aspects involved in a situation, and drawing the bigger image that emerges. It uses unique designs that may include philosophical presumptions and a theoretical framework (Cresswell & Cresswell, 2018). The argument for this method is that qualitative researchers often collect data in the field, where participants experience the subject or problem under study. It gathers information from a range of sources, including document examination, behavioural observations, and participant interviews. It works both inductively and deductively, constructing patterns and themes from the ground up by arranging input into increasingly abstract pieces of information, switching back and forth between

themes and databases until they have produced a comprehensive set of themes, and then examining the data from the themes to determine whether more evidence can support each theme or if new information is required. However, participants' subjective meaning, ideas, and knowledge are negotiated both socially and historically, and open-ended enquiries are employed to allow participants to contribute their personal, cultural, and historical context (Cresswell & Cresswell, 2018). Thus, to strengthen the findings, the methods employed to collect data on *zakat* and *waqf* are both open-ended and closed-ended questionnaires. Open-ended questions are administered to *Zakat* and *Hubs*i commission officials and CBOs in the form of interviews to obtain qualitative data. The results from the qualitative data are then interpreted and used to develop a survey to collect additional data. The survey uses closed-ended questions that are administered to *zakat* and *waqf* donors and potential donors.

4.4 POPULATION AND SAMPLE SELECTION PROCEDURE

The population of the study in the first stage includes all staff of the *Zakat* and *Hubs*i commission in Kano and officials of community-based organisations engaged in poverty reduction using *zakat* and *waqf* in Kano, Nigeria, while the population of the study in the second stage includes all *zakat* and *waqf* donors and potential donors in Kano, Nigeria. This is classified and presented in the table below.

Table 4.1 Population of the Respondent (2022)

<i>Phase</i>	<i>Respondent</i>	<i>Population</i>	<i>Remark</i>
<i>Phase 1</i>	Staff from <i>Zakat</i> and <i>Hubusi</i> Commission in Kano, CBOs, and Professional organisations	19	Officials of CBOs engaged in <i>Zakat</i> and <i>Waqf</i> activities were not included.
<i>Phase 2</i>	<i>Zakat</i> and <i>Waqf</i> donors and potential donors	6,700,046	Based on those above the poverty line in Kano for the year 2020.

Source: Primary data, 2022; (NBS, 2020a)

The population of the first phase of the study is the 19 staff working with the *Zakat* and *Hubusi* Commission in Kano; this is the legally recognised institution established by the Kano state government for the collection and distribution of *zakat* and *waqf* in the state. An additional three respondents—two from community-based organisations and the other one from a professional organisation—were interviewed but not included in the population above. However, the population of the second phase of the study was the percentage of the population estimated to be above the poverty line in Kano, which was estimated to be around 6,700,046 in 2020 (NBS, 2020a). Due to the impossibility of obtaining information from the entire population, the study adopted a nonprobability sampling method. Like the first stage, a purposeful sampling method is used to obtain the required information in the second stage, but from different participants.

4.4.1 First Stage Sampling Techniques

The study adopted the non-probability sampling method, otherwise known as purposeful sampling, in the first phase of the study. It is a deliberate selection of a particular unit that represents the entire population to obtain data from the population.

This is more appropriate because the population happens to be small and the characteristics of the institution need to be studied intensively (Kothari, 2004). Out of the population of 19 staff members of the commission and three experts from two different community-based organisations and a professional organisation engaged in *zakat*, *waqf*, and welfare activities, 11 participants were interviewed; only those who are active staff and come to the office regularly were chosen. This is to ensure that a wide range of perspectives were captured on the research questions and the central phenomenon was obtained. The organisations chosen were also located in communities with a high number of poor people in order to assess their performance and impact on poverty reduction. Moreover, based on the grounded theory, participants were interviewed until a ‘saturation point’ was reached (Creswell & Poth, 2018; Dawson. C, 2008), these methods help provide in-depth information about various elements of the framework for a sustainable *zakat* and *waqf* institution for poverty reduction.

4.4.2 Second Stage Sampling Techniques

Furthermore, purposeful sampling is also used in the second phase of the investigation. A non-probability sampling method was adopted to gather information from many participants who can be considered representative of the 6,700,046 population of *Zakat* and *Waqf* donors and potential donors, this number represents those that are above poverty line and are considered better-off to render assistance. The sample size was determined using the Bukhari Sample Size Calculator (Bukhari, 2020).

$$\text{Sample size} = \frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left(\frac{z^2 \times p(1-p)}{e^2 N}\right)}$$

Where z = Z-Score, p = Sample Proportion, e = Margin of Error, and N = Population Size.

A total of 384 respondents were determined as the sample size. The respondents were chosen based on their traits and importance to the study since they could provide a wealth of information on the research questions. The participants in the questionnaire phase are not the same as the participants in the first interview phase of the study so that adequate information is provided (Cresswell, 2013). The survey was created online

using a Google Form and sent by email and WhatsApp groups to targeted respondents, with the help of research assistance and friends (Rahman, 2023).

4.5 DATA COLLECTION PROCEDURE

The technique used by the researcher to collect information from participants is referred to as the data collection procedure. Data can be collected for the first time (referred to as primary data) or updated from previously collected and used data (referred to as secondary data). The research used primary data in both the first and second stages of the qualitative study. Secondary data from the *Zakat* and *Hubusi* Commission, Kano, and the National bureau of statistics was also used in the research.

4.5.1 First Stage Data Collection Techniques

Interviews and observations were used to collect data from the participants during the qualitative phase of the study. Participants in this first phase include officials of the government *Zakat* and *Hubusi* Commission and experts from the community base and professional organisations engaged in the collection of *zakat*, *hubusi*, and other forms of charity for poverty reduction. A semi-structured interview was used to collect data, which allowed the respondents to give additional information based on their knowledge and experience in addition to the key questions asked. This method is appropriate for providing an in-depth understanding of the problem and when people may not want to discuss issues in a group setting (Bairagi & Munot, 2019). In this first phase of the study, participant observation was also used to gain a better understanding of the participants' behaviour, motivation, and attitude. Overt participants were used in situations where everyone was aware of the researcher and what he was doing (Dawson. C, 2008).

4.5.1.1 Survey Instrument Development

The first stage qualitative research instruments were developed by adapting questions used by Philip Ostien in his research (Chapter 4 of *Sharia Implementation in Northern Nigeria Twenty Years On: Six Research Reports and an Overview*, M. Tabiu, A.R. Mustapha and P. Ostien, eds., Forthcoming) on *zakat* and *waqf* in Northern Nigeria,

including Kano State, after obtaining his permission on the 16th day of March 2022. The questions were reviewed and redefined to fit the context of this study. The elements and measurement questions are presented in the table below.

Table 4.2 Variables of Study

<i>Constructs/Elements</i>	<i>Measurements/Questions</i>
Regulatory framework	Areas of <i>Zakat</i> and <i>Waqf</i> to legislate on? Private and community <i>Zakat</i> and <i>waqf</i> institutions, use of modern technology, governance, and organisational Structure required? The regulatory requirement of the commission?
Compliance mechanisms	Collection and distribution performance in both the city and the rural areas? Reason for noncompliance or non-performance? How do you handle it? Possible prosecution for noncompliance?
Administration and management	Importance of the institution in our society? Who are the donors? Who are the beneficiaries? How do you identify the two categories? Administrators of the commission? How are they appointed; What competence is required for the appointment? Publishing of accounts and annual report of activities? Management of the commission/ any private entity doing <i>Zakat</i> and <i>Waqf</i> functions Use of modern technology/ Resource utilization/ Research and planning

Poverty reduction	The Institution's potentials to generate resources for poverty reduction? Poverty reduction action plans and how effective are? Collaboration with community or non-governmental organisation to achieve action plans? Community participation /Social exclusion
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Source: (Compiled by the Author)

These questions were administered to eight (8) staff members of *Zakat and Hubusi* Commission Kano, two (2) principal officers of community-based organisations and one (1) principal officer of a professional organisation. The themes and codes identified were used to develop the questionnaire for the second stage qualitative phase of the study.

4.5.1.2 Trustworthiness and Credibility

The goal of qualitative research is to establish trustworthiness and credibility rather than arrive at incontrovertible conclusions (Hammersley, 1995). Contrarily, validity in quantitative research refers to veracity (Angen, 2000). In qualitative research, the context of the study and the respondents have a particular influence on the outcomes of interview; therefore, the emphasis shifts from validity to validation, from a clear sense of reality to a process of validation between the reader and researcher in which one's subjective knowledge is included (Angen, 2000). Thus, to ensure effective validation of the findings from this study, the researcher has widely interviewed not only the officials of the Kano state *Zakat and Hubusi* Commission but also conducted interviews with community and professional organisations that are collecting and distributing *zakat* and *waqf* in Kano state in the first stage of the study. In addition, themes and subthemes developed from the first stage qualitative analysis were shared with the respondents to identify agreement or otherwise with the findings. The use of in-depth quotations in the researcher's analysis and presentation of findings enables the reader to assess if various elements of the data gathered produce consistently rich and thick descriptions (Enosh

et al., 2014). Moreover, findings from the first stage were administered to different participants in the second stage using a survey to validate the finding and generalized the results.

4.5.2 Second Stage Data Collection Techniques

The second phase of the study used a questionnaire to collect information from a diverse group of *zakat* and *waqf* donors and potential donors. Participants who provided data in the first phase are not the same people who provided data in this second phase; this will aid in building a rigorous framework and allow for validation and generalization of the findings (Crewell & Plano Clark, 2017).

4.5.2.1 Survey Instrument Development

The questionnaire administered was developed from quotes, codes, and themes from the first phase of the study. Before being administered, the questionnaire was reviewed and validated by two different professors in addition to the review made by the supervisory committee. It was also subjected to a pilot study to ensure that it was simple to answer and well-framed. The information was gathered using a Likert scale and saved in digital files and transcripts. The table below shows how the questionnaire developed from the themes of the first stage of data collection in the study.

Table 4.3 Second Stage Survey Questions

<i>NO</i>	<i>Constructs</i>	<i>Questions</i>
EX1	Framework (Existing)	Context Do you agree that Chairman, Commissioners, and Director General of <i>Zakat</i> and <i>Hubusi</i> Commission (ZHC) are appointed by the State Governor
EXI2		Only ZHC collect and distribute <i>Zakat</i> and <i>Hubusi</i> (Z&H) in the state

EXI3		Community, religious, and non-governmental organizations (NGOs) are involved in the collection and distribution of Z&H in the state.
EXI4		Voluntary model prevents enforcement of compliance
EXI5		ZHC goes from market to market to collect Z&H donation
EXI6		ZHC Law recognized the use of digital technology or an online platform for the collection of Z&H.
EXI7		Hisbah office is used to Collect Z&H in the 44 local governments of the state
EXI8		There is weak Z&H structure in local communities
EXI9		There is lack of database and structure to identify donors and recipients of Z&H.
EXI10		<i>Zakat</i> council members are involved in the management of ZHC
EXP1	Framework (Expectations)	Context Z&H office should be established in each local government
EXP2		There should be mechanism for identifying donors and beneficiaries
EXP3		State law should be promulgated to make <i>Zakat</i> Payment compulsory
EXP4		There should be an effective mechanism to know when to pay <i>Zakat</i> , who to pay, how to pay and consequences of non-payment

EXP5		Trusted persons should be appointed to head the affairs of ZHC
EXP6		Beneficiaries of Z&H are identified based on their physical appearance
EXP7		There should be a database for donors and beneficiaries
CM1	Compliance Mechanism	Payment of Z&H is voluntarily in Kano State
CM2		Donors complied with set standards by the State
CM3		Some donors complied without disclosing their identity
CM4		Donors comply with standards of when, who and how to pay Z&H
RNC1	Reasons For Non-Compliance	Enforcement of compliance in the State is low
RNC2		There is a lack of clarity on the intention of the Z&H collection
RNC3		Z&H administrators are not trusted in the State
RNC4		Payment of Z&H is not compulsory
RC1	Emotional and Historical Responses to Compliance	There is a long tradition of giving Z&H directly to beneficiaries or through Community Based Organizations (CBOs)
RC2		There are different religious interpretations on basis of Z&H donation
RC3		Many people believe that <i>Zakat</i> should only be paid during Ramadan

RC4		The state does not appoint some of the religious sect as members of ZWC administration
RC5		Kano state has people that are wealthy enough to take care of the poor
RC6		Most donors have their independent Z&H committee
RC7		Donors are more comfortable with <i>Zakat</i> council than ZHC
RC8		Donors prefer to give Z&H to their Islamic Sect organization
CT1	<i>Zakat</i> and <i>Hubusi</i> Compliance Triggers	There is direct or indirect enforcement on companies, banks and government officials
CT2		<i>Zakat</i> -Tax credit and scholarship scheme to <i>Zakat</i> payers will improve compliance
CT3		Banks are used as collection points for Z&H
CT4		Community participation is encouraged in Z&H donations
CT5		Ulamas create awareness and enlighten the public on the benefits of Z&H
CT6		Evidence of <i>Zakat</i> payment is used to secure government contracts
GA1	Governance and Administration Context	The Independent <i>Zakat</i> organization called <i>Zakat</i> council was the oldest Z&H institution in Kano
GA2		ZHC was created to take over all activities of <i>Zakat</i> council

GA3		Former members of <i>Zakat</i> council later dissatisfied and withdraw from the management of ZHC
GA4		Z&H is a viable means to eradicate poverty in Kano
GA5		<i>Zakat</i> and <i>Hubusi</i> collection and Distribution can best be Improved through CBOs and NGOs
MA1	Maladministration	The commission is Understaffed, lacks training and no working tools
MA2		Staff are posted from other government agencies without knowledge on Z&H management
MA3		Most Z&H assets are lost without trace because of lack of proper record keeping
MA4		There is plan to go online but no funds to adopt modern technology
MA5		There is ineffective collaboration with local CBO, NGO and advance Z&H Institutions
MA6		Most of the principal officers are Islamic scholars
PR1	Poverty Reduction Strategies	Government gives N10,000 business capital to the poor periodically through ZWC
PR2		Government Educates and enlightens the public on Z&H
PR3		Some donors come with their list of beneficiaries

PR4		Health assistance is provided to the needy in partnership with some hospitals
PR5		Two out of 10 richest people in Africa are from Kano
PR6		Beneficiaries of Z&H are mostly widows, orphans, and women
PR7		CBOs and NGOs proximity to the poor improve distribution of <i>Zakat</i> and <i>Hubusi</i>
CB1	Role of Community Based and Non-Governmental Organization	<i>Zakat</i> council collected more <i>Zakat</i> and organized better poverty reduction programs than ZHC
CB2		CBOs are closer to the community and enjoy more trust from the donors
CB3		Donors and Community are seeing practical impact of CBO and NGO
CB4		CBOs have accurate data of extreme poor such as orphans, widows, and divorcees
CB5		Local CBOs and NGOs can easily identify donors and recipients in the community better than ZHC
CB6		Donors can easily monitor effectiveness of their donation through their local CBOs or NGOs
CB7		CBOs and NGOs are more effective in <i>Zakat</i> and <i>Hubusi</i> collection and distribution

Source: (Compiled by the Author)

4.5.2.2 Validity and Reliability

Validity refers to how well an instrument in a survey measure what it is designed to measure; in other words, it is an evaluation of its accuracy. While reliability of a research instrument is its consistency of measurement, whether it will provide the same results when used repeatedly under constant conditions (Ranganathan et al., 2024), In qualitative research, comprehending the instrument is more important than measuring; the focus is on the questionnaire's ability to be understood by respondents and create robust information on a specific question and context. Furthermore, for qualitative researchers, a measurement tool is reliable when it is adapted to the specific context in which it is used.

The questionnaire developed from the themes of the first stage of the study was assessed using two validity criteria: face validity and content validity. Face validity confirmed that the questionnaire was quick to complete and simple to respond to, whereas content validity determines whether the instrument covers all aspects of the concept being studied. Five researchers (n=5) evaluated the face and content validity of the study's instrument, assessing the questionnaire for clarity, style, ease of understanding, readability, comprehensiveness, and agreement on questions to be retained in the final questionnaire (Al-Madaney & Fässler, 2023).

However, Cronbach's alpha was used to assess the precision or validity of the research instrument as shown in the table below.

Table 4.4 Reliability Statistics
Source: (Author Computation, 2023)

Reliability Statistics	
Cronbach's Alpha	N of Items
.918	64

From table 4.4 above, the Cronbach's Alpha result is 0.918 which is above 0.3 decision rule. This shows that the information collected is reliable and can be used for the intended measurements.

4.6 DATA ANALYSIS PROCEDURE

The data from both the first and second phases of the study were analysed separately. The analysis of the first qualitative data came first, followed by the analysis of the second qualitative data. The second data aimed to support the first data and generalised the results established (Cresswell & Cresswell, 2018). The procedure for the analysis of the two phases has been explained below.

4.6.1 First Stage Data Analysis Procedure

The audio recordings of exploratory raw data were transcribed, and then the researcher prepared and read through the transcript, noting useful discoveries and the frequency of certain statements before they were coded and verified. The themes were then developed and linked using the coded data, and then thematic analyses were performed. The first stage qualitative data analysis was done manually, and the quotes, codes, and themes produced by the data analysis provided the instrument, variables, and scale needed to develop the second stage survey instrument. The analysis focused on the most important data and used a concurrent procedure for collecting and analysing the interview.

4.6.2 Second Stage Data Analysis Procedure

In the second phase of the study, data was analysed by first reporting the number of participants who did and did not return the questionnaire and then using respondent and non-respondent analysis to determine response bias. Descriptive data analysis, such as the mean, standard error, and range of all the variables, was provided using the SPSS statistics computer program, which was also used to test the hypothesis. The final results were presented in a table and interpreted accordingly. An effective framework for a viable *zakat* and *waqf* system in Kano is provided by analysing and recommending what is required for the effective functioning of each variable or element in the framework,

such as the regulatory requirements, compliance strategy, support needed from NGOs and CBOs, managerial requirements, and other evaluation measures to ensure sustainable improvement of *zakat and waqf* institutions for poverty reduction.

4.7 CHAPTER SUMMARY

The chapter described the methodological tools used to answer the research questions. Based on constructivist philosophical assumptions, reality or truth can be one or many, depending on the participant's view and the situation being studied. As a result, the study employed a qualitative approach in understanding the world in which we live and to comprehend the research problem and investigate possible solutions. The qualitative methods are used in conjunction with grounded theory design, and the research was conducted in two phases. The first phase collected and analysed qualitative data through interviews and observation, while the second phase collected and analysed qualitative data through questionnaires. The two phases provided empirical investigation and recommendations on components required for an effective framework of *zakat and waqf* institutions for poverty reduction in Kano. These include regulatory requirements, compliance strategies, managerial requirements, community participation, poverty reduction strategies, and evaluative requirements for the effective working of the institutions. Even though the two phases were analysed separately, instruments developed from the first qualitative phase were used to develop a survey for the second qualitative phase of the study. The second phase attempted to validate the findings of the first phase, generalise them, and recommend a workable solution.

CHAPTER FIVE

FINDINGS

5.1 INTRODUCTION

This chapter presents the findings of the empirical data collected from both the first and second stages of the qualitative study. In the first phase, empirical data was collected from face-to-face interviews with officers of the Kano *Zakat* and *Hubusi* Commission and experts from community-based organisations; these include officers that had worked with the Kano *Zakat* council. A total of eleven (11) respondents participated in the interview: eight participants from the Kano State *Zakat* and *Hubusi* Commission (directors and middle and lower cadre officers), two participants from community-based organizations, and one other participant from professional organizations that are committed to poverty reduction through Islamic philanthropy. Different experiences and opinions were explored in connection with the research problem and the elements required for an effective framework for *zakat* and *waqf* institutions in the state. In order not to miss the details of the interview, the native language of the respondents was used throughout the interview (Goldstein, 1995). Themes and codes identified in the first phase that were used to develop the second phase questionnaire of the study.

However, in the second phase of the study, a questionnaire was developed from the codes and themes from the first phase and used for the second phase survey. The survey questionnaire was administered online using a Google Form; at the time of consolidating the responses, 386 participants had already completed the online survey. Participants included *zakat* and *waqf* donors and potential donors. As mentioned in the methodology chapter, this method allows the researcher to have an in-depth understanding of the research questions under investigation and obtain generalized information that would strengthen the research findings for a comprehensive result.

5.2 OBJECTIVES OF THE RESEARCH

Basically, the study objectives are: (1) To identify key components for a holistic *zakat* and *waqf* institutional system in Kano, Nigeria; (2) To determine ways to improve *zakat* and *waqf* resource mobilisation and distribution in Kano, Nigeria; (3) and to identify

key stakeholders in the *zakat* and *waqf* management systems and their specific roles in poverty reduction in Kano, Nigeria. Based on these objectives, the study conducted qualitative data collection in two stages and has the following findings:

5.3 FIRST STAGE QUALITATIVE FINDINGS

This section presents the findings from the first phase of the research, in which qualitative data was collected using interviews. It also presents findings from observation and some documentary materials from the Kano State *Zakat* and *Hubusi* Commission and other non-governmental organizations engaged in *zakat* and *waqf* collection and distribution. Perhaps one of the most fruitful fields today is reporting outcomes using qualitative data. As a result, data analysis and interpretation methods are becoming increasingly diverse, and there are no standard formats (Matthew B. Miles, A. Michael Huberman, 2014). Thus, the researcher employed the intersections between the propositional thinking of most conventional studies and more creative thinking to respectively address the research questions based on findings linking the research problems, concepts, and themes.

The respondents' interview gave great insight based on their experiences and opinions; they also made their position known while narrating and explaining the current structure and components of *zakat* and *waqf* institutions, the challenges encountered, and factors to be considered in providing an effective framework for the *zakat* and *waqf* institutions in Kano State. The responses were recorded and transcribed, which led to the following validated themes and subthemes:

Table 5.1 Themes and Subthemes from First Stage Qualitative Findings

Theme: Framework Context Subtheme: Existing framework Subtheme: Framework expectations	Theme: Compliance Mechanism Subtheme: Reasons for non-compliance Subtheme: Emotional and historical responses to compliance Subtheme: <i>Zakat</i> and <i>Waqf</i> Compliance triggers	Theme: Governance and administration context Subtheme: Maladministration Subtheme: Poverty reduction strategies Subtheme: Role of community based and other non-governmental organizations
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Source: (Compiled by the Author)

5.3.1 Research Question 1: What are the Key Components of a Holistic *Zakat* and *Waqf* Institutional System in Kano, Nigeria?

The findings of the study have identified some major themes and subthemes in response to the questions generally on identifying key components for developing an effective framework for *zakat* and *waqf* institutions in Kano. These are the framework context, the existing or current framework in the state, and the expectations or requirements for an effective framework for the institutions in Kano, Nigeria.

5.3.1.1 Framework Context

A framework context denotes a set of influences that impact the behaviour, actions, and states of the *zakat* and *waqf* systems, their subsystems, and their components in Kano. Historically, *zakat* and *waqf* in Kano State were individually administered by the donors or a committee set up by an individual donor in consultation with Islamic clerics whose main function was to provide and interpret how, when, what, and to whom *zakat* and *waqf* should be paid (1st Respondent, 2022; 4th Respondent, 2022; 7th Respondent, 2022). This system was going on for decades without any comprehensive structure to make a positive impact on the categories of *zakat* recipients, resulting in ineffectiveness and a rising poverty level in society. Comprehensive here means the extent to which *zakat* and *waqf* cover diverse areas of intervention (Forrest et al., 2015), with major structural variables to support the operation of the institutions.

The first attempt at an organised *zakat* and *waqf* institution was in 1982, after a conference held at Bayero University, Kano. As an attempt to implement some of the recommendations of the conference, some educated individuals with strong Islamic knowledge established an independent *zakat* and *waqf* institution known as the *Zakat* Council (1st Respondent, 2022; 7th Respondent, 2022). This development occurred during Governor Abubakar Rimi's tenure as governor of Kano State. The governor gave them a piece of land for the building of the council office at Goron Dutse Quarters, Kano State (7th Respondent, 2022). The study findings comprehend that members of the *Zakat* council were drawn from different socioeconomic and cultural classes in order to have a structure that would influence payment compliance, consolidation, and strengthen the activities of the institution. The names of the leaders were confirmed by one of the respondents, who worked for the *Zakat* council and is now working for the government *Zakat* and *Hubusi* Commission,

Those who established the *Zakat* council include Professor Tajjani Zaharaddeen, Professor H. Umar, and Professor S.A.S. Galadanchi, all from Bayero University, Kano. From local Islamic clergy, we have Sheikh Ismaila Khalifa, Sheikh Isa Waziri, and Sheikh Naibi Suleiman Wali, while from public servants, we have Balarabe Ismail, Malam Adamu Gwaram, Malam Sani Hanga, and Malam Yahaya Tanko. The idea was then presented to the emir of Kano due to the status of the emirate in the eyes of the people. The emir was then appointed as the chairman of the board of trustees, together with Alhaji Aminu Dantata and Sheikh Isyaka Rabi'u as members of the board of trustees. By implication, this board comprises all sections of Kano people: the emir

represented the emirate, Aminu Dantata represented the business community, and Isyaka Rabi'u represented the Islamic clerics. The above-mentioned categories are the operational and trustees' committees, respectively (7th Respondent, 2022).

According to the respondent, who worked with the *Zakat* council for ten years, it took the council about 10 years (1982–1992) to build an office on the plot of land given at Goron Dutse quarters by the Governor. The building has 10 shops on the ground floor and 4 big office apartments, 2 on the first floor and the other two on the second floor. The council uses one apartment for its office and rents out the 10 shops and 3 office apartments in order to have a sustainable income to meet the salary payments of its workers.

The council was headed by Professor Tijjani Zaharaddeen as its part-time chairman, while Malam Adamu Gwaram served as the executive secretary who took care of the activities of the council. He had his personal assistant, cleaner, office messenger, security, and a driver who were paid from the proceeds of the rented shops and apartments, while the *zakat* collected was distributed to the poor. For nearly 25 years, the council fetched about three million each year as *zakat*; one million was collected from the emir each year and two from those educated people that established the council (7th Respondent, 2022). The wealthiest people in the state did not bring their *Zakat* to the council; they normally have their own *Zakat* committee, which shows that the council lacks the necessary structure and capacity for collective choice rules or is incapacitated by the attributes of the community to attract donors and bring more resources to the institution (Ostrom, 2011).

Scholars of institutional analysis understand that for an institution to function effectively, working rules, attributes of the community, and biophysical conditions must be appropriately taken care of. Rules are agreed-upon guidelines for what behaviour (or conditions in the world) is needed, banned, or authorized among those involved (Ostrom, 2011). It is a broad legal framework that derives its authority from decisions made in constitutional, legislative, and administrative contexts. The absence of these rules to influence the action of donors limits the effective function of the council in the first place (7th Respondent, 2022).

Thus, after the implementation of Islamic law in June 2000, a committee was set up to work for the establishment of government *Zakat* and *waqf* institutions. In 2003,

the Kano state government established the *Zakat* and *Hubusi* Commission to replace the Zakat Council and employed all staff of the council to champion the leadership of the newly established government *Zakat* and *Hubusi* Commission. The staff was small at the initial operation, but after the establishment, three departments were created: administration and general services; operations; and planning, each headed by a director. The commission board members include four permanent members, comprising the Chairman, Commissioner 1, Commissioner 2, and Director General (DG) (7th Respondent, 2022).

It is important to note that Kano people's culture and interpretation of Islamic law dictate that they should give their *zakat* to the poor directly rather than through an organization, and their beneficiaries are mostly neighbours, friends, and relatives. However, then the government, due to its strong desire to promote the institution, started giving financial assistance to the poor through the *Zakat* and *Waqf* Commission on a monthly or quarterly basis (depending on the availability of funds) as a way of encouraging people to pay *zakat* to the commission to support its programs like educational assistance, health assistance, payment of debt, payment of house rent, and so on. Thus, the institution continues to collect *zakat* and *waqf* to complement the money provided by the government for carrying out these programs (1st Respondent, 2022).

However, from the operational side of the commission, funds sent by the government for overhead activities go to the administration and general services department. Under this department, a finance committee was set up headed by the Director General, while the Director of Administration and General Services served as the secretary. Secondly, there is also an operation department, which has a committee for *zakat* collection and distribution headed by Commissioner 1 and the Director of Operations as Secretary. Thirdly was the planning department, which has a *hubusi* committee headed by Commissioner 2 and Director Planning as the secretary. Each department has its own responsibilities; the administration and general services department is responsible for overhead funds coming from the government; the operations department is responsible for *zakat* collection and distribution; and the planning department is responsible for *hubusi* collection and distribution (7th Respondent, 2022).

After about eight years of the operation of the *Zakat* and *Hubusi* Commission, a new government came and changed the leadership of the Commission by appointing new leaders to chair the activities of the Commission. This action dissatisfied most of the leaders that came from the defunct *Zakat* council and serves as the basis for reviving the earlier *Zakat* council by its original leaders. This served as one of the major challenges militating against the effective working of the commission, as stated by one of the officials.

Zakat Council is still in operation and organising better programs than the Commission. It operates like a private *zakat* organisation, and people trusted them more than the Commission. They give assistance and business capital to the poor with the assistance of *zakat* offices in the 44 local governments of Kano State. This stands to be one of the major challenges facing the commission. Although the council action violated the act establishing the commission, members of the council knew these laws better than anyone, and some of them led the affairs of the commission for almost 8 years. They withdraw to revive the Council after a new set of people were selected to lead the commission (8 Respondent, 2022).

Even after the establishment of the *Zakat* and *Hubusi* Commission, which brought members of the *zakat* council to the commission, not every wealthy individual accepted the government centralised system, so most of them maintained their individual *zakat* committee. But there was an improvement in the collection above the yearly 3 million Naira. But in order to improve the pooling of resources and encourage compliance, the government introduced empowerment programs through the commission. However, in addition to *Zakat*, *Hubusi*, *Sadaqah*, and unclaimed property collected by the commission, the government gives millions of naira to the commission to execute welfare and poverty reduction programs such as health assistance, food distribution, payment of debt, startup capital to the poor, and so on (7th Respondent, 2022).

Many researchers have postulated the primary requirements needed for effective *zakat* and *waqf* management systems and the importance of donors' trust and confidence in the success of the institution (M. Ahmad, 2019; Farah et al., 2019; Kashif et al., 2018; Lubis et al., 2019; Nienhaus, 2018; R. A. J. Saad & Farouk, 2019). A respondent who worked with the two institutions with a combined work experience of 27 years narrated that he started with *Zakat* Council in 1994, worked for ten years, and has now been working with the commission since 2004. The discovery of this research was that the

government *Zakat* and *Waqf* Commission still lacks the basic structure to function effectively for the development of *zakat* and *waqf* institutions in the state.

Although the law establishing the *Zakat* and *Hubusi* Commission has dissolved the former *zakat* council, the council still exists because the new *Zakat* and *Hubusi* Commission has not in any way proved to be more effective than the old *Zakat* Council. So, donors consider the commission less effective than the council and are more familiar with the activities of the council due to years of goodwill. Allah says “*We do not abrogate a verse or cause it to be forgotten except that We bring forth [one] better than it or similar to it. Do you not know that Allah is over all things competent?*” (Q2:106). Donors didn’t see the commission as a better alternative, so people need to be enlightened on the activities of the commission. Kano is a Muslim-dominated state, and historically wealthy people have their own committees for *zakat* distribution. For example, Mariya Dantata has her own *zakat* committee, which sometimes takes more than 6 months to distribute annual *Zakat* to schools and clerics. Similarly, the late Sani Marshal had his own *zakat* committee that went to Islamic schools to distribute *zakat* to the teachers. The late Isyaka Rabi'u also had his *zakat* committee, which distributed grains and funds during the month of Ramadan. However, the *zakat* Council is also an independent *zakat* committee established by certain educated individuals with strong Islamic knowledge and a western educational background (7th Respondent, 2022).

However, a good framework must have rules, but in setting rules for the commission, the government must consider the unique social, economic, legal, and political environment, as this may be a key influence on how donors engage in matters pertaining to faith (Obaidullah & Manap, 2017). An investigation into the framework of institutional analysis reveals that the shared meaning given to the words used to create a set of rules is what determines the stability of the rule (Ostrom, 2011). Most donors hold a strong belief that giving *zakat* directly to the beneficiary is more preferred in Islam than through a government institution; even some of the commission’s officials shared a similar view. Their recommendation was that the government should imitate other countries, making evidence of *zakat* or *waqf* payment as a requirement for government contracts and other similar services (1st Respondent, 2022).

Whatever may be the case, Islamic scholars have a huge responsibility and task in making the Muslim Ummah in Kano understand why they should pay directly to the commission. However, the government must review its rules, taking into account people’s norms and biodiversity, and partner with community and non-governmental organisations due to their proximity to both donors and beneficiaries (Saleem &

Donaldson, 2016). Evidence from interviews with the chairman of the Medile Orphans, Widows, and Needy Association shows that there is no effective partnership with local and nongovernmental organisations in both the collection and distribution of *zakat* and *waqf*.

We had an official engagement with the Kano State *Zakat* and *Hubusi* Commission but have not gotten any assistance from them to date. We believed that the most effective way to empower the poor and needy in the community is for wealthy people and other philanthropic organisations to channel their *zakat* and other assistance to community-based organisations, because they are closer to the people, they know their problems, they can easily identify donors and the most deserving beneficiaries, they have records, and they can deliver assistance directly and offer the most effective solution. The *Zakat* Commission is too far from the local community. Therefore, using community organisations can be the most effective way of reducing poverty compared to an organisation established by the government, which is always affected by political interference. While community organisations are managed based on rules agreed upon by the community and for the development of the community, they have more feelings of belonging compared to the government-established commission (9th Respondent, 2022).

To ensure *zakat* effectiveness, there are three conditions that must be met: the institution must be capable of pooling the resources of *zakat* payers who have shared social, cultural, and political concerns, focusing the distribution locally to bring about change in the very environment in which the *zakat* payers live, and balancing *zakat* distribution across all eight categories to ensure the individual and collective needs of the society are met (Adam & Bushill-Matthews, 2018). Therefore, what is needed is to make sure that the existing framework complies with all the required standards, including partnerships with all stakeholders, to have an effective *zakat* and *waqf* institution in Kano, Nigeria, as this would have a multiplier effect on all the Nigerian states and sub-Saharan Africa.

5.3.1.2 Existing Framework

Based on the findings from a review of the audio recordings of the interviews conducted and some documentary resources from the commission, the study captures information on the nature of the existing framework of the *Zakat* and *Hubusi* Commissions in Kano. The organizational structure of the Commission comprises a headquarters in the city and local offices in each of the 44 local governments and villages, which are fully

dependent on and controlled by the headquarters in the city. The organizational hierarchical structure is presented below.

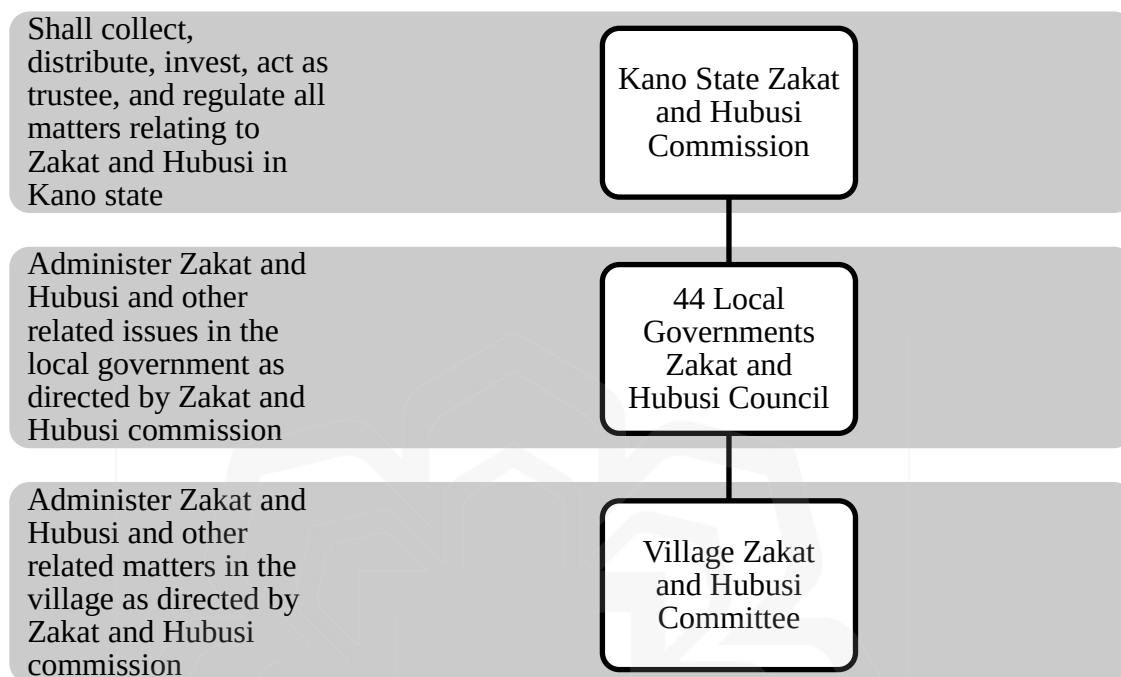


Figure 5.1 Hierarchical Structure of Kano State Zakat and Hubusi Commission

Source: (*Zakat and Hubusi Commission Law, 2003*)

Examination of the existing legal framework of the commission based on the interviews shows that the commission has the sole responsibility to administer *zakat*, *waqf*, and all other related matters in the state, a structure that ensures a centralized system for the institutions. The commission appoints administrators of the local and village *zakat* and *hubusi* councils and committees, and they are required to provide the commission with frequent updates on their actions. This is a structure that may limit the independence of local and village Zakat authorities and negate the effectiveness of the local institutions. This evidence was given by one of the respondents.

It's important to note that *zakat* is supposed to be distributed to the immediate source community; it is not allowed to take *zakat* generated from a particular community and spend it in another community. Distribution of *zakat* collected by the local government is the responsibility of the local *Zakat and Hubusi Council*, in partnership with the state *Zakat and Hubusi Commission* (3rd Respondent, 2022).

However, evidence has shown that despite the commission's powers to regulate all matters relating to *zakat* and *hubusi* as stated in Section 4(a) of the Kano State *Zakat* and *Hubusi* Commission Law 2003 (A Sourcebook, 2006), other independent organisations are administering *zakat* and *waqf*, which is a violation of the law and a sign of weak legal structure.

Allowing the council and other independent and community organisations in the state to collect and distribute *zakat* and *waqf* constitutes violation of the *Zakat* and *Hubusi* Commission Law of 2003. I am not in support of any organisation collecting *zakat* and *waqf*; what is required of them is to channel it to the commission. They can even come with a list of their intended beneficiaries, but they are not collecting and distributing it directly without knowledge of the commission (8 Respondent, 2022).

However, we have discovered that despite this violation of the law, these independent community and religious organisations are performing better than the commission in mobilising resources and poverty reduction, especially at the grass-roots level. They are more trusted, closer to both donors and beneficiaries, and have best fitted the “localisation” model initiated by the “grand bargain” for effective humanitarian assistance (Stoddard et al, 2017). We have identified the positive impact these independent non-governmental organisations are making in improving the lives of the poor.

Independent and community-based *zakat* and *waqf* organisations collect more *zakat* and organise better programs, but caution must be exercised in allowing private or community organisations to collect *zakat* in the state due to economic hardship. These organisations must request permission from the commission before collecting and distributing *zakat* in the state, and even if they are permitted, they must be under the supervision of the commission and report their activities regularly. (1st Respondent, 2022).

Another major feature of *zakat* and *waqf* institutions in Kano is the voluntary model (Abdulhameed, 2020). There is no rule to enforce compliance; donors have the liberty to pay or not to pay without any fear of enforcement by authority; the system is unsupervised or not completely supervised, as perceived by other authors (Lubis et al., 2019). This system left the commission with the only option of going from market-to-market, persuading businesses to meet their religious obligations.

In more than two years of my active service to the *Zakat* Commission, only two donors were recorded to have consistently paid their *zakat*. The first one was Alhaji Aminu Dantata, and the second one didn't disclose

his identity because he always wore a face mask when giving his *zakat* to the commission. What we do to mobilise *zakat* resources is do a random sampling by selecting companies to visit or a market place. There was a time we visited the Challawa industrial area and gave them a form pleading with them to make payment of *zakat*, but to date none of these companies have ever complied with the payment of *zakat*. The situation is the same with all the banks we have visited; they always kept making promises without fulfilling them. I could remember that only one company cared enough to reply to us that they had already finished giving out their *zakat* (1st Respondent, 2022).

