



IMPACT OF ZAKAT DISTRIBUTION ON POVERTY REDUCTION IN SOKOTO SOUTH LOCAL GOVERNMENT AREA OF SOKOTO STATE, NIGERIA

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ABSTRACT

The main objective of this paper is to assesses the impact of Zakat distribution on poverty alleviation among Zakat beneficiaries in Sokoto South Local Government Area of Sokoto State. Data used for the study come from primary sources. The primary data was collected with aid of structured questionnaire administered to 50 units of the respondents from the beneficiaries and that constitute our population size, interview was also conducted respectively in the study. Data was analyzed using Pearson chi square test tool of analysis. Similarly, the results among other things indicated that Zakat distribution reduces poverty and improved livelihood of the beneficiaries. The study recommends that policy makers should come out with a laws that will give Zakat collectors full power to collect Zakat from the givers.

Keywords: Poverty; Zakat; Distribution; Beneficiaries.

INTRODUCTION

Zakat plays a significant role in poverty reduction more especially in the Muslim community, in addition to its important role in its development through the redistribution of income and wealth for the benefit of the poor. It was also one of the most profound aspects of Islam is that it takes human dignity very seriously. Zakat is a powerful tool to help re-

circulate wealth to those most vulnerable in the society. On poverty, available statistics indicate