Most of the officials visit hotels, companies, and markets for *zakat* collection. Sometimes we would spend a lot of time or stay late nights to secure appointments with rich people for the collection of *zakat* or for reminding them of their obligation to pay. Some of the donors claimed to have already paid their *zakat*, and some replied that they have their own intended beneficiaries. So, the exercise is very difficult for the officials, as they have to follow it up with the donors, pleading with them to keep up with their obligations (2nd Respondent, 2022).

We have been bringing a lot of initiatives to improve the donation of *zakat* and *waqf* through visits to markets and other business entities, but donors are not responding positively due to a lack of trust and recognition (3rd Respondent, 2022).

Importantly, the system does not have technological facilities to identify and reach out to donors and beneficiaries, because the use of appropriate technology would help the institution deliver a more effective and efficient process (Lubis et al., 2019). The structure also lacks partnerships with other government agencies and non-governmental organisation to identify potential donors and beneficiaries and build a database for ease of operation, future monitoring, and evaluation.

We identify those eligible to pay *zakat* because we know them, they are known in society, and we have the richest man in Africa from this state. We identify every wealthy individual in each community based on his frequent acts of giving to society. As for the beneficiaries, our partnership with local government offices helps us identify the beneficiaries (5th Respondent, 2022).

The commission identifies potential donors based on their business capital; if the person is a trader, you can tell that by looking at his shop and stock in trade. Some people who are not business owners can be identified by the nature of their work or place of work, because some have a large salary to invest and generate another income (7th Respondent, 2022).

Identifying beneficiaries for *zakat* and *waqf* requires to investigate any claim for assistance; physical appearance or assessment may not always qualify someone as a beneficiary of *zakat* or *waqf*. The researcher discovered that what the commission does,

especially for assistance given to widows, is to verify their information using the address given to the commission. The commission also asks questions about the immediate community that they claim to belong to in order to verify their claim. However, for those that need medical assistance, the commission first verifies the medical document before sending the beneficiary to the hospital for direct medical assistance; in this case, no money goes directly to the beneficiary. For those requesting assistance to pay their home rent, the commission first verifies the claim through agents or landlords to make sure the claimant truly owes and the rent is not above his status for him to qualify for the assistance.

The researcher also discovered that a lack of running costs is what prevented the organisation from implementing most of its initiated projects, such as adopting modern technology in the collection and distribution of *zakat*. And most of the staff do not have technical knowledge of how to cope with the transition to the online method.

Still, the commission's law needs to be amended because there was no provision for the usage of modern technology in *Zakat* and *Waqf* collection and distribution (1st Respondent, 2022).

Effective Poverty reduction requires pooling resources together, focusing the distribution locally, and balancing *Zakat* distribution across all eight categories to ensure the individual and collective needs of society are met (Adam and Bushill-Matthews, 2018). What is discovered was that there is no poverty reduction action plan because of lack of fund and inappropriate usage. What was aiding the commission was periodic government funding to carry out empowerment programs targeting women, especially widows, in partnership with the Hisba office in the 44 local government areas in the state. In another view, if there is any documented action plan to reduce poverty by the commission, it is discovered that some action plans exist, such as skills acquisition programs and quick responses to disasters, but the commission is constrained by the small resources mobilised and the political influence on the distribution of the resources. The commission usually states these action plans in their annual budget, but they are not implemented due to a shortage of funds.

What we have generated is distributed to the poor by organising programs in the presence of some top government officials, sometimes including the state governor. Ten thousand naira was normally distributed to the beneficiaries as capital to start a business. In some cases, we also distributed grains collected as *zakat*, such as rice, maize, and so on. We also assist travellers with transport fare assistance; sometimes we have to

assist with our own personal money due to the harsh condition of the person if there are no available funds to give from *zakat* (2nd Respondent, 2022).

One of these programs was "Gatanmu." What we did was skill acquisition, food distribution, and giving capital for business startups to the poor. The commission has received positive feedback from those who benefited from the program. There was a widow who benefitted from the program by giving capital for business and came back a year later to give her *zakat* to the commission, evidence that her business was successful. So, most of our programs give much emphasis to poor widows, and we are seeing a great impact from the outcomes (3rd Respondent, 2022; 5th Respondent, 2022).

Poverty is multidimensional; therefore, to reduce it, it requires a multidimensional approach as well. That is why the commission provided assistance in different areas such as health, education, shelter, food, and economic empowerment. Research has shown that most of the children begging on the street in Kano are orphans; they always go from one community to another in the state, different from their home location, to beg for money and food (7th Respondent, 2022). In fact, some parents are in the habit of abandoning their family on account of poverty or negligence, leaving the mothers begging on the street or doing subsistence business at home to take care of the children. These form the basis for concentrating on widows in most of the poverty reduction programs of the commission.

These were the reasons for the "Uwar Marayu" program to economically empower widows and orphans in the state. Another program was "Qard Hassan," in which we gave business capital to widows and other vulnerable women. All these programs are no longer in place due to the non-availability of funds (7th Respondent, 2022).

Another major feature of the existing framework of the institutions was strong political influence in the activities of the commission, including the appointment of the management board, which has eroded donor trust (M. Ahmad, 2019). Section 5(1) of the *Zakat and Hubusi Law 2003* provides that all 22 members of the board are to be appointed by the state governor. Given that the governance and political leadership in Nigeria have been driven by self-interest and other primordial considerations that take priority over those of the public, the state failed to provide the needed leadership and lost its trust among the citizens (Yagboyaju & Akinola, 2019). Even public religious institutions are not immune from these self-driven interests and primordial considerations.

The meagre *zakat* resources collected by the commission are always depleted through beneficiaries' nominations by the state emirate council or by political office holders (1st Respondent, 2022; 2nd Respondent, 2022). Assistance of N5,000, N10,000, and sometimes up to N50,000 is usually given to beneficiaries (2nd Respondent, 2022).

Although written requests from the poor and needy are received by the commission periodically, none of these applicants got any assistance from the commission; most of the assistance goes to people brought by politicians and other political office holders in the commission (1st Respondent, 2022).

Politics has a strong influence on the appointment of those to head the affairs of the commission because all major appointments in the commission are the sole responsibility of the state governors. This system was responsible for the feeling of alienation by some sections of society, who felt that it was much more appropriate for them to set up their self-managed *zakat* and *hubusi* organizations. Thus, we have discovered a lot of weaknesses in the entire system, especially the commission's weak structure in the local community, lack of data to identify donors, much concentration on religious *waqf* in place of economic *waqf*, and the ineffective way of distributing *zakat* and *waqf* resources, which has proven to be inefficient in reducing poverty levels in the state.

The study also discovered that the Kano state government has recently set up a new board for the commission. The names of the board members were published in March 2022 in order to reposition the institutions. Some of the members were confirmed to be among those who started the institution at its initial stage and are much more trusted by the public.

The commission had four sets of leaders from its inception. The first two sets are much more trusted by the donors, and thus, they were favoured by donors within the period. While the next two sets had little trust from donors, this was responsible for the lower *zakat* and *waqf* funds to carry out poverty reduction activities. However, one good quality of the first two sets of leaders was that, in addition to the level of trust they enjoyed from donors, they were financially rich enough and needed nothing from the commission's funds. Their ultimate goal was to mobilise enough resources to distribute to the poor, needy, or other categories of *zakat* and *waqf* beneficiaries (5th Respondent, 2022). Recently, another set of leaders were appointed by the state government, which comprises some members of the first and second sets, so we have a strong feeling that a positive improvement will be made (3rd Respondent, 2022).

What is needed is a strong structure that would take care of various interest groups, promote donors' compliance, and execute an appropriate distribution strategy to lessen the increasing poverty in Kano State.

5.3.1.3 Framework Expectations

Previous research has found that major challenges facing zakat and waqf institutions are a lack of public trust and confidence, the involvement of political office holders in the appointment of administrators, a lack of managerial and administrative knowledge of the institutions, and the adoption of a voluntary model of administration (Abdulhameed, 2020; M. Ahmad, 2019). Our findings generated similar trends and revealed what is required to build a structure for effective poverty reduction using *zakat* and *waqf*. The appointment of qualified, trusted persons and administrators to head the affairs of the commission is the first step to gaining donors' trust. This is possible if appointments are devoid of primordial political consideration and based on merit as recommended by the respondents.

At the initial stage of the establishment of the commission, we had very good leaders that were trusted by the people to the extent that donors came to the commission willingly to pay their *zakat* and collect their receipt. Some of them did not even bother to collect the receipt, claiming that they had given it in good faith (5th Respondent, 2022)

The government must appoint trusted people as leaders of the commission so that donors can be more comfortable paying their *zakat* and *waqf* to the commission (6th Respondent, 2022).

Any person who trusts the government can take it to the commission, and those who trust the council can take it to the council. The law did not say you must take it to the *Zakat* and *Hubusi* Commission (7th Respondent, 2022).

Zakat Council is still in operation and organising programs better than the commission. It operates like a private *zakat* organisation, and people trusted them more than the commission; they give assistance and business capital in their program. (3rd Respondent, 2022)

The leadership of the commission must be given to trusted people. Most of the donors did not trust the leadership of the commission... because appointing trusted people influenced the behaviour of the donors to give their *zakat* or *waqf* to the commission (1st Respondent, 2022).

In addition to the appointment of trusted administrators, other things that would promote donors' trust are limited political interference in the activities of the

commission, and the law must be nonpartisan and promote stakeholders' participation in the appointment of administrators for the commission.

The administrators of the commission are political appointees appointed by the state governor, while other officials are permanent staff of the state civil service (4th Respondent, 2022).

Another major setback is political differences, because there were so many instances in which donors refused to give *zakat* to the officials, citing differences in political parties with the ruling government as their main reason. A poverty reduction action plan exists, such as skills acquisition programs and quick response to disaster, but the commission is constrained by the small resources mobilised and the political influence on the distribution of the resources. The set of initial people that started the management of the institution in 2003 were dropped due to political reasons (1st Respondent, 2022).

The meagre *zakat* resources collected by the commission are always depleted through beneficiaries' nominations by the state emirate council or by political office holders (1st Respondent, 2022; 2nd Respondent, 2022).

Some donors deliberately keep refusing to pay to the commission because of political differences with the government in power (3rd Respondent, 2022)

Political influence was responsible for bringing a lot of problems to the *zakat* and *waqf* administrations, which has negatively affected the compliance level of our donors. The reason was that these donors have not trusted the current administration of the commission (5th Respondent, 2022).

Promoting trust is a major challenge for institutions. Some of the respondents believed that Kano people do not like to be represented, especially when it comes to financial matters; others attached this to the successive failure of government-owned institutions to deliver the mandate given to them by the people. It is also found that the legal incorporation of community and other non-governmental organisations into the structure to collect and distribute *zakat* and *waqf* is capable of promoting trust, building a database, and pooling a lot of resources for poverty reduction. In our interview with one of our respondents from a Gandun Albasa community-based organization that has been supporting orphans and the needy since 2002, the respondents stated that the organization is collecting *zakat* and other forms of charity, supporting orphans and the needy in the community. He strongly emphasized their nonpartisan role in the collection and distribution of *zakat* and *waqf* in the community.

The commission used to send us forms for assistance to share among widows in the community. Our distribution of assistance is strictly transparent. We do not give assistance based on a personal relationship or any kind of influence, be it political, cultural, or religious (10th Respondent, 2022).

Therefore, including community organisations can be the most effective way of promoting trust and reducing poverty compared to an organisation established by the government, which is mostly driven by political interest. This would provide an alignment between the model used and the proper application system (Lubis et al., 2019).

Research evidence highlights the need to give due consideration to the observed diversity among *zakat* donors in any initiative to develop core principles, regulatory standards, institutional infrastructure, and models of governance (Obaidullah & Manap, 2017). This evidence was confirmed by most of the respondents because most of the *zakat* and *waqf* donors are used to a structure that would allow for direct giving or a close representation that enables self-review of performance. This is one of the reasons community organisations are gaining acceptance from donors.

Customarily, Kano people do not like to be represented in a matter that involves money unless, in very rare cases, they like doing things themselves. That is why the introduction of digital technology for mobilising *zakat* and *waqf* may be met with some difficulties. These can also be achieved if people are enlightened, educated, and see something worthy of being trusted (7th Respondent, 2022).

Community organisations have the most favourable cordial relationship with the people affected by poverty and are capable of providing the quickest response required to address the challenges of the community. They are respected by the community, especially by the vulnerable people who received assistance from them. They are also capable of providing other guidance and counselling assistance to the vulnerable and are therefore capable of providing solutions to other social aberrations in society such as drug addiction, theft, and so on (9th Respondent, 2022).

Although the current structure provides for the Local *Zakat* and *Hubusi* Council and the Village *Zakat* and *Hubusi* Committee as stated in Sections 8 and 10 of the law for all local governments and villages in the state, respectively, evidence shows that the local structure is weak and largely dependent on the commission located in the city for assistance.

Recipients come from different localities in the state; some were even referred from the local Hisba office to the commission (2nd Respondent, 2022).

However, the laws establishing the commission encourage this dependency by making the appointment of the members of the *zakat* and *hubusi* at both local government and villages as the responsibility of the commission (A Sourcebook, 2006). These arrangements served as a setback to the empowerment of the local community and a major challenge to effective poverty reduction. Community and private nongovernmental organisations have gone far in identifying and enumerating both donors and beneficiaries in localities. They also organize empowerment programs to make vulnerable people in communities better off, which has been making a great impact on poverty reduction. It would be of great impact if they could be legally allowed to collect, distribute, and account for *zakat* and *waqf* in the state; this has been testified to by many of the respondents, although some have opined against it.

Private and other nongovernmental *zakat* and *waqf* organisation can be of great virtue to the development of *zakat* and *waqf* in Kano State, considering their performance in mobilising resources for poverty reduction in other states like Lagos. These organisations have unique strategies and programs, but their existence in Kano may change the landscape and limit the functions of the commission to regulate, provide education, guidance, and partner with these organisations (5th Respondent, 2022).

I believe that due to the role these community-based organisations play in reaching out to both donors and beneficiaries, the commission would achieve a lot through partnerships with them, but the government needs to first set everything in place before allowing private or community organisations to take over the activities of *zakat* and *waqf*. So for now, I don't support any partnerships with these organisations (6th Respondent, 2022).

Community-based organisations that take care of widows, orphans, and the needy in Kano are making a lot of progress when it comes to poverty reduction. They collect Sadaqah, *zakat*, and *waqf* to take care of the poor in the community (7th Respondent, 2022).

Allowing the *Zakat* Council and other independent and community organisations in Kano State to collect and distribute *zakat* and *waqf* constitutes a violation of the *Zakat and Hubusi Commission Law* of 2003. I am not in support of any organisation collecting *zakat and waqf*; what is required of them is to channel it to the commission. They can even come with a list of their intended beneficiaries, but they are not collecting and distributing it directly without knowledge of the commission (8 Respondent, 2022).

Many of the respondents emphasised what is required to pool a lot of resources for distribution and poverty reduction programs. Pooling of resources requires building trust and enforcing payment through setting up a structure compatible with our unique social, economic, legal, and political environment (Obaidullah & Manap, 2017). Some emphasised enactment of state laws to make payment of *zakat* compulsory, just like modern taxation, and to use state apparatus to enforce payment compliance and punish any recalcitrant donor. Others view enforcement of payment as a violation of federal law; this strict adherence to secular ideology by the government limits the management and role of Islamic charitable organizations in socioeconomic development (Gamon & Tagoranao, 2018). The researcher discovered that many respondents supported a state law to influence payment; this can be directly or indirectly achieved by making payment of *zakat* or *waqf* as a condition of accessing vital government services.

Noncompliance was attributed to negligence in discharging religious duties since no immediate sanction is attached to failure to pay *zakat* due to our strict adherence to western democratic principles, which preach secularism and negate compulsory adherence to any faith-based principles (1st Respondent, 2022).

If the same method used to collect taxes is employed in *zakat* collection, making it compulsory and imposing sanctions on recalcitrant donors, a significant achievement would be recorded because most of the Kano indigenes are Muslims (3rd Respondent, 2022).

Precisely, a law should be enacted to make it compulsory for all wealthy individuals to pay even part of their *zakat* to the commission and come to witness how the commission is distributing the amount collected to the beneficiaries (4th Respondent, 2022).

Making the payment of *zakat* compulsory, similar to what the government is doing for taxation, will pool the needed funds required for poverty reduction programs in the state (6th Respondent, 2022).

Although the commission's officials believed that making it compulsory to pay and enforcing payment through direct deduction by commercial banks would be a good idea, they argued that this may not be accepted by political office holders whose thinking is that they may lose a lot of supporters, which might affect their chances of being re-elected in the coming election. However, taking into consideration the due adherence to secular ideology in our federal constitution, some people may even challenge it as unconstitutional.

The law establishing the commission did not provide for compulsion or enforcement of payment; what was stated in the law is using media to

educate and enlighten the Muslim community on the importance of *zakat* and how to pay and when to pay. Some donors may even go to court, challenging the compulsory imposition of *zakat* as unconstitutional (1st Respondent, 2022).

Thus, a feasible move should be a political will to make payment of *zakat* and/or *waqf* as conditions for enjoying government services in Kano, such as contracts, child educational services, and so on. Supporting this structure requires strong data for eligible donors and beneficiaries and building a reliable database for policy formulation. It is also required for an educated person to design a friendly mechanism for reminding donors and potential donors who is to pay, when to pay, how to pay, and the virtues and consequences of non-payment. Therefore, partnerships with other government agencies, community organisations, private organisations, professional organisations and religious organisations would help in building data and ease collection and distribution, which can lead to better economic output.

5.3.2 Research Question 2: How can we Improve Zakat and Waqf Resource Mobilisation and Distribution in Kano, Nigeria?

In the first chapter, a ten-year record of the *zakat* and *waqf* collection and distribution by the Kano State *Zakat* and *Hubusi* Commissions was presented. This section presents findings from the interview responses regarding the causes behind the lower *zakat* and *waqf* payments and distribution in the state. The responses generated themes such as the compliance mechanism as the major theme, reasons for non-compliance, emotional and historical issues with compliance, and compliance triggers as subthemes.

5.3.2.1 Compliance Mechanism

Compliance mechanisms are policy-level activities carried out by a *zakat* and *waqf* institution, organisation, religious scholar, or government agency to promote and ensure *zakat* and *waqf* payment by donors. Data generated from both the interview and documentary materials from the *Zakat* and *Waqf* Commission shows that there is no system put in place by the government or the commission to ensure all eligible donors pay their *zakat* or *waqf* to the commission. Challenges of noncompliance with payment are always dealt with through the visitation and enlightenment of *zakat* donors, pleading with them to pay as and when due. The system is characterised by weak governance

with respect to law, administration, and management and a lack of a generally accepted fatwa from Muslim scholars (R. A. J. Saad & Farouk, 2019). The whole system was built based on a voluntary model without any instrument to influence payments, which led to a high level of evasion (Abdulhameed, 2020). Most of the *zakat* and *waqf* collected were based on the personal efforts of the administrators or voluntary compliance by a few donors. This was evident from the assertions made by most of the respondents that:

What we do to mobilise *zakat* resources is do a random sampling by selecting companies to visit or the market place. There was a time we visited the Challawa industrial area, gave them forms, and pleaded with them to make payment for *zakat*, but to date none of these companies have ever complied with the payment of *zakat*. The situation is the same with all the banks we have visited; they always kept making promises without fulfilling them.... In Sokoto State, the government deducted a certain percentage of its monthly federal allocation for the benefit of the *zakat* commission in the state, and each local government contributed a certain amount monthly to the commission to support its poverty reduction program; this is evidence of strong support for the development of the *zakat* institution (1st Respondent, 2022).

Presently, the government is doing as much as it can to make payment of *zakat* to the commission as a requirement for awarding government contracts in the state in order to promote compliance. What we do currently is visits to hotels, companies, and markets for *zakat* collection, sometimes spending a lot of time or staying late nights to secure appointments with the rich people for the collection of *zakat* or to remind them of their obligation to pay *zakat* (2nd Respondent, 2022).

The situation of the Kano State *Zakat* and *Hubusi* Commission is always deteriorating; most of its sister institutions that copied a lot of its initiatives and programs, such as the Sokoto State *Zakat* Commission, are now performing much better than the Kano State *Zakat* Commission owing to a lack of compliance by donors. The major challenge for the institution is noncompliance: most donors prefer to take their *zakat* or sadaqah to other places, such as radio station, professional and community organizations, or directly pay it to the beneficiaries. Thus, most of the funds used by the commission for the poverty reduction programs were not *zakat* or *waqf* funds but a grant given by the Kano state government to carry out the empowerment program through the commission.

Most of the assistance we gave was sourced from government funds, not *zakat*. As officials of the commission, we have patiently followed wealthy individuals in the state to meet their obligation of paying *zakat*, but with

little or no positive response. In some cases, we were given appointments during Ramadan and late in the night for us to have a meeting with donors in the market place or office (3rd Respondent, 2022).

In another set of interviews with professional and community organisations, the researcher learned that some professional organisations in the Kano health sector have provisions for direct deductions from the salaries of their members. Although it is not a *zakat* payment, the proceeds are used to provide health assistance to the poor and, in some cases, buy health equipment and donate it to hospitals as *waqf*. These mechanisms of direct deduction of contributions from the salary of health workers provide a stable fund to the association, in addition to other sources from individual philanthropists. Our respondent, who serves as secretary of the Islamic Medical Association of Nigeria, said as follows:

Initially, the sources of funding for the association were contributions from the executive members, but later, the association expanded to include all health workers from various units and departments in the hospitals, such as wards, laboratories, and x-ray units. Even non-Muslim workers participated in this contribution. Boxes were provided to different units to collect assistance from the health workers and remit it to the organisation. Workers were continuing to be motivated and encouraged through lectures organised by the association on service delivery. The mode of collecting assistance from the medical workers in the state was modernised during the chairmanship of the late Dr. Habib. Health workers were sensitized through an annual general meeting to sign an undertaking for a deduction of a minimum of N1000 or N500 directly from their salary and remit it to the association. Forms were designed in consultation with the Kano state head of service, and a lot of workers agreed and complied accordingly. This system of collection was initially started by members working with the federal hospitals in Kano State, such as Dala Orthopaedic Hospital and Aminu Kano Teaching Hospital, and has tremendously improved the source of funds for the association. (11th Respondent, 2023).

However, for community organisation and other independent charitable organisation it is found that there was no proper mechanism set in place to ensure payment compliance, but their proximity to the donors and monthly contribution from members guaranteed a continuous flow of charitable donations, including *zakat* and *waqf*. Members and donors are part of the community and can easily be reminded to comply with their obligations. Some of the respondents from Gandun Albasa and Medile community organisations had this to say about the mechanism for payment compliance, respectively.

The sources of funding for the organization are *zakat* and other forms of Sadaqah, as well as assistance from both inside and outside the community. Some of the *zakat* donors specified that their *zakat* should be spent on orphans or any other category of beneficiaries. Another source of our fund was the “Kwandala” donation committee. This committee has a vehicle that goes around every month to collect donations of 5 naira or more from community members. The amount realised every month by this committee is used first to buy shrouds for the deceased in our graveyards, and the balance is credited to the organisation's account for its activities. In addition to that, we have individuals from different places that give their financial assistance to the organisation; some of them have never visited the organisation what they do is send their assistance directly to the organisation's bank account. We also have those who agreed to pay a certain amount to the organisation every month, such as the 14th emir of Kano Sunusi Lamido Sunusi who is paying N500,000 every month since 2009 to date. We also have other individuals that are paying N5000 and N10,000 every month (10th Respondent, 2022).

The sources of funds for the organisation are monthly contributions from official members, donations by wealthy individuals in the community, donations by bigger nongovernmental and international organisations and *zakat* from members of the community every year. The organisation identifies those eligible to pay *zakat* in the community by observing their social status, because some of these people invited a lot of beneficiaries to their homes, especially in the month of Sha'aban, to distribute food items to them. This act signifies that the person is eligible to pay *zakat*; we then follow it up with him for collection in writing, citing the previous activities of the organisation as a reason to be included in his *zakat* every year. This practice influenced a lot of donors, who are now giving their *zakat* to the organisation every year. (9th Respondent, 2022).

It is evident that the community and other independent organisations have better mechanisms to ensure payment compliance. Some *zakat* and *waqf* commission officials believe that going online to collect *zakat* and *waqf* and other measures such as *zakat* tax credit would improve the situation. They also believe that the newly appointed administrators have the strong will and experience to move the organisation in this direction.

Currently, there is an ongoing amendment to the *zakat* and *hubusi* laws, which is one of the steps needed to put everything in place and provide the necessary structure that will improve the system. The expectation from the amendments was to provide some kind of tax relief for each company or individual that paid *zakat* to the commission. We believed this new law would take off immediately when the newly appointed board and executive members appointed in March 2022 reported to the office. This initiative would improve *zakat* payment compliance by both individuals and companies. The new expected law allows non-Muslim individuals and companies to give donations to the commission as their

corporate social responsibility or charity, which would also be allowed as a tax credit in payment of their income tax or other taxes to the state government. The law also provided that any unclaimed inheritance shared by sharia courts, unclaimed losses, and found items were to be remitted to the commission. This is expected to improve the amount and stability of revenue collected by the commission for the poverty reduction programs (1st Respondent, 2022).

Despite the discovery of voluntary compliance by some *zakat* donors, such as Alhaji Aminu Dantata and one other donor each year, what is needed is not only setting up a mechanism for influencing compliance but also first identifying why donors do not comply and how directly or indirectly influence compliance can be made by looking at donors identities and their unique social, economic, legal, and political environment (Obaidullah & Manap, 2017).

5.3.2.2 Reasons for Non-Compliance

Previous studies have found that the major reasons for non-payment of *zakat* or *waqf* are attitude, moral reasoning (S. A. Muhammad & Saad, 2016), non-consideration of the national identity of the donors associated with a unique social, economic, legal, and political environment (Obaidullah & Manap, 2017), lack of trust and confidence in the institutions and political influence in the appointment of administrators for the institutions (M. Ahmad, 2019; Kashif et al., 2018). In this study, *zakat* and *waqf* administrators expressly believe that poor attitude towards giving, lack of trust by the donors, and political interest in appointment, distribution, and policy formulation are among other reasons for donors' non-compliance with *zakat* and *waqf* payment.

The rate at which so many poor people go to the media to beg for medical assistance and educational assistance is alarming, despite having neighbours', relatives, and community members who can come to their aid. Attitudinal change needs to be made if we are to overcome the general backwardness in our society. We must take responsibility for our actions and commit to solving our societal problems without unnecessarily shifting blame on others (1st Respondent, 2022).

Although we have been taking a lot of initiative to improve the donation of *zakat* and *waqf* through visits to markets and other business entities, donors are not responding positively due to a lack of trust and recognition (3rd Respondent, 2022).

Political influence was responsible for bringing a lot of problems to the *zakat* and *waqf* administrations, which has negatively affected the compliance level of our donors. The reason was that donors no longer

trust the current administration of the commission. The commission had four sets of leaders from inception; the first two sets were more trusted by the donors, and thus there was favourable compliance within the period, while the next two sets had little trust from donors, which was responsible for the lower *zakat* and *waqf* funds to carry out poverty reduction activities (5th Respondent, 2022).

Some donors have views that they do not trust the government system, so taking *zakat* to them for distribution is not the best (6th Respondent, 2022; 7th Respondent, 2022).

Some research studies attribute a lack of trust for our institutions to government institutional decay in Nigeria and a complete failure of leadership to secure the lives and properties of people, the promotion of the rule of law, and the provision of visionary leadership and security of lives and properties (Yagboyaju & Akinola, 2019). Almost everything is based on self-interest and other primordial considerations. Islamic institutions like *zakat* and *waqf* are not immune to these systems, as most of the decisions for the institutions are influenced by political considerations, including the appointments of administrators and the distribution of *zakat* and *waqf*.

Another major setback to compliance is political differences with the government in power, because there were so many instances where donors refused to give Zakat to the officials, citing differences in political parties with the ruling government as their main reason. ... although making it compulsory to pay and enforcing payment through direct deduction by commercial banks would be a good idea, it may not be accepted by political office holders whose thinking was that they may lose a lot of supporters, which might affect their chances of being re-elected in the next election (1st Respondent, 2022)

However, some scholars attached reasons for non-compliance to burdening Muslims with a dual taxation system, and as a result, many Muslims have overlooked the *zakat* payment but chosen to pay tax (Salim, 2019), while other researchers attributed weak governance with respect to the law as the main factor (R. A. J. Saad & Farouk, 2019). Our findings have further generated the conclusion that non-enforcement of compliance due to the non-compulsory nature of *zakat* and/or *waqf* based on state law limits payment compliance by donors. These have been confirmed through responses to the interview.

Making the payment of *zakat* compulsory, similar to what the government is doing for taxation, will pool the needed funds required for poverty reduction programs in the state. Donors need not give all their *zakat* to the commission; what is needed is at least a portion of it for every eligible

donor and to distribute the rest to his immediate beneficiaries. (6th Respondent, 2022)

The law has not made it compulsory for every donor to give his *zakat* or *waqf* to the commission, and there is no sanction attached to any failure to pay the institution (1st Respondent, 2022)

The government must actively come in and make the payment of *zakat* compulsory. Some donors deliberately keep refusing to pay to the commission because of political differences with the government in power. If the same method used to collect taxes is employed in *zakat* collection, making it compulsory, and imposing sanctions on recalcitrant donors, a significant achievement would be recorded because most of the Kano indigenes are Muslims (3rd Respondent, 2022).

Government must use all apparatus under its authority to enforce the collection of *zakat*, even if it means enacting laws to make it compulsory in the state. Kano State has a lot of wealthy people that can give the amount of *zakat* needed to reduce poverty to the lowest level (5th Respondent, 2022).

Due to the importance of knowledge and awareness in promoting compliance behaviour of *zakat* donation to the poor (Farah et al., 2019), some of the respondents believe that lack of proper education on the virtue of *zakat* and *waqf* payment and the religious consequences of non-compliance have contributed to the current non-compliance behaviour.

We believe that if donors are sure that their *zakat* will be utilised properly, they will not refuse to pay when it is due. What is needed is educating people through the media on the importance of *zakat* payments and the consequences of noncompliance for them and the entire community. If this can be done and management works with transparency and integrity, people will agree to give their *zakat* to the commission (6th Respondent, 2022).

However, some reasons given by the respondents that have a historical and religious-sect basis deserve to be treated in a separate section.

5.3.2.3 Emotional and Historical Responses to Compliance

The degree of opportunistic behaviour that might be displayed in any setting is affected by the norms and rules used to govern interpersonal interactions in that setting, as well as by attributes of the decision environment (Ostrom, 2011). Thus, studies have found that attitude, descriptive norms, and moral norms have a great influence on the intention to pay *zakat* (Andam & Osman, 2019). These research findings have been confirmed

by this study, which found that historically, the culture of Kano people was that *zakat* was to be given directly to the beneficiaries, which are mostly immediate neighbours, relatives, religious scholars, house servants, and so on. It was also discovered that some donors are much more comfortable paying *zakat* and *waqf* to their religious group leaders.

The major problem with the collection of *zakat* and *hubusi* in Kano was the cultural belief that donors should give their *zakat* or *hubusi* directly to the beneficiaries. That is why not every donor can bring all his *zakat* to the institutions; even the *zakat* institution is not expecting donors to do so (1st Respondent, 2022)

Donors are more comfortable paying their *zakat* directly to the poor based on reasons known to them, so the government needs to make laws that would force them to pay to the commission (4th Respondent, 2022).

The lower records of *zakat* and *hubusi* by the commission can be connected with the old tradition that people in Kano State are more used to paying *zakat* directly to the beneficiaries, who are mostly their servants, religious leaders, religious scholars, students, or someone close to them in need. This is why taking it to the commission for distribution would not be a rationally satisfactory channel of distribution for them (7th Respondent, 2022).

This old tradition was one of the reasons why most wealthy individuals in the states, such as Hajiya Mariya Dantata and Sheikh Isyaka Rabi'u, have their own *zakat* distribution committee; even the *Zakat* council was stated as an independent *zakat* committee for certain individuals to pool their *zakat* for distribution to the poor (7th Respondent, 2022). However, evidence generated shows that donors who are not wealthy enough to have their own *zakat* committee are more comfortable paying their *zakat* or *waqf* directly to the poor, the Independent *Zakat* Council, or their immediate community organization for distribution. In addition to that, some donors want to see who is in charge of the commission; if the administrators are not members of their Islamic group, they would not pay their *zakat* to the commission.

Most of the donors prefer to give their *Zakat* or other charity to scholars or members of their religious sect, either Izala, Tijjaniyya, Qadiriyya, or Shi'a sect. So, every sect member feels much more comfortable taking it to the sect to which he belongs as a way of solidarity and strengthening his sect members (7th Respondent, 2022).

In another vein, religious interpretation of *zakat* and *waqf* assets has promoted noncompliance with the payment of *zakat* and more concentration on religious *waqf*, such as mosques, than economic *waqf*, which can generate employment and empower

the poor. The researcher discovered that most of the religious scholars in the state do not advocate payment of *zakat* on salary, and most donors believe that *zakat* should only be paid during the month of Ramadan. These practices promote leakages in the system and lower *zakat* and *waqf* potentials for poverty reduction.

5.3.2.4 Zakat and Waqf Compliance Triggers

Responses from both officials of the commission and community-based organisations show that Kano State is blessed with wealthy individuals that can pool the needed *Zakat* and *waqf* resources required for poverty reduction.

If wealthy people in Kano can pay their *zakat* when it is due, enough *zakat* resources can be pooled beyond our local use; we may even have excess to take to other neighbouring states in need because Kano is blessed with a lot of wealthy people. Kano has certain categories of people, ranging from traditional rulers, Islamic scholars, conventional scholars, and the business community, that are rich enough to pool a lot of resources for poverty reduction. For example, Mariya Dantata spends more than six months each year distributing *zakat* to different categories of beneficiaries (7th Respondent, 2022).

What we need to influence compliance is enforcement measures, be it direct or indirect enforcement of payments by companies, banks, government officials, and other individuals. Direct enforcement requires legal backing, which means the enactment of state law to make *zakat* payments compulsory. While indirect enforcement, which may be easier to implement and can be in the form of making *zakat* or *waqf* payment as a requirement for government services such as contract awards and so on.

It all depends on the political will of the Kano state government; nothing is impossible for the government to implement. Recently, so many taxes were introduced; some existing ones were increased, such as the value-added tax, and people are complying without much complaint. So, if the government is ready to enforce the *zakat* payment, even if it may experience initial problems, it can be taken care of without much trouble (1st Respondent, 2022)

Government generates billions annually for tax payments; this can be connected with enforcement measures taken in tax collection, which, if employed in *zakat* collection, can make significant progress for poverty reduction. In addition to the existing laws establishing the commission, the government should enact a law that can enforce payment and allow for strict sanctions on defaulters (4th Respondent, 2022)

The easiest way to improve the current situation of *zakat* and *waqf* in the state is to enforce the payment of *zakat*, just like how the government attaches much importance to taxation. This can be done by making evidence of *zakat* payment as a requirement for assessing a lot of government services in Kano State (7th Respondent, 2022).

On the contrary, some respondents believe that direct enforcement or sanctioning of defaulters cannot provide the required result of promoting compliance; what is needed is to intensify education and enlightenment.

Noncompliance cannot be resolved through sanctioning of defaulters because, by tradition, Kano people don't like to be coerced, especially on matters that have many religious interpretations. Compliance can easily be improved through education and enlightenment (2nd Respondent, 2022)

Exploiting technological means such as online payment methods and the use of social media can also be strong tools for education, enlightenment, and promoting compliance. *zakat* institutions in our neighbouring states like Sokoto learned almost everything in Kano, but they are now performing much better. The major problem of the institution is noncompliance, which is due to poor planning that can convince people to pay to the commission. This is because ideally, each market and each local government in Kano are supposed to be adequately represented in the commission. The government should equally instruct all contractors and other people doing business with the government to pay *zakat*. However, all mosques in the state, including shops attached to them, should be under the regulation of the commission (5th Respondent, 2022).

The study further discovered that there is an ongoing attempt to introduce *zakat* tax credit in the state, whereby payment of *zakat* can be used to offset tax payments to the state as a way of encouraging donors to comply. Some of the commission's officials believed that the most effective way was to use banks as collecting agents to deduct 2.5% of the turnover of individuals and companies and remit it to the commission.

The new expected law allows non-Muslim individuals and companies to give donations to the commission as their corporate social responsibility or charity, which would also be allowed as a tax credit in payment of their income tax or other taxes to the state government. This initiative would improve *zakat* payment compliance by both individuals and companies. ... Officials of the commission believe that making it compulsory to pay and enforcing payment through direct deduction by commercial banks would be a good idea, but it may not be accepted by political office holders, whose thinking was that they may lose a lot of supporters, which might affect their chances of being re-elected in subsequent elections (1st Respondent, 2022).

Each stakeholder must make the needed contribution for the commission to achieve its stated objectives. The government must ensure that those to be appointed to head the affairs of the commission are trustworthy; that is, people can trust them with their *zakat* and *waqf*. Secondly, the government should use all its powers, similar to those that apply to the payment of taxes, to make sure that *zakat* is collected from the donors. These require political will and leading by example in order to revive trust in governance and build donors' confidence in the system.

Another major factor for promoting compliance is partnerships with the community and other non-governmental organisations that are trusted and closer to the people. This would help to mobilise more resources and serve as the most effective way of distributing and executing more impactful poverty reduction programs.

5.3.3 Research Question 3: Who are the Key Stakeholders in the Zakat and Waqf Management Systems, and What Specific Roles Do They Play in Poverty Reduction in Kano, Nigeria?

Based on the discovery, the key stakeholders for effective management of *zakat* and *waqf* institutions and for poverty reduction in Kano include the government and its agencies, the private sector, and professional and community organizations. These have been revealed in the major themes identified from the interviews. The themes are governance and administration context; this category has been divided into subthemes, maladministration, poverty reduction strategies, and the role of community and other non-governmental organizations in the state.

5.3.3.1 Governance and Administration Context

The governance and administration context refers to the circumstances that shape the creation of governing processes for *zakat* and *waqf* institutions by governments or autonomous organisations, as well as their role and the process of carrying out their activities. Studies have indicated that the system of governance influences the performance of *zakat* and *waqf* institutions (M. Ahmad, 2019). Other studies specific to *waqf* recommended that government involvement in governance and administration be limited to the need for laws and regulations (S. K. Rashid, 2018b). Studies also require effective separation of religious *waqf* management from socioeconomic *waqf*

management, with the former remaining under state control and the latter being entrusted to a more dynamic and professional board of trustees with accountability to all stakeholder groups (Haneef, 2018). Management systems may not be completely the same for all countries because, for effective management, the approach adopted must always depend on the cultural context of a given country (Lubis et al., 2019). This study discovered an overlap between a supervised and an isolated (unsupervised) approach in the management system of *zakat* and *waqf* in Kano. *Zakat* and *Hubusi* Commission is the legally recognised government institution saddled with the responsibility of collecting and distribution of *zakat* and *waqf*, but it is found that the existence of so many independent and community organisations collecting *zakat* and *waqf* in the state and are performing better in terms of identification of both donors and beneficiaries and organisation of poverty reduction programs.

Zakat Council is the oldest independent *zakat* institution in the state; the creation of the commission dissolved the council and transferred its leadership to the commission. However, following the withdrawal of leaders of the defunct *Zakat* council from the *zakat* commission, this gave them another opportunity to resuscitate the activities of the defunct *Zakat* council. It is not clear from the act whether the act establishing the commission has dissolved the former *Zakat* council, but what is clear is that the commission has the sole responsibility of collecting *zakat* and *waqf* in the state (6th Respondent, 2022).

The government did not prohibit any person or group from establishing their own independent *zakat* committee; what is required by the act establishing the commission is for every wealthy individual or group to give a portion of their *zakat* and *hubusi* to the commission for distribution. So, *Zakat* council is not different from other individuals having an independent *zakat* committee; they can do so as a group to mobilise *zakat* and *hubusi* among themselves and their friends, relatives, or any person who has trust in them and distribute it to the poor (7th Respondent, 2022)

Initially, the *Zakat* Council was the first independent non-governmental *zakat* institution in Kano State responsible for the collection and distribution of *zakat* and *waqf*. Later, the government came in and established the *Zakat* and *Hubusi* Commission, making the leaders of the *Zakat* council the leaders of the newly established government *Zakat* and *Hubusi* Commission for eight years. After the disengagement of these leaders from the activities of the commission due to changes in government and policies, they returned and brought back the activities of the former *Zakat* council, collecting and distributing *zakat* and *waqf*. They couldn't withstand these changes and failed to realize that the commission is now the only recognised body for the collection and distribution of *zakat* and *waqf* in the state. This is a violation of state *Zakat*

and *Hubusi* law 2003, which the members of the council contributed to enacting (8 Respondent, 2022).

It is worthy of note that the establishment of the commission started with the transfer of all staff of the council to the commission, including lower cadre staff. The government enrolled them in its payroll and continues to take them as public employees; they are regarded as part and parcel of every agreement, law, and policy of the commission, but they have now failed to recognise the *Zakat* Commission as the sole institution for collecting and distributing *zakat* and *waqf*.

Allowing the council and other independent and community organisations in the state to collect and distribute *zakat* and *waqf* constitutes a violation of the *Zakat* and *Hubusi* Commission Law of 2003. I am not in support of any organisation collecting *zakat* and *waqf*; what is required of them is to channel it to the commission. They can even come with a list of their intended beneficiaries, but they cannot collect and distribute it directly without the knowledge of the commission (8 Respondent, 2022).

This method of governance demonstrated a glaring discrepancy between law and practice as well as ambiguous rules and protocols as a result of lax legislation, a weak legal system, and unwritten cultural and communication norms. Additionally, there is a very small base of support, networks, and linkages with local institutions, which has proven to be considerably more successful at helping the poor. In addition, there is a shortage of personnel resources, commitment, and numbers. The system also lacks partnerships for the exchange of information with people and organizations, which results in duplication and redundancy of effort and resources.

With regards to the general administration of the commission, the state government is responsible for the appointment of all principal officers of the commission, from the chairman of the board to the commissioners and the director general. The expertise needed for the appointment is that they must be knowledgeable in *Zakat* laws and practices; membership in the governing board also includes representatives of different markets in the state. Records show that most of the past governing members of the commission were university professors and known clerics with knowledge of both Islamic and western education and practice. Some of them are Professor Ibrahim H. Umar, Professor Tijjani Zaharaddeen, Sheikh Adamu Gwaram, Dr. Ibrahim Maibushira, and so on.

5.3.3.2 *Maladministration*

Previous studies on *zakat* and *waqf* institutions in Nigeria discovered that the institutions were characterised by weak governance with respect to law, administration, and management, which has continued to limit the performance of the institutions in terms of collection and distribution (R. A. J. Saad & Farouk, 2019). These flaws have led to a string of administrative errors in the institution's affairs, including inadequate staffing, a lack of training, poor record-keeping, a lack of accountability, and a lack of current tools and administrative knowledge. One of the respondents explained that

I learned almost everything on the job; you don't need any training or special certification to work in the commission (2nd Respondent, 2022).

The staff of the commission (with the exception of the political appointees) came based on postings from the state civil service and upon request by the commission. The commission is responsible for sending a request to the state civil service on the number of staff they need and their required expertise, but they normally learn the core functions of *zakat* and *waqf* at the commission (5th Respondent, 2022).

Despite depending on the state civil service to source staff for the institution and allowing them to learn *zakat* and *waqf* administration on the job, evidence has shown that there was no effort by the government to train the staff on modern skills to manage the affairs of the commission effectively.

Any time a training opportunity is available from the government, only the top officials are given the opportunity, not the main workers that can add value to the system, and on no occasion was an expert invited in or outside the country to come and deliver a training to the staff on *zakat* and *waqf* management. There is a rank limit (Level 12) to which staff can stay with the commission, after which they will be under the Head of Service of the state and can be transferred to any state institution. Most of the staff are on-the-job training regardless of any social or management sciences school qualifications, but we have those with diplomas, higher national diplomas, and degrees. For me, I have an HND in business administration (3rd Respondent, 2022).

When it comes to issues that have to do with expertise in modern *zakat* and *waqf* management, there is an association in Nigeria called the Association of *Zakat* and *Waqf* Operators in Nigeria (AZAWON), which is putting in efforts to promote modern practices for *zakat* and *waqf* institutions in Nigeria. AZAWON is an umbrella for every *zakat* and *waqf* institution in the country and has been representing both government and private operators in seminars and conferences in and outside the country. The major

gap was the inability to impart new knowledge acquired by various practitioners through the organisation of local training and conferences.

The Kano State *Zakat* and *Waqf* Commission has a representation in AZAWON, and although the representative has benefited from various foreign trainings, he has not even attempted to impart the knowledge he has acquired as a commission representative (3rd Respondent, 2022).

Another major area of concern is the lack of accountability in the administration of the institution; staff can come and leave their offices as they like; some attend their offices two or three times a week only. This may be connected with poor service conditions and a lack of working tools for the staff. One of the respondents gave more evidence on the issues.

Statements of accounts are not published, and no running cost is given to the commission to meet up with its overhead expenses, such as fueling vehicles, generators, and so on. This lack of running costs is what prevented the organisation from implementing most of its initiated projects, such as adopting and training staff on modern technology in the collection and distribution of *zakat* (1st Respondent, 2022).

The commission had a planning and research section that was in charge of strategically preparing all of the organization's actions, but there is no documentation of any research that the department is conducting to enhance the commission's operations. The sole action taken by the department to advance the commission was to compile a list of all qualified *zakat* payers from every district and hamlet in the state, then go to them and demand that they should pay *zakat*.

Further discovery indicated that ineffective collaboration with the local community and other nongovernmental organisations was another hindrance to the effective administration of the institutions. Even the local and village *Zakat* and *Hubusi* Councils do not have an effective partnership with the commission, especially toward efforts to localise collection and respond to the needs of the local poor in the community. Almost everything is concentrated in the city and under the sole power of the commission.

Due to the difficulties the commission was having, community organizations for widows and orphans were formed, and media outlets were persuaded to help the poor. Despite not being affiliated with the commission, these organizations continue to collect charity, including *zakat*, to give to the poor in their respective communities (5th Respondent, 2022).

These community organisations are proven to have a more comprehensive poverty reduction strategy compared to the commission, which has been criticised for being influenced by political interference in the appointment, collection, and distribution of *zakat* and *waqf* resources.

5.3.4 Poverty Reduction Strategies

Research evidence on poverty in sub-Saharan Africa recommended a holistic approach to poverty reduction that would take care of the multidimensional aspects of poverty and its solutions (Alkire et al., 2017). This shows that poverty reduction must encompass different areas of deprivation to have an effective impact on the wellbeing of society. The survey systematically analysed 15 selected national cases that demonstrated rapid poverty reduction, seeking insight into effective approaches to reducing poverty. It shows four poverty reduction pathways for these countries. These pathways are industrialisation, rural development, social welfare, and petroleum-generated employment (Saleem & Donaldson, 2016). It was further found that countries that took these four pathways experienced an annual increase in income of at least 6% for over a decade, but countries that took social welfare pathways were identified as having the highest human development index (HDI) (Saleem & Donaldson, 2016).

The findings of this study generated instances of social welfare programs for the poor conducted by Kano State *Zakat* and *Hubusi* Commission in the areas of health, food supply, payment of debt, and rent to the poor. Also, health assistance was given to the poor in partnership with hospitals and health professionals in the state. This was confirmed by one of the respondents from the health professionals' association.

Yes, after they carefully reviewed our role, they requested our collaboration. But they do it in the form of sponsoring the medical bills of patients they send to us. They send the money to our account. After that, we give them a report on how the funds have been spent (11th Respondent, 2023).

In the area of empowerment, the commission also gives some money to poor widows as capital to carry out businesses. The funds used for the program were not accrued from *zakat* or *waqf* payments; they were funds provided by the government as a way of strengthening the commission and to encourage donors to give their *zakat* to the commission.

During Governor Ibrahim Shekarau's administration, we were asked to distribute 5,000 to 10,000 Naira to people in each local government as business capital. The beneficiaries are Imams and their two deputies in each mosque and local Islamic scholars in each ward. The rationale was that these categories of people are mostly doing voluntary jobs without receiving any payment in return; the capital is for them to engage in a business venture that will empower them economically. Other beneficiaries of the program are widows and disabled people (7th Respondent, 2022).

Evidence has shown that most of the time, capital was given to the beneficiaries for empowerment, but the required training and skills were not given to them so that they could use the capital productively. But the study found that community organisations have skills acquisition in most of their programs for widows and orphans, as asserted by one of the officials.

We have partnerships with various business entities in the community, such as those engaged in carpentry, welding, bag and shoe making, and other similar ventures, to teach these categories of people so that they can be self-reliant and add value to the community (9th Respondent, 2022).

It is also found that most of the beneficiaries of poverty reduction programs organised by both the commission and community organisations are widows, orphans, and the needy. The respondents believe that Kano State has a lot of wealthy people who are capable of providing the amount of *zakat* needed to reduce the increasing poverty in the state. Some of them gave reference to Aliko Dangote and Abdussamad Rabi'u, who are the indigenes of Kano and are now the first and fourth richest men in Africa, respectively.

5.3.4.1 Role of Community Based and Other Non-Governmental Organizations

Previous studies confirm that giving voice to stakeholders during the execution of socially-oriented projects would allow for better accountability, transparency, and stakeholder satisfaction (Alberto De Camargo et al., 2019). Thus, one important finding from another study conducted on empowering locals was that community members' trust and legitimacy were attributed to the local institution and organization, and thus putting local organizations at the centre of the response supported by both national and international actors could significantly strengthen the bond and improve aid effectiveness (Kuipers et al., 2019). This study discovered that community and independent organisations in Kano are collecting *zakat* and *waqf* from donors and

organising better poverty reduction programs than the commission. This can be connected with the level of trust they have gotten from donors and their immediate community. It was further discovered that *zakat* and *waqf* donors and beneficiaries are much more comfortable with the activities of these community organisations because they see their practical impact, and donors can easily evaluate the impact of their project due to their proximity to the beneficiaries. The chairman of the Medile Orphans, Widows, and Needy Association gave the following information:

Assistance given by this community organization includes food items, education, health, and clothing. We normally provide assistance at an organised gathering inviting all the beneficiaries. The sources of funds for the organisation are monthly contributions from official members of the organisation, donations by wealthy individuals in the community, donations by bigger nongovernmental and international organisations, and Zakat funds from members of the community every year (9th Respondent, 2022).

The study also found similar activities by other community organisations and professional organisations such as the Gandun Albasa Orphans and Needy Association and the Islamic Medical Association of Nigeria (IMAN) Kano Chapter.

The organisation executed its task through some of its committees working in the areas of education, health, feeding and environment, guidance and counselling, Sana'a (Profession/job), and Kwandala (Naira coin). Immediately after the establishment of the organization, the education committee started its work by enrolling all identified orphans and needy children in the community at government schools for western and Islamic primary education, as some of these children have completed secondary and tertiary institutions as of today. For those children that are currently enrolled in primary and secondary schools, the organisation is paying for their uniforms, books, and other educational materials. We also have not less than 40 children at private schools; 'all their school fees and other educational materials are taken care of by the organisation. In total, we have about 670 beneficiaries of our educational assistance for western primary, secondary, tertiary, and Islamic education. ... The sources of funds for the organisation are *zakat* and other forms of Sadaqat, as well as assistance from inside and outside the community (10th Respondent, 2022).

The initial activities of the association were giving lectures to medical practitioners on their role in effective medical service delivery; each Muslim is an automatic member of the association and has a role to play in effective service delivery; and assisting patients to perform their religious obligations while sick. The association also solicited financial assistance from members, including the general public, to assist needy patients in meeting their financial needs. This was how we started, and luckily enough, we started when most of us were not married, so we gave

a lot of time and financial resources for the development of the association. The sources of funding for the association were contributions from the executive member, but later expanded to include all health workers from various units and departments in the hospitals, such as wards, laboratories, and x-ray units. Even non-Muslim workers participated in this contribution. Boxes were provided to different units to collect assistance from the health workers and remit it to the organisation (11th Respondent, 2023).

However, evidence also shows that these community organisations have much more accurate data on the poor and needy in the community. Their proximity to these categories would help to build the most reliable database for donors and beneficiaries for effective resource generation and distribution for poverty reduction. Respondents from these organisations explain their methods of identifying donors and beneficiaries.

We study them. Some are known because they gather the needy in their houses when it is time and distribute food items, especially during the month of Sha'aban. We make a list of their names and send them letters requesting that part of their *zakat* be sent to the association. Alhamdulillah, some of them are complying. They send it to us annually. We have 483 orphans under our care. We have 255 mothers for those orphans. We have 183 divorced women and the elderly. First of all, we registered them to make sure they fell under the category of people under our criteria. We take their records, such as addresses and phone numbers, as well as their qualifications. After that, we determine the type of assistance they might require (9th Respondent, 2022).

The identity of an orphan cannot be hidden. As for the vulnerable, we live in the same community, so it is not difficult to identify them. If you observe that this child goes to school and that one does not, you can investigate to find out why he is not going to school. Sometimes it is the people living within the community that get us informed of what goes on and ask for our intervention (10th Respondent, 2022).

We have representatives at various units: laboratories, X-rays, and others. Whenever there is a person who is unable to pay his or her medical bills, they write to us. This is how we identify our beneficiaries. Sometimes, security agents may come with victims of accidents whose families have not yet been identified. We assist such victims (11th Respondent, 2023).

The reason for the success of these organisations can be connected with their proximity to the poor, which makes them take collective responsibility for reducing poverty in their community. However, their ability to mobilise more *zakat* resources was also due to their proximity to donors; they can easily identify donors and beneficiaries, and conversely, donors can easily evaluate the effectiveness of the organisation. This ownership and collective responsibility have promoted a lot of trust among the stakeholders, as informed by one of the respondents.

The reasons for our success are earning people trust, dedication, and sincerity in improving the lives of the poor, and people are watching and evaluating our actions. Allah says in the holy Quran, *“Tell them, O Prophet, do as you will. Your deeds will be observed by Allah, His Messenger, and the believers.”* (Q9:105). If you have a sincere action, Allah will see it, righteous people will see it, and you will get the necessary support (10th Respondent, 2022).

5.3.5 Summary of the First Stage Findings

Establishing a robust and all-encompassing institutional structure is fundamental to any organization's success. This can be accomplished by identifying the framework's essential elements, pointing out its main flaws, and working with important stakeholders to remedy them in order to accomplish the intended goals. Findings from the first stage qualitative data reveal that key components for building effective *zakat* and *waqf* institutions for poverty reduction in Kano are having a strong legal system that will accommodate the traditions and customs of the community and build donor trust to reduce the compliance gap. The system must set up mechanisms that would indirectly enforce compliance, such as making *zakat* and *waqf* payments as compulsory deductions on payments of government contracts and as conditions for enjoying some privileges in the state government in collaboration with government agencies and the private sector. The system must also devise means to effectively collaborate with stakeholders, especially local actors, and improve governance and administration so as to build donor trust and confidence in the institutions. These elements are capable of addressing most of the reasons for nonpayment of *zakat* and *waqf*, such as lack of trust, weak governance, a poor attitude toward giving, a lack of enforcement measures, and an inappropriate framework. Religious scholars also have a big role to play by providing generally relevant and situation-considering fatwa, education, and enlightenment.

However, major stakeholders such as the government, private sector, professional, religious, and community organizations must be given an appropriate role to play in the system. The government should provide the legal framework required for the institutions to function effectively, while professional and community-based organizations, being closer to the donors and recipients, should actively engage in the collection and distribution of *zakat* and *waqf* based on agreed-upon guidelines set up jointly with the commission for poverty reduction. Thus, this means the system should be decentralized, limiting government *zakat* and *waqf* commissions to providing more

legal and administrative support to local actors in order to build capacity, improve trust in the system, and pool enough resources for poverty reduction.

5.4 SECOND STAGE QUALITATIVE FINDINGS

This part presents the results of data obtained by survey questionnaires that were developed using themes, subthemes, and codes from the first stage qualitative findings. It also provides an explanation of the data. The respondents were donors and potential donors of *zakat* and *waqf*.

5.4.1 Background of the Respondents

The table below presents personal information of the respondents, most of them were male (90.67%) with age greater than 40 years (53.11%). The respondents' major sources of income were monthly salary from a gainful employment (67.88). Furthermore, at the time of processing the responses, 386 respondents had already answered to the online questionnaire, which was two more than the 384 designated as the sample.

Table 5.2 Demographic Profile of the Respondents

Variable	Group	Frequency	Percentage
Gender	Female	36	9.33%
	Male	350	90.67%
	Total	386	100%
Age	18-24	19	4.92%
	25-30	62	16.06%
	31-40	100	25.91%
	>40	205	53.11%
	Total	386	100%

Category	Employee	262	67.88%
	Employer	44	11.40%
	Self Employed	49	12.69%
	Others	31	8.03%
	Total	386	100%

5.4.2 Response Rate

Using the Bukhari Sample Size Calculator, the researcher calculated a sample of 384 participants. With the assistance of a research assistant and after providing a token gift of N50 to each agreed-upon respondent. The researcher managed to get 386 respondents for the online Google Form questionnaire. This amounted to 100.52% of the questionnaire's replies that is considered valid.

5.4.3 Data Screening and Cleaning

Data screening evaluates data characteristics that are unrelated to the research objectives but may have an impact on how statistical model results are interpreted or may force the analysis strategy to be updated. While Data cleaning entails procedures to guarantee that the data are accurate and pertinent. Errors in data, extraneous data, missing data, and outlier data may all be removed or changed during this procedure (Sheard, 2018). Thus, the data was collected via a Google Form, and all entries or answers to the questions were made compulsory, so there was no missing data identified during the data entry or collection process.

5.4.4 Descriptive Statistics and Interpretation of Variables

To make it easier to analyse and compare sets of the data, descriptive statistics are used to explain various elements of the data. An individual data item's (variable) value or a

summary of a single variable or group of variables can both be considered descriptive statistics (Sheard, 2018). The information below is based on data gathered from donors and potential donors of *zakat* and *waqf* and is based on a questionnaire designed to generalize and confirm the findings of our qualitative stage.

5.4.4.1 Existing Framework

The table below presents responses from donors and potential donors on the existing framework of *zakat* and *waqf* institutions in Kano, Nigeria.

Table 5.3 Responses on Existing Framework

S/No.	Item	Strongly Disagree No./ (%)	Disagree No./ (%)	Undecided No./ (%)	Agree No./ (%)	Strongly Agree No./ (%)
1	Do you agree that the Chairman, Commissioners and Director General of <i>Zakat</i> and <i>Hubusi</i> Commission (ZHC) are appointed by the State Governor	38 (9.8)	16 (4.1)	22 (5.7)	68 (17.6)	242 (62.7)
2	Only ZHC collect and distribute <i>Zakat</i> and <i>Hubusi</i> (Z&H) in the state	94 (24.4)	84 (21.8)	34 (8.8)	81 (21.0)	93 (24.1)
3	Community, Religious and Non-Governmental Organizations (NGOs) are	90 (23.3)	77 (19.9)	51 (13.2)	81 (21.0)	87 (22.5)

	involved in the collection and distribution Z&H in the state					
4	<i>Zakat</i> payment is voluntary, which makes it impossible to enforce compliance.	145 (37.6)	26 (6.7)	13 (3.4)	81 (21.0)	121 (31.3)
5	ZHC goes market to market to collect Z&H donation	140 (36.3)	81 (21)	59 (15.3)	62 (16.1)	44 (11.4)
6	ZHC Law recognized the use of digital technology or online platform for the collection of Z&H.	81 (21.0)	51 (13.2)	88 (22.8)	96 (24.9)	70 (18.1)
7	Hisbah office is used to Collect Z&H in the 44 local governments of the state	93 (24.1)	67 (17.4)	67 (17.4)	71 (18.4)	88 (22.8)
8	There is weak Z&H structure in local communities	49 (12.7)	19 (4.9)	19 (4.9)	82 (21.2)	217 (56.2)
9	There is lack of database and structure to identify	38 (9.8)	24 (6.2)	24 (6.2)	90 (23.3)	210 (54.4)

	donors and recipients of Z&H.					
10	<i>Zakat</i> council members are involved in the management of ZHC	20 (5.2)	52 (13.5)	159 (41.2)	98 (25.4)	57 (14.8)

From the table above, 310 respondents (80.3%) agree that the principal officers of the Kano State *Zakat* and *Hubusi* Commission are appointed by the governor, this confirmed the findings of the first stage of government influence in the management of the institutions. 178 respondents (46.2%) disagreed that only *Zakat* and *Hubusi* Commission collect and distribute *zakat* and *waqf* in Kano State. 168 (43.5%) agreed that the community and other religious nongovernmental organizations are involved in the collection and distribution of *zakat* and *waqf*. 202 (52.3%) respondents agreed that *zakat* payment in Kano is voluntary, and thus it is difficult to enforce compliance. However, 221 (57.3%) respondents disagreed that the commission goes market to market to collect *zakat* or *waqf*. 166 (43%) respondents agreed that the law of the commission recognized the use of digital technology for *zakat* and *waqf* collection and distribution. 159 (41.2%) respondents agreed that *Hisbah* offices are used to collect *zakat* and *waqf* in local communities, and only 68 (17.6%) disagreed that there is a weak *zakat* and *waqf* structure in local communities. 300 (77.7%) respondents agreed that there is a lack of a database and structure to identify *zakat* and *waqf* donors and recipients, and 159 (4.2%) respondents are undecided as to whether independent *Zakat* council members are involved in the management of the *Zakat* and *Hubusi* Commission. The total mean implies that 53% of the respondents agreed with the statements, 33% disagreed with the statements, and 14% could not decide on the statements.

5.4.4.2 Framework Expectations

Below are the results of what is expected to have an effective framework based on the respondent's agreement or disagreement.

Table 5.4 Responses on Expected Framework

S/No.	Item	Strongly Disagree No./ (%)	Disagree No./ (%)	Undecided No./ (%)	Agree No./ (%)	Strongly Agree No./ (%)
1	Z&H office should be established in each local government	22 (5.7)	10 (2.6)	2 (0.5)	93 (24.1)	259 (67.1)
2	There should be mechanism for identifying donors and beneficiaries	23 (6.0)	0 (0.0)	17 (4.4)	117 (30.3)	229 (59.3)
3	State law should be promulgated to make <i>Zakat</i> Payment compulsory	20 (5.2)	21 (5.4)	52 (13.5)	65 (16.8)	228 (59.1)
4	There should be an effective mechanism to know when to pay <i>Zakat</i> , who to pay, how to pay and	20 (5.2)	6 (1.6)	19 (4.9)	67 (17.4)	274 (71.0)

	consequences of non-payment					
5	Trusted persons should be appointed to head the affairs of ZHC	16 (4.1)	4 (1.0)	2 (0.5)	32 (8.3)	332 (86.0)
6	Beneficiaries of Z&H are identified based on their physical appearance	123 (31.9)	99 (25.6)	55 (14.2)	52 (13.5)	57 (14.8)
7	There should be a database for donors and beneficiaries	11 (2.8)	7 (1.8)	21 (5.4)	97 (25.1)	250 (64.8)

From the above, 352 (91.2%) agreed that *zakat* and *waqf* offices should be established in each local government, and 346 (89.6%) respondents agreed that a mechanism should be set in place to identify donors and beneficiaries. 293 (75.9%) respondents agreed that state law should be enacted to make *zakat* payment compulsory, and 341 (88.4%) respondents agreed that a mechanism should be set up to know when to pay, how to pay, who to pay, and the consequences of nonpayment. 364 (94.3%) agreed that trusted persons should be appointed to head the affairs of the *Zakat* and *Hubusi* Commission. 222 (57.5%) respondents disagreed that *zakat* and *waqf* beneficiaries should be identified based on their physical appearance, and 347 (89.7%) respondents agreed that a database for donors and beneficiaries should be set up. The total mean shows that 80% of the respondents agreed with the statements, 14% disagreed, and 6% are undecided.

5.4.4.3 Compliance Mechanism and Reasons for Non-Compliance

The following result presents respondents' views on *zakat* and *waqf* compliance and non-compliance.

Table 5.5 Responses Payment Compliance and Non-Compliance

S/No.	Item	Strongly Disagree No./ (%)	Disagree No./ (%)	Undecided No./ (%)	Agree No./ (%)	Strongly Agree No./ (%)
1	Payment of Z&H is voluntarily in Kano State	58 (15.0)	32 (8.3)	45 (11.7)	127 (32.9)	124 (32.1)
2	Donors complied with set standards by the State	71 (18.4)	80 (20.7)	84 (21.8)	85 (22.0)	66 (17.1)
3	Some donors complied without disclosing their identity	19 (4.9)	6 (1.6)	68 (17.6)	172 (44.6)	121 (31.3)
4	Donors comply with standards of when, who and how to pay Z&H	24 (6.2)	71 (18.4)	99 (25.6)	108 (28.0)	84 (21.8)
5	Enforcement of compliance in the State is low	21 (5.4)	18 (4.7)	26 (6.7)	111 (28.8)	210 (54.4)
6	There is lack of clarity on the	22 (5.7)	46 (11.9)	66 (17.1)	138 (35.8)	114 (29.5)

	intention of Z&H collection					
7	Z&H administrators are not trusted in the State	58 (15.0)	75 (19.4)	120 (31.1)	85 (22.0)	48 (12.4)
8	Payment of Z&H is not compulsory	202 (52.3)	54 (14.0)	36 (9.3)	39 (10.1)	55 (14.2)

The table above shows that 251 (65%) respondents agreed that payment of *zakat* and *waqf* in Kano is voluntary. 151 (39.1%) respondents agreed that donors complied with the standards set by the state; the same percentage of 39.1% also disagreed with the statement. 293 (75.9%) respondents agreed that some donors complied with the payment of *zakat* and *waqf* without disclosing their identity. 192 (49.8%) of the respondents agreed that donors complied with standards of when, who, and how to pay *zakat* and *hubusi*. 321 (83.2%) of the respondents agreed that enforcement of payment compliance is low in the state. 252 (65.3%) agreed that it's not made clear to donors why *zakat* should be collected. 133 (34.4%) agreed that *zakat* and *waqf* administrators are not trusted in the state; the same number of respondents disagreed with the statement. 256 (66.3%) disagree that payment of *zakat* and *hubusi* is not compulsory. The total mean shows that 55% of the respondents agreed with the statements, 28% disagreed, and 17% were undecided.

5.4.4.4 Emotional and Historical Responses to Compliance

The respondents result on historical issue related to *zakat* and *waqf* payment compliance can be presented below

Table 5.6 Responses on Emotional and Historical Reasons for Noncompliance

S/No.	Item	Strongly Disagree No./ (%)	Disagree No./ (%)	Undecided No./ (%)	Agree No./ (%)	Strongly Agree No./ (%)
1	There is a long tradition of giving Z&H directly to beneficiaries or through Community Based Organizations (CBOs)	19 (4.9)	43 (11.1)	69 (17.9)	134 (34.7)	121 (31.3)
2	There are different religious interpretations on basis of Z&H donation	48 (12.4)	33 (8.5)	76 (19.7)	158 (40.9)	71 (18.4)
3	Many people believe that <i>Zakat</i> should only be paid during Ramadan	65 (16.8)	74 (19.2)	59 (15.3)	137 (35.5)	51 (13.2)
4	The state does not appoint some of the religious sect as members of ZWC administration	55 (14.2)	75 (19.4)	122 (31.6)	73 (18.9)	61 (15.8)

5	Kano state has people that are wealthy enough to take care of the poor	28 (7.3)	20 (5.2)	17 (4.4)	86 (22.3)	235 (60.9)
6	Some donors have their independent Z&H committee	19 (4.9)	56 (14.5)	51 (13.2)	154 (39.9)	106 (27.5)
7	Donors are more comfortable with <i>Zakat</i> council than ZHC	13 (3.4)	46 (11.9)	133 (34.5)	128 (33.2)	66 (17.1)
8	Donors prefer to give Z&H to their Islamic Sect or community organization	11 (2.8)	35 (9.1)	76 (19.7)	164 (42.5)	100 (25.9)

The above table shows that 255 (66%) of the respondents agreed that Kano State has a long tradition of giving *zakat* and *waqf* directly to beneficiaries or through community organizations. 229 (59.3%) of the respondents agreed that there are different religious interpretations on the basis of *zakat* and *waqf*. 188 (48.7%) respondents agreed that many people in Kano believed that *zakat* should only be paid in the month of Ramadan. 134 (34.7%) agreed that the state *zakat* and *waqf* commission doesn't appoint some religious group in the administration, and 130 (33.6%) disagreed with this statement. 321 (83.2%) agreed that Kano State has people who are wealthy enough to take care of the poor. 260 (67.4%) of the respondents agreed that some donors have their own independent *zakat* and *waqf* committees. 194 (50.3%) of the respondents agreed that donors are more comfortable with an independent *Zakat* Council than the *Zakat* and

Hubusi Commission, and 264 (68.4%) of the respondents agreed that donors prefer to give their *zakat* and *waqf* to their Islamic sect or community organization. The total mean indicates that 60% of the respondents agreed with the statements, 21% disagreed, and 19% were undecided.

5.4.4.5 Zakat and Waqf Compliance Triggers

The findings revealed the following responses on some factors that would improve *zakat* and *waqf* payment compliance

Table 5.7 Responses on Compliance Triggers

S/No.	Item	Strongly Disagree No./ (%)	Disagree No./ (%)	Undecided No./ (%)	Agree No./ (%)	Strongly Agree No./ (%)
1	There is direct or indirect enforcement on companies, banks and government officials	118 (30.6)	105 (27.2)	81 (21.0)	30 (7.8)	52 (13.5)
2	<i>Zakat</i> -Tax credit and scholarship scheme to <i>Zakat</i> payers will improve compliance	52 (13.5)	29 (7.5)	74 (19.2)	142 (36.8)	89 (23.1)
3	Banks are used as collection points for Z&H	112 (29.0)	85 (22.0)	66 (17.1)	90 (23.3)	33 (8.5)

4	Community participation is encouraged in Z&H donations	34 (8.8)	34 (8.8)	73 (18.9)	171 (44.3)	74 (19.2)
5	Ulamas create awareness and enlighten the public on the benefits of Z&H	15 (3.9)	12 (3.1)	41 (10.6)	95 (24.6)	223 (57.8)
6	Evidence of <i>Zakat</i> or <i>Hubusi</i> payment to secure government contracts would increase compliance	40 (10.4)	30 (7.8)	54 (14.0)	98 (25.4)	164 (42.5)

From the table above, 223 (57.8%) respondents disagreed that there is direct and indirect enforcement against companies, banks, and government officials. 231 (59.9%) agreed that the *zakat* tax credit and scholarship scheme for the benefit of *zakat* payers will improve compliance. 197 (51%) disagreed that banks are used as collection points for *zakat* and *waqf* in Kano. 245 (63.5%) agreed that community participation is encouraged in *zakat* and *waqf* donations. 318 (82.4%) agreed that religious scholars create awareness and enlighten the public of the benefits of *zakat* and *waqf*, while 262 (67.9%) agreed that evidence of *zakat* or *waqf* payment to secure government contracts would increase payment compliance. Overall, the mean response shows that 54% of the respondents agreed with the statements, 29% disagreed, and 17% were undecided.

5.4.4.6 Governance and Administration

The research discovered the following responses on government and administration.

Table 5.8 Responses on Governance and Administration

S/No.	Item	Strongly Disagree No./ (%)	Disagree No./ (%)	Undecided No./ (%)	Agree No./ (%)	Strongly Agree No./ (%)
1	The Independent <i>Zakat</i> organization called <i>Zakat</i> council was the oldest Z&H institution in Kano	12 (3.1)	30 (7.8)	145 (37.6)	116 (30.1)	83 (21.5)
2	ZHC was created to take over all activities of <i>Zakat</i> council	8 (2.1)	5 (1.3)	83 (21.5)	187 (48.4)	103 (26.7)
3	Former members of <i>Zakat</i> council later dissatisfied and withdraw from the management of ZHC	23 (6.0)	41 (10.6)	216 (56.0)	75 (19.4)	31 (8.0)
4	Z&H is a viable means to alleviate poverty in Kano	14 (3.6)	12 (3.1)	27 (7.0)	106 (27.5)	227 (58.8)

5	<i>Zakat</i> and <i>Hubusi</i> collection and Distribution can best be Improved through CBOs and NGOs	42 (10.9)	51 (13.2)	86 (22.3)	111 (28.8)	96 (24.9)
6	The commission is Understaffed, lacks training and no working tools	23 (6.0)	11 (2.8)	90 (23.3)	128 (33.2)	134 (34.7)
7	Staff are posted from other government agencies without knowledge of Z&H management	9 (2.3)	38 (9.8)	140 (36.3)	132 (34.2)	67 (17.4)
8	Do you agree that Z&H assets are lost without trace because of lack of proper record keeping	23 (6.0)	20 (5.2)	119 (30.8)	129 (33.4)	95 (24.6)
9	There was plan to go online but no funds to adopt modern technology	17 (4.4)	25 (6.5)	160 (41.5)	111 (28.8)	73 (18.9)

10	There is ineffective collaboration with local CBO, NGO and advance Z&H Institutions	11 (2.8)	27 (7.0)	111 (28.8)	142 (36.8)	95 (24.6)
11	Most of the principal officers are Islamic scholars	13 (3.4)	19 (4.9)	61 (15.8)	170 (44.0)	123 (31.9)

The table above shows that 199 (51.6%) respondents agreed that the *Zakat* Council was the oldest *zakat* organization in Kano. 290 (75.1%) agreed that the *Zakat* and *Hubusi* Commission was created to take over the activities of the *Zakat* Council. 216 (56%) respondents cannot decide whether members of the *Zakat* Council were dissatisfied and withdrawn from the management of the *Zakat* and *Hubusi* Commission. 333 (86.3%) respondents agreed that *zakat* and *waqf* are viable means of alleviating poverty in Kano. 207 (53.7%) respondents agreed that *zakat* and *waqf* collection and distribution can best be improved through CBOs and NGOs. 262 (67.9%) agreed that the *Zakat* and *Hubusi* Commission is understaffed, staff lack training, and there are no working tools. 199 (51.6%) respondents agreed that staff are posted to the commission from other government agencies without knowledge of *zakat* and *waqf* administration. 224 (58%) respondents agreed that most of the *zakat* and *hubusi* assets are lost without trace because of improper record-keeping. 184 (47.7%) respondents agreed that the commission had a plan to go online, but there were no funds to adopt modern technology. 237 (61.4%) respondents agreed that there is ineffective collaboration with local CBOs, NGOs, and advanced *zakat* and *waqf* institutions. 293 (75.9%) respondents agreed that most of the principal officers of the commission are Islamic scholars. The total mean responses show that 60% agreed with statements, 11% disagreed, and 29% were undecided.

5.4.4.7 Poverty Reduction Strategies

The findings indicated the following responses on poverty reduction strategies using *Zakat* and *waqf*.

Table 5.9 Responses on Poverty Reduction Strategy

S/No.	Item	Strongly Disagree No./ (%)	Disagree No./ (%)	Undecided No./ (%)	Agree No./ (%)	Strongly Agree No./ (%)
1	Kano state government gives N10,000 business capital to the poor periodically through ZWC	74 (19.2)	49 (12.7)	183 (47.4)	50 (13)	30 (7.8)
2	Government Educates and enlightens the public on Z&H	57 (14.8)	79 (20.5)	68 (17.6)	133 (34.5)	49 (12.7)
3	Some donors come with their list of beneficiaries	17 (4.4)	58 (15.0)	94 (24.4)	151 (39.1)	66 (17.1)
4	Health assistance is provided to the needy in partnership with some hospitals	20 (5.2)	28 (7.3)	126 (32.6)	142 (36.8)	70 (18.1)

5	Two out of 10 richest people in Africa are from Kano	16 (4.1)	42 (10.9)	35 (9.1)	57 (10.8)	236 (61.1)
6	Beneficiaries of Z&H are mostly widows, orphans, and women	21 (5.4)	39 (10.1)	59 (15.3)	137 (35.5)	130 (33.7)
7	CBOs and NGOs proximity to the poor improve distribution of <i>Zakat</i> and <i>Hubusi</i>	26 (6.7)	33 (8.5)	113 (29.3)	121 (31.3)	93 (24.1)

The table above shows that 183 (47.4%) respondents are undecided on the statement that the Kano state government gives 10,000 Naira business capital to the poor through the commission. 182 (47.2%) agreed that the government educates and enlightens the public on *zakat* and *waqf*. 217 (56.2%) respondents agreed that some donors come to the commission with their list of beneficiaries. 212 (54.9%) respondents agreed that health assistance is provided to the needy by the commission in partnership with some hospitals in Kano. 293 (71.9%) agreed that two of the 10 richest people in Africa are from Kano, which indicates great potential in the state. 267 (69.2%) respondents agreed that most of the beneficiaries of *zakat* and *waqf* are widows, orphans, and women. 214 (55.4%) respondents agreed that the proximity of CBOs and NGOs to the poor improves the distribution of *zakat* and *waqf*. The total mean responses for the statements are 54% agreed, 21% disagreed, and 25% undecided.

5.4.4.8 Role of Community Based and Other Non-Governmental Organizations

The findings discover the following responses on the role of community and non-governmental organizations in *zakat* and *waqf* management for poverty reduction.

Table 5.10 Responses on Community and Non-Governmental Organizations

S/No.	Item	Strongly Disagree No./ (%)	Disagree No./ (%)	Undecided No./ (%)	Agree No./ (%)	Strongly Agree No./ (%)
1	<i>Zakat</i> council collected more <i>Zakat</i> and organized better poverty reduction program than ZHC	36 (9.3)	27 (7.0)	172 (44.6)	80 (20.7)	71 (18.4)
2	CBOs are closer to the community and enjoy more trust from the donors	11 (2.8)	32 (8.3)	124 (32.1)	142 (36.8)	77 (19.9)
3	Donors and Community are seeing practical impact of CBO and NGO	6 (1.6)	39 (10.1)	153 (39.6)	133 (34.5)	55 (14.2)
4	CBOs have accurate data of extreme poor such as orphans,	26 (6.7)	83 (21.5)	101 (26.2)	112 (29.0)	64 (16.6)

	widows, and divorcees					
5	Local CBOs and NGOs can easily identify donors and recipients in the community better than ZHC	9 (2.3)	49 (12.7)	71 (18.4)	185 (47.9)	72 (18.7)
6	Donors can easily monitor effectiveness of their donation through their local CBOs or NGOs	12 (3.1)	39 (10.1)	69 (17.9)	171 (44.3)	95 (24.6)
7	CBOs and NGOs are more effective in <i>Zakat</i> and <i>Hubusi</i> collection and distribution	13 (3.4)	71 (18.4)	98 (25.4)	130 (33.7)	74 (19.2)

The table above indicated that 172 (44.6%) respondents are undecided on whether *Zakat* Council collected more *zakat* and organized a better poverty reduction program than the Commission. 219 (56.7%) respondents agreed that CBOs are closer to the community and enjoy more trust from donors. 188 (48.7%) respondents agreed that donors and the community are seeing the practical impact of CBOs and NGOs. 176 (45.6%) respondents agreed that CBOs have accurate data on the extreme poor, such as orphans, widows, and divorcees. 257 (66.6%) respondents agreed that local CBOs and NGOs can easily identify donors and recipients in the community better than the commission.

266 (68.9%) respondents agreed that donors can easily monitor the effectiveness of their donations through their local CBOs or NGOs. 204 (52.9%) respondents agreed that CBOs and NGOs are more effective in *zakat* and *waqf* collection and distribution. The total mean response to the statements is 54% agreed, 17% disagreed, and 29% undecided.

5.5 CHAPTER SUMMARY

In summary, this section presents findings and results from both the first and second stages of the data collection. The data is divided into two parts. The first part presents findings from the first qualitative data collected through interviews, which was segmented according to research questions and themes. The second part presents the results of second-stage qualitative data collected through a questionnaire, which was also segmented based on themes and subthemes identified from the first-stage data collection. The second stage results aimed to strengthen the first stage findings, eliminate possible weaknesses, and allow for the generation of the result. Most of the findings from first-stage data were confirmed by the second-stage results.

CHAPTER SIX

DISCUSSION OF RESULTS AND A PROPOSED FRAMEWORK FOR POVERTY REDUCTION USING ZAKAT AND WAQF IN KANO, NIGERIA

6.1 INTRODUCTION

The findings of chapter five have attempted to answer the research questions and have paved the way for a discussion and a proposal for a framework for poverty reduction using *zakat* and *waqf* in this chapter. Therefore, this chapter presents a discussion of the results and proposes a framework for building an effective structure that would attract donor trust and pool the needed *zakat* and *waqf* resources for poverty reduction. The chapter also identifies key elements to focus on that would add value to the institution and accommodate the unique socio-cultural and religious beliefs of most of the donors in the Kano community.

The most distinguishing characteristics of the framework or structure for comprehensive poverty reduction using *zakat* and *waqf* described in this chapter are based on the empirical findings of both the first and second stage survey explained in Chapter 5, major components considered include institutional laws and regulations, compliance factors and behaviours, administration and resource management, community participation, a poverty reduction action plan, and research and development. The chapter also explains the influence of other remote factors such as institutional capacity, trust, enlightenment, and education on improving compliance and building a strong institution.

6.2 DISCUSSION OF RESULTS FINDINGS

The empirical analysis of the study provides robust evidence from both first and second stage data sources for building a sustainable, comprehensive framework for poverty reduction with *zakat* and *waqf* in Kano State; some of this evidence has not been examined in the literature before. The researcher believes that he has qualitatively exploited the relevant data that provided enough evidence for answering the research questions; however, he went further to provide addition descriptive analysis to confirm

the evidence in order to strengthen the research findings. Thus, it's important to discuss potential mechanisms that might explain the findings of what is needed to have an effective framework for poverty reduction using *zakat* and *waqf* in Kano State. (1) The context of the *zakat* and *waqf* existing framework is quite different from the expectations of *zakat* and *waqf* donors in Kano State, owing to a lack of trust, cultural and traditional influence (2) Community and religious organizations are closer to the people; they can easily identify eligible donors and beneficiaries; therefore, incorporating them into the framework would promote trust, accountability, transparency, stakeholder satisfaction, and effective poverty reduction (3) The governance of a *zakat* institution that is knowledge-driven with management and administration skills and free from political influence would promote efficiency and effective poverty reduction.

6.2.1 Discussion of the First Stage Results

The result of the first research question revealed that the Kano *Zakat* and *Hubusi* Commission Law of 2003 recognized only the *Zakat* and *Hubusi* Commission as the only institutions to collect and distribute *zakat* and *waqf* in Kano State (Ostien, 2007). The structure of the Commission includes three departments at the headquarters in the city and a local structure at local governments and villages. Despite the fact that the Commission is the only body mandated to collect and distribute *zakat* in Kano State, the findings of the study show that community, religious, private, and other independent organizations in Kano are collecting and distributing *zakat* and *waqf* and are performing more effectively than the government-established commission. Based on the findings, the organizational structure of the commission can be presented below.

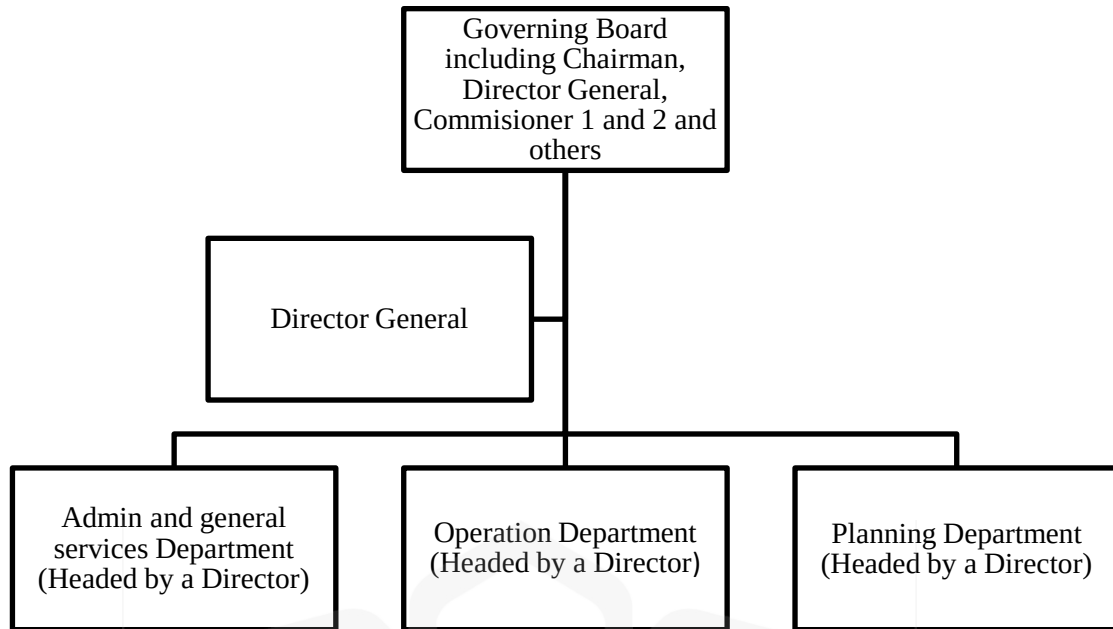


Figure 6.1 Organogram of Kano State *Zakat* and *Hubusi* Commission

Source: (Field Work)

Nigeria is constitutionally regarded as a secular state, although Kano State has a Muslim population of more than 95 percent, the law establishing the *Zakat* and *Hubusi* Commission in the state does not provide any enforcement measures for noncompliance, so the whole system was based on a voluntary model (Abdulhameed, 2020). The framework does not provide any mechanism for identifying eligible donors or beneficiaries. The Commission relies on visiting markets, business premises, or wealthy individuals and solicit payment of *zakat* or *waqf*. This practice led to very low *zakat* and *waqf* resources for the Commission and has negatively affected its poverty reduction efforts.

Importantly, the entire appointment of administrators in the Commission was the responsibility of the government, right from the appointment of board members, the chairman, commissioners, and director general are all appointed by the government (A Sourcebook, 2006), which makes the system not free from parochial interest and political influence, in turn negatively affecting payment compliance and the distribution of *zakat* and *waqf* by the Commission. The structures at the local government and village are also weak and heavily influenced by the government and the commission, this has continued to erode donor trust and decrease compliance, leaving the

Commission at the mercy of grants provided by the government to carry out its empowerment programs.

The system has no effective structure in place to identify eligible donors and beneficiaries. This is due to a lack of collaboration with stakeholders who can provide relevant information about donors and beneficiaries. As such, the system depends on market visitation to morally persuade people to pay. The distribution was also made in the city, and the beneficiaries must have either a political connection or were fortunate to have their requests honoured by the Commission. This ineffective method can be improved through the engagement of stakeholders, such as banks and government agencies, for information gathering on eligible donors. In addition, the engagement of other stakeholders, such as community organizations, would improve donor identification, accountability, transparency, and donor satisfaction. This is in line with a study by Alberto De Camargo et al. (2019).

However, another finding of the first stage qualitative data is the absence of modern technology in the general administration of *zakat* and *waqf* in Kano. Using digital technology in the collection and distribution of *zakat* and *waqf* and for educating donors, beneficiaries, and officials would provide a solution to the general inefficiency of *zakat* and *waqf* institutions in Kano. This is in line with a study by Beik et al. (2019). It would also promote accountability and increase payment compliance. In addition, and in line with the study by Handriani et al. (2019), the digital system would improve internal control and management and reduce fraud in the institution. This will in turn promote trust. So far, the application has been designed to reflect the perceptions of *zakat* and *waqf* payers, in line with the study by Shabrina et al. (2019).

Another first stage qualitative finding revealed absence of a comprehensive and effective poverty reduction plan by the commission, which is limited to the distribution of a small amount of money that will provide temporary relief to the poor. What the institution needs is a structure or a dedicated department that will provide the vocational training and skills that will empower the poor and ensure their sustainable wellbeing. These findings are in accordance with studies by Ibrahim & Shaharuddin (2015); Nurzaman (2017); Sumai et al. (2019). Another finding revealed that poverty in Kano is multidimensional; therefore, we need a multidimensional approach through effective profiling to identify and define the best course of action. The Community development

associations have been doing a lot of programs in this direction, with special emphasis on the most vulnerable, such as orphans, widows, women, and the needy.

The findings of the study also revealed a very weak structure in local government. Even though the *Zakat* and *Hubusi* Commission law in Kano State provided for the establishment of local and village *Zakat* and *Hubusi* councils and committees, evidence shows that they are weak and heavily influenced by the Commission and political office holders. So, the best way of improving this situation is by recognizing and shifting power to the locals through increasing investment in their capacity and strengthening their independence in leadership and decision-making, in accordance with a study by Stoddard et al. (2017).

Perception of the fairness of an institution or system is a key influencing factor in compliance behaviour; this has been confirmed by a study of the tax system Devos (2014). This is in line with the findings of the study, as most of the *zakat* and *waqf* donors refuse to comply with payment due to their negative perception of the fairness of the *zakat* and *waqf* systems. Most of the donors complained that the system is dominated by political influence for the appointment of administrators and the distribution of *zakat* and *waqf* and therefore cannot be trusted. These challenges have added to donors' poor attitude toward giving, coupled with the absence of an enforcement mechanism to reduce widespread evasion of *zakat* and non-payment of *waqf* in Kano State. Although some of the findings revealed that these non-compliance challenges can be overcome through widespread education and enlightenment in Kano on how to pay, when to pay, and the consequences of nonpayment. Some of the respondents believed that the best approach to promoting compliance is by direct enforcement of individuals, banks, and other companies. And this is in line with a study by Saad & Farouk (2019). However, implementation of direct enforcement will require strong political will from the government and the community to, respectively, strengthen and support *zakat* law and enforcement to achieve maximum compliance behaviour. While other respondents believed that indirect enforcement measures such as the introduction of the *zakat*-tax credit scheme, scholarships for the benefit of *zakat* and *waqf* payers, deductions of 2.5% on turnover by banks, and deductions at source for contractors that are doing government contracts would be a strong measure to improve compliance and pool the needed *zakat* and *waqf* revenue for poverty reduction. Whatever the case is, the government and its partners have a big role to play in leading

by example, and caution should be taken in using scholarships and contracts for the benefits of *zakat* and *waqf* payers because it may promote further corruption.

Another important finding of the study is the role played by the community through the establishment of various community organizations. The study found that community-based organizations engaged in *zakat* and *waqf* collection and distribution enjoyed more trust from the donors, and they are capable of providing solutions to most of the challenges militating against the effective performance of *zakat* and *waqf* institutions in Kano. This is possible if they can be legally recognized, empowered, and trained to take on this important task. The study has found these community organizations to be very effective in data gathering for both donors and beneficiaries and in poverty profiling and assessment. They provided the most effective response to the poor in the areas of health, education, food feeding, skills acquisition, guidance and counselling, and other socio-economic wellbeing in their community. Their show of solidarity for the community has earned them more trust and legitimacy. This finding is in line with a study by Kuipers et al. (2019) which found that trust and legitimacy are attributed to local organisations.

As per the findings of the study, we identify the need to limit the role of the government *Zakat* and *Waqf* Commission to providing regulations and building capacity for the local and other independent *zakat* and *waqf* organizations and increase their involvement in decision-making. This is because the Commission is heavily influenced by political interference in the appointment of its board members and in the collection and distribution of *zakat* and *waqf*, which makes the institution similar to other government institutions that are not trusted, leading to lower *zakat* and *waqf* collection. This confirms the finding of a study by Kashif et al. (2018), which attributed a lower level of payment compliance to a lack of trust and transparency and the inefficient distribution of *zakat*. The study also shows that non-compliance can be reduced through education and awareness, similar to a discovery by Abdullah & Sapiei (2018). It also found that the unique social, economic, and religious environment in Kano demands that donors prioritize those closer to them in giving *zakat* and *waqf* rather than taking it to the government-established authority. This was the reason that most of the donors prefer to give *zakat* and *waqf* directly to the beneficiaries, which was also in accordance with a study on the psychographic profile of *zakat* donors by Obaidullah & Manap (2017).

Therefore, the *Zakat and Hubusi* Commission's function may be more effective if it is limited to providing an enabling environment to independent and local community *zakat* and *waqf* institutions. The Commission can address its human resource challenges through the employment of professionals, providing the necessary training needed to improve the capacity of the existing staff, providing them with working tools, and collaborating with community and other independent *zakat* and *waqf* organizations in providing training on record keeping, maintenance, and publishing of records and accounts, which would promote transparency and accountability in line with the findings of the study, which revealed that these are lacking in the administration of the commission.

Employment of qualified staff and professionals to manage the activities of the Commission was also found to be the most viable means of ensuring effective management of the institution, including the implementation of effective poverty reduction programs. The professionals can design policy programs and exploit appropriate technology to ensure that donors have been attracted and brought to the net, *zakat* and *waqf* funds are managed properly, records are kept, and all categories of *zakat* and *waqf* recipients are identified and treated in a way that would provide sustainable relief to poverty. They will also make sure that collaborations are made with all stakeholders and accountability is strengthened. This is in conformity with a study on improving the efficiency and effectiveness of *waqf* trust by Abdullah (2019).

6.2.2 Discussion of the Second Stage Results

This study is comprehensive because it includes a wide range of sources of information. In the first qualitative stage, the study had interviews with government *zakat* and *waqf* officials in Kano State and expert from community and independent organizations engaged in the collection and distribution of *zakat* and *waqf*. The study went further to verify the information collected through questionnaire in the second stage by collection of another qualitative information from donors and potential donors. The relevant information collected are shown in Chapter 5.

The descriptive statistics in stage two qualitative findings confirmed the majority of the findings from the first stage. It affirmed the government's monopoly on the appointment of *zakat* and *waqf* administrations, which are influenced by political

interference. In the second stage, respondents also confirmed that other independent *zakat* and *waqf* organisations still exist and are collecting *zakat* and *waqf* in Kano State, despite state legislation recognising the Commission as the only recognised agency for collection and distribution of *zakat* and *waqf*.

What is needed is a stakeholders' approach, not a state monopoly in the *zakat* and *waqf* administrations. A stakeholder approach will bring donors and beneficiaries closer to each other, strengthen local actors, and foster partnerships for a common goal. It will also ease and promote effective regulation and maximise *zakat* and *waqf* development indexes in partnership with corporate donors, individual donors, government agencies, the government, and other independent *zakat* and *waqf* institutions. In addition, this stakeholder's approach can easily serve as a convenient mechanism for donors and beneficiaries' identification, which will help build a database for more effective collection and distribution of *zakat* and *waqf*.

However, respondents have also strongly believed *zakat* is an obligation and mandatory act of worship, and therefore the Commission needs only to earn trust from these donors to make them comply. This can be achieved through a transparent process that would effectively measure certain performance indexes of *zakat* and *waqf* institutions, which include collection, management, distribution, and reporting. Using models such as the CIBEST model developed in Indonesia as a measurement of poverty and welfare index would provide the best performance measurement of these institutions from Islamic perspectives (Beik & Arsyianti, 2015; Hilmiyah et al., 2018; Lestari et al., 2023).

The questionnaire also reconfirmed the findings that community and other independent *zakat* and *waqf* institutions being closer to donors and beneficiaries enjoyed more trust than the commission and therefore need to be empowered, re-educated, and incorporated into the larger umbrella so that government and other international actors can provide effective regulatory support, training support, and financial support in order to generally improve the macro and micro index of *zakat* and *waqf* institutions (Abd. Wahab et al., 2017; Sukmana et al., 2021). Furthermore, the argument for community participation is another area that has been supported by respondents in the second stage of data collection. Because this can not only improve *zakat* and *waqf* resources but will also help in effective poverty profiling and reduction from the grassroots.

Zakat is an obligation and mandatory act of worship as agreed by the respondent, but direct enforcement of payment in a secular country like Nigeria may require legislation under residual jurisdiction of the state. Thus, a convenient method for the state to encourage compliance is the use of indirect enforcement tools such as the introduction of the *zakat* tax credit system for individuals and businesses, the deployment of appropriate technology for convenient payment, and enlightenment and education. It is also of great paramount importance to educate donors and officials of the institutions on effective *waqf* models, such as corporate *waqf*, as this will help to identify ways to improve mobilisation of enough resources for poverty reduction (Bakar et al., 2019; Darus et al., 2017; Naeem & Ammara, 2018; N. Saad et al., 2016).

Additional data from the second stage of data collection reveals that most donors are unaware of the key stakeholders of *zakat* and *waqf* management systems in Kano; all they know is that the *Zakat* and *Hubusi* Commission exists as the government organisation in charge of collection, distribution, and management of *zakat* and *waqf* in the state. However, they were certain that communities and other nongovernmental organisations could do it best; all they needed was to strengthen their capacity to learn modern management practices in records keeping, reporting, technology usage, and stakeholder collaboration.

Although some of the data collected in this stage sounds contradictory because respondents supported the statement that the government is educating the public on *zakat* and *waqf*. Another piece of data shows their little knowledge of *zakat* and *waqf* distribution by the Commission. What this indicated was the need for participatory management and a transparent system to keep donors informed of the activities of the institutions. This would encourage compliance and mobilise more resources for poverty reduction. Moreover, two key areas are very important in achieving poverty reduction, as supported by the respondents. The first one is the potential of *zakat* and *waqf* in Kano and the effective role of community organisations. Secondly, targeting poverty reduction to the most vulnerable in society, such as orphans, widows, and the needy.

While the majority of the findings from the first stage of the study are confirmed by the second stage. Some of the findings from the first stage that received lower agreement from participants in the second stage were due to most of the respondents'

lack of knowledge of *zakat* and *waqf* activities, as evidenced by the high level of undecided responses in most of the statements responded to.

6.2.3 Summary of Discussion of the Results

Findings from the study show a strong link between poverty reduction and the localisation of responses provided by *zakat* and *waqf* institutions. The study also found a strong link between donors' trust and the rise in *zakat* and *waqf* funds for poverty reduction. Trust was identified as a major driver for promoting compliance behaviours. The proximity of community-based and other independent community groups to both *zakat* and *waqf* donors and beneficiaries was a major factor in promoting trust and building an effective strategy for poverty reduction. However, the results from both data collection stages reveal a strong knowledge gap on *zakat* and *waqf* in Kano. Despite the large population of Muslims in the state, this underscores the need for the development of a national *zakat* and *waqf* index, continued education and enlightenment by both Islamic scholars and Islamic economic scholars, and for bringing people abreast of the activities of these institutions and their socioeconomic impact in society.

6.3 PROPOSED FRAMEWORK FOR POVERTY REDUCTION USING ZAKAT AND WAQF IN KANO, NIGERIA

In this section, the researcher proposes a more comprehensive structure for *zakat* and *waqf* institutions in Kano for poverty reduction, which is developed based on the findings from the empirical study. This structure ensures collaboration with stakeholders, builds the capacity of local actors in the community, and provides sustainable and diverse support in the areas of health, education, food supply, and skill acquisition. This proposed framework provides a structure that will bring all *zakat* and *waqf* actors together, especially the community's local actors, so that resource mobilization and poverty can be taken care of from the grassroot level. The structure is presented in the figure below.

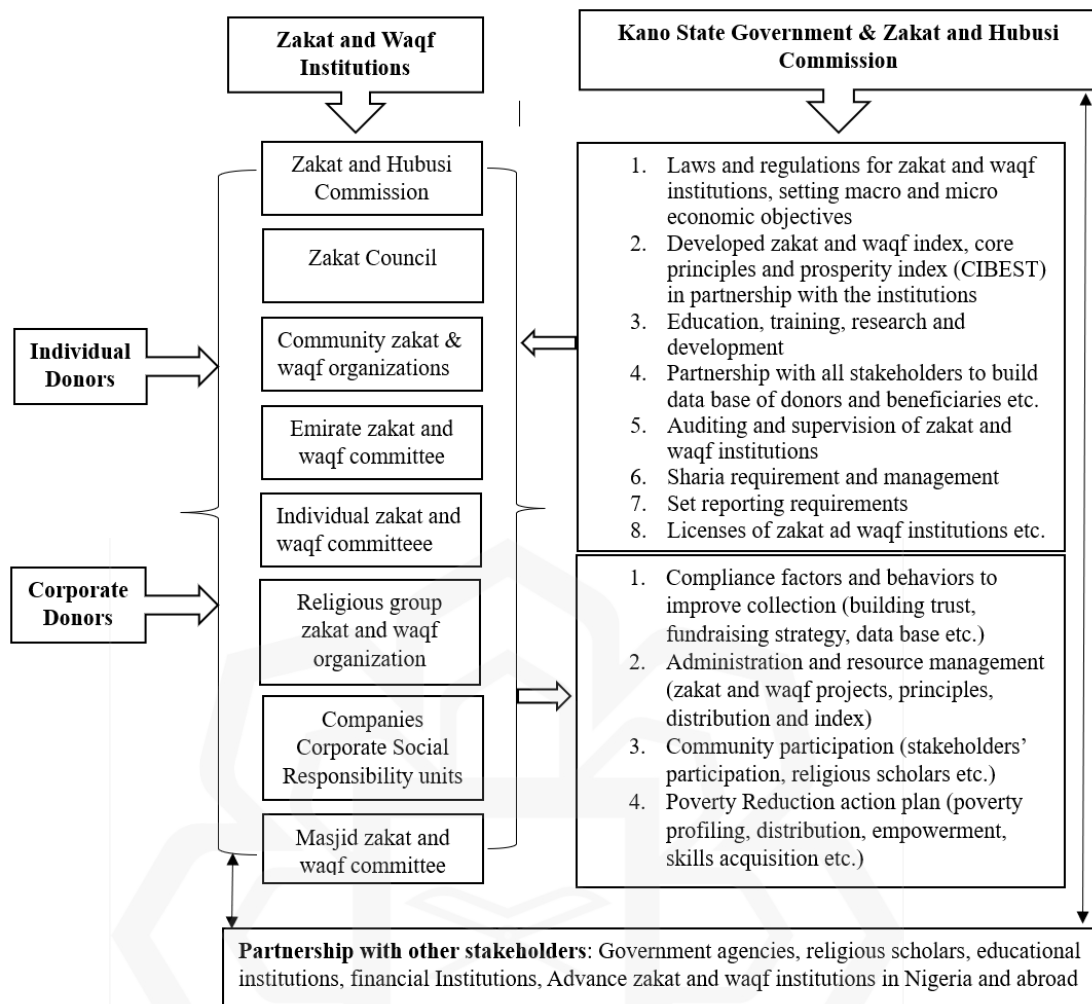


Figure 6.2 Comprehensive Framework for Poverty Reduction using Zakat and Waqf in Kano, Nigeria

Source: (Created by the Author)

6.3.1 Institutional Laws and Regulations

Based on the existing laws in Kano, the government *Zakat and Waqf* Commission is the only institution recognized and authorized to collect and distribute *zakat* and *waqf* in Kano. Although weak governance and other socioeconomic norms have allowed for independent and community organization to operate in the state, political will is needed to put laws into practice. Effective regulations are needed to harmonize procedures and coordinate the activities of all stakeholders to improve accountability, trust, and resource mobilization. One way to do this is to review the existing *Zakat and Hubusi* Commission laws to legally declare and recognize the right of every organization be it

community, professional, or individual, to establish a *zakat* and *waqf* institution and subject it to government rules and regulations.

The setting of laws and regulations requires government intervention or enforcement tools to support the regulatory framework, be it direct enforcement through the use of government machinery or indirectly through limiting certain government sanctions for non-compliance with the laws or regulations. Therefore, laws should be reviewed to clearly state the operational direction of the Commission and other independent *zakat* and *waqf* institutions, including the operational management requirements, skills, training, or experience required to work in the Commission and institution. The Commission should also be responsible for general supervision of the independent *zakat* and *waqf* institutions and should develop strategies and objectives in partnership with them for effective poverty reduction.

Additionally, in order to maintain strong compliance standards, all institutions and committees collecting and distributing *zakat* and *waqf*, such as the *Zakat* Council, *Izala* and *Darika* sects, and other independent institutions, should be legally reorganized by the government. In return, these independent organizations should abide by all government regulations on *zakat* and *waqf* and make all information available that will promote effective discharge of function by the Commission or any other relevant stakeholder.

However, due to the strong adherence to a secular legal system in Nigeria and the supremacy of the Nigerian constitution over any legal system, the application of any religious law must be within the residual jurisdiction of the Kano state government and should not be inconsistent with the provisions of the Nigerian constitution. Therefore, *zakat* and *waqf* collection and distribution institutions such as community organizations, individual committees, private organizations, and religious organizations must be registered with the government commission and disclose all relevant information and books of record of their activities for monitoring and preparation of consolidated information by the Commission.

The Commission should also provide general guidelines in partnership with all *zakat* and *waqf* independent organizations on the requirements for the exchange of information with other government agencies to obtain vital information on donors and

potential donors. A regulation should also be provided for the confidentiality of the information and a timely response to information requests.

Although some of the study's respondents believed that providing a law for the enforcement of zakat payments similar to what was done in modern taxation was the best way to enforce payment compliance. This may not be a feasible solution to overcome noncompliance given the provision of the Federal Constitution in Nigeria, coupled with the fragility of public institutions and the general mistrust of any service rendered by public institutions. However, in the opinion of the researcher, the introduction of a law for the deduction of 2.5% zakat or an agreed percentage as *zakat* or *waqf* for every payment of government contracts would be one of the easiest mechanisms for improving compliance, as this would generate a lot of resources for poverty reduction. In addition to this, legislation for the introduction of the *zakat* tax credit scheme would reduce the double burden of Muslims paying government tax and *zakat* simultaneously and also promote voluntary compliance since the amount given as zakat payment can be used as relief in payment for income tax to the government. Therefore, the government should ensure that these laws are in place to promote effective practice of zakat and waqf, and enforcement measures should be indirectly designed so that they will not undermine compliance with the regulatory framework. The proposed regulatory structure is presented in the table below.



Figure 6.3 Regulatory Framework

Source: (Created by the Author)

From figure 6.3 above, the Zakat and Hubusi Commission and its local and village offices should only provide laws, regulations, and an enabling environment for other *zakat* and *waqf* organisations to effectively collect and distribute *zakat* and *waqf*. These independent organisations are closer to the donors and beneficiaries; moreover, they enjoyed more trust from them and can mobilise resources more effectively to support and implement government poverty reduction. The Government *Zakat* and *Hubusi* Commission at the centre should regulate these independent institutions through the issuance of guidelines and policy directions as relate to their operations and general record-keeping to promote transparency and accountability in their operations. However, government ministries, departments, and agencies can support the system through information and data gathering on donors and beneficiaries, implementing policies such as deduction of *zakat* at sources from contractors to boost both collection and data building.

Following an overview of the performance of most of these independent community, professional, and religious organizations in identifying *zakat* and *waqf*

donors and beneficiaries and gaining much trust from community members, a regulatory arrangement to bring them into the government system would serve as a mechanism for strengthening the *zakat* and *waqf* institutions and for pooling a lot of resources for poverty reduction. For example, the Izala Sunni Muslim group was found to have a method of pooling *zakat* and *waqf* resources from members for use in poverty reduction and other developmental activities of the group. Therefore, regulation would require that these groups and other organizations provide the Commission with information on their activities, including the amount collected as *zakat* and *waqf*, the number of poor who benefit, and their category. This will also provide the government with effective mechanisms to ensure distribution among the eight categories of *zakat* recipients.

In addition, these regulations will also help to build database for vulnerable people in the community such as widows, orphans, and needy for record purposes and future development plan. Thus, the Commission's functions may be limited to more of supervision, and providing direction to the independent organisations and equipping them with the necessary training and skills for effective performance. The Commission can also serve as an avenue for executing government poverty reduction program such as skills acquisition, enlightenment and education on *zakat* and *waqf*.

In line with the findings of the study, which show strong government political influence on the appointment and leadership of the Commission, *zakat* commission laws should be reviewed so that the appointment of board members of the Commission could be made the combined responsibility of all independent *zakat* and *waqf* organizations based on transparent voting and subject to approval by the state government. Membership on the board of the Commission should also be limited to only those with good knowledge and experience in Islamic law, social science, and management science disciplines such as finance, economics, business administration, and investment management.

It would be more effective if the government's *Zakat* and *Hubusi* Commission concentrated more on providing regulation, training, education, and enlightenment on *zakat* and *waqf*, leaving independent organizations to contribute effectively to the development of these institutions, maximizing donors' trust, and collecting and distributing *zakat* and *waqf* in the community. Promoting trust through increased

institutional performance will be a better option than promoting *zakat* and *waqf* payment compliance.

The supremacy of secular laws over any other law in Nigeria may be one of the reasons why the enactment of laws for enforcement compliance may encounter a lot of challenges. Recalcitrant *zakat* and *waqf* donors may hide under the national secular law to evade payments. Therefore, regulatory reform can be achieved through localization of *zakat* and *waqf* functions to the community level and other stakeholders, and through providing additional legislation that can indirectly influence compliance, such as the presentation of evidence of *zakat* or *waqf* payment as a condition for enjoying certain government services.

The regulatory framework should also be more transparent and responsive to the needs of communities and the various independent *zakat* and *waqf* institutions, such as community organizations, Islamic groups, private associations, etc., and should incorporate both urban and rural communities through the local *Zakat* Council and the village *Zakat* Committee. Participation of local associations and groups should also be encouraged, as they are the first responders to providing basic and immediate support in the most needed areas by the poor, such as health, education, food production, and a safe environment.

However, legislation should also be made to reorganize the use of modern technology in collection, distribution, education, and enlightenment. This would provide a great opportunity for online engagement and data gathering to identify donors, as well as an avenue for education and enlightenment. It would also be the most convenient channel to reach out to donors and potential donors, educating them on time to pay, how to pay, the virtue of timely payment, and the vice inherent in nonpayment.

Using state apparatus to collect *zakat*, as in the case of modern taxation, may attract a lot of legal battles because state apparatus or enforcement tools are products of the Nigerian constitution and cannot be used to enforce payment of anything not legally recognized as compulsory by the Nigerian constitution. Therefore, an indirect method of maximizing compliance when combined with education and enlightenment would provide a wonderful positive result of an increase in *zakat* and *waqf* resources.

6.3.2 Compliance Factors and Behaviours

Evidence from the data collected indicates that nonpayment of *zakat* and *waqf* to the Commission is the major challenge that hinders the poverty reduction program. Although the law that established the *Zakat and Waqf* Commission in Kano did not make payment of *zakat* or *waqf* to the Commission compulsory. Evidence indicates that lack of trust for the Commission and donors' historic tradition of direct *zakat* giving was responsible for low compliance with payment of *zakat* and *waqf* in Kano State. Further evidence indicates that donor trust is attributed to the local *zakat* and *waqf* community organization, as well as religious and professional groups. Therefore, improving trust and compliance requires greater recognition of the role played by independent *zakat* and *waqf* organizations because they are closer to the people and their activities and performance can easily be evaluated by their donors.

Building data through partnerships with both governmental and non-governmental organizations would also serve as a viable means of identifying donors and bringing them into a documented record for education and enlightenment. Evidence from both phases of data collection indicates that most of the potential donors and the public have little knowledge and concern about the activities of *zakat* and *waqf* institutions, most of the basic terms and issues of *zakat* and *waqf* are basically unknown to them, and some do not even know the office location of the Commission and their administrative structure. Therefore, education through the use of media and other online platforms by scholars and practitioners would be a strong means of promoting compliance.

In addition to this, there is a need to review the method of appointment of *zakat* and *waqf* administrators, making it free from political interference. This is possible if review is carried out for the Kano state *zakat* and *hubusi* laws as stated in the foregoing section. The implication is that the new appointment procedure would strengthen partnerships with community, private, and religious *zakat* and *waqf* groups, thereby promoting trust and increasing payment compliance. Payment compliance can also be improved through other indirect government mechanisms, such as a deduction at source for those engaged in government contracts and government employees that agree to do so. It can also be enhanced through the introduction of a *zakat* tax credit system, which would give all companies and individuals in Kano State a tax credit equivalent to the

amount of *zakat* paid or *waqf* established based on government guidelines and procedures.

On the important factors that encourage compliance and prudence in the spending of *zakat* and *waqf* funds, this could be the reason why traditionally, donors in Kano prefer giving *zakat* or *waqf* directly to the beneficiaries as a way of showing direct solidarity and contribution to their immediate relatives, neighbours, or community. Therefore, good record-keeping and publication of activities by all institutions engaged in the collection and distribution of *zakat* and *waqf* for accountability would improve compliance. The Commission can ensure this by providing general guidelines on reporting requirements for all the independent institutions and groups.

Islamic legal interpretation on the basis of *zakat* and *waqf* by some of the religious scholars in Kano is also another reason for lower *zakat* and *waqf* resources. For example, the ruling on *zakat* for salary earners was responsible for nonpayment of *zakat* on salary, and the emphasis by scholars on religious *waqf* was responsible for the nonexistence of economic *waqf* for poverty reduction. Therefore, there is a need for religious scholars to review these issues because many salary earners are willing to pay *zakat* out of their salary but are told that there is no *zakat* on salary. They can even be encouraged to pay on a charitable basis or contribute monthly for the setting up of *waqf* for use in the areas of health, education, and skills acquisition.

Evidence shows that Kano State has a lot of potential for pooling *zakat* and *waqf* funds, it is a commercial hub with famous wealthy individuals and groups. What is required is strong government support to provide regulation that would ensure a strong partnership with business groups, community organizations, religious groups, and educational institutions to educate donors, nurture trust, and promote compliance for a better *zakat* and *waqf* institution.

6.3.3 Administration and Resource Management

Kano State *Zakat* and *Hubusi* Commission is the only institution recognized by the government to collect and distribute *zakat* and *waqf* in Kano State. Ideally, this institution represents the will of donors and recipients of *zakat* and *waqf* and the people of the state to provide the required goods and services for poverty reduction. The current

trend found from this research shows the rise and growing role of decentralization in the institution and the crucial role played by independent communities and religious groups in mobilizing *zakat* and *waqf* resources for much more effective poverty reduction programs. It is therefore crucial for the government of Kano State to recognize the need for incorporating these groups into the framework, encourage and empower them to collect and distribute *zakat* and *waqf*, and coordinate and monitor their activities for proper accountability and implementation.

Based on the existing laws guiding the administration and management of *zakat* and *waqf* in Kano State, the Local *Zakat* Council and village *Zakat* and *Hubusi* Committee, which were established by the law, lack the powers required for effective decision-making because their appointments and authority are derived from the *Zakat* and *Hubusi* Commission located in the city. This local *zakat* and *hubusi* authorities lack adequate resources and autonomy to effectively carry out their functions despite being closer to rural poor communities and can perform wonderfully if they are given the power to function independently and manage the activities of other independent local communities. *zakat* and *waqf* organizations in their jurisdictions.

However, there is a need to reorganize the activities of the departments in the *Zakat* and *Hubusi* Commission for better partnership and control of independent *zakat* and *waqf* organizations. The scope of these departments is generally limited to performing specific routine and unchallenging tasks, their poverty reduction strategies are limited to providing basic assistance to socially disadvantaged groups such as widows and special needs individuals without any effort or initiative to economically empower the beneficiaries through skills acquisition, entrepreneurship, training, and so on. Therefore, in addition to the three existing departments of the Commission, which are the administration and general services department, the operation department, and the planning department, additional departments responsible for investment management, education, and training should be established to facilitate services for improving the capital base of the commission, training and skills acquisition, and managing and improving the capacity of other independent *zakat* and *waqf* organizations for better management. However, good working tools such as good tables, chairs, and computer systems should be provided together with other tools that can make the offices of the Commission conducive to work.

To ensure effective management, it is very crucial for the Commission to urgently address understaffing and a lack of qualified staff. Professionals in both Islamic and social or management sciences must be employed to bridge the staff technical gap, their knowledge should also be continuously upgraded through training nationally and internationally so that they can learn from the experiences of other local and advanced *zakat* and *waqf* institutions. The government must also ensure that staff that will be posted to the Commission have the necessary knowledge and skills that can add value to the Commission, and staff should not be posted out of the Commission after they have gained the needed training and experience.

Data and information system is vital not only for mobilizing resources for the Commission and other *zakat* and *waqf* organizations but also for policymaking by the institution in the areas of education, enlightenment, monitoring, and assessing the impact of various programs conducted by the Commission and other partners and stakeholders. Therefore, the Commission should utilize existing technology to promote and coordinate its activities in partnership with other stakeholders to identify eligible donors and beneficiaries and use this information to build a database for monitoring and effective policy and decision-making. In order to have accountability and proper record-keeping, the Commission should have a central database in which records of all *zakat* and *waqf* collection and distribution by the Commission and other independent organizations can be kept. The categories of all beneficiaries should also be reported and made available to the public. This would promote accountability, build donors' trust, and provide a verifiable record for policy formulation on poverty reduction.

Adoption of online methods for education, enlightenment, and publication of the activities of the Commission would go a long way in promoting the activities of *zakat* and *waqf* institutions, it would also attract more donors, educate potential donors, and improve payment compliance. These can be achieved through the employment of different professionals in the Commission and other institutions, such as qualified accounts and investment managers, computer experts, information and data analysts, Islamic economists, and other relevant professionals.

Poor management of public institutions has eroded the trust attached to any institution managed by the government in Nigeria. Therefore, the composition of the governing board of the Commission should reflect a symbol of partnership with other

independent *zakat* and *waqf* organizations in the state. This would help to reduce political influence in both collection and distribution. The appointment of the chairman and the director general should also be the responsibility of the stakeholders, based on experience and qualifications, and subject to government approval. These would promote trust in the system, increase public confidence, and enhance effective distribution for poverty reduction.

However, the departments in the Commission should not only be based on mobilization of *zakat* and *waqf* but also focused on a holistic approach to poverty in partnership with local and village *zakat* authorities to coordinate program at local level. The Commission should ensure that programs aimed at poverty reduction place more emphasis on building and strengthening the capacity of the poor to become self-reliant rather than providing temporary relief. They should also partner with educational institutions and skills acquisition centres in the state to train the various categories of *zakat* and *waqf* recipients on the necessary skills for empowerment before giving them capital to prevent the vicious cycle of dependency.

In summary, this proposed management approach can easily be implemented when integrated into a set of properly developed principles or basics that ensure *zakat* and *waqf* management or governance. This is also known as *zakat*, and *waqf* core principles, and it serves as a reference point and benchmark for ensuring that institutions are managed effectively. For example, considering embracing the *zakat* fundamental principles produced by Badan Amil *Zakat* Nasional (BAZNAS) in collaboration with the Islamic Research and Training Institute (IRTI) and the Islamic Development Bank would be a great step in this regard. Eighteen (18) *zakat* core principles (ZCP) were designed to improve the quality of *zakat* governance and maximize the potential of *zakat*. (Apriliana & Siswantoro, 2021). *Zakat* core principles can be categorized into five dimensions, as shown below.

Table 6.1 Zakat Core Principles (ZCP)

	CORE DIMENSION	ZCP
	Legal foundation	(1) Objective, independence, and power (2) Permissible activities (3) Licensing criteria
	<i>Zakat</i> supervision	(4) Supervisory approach (5) Supervisory techniques and tools (6) Supervisory reporting
	<i>Zakat</i> governance	(7) Corrective and sanctioning power of <i>zakat</i> supervisor (8) Good amil governance
	Intermediary function	(9) Collection management (10) Disbursement management
	Risk management	(11) Country and transfer risk (12) Reputation and muzakki loss risk (13) Disbursement risk (14) Operational risk
	Sharia's function	(15) Sharia's control and internal audit (16) Financial reporting and external audit (17) Disclosure and transparency (18) Abuse of <i>zakat</i> services

Source: (Apriliana & Siswantoro, 2021)

Evidence suggests that these core principles should be used as the minimum standard for *zakat* management, regulation, and supervision. However, it was discovered that executing these fundamental principles requires good *zakat* administration, the use of technology in *zakat* management, and effective governance (Shikur & Maysyaroh, 2023). Similarly to the *zakat* core principles, the Indonesian Waqf Agency, in collaboration with IRTI and IDB, developed Waqf core principles to

ensure successful *waqf* regulation and management. The *waqf* core principles are (1) legal foundations, (2) *waqf* supervision, (3) good Nadzir governance, (4) risk management, and (5) Sharia management. Although these *waqf* core principles are flexible based on the context of *waqf* institutions around the world, research shows that they promote financial success (Suhailah et al., 2024). Furthermore, the core principles can be used as a guide to establish corporate *waqf* in Kano, Nigeria, and a fundamental concept that can be used to build effective *zakat* and *waqf* management systems in Kano, Nigeria. Their impact has been verified in countries such as Indonesia for accelerating community economic growth (Huda & Santoso, 2022).

Lastly, with regard to resource mobilization and management, the researcher believes the land available for *zakat* and *waqf* institutions in Kano can be used to build plantations on land outside the city and to build business ventures on land inside Kano. The profit earned from this plantation project and business venture can be distributed to the beneficiaries. Similar practices were proved to be effective around the world, such as the Nafaqah Waqf Fund in Saudi Arabia, which is managed by the fund manager, Jadwa. Donations from subscribers are accepted and invested based on international endowment best practices. The profit from the endowment fund is used to support the fundamental necessities of families that have lost income due to litigation or instability (Saudigazette, 2020). Similar projects include *waqf* ILMU by the Majlis Ugama Islam Singapura (MUIS), the *waqf* share scheme in Kuwait, and corporate *waqf* in Malaysia (M. A. R. Ahmad et al., 2016; Al-Daihani et al., 2023; Bakar et al., 2019; Listiana & Alhabshi, 2020).

6.3.4 Community Participation

Categories of *zakat* and *waqf* recipients are not only financially poor, but also vulnerable in multidimensional ways, such as health, education, environment, and other socioeconomic opportunities, which only their immediate community members can easily identify and respond to appropriately. Independent community *zakat* and *waqf* organizations, which are usually less formal with simple rules, are closer to the people and participate more effectively in improving the lives of the poor in the community. For example, the researcher's interview with the Chairman of Medile Community Organization in Kano, which was set up to mobilize *zakat*, *waqf*, and other forms of

Sadaqah for the benefit of orphans, widows, and the needy in the community, shows that the organization has utilized its proximity to the people to identify donors in the community and mobilized resources for the benefit of these categories of vulnerable people. They have also effectively identified and enumerated all the recipient's categories and recorded the data for easy delivery of assistance. These effective arrangements have earned a lot of trust for the organization and promoted its partnership with local, national, and international donors, focusing on improving the welfare of the poor in their community.

Therefore, participation by community organizations is crucial in identifying donors and beneficiaries, mobilizing resources, and effectively implementing poverty reduction programs. These community organizations can provide local solutions to so many problems, and they can provide timely responses to the most deserving categories of beneficiaries. They can also provide the appropriate and cheapest support to locals in the areas of education and awareness, skills acquisition, environmental awareness, shelters, and other minor infrastructural services. Thus, partnership with the community would serve as an avenue for the Commission to earn trust from donors and increase compliance and resource mobilization for poverty reduction. Therefore, the government should review its *zakat* and *waqf* framework to ensure that all community organizations, professional associations, and independent *zakat* and *waqf* committees have the mandate to collect and distribute *zakat* and *waqf* and are effectively regulated by the Commission through partnership. These community organizations should be empowered with the necessary skills to develop meaningful interventions and strategies to implement policies that will help address poverty in the community.

The Commission needs to provide the required training to the community organization so that they can perform effectively. These organizations should be given the independence they need to make decisions, design, and implement their local policies. The basic objective is to gain donors' trust, mobilize more resources, and stimulate community organizations to implement poverty reduction programs using *zakat* and *waqf*. Engaging community organizations would also minimize the issue of noncompliance. These community organizations being closer to *zakat* and *waqf* donors makes it easier for them to identify them, build a database, and implement the most appropriate and effective poverty reduction program. However, due to their proximity,

donors can easily monitor the impact of their contribution, which would help them make appropriate decisions on giving.

6.3.5 Poverty Reduction Action Plan

Findings from the existing poverty reduction action plan indicate that the *Zakat* and *Hubusi* Commission strategy was limited to giving business capital of N10,000 to the poor, which was periodically sponsored by the government. The Commission also gives N5,000 cash to the poor in need, subject to the availability of funds. Another dimension of the poverty reduction program by the Commission was in the area of health through partnerships with hospitals to provide health assistance to the poor. The Commission also renders other assistance in the form of the provision of raw food items and the payment of house rent to widows and other needy people.

Poverty reduction programs provided by community organizations seem to be more integrated in approach than those provided by the Commission. Community organizations have a holistic solution to poverty and cover assistance in the areas of health, education, shelter, food, environment, skills acquisition, guidance, and counselling. These have given them the opportunity to lift a lot of poor people out of poverty in the community. For example, a record from the Gandun Albasa Orphans and Needy Association shows over 670 beneficiaries in their educational assistance program in their community who are orphans and needy.

Therefore, the poverty reduction action plan should first recognize the need to have an integrated approach by providing support across multiple socio-economic sectors that add up to the total deprivation of the poor. Secondly, there is the need to identify the category of people affected by poverty. For example, the recent increase in orphans and widow associations in almost all the communities in Kano was due to the verifiable reason that most of the absolute poor in the communities are orphans and widows. This precipitated the need for associations to mobilize *zakat*, *waqf*, and other forms of charity to take care of these categories. Thus, the poverty reduction action plan must cover vulnerable persons such as street children, widows, orphans, and the needy in the state.

Thirdly, the poverty reduction strategy should not be limited to only providing temporary relief from poverty, it should be designed to encourage autonomy rather than dependency. This can be achieved through channelling *zakat* and *waqf* resources to productive courses such as providing capital to the poor to start a business venture, sponsoring education for the poor to improve their job opportunities, providing basic training on entrepreneurship and enterprise management, providing other skills acquisition to the poor, and developing an information gathering system on opportunities and disseminating the information for the benefit of the poor.

Fourthly, the government should provide strong support in this direction, especially in the area of enumeration and registration of all community organizations, providing the enabling regulations to promote social inclusion to take care of street children, orphans, etc., and continuing financial support to the Commission to implement other poverty reduction strategies through education, empowerment, skills acquisition, and support for other independent and community *zakat* and *waqf* organizations.

Additionally, experience from other programs indicates that poverty is multidimensional, it comprises both monetary and non-monetary deprivation and the changes that come with the change in the socio-economic status of society. Therefore, poverty reduction strategies should be designed as a consultative process (Vanderschueren et al., 1996).

The initial stage is to review, develop, and assess the local poverty profile in Kano State. This will help us to cover all elements of poverty, or the most important ones, and consequently identify and fill these poverty gaps based on their relative importance. Although the common indicators often used are the national poverty lines or social indicators, this notwithstanding, the unique poverty profile of Kano must be developed through poverty assessment, which comprises the collection and analysis of existing data on poverty in both urban and local communities. This may help to identify major gaps and the attempts made by various community organizations and the Commission to reduce the situation. This exercise can be conducted with the assistance of community associations and experts in Kano's educational institutions and professions for policy formulation and analysis, so that the demographics of the vulnerable and the severity of poverty in Kano can be identified.

The recent concentration of poverty reduction in the orphans and widow's category in various communities in Kano is one of the efforts made by our communities to informally profile poverty based on access to education, health, and other specific local factors. The assessment should also assess the community capacity to implement poverty reduction programs, which includes the potential of *zakat* and *waqf* donors in the area and the resources and capacity available to the community organization to support the poverty reduction efforts.

The local poverty assessment should be done in a consultative workshop in which participants should include government officials, *zakat* and *waqf* community organizations, professional organizations, private organizations, political and religious leaders, academics, and researchers. The workshop agenda should include poverty assessment presentation panels, discussions, and working groups on poverty, as well as recommendations and conclusions. Recommendations and priority actions reached in the workshop will serve as a guide to develop and coordinate a poverty action plan and programs by the Commission in partnership with stakeholders such as *zakat* and *waqf* community organizations, private organizations, and other independent organizations.

There is also the need to provide additional workshops after implementation in order to evaluate impacts and outcomes and share practical experience among stakeholders. However, the workshops should outline the areas of poverty reduction that need improvement, the areas that require new initiative, and how funds can be mobilized locally through *zakat*, *waqf*, and other forms of charity for the proposed action. This requires a lot of effort to improve the capacity and independence of local *zakat* and *waqf* actors in decision-making because they are in the best position to provide the necessary support for implementation and follow-up activities. In addition, to ensure an effective outcome, the Commission should set up a monitoring team that will ensure the poverty reduction action plan is adhered to by the community organization and other *zakat* and *waqf* independent institutions. Key performance indicators should be developed through research by academics and other Islamic economic experts based on indicators identified during the assessment stage.

6.3.6 Research and Development

The means through which organizations, businesses, and economics generate opportunity, innovate, and guarantee a stream of future goods and services is through research and development. The results of research and development are all extremely significant sources of sustainability, especially in present world where changes are faster than most organizations can keep up with. By conducting research on *zakat* and *waqf* and on new approaches to curbing poverty in Kano, the Commission and other independent organizations can gather knowledge to create new ways of providing charitable services and improve on their existing services. Research and development help to create new ideas, find gaps, encourage more donations, and facilitate more income. It also provides more investment opportunities for more income and increases welfare for the poor. Thus, the Kano State government and the Commission should partner with the independent *zakat* and *waqf* organizations, universities, and other institutions of higher learning to engage in continued research on themes related to *zakat*, *waqf*, poverty reduction, and community intervention. These will help to produce new concepts and ideas or provide better ways to review existing ideas for effective poverty reduction using *zakat* and *waqf*.

However, the research should not only be limited to *zakat* and *waqf* jurisprudence but also on the application of *zakat* and *waqf* to solve other socio-economic problems such as education, health, and the environment that are crucial in empowering the poor. In this context, research means applied research, which is directed toward gaining knowledge or understanding to determine the means by which a specific recognized need may be met, while development is the systematic use of the knowledge or understanding gained from the research, directed toward the production of useful materials or methods, including the design of prototypes and processes. Research and development in these areas can be directed toward the solution of specific problems related to *zakat*, *waqf*, or poverty, community organizations, or the development of new techniques, methodologies, criteria, or techniques related to *zakat* or *waqf*.

Managing research and development requires a unique combination of people, ideas, funds, and culture. Therefore, trained people from academic institutions should be engaged to conduct research and development on ideas or problems identified during workshops with the stakeholders. Funds should be available from *zakat* or *waqf*

donations or assistance from the government of Kano State to facilitate this development. However, Islamic culture, such as rules, laws, and operating procedures, must be strictly adhered to in conducting this research and in communicating the findings. In addition, knowledge generated by Islamic scholars should also be another source of education and enlightenment for the Ummah in order to improve understanding of Islamic concepts and ideas for the development of *zakat* and *waqf* institutions in Kano State.

6.4 CHAPTER SUMMARY

Increasing the role of Islamic philanthropic organizations for poverty reduction demands a review of their structure to effectively promote better governance and greater accountability in order to promote trust and donor compliance behaviour. Evidence from Kano state *zakat* and *waqf* institutions shows that the general inefficiency of these institutions can be overcome if donors' trust through a review of *zakat* and *waqf* laws to accommodate local community organizations to collect and distribute *zakat* and *waqf* in the state under the supervision of the government *Zakat* and *Waqf* Commission is promoted.

These arrangements entail promoting localization and building the capacity of local and independent actors in *zakat* and *waqf* management. Bringing these stakeholders together would depoliticize *zakat* and *waqf* collection and distribution. It would also promote donors' trust because these community organizations are closer to the people and have access to empirical data for an effective distribution for poverty reduction. In addition to this, engaging stakeholders would not only promote compliance and community participation but would also aid government policy in the assessment of the local poverty profile and targeting the right response for poverty reduction. It would also provide the government and researchers with accurate data to be used for policy formulation that would eliminate general inefficiency in the management of Islamic philanthropy in Kano.

It is important to note that the government in Nigeria has become more prone to issues of failure, which has eroded people's trust in government institutions, including the *Zakat* and *Waqf* Commission. In addition, from the empirical evidence gathered in this study, community organizations and independent religious groups are clearly more

reliable and trustworthy in the ‘eyes’ of *zakat* and *waqf* donors. Therefore, we should review government laws to legally recognize them and promote their effectiveness through capacity building, monitoring, supervision, and conducting research for further development.



CHAPTER SEVEN

CONCLUSION, RECOMMENDATIONS AND POLICY IMPLICATION

7.1 INTRODUCTION

Researchers that approach poverty from the demand side have produced a great deal of work, focusing on how well-being is evaluated and how affordable basic necessities are for the poor. This has somewhat ignored the supply side of the equation, which is primarily dependent on the institutional framework that would enable the necessary response to poverty. It is for these reasons, in the researcher's view, providing an effective framework for *zakat* and *waqf* institutions would provide the required resources and the needed response for poverty reduction, especially in sub-Saharan Africa, where institutions are basically dilapidated. The institutional framework is widely seen as a strong pillar for the success of every institution because it provides the basic structure needed by every institution to effectively achieve a favourable outcome. The importance of the institutional framework for the success of the organization is not limited to conventional or secular institutional systems, it also applies to faith-based philanthropic institutions like *zakat* and *waqf*, which are committed to providing social welfare benefits for effective allocation of resources and poverty reduction.

Despite the importance of building an effective framework, the literature on *zakat* and *waqf* mostly focuses on jurisprudence, administrative challenges, and compliance behaviours. In contrast, this study takes a holistic and different perspective and seeks to develop a comprehensive framework for poverty reduction in Kano, Nigeria, using *zakat* and *waqf* by identifying key components. The study also identifies reasons for nonpayment of *zakat* and *waqf* to the government-established commission, explores ways to improve *zakat* and *waqf* payments and distribution, and identifies key stakeholders in the *zakat* and *waqf* management systems and their specific roles in poverty reduction in Kano, Nigeria.

Using a qualitative sequential design, the researcher first collected data using interviews conducted with government *zakat* and *waqf* officials and experts from the *zakat* and *waqf* communities and professional organizations. This stage helps identify

key components of the framework and what is expected for an effective structure for the institutions. Additionally, the stage also identifies reasons for lower *zakat* and *waqf* payments and distribution, especially for the *Zakat and Hubusi Commission*, and ways to improve them. The study also investigated and identified areas that needed immediate intervention by identifying key stakeholders in the *zakat* and *waqf* management systems and their specific roles in poverty reduction. To the researcher's knowledge, this study is the first to investigate how to develop a framework for *zakat* and *waqf* institutions in Kano by examining historical and contemporary contexts and exploring the need for legal inclusion of community and other nongovernment organizations in the collection, distribution, and management of *zakat* and *waqf* in Kano, Nigeria.

Data collected from the first stage was used to develop themes and subthemes, which were the basis for the questionnaire, developed for the second stage of the study. The second stage collected data from potential *zakat* and *waqf* donors in order to confirm, strengthen, and generalise the findings of the first stage of data collection.

However, the early literature on *zakat* and *waqf* in Kano, Nigeria, usually assumes that the challenges facing the institutions are mainly in administration, distribution, and jurisprudence (S. M. Ibrahim, 2015; I. N. Muhammad, 2014; Wali, 2013). More recent research on *zakat* and *waqf* in Kano established that weak laws and governance, lower compliance behaviour, lack of trust, political involvement, and adoption of voluntary models are responsible for the poor performance of *zakat* and *waqf* for poverty reduction in Kano, Nigeria (Abdulhameed, 2020; M. Ahmad, 2019; A. U. Farouk et al., 2017). These findings support the importance of good governance, strong laws, the promotion of trust, and the enforcement of payment compliance. Other studies argued for the inclusion of stakeholders, such as nongovernmental organisations, to contribute their quota to the development of *zakat* and *waqf* institutions (R. A. J. Saad & Farouk, 2019).

Unlike the existing literature, which examines specific challenges of *zakat* and *waqf* institutions in Kano, this study focuses on different challenges of the entire structure. In other words, the study examined the challenges from multidimensional perspectives of the institution, such as compliance mechanisms, governance, administration, and stakeholders' relationships and contributions.

The researcher has examined the research question using exploratory interviews, recorded data, and publications from the Kano State *Zakat* and *Hubusi* Commission. These data allowed to identify and observe the existing *zakat* and *waqf* frameworks, identify key components, and determine what is expected of the institution's effective framework for poverty reduction. The data also allowed for the identification of the reasons for non-payment of *zakat* and *waqf* to the *Zakat* and *Hubusi* Commission, the possible triggers for improvement of compliance, as well as key stakeholders for the effective working of the institutions for poverty reduction. Theme and subthemes from the findings of the first qualitative stage were subjected to testing by developing a questionnaire, resulting in another data set that allowed to have a general perspective of the findings and overcome the weaknesses of the first stage.

Using these two-stage empirical data collection and analysis strategies, the study found that donors have no trust in government-established institutions, trust is more attributable to community, professional, and independent religious groups that are able to mobilize more *zakat* and *waqf* resources and organize better poverty reduction programs than the government-established *Zakat* and *Waqf* Commission. Further, it is concluded that the research on improving donors' trust would help to provide a suggestive result on how to improve the trust of government-owned institutions in Kano and Nigeria in general.

This study proposes three major mechanisms that may explain the findings. The first mechanism relies on arguments from philanthropy literature and the study's empirical results, which say that when there is a lack of trust, there is a preference for non-profit (independent) organizations over government as a vehicle for providing public goods and services (Bairagi & Munot, 2019; Payton & Moody, 2008). Empirically, evidence from this study indicates that community-based organizations have been collecting *zakat* and various forms of *Sadaqat* in Kano and are making a lot of impact on poverty reduction. They are also trusted more than the government *Zakat* and *Hubusi* Commission (1st Respondent, 2022). The second mechanism explains that community-based and religious organizations are closer to the people and are in a better position to identify *zakat* and *waqf* donors and beneficiaries. They can also easily identify the needs of the poor and organize more effective poverty reduction strategies. This argument relies on literature that asserts that giving voice to the stakeholders through localization during the execution of socially oriented projects would allow for

accountability, transparency, stakeholder satisfaction, and effective strategy (Alberto De Camargo et al., 2019; Stoddard et al, 2017). The empirical results of the investigation supported the evidence from the literature as well. The third mechanism is governance, in which both existing literature and the empirical findings of this study show that lack of adequate managerial and administrative knowledge and political interference are the major challenges for the effective functioning of *zakat* and *waqf* institutions in Kano, Nigeria (M. Ahmad, 2019; 1st Respondent, 2022).

The remaining part of this chapter is set up as follows: 7.2 provides further recommendations 7.3 describes the policy implication of the research findings and 7.5 concludes with limitations and future research guide.

7.2 SUMMARY AND CONCLUSION

Kano State functions as the most populous state and also as the most populous Muslim state in Nigeria. It functions as a major commercial and industrial centre in the West African subregion and Nigeria. Despite these potentials and the potential of Islamic social finance tools such as *zakat* and *waqf* in the state, Kano accounts for the highest number of poor populations in Nigeria. However, records available at the Kano State *Zakat* and *Hubusi* Commission, the government institution responsible for the collection and distribution of *zakat* and *waqf* in the state, indicated that the institution is performing poorly in terms of collection, distribution, and general administration, leading to ineffective poverty reduction in the state.

The review of related literature on poverty, *zakat*, and *waqf* indicated that various countries follow different paths to reduce poverty, such as industrialization, rural development, petroleum-generated employment and social assistance. It has been demonstrated that the best strategy for increasing the income of the poor and lowering poverty is social assistance, similar to that offered by *zakat* and *waqf* (Saleem & Donaldson, 2016). Countries such as Malaysia and Indonesia have adopted this approach by utilizing *zakat* and *waqf* funds to provide affordable housing, health care, and education to the poor. Existing *zakat* and *waqf* literature rarely study how to reduce poverty in extreme poor countries such as Nigeria. The few studies on *zakat* and *waqf* in Kano, Nigeria, primarily focused on administration and distribution with no deep investigation to provide a holistic framework or look beyond a single element or issue

and were based on a strong pragmatic paradigm. Thus, this study aimed to cover these gaps by providing a comprehensive framework for poverty reduction in Kano.

To develop this framework, the study adapted framework for institutional analysis by Ostrom (2011) which explains the basic structure required for an institution. The study was empirically designed to achieve three objectives namely (I) to Identify key components for an effective *zakat* and *waqf* institutional framework in Kano, Nigeria. (II) to determine ways to improve *zakat* and *waqf* payment compliance and distribution in Kano, Nigeria (III) to identify key stakeholders in the *zakat* and *waqf* management systems and their specific roles in poverty reduction in Kano, Nigeria. The methodology adopted in achieving these objectives is exploratory sequential mixed method design, in which qualitative interview was used first to explore perspectives of *Zakat* and *waqf* from officials on various elements of the adapted institutional framework such as laws and regulations, community participation, resource mobilization and management, poverty reduction action plan and so on. The qualitative research instruments were developed based on adaption of questions used by Philip Ostien in his research on *zakat* and *waqf* in Northern Nigeria. While questionnaire for the second stage of the study were developed using themes and subthemes identified from the qualitative stage on the existing and expected framework, compliance mechanisms, reasons for non-compliance, *zakat* and *waqf* compliance triggers, governance and administration, maladministration, poverty reduction strategies and role of community and non-governmental organizations in Kano State. These findings were used to answer the research questions.

Based on the themes, subthemes and codes identified in the first qualitative stage, the study developed a questionnaire and administered it to *zakat* and *waqf* donors and potential donors in the second stage of the study. The argument for this method is using qualitative sequential method will eliminate the limitations of each method, and provide a clear understanding and insight of the research problem and questions, it would also strengthen the research findings.

As for the first research objective, the study revealed that developing an effective framework for *zakat* and *waqf* institutions in Kano requires reviewing the legal components of the *Zakat and Hubusi Law* of 2003 to legally accommodate the role of communities and other non-governmental organizations in the collection and

distribution of *zakat* and *waqf*. Enforcement measures must also be set up, and the procedure for the appointment of the board members must also be reviewed to accommodate and give voice to other stakeholders and free the system from political influence. Community participation must be encouraged to promote trust and payment compliance. The local structure must be strengthened, and mechanisms for identifying donors and beneficiaries must also be set up. The structure must exploit modern technology to reach out to donors and beneficiaries for education, enlightenment, sending reminders on time to pay, and gathering and building databases for policy formulation and analysis.

The second objective deals with skills needed to determine ways to improve *zakat* and *waqf* payment and distribution. The study revealed that donors in Kano have a long tradition of giving *zakat* and *waqf* directly to beneficiaries, through community organizations, or through a personal committee. Lack of trust in government-established institutions and increasing corruption in the public sector have added to this tempo and increased non-compliance with payments to the commission. The study also found that religious interpretation of ‘*zakatable*’ items by Islamic scholars and the growth of Islamic sects and groups triggered the need for each donor to pay his *zakat* to his associated group, then to the government-established commission. Therefore, payment compliance can be improved by promoting trust through engagement and building the capacity of local community *zakat* and *waqf* organizations and Islamic groups, as well as by promoting trust in the management of *zakat* and *waqf* institutions. Payment compliance can also be improved through indirect enforcement on companies and individuals through the engagement of government and financial institutions to deduct *zakat* at the source from income. It can also be improved through the introduction of the *zakat*-tax credit scheme, recognizing effort of compliant donors, education and awareness, the use of *zakat* payment evidence as a requirement for government contracts, community participation, and political will from the government.

For the third objective, the study has identified key stakeholders in the *zakat* and *waqf* management systems to include communities and community organizations, private and professional organizations, religious organizations, academics, religious clerics, the business community, and traditional rulers. Their specific roles in poverty reduction include providing immediate intervention, building donor trust, helping in effective poverty assessment, and providing the best response to the vulnerable. Thus,

their partnership with the government and government *zakat* and *waqf* institutions would help overcome major problems militating against the performance of the institutions, such as ineffective governance and administration, a lack of effective poverty reduction strategies, issues of understaffing, and a lack of training and working tools. Engagement of these stakeholders will also ease promotion of good records and record keeping, ease adoption of modern technology, promote education and awareness, and help to implement a multidimensional approach to poverty reduction with an emphasis on orphans, widows, and the needy. In addition, it would also ease the implementation of skills acquisition, promote entrepreneurship and collaboration, and build the capacity of the local actors to achieve the desired result while promoting trust, integrity, accountability, and localization of Islamic philanthropy.

7.3 RECOMMENDATIONS

The study has numerous contributions, especially on issues related to *zakat*, *waqf*, the institutional framework, and poverty reduction. Based on the findings from the first objective, the study recommends the legal inclusion of community, religious, and other independent *zakat and waqf* organizations in the collection and distribution of *zakat and waqf* in Kano. This would strengthen the structure of the institution and build donors' trust. The structure should also have a strong mechanism for identifying donors and beneficiaries in partnership with all stakeholders, such as government agencies, banking institutions, and community organizations. However, due to the general lack of trust in the public sector in Kano and Nigeria, the function of the commission should be limited to more of supervision and strengthening the capacity and leadership of community and other independent *zakat and waqf* organizations through training, research, education, and other capacity building. The commission should also dedicate more on holistic poverty reduction strategy and the enumeration of all community and independent *zakat and waqf* organizations for monitoring and record-keeping.

However, due to the strong influence of politics in the appointment of the board of directors of the commission, appointments in this category should be the responsibility of all stakeholders, which include all community, religious, private *zakat*, and *waqf* organizations. This would eliminate incompetence and political interference and build confidence in the minds of the donors. The study also recommends a state law

that will maximize collection, such as the use of online technology for donor identification, collection, and distribution, as well as for reminding donors about the time to pay, how to pay, and the religious consequences of non-payment. Other structures include the enactment of indirect enforcement laws and a strong structure for education, enlightenment, and data gathering.

Recommendations for the second objective of the study suggest that there is a need to first engage in extensive education and awareness by religious scholars on the virtues of *zakat* and *waqf*, both as a religious obligation and a tool for solidarity and the promotion of social harmony. Secondly, the study recommends the introduction of the *zakat* tax credit, which means using *zakat* payment evidence as a relief or credit for the payment of government income tax in Kano. Additionally, the study recommended the use of evidence of *zakat* payment or establishment of *waqf* as a requirement for the award of government contracts and other income generated privileged government services, which will have a positive impact on payment compliance. In addition, the study also recommends the engagement of stakeholders such as community members, banks, professional associations, and government agencies for the deduction of *zakat* or contribution for a *waqf* directly from an income source, especially for those who agree to the terms, as this would improve payment compliance. Other recommendations include the appointment of a trusted person in the administration of the institution and encouraging rational and expert religious interpretation on *zakat*, especially as relates to the issue of *zakat* on salary.

However, for the third research objective, the study identified key stakeholders such as Kano state *Zakat* and *Hubusi* Commission, *Zakat* council, community organisations, religious organisations as key stakeholders in *zakat* and *waqf* management system in Kano, Nigeria. Although they play important role in resource mobilization and local response to poverty reduction, the study recommends areas for immediate intervention, such as holistic and multidimensional poverty reduction strategy, good governance and administration, and strong emphasis on the role played by community-based organizations. The study suggests setting up an appeal fund for the strengthening of the institutions. Kano State has the potential because it is a commercial centre, and two out of the ten richest people in Africa are indigenes of the state. The study further recommends placing great emphasis on building the economic capacity of the most vulnerable, such as orphans, widows, and the needy, not only

through providing health or educational assistance but also through vocational training to make them economically independent. On the issue of governance and administration, the study recommends addressing the problems of understaffing, a lack of working tools, and untrained staff in the commission. Professionals should be employed so that they can add great value to the commission and, by extension, to other independent *zakat and waqf* institutions through education, training on record-keeping, online methods, effective collaboration, and poverty assessment and profiling.

Another important recommendation from the study is the role of community-based organizations, which must be taken seriously. These organizations collect and distribute *zakat, waqf*, and other forms of charity from the donors, their performance proved more effective because of their proximity to the donors and beneficiaries. They enjoy more trust from donors, which gives them the opportunity to develop more accurate data on donors and beneficiaries, collect more donations, and execute the most effective poverty reduction programs. On the other hand, donors can easily monitor and evaluate the impact of their contribution through these organizations due to proximity, which has promoted more accountability, increased donor trust, and attracted external donors. Although these community organizations proved more effective than the government commission, they also need to be trained on modern *zakat and waqf* management for continuous improvement. The study therefore recommends an effective partnership between community organizations, *Zakat and Hubusi* commission, and other national and international philanthropic organizations for capacity building and immediate intervention in poverty reduction in Kano State.

7.4 POLICY IMPLICATION

The following policy adjustments to the legal and administrative framework of *zakat* and *waqf* institutions are required in order to address the issues with the current policy, such as the extremely low *zakat* and *waqf* collection, lack of donor trust, inefficient collection and distribution of *zakat* and *waqf*, and ineffective poverty reduction program.

(a) To The Kano State Government

Review of Zakat and Waqf Law and Practice in Kano State

The government should first review the *zakat* and *waqf* laws and mandate the establishment and recognition of an independent *zakat* organization in each local community in the state, which will be responsible for the collection and distribution of *zakat* and *waqf* in the community. This is to include an enumeration of all vulnerable people in the community and organizing empowerment programs. The government-owned *Zakat* and *Hubusi* Commission should focus more on supporting the community-based *zakat* and *waqf* organizations in the areas of leadership, partnership, coordination, and policy formulation. This would not only promote localization of response to poverty in the state but will also maximize local *zakat* and *waqf* resources and build more trust in the minds of donors because they can easily monitor the impact of their donations through programs conducted by their *zakat* and *waqf* community organizations.

It is recommended for the government to re-invent policies so that *zakat* and *waqf* can meet the needs and peculiarities of our contemporary African society, which may include the use of modern technology in the collection and distribution. Collaboration with different experts should be encouraged in different fields, such as Islamic social finance, Islamic law, economics, and social policy, so that they can come together to share ideas and employ expert practice on how to elevate *zakat* and *waqf* institutions in line with international best practices.

Building a Data-centric Zakat Institution

The government *Zakat* and *Hubusi* Commissions should develop records of all potential *zakat* payers through collaboration with the Kano State internal revenue service, banks, and other community associations. This would help the commission improve compliance by targeting individuals with an income level above the *zakat* threshold. These records will alternatively be shared with community organizations for tracking potential donors in their communities. On the other hand, community-based *zakat* and *waqf* Organizations should serve as a source of data for the commission on the number of donors and vulnerable people in each community for general records and planning purposes. In addition, an enumeration exercise of all community and civic society in

Kano should be conducted to categorize them based on assistance rendered to the community. This would provide updated information on their role in poverty reduction and the level of assistance needed to improve their capacity and role in poverty reduction.

Promoting Accountability and Depoliticization

The state authority, through the commission, should make regulations on the method and manner in which all independent community *zakat* and *waqf* institutions are to render an annual report to the commission and the public. *Zakat* and *waqf* collected by independent organizations should be used appropriately for the intended recipients, and the commission should periodically monitor these transactions to ensure accountability. Staff of the commission should be trained on record keeping and other modern ways of *zakat* and *waqf* institutional management, so that a consolidated report for all the *zakat* and *waqf* organizations would be prepared by the commission for public consumption, indicating the amount collected in the entire state and the number of people who benefitted from each *zakat* category and *waqf*, citing major programs initiated by different community-based organizations, the challenges encountered, and ways to improve on them in the future. However, the government should ensure that those appointed to head the affairs of the commission have the necessary qualifications to do so and that their actions are no longer influenced by political officeholders. This is possible if all stakeholders are engaged in the appointment of principal officers of the commission.

(b) To Islamic Scholars and Higher Educational Institutions

Record has shown that many Muslims in Kano take too lightly the importance of *zakat*, not only as a strong pillar of Islam but also as a means of promoting social peace and harmony. Therefore, Islamic scholars should bridge this gap by intensifying preaching on the virtues of *zakat* and *waqf* in their religious gatherings. This would educate community members on why, when, how, and who to pay *zakat* or *waqf* to; this will serve as a strong tool for education, promoting compliance, and mobilizing local resources.

Universities and other institutions of higher learning in Kano State have a greater role to play in promoting effective *zakat* and *waqf* institutions. First, they can develop training programs for *Zakat* and *waqf* administrators on contemporary *zakat* and *waqf* institutional administration. Similar training can be conducted for *zakat* and *waqf* donors on *zakat* and *waqf* payment, and for *zakat* and *waqf* recipients on economic empowerment. Different departments in higher educational institutions, such as economics, business administration, and entrepreneurship, can play a bigger role in providing these trainings. On the other hand, this higher educational institution should identify different knowledge gaps on *zakat* and *waqf* with the objective of carrying out empirical research so as to provide better ways on how to reduce the increasing poverty in Kano State.

(c) To Existing Community Based Organizations

Community-based organizations should make sure that those saddled with their administration are honest and can discharge their responsibilities in a transparent and efficient manner. They also need to make sure that knowledgeable people from diverse area are appointed to chair the activities of the organization so that problems will be viewed in multidimensional ways and offered multidimensional solutions.

Since these CBOs are part of the community and are closer to both *zakat* and *waqf* givers and recipients, they can easily earn trust from *zakat* and *waqf* givers if their poverty reduction programs have a positive impact on the community. Although these CBOs proved more effective than the government *Zakat* and *Hubusi* Commission, they should also invest more in capacity building, resilience in local responses to poverty, community education, partnerships with other local actors, and building trust with international *zakat* and *waqf* actors to attract more funding and for continuous improvement in poverty reduction. They should also invest in data gathering to have a comprehensive list of all *zakat* and *waqf* donors, potential donors, and records of all categories of *zakat* and *waqf* recipients and the gravity of their vulnerability in order to meet priorities.

7.5 LIMITATION AND FUTURE RESEARCH GUIDE

The study has some limitations to note. First, the scope of the study is Kano, northwestern Nigeria, and cannot be generalized to other states in Nigeria, especially those in the southern part of the country, which have a lower percentage of Muslim population and a sociocultural background different from that of northern Nigeria. Therefore, future studies should further the scope to include this part of the country.

Second, only the themes and subthemes identified from the responses of the participants in the qualitative first phase of the study is reflected in the second phase study's instruments. Themes that donors and potential donors might bring up are not evaluated. Therefore, future research may address these issues by examining the themes in other contexts by conducting an interview with donors and potential donors to identify themes in the first phase and apply questions to Zakat officials and experts in the second phase.

Finally, the study has contributed to empirical research in the fields of *zakat*, *waqf*, poverty alleviation, localisation, and the function of community-based organisations. However, there is a strong case for future research into how to develop a national *zakat* and *waqf* index based on our local context and the domestication of *zakat* and *waqf* core principles. There is also the need for further research on how to continuously improve the capacity of local *zakat* and *waqf* actors, communities, and independent *zakat* and *waqf* organisations, as well as how to develop and implement risk management in *zakat* and *waqf* practice in Kano, Nigeria, in order to achieve inclusive practices and effective poverty reduction.

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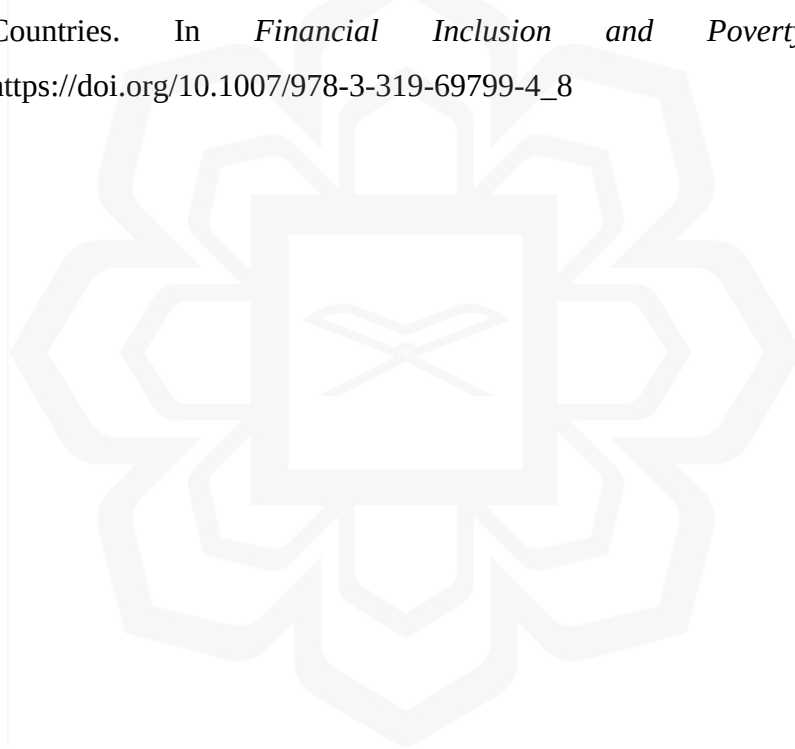
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APPENDICES

APPENDIX A: INTRODUCTORY LETTER TO KANO STATE ZAKAT AND HUBUSI COMMISSION

Federal Inland Revenue Service
NO. 14a State Road Kano
Kano State
01/06/2021

The Chairman
Zakka and Hubusi Commission
Kano State

Sir,

Attention: Director, Planning Research and Statistics, Zakka and Hubusi Commission Kano

Application for the release of Data on Zakka and Hubusi for an Academic Research

I am a student of International Islamic University Malaysia (IIUM) conducting a research on Zakka and Waqf for poverty reduction in Kano state. I humbly wish to request for the release of the following data which is to be used strictly for academic research

- 1) Zakka collection from 2001 to 2021
- 2) List and types of Waqf/Hubusi

Attached with is copy of my student Identity card and research topic approval letter for your kind consideration, please.

Thank you.


Lawan Bello
08053481377

APPENDIX B: PARTICIPANTS CONSENTS FORMS

RESEARCH INFORMATION SHEET AND SIGNED CONSENT FORM

Sir, you are invited to participate in an interview for a research study on Zakat and Waqf (Hubusi) in Kano, Nigeria. Your experience in this area intended to be used in my dissertation as PhD candidate at International Islamic University Malaysia.

About the Research

- We want to develop a strong framework for poverty reduction using Zakat and Waqf (Hubusi).
- We are particularly interested in key areas that require immediate intervention for an effective Zakat and Waqf Institution in Kano, Nigeria.
- We shall use the result of the interview to recommend a legal framework, governance requirement, human resource requirement, community participation, and compliance mechanism needed for an effective Zakat and Waqf Institution, and for poverty reduction in Kano.

What we are asking you to do, Sir

- Provide basic information about yourself.
- Allow us to interview you at home or office for a time not more than 60 minutes and to type record the interview.
- Allow us to quote from your interview (anonymously if you prefer) in report on our study.

If you have any queries, please telephone +2348053481377

If you agree, please sign below

Name in Capitals... USMAN DACHAU Signed... [Signature]

Date... 21/08/2022

RESEARCH INFORMATION SHEET AND SIGNED CONSENT FORM

Sir, you are invited to participate in an interview for a research study on Zakat and Waqf (Hubusi) in Kano Nigeria. Your experience in this area intended to be used in my dissertation as PhD candidate at International Islamic university Malaysia

About the Research

- We want to develop a strong framework for poverty reduction using Zakat and Waqf (Hubusi)
- We are particularly interested on key areas that require immediate intervention for an effective Zakat and Waqf Institution in Kano Nigeria
- We shall use the result of the interview to recommend on a legal framework, governance requirement, human resource requirement, community participation, and compliance mechanism needed for an effective Zakat and Waqf Institution, and for poverty reduction in Kano.

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- Allow us to quote from your interview (anonymously if you prefer) in report on our study

If you have any queries, please telephone +2348053481377

If you agree, please sign below

Name in Capitals.....

GARBA ABDU

Signed.....



Date.....

18/11/2022

RESEARCH INFORMATION SHEET AND SIGNED CONSENT FORM

Sir, you are invited to participate in an interview for a research study on Zakat and Waqf (Hubusi) in Kano Nigeria. Your experience in this area intended to be used in my dissertation as PhD candidate at International Islamic university Malaysia

About the Research

- We want to develop a strong framework for poverty reduction using Zakat and Waqf (Hubusi)
- We are particularly interested on key areas that require immediate intervention for an effective Zakat and Waqf Institution in Kano Nigeria
- We shall use the result of the interview to recommend on a legal framework, governance requirement, human resource requirement, community participation, and compliance mechanism needed for an effective Zakat and Waqf Institution, and for poverty reduction in Kano.

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- Allow us to interview you at home or office for a time not more than 60 minutes and to type record the interview
- Allow us to quote from your interview (anonymously if you prefer) in report on our study

If you have any queries, please telephone +2348053481377

If you agree, please sign below

Name in Capitals NAZIRU ADAMU Signed [Signature]

Date 25-06-2022

RESEARCH INFORMATION SHEET AND SIGNED CONSENT FORM

Sir, you are invited to participate in an interview for a research study on Zakat and Waqf (Hubusi) in Kano Nigeria. Your experience in this area intended to be used in my dissertation as PhD candidate at International Islamic university Malaysia

About the Research

- We want to develop a strong framework for poverty reduction using Zakat and Waqf (Hubusi)
- We are particularly interested on key areas that require immediate intervention for an effective Zakat and Waqf Institution in Kano Nigeria
- We shall use the result of the interview to recommend on a legal framework, governance requirement, human resource requirement, community participation, and compliance mechanism needed for an effective Zakat and Waqf Institution, and for poverty reduction in Kano.

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- Allow us to interview you at home or office for a time not more than 60 minutes and to type record the interview
- Allow us to quote from your interview (anonymously if you prefer) in report on our study

If you have any queries, please telephone +2348053481377

If you agree, please sign below

Name in Capitals... SAMAILA SANI ... Signed... SSani

Date... 8/6/2022

RESEARCH INFORMATION SHEET AND SIGNED CONSENT FORM

Sir, you are invited to participate in an interview for a research study on Zakat and Waqf (Hubusi) in Kano Nigeria. Your experience in this area intended to be used in my dissertation as PhD candidate at International Islamic university Malaysia

About the Research

- We want to develop a strong framework for poverty reduction using Zakat and Waqf (Hubusi)
- We are particularly interested on key areas that require immediate intervention for an effective Zakat and Waqf Institution in Kano Nigeria
- We shall use the result of the interview to recommend on a legal framework, governance requirement, human resource requirement, community participation, and compliance mechanism needed for an effective Zakat and Waqf Institution, and for poverty reduction in Kano.

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- Allow us to interview you at home or office for a time not more than 60 minutes and to type record the interview
- Allow us to quote from your interview (anonymously if you prefer) in report on our study

If you have any queries, please telephone +2348053481377

If you agree, please sign below

Name in Capitals... ABUBAKAR MUSA LAWAN ... Signed... [Signature]

Date... 08/06/2022

RESEARCH INFORMATION SHEET AND SIGNED CONSENT FORM

Sir, you are invited to participate in an interview for a research study on Zakat and Waqf (Hubusi) in Kano Nigeria. Your experience in this area intended to be used in my dissertation as PhD candidate at International Islamic university Malaysia

About the Research

- We want to develop a strong framework for poverty reduction using Zakat and Waqf (Hubusi)
- We are particularly interested on key areas that require immediate intervention for an effective Zakat and Waqf Institution in Kano Nigeria
- We shall use the result of the interview to recommend on a legal framework, governance requirement, human resource requirement, community participation, and compliance mechanism needed for an effective Zakat and Waqf Institution, and for poverty reduction in Kano.

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- Allow us to interview you at home or office for a time not more than 60 minutes and to type record the interview
- Allow us to quote from your interview (anonymously if you prefer) in report on our study

If you have any queries, please telephone +2348053481377

If you agree, please sign below

Name in Capitals..... Sani Ahmad Weli Signed..... [Signature]

Date..... 8/6/22

RESEARCH INFORMATION SHEET AND SIGNED CONSENT FORM

Sir, you are invited to participate in an interview for a research study on Zakat and Waqf (Hubusi) in Kano Nigeria. Your experience in this area intended to be used in my dissertation as PhD candidate at International Islamic university Malaysia

About the Research

- We want to develop a strong framework for poverty reduction using Zakat and Waqf (Hubusi)
- We are particularly interested on key areas that require immediate intervention for an effective Zakat and Waqf Institution in Kano Nigeria
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- Allow us to interview you at home or office for a time not more than 60 minutes and to type record the interview
- Allow us to quote from your interview (anonymously if you prefer) in report on our study

If you have any queries, please telephone +2348053481377

If you agree, please sign below

Name in Capitals. HARUNA USMAN SARMA Signed HS

Date 11/06/2022

RESEARCH INFORMATION SHEET AND SIGNED CONSENT FORM

Sir, you are invited to participate in an interview for a research study on Zakat and Waqf (Hubusi) in Kano Nigeria. Your experience in this area intended to be used in my dissertation as PhD candidate at International Islamic university Malaysia

About the Research

- We want to develop a strong framework for poverty reduction using Zakat and Waqf (Hubusi)
- We are particularly interested on key areas that require immediate intervention for an effective Zakat and Waqf Institution in Kano Nigeria
- We shall use the result of the interview to recommend on a legal framework, governance requirement, human resource requirement, community participation, and compliance mechanism needed for an effective Zakat and Waqf Institution, and for poverty reduction in Kano.

What we are asking you to do, Sir

- Provide basic information about yourself
- Allow us to interview you at home or office for a time not more than 60 minutes and to type record the interview
- Allow us to quote from your interview (anonymously if you prefer) in report on our study

If you have any queries, please telephone +2348053481377

If you agree, please sign below

Name in Capitals

HARUNA USMAN DARMA

Signed.....

Date

10/8/2023

RESEARCH INFORMATION SHEET AND SIGNED CONSENT FORM

Sir, you are invited to participate in an interview for a research study on Zakat and Waqf (Hubusi) in Kano Nigeria. Your experience in this area intended to be used in my dissertation as PhD candidate at International Islamic university Malaysia

About the Research

- We want to develop a strong framework for poverty reduction using Zakat and Waqf (Hubusi)
- We are particularly interested on key areas that require immediate intervention for an effective Zakat and Waqf Institution in Kano Nigeria
- We shall use the result of the interview to recommend on a legal framework, governance requirement, human resource requirement, community participation, and compliance mechanism needed for an effective Zakat and Waqf Institution, and for poverty reduction in Kano.

What we are asking you to do, Sir

- Provide basic information about yourself
- Allow us to interview you at home or office for a time not more than 60 minutes and to type record the interview
- Allow us to quote from your interview (anonymously if you prefer) in report on our study

If you have any queries, please telephone +2348053481377

If you agree, please sign below

Name in Capitals.....YUNUSA HARUNA..... Signed.....[Signature]

Date.....1st June '22.....

APPENDIX C: SAMPLE OF INTERVIEW QUESTIONS

- Sir, Kano state government has established *Zakat* and *Hubusi* commission since 2003 to collect, distribute, and regulate all matters relating to *Zakat* and *Hubusi* in Kano. Do you consider this institution important in our society?
- How is the *Zakat* and *Hubusi* commission performing in term of collection and distribution in both the city and the rural areas of Kano?
- What is the basic structure required to support the development of *Zakat* and *Hubusi* in Kano?
- Are there any new areas of *Zakat* and *Hubusi* which Kano state need to legislate on? such as private and community *Zakat* and *waqf* institution, use of modern technology, governance, and organisational structure etc
- Preliminary report shows that collection by Kano state *Zakat* and *Hubusi* commission is not impressive, what could be the reason for noncompliance? How do you handle it? Do you think is possible to prosecute noncompliance?
- What can you say about people behaviour toward *Zakat* payment and giving *Hubusi* when compared with compliance in the conventional tax system?
- Do you think *Zakat* and *Hubusi* has the potentials to generate resources for poverty reduction?
- Who are the donors? Who are the beneficiaries? How do you identify the two categories?
- Do you have any poverty reduction action plans? How effective are they? Do you collaborate with community or non-governmental organisation to achieve your action plans?
- Who are the administrators in the commission? How are they appointed and what competence required for the appointment?
- Did the commission prepare accounts and published annual report of activities?

OTHER PROMPTS QUESTIONS

Can you tell us more about?

- The regulatory requirement of the commission/ *Zakat* and *Waqf* laws
- Management of the commission/ any private entity doing *Zakat* and *Waqf* functions
- Community participation
- Use of modern technology
- Poverty reduction action plan
- Social exclusion
- Resource utilization
- Research and planning



APPENDIX D: TRANSLATION OF APPENDIX C

TAMABOYIYIN ZANTAWA

- Sir, gwamnatin Kano ta samar da ma'aikatar Zakka da *Hubusi* a jahar wanda aikin su ne tattarawa da rabawa tare da kulawa da dukkan abinda ya shafi Zakka da *Hubusi* a jahar. Kana ganin wannan ma'aikatar tana da muhimmanci ga al'ummar mu?
- Ma'aikatar ta Zakka da *Hubusi* tana samun nasara gurin gudanar da aikin tattarawa da rarraba Zakka da *Hubusi*?
- Wane yanayin tsari ake bukata domin samar da ci gaban ma'aikatar Zakka da *Hubusi* a Kano?
- Akwai wasu sababbin bangarori da a ma'aikatar Zakka da *Hubusi* ta Gwamnatin Kano take bukatar tabbatar da doka Akai? Kamar misalin dokoki akan bangaren kungiyoyin Zakka da Waqafi masu zaman kansu, amfani da fasahar zamani, shugabanci da tsarin gudanar da ma'aikatar.
- Bincike na farko ya nuna cewa babu burgewa/cigaba sosai a cikin harkar tattara Zakka a Kano, shin menene ya janyo rashin bayar zakkar? Ta Yaya za'a gyara matsalar? Kana Jin cewa hukunta masu kin bayar da zakkar zai taimaka?
- Me zaka iya cewa game da halin mutane akan bayar da zakka da *hubusi* in ka kwatanta da biyan haraji da aka saba bayar wa?
- A ra'ayin ka kana jin cewa Zakka da *Hubusi* zasu iya rage talauci a tsakanin al'umma?
- Su waye masu bayar da zakkar? Su waye masu cin gajiya ta? Ta Yaya ake tantance bangarori?
- Kuna da wasu tsare-tsare ne na rage talauci a cikin al'umma? Suna Bada sakamakon da ake nema (wato suna rage talauci)? Kuna hadin gwiwa da kungiyoyin Zakka da Waqafi masu zaman kansu domin gudanar da tsare-tsaren aikin ku?

- Su waye shugabbanin ma'aikatar? Ya ake zabar su? Kuma wane matakin kwarewa ake bukata don zaben su?
- Ma'aikatar tana fitar da bayani akan asusun ta tare da bayanan gudarwa na shekara-shekara?

WASU TAMBAYOYIN WAIWAYE YAYIN ZANTAWA

- Ka'idoin gudanar da ma'aikatar/Dokokin Zakka da Waqafi
- Kula da ma'aikatar/bayani akan kungiyoyi masu zaman kansu
- Tsoma hannun al'umma
- Amfani da fasahar zamani
- Tsare-tsaren gudanar da ayyukan rage talauci.
- Ware wasu al'umma
- Kula da kayan amfani
- Bincike da tsare-tsare

APPENDIX E: INTERVIEWS TRANSCRIPTIONS

RESEARCHER AND RESPONDENT 1

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on “*Zakat and Hubusi*”.

Researcher: Sir, Kano State Government has established *Zakat and Hubusi* Commission since 2004 to collect, distribute, and regulate all matters relating to *Zakat* and *Hubusi* in Kano. Do you consider this institution important in our society?

Respondent 1: My name is Yunusa Haruna. I am in charge of planning, research and statistics of this agency. This agency was established in 2004 by the administration of Mallam Ibrahim Shekarau. The agency is in charge of collection and distribution of *Zakat* to the needy. It is a known fact that the rich men/women in Kano are not used to submitting their *Zakat* to the government. They prefer to distribute their *Zakat* to their family and friends by themselves according to the teachings of Islam. The government then decided to give charity from time to time.

Researcher: Do you consider distributing their *Zakat* by themselves a norm or it is in accordance to the teachings of Islam?

Respondent 1: Well, I see it as a compliance to the teachings of Islam, but if you look at other countries, it is not done like that. Before this agency was established, we went to other countries to see how they distribute *Zakat*. In some parts of the world, even scholarship is awarded to students whose parents pay their *Zakat* regularly. But here, we have an agency in charge of scholarship. In some countries, the *Zakat* agency is in charge of scholarship as well.

Researcher: How is the *Zakat* and Husubi Commission performing in terms of collection and distribution in both the city and rural areas of Kano?

Respondent 1: As for collection, there is a serious problem. This is because they prefer to make the distribution by themselves. What we need is, if you have one million Naira to give out as *Zakat*, you can give four or five hundred thousand to us and distribute the remaining by yourself. There is no law that says you should bring it all to us. They should at least patronise our services.

Researcher: Do you think because the law has not made it mandatory that is why they make the distribution by themselves?

Respondent 1: Well, the law only says the agency is in charge for collection and distribution of *Zakat* to the needy. Some of them are coming to ask for Nisab (*Zakat* ratio). We bring out the ratio every Friday because of the inflation we are facing.

Researcher: What is the structure required to support the development of *Zakat* and Husubi in Kano?

Respondent 1: A lot, but everything depends of our state governor. If, for instance, the governor will declare that his commissioners, lawmakers and senators, banks, event centres, companies and others should all give out their *Zakat* to this agency, I am sure individuals will comply to this declaration. Since 2004, there are rich men like Aminu Alhassan Dantata who always give out his *Zakat* to this agency for distribution. He gives us five million Naira every year.

Researcher: Do you think there are other structures needed for the development of this agency?

Respondent 1: Yes, there are structures needed although the government has come up with a plan to reduce the tax (tax credit) of whosoever pays his *Zakat* as an individual or company to this agency.

Researcher: Can you give them any proof?

Respondent 1: Yes, we can give them proof. We are still waiting for the government to implement this policy which we believe will boost our collection. Moreover, some companies are owned by non-Muslims. The government then says they should give Corporate Social Responsibility (CSR) to us. Let me give you an instance. Our Shari'ah courts are in charge of distributing inheritance. Sometimes after the distribution there is a portion that cannot be claimed. That portion, by law, belongs to this agency. There are also lost and found items. All these are specified in the new laws of the agency.

Researcher: Do you think this will strengthen *Zakat* collection?

Respondent 1: Yes, it will help.

Researcher: In the southern part of this country, they have private *Zakat* institutions. Do you think if private *Zakat* institutions are established, can it enhance collection and distribution of *Zakat*?

Respondent 1: Yes, it will help because both private and government *Zakat* institutions are under the umbrella of one organisation. We are also a member of the organisation.

Researcher: Do you have private *Zakat* institution in Kano?

Respondent 1: Yes, it was *Zakat* Council but the law establishing this agency has abolished *Zakat* Council. For now, we do not have any private *Zakat* institution in Kano.

Researcher: Do you think you need them in Kano?

Respondent 1: Well, there are many things to be looked at before establishing such institutions.

Researcher: There are different foundations in Kano and many wealthy individuals are supporting them with *Zakat*. Do you think such foundations can be incorporated to enhance collection and distribution of *Zakat*?

Respondent 1: The law is specific about this. All of such foundations must be under our watch. No foundation is allowed to operate without our knowledge. They must register with us and let us know what they have collected and distributed by giving us reports. In Lagos, there was a private *Zakat* institution that has collected about two hundred and eighty-seven million Naira last year. They told us there was a woman who was in need of just fifty thousand Naira. The institution gave her five times what she needed. Our *Zakat* institution has been politicised. Some wealthy individuals refuse to give out their *Zakat* to us just because they do not belong to the political party of the day.

Researcher: What about the structure of the organisation? Does it have any impact on your collection?

Respondent 1: This is civil service. We are posted by the government. It all depends on those appointed to head the agency. This is what some people look at. There is trust issue.

Researcher: I read one of your reports that your collection and distribution annually is just about ten million Naira and it is mostly in Ramadan. Why is this so?

Respondent 1: It is a norm that Muslims in Kano give out *Zakat* in Ramadan. Only few bring it to us.

Researcher: Why do you think they default?

Respondent 1: Even during the life time of the prophet some people had to be forced to pay their alms. The *Zakat* collection in Kano has been politicised.

Researcher: Do you think they can be compelled to pay the way they do in Jigawa and others?

Respondent 1: All of them copied our procedure. Even the *Zakat* and *Hubusi* Commission in Sokoto copied from us. Unfortunately, in Sokoto you can see *Zakat* of camels, sheep, cows and others but in Kano we are left with only monetary *Zakat*.

Researcher: You think they can be punished?

Respondent 1: The law has not specified any punishment for defaulters. We are only required to enlighten the public on the radio, television and other platforms.

Researcher: You mean they only be enlightened based on morality?

Respondent 1: Our leaders are politicians. If you decide to punish them for this purpose, you might have followership problem. But the government can decide to mandate banks to deduct *Zakat* from account holders who are of Nisab and transfer proceeds to *Zakat* Commission.

Researcher: You think the government can do that?

Respondent 1: Yes, but it might come with lapses. Individuals and corporations might decide to go to courts. Some might even close their accounts.

Researcher: Do you think *Zakat* and *Hubusi* can be incorporated to the payment of regular taxes which generate much more than *Zakat* Commission?

Respondent 1: Well, people willingly accept government policies at the federal level. If government decides to do something, people will just follow. Even the recharge card you buy comes with Value Added Tax (VAT). People are not complaining. But because this is ordained by God, people decide not to oblige. We need committed leaders for this purpose.

Researcher: Do you think the community has something to offer?

Respondent 1: The community is yet to understand the concept of *Zakat*.

Researcher: In Malaysia, I have benefited from *Zakat* in my school as a student. Do you think it can be done here?

Respondent 1: Our level of awareness and understanding differ. Every time you tune in to radio, you hear someone requesting for three thousand or to buy drugs. This is unfortunate.

Researcher: Do you think *Zakat* payment has the capacity to reduce poverty?

Respondent 1: Sure. The aim of *Zakat* is to fight poverty. My teacher told me we have wealthy individuals in Kano that can even handle the whole of Africa because they have the capacity. But they do not pay out *Zakat*.

Researcher: Who are your contributors?

Respondent 1: They are mostly individuals. I told you we have Aminu Dantata and other few individuals. I once saw an individual who brought his Alms in 2020 and 2021. He always disguises himself so that his identity cannot be revealed.

Researcher: How can you identify your donors?

Respondent 1: It is just a random sampling. We go to hotels and companies. We give them our forms. We even go to banks but none of them has ever paid *Zakat* to us. They only promise. There was a company that sent letter to us, informing us it paid out its *Zakat*.

Researcher: Don't you think they need to inform you?

Respondent 1: The commission has been politicised. There is a policy in Sokoto where after every federation account meeting, there is a percentage the state government gives to *Zakat* and *Hubusi* Commission. In fact, every local government gives five hundred thousand Naira to the commission in Sokoto not Kano.

Researcher: How do you identify your beneficiaries?

Respondent 1: We ask them to forward their request in writing. But mostly, the donors come with their list of beneficiaries.

Researcher: Do you have any action plan to reduce poverty with *Zakat*, may be through empowerment programmes?

Respondent 1: We have such plans but our hands are tight. We don't have funds. We have plans for empowering the people.

Researcher: Do you have any collaboration with community *Zakat* committees?

Respondent 1: Even if we have collaboration, they need to always keep us in the loop of their activities. We are established by the government. They are not.

Researcher: They can claim it is not *Zakat*. How about that?

Respondent 1: Our mandate is limited to *Zakat* only. You can give us charity, corporate social responsibility or any other form of monetary or property donation. It is stipulated in the law that established the commission. They need to register with us.

Researcher: But they know the beneficiaries more than you do. Don't you think they deserve to be incorporated?

Respondent 1: Most of them come to us for one request or the other.

Researcher: What is your preference? Women or children?

Respondent 1: Yes, we donate mostly to women who have children.

Researcher: Are you saying your action plan for poverty eradication is not working?

Respondent 1: It is not working because of lack of funds. It is only on paper.

Researcher: Who are your leaders?

Respondent 1: We have Dr Ibrahim as chairman, and Dr Abdulmudallib Ahmad as commissioner 1, Dr Abubakar Atiku as commissioner 2, then three directors.

Researcher: How did they emerge as leaders of the commission?

Respondent 1: They are appointed by the governor. But the law specifies that for a person to be appointed as chairman, he has to be a reputable individual and well respected by people.

Researcher: Who decides this?

Respondent 1: It is the government that decides this.

Researcher: Are there any criteria for the appointment or even competency?

Respondent 1: Yes, there is. We have opinion leaders. They are mostly known for their integrity and honesty.

Researcher: What about academic qualifications?

Respondent 1: Yes, both western and Islamic. The Islamic education is mostly considered.

Researcher: What about other appointments?

Respondent 1: This is based on posting only. As long as you are a civil servant, you can be posted to work in this commission.

Researcher: Do you prepare and publish your annual reports? I mean what has been collected and spent.

Respondent 1: No, we do not.

Researcher: Do you think the use of information and communication technology can enhance your work?

Respondent 1: Yes, it can.

Researcher: What problems do you think if solved, your work would be much easier?

Respondent 1: We need running cost from the government. We have a plan to go digital. We want to make our work known by using the internet. We need an application (mobile app). We have no funds as well as technical know-how. We are just locked up

Researcher: What is your department of planning, research and statistics doing to solve your problems?

Respondent 1: You cannot use your personal funds. We always have a meeting to table our issues. We have a blueprint but there is no money to even buy internet data.

Researcher: What do you think individuals can do to help the commission?

Respondent 1: Everybody has a role to play. You can contribute even some part of your salary. We have civil servants who divide their salaries by forty and give out one as *Zakat*.

Researcher: What do you think can be done to strengthen your work? Research has shown that Kano State is amongst the poorest states in Nigeria. What do you think can be done to change this narrative?

Respondent 1: Well, we need to eliminate illiteracy. People should help willingly. We need awareness for *Zakat* collection. The government should also lead by example. The government should make an appeal fund, starting from commissioners, local government chairmen and the governor himself. Individuals like Dangote, Abdussamad Ishyaka Rabi'u, AA Rano and other wealthy individuals in Kano should also be invited for this appeal fund by the government.

Researcher: So the government has a role to play?

Respondent 1: Of course.

Researcher: Thank you.

Respondent 1: No problem.

RESEARCHER AND RESPONDENT 2

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on "*Zakat and Hubusi*".

Researcher: Sir, Kano State Government has established *Zakat and Hubusi* Commission since 2004 to collect, distribute, and regulate all matters relating to *Zakat* and *Hubusi* in Kano. Do you consider this institution important in our society?

Respondent 2: My name is Ibrahim Nasidi. Yes, the commission is very important to our society. The commission distributes forms to wealthy individuals who might have the interest of giving out their *Zakat* (alms). The commission then collects the funds or food items and distributes to the needy on their record accordingly. There was a person who came here yesterday complaining he had no food to feed his family. Even Hisbah does send people to the commission to have a share of the *Zakat* collected.

Researcher: How is the *Zakat* and *Husubi* Commission performing in terms of collection and distribution in both the city and rural areas of Kano?

Respondent 2: During Ramadan, the commission moves around hotels, Singa market and to houses of wealthy individuals for *Zakat* collection. The commission then declares what has been collected with the presence of the media.

Researcher: What is the structure required to support the development of *Zakat* and *Husubi* in Kano?

Respondent 2: Well, the commission is always sending a reminder to the rich individuals on the need to help the poor through regular payment of *Zakat*. The account number of the commission is widely publicised to ease the collection process. To be honest, they are complying especially during Ramadan. Aminu Dantata alone gives out millions of Naira. The commission declares the amount and distributes accordingly. As regards support, the government has step-in. Measures have been put in place that contracts in the state can only be awarded to those who pay their *Zakat* regularly.

Researcher: Are there any new areas of *Zakat* and *Hubusi* which Kano state needs to legislate on such as private and community *Zakat* and *Waqf* institution, use of modern technology, governance as well as organisational structure, etc?

Respondent 2: The commission is doing its best. The wealthy individuals have to be followed to their various houses or places of work. Directors of the commission sometimes work from morning till midnight in search of *Zakat*. Our clerics are also propagating the need for prompt *Zakat* payment. When Sokoto State decided to establish *Zakat* and *Hubusi* Commission, they came here. We gave them our documents. Today, they are better than us in terms of collection. This is surprising because Kano State is richer and highly populated than Sokoto State. Our beneficiaries are far more than the donors.

Researcher: Do you think Sokoto State is better than Kano in this regard?

Respondent 2: No, that's not the point. There is wide publicity but compliance is very low. Some prefer to distribute their *Zakat* by themselves and make it known in the media. Our directors are really trying.

Researcher: Do you think the use of internet can help?

Respondent 2: Of course, the use of internet can help boost our collection. In fact, there have been a lot of transformations in our administration. We have more experienced directors at the moment.

Researcher: How do you think they can overcome noncompliance?

Respondent 2: They can overcome noncompliance through the use of internet.

Researcher: Preliminary report shows that collection by Kano State *Zakat* and *Hubusi* Commission is not impressive. What could be the reason for noncompliance? Do you think it is possible to prosecute noncompliance?

Respondent 2: Human beings are complex in nature. They prefer to announce everything on the radio. I think our clerics should continue to preach and call the attention of the rich amongst us on this important and obligatory duty.

Researcher: What can you say about the behaviour of people towards *Zakat* payment and giving *Hubusi* when compared with compliance in the conventional tax system?

Respondent 2: This is true but I think with this transformation things will change. Our new directors will be sworn-in very soon. I have confidence in them.

Researcher: Do you think *Zakat* and *Hubusi* has the potentials to generate resources for poverty reduction?

Respondent 2: Of course, it does.

Researcher: Who are the donors? Who are the beneficiaries? How do you identify the two categories?

Respondent 2: The donors are identified by their names. They are known to be rich. There are also those who are not known. Sometimes they come by themselves. The beneficiaries are identified when they come to us. Some will be crying while narrating their ordeal. We give them forms to fill and if they can't, we fill on their behalf.

Researcher: How can you identify someone from Doguwa Local Government or Takai or Danbatta or even Bichi who might not even be aware of this commission and its need?

Respondent 2: This commission has a lot of beneficiaries. Some are not even from Kano. Some are travellers who might have lost their belongings due armed robbery or theft.

Researcher: Do you have offices in all local government areas of Kano?

Respondent 2: No, we have only one office. Hisbah is collaborating with us by sending beneficiaries who are not aware of our activities.

Researcher: Do you have any poverty reduction action plans? How effective are they? Do you collaborate with community and non-governmental organisations to achieve your action plans?

Respondent 2: Yes, we have collaboration, especially with orphanage homes. Kano Emirate Council alone can send the names of about 50 or 100 people for *Zakat*. We make a list of names and phone numbers. Whenever we have funds available, we call them one after the other.

Researcher: How will you know that someone who claims to be needy is saying the truth?

Respondent 2: If for instance we have someone who wants to pay his rent, we visit the house to make sure he is telling the truth before making the payment. If it is food items he needs, we buy the food items and give to him. We do all this to make sure we distribute to appropriate beneficiaries.

Researcher: Is there any improvement? Are the beneficiaries decreasing in number or increasing?

Respondent 2: Honestly, they are increasing in number. This commission is well known. Anyone who has an accident, be it fire outbreak or any other calamity, he comes to us for help. Sometimes our directors use their salaries to help the needy.

Researcher: Who are administrators of the commission? How are they appointed and what competence is required for the appointment?

Respondent 2: The appointment comes from the government. I am a store officer from the Ministry of Finance and transferred to this commission. I am in charge of keeping food items brought to the commission as *Zakat*.

Researcher: Are the beneficiaries men or women, children or the aged?

Respondent 2: They are mostly the aged and their need is mainly for foodstuffs.

Researcher: What are the requirements needed for getting employed into this commission?

Respondent 2: You can just be employed without any requirements. You will be taught everything here. That's why we have directors. It is their job to put you through.

RESEARCHER AND RESPONDENT 3

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on “*Zakat and Hubusi*”.

Researcher: Sir, the Kano State Government has established *Zakat and Hubusi* Commission since 2004 to collect, distribute, and regulate all matters relating to *Zakat* and *Hubusi* in Kano. Do you consider this institution important in our society?

Respondent 3: This commission is very important not only to the development of Kano State but to the entire nation. The commission is like a home for any person with financial or any other problems. Since its establishment, government has been the major supporter of the commission. Government does not give out *Zakat* but it is supporting the commission so that other wealthy individuals can emulate the gesture.

Researcher: How is the *Zakat and Hubusi* Commission performing in terms of collection and distribution in both the city and rural areas of Kano State?

Respondent 3: There are a lot of procedures put in place by the commission as regards collection and distribution of *Zakat and Hubusi*. The commission is discharging its duties accordingly by going to the nooks and crannies of the state to collect *Zakat* and distribute to the needy. Our major concern is to keep reminding our rich individuals the need to give out their alms to the commission for distributing same. Before this commission, there was *Zakat* Council. The government negotiated with the council and came out with the idea of this commission. The government provides about 6% out of 10% of the total amount needed by the commission as of then.

Researcher: What is the basic structure required to support the development of *Zakat* and *Hubusi* in Kano?

Respondent 3: Well, I think the donors are not convinced with the activities of the commission. We have offices in all the 44 local government areas of Kano State. They are all under their respective local governments. So, we always receive reports from them on activities relating to *Zakat* and *Hubusi*.

Researcher: Do you think this is of the structures that can bring development of *Zakat* and *Hubusi* in Kano?

Respondent 3: Yes, if private *Zakat* institutions will agree to the fact that there is a government institution for this purpose, there will be more development in the area of *Zakat* and *Hubusi*. And for the record, we do not keep those funds collected. There was a man who told us his *Zakat* was usually distributed at home. We told him we didn't need the money. He should only give us his list of beneficiaries which he agreed. We declared what was given to us and distributed accordingly within the premises of the commission.

Researcher: How do you identify the beneficiaries?

Respondent 3: There are different methods employed by the commission to identify beneficiaries. If someone complains that he lost such and such item and that he wants to be supported, we have two to three members of staff who are responsible for verification. They can visit that person's home and make sure he is telling the truth. There was a woman who claimed that her house collapsed and she had nowhere to live in and had orphans with her. The head of the commission was there. He was able to trace her address and confirmed she was telling the truth. The commission was able to rebuild the house for her. There was another woman who came with the issue of rent. She was living in a shop in this very Muslim city. The committee responsible recommended she and her four children be provided with a house.

Researcher: Are there any new areas of *Zakat* and *Hubusi* which Kano State needs to legislate on such as private and community *Zakat* and *Waqf* institution, use of modern technology, governance, and organisational structure?

Respondent 3: Well, many previous directors in the commission are not on social media but recently Facebook page and Twitter account were created for the commission to disseminate information regarding the commission. But with the transformation agenda of this government, our new directors are vast in both western and Islamic knowledge. They are capable of embracing the new media. As regards legislation, government should try and enforce the laws of the commission because I understand there is politics involved. The government should enforce the laws according to Islamic ruling on *Zakat*. They are aware of every wealthy individual whose wealth is of Nisab in the state through its various means. If you can enforce tax laws, I see no reason why you cannot enforce *Zakat* payment. From 2004 till date, I think it is enough for the commission to have overcome all its challenges.

Researcher: Preliminary report shows that collection by Kano State *Zakat* and *Hubusi* Commission is not impressive. What could be the reason for noncompliance? How do you handle it? Do you think it is possible to prosecute noncompliance?

Respondent 3: Noncompliance I think is due to politicization of the work as well as lack of trust of the commission by some rich individuals on the commission. We have a lot of cash crop farmers. But out of 10%, only 3% bring their *Zakat* to us. It is the government that complements the other 7% and you cannot call that *Zakat*.

Researcher: How do you think this problem of non-compliance can be solved?

Respondent 3: It is a tradition that *Zakat* is paid during Ramadan period. Our members of staff move round the city day and night to for awareness and collection. They will keep promising to pay and keep failing at the same time. Our objective is not for them to give us the cash or food items. We are doing this because we feel it is our responsibility.

Researcher: Do you think *Zakat* and *Hubusi* has the potentials to generate resources for poverty reduction?

Respondent 3: If all our rich men and women can comply, you will not find any needy in Kano city.

Researcher: Do you have any poverty reduction action plans? How effective are they? Do you collaborate with community or non-governmental organisations to achieve your action plans?

Respondent 3: Yes, we have action plans. We empower artisans so that they can also empower others. There was a case of a woman who we empowered. She came back the following year. We all thought she came back looking for another empowerment. Surprisingly, she also brought something to be given to others in need. As regards collaboration with the community, we do receive requests from at least 20 different communities with different requests. We do invite at least 5 or more to state their requests and we provide them with their needs according to what we have on ground. It is based on first come, first serve. Remember, I told you we have our chairmen in all the local government areas of Kano State.

Researcher: Who are the administrators? How are they appointed and what competence is required for the appointment?

Respondent 3: The state government is responsible for appointing the administrators of *Zakat* and *Hubusi* from the chairman to his commissioners. Yes, there are requirements for that. You must be knowledgeable on *Zakat* and *Hubusi*. You must be an Islamic scholar. There are also those who are into business for a long time. In fact, majority of the administrators are professors in different fields of endeavour. We have competent administrators.

Researcher: How often do you receive trainings to be acquainted with modern *Zakat* collection and distribution?

Respondent 3: Well, we have two types of members of staff. There are those within the commission and there are those from outside the commission. Over the years, I can remember when the top management went for such trainings. But as for the lower employees, I have not seen any of the training you are talking about.

Researcher: Has any expert in the field of *Zakat* ever been invited maybe from outside the country?

Respondent 3: No, there is nothing of such. But I know we trained people from Niger Republic in 2008. We also trained people from Lagos who were not Muslims. They told us they preferred to give out *Zakat* than tax because *Zakat* involves both Christians and Muslims. Also, we trained *Zakat* administrators from Zamfara and Sokoto states. As for training within us, I cannot remember when that happened.

Researcher: Globally, you find out that among *Zakat* and *Hubusi* administrators there are accountants and other experts in stock market, asset management and other investments, do you have such experts?

Respondent 3: We have an expert but to be honest he has never organized such trainings. He is our representative and goes to different countries for workshops and seminars. He has never stepped down the trainings he received.

Researcher: Are there any qualifications required to work in this commission?

Respondent 3: There was an agreement between the state government and *Zakat* Council that all the council's staff would be retained. The commission can employ from lower cadre, and the head of service can also post staff to the commission. The top management is a mere political appointment. As for the qualifications, I read business

administration. It does not matter whether you read Islamic related fields before you work here. What matters is your competency.

Researcher: Does the commission prepare accounts and publish annual report of activities?

Respondent 3: Yes, we prepare and publish annual report. What we collected, what we spent and others are all documented.

Researcher: Do you have special consideration of beneficiaries?

Respondent 3: We give special consideration to mothers to orphans. We give them at least 5% to 6% out of 10. The remaining 4% goes to others.

Researcher: Do you have any means to find your beneficiaries or it is for those who come to the commission?

Respondent 3: Our door is always open for everyone to come. The community always comes with their list. Anytime we have we want to launch we invite them.

Researcher: What do you think can be done by individuals, the community as well as the government to improve *Zakat* and *Hubusi* compliance?

Respondent 3: The government should make sure that it appoints someone with reputation as head of the commission. Government should use the means it uses to collect tax in *Zakat* and *Hubusi* collection as well.

Researcher: But I observed there is no ventilation in your offices here?

Respondent 3: Well, this is our temporary site. The government has promised to provide us with a permanent site. And because of our commitment we cannot allow lack of offices affect our work. We prefer to work even under the shade of a tree.

Researcher: What about the community? What do you think they can do to help?

Respondent 3: People should consider this commission as a place they can trust, as a place where you can perform one of the duties ordained by God. Unfortunately, here in Kano, a donor can gather up to 1000 beneficiaries and give out his *Zakat* to them. What this means is he doesn't trust us. If he comes to us, we would still give him that credit if that is what he needs. If you cannot give us the funds, just notify us. Give us that honour that you agree and have trust in our work.

Researcher: What about private *Zakat* institutions? What help do you need from them?

Respondent 3: I cannot tell you of any link between *Zakat* and *Hubusi* Commission of Kano and any other private *Zakat* institutions within or outside Kano. We have no link with even *Zakat* Council.

Researcher: You mean *Zakat* Council still exists?

Respondent 3: Yes, it exists. It is regarded as pioneer and has the trust of many wealthy individuals. They have their own list of beneficiaries. In fact, we cannot even compete with them.

Researcher: Does that mean they have higher donors?

Respondent 3: Of course. It is like a stranger buying your house and you allow him occupies some space in same house. Anyone who comes to the house will look for him. They still have offices in all the 44 local government areas of Kano State. The council is our major challenger.

Researcher: It is like *Zakat* Council is breaking the law by operating. What do you think?

Respondent 3: Eight years after establishing *Zakat* and *Hubusi* Commission, all heads were from the council. By the time the government decided to appoint a head who was not from within them, we entered into a loggerhead. You find out the same donor who gives us three million gives five million to *Zakat* Council.

Researcher: What else can you add?

Respondent 3: Donors should fear Allah. They should know this is Allah's work. Under my table here I have about 500 applications. We call on donors from around the world to help the commission. This is a responsibility.

RESEARCHER AND RESPONDENT 4

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on "*Zakat* and *Hubusi*".

Researcher: Sir, Kano State Government has established *Zakat* and *Hubusi* Commission in 2004 to collect, distribute and regulate all matters relating to *Zakat* and *Hubusi* in Kano. Do you consider this institution important in our society?

Respondent 4: My name is Sani Ahmad Wali from Registry Department of this commission. The main aim for establishing this commission is to collect, and distribute *Zakat* to the needy. The commission has done well in discharging its mandate according to the laid down rules and regulations of Islam.

Researcher: How is the *Zakat* and *Hubusi* Commission performing in terms of collection and distribution in both the city and the rural areas?

Respondent 4: Yes, it is collected and distributed accordingly.

Researcher: Do you think the collection is good enough?

Respondent 4: Well, each wealthy individual has his/her method of *Zakat* distribution and of course Kano is so big that I don't think every demand can be met. But to be honest the collection and distribution is more than enough.

Researcher: What is the basic structure required to support the development of *Zakat* and *Hubusi* in Kano?

Respondent 4: The commission needs to collaborate with the rich men and women in the state by showcasing to them how the *Zakat* collected is distributed. The commission already has it established laws but the laws can be amended.

Researcher: Are there new areas of *Zakat* and *Hubusi* which Kano State needs to legislate on such as private and community *Zakat* and *Waqf* institution, use of modern technology, governance, and organisational structure?

Respondent 4: Yes, there should be legislation. Government should make it in such a way that every donor should bring some part of his/her *Zakat* to the commission, if not all. The government should also find a way to prosecute those who refuse to pay their *Zakat* so that the needs of the needy can be taken care of.

Researcher: What about *Waqf* such as building hospitals, schools or research centres? What do you think can be done to improve *Waqf* in Kano?

Respondent 4: Government should make sure shops, hospitals, etc are built to help the commission carry-out its mandate accordingly. By so doing, the commission will have a source of income.

Researcher: Preliminary report shows that collection by Kano State *Zakat* and *Hubusi* Commission is not impressive. What could be the reason for noncompliance? How do you handle it? Do you think it is possible to prosecute noncompliance?

Respondent 4: I think noncompliance is as a result of non-strong legislation. The commission needs to be strengthened by the government. The commission is carrying out the work of Allah. It is *Zakat*. It is mandatory to those who have the means. I cannot specifically say why majority of them refuse to comply but I think they prefer to distribute by themselves.

Researcher: What can you say about people behaviour towards *Zakat* payment and giving *Hubusi* when compared with compliance in the conventional tax system?

Respondent 4: Because the government has stronger rules on tax system. There is also enforcement. If you refuse to pay tax, your business premises will be locked up. Therefore, the government has to replicate the laws of tax system on *Zakat* and *Hubusi* as well.

Researcher: Do you think there won't be any problems when such laws are enacted?

Respondent 4: I don't think there would be any problems.

Researcher: Do you think *Zakat* and *Hubusi* has the potentials to generate resources for poverty reduction?

Respondent 4: I am sure if the government stands strong on this, the commission will generate resources that will reduce, if not eradicate poverty because we have rich men and women in Kano.

Researcher: Who are donors? Who are the beneficiaries? How do you identify the two categories?

Respondent 4: The donors are mostly business men and women. We give the items to the needy. We identify them when they come to us. Some of them can be identified at sight.

Researcher: Do you have any poverty reduction action plans? How effective are they? Do you collaborate with community or non-governmental organisations to achieve your action plans?

Respondent 4: Yes, we have action plans. Some of them give us positive feedback. With what was given to them, they were able to empower themselves and others.

Researcher: Do we have private *Zakat* institutions in Kano? If we do not, do you think we need them?

Respondent 4: Yes, we need them for developing this area of *Zakat* collection.

Researcher: Do you have any collaboration with other community organisations like orphanage homes?

Respondent 4: Yes, the commission has such collaboration. We identify the blind, crippled and others and give them the help they might require.

Researcher: Who are the administrators of the commission? How are they appointed and what competence is required for the appointment?

Respondent 4: The government is responsible for appointing the Chairman, Vice Chairman, Commissioners I and II, directors and other members of staff. Their appointment is based on their vast knowledge of Islamic studies.

Researcher: Does the commission prepare accounts and publish annual report of activities?

Respondent 4: Well, this is not part of my job. But I think the commission does prepare its collections as well as spending.

Researcher: How does the commission make use of *Waqf* given?

Respondent 4: *Waqf* are mostly in forms of mosques, shops and houses. I think those in charge of *Zakat* and *Hubusi* will be in a better position to explain this.

Researcher: Who are your beneficiaries? Are they women and children or men?

Respondent 4: Yes, they are mostly women.

Researcher: What can you add as to how *Zakat* and *Hubusi* collection can be improved to fight poverty in the state?

Respondent 4: The government needs to strengthen this commission. The wealthy individuals should be made aware of the activities of this commission. You cannot satisfy Kano as a whole but at least poverty can be reduced when there is compliance.

RESEARCHER AND RESPONDENT 5

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on “*Zakat and Hubusi*”.

Researcher: Sir, Kano State Government has established *Zakat and Hubusi* Commission in 2004 to collect, distribute and regulate all matters relating to *Zakat* and *Hubusi* in Kano. Do you consider this institution important in our society?

Respondent 5: My name is Abubakar Musa Lawan. I have been working in this commission for the past 20 years as security.

The importance of this commission cannot be overemphasized. Since its inception, several wealthy individuals in Kano have contributed immensely in helping the needy. Before now, we didn’t need to move round the city for *Zakat* collection. They brought it to us by themselves and could not even bother to collect receipts because they were doing it for the sake of Allah.

Researcher: There are insinuations that the *Zakat* the commission receives is not as expected. What can you as regard to this?

Respondent 5: As then, all funds received were distributed to the needy in the city as well as rural areas.

Researcher: How do you identify the needy?

Respondent 5: We have collaboration with traditional rulers, Hisbah and ward heads of each local government. We ask them to gather all the needy in their domain from Monday to Thursday every week.

Researcher: What is the structure required to support the development of *Zakat* and *Hubusi* in Kano?

Respondent 5: There are challenges and I think politics is the cause. The donors that used to bring their *Zakat* to us no longer come to us. Maybe it is because they do not

trust the present leadership. The first, second and third administrators were scholars and were all wealthy. Anything brought was be shared accordingly. They had no interest on what was brought. The items were mostly foodstuff such as maize, corn, rice, cassava and others.

Researcher: What about *Waqf*?

Respondent 5: We have few of them. If it is a school, we manage it.

Researcher: What about hospitals in form of *Waqf*?

Respondent 5: No, we do not have hospitals. What we do is, if there is a sick person, the commission can sponsor his medication.

Researcher: Are there any new areas of *Zakat* and *Hubusi* which Kano State needs to legislate on such as private and community *Zakat* and *Waqf* institution, use of modern technology, governance and organisational structure, etc?

Respondent 5: Well, competent, intelligent and people who have the fear of God should be appointed to head the commission.

Researcher: Do you mean there is point for any legislation if those people with the criteria you mentioned can be appointed?

Respondent 5: Of course, but still there should be legislation. Government needs to come forward.

Researcher: In other countries there is the use of social media. Do you think this will help?

Respondent 5: Yes, it will work but I can still emphasize on the fear of God from the management, donors as well as the government. We trained people from Sokoto and Bauchi States in this area of *Zakar* and *Waqf*.

Researcher: Preliminary report shows that collection by Kano State *Zakat* and *Hubusi* Commission is not impressive. What could be the reason for noncompliance? How do you handle it? Do you think it is possible to prosecute noncompliance?

Respondent 5: Noncompliance is because of lack of adequate measures put in place by the management that includes all stakeholders. Our markets and all local governments

should be included as members of the commission. The government should make it mandatory for contractors to relieve some percentage of their profits to the commission.

Researcher: What can you say about people behaviour towards *Zakat* payment and giving *Hubusi* when compared with compliance in the conventional tax system?

Respondent 5: From the onset, people were not complying with *Zakat* payment. Some Sahabas had to fight the wealthy individuals amongst them before they paid their *Zakat*. This is known. Unless you have the fear of God, you cannot pay *Zakat*. That is why even collectors of *Zakat* have to endure for it to be successful.

Researcher: Do you think legislation will solve this problem?

Respondent 5: Yes, legislation like in the tax system will help.

Researcher: Do you think *Zakat* and *Hubusi* has the potentials to generate resources for poverty reduction?

Respondent 5: Yes, of course. Because I know we have wealthy individuals in this state. If all of them will comply accordingly, it will reduce poverty.

Researcher: How do you identify the donors?

Respondent 5: We know them. You cannot hide riches. You can identify a rich man by mere looking at his spending.

Researcher: Do you have any collaboration with community leaders in identifying the wealthy individuals in their communities as well as the beneficiaries?

Respondent 5: *Zakat* and its beneficiaries have been specified in the Glorious Qur'an, so we cannot deviate from it.

Researcher: But how can you identify who has not come to you?

Respondent 5: As I told you earlier, we have offices in all the local government areas of Kano State. They do identify the beneficiaries and bring their list to us in writing.

Researcher: Do you have any poverty reduction action plans? How effective are they? Do you collaborate with community or non-governmental organisations to achieve your action plans?

Respondent 5: Yes, we do have. We have action plan to empower women and let them know that if they manage what has been given to them properly, they can also be donors in years to come.

Researcher: There are different *Zakat* community institutions within Kano at present. Do you have any collaboration with them?

Respondent 5: Well, no, we do not have such collaborations.

Researcher: There are states in the western part of Nigeria who have *Zakat* and *Waqf* institutions. They collect from individuals and distribute to the needy. Do you think Kano needs such institutions?

Respondent 5: Yes, we need them.

Researcher: Then what will be your responsibility?

Respondent 5: We will be in charge of distributing and putting them through.

Researcher: Who are the administrators in this commission? How are they appointed and what competence is required for the appointment?

Respondent 5: It is the commission that sends its request to the government, stating that it needs someone with this or that qualification. So, competence is needed.

Researcher: Does the commission prepare accounts and publish annual report of activities?

Respondent 5: Yes, we do. We prepare, publish and disseminate what was collected and distributed for the year on the media. We even showcase our beneficiaries for the world to see.

Researcher: Who are your beneficiaries? Are they mainly women, children or men?

Respondent 5: We focus mainly on mothers to orphans. They are more vulnerable.

Researcher: What is the role of your research and planning department?

Respondent 5: The department is responsible for research, planning and development.

Researcher: What do you think can be done by the government, the commission as well as other wealthy individuals that will improve the activities of this commission and fight, if not eradicate poverty in Kano?

Respondent 5: The commission should make a list of all the wealthy individuals in the state. Letters should be written to them where they would be reminded on this mandatory service. On the part of the government, the government should make it compulsory to all wealthy individuals to pay *Zakat*. Charity organisations should be abolished. Every charity from everybody should be channelled to the commission. On the part of us the members of staff, we should recommend to the commission any wrongs we think it is doing since we are the very people on the field. We can easily detect what policy is good, and what policy is bad.

RESEARCHER AND RESPONDENT 6

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on “*Zakat and Hubusi*”.

Respondent 6: My name is Samaila Sani. I am driver in this commission for about 16 years.

Researcher: How does the commission identify people who are capable of paying *Zakat*?

Respondent 6: The commission makes a list of all the wealthy individuals who are known to be distributing their *Zakat* annually.

Researcher: How do you then identify those in need of the *Zakat*?

Respondent 6: It is announced on radio. The management is also aware of those in need from their various communities.

Researcher: How can Kano State *Zakat and Hubusi* Commission compete with other *Zakat* commissions from Jigawa, Bauchi, Sokoto and others in terms of collection and distribution?

Respondent 6: Government has to intervene. It should make sure our wealthy individuals are complying fully. The government is at fault. The government should be the one to send letters to the wealthy individuals that parts of their *Zakat* be brought to the commission. It should be launched in the presence of the governor.

Researcher: Why do you think is the cause or reason for noncompliance?

Respondent 6: It might be because they don't trust the leadership of the commission. Appointment of management should be based on competency and honesty to earn people's trust.

Researcher: We have different private organisations engage into charity work. Do you think people trust them more than this commission?

Respondent 6: Well, this is because they are closer to the people. They are also registered and can seek the assistance of the wealthy individuals and they can even show them evidences of their humanitarian activities. But the fact is, even the charity organisations you are talking about, do come to us with their demands and the commission is granting their requests.

Researcher: Do you think if you collaborate with those private organisations it will improve *Zakat* collection and identify the donors?

Respondent 6: It will help but this is established by the government. The government pays the employees of the commission. The government doesn't give out *Zakat*. I don't think the government will allow any private charity organization collaborate with the commission.

Researcher: Do you think *Zakat* and *Hubusi* has the potentials to generate resources for poverty reduction?

Respondent 6: Yes, because if the government shows concern and commitment on the commission, it will reduce poverty. This is established by the government, unlike when there were only private *Zakat* institutions like *Zakat* Council.

Researcher: You mean *Zakat* Council still exists and collects *Zakat*?

Respondent 6: Yes, it still exists. They also collect *Zakat* and has various *Waqf* they supervise.

Researcher: Can you tell us your relationship with them?

Respondent 6: Well, they do their own separately as a private *Zakat* institution, although their officials were hired to man the affairs of this commission when it was established. When the government gradually relieved them, they went back to the council and continued with their activities.

Researcher: But the law states that *Zakat* Council has been abolished and it is only *Zakat* and *Hubusi* Commission is responsible for collection and distribution of *Zakat* in the state. Why is the council still operating?

Respondent 6: If it is true, then they should be taken to court.

Researcher: What can you say about people behaviour towards *Zakat* payment and giving *Hubusi* when compared to compliance in the conventional tax system?

Respondent 6: The government has made tax mandatory but because *Zakat* is like charity, people tend not to comply. The government should make *Zakat* payment compulsory as well to all the wealthy individuals in the state.

Researcher: Do you think there won't be any problems?

Respondent 6: People will comply if they know what they give will be judiciously used. They should be cautioned on the spiritual risks attached to noncompliance. If for instance, you have 20 million to distribute as *Zakat*, you can give the commission 3 to 5 million. You can give the remaining to your family and friends.

Researcher: In summary, what do you think the government, the community and you the employees of the commission can do to strengthen the commission?

Respondent 6: Our own is to publicize the activities of the commission and to enlighten people against non-regular payment of *Zakat*. We should be honest to earn the trust of the people.

RESEARCHER AND RESPONDENT 7

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on "*Zakat* and *Hubusi*".

Researcher: Sir, Kano State Government has established *Zakat* and *Hubusi* Commission since 2004 to collect, distribute, and regulate all matters relating to *Zakat* and *Hubusi* in Kano. Do you consider this institution important in our society?

Respondent 7: My name is Naziru Adamu. Yes, it was *Zakat* Council which was established by private bodies. When Shariah Law was introduced, it became a commission with three different departments. We have Admin and General Services

under a director. We have Operations under the supervision of a director and planning under a director as well. At the top, we have permanent members consisting of a chairman, Commissioner I and II and Director-General. Overhead or running cost is run by the admin, *Zakat* operations is run by Commissioner I, planning handles *Zakat* and *Hubusi* and is headed by Commissioner II.

Researcher: How long have you been working here?

Respondent 7: Since 1994 before the establishment of *Zakat* and *Hubusi* Commission. I worked with *Zakat* Council. It is about 24 years.

Researcher: The law establishing this commission has transferred all the activities of *Zakat* Council to you, but it seems *Zakat* Council is still existing. Why?

Respondent 7: Well, human is naturally against change. Every individual before this commission distributed their *Zakat* by themselves. The wealthy individuals have their own personal *Zakat* committees. People like Mariya Dantata, Sani Marshal, Ishaka Rabi'u and others. They all had their own *Zakat* committees. There was a lecture in BUK on *Zakat* in 1982. This is where the idea of *Zakat* commission was borne out. It was during the reign of Abubakar Rimi. He gave the committee a plot of land and it was headed by western scholars. There were Professors Muhammad Sani Zaharaddeen, H Umar and SAS Galadanchi. There were Sheikh Ishaka Rabi'u, Sheikh Ismaila Khalifa and Sheikh Naibi Wali as well as Ishaka Waziri. There was Balarabe Ismail, Adamu Gwaram, Sani Hanga and Yahaya Tanko. Because it was a new thing, it was presented to the Emir of Kano who was the Chairman, Board of Trustees. You know Kano is for three personalities; the Emir represents the emirate, Aminu Dogo Dantata represents businessmen while Ishaka Rabi'u represents Islamic scholars. This was from 1982-1992 when the council was built in Goron Dutse. There were 10 shops for renting purposes. This is to help the day-to-day running activities of the council.

Researcher: It is like *Zakat* Council is more trusted than *Zakat* and *Hubusi* Commission. Why is this so?

Respondent 7: Well, *Zakat* Council is headed by elites who have the capacity to give out alms. There is no law prohibiting an individual from taking his *Zakat* wherever he wishes. It depends on what an individual wants to achieve.

Researcher: Research has shown *Zakat* and *Hubusi* Commission is generating less than expected. Sometime 10 million Naira annually. Why is this so?

Respondent 7: It is a norm. People distribute their *Zakat* by themselves. Some do not trust the government. They prefer to make their list and give it out by themselves.

Researcher: Is this the problem?

Respondent 7: Some of them look at the head of the commission. Is he of the same sect? This is another issue affecting our collection.

Researcher: What do you think can be done by the government or individuals to strengthen and improve your work?

Respondent 7: The government should make it mandatory. A law should be enacted to make it like payment of tax. It should be in a form of showing your *Zakat* papers before a contract is awarded to you.

Researcher: There are many charity organizations in Kano. Do you think if *Zakat* and *Hubusi* Commission will work hand in hand with them, things will go well?

Respondent 7: Yes, it will. The commission has a policy of paying medical bills of the less privileged. The commission can pay up to 1/3 of an individual's medical bill, depending on what is on the ground.

Researcher: Do you think if people are paying *Zakat* and *Hubusi* regularly, it can fight poverty?

Respondent 7: Yes, we have rich men and women in Kano. If all of them pay their *Zakat* and *Hubusi* regularly, it will definitely eradicate poverty. In fact, if this is done, you won't find any poor man in the street of Kano.

Researcher: How can you identify those rich men?

Respondent 7: The Nisab is not hidden and changes overtime. By mere looking at someone's shop you will know he has the capacity to pay *Zakat*.

Researcher: How do you identify your beneficiaries?

Respondent 7: They come to us with their requests. Some come with medical bills for drugs or surgery. Some come with rent issues. We give them what we have.

Researcher: Do you have any policy for empowerment?

Respondent 7: Research has shown that many beggars in Kano are orphans. That's why we give more priority to widows. There was a Christian woman who came to us. She told us she was a widow with two children. She was asking for just one thousand Naira to go to Zaria and buy raw maize. Our head gave her two thousand Naira. After sometime she came back and told us she had a capital of about seven thousand Naira. We were impressed. Our head added ten thousand Naira to her. After sometime she came back again and told us she had about forty thousand Naira as capital. She said she didn't need any money again but all she wanted was to embrace Islam. You see how this works. But our people have no skills. During Shekarau, ten million Naira was earmarked every month from each local government for 1000 people, 5,000 Naira to each. It is just like a salary for Imams, assistant Imam and other less privileged.

Researcher: Who appoints the leaders of this commission?

Respondent 7: It is the governor. They are drawn from all the sects; Izala, Tijjaniyya and Qadiriyya.

Researcher: Why is this so?

Respondent 7: It is for unity purpose. The DG is appointed by the governor.

Researcher: Do you publish an annual report?

Respondent 7: Yes, what has been collected and spent is published even before now but not for public consumption.

Researcher: *Zakat* commissions in other part of the world use internet for collection and publicising their work. The system automatically tells you what you pay if you input your income. Do you think this can be incorporated here?

Respondent 7: I doubt. People here prefer one-on-one contact. The use of internet cannot be easily accepted. We need awareness.

Researcher: What do you think can be done to strengthen your collection and fight against poverty?

Respondent 7: People need to understand that we are established by the government to collect and distribute *Zakat* and *Hubusi*. They should trust us. If you cannot pay to us,

you can at least come and witness how we distribute what has been collected so that you can see for yourself. Our management should try and publicise our activities on the radio and television so that those who are not aware will know of our existence.

Researcher: Thank you.

Respondent 7: You are welcome

RESEARCHER AND RESPONDENT 8

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on “*Zakat and Hubusi*”.

Researcher: From the report I gathered, many donors prefer to share their *Zakat* and *Waqf* by themselves instead of handing it over to the Kano State *Zakat* and *Hubusi* Commission. What can you say regarding this attitude?

Respondent 8: My name is Haruna Usman Darma from Admin Department.

This is true. Many of them prefer to share it by themselves. It is as a result of lack of confidence and trust they have on the leadership of the commission. Some do not believe that what they give out will be shared according to the laid down rules and regulations of *Zakat* as stipulated in the Qur'an.

Researcher: You made mention that *Zakat* Council is doing better in terms giving charity than this commission. Do you think allowing *Zakat* Council continue with its activities will help reduce poverty?

Respondent 8: *Zakat* Council has been the pioneer of all the *Zakat* institutions we have prior to the establishment of this commission in Kano State. When this commission was established, *Zakat* Council administrators were engaged to head the commission for a period of eight years. They were disengaged later, and new administrators were appointed because of the tenure nature of government. The leadership of the council then refused to accept the fact that this commission is established by the government and has the responsibility of collecting and distributing *Zakat* and *Waqf* and not *Zakat* Council anymore.

Researcher: Can we say *Zakat* Council is breaking the law?

Respondent 8: Well, it is. And surprisingly everything was done with them at the time of establishing this commission. The government allowed *Zakat* Council to determine all what was needed in this commission. In the end they refused to agree that after this commission, there should be no other institution allowed to collect and distribute *Zakat* in Kano State apart from this very commission by law.

Researcher: Do you think *Zakat* Council and other private *Zakat* institutions be allowed to operate? And do you think allowing multiple *Zakat* institutions has the potential to reduce poverty?

Respondent 8: No, I do not believe this assertion. This is a commission we are talking about. Allowing other institutions get involved in *Zakat* collection will be conflicting. As a commission, we are not collection *Zakat* for our own personal use. We are collecting on behalf of the needy and distribute to them according to the wishes and caprices of the donor. I don't agree in allowing private institutions making collections without the knowledge of the commission.

Researcher: What do you think can be done to solve the problems of the commission that can enhance the trust of the commission in the eyes of the donors?

Respondent 8: The government has formed a 4-man committee to look into how the leadership of the commission will be transformed and bring in vast individuals in the area of *Zakat*. The committee is able to bring in experienced scholars who we hope will transform the commission. Lack of such leaders was the cause for the problems we are having in the commission at present. However, we always give such private *Zakat* institutions the chance to present to us the list of their beneficiaries whom we give the help they might require.

Researcher: You mentioned you have about 35 *Hubusi*, but they are mainly schools, shops and houses. Can we say that most of the *Hubusi* you have are schools?

Respondent 8: Well, we have plots of land but schools are more popular. An individual will build school and hand it over to us so that his family cannot claim it after his demise. And for the record, any *Hubusi* given to us always maintains its original motto. If it belongs to a sect, we do not change the sect to another one. We allow the community to present the leadership of the school. Our own is supervision and where there is dispute, we come forward and prove ownership.

Researcher: *Hubusi* in other parts of the world deals with employment, hospitals or empowerment programmes. Here, they are mainly for religious purposes. Why do you think the donors are not thinking outside the box by doing something new, something that will help boost the economy of the community?

Respondent 8: The commission is still struggling to gain the trust of the people. There was a man who gave us a plot of land. He recommended that it should be turned to a market or something that can generate income and the proceeds be distributed to the needy. Later, he withdrew the charity because he did not trust the leadership of the commission. Our new site at Airport Road is under construction. It has about seven garages, and a company for small scales businesses. This will generate income to the commission after completion.

RESEARCHER AND RESPONDENT 9

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on “*Zakat and Hubusi*”.

Researcher: Can you please introduce yourself?

Respondent 9: My name is Usman Dalhatu. I am the head of a charity organisation responsible for helping orphans, the divorced and the aged in Kumbotso Local Government of Kano State.

Researcher: Can you tell us why your association was formed?

Respondent 9: Yes, this association was formed to assist orphans, the aged and the divorced in order to improve their living standards.

Researcher: How many orphans are under your care?

Respondent 9: We have 483 orphans under our care. We have 255 mothers of those orphans. We have 183 divorced women and the aged.

Researcher: In what aspects do you help them?

Respondent 9: First of all, we have to register them to make sure they fall under the category of people under our criteria. We take their records such as addresses, phone

numbers as well as their qualifications. After that we then determine the type of assistance they might require.

Researcher: What type of assistance do you provide to them?

Respondent 9: We provide them with food items, medical assistance, as well as clothing based on what we have on the ground.

Researcher: Can you tell us your sources of income?

Respondent 9: Our members have a tradition of making monthly donation. We also look for the assistance of wealthy individuals within the community. We also seek help from non-governmental organisations and other international donor organisations operating in Nigeria. We also seek for assistance from individuals out of their annual *Zakat*.

Researcher: How do you determine that an individual is capable of giving out *Zakat*?

Respondent 9: We study them. Some are known because they gather the needy in their houses when it is time and distribute food items, especially during the month of Sha'aban. We make a list of their names and send them letters, requesting for part of their *Zakat* be sent to the association. Alhamdulillah, some of them are complying. They send it to us annually.

Researcher: What challenges are you facing in terms of collection?

Respondent 9: There are a lot of challenges. Some donors think we are defrauders. They feel we are requesting for the funds for our own personal usage. Some of them make their investigation on the association first before releasing funds to us.

Researcher: Apart from distributing food items, what other plans do you have for them especially through employment programmes?

Respondent 9: We are not only providing food to them. We feel education is the bedrock for human progress. So, we enrol them in schools and collaborate with carpenters, welders, cobblers and others so that they can learn skills.

Researcher: Do you receive charity from Kano State *Zakat* and *Hubusi* Commission?

Respondent 9: No, we have never received charity from the commission, although we sent requested for help and they promised to get back to us. Unfortunately, we are yet to receive anything from them.

Researcher: Can tell us how you want to be supported so that your organisation can be well established?

Respondent 9: We always advice the government to include us in the collection of *Zakat* because we are closer to the people. The *Zakat* Commission if very far and cannot touch the lives of everyone. We at the grassroots know all the vulnerable amongst us. If organisations like ours can be included, the lives of many vulnerable would be improved. We don't waste time whenever charity is given to us, unlike the commission that waits for the directives of the government.

Researcher: Finally, can you tell us how much you have achieved so far?

Respondent 9: We made improvements in many aspects. We have the trust of the people. They listen to us. We have a very good relationship with the community.

RESEARCHER AND RESPONDENT 10

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on "*Zakat and Hubusi*".

Researcher: Can you please introduce yourself?

Respondent 10: My name is Garba Abdu Hussaini. I am a member and a treasurer in a foundation responsible for assisting orphans and the vulnerable in Gandun Albasa for the past 21 years.

Researcher: How long have you been running this association?

Respondent 10: This foundation was formed in June 2002.

Researcher: What have you achieved so far in this association?

Respondent 10: We have achieved a lot. First of all, we have different committees on which we perform our duties as follows: education, health, feeding and housing, guidance and counselling, Kwandala and empowerment. Each committee has a duty it performs. The committee on education has been able to enrol children into different

primary and Islamiyya schools. As of today, we have beneficiaries who have completed their university education. Right now, on my desk is a list of names and a budget totalling N235,000 for registration of some of our beneficiaries into different tertiary institutions. The schools' fees, reading materials and any other necessary items for our beneficiaries in primary and secondary schools have also been taken care of. We have about 40 students in different private schools. Also, we have students enrolled into different Islamiyya schools. In summary, we have about 670 beneficiaries enrolled into different schools of learning.

Researcher: Are they all orphans?

Respondent 10: No, not all of them are orphans. Our intention was to cater for orphans only, but in the long run we were made to understand there are other children who are not enrolled into schools for one reason or the other. That is why our objective now is to cater for orphans and the vulnerable.

Researcher: How do you identify your beneficiaries?

Respondent 10: The identity of an orphan cannot be hidden. As for the vulnerable, we live in the same community so it is not difficult to identify them. If you observe this child goes to school and that one does not, you can investigate to find out why he is not going to school. Sometimes it is the people living within the community that get us informed of what goes on and ask for our intervention.

Researcher: Who are your major donors or supporters?

Respondent 10: We have people who pay their *Zakat* to us. Sometimes they tell us the type of duties they want us to perform with the funds they give to us. Again, our Kwandala Committee move round the community monthly and collect at least N5 from business men and women who are willing to help. We have donors who send funds directly into our accounts. There are those who contribute willingly. Even the deposed emir of Kano, Sanusi Lamido Sanusi in 2008 gave us 500,000 and Engr Alhaji Bala Barau also gave us 500,000. We used the money to buy the bus you can see from here.

Researcher: How did you get the trust of the people? I asked this because my interview at the *Zakat* and *Hubusi* Commission shows that people don't have confidence in them. What is the secret?

Respondent 10: I think because they see our work on the ground. During Coronavirus lockdown, Late Alhaji Bashir Tofa recommended a charity organisation from Lagos to us. They have given us N7,000,000. Some went to Sani Umar Fagge. He sent them to us. They gave us food items. We don't mix our work with politics.

Researcher: Are there challenges?

Respondent 10: Yes, there are problems. The government does not support us. We only get support from those in government. We have a good relationship with civil servants. We only received award from the government once. After we bought this land, the member representing this community secured grand that helped us built this place. We appeal to the government to assist us.

Researcher: From the interviews conducted at *Zakat* and *Hubusi* Commission, their annual spending is not more than N11,000,000. Does that mean you collect and distribute more than they do?

Respondent 10: I don't think the *Zakat* and *Hubusi* Commission can compete with us in terms of collection and distribution. It is just that they are an established commission by the government. From school fees to payment of rent, medical assistance and others, we spend about 5 million annually. But if we add up to food items, it would be more than that.

Researcher: What do you think can be done to help your foundation either from the government or individuals?

Respondent 10: Two weeks ago, someone bought an uncompleted building for the foundation worth N4,500,000 to support us. We need to have sources of income to help the smooth running of this foundation. We registered all our beneficiaries in hospitals. They have their cards. If there are no drugs in the hospital, they come with the prescription and we buy the drugs for them.

RESEARCHER AND RESPONDENT 11

Researcher: My name is Lawan Bello. I am a PhD candidate from International Islamic University, Malaysia. I am carrying-out a research work on "*Zakat* and *Hubusi*".

Respondent 11: My name is Isyaku Danladi Bako. I am a nurse.

Researcher: What is your role in Islamic Medical Association of Nigeria (IMAN)?

Respondent 11: I served as Chairman when I was in Tiga and Kura.

Researcher: Can you tell us why IMAN was formed?

Respondent 11: It started as Islamic Medical Association (ISMA). ISMA ceased to exist in 1989.

Researcher: What do you do in the association?

Respondent 11: We present lectures on the role we play as Muslim nurses/midwives, doctors, laboratory scientists, etc on the need to assist our fellow Muslim patients who cannot afford their medical bills. If you are a Muslim, you automatically become member of the association. We contribute funds to cover medical bills of patients who might be in need.

Researcher: Do you have any means of income apart from contributions among your members?

Respondent 11: Before now it was only the excos that made the contributions. But now it is for all medical workers. We have boxes in every ward. Some are not even Muslims but they feel we are doing the right thing and therefore they can also help.

Researcher: How do you identify your beneficiaries?

Respondent 11: Well, as a medical officer, you have to fill in a form which will be submitted to the office of the Head of Service. Maximum of N1,000 is deducted for senior officers while N500 maximum is deducted for junior officers but you can willingly pay more than that.

Researcher: Is it only for Muslim medical officers?

Respondent 11: Yes, only Muslims.

Researcher: As I asked earlier, how do you identify your beneficiaries? I mean patients who need assistance.

Respondent 11: We have representatives at various units: laboratories, X-ray, and others. Whenever there is a person who is unable to pay his or her medical bills, they write to us. This is how we identify our beneficiaries. Sometimes security agents may

come with victims of accidents whose families are not yet identified. We assist such victims.

Researcher: You mentioned that hospitals of the federal government in Kano such as Dala and Aminu Kano have a policy of deducting funds of medical officers from the source, is this only for Muslim officers?

Respondent 11: Yes, about 90% of medical officers in those hospitals gave consent for the deductions.

Researcher: Is the leadership of state and federal hospitals the same?

Respondent 11: Yes, the leadership is one. It has been categorised into zones.

Researcher: Are both under the control of IMAN?

Respondent 11: Yes, they are under IMAN, Kano Branch.

Researcher: As secretary of the association, which zone do you oversee?

Respondent 11: Murtala Zone.

Researcher: Do you have any collaboration with Kano State *Zakat* and *Hubusi* Commission?

Respondent 11: Yes, after they carefully reviewed our role, they requested for our collaboration. But they do it in the form of sponsoring the medical bills of patients they send to us. They send the money to our account. After that we give them a report on how the funds have been spent.

Researcher: Is there any reason for compliance from your members?

Respondent 11: Yes, we create awareness and we make sure that those appointed are trustworthy. Our members are also eyewitnesses to events in their respective hospitals. They always see patients who cannot afford their bills and if brought to us, we assist where necessary. That is how we built trust from amongst them.

Researcher: Can you tell us the challenges you are facing and what you have been able to achieve?

Respondent 11: We have donors from Kantin Kwari market. They do send us shroud to cover dead bodies whose families are not known. We have leadership at the cemetery.

Even from Kano Emirate Council we do receive donations. The challenge is that if an individual donor dies, his donation will no longer be brought to us. On the achievement, this association is well known and has achieved a lot over the years. Our major challenge is that, our new members of staff find it difficult to agree with the deductions policy. We at the state level should try and adopt the policy adopted by Dala and Aminu Kano. I think only 30% Muslim medical officers at state level do contribute. This is very low compared to the hundreds of patients who cannot afford medical bills. The government should help us disseminate our programmes so that there will be more awareness. In Zamfara and Niger states almost 90% of Muslim medical officers have accepted on source deduction for this purpose.

Researcher: What are you doing to adopt the policy of Dala and Aminu Kano?

Respondent 11: Most of our pioneers in the state are not alive today. We are very few lefts. Also, we have shortage of funds. Youths who are coming into the field have their own thoughts. Most of them do don't consider charity work. They are self-centred.

Researcher: You mean there are allowances paid to them?

Respondent 11: No, there are no allowances payable. That is why the youth do not give their time and resources to the welfare and smooth running of the organisation.

Researcher: What do you think can be done to improve your services?

Respondent 11: IMAN has collaborated with the media. Politicians and other stakeholders might request for medical outreach. They will provide the cost for transportation as well as feeding, while IMAN on its part will then make the operation/treatment free of charge. This has been a long tradition of the association.

APPENDIX F: THEMATIC ANALYSIS FORM

THEMES AND SUBTHEMES

Theme: Framework Context	Theme: Compliance Mechanism	Theme: Governance and administration context
Subtheme: Existing framework Codes KS government law recognized only ZHC to collect and distribute Z&W in the state, Community, Religious NGO collect and distribute Z&W in the state You cannot enforce compliance due to adoption of voluntary model Identify beneficiaries based on physical appearance Going market to market to collect Z&W donation Chairman and Commissioners of ZHC are appointed by the governor	Codes Payment of Z&W is voluntarily Some donors complied without disclosing their identity Subtheme: Reasons for non-compliance Codes Non enforcement of compliance Lack of knowledge about the intention of Z&W Poor attitude toward giving Lack of trust of Z&W administrators Political interest hindered compliance	Codes Existence of Independent <i>Zakat</i> organization called <i>Zakat</i> council since 1982 Creation of ZHC in 2003 by Kano state government which take over all activities of <i>Zakat</i> council including staff member Former members of <i>Zakat</i> council later dissatisfied and withdraw from the management of ZHC

ZHC Law not recognized use of digital technology or online collection	It's not compulsory to pay Z&W	Z&W is viable means to eradicate poverty in Kano
No poverty action plan because of no funds	Subtheme: Emotional and historical responses to compliance	Subtheme: Maladministration
Periodic government funding to carryout empowerment program	Codes There is long tradition of giving Z&W directly to beneficiaries or through CBO	Codes Understaffing, with lack training and no working tools
Collect Z&W in local 44 local government in the state through Hisba office	Religious Interpretations on Z&W base, such as salary, Religious <i>Waqf</i>	staff are posted from other government agencies without knowledge on management of Z&W
More priority to women and widows	<i>Zakat</i> should only be paid during Ramadan	No proper record keeping and publish account, most Z&W assets are lost without trace.
Strong political influence	Non appointment of religious sect member in ZWC administration	Plan to go online but no funds to adopt modern technology
There is weak Z&W structure in local communities	Kano has people that are wealthy enough to take care of poor in Africa	Ineffective collaboration with
Lack of data base and structure to Identify donors and recipient	Most donors have their independent Z&W committee	
Identify donors through looking at their shops	Donors are more comfortable with <i>Zakat</i> council then ZHC	
Recently, government include <i>Zakat</i> council members in the management of ZHC to improve compliance		

Most <i>Waqf</i> are religious		local CBO, NGO and advance Z&W Institutions
Subtheme: Framework expectations	Donor more comfortable to give Z&W to their Islamic Sect organization	Most of the principal officers are Islamic scholars
Codes Setting up Z&W office in each local government	Subtheme: Z&W Compliance triggers	
Mechanism for Identifying donors and beneficiaries	Codes Direct or Indirect enforcement on companies, Banks, government officials	Subtheme: Poverty reduction strategies
State law to maximize collection of Z&W	Introduction of <i>Zakat</i> -Tax credit and scholarship for <i>Zakat</i> payer will improve compliance	Codes Government give N10,000 business capital to the poor periodically through ZWC
Donors prefer a structure that will allow them to review performance	Use of banks as collecting agents of 2.5% on turnover	Education and awareness on Z&W
Provide trusted administrators	Community participation	Setting appeal funds by leaders
Law to make <i>Zakat</i> payment compulsory	Education and awareness by ulama	Some donors use to come with their list of beneficiaries
Effective mechanism for reminding time to pay, who is to pay and consequences of non-payment	Political will from the government	Health assistance to the needy in
Use similar laws like that of modern taxation	Use of <i>zakat</i> payment evidence to secure government contracts	

CBO and NGO can come in based on guidelines set by ZHC Appointment of trusted person to head the affairs of ZHC Use of state apparatus to collect Z&W Educated personals to run the affairs of ZHC Building database for donors and beneficiaries Measure to influence payment, such as requirement for government contract	Government has big role to play, leading by example	partnership with some hospitals Two out of 10 richest people in Africa are from Kano Beneficiaries are mostly widows, orphans, and women Subtheme: Role of community based and non-governmental organization Codes <i>Zakat</i> council collect more <i>Zakat</i> and organized better poverty reduction program than ZHC CBO are closer to the community and enjoy more trust from the donors
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		Donors and Community are seeing practical impact of CBO and NGO CBO have accurate data of extreme poor such as orphans, widows, and divorcees Local CBO and NGO can easily identify donors and recipients in the community. Donors can easily monitor effectiveness of their donation through their local CBO or NGO
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Table: Themes, Subthemes, and Codes

KS = Kano State, ZHC = Zakka and Hubusi Commission, Z&W = Zakat and Waqf, NGO = Non-Governmental Organization, CBO = Community Based Organization

APPENDIX G: SPSS OUTPUT FOR SECOND STAGE DATA COLLECTION

The Chairman, Commissioners and Director General of Zakat and Hubusi Commission (ZHC) are Appointed by the State Governor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	38	9.8	9.8	9.8
	Disagree	16	4.1	4.1	14.0
	Undecided	22	5.7	5.7	19.7
	Agree	68	17.6	17.6	37.3
	Strongly Agree	242	62.7	62.7	100.0
	Total	386	100.0	100.0	

Only ZHC Collect and Distribute Zakat and Hubusi (Z&H) in the State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	94	24.4	24.4	24.4
	Disagree	84	21.8	21.8	46.1
	Undecided	34	8.8	8.8	54.9
	Agree	81	21.0	21.0	75.9
	Strongly Agree	93	24.1	24.1	100.0
	Total	386	100.0	100.0	

**Community, Religious, and Non-Governmental Organizations (NGOs)
Participate in the Collection and Distribution of Z&H in Kano
State**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	90	23.3	23.3	23.3
	Disagree	77	19.9	19.9	43.3
	Undecided	51	13.2	13.2	56.5
	Agree	81	21.0	21.0	77.5
	Strongly Agree	87	22.5	22.5	100.0
	Total	386	100.0	100.0	

**ZHC Law Recognized the Use of Digital Technology or Online Platform
for the Collection of Z&H.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	81	21.0	21.0	21.0
	Disagree	51	13.2	13.2	34.2
	Undecided	88	22.8	22.8	57.0
	Agree	96	24.9	24.9	81.9
	Strongly Agree	70	18.1	18.1	100.0
	Total	386	100.0	100.0	

**There is Lack of Database and Structure to Identify Z&H Donors
and Recipient**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	38	9.8	9.8	9.8
	Disagree	24	6.2	6.2	16.1
	Undecided	24	6.2	6.2	22.3
	Agree	90	23.3	23.3	45.6
	Strongly Agree	210	54.4	54.4	100.0
	Total	386	100.0	100.0	

Members of the Old Zakat Council are Involved in the Management of ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	5.2	5.2	5.2
	Disagree	52	13.5	13.5	18.7
	Undecided	159	41.2	41.2	59.8
	Agree	98	25.4	25.4	85.2
	Strongly Agree	57	14.8	14.8	100.0
	Total	386	100.0	100.0	

Z&H Office Should be Established in Each Local Government

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	5.7	5.7	5.7
	Disagree	10	2.6	2.6	8.3
	Undecided	2	.5	.5	8.8
	Agree	93	24.1	24.1	32.9
	Strongly Agree	259	67.1	67.1	100.0
	Total	386	100.0	100.0	

There Should be Mechanism for Identifying Donors and Beneficiaries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	6.0	6.0	6.0
	Undecided	17	4.4	4.4	10.4
	Agree	117	30.3	30.3	40.7
	Strongly Agree	229	59.3	59.3	100.0
	Total	386	100.0	100.0	

State Law Should be Promulgated to Make Zakat Payment Compulsory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	5.2	5.2	5.2
	Disagree	21	5.4	5.4	10.6
	Undecided	52	13.5	13.5	24.1
	Agree	65	16.8	16.8	40.9
	Strongly Agree	228	59.1	59.1	100.0
	Total	386	100.0	100.0	

There Should be an Effective Mechanism to Know When to Pay Zakat, Who to Pay, How to Pay and Consequences of Non-payment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	5.2	5.2	5.2
	Disagree	6	1.6	1.6	6.7
	Undecided	19	4.9	4.9	11.7
	Agree	67	17.4	17.4	29.0
	Strongly Agree	274	71.0	71.0	100.0
	Total	386	100.0	100.0	

Trusted Persons Should be Appointed to Head the Affairs of ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	4.1	4.1	4.1
	Disagree	4	1.0	1.0	5.2
	Undecided	2	.5	.5	5.7
	Agree	32	8.3	8.3	14.0
	Strongly Agree	332	86.0	86.0	100.0
	Total	386	100.0	100.0	

Beneficiaries of Z&H Should be Identified Based on Their Physical Appearance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	123	31.9	31.9	31.9
	Disagree	99	25.6	25.6	57.5
	Undecided	55	14.2	14.2	71.8
	Agree	52	13.5	13.5	85.2
	Strongly Agree	57	14.8	14.8	100.0
	Total	386	100.0	100.0	

There Should be a Database for Z&H Donors and Beneficiaries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	7	1.8	1.8	4.7
	Undecided	21	5.4	5.4	10.1
	Agree	97	25.1	25.1	35.2
	Strongly Agree	250	64.8	64.8	100.0
	Total	386	100.0	100.0	

Payment of Z&H is Voluntarily in Kano State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	58	15.0	15.0	15.0
	Disagree	32	8.3	8.3	23.3
	Undecided	45	11.7	11.7	35.0
	Agree	127	32.9	32.9	67.9
	Strongly Agree	124	32.1	32.1	100.0
	Total	386	100.0	100.0	

Donors Complied with Set Standards by the State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	71	18.4	18.4	18.4
	Disagree	80	20.7	20.7	39.1
	Undecided	84	21.8	21.8	60.9
	Agree	85	22.0	22.0	82.9
	Strongly Agree	66	17.1	17.1	100.0
	Total	386	100.0	100.0	

Some Donors Complied without Disclosing Their Identity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	19	4.9	4.9	4.9
	Disagree	6	1.6	1.6	6.5
	Undecided	68	17.6	17.6	24.1
	Agree	172	44.6	44.6	68.7
	Strongly Agree	121	31.3	31.3	100.0
	Total	386	100.0	100.0	

Donors Comply with Standards of When, Who and How to Pay Z&H

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	24	6.2	6.2	6.2
	Disagree	71	18.4	18.4	24.6
	Undecided	99	25.6	25.6	50.3
	Agree	108	28.0	28.0	78.2
	Strongly Agree	84	21.8	21.8	100.0
	Total	386	100.0	100.0	

Enforcement of Compliance in the State is Low

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	5.4	5.4	5.4
	Disagree	18	4.7	4.7	10.1
	Undecided	26	6.7	6.7	16.8
	Agree	111	28.8	28.8	45.6
	Strongly Agree	210	54.4	54.4	100.0
	Total	386	100.0	100.0	

There is Lack of Clarity on the Intention of Z&H Collection

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	5.7	5.7	5.7
	Disagree	46	11.9	11.9	17.6
	Undecided	66	17.1	17.1	34.7
	Agree	138	35.8	35.8	70.5
	Strongly Agree	114	29.5	29.5	100.0
	Total	386	100.0	100.0	

Z&H Administrators are Not Trusted in the State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	58	15.0	15.0	15.0
	Disagree	75	19.4	19.4	34.5
	Undecided	120	31.1	31.1	65.5
	Agree	85	22.0	22.0	87.6
	Strongly Agree	48	12.4	12.4	100.0
	Total	386	100.0	100.0	

Payment of Z&H is Not Compulsory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	202	52.3	52.3	52.3
	Disagree	54	14.0	14.0	66.3
	Undecided	36	9.3	9.3	75.6
	Agree	39	10.1	10.1	85.8
	Strongly Agree	55	14.2	14.2	100.0
	Total	386	100.0	100.0	

There is Long Tradition of Giving Z&H Directly to Beneficiaries or through Community Based Organizations (CBOs) in Kano

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	19	4.9	4.9	4.9
	Disagree	43	11.1	11.1	16.1
	Undecided	69	17.9	17.9	33.9
	Agree	134	34.7	34.7	68.7
	Strongly Agree	121	31.3	31.3	100.0
	Total	386	100.0	100.0	

There are Different Religious Interpretations on basis of Z&H Donation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	48	12.4	12.4	12.4
	Disagree	33	8.5	8.5	21.0
	Undecided	76	19.7	19.7	40.7
	Agree	158	40.9	40.9	81.6
	Strongly Agree	71	18.4	18.4	100.0
	Total	386	100.0	100.0	

Many People Believe that Zakat Should only be Paid during Ramadan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	65	16.8	17.0	17.0
	Disagree	74	19.2	19.3	36.3
	Undecided	59	15.3	15.4	51.7
	Agree	137	35.5	35.0	86.7
	Strongly Agree	51	13.2	13.3	100.0
	Total	386	100.0	100.0	
Missing	System	0	0		
Total		0	0		

The State Does Not Appoint Some of the Religious Sects as Members to the ZWC Administration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	55	14.2	14.2	14.2
	Disagree	75	19.4	19.4	33.7
	Undecided	122	31.6	31.6	65.3
	Agree	73	18.9	18.9	84.2
	Strongly Agree	61	15.8	15.8	100.0
	Total	386	100.0	100.0	

Kano State has People that are Wealthy Enough to Take Care of the Poor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	7.3	7.3	7.3
	Disagree	20	5.2	5.2	12.4
	Undecided	17	4.4	4.4	16.8
	Agree	86	22.3	22.3	39.1
	Strongly Agree	235	60.9	60.9	100.0
	Total	386	100.0	100.0	

Some Donors have Their Independent Z&H Committee

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	19	4.9	4.9	4.9
	Disagree	56	14.5	14.5	19.4
	Undecided	51	13.2	13.2	32.6
	Agree	154	39.9	39.9	72.5
	Strongly Agree	106	27.5	27.5	100.0
	Total	386	100.0	100.0	

Donors are more Comfortable with Old Zakat Council than the ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	3.4	3.4	3.4
	Disagree	46	11.9	11.9	15.3
	Undecided	133	34.5	34.5	49.7
	Agree	128	33.2	33.2	82.9
	Strongly Agree	66	17.1	17.1	100.0
	Total	386	100.0	100.0	

Donors Prefer to Give Z&H to their Islamic Sect or Community Organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	35	9.1	9.1	11.9
	Undecided	76	19.7	19.7	31.6
	Agree	164	42.5	42.5	74.1
	Strongly Agree	100	25.9	25.9	100.0
	Total	386	100.0	100.0	

There is Direct or Indirect Enforcement on Companies, Banks and Government Officials

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	118	30.6	30.6	30.6
	Disagree	105	27.2	27.2	57.8
	Undecided	81	21.0	21.0	78.8
	Agree	30	7.8	7.8	86.5
	Strongly Agree	52	13.5	13.5	100.0
	Total	386	100.0	100.0	

Zakat-Tax Credit and Scholarship Scheme to Zakat Payers will Improve Compliance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	52	13.5	13.5	13.5
	Disagree	29	7.5	7.5	21.0
	Undecided	74	19.2	19.2	40.2
	Agree	142	36.8	36.8	76.9
	Strongly Agree	89	23.1	23.1	100.0
	Total	386	100.0	100.0	

Banks are Used as Collection Points for Z&H

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	112	29.0	29.0	29.0
	Disagree	85	22.0	22.0	51.0
	Undecided	66	17.1	17.1	68.1
	Agree	90	23.3	23.3	91.5
	Strongly Agree	33	8.5	8.5	100.0
	Total	386	100.0	100.0	

Community Participation is Encouraged in Z&H Donations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	34	8.8	8.8	8.8
	Disagree	34	8.8	8.8	17.6
	Undecided	73	18.9	18.9	36.5
	Agree	171	44.3	44.3	80.8
	Strongly Agree	74	19.2	19.2	100.0
	Total	386	100.0	100.0	

Ulamas Create Awareness and Enlighten the Public on the Benefits of Z&H

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	15	3.9	3.9	3.9
	Disagree	12	3.1	3.1	7.0
	Undecided	41	10.6	10.6	17.6
	Agree	95	24.6	24.6	42.2
	Strongly Agree	223	57.8	57.8	100.0
	Total	386	100.0	100.0	

Evidence of Zakat or Hubusi Payment to Secure Government Contracts Would Increase Compliance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	40	10.4	10.4	10.4
	Disagree	30	7.8	7.8	18.1
	Undecided	54	14.0	14.0	32.1
	Agree	98	25.4	25.4	57.5
	Strongly Agree	164	42.5	42.5	100.0
	Total	386	100.0	100.0	

The Independent Zakat Organization Called Zakat Council was the Oldest Z&H Institution in Kano

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	3.1	3.1	3.1
	Disagree	30	7.8	7.8	10.9
	Undecided	145	37.6	37.6	48.4
	Agree	116	30.1	30.1	78.5
	Strongly Agree	83	21.5	21.5	100.0
	Total	386	100.0	100.0	

ZHC was Created to Take over all Activities of Zakat Council

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	2.1	2.1	2.1
	Disagree	5	1.3	1.3	3.4
	Undecided	83	21.5	21.5	24.9
	Agree	187	48.4	48.4	73.3
	Strongly Agree	103	26.7	26.7	100.0
	Total	386	100.0	100.0	

Former Members of Zakat Council later Dissatisfied and Withdraw from the Management of ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	6.0	6.0	6.0
	Disagree	41	10.6	10.6	16.6
	Undecided	216	56.0	56.0	72.5
	Agree	75	19.4	19.4	92.0
	Strongly Agree	31	8.0	8.0	100.0
	Total	386	100.0	100.0	

Z&H is a Viable Means to Alleviate Poverty in Kano

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	14	3.6	3.6	3.6
	Disagree	12	3.1	3.1	6.7
	Undecided	27	7.0	7.0	13.7
	Agree	106	27.5	27.5	41.2
	Strongly Agree	227	58.8	58.8	100.0
	Total	386	100.0	100.0	

Zakat and Hubusi Collection and Distribution can Best be Improved through CBOs and NGOs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	42	10.9	10.9	10.9
	Disagree	51	13.2	13.2	24.1
	Undecided	86	22.3	22.3	46.4
	Agree	111	28.8	28.8	75.1
	Strongly Agree	96	24.9	24.9	100.0
	Total	386	100.0	100.0	

The Z&H Commission is Understaffed, and their Employees Lack Working Tools and Training

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	6.0	6.0	6.0
	Disagree	11	2.8	2.8	8.8
	Undecided	90	23.3	23.3	32.1
	Agree	128	33.2	33.2	65.3
	Strongly Agree	134	34.7	34.7	100.0
	Total	386	100.0	100.0	

**ZHC Staff are Posted from other government agencies without
knowledge of Z&H management**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	2.3	2.3	2.3
	Disagree	38	9.8	9.8	12.2
	Undecided	140	36.3	36.3	48.4
	Agree	132	34.2	34.2	82.6
	Strongly Agree	67	17.4	17.4	100.0
	Total	386	100.0	100.0	

**Most Z&H assets are lost without trace because of lack of proper
record keeping**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	6.0	6.0	6.0
	Disagree	20	5.2	5.2	11.1
	Undecided	119	30.8	30.8	42.0
	Agree	129	33.4	33.4	75.4
	Strongly Agree	95	24.6	24.6	100.0
	Total	386	100.0	100.0	

There was plan to go online but no funds to adopt modern technology

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	4.4	4.4	4.4
	Disagree	25	6.5	6.5	10.9
	Undecided	160	41.5	41.5	52.3
	Agree	111	28.8	28.8	81.1
	Strongly Agree	73	18.9	18.9	100.0
	Total	386	100.0	100.0	

There is ineffective collaboration with local CBO, NGO and other advance Z&H Institutions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	27	7.0	7.0	9.8
	Undecided	111	28.8	28.8	38.6
	Agree	142	36.8	36.8	75.4
	Strongly Agree	95	24.6	24.6	100.0
	Total	386	100.0	100.0	

Kano state government gives N10,000 business capital to the poor periodically through ZWC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	74	19.2	19.2	19.2
	Disagree	49	12.7	12.7	31.9
	Undecided	183	47.4	47.4	79.3
	Agree	50	13.0	13.0	92.2
	Strongly Agree	30	7.8	7.8	100.0
	Total	386	100.0	100.0	

Government Educates and enlightens the public on Z&H

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	57	14.8	14.8	14.8
	Disagree	79	20.5	20.5	35.2
	Undecided	68	17.6	17.6	52.8
	Agree	133	34.5	34.5	87.3
	Strongly Agree	49	12.7	12.7	100.0
	Total	386	100.0	100.0	

Some Zakat donors come with their list of beneficiaries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	4.4	4.4	4.4
	Disagree	58	15.0	15.0	19.4
	Undecided	94	24.4	24.4	43.8
	Agree	151	39.1	39.1	82.9
	Strongly Agree	66	17.1	17.1	100.0
	Total	386	100.0	100.0	

Health assistance is provided to the needy in partnership with some hospitals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	5.2	5.2	5.2
	Disagree	28	7.3	7.3	12.5
	Undecided	126	32.6	32.6	45.1
	Agree	142	36.8	36.6	81.7
	Strongly Agree	70	18.1	18.3	100.0
	Total	386	100.0	100.0	
Missing	System	0	.0		
Total		386	100.0		

Two out of the 10 richest people in Africa are from Kano

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	4.1	4.1	4.1
	Disagree	42	10.9	10.9	15.0
	Undecided	35	9.1	9.1	24.1
	Agree	57	14.8	14.8	38.9
	Strongly Agree	236	61.1	61.1	100.0
	Total	386	100.0	100.0	

Beneficiaries of Z&H are mostly widows, orphans, and women

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	5.4	5.4	5.4
	Disagree	39	10.1	10.1	15.5
	Undecided	59	15.3	15.3	30.8
	Agree	137	35.5	35.5	66.3
	Strongly Agree	130	33.7	33.7	100.0
	Total	386	100.0	100.0	

CBOs and NGOs proximity to the poor improve distribution of Zakat and Hubusi

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	6.7	6.7	6.7
	Disagree	33	8.5	8.5	15.3
	Undecided	113	29.3	29.3	44.6
	Agree	121	31.3	31.3	75.9
	Strongly Agree	93	24.1	24.1	100.0
	Total	386	100.0	100.0	

Zakat council collected more Zakat and organized better poverty reduction program then ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	36	9.3	9.3	9.3
	Disagree	27	7.0	7.0	16.3
	Undecided	172	44.6	44.6	60.9
	Agree	80	20.7	20.7	81.6
	Strongly Agree	71	18.4	18.4	100.0
	Total	386	100.0	100.0	

CBOs are closer to the community and enjoy more trust from the donors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	32	8.3	8.3	11.1
	Undecided	124	32.1	32.1	43.3
	Agree	142	36.8	36.8	80.1
	Strongly Agree	77	19.9	19.9	100.0
	Total	386	100.0	100.0	

Most of the principal officers of ZHC are Islamic scholars

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	3.4	3.4	3.4
	Disagree	19	4.9	4.9	8.3
	Undecided	61	15.8	15.8	24.1
	Agree	170	44.0	44.0	68.1
	Strongly Agree	123	31.9	31.9	100.0
	Total	386	100.0	100.0	

Two out of the 10 richest people in Africa are from Kano

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	4.1	4.1	4.1
	Disagree	42	10.9	10.9	15.0
	Undecided	35	9.1	9.1	24.1
	Agree	57	14.8	14.8	38.9
	Strongly Agree	236	61.1	61.1	100.0
	Total	386	100.0	100.0	

Beneficiaries of Z&H are mostly widows, orphans, and women

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	5.4	5.4	5.4
	Disagree	39	10.1	10.1	15.5
	Undecided	59	15.3	15.3	30.8
	Agree	137	35.5	35.5	66.3
	Strongly Agree	130	33.7	33.7	100.0
	Total	386	100.0	100.0	

CBOs and NGOs proximity to the poor improve distribution of Zakat and Hubusi

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	6.7	6.7	6.7
	Disagree	33	8.5	8.5	15.3
	Undecided	113	29.3	29.3	44.6
	Agree	121	31.3	31.3	75.9
	Strongly Agree	93	24.1	24.1	100.0
	Total	386	100.0	100.0	

Zakat council collected more Zakat and organized better poverty reduction program then ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	36	9.3	9.3	9.3
	Disagree	27	7.0	7.0	16.3
	Undecided	172	44.6	44.6	60.9
	Agree	80	20.7	20.7	81.6
	Strongly Agree	71	18.4	18.4	100.0
	Total	386	100.0	100.0	

CBOs are closer to the community and enjoy more trust from the donors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	32	8.3	8.3	11.1
	Undecided	124	32.1	32.1	43.3
	Agree	142	36.8	36.8	80.1
	Strongly Agree	77	19.9	19.9	100.0
	Total	386	100.0	100.0	

Donors and Community are seeing practical impact of CBO and NGO

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	1.6	1.6	1.6
	Disagree	39	10.1	10.2	11.8
	Undecided	153	39.6	39.6	51.4
	Agree	133	34.5	34.4	85.8
	Strongly Agree	55	14.2	14.2	100.0
	Total	386	100.0	100.0	
Missing	System	0			
Total		386	100.0		

CBOs have accurate data of extreme poor such as orphans, widows, and divorcees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	6.7	6.7	6.7
	Disagree	83	21.5	21.5	28.2
	Undecided	101	26.2	26.2	54.4
	Agree	112	29.0	29.0	83.4
	Strongly Agree	64	16.6	16.6	100.0
	Total	386	100.0	100.0	

CBOs and NGOs can easily identify and reach out to donors and recipients in the community better than the ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	2.3	2.3	2.3
	Disagree	49	12.7	12.7	15.0
	Undecided	71	18.4	18.4	33.4
	Agree	185	47.9	47.9	81.3
	Strongly Agree	72	18.7	18.7	100.0
	Total	386	100.0	100.0	

Donors can easily monitor effectiveness of their donation through their local CBOs or NGOs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	3.1	3.1	3.1
	Disagree	39	10.1	10.1	13.2
	Undecided	69	17.9	17.9	31.1
	Agree	171	44.3	44.3	75.4
	Strongly Agree	95	24.6	24.6	100.0
	Total	386	100.0	100.0	

CBOs and NGOs are more effective in Zakat and Hubusi collection and distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	3.4	3.4	3.4
	Disagree	71	18.4	18.4	21.8
	Undecided	98	25.4	25.4	47.2
	Agree	130	33.7	33.7	80.8
	Strongly Agree	74	19.2	19.2	100.0
	Total	386	100.0	100.0	

Only ZHC collect and distribute Zakat and Hubusi (Z&H) in the State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	94	24.4	24.4	24.4
	Disagree	84	21.8	21.8	46.1
	Undecided	34	8.8	8.8	54.9
	Agree	81	21.0	21.0	75.9
	Strongly Agree	93	24.1	24.1	100.0
	Total	386	100.0	100.0	

Community, Religious, and Non-Governmental Organizations (NGOs) participate in the collection and distribution of Z&H in Kano state

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	90	23.3	23.3	23.3
	Disagree	77	19.9	19.9	43.3
	Undecided	51	13.2	13.2	56.5
	Agree	81	21.0	21.0	77.5
	Strongly Agree	87	22.5	22.5	100.0
	Total	386	100.0	100.0	

ZHC Law recognized the use of digital technology or online platform for the collection of Z&H.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	81	21.0	21.0	21.0
	Disagree	51	13.2	13.2	34.2
	Undecided	88	22.8	22.8	57.0
	Agree	96	24.9	24.9	81.9
	Strongly Agree	70	18.1	18.1	100.0
	Total	386	100.0	100.0	

There is lack of database and structure to identify Z&H donors and recipient.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	38	9.8	9.8	9.8
	Disagree	24	6.2	6.2	16.1
	Undecided	24	6.2	6.2	22.3
	Agree	90	23.3	23.3	45.6
	Strongly Agree	210	54.4	54.4	100.0
	Total	386	100.0	100.0	

Members of the old Zakat council are involved in the management of ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	5.2	5.2	5.2
	Disagree	52	13.5	13.5	18.7
	Undecided	159	41.2	41.2	59.8
	Agree	98	25.4	25.4	85.2
	Strongly Agree	57	14.8	14.8	100.0
	Total	386	100.0	100.0	

Z&H office should be established in each local government

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	5.7	5.7	5.7
	Disagree	10	2.6	2.6	8.3
	Undecided	2	.5	.5	8.8
	Agree	93	24.1	24.1	32.9
	Strongly Agree	259	67.1	67.1	100.0
	Total	386	100.0	100.0	

There should be mechanism for identifying donors and beneficiaries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	6.0	6.0	6.0
	Undecided	17	4.4	4.4	10.4
	Agree	117	30.3	30.3	40.7
	Strongly Agree	229	59.3	59.3	100.0
	Total	386	100.0	100.0	

State law should be promulgated to make Zakat Payment compulsory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	5.2	5.2	5.2
	Disagree	21	5.4	5.4	10.6
	Undecided	52	13.5	13.5	24.1
	Agree	65	16.8	16.8	40.9
	Strongly Agree	228	59.1	59.1	100.0
	Total	386	100.0	100.0	

There should be an effective mechanism to know when to pay Zakat, who to pay, how to pay and consequences of non-payment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	5.2	5.2	5.2
	Disagree	6	1.6	1.6	6.7
	Undecided	19	4.9	4.9	11.7
	Agree	67	17.4	17.4	29.0
	Strongly Agree	274	71.0	71.0	100.0
	Total	386	100.0	100.0	

Trusted persons should be appointed to head the affairs of ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	4.1	4.1	4.1
	Disagree	4	1.0	1.0	5.2
	Undecided	2	.5	.5	5.7
	Agree	32	8.3	8.3	14.0
	Strongly Agree	332	86.0	86.0	100.0
	Total	386	100.0	100.0	

Beneficiaries of Z&H should be identified based on their physical appearance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	123	31.9	31.9	31.9
	Disagree	99	25.6	25.6	57.5
	Undecided	55	14.2	14.2	71.8
	Agree	52	13.5	13.5	85.2
	Strongly Agree	57	14.8	14.8	100.0
	Total	386	100.0	100.0	

There should be a database for Z&H donors and beneficiaries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	7	1.8	1.8	4.7
	Undecided	21	5.4	5.4	10.1
	Agree	97	25.1	25.1	35.2
	Strongly Agree	250	64.8	64.8	100.0
	Total	386	100.0	100.0	

Payment of Z&H is voluntarily in Kano State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	58	15.0	15.0	15.0
	Disagree	32	8.3	8.3	23.3
	Undecided	45	11.7	11.7	35.0
	Agree	127	32.9	32.9	67.9
	Strongly Agree	124	32.1	32.1	100.0
	Total	386	100.0	100.0	

Donors complied with set standards by the State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	71	18.4	18.4	18.4
	Disagree	80	20.7	20.7	39.1
	Undecided	84	21.8	21.8	60.9
	Agree	85	22.0	22.0	82.9
	Strongly Agree	66	17.1	17.1	100.0
	Total	386	100.0	100.0	

Some donors complied without disclosing their identity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	19	4.9	4.9	4.9
	Disagree	6	1.6	1.6	6.5
	Undecided	68	17.6	17.6	24.1
	Agree	172	44.6	44.6	68.7
	Strongly Agree	121	31.3	31.3	100.0
	Total	386	100.0	100.0	

Donors comply with standards of when, who and how to pay Z&H

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	24	6.2	6.2	6.2
	Disagree	71	18.4	18.4	24.6
	Undecided	99	25.6	25.6	50.3
	Agree	108	28.0	28.0	78.2
	Strongly Agree	84	21.8	21.8	100.0
	Total	386	100.0	100.0	

Enforcement of compliance in the State is low

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	5.4	5.4	5.4
	Disagree	18	4.7	4.7	10.1
	Undecided	26	6.7	6.7	16.8
	Agree	111	28.8	28.8	45.6
	Strongly Agree	210	54.4	54.4	100.0
	Total	386	100.0	100.0	

There is lack of clarity on the intention of Z&H collection

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	5.7	5.7	5.7
	Disagree	46	11.9	11.9	17.6
	Undecided	66	17.1	17.1	34.7
	Agree	138	35.8	35.8	70.5
	Strongly Agree	114	29.5	29.5	100.0
	Total	386	100.0	100.0	

Z&H administrators are not trusted in the State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	58	15.0	15.0	15.0
	Disagree	75	19.4	19.4	34.5
	Undecided	120	31.1	31.1	65.5
	Agree	85	22.0	22.0	87.6
	Strongly Agree	48	12.4	12.4	100.0
	Total	386	100.0	100.0	

Payment of Z&H is not compulsory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	202	52.3	52.3	52.3
	Disagree	54	14.0	14.0	66.3
	Undecided	36	9.3	9.3	75.6
	Agree	39	10.1	10.1	85.8
	Strongly Agree	55	14.2	14.2	100.0
	Total	386	100.0	100.0	

There is long tradition of giving Z&H directly to beneficiaries or through Community Based Organizations (CBOs) in Kano

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	19	4.9	4.9	4.9
	Disagree	43	11.1	11.1	16.1
	Undecided	69	17.9	17.9	33.9
	Agree	134	34.7	34.7	68.7
	Strongly Agree	121	31.3	31.3	100.0
	Total	386	100.0	100.0	

There are different religious interpretations on basis of Z&H donation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	48	12.4	12.4	12.4
	Disagree	33	8.5	8.5	21.0
	Undecided	76	19.7	19.7	40.7
	Agree	158	40.9	40.9	81.6
	Strongly Agree	71	18.4	18.4	100.0
	Total	386	100.0	100.0	

Many people believe that Zakat should only be paid during Ramadan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	65	16.8	17.0	17.0
	Disagree	74	19.2	19.3	36.3
	Undecided	59	15.3	15.4	51.7
	Agree	137	35.5	35.0	86.7
	Strongly Agree	51	13.2	13.3	100.0
	Total	386	100.0	100.0	
Missing	System	0	0		
Total		0	0		

The state does not appoint some of the religious sects as members to the ZWC administration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	55	14.2	14.2	14.2
	Disagree	75	19.4	19.4	33.7
	Undecided	122	31.6	31.6	65.3
	Agree	73	18.9	18.9	84.2
	Strongly Agree	61	15.8	15.8	100.0
	Total	386	100.0	100.0	

Kano state has people that are wealthy enough to take care of the poor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	7.3	7.3	7.3
	Disagree	20	5.2	5.2	12.4
	Undecided	17	4.4	4.4	16.8
	Agree	86	22.3	22.3	39.1
	Strongly Agree	235	60.9	60.9	100.0
	Total	386	100.0	100.0	

Some donors have their independent Z&H committee

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	19	4.9	4.9	4.9
	Disagree	56	14.5	14.5	19.4
	Undecided	51	13.2	13.2	32.6
	Agree	154	39.9	39.9	72.5
	Strongly Agree	106	27.5	27.5	100.0
	Total	386	100.0	100.0	

Donors are more comfortable with old Zakat council than the ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	3.4	3.4	3.4
	Disagree	46	11.9	11.9	15.3
	Undecided	133	34.5	34.5	49.7
	Agree	128	33.2	33.2	82.9
	Strongly Agree	66	17.1	17.1	100.0
	Total	386	100.0	100.0	

Donors prefer to give Z&H to their Islamic Sect or community organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	35	9.1	9.1	11.9
	Undecided	76	19.7	19.7	31.6
	Agree	164	42.5	42.5	74.1
	Strongly Agree	100	25.9	25.9	100.0
	Total	386	100.0	100.0	

**There is direct or indirect enforcement on companies, banks and
government officials**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	118	30.6	30.6	30.6
	Disagree	105	27.2	27.2	57.8
	Undecided	81	21.0	21.0	78.8
	Agree	30	7.8	7.8	86.5
	Strongly Agree	52	13.5	13.5	100.0
	Total	386	100.0	100.0	

**Zakat-Tax credit and scholarship scheme to Zakat payers will improve
compliance**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	52	13.5	13.5	13.5
	Disagree	29	7.5	7.5	21.0
	Undecided	74	19.2	19.2	40.2
	Agree	142	36.8	36.8	76.9
	Strongly Agree	89	23.1	23.1	100.0
	Total	386	100.0	100.0	

Banks are used as collection points for Z&H

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	112	29.0	29.0	29.0
	Disagree	85	22.0	22.0	51.0
	Undecided	66	17.1	17.1	68.1
	Agree	90	23.3	23.3	91.5
	Strongly Agree	33	8.5	8.5	100.0
	Total	386	100.0	100.0	

Community participation is encouraged in Z&H donations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	34	8.8	8.8	8.8
	Disagree	34	8.8	8.8	17.6
	Undecided	73	18.9	18.9	36.5
	Agree	171	44.3	44.3	80.8
	Strongly Agree	74	19.2	19.2	100.0
	Total	386	100.0	100.0	

**Ulamas create awareness and enlighten the public on the benefits of
Z&H**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	15	3.9	3.9	3.9
	Disagree	12	3.1	3.1	7.0
	Undecided	41	10.6	10.6	17.6
	Agree	95	24.6	24.6	42.2
	Strongly Agree	223	57.8	57.8	100.0
	Total	386	100.0	100.0	

**Evidence of Zakat or Hubusi payment to secure government contracts
would increase compliance**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	40	10.4	10.4	10.4
	Disagree	30	7.8	7.8	18.1
	Undecided	54	14.0	14.0	32.1
	Agree	98	25.4	25.4	57.5
	Strongly Agree	164	42.5	42.5	100.0
	Total	386	100.0	100.0	

**The Independent Zakat organization called Zakat council was the oldest
Z&H institution in Kano**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	3.1	3.1	3.1
	Disagree	30	7.8	7.8	10.9
	Undecided	145	37.6	37.6	48.4
	Agree	116	30.1	30.1	78.5
	Strongly Agree	83	21.5	21.5	100.0
	Total	386	100.0	100.0	

ZHC was created to take over all activities of Zakat council

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	2.1	2.1	2.1
	Disagree	5	1.3	1.3	3.4
	Undecided	83	21.5	21.5	24.9
	Agree	187	48.4	48.4	73.3
	Strongly Agree	103	26.7	26.7	100.0
	Total	386	100.0	100.0	

Former members of Zakat council later dissatisfied and withdraw from the management of ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	6.0	6.0	6.0
	Disagree	41	10.6	10.6	16.6
	Undecided	216	56.0	56.0	72.5
	Agree	75	19.4	19.4	92.0
	Strongly Agree	31	8.0	8.0	100.0
	Total	386	100.0	100.0	

Z&H is a viable means to alleviate poverty in Kano

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	14	3.6	3.6	3.6
	Disagree	12	3.1	3.1	6.7
	Undecided	27	7.0	7.0	13.7
	Agree	106	27.5	27.5	41.2
	Strongly Agree	227	58.8	58.8	100.0
	Total	386	100.0	100.0	

**Zakat and Hubusi collection and Distribution can best be Improved
through CBOs and NGOs**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	42	10.9	10.9	10.9
	Disagree	51	13.2	13.2	24.1
	Undecided	86	22.3	22.3	46.4
	Agree	111	28.8	28.8	75.1
	Strongly Agree	96	24.9	24.9	100.0
	Total	386	100.0	100.0	

**The Z&H commission is understaffed, and their employees lack
working tools and training**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	6.0	6.0	6.0
	Disagree	11	2.8	2.8	8.8
	Undecided	90	23.3	23.3	32.1
	Agree	128	33.2	33.2	65.3
	Strongly Agree	134	34.7	34.7	100.0
	Total	386	100.0	100.0	

**ZHC staff are posted from other government agencies without knowledge
of Z&H management**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	2.3	2.3	2.3
	Disagree	38	9.8	9.8	12.2
	Undecided	140	36.3	36.3	48.4
	Agree	132	34.2	34.2	82.6
	Strongly Agree	67	17.4	17.4	100.0
	Total	386	100.0	100.0	

**Most Z&H assets are lost without trace because of lack of proper
record keeping**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	6.0	6.0	6.0
	Disagree	20	5.2	5.2	11.1
	Undecided	119	30.8	30.8	42.0
	Agree	129	33.4	33.4	75.4
	Strongly Agree	95	24.6	24.6	100.0
	Total	386	100.0	100.0	

There was plan to go online but no funds to adopt modern technology

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	4.4	4.4	4.4
	Disagree	25	6.5	6.5	10.9
	Undecided	160	41.5	41.5	52.3
	Agree	111	28.8	28.8	81.1
	Strongly Agree	73	18.9	18.9	100.0
	Total	386	100.0	100.0	

There is ineffective collaboration with local CBO, NGO and other advance Z&H Institutions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	27	7.0	7.0	9.8
	Undecided	111	28.8	28.8	38.6
	Agree	142	36.8	36.8	75.4
	Strongly Agree	95	24.6	24.6	100.0
	Total	386	100.0	100.0	

**Kano state government gives N10,000 business capital to the poor
periodically through ZWC**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	74	19.2	19.2	19.2
	Disagree	49	12.7	12.7	31.9
	Undecided	183	47.4	47.4	79.3
	Agree	50	13.0	13.0	92.2
	Strongly Agree	30	7.8	7.8	100.0
	Total	386	100.0	100.0	

Government Educates and enlightens the public on Z&H

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	57	14.8	14.8	14.8
	Disagree	79	20.5	20.5	35.2
	Undecided	68	17.6	17.6	52.8
	Agree	133	34.5	34.5	87.3
	Strongly Agree	49	12.7	12.7	100.0
	Total	386	100.0	100.0	

Some Zakat donors come with their list of beneficiaries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	4.4	4.4	4.4
	Disagree	58	15.0	15.0	19.4
	Undecided	94	24.4	24.4	43.8
	Agree	151	39.1	39.1	82.9
	Strongly Agree	66	17.1	17.1	100.0
	Total	386	100.0	100.0	

Health assistance is provided to the needy in partnership with some hospitals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	5.2	5.2	5.2
	Disagree	28	7.3	7.3	12.5
	Undecided	126	32.6	32.6	45.2
	Agree	142	36.8	36.6	81.7
	Strongly Agree	70	18.1	18.3	100.0
	Total	386	100.0	100.0	
Missing	System	0	.0		
Total		386	100.0		

Two out of the 10 richest people in Africa are from Kano

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	4.1	4.1	4.1
	Disagree	42	10.9	10.9	15.0
	Undecided	35	9.1	9.1	24.1
	Agree	57	14.8	14.8	38.9
	Strongly Agree	236	61.1	61.1	100.0
	Total	386	100.0	100.0	

Beneficiaries of Z&H are mostly widows, orphans, and women

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	5.4	5.4	5.4
	Disagree	39	10.1	10.1	15.5
	Undecided	59	15.3	15.3	30.8
	Agree	137	35.5	35.5	66.3
	Strongly Agree	130	33.7	33.7	100.0
	Total	386	100.0	100.0	

**CBOs and NGOs proximity to the poor improve distribution of Zakat
and Hubusi**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	6.7	6.7	6.7
	Disagree	33	8.5	8.5	15.3
	Undecided	113	29.3	29.3	44.6
	Agree	121	31.3	31.3	75.9
	Strongly Agree	93	24.1	24.1	100.0
	Total	386	100.0	100.0	

**Zakat council collected more Zakat and organized better poverty
reduction program then ZHC**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	36	9.3	9.3	9.3
	Disagree	27	7.0	7.0	16.3
	Undecided	172	44.6	44.6	60.9
	Agree	80	20.7	20.7	81.6
	Strongly Agree	71	18.4	18.4	100.0
	Total	386	100.0	100.0	

CBOs are closer to the community and enjoy more trust from the donors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	32	8.3	8.3	11.1
	Undecided	124	32.1	32.1	43.3
	Agree	142	36.8	36.8	80.1
	Strongly Agree	77	19.9	19.9	100.0
	Total	386	100.0	100.0	

Most of the principal officers of ZHC are Islamic scholars

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	3.4	3.4	3.4
	Disagree	19	4.9	4.9	8.3
	Undecided	61	15.8	15.8	24.1
	Agree	170	44.0	44.0	68.1
	Strongly Agree	123	31.9	31.9	100.0
	Total	386	100.0	100.0	

Two out of the 10 richest people in Africa are from Kano

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	4.1	4.1	4.1
	Disagree	42	10.9	10.9	15.0
	Undecided	35	9.1	9.1	24.1
	Agree	57	14.8	14.8	38.9
	Strongly Agree	236	61.1	61.1	100.0
	Total	386	100.0	100.0	

Beneficiaries of Z&H are mostly widows, orphans, and women

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	5.4	5.4	5.4
	Disagree	39	10.1	10.1	15.5
	Undecided	59	15.3	15.3	30.8
	Agree	137	35.5	35.5	66.3
	Strongly Agree	130	33.7	33.7	100.0
	Total	386	100.0	100.0	

**CBOs and NGOs proximity to the poor improve distribution of Zakat
and Hubusi**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	6.7	6.7	6.7
	Disagree	33	8.5	8.5	15.3
	Undecided	113	29.3	29.3	44.6
	Agree	121	31.3	31.3	75.9
	Strongly Agree	93	24.1	24.1	100.0
	Total	386	100.0	100.0	

**Zakat council collected more Zakat and organized better poverty
reduction program then ZHC**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	36	9.3	9.3	9.3
	Disagree	27	7.0	7.0	16.3
	Undecided	172	44.6	44.6	60.9
	Agree	80	20.7	20.7	81.6
	Strongly Agree	71	18.4	18.4	100.0
	Total	386	100.0	100.0	

CBOs are closer to the community and enjoy more trust from the donors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8	2.8
	Disagree	32	8.3	8.3	11.1
	Undecided	124	32.1	32.1	43.3
	Agree	142	36.8	36.8	80.1
	Strongly Agree	77	19.9	19.9	100.0
	Total	386	100.0	100.0	

Donors and Community are seeing practical impact of CBO and NGO

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	1.6	1.6	1.6
	Disagree	39	10.1	10.2	11.8
	Undecided	153	39.6	39.6	51.4
	Agree	133	34.5	34.4	85.8
	Strongly Agree	55	14.2	14.2	100.0
	Total	386	100.0	100.0	
Missing	System	0			
Total		386	100.0		

CBOs have accurate data of extreme poor such as orphans, widows, and divorcees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	6.7	6.7	6.7
	Disagree	83	21.5	21.5	28.2
	Undecided	101	26.2	26.2	54.4
	Agree	112	29.0	29.0	83.4
	Strongly Agree	64	16.6	16.6	100.0
	Total	386	100.0	100.0	

CBOs and NGOs can easily identify and reach out to donors and recipients in the community better than the ZHC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	2.3	2.3	2.3
	Disagree	49	12.7	12.7	15.0
	Undecided	71	18.4	18.4	33.4
	Agree	185	47.9	47.9	81.3
	Strongly Agree	72	18.7	18.7	100.0
	Total	386	100.0	100.0	

**Donors can easily monitor effectiveness of their donation through their
local CBOs or NGOs**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	3.1	3.1	3.1
	Disagree	39	10.1	10.1	13.2
	Undecided	69	17.9	17.9	31.1
	Agree	171	44.3	44.3	75.4
	Strongly Agree	95	24.6	24.6	100.0
	Total	386	100.0	100.0	

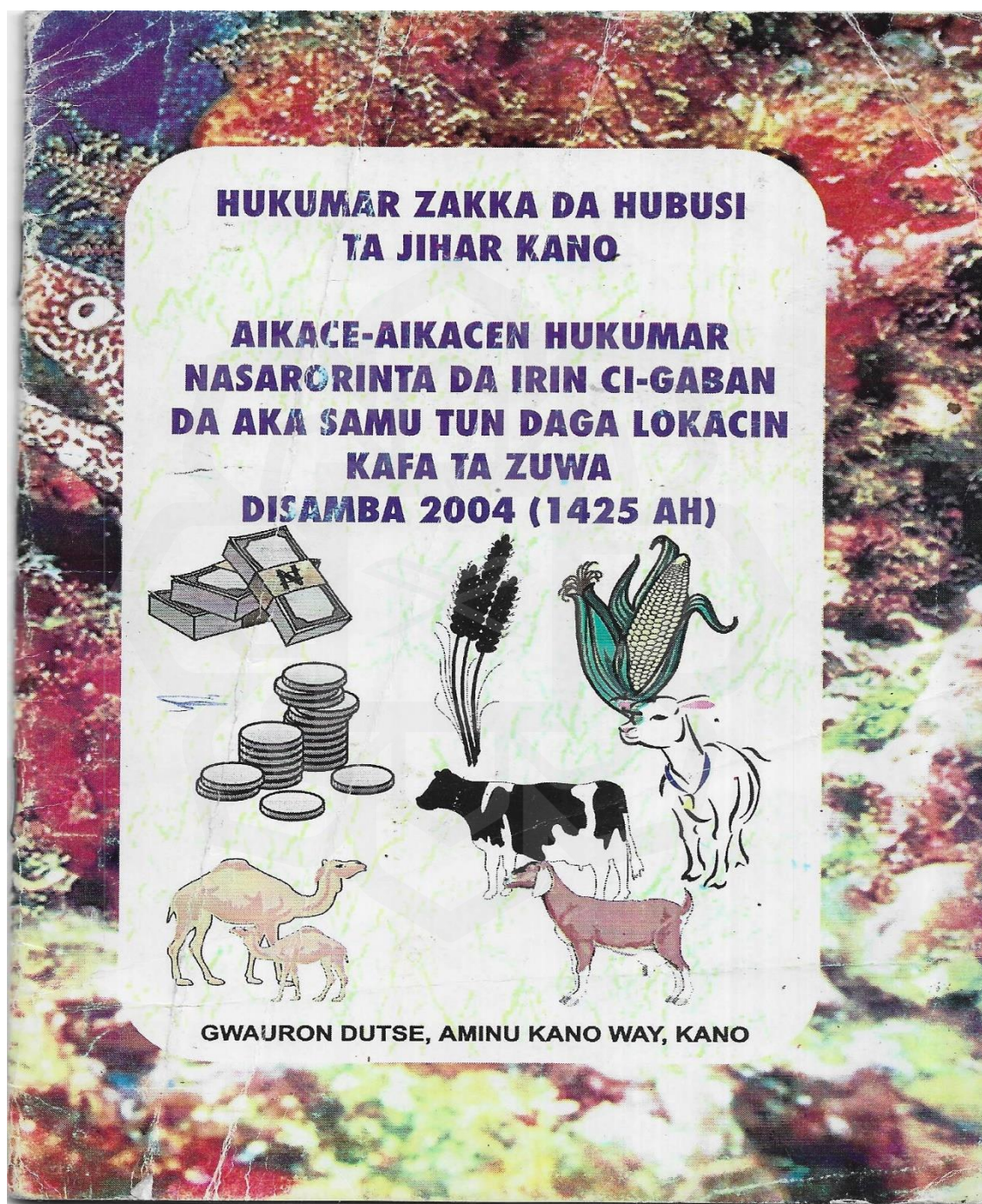
**CBOs and NGOs are more effective in Zakat and Hubusi collection and
distribution**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	3.4	3.4	3.4
	Disagree	71	18.4	18.4	21.8
	Undecided	98	25.4	25.4	47.2
	Agree	130	33.7	33.7	80.8
	Strongly Agree	74	19.2	19.2	100.0
	Total	386	100.0	100.0	

**APPENDIX H: PICTURE FOR THE NEW BUILDING OF KANO
ZAKAT AND HUBUSI COMMISSION OFFICE**



**APPENDIX I: A COVER PAGE OF PUBLICATION BY THE
KANO STATE ZAKAT AND HUBUSI COMMISSION**



APPENDIX J: PICTURE SHOWING OFFICE OF COMMUNITY-BASED ORGANIZATION IN MEDILE, KANO



APPENDIX K: PICTURE SHOWING OFFICE OF COMMUNITY-BASED ORGANIZATION IN GANDUN ALBASA, KANO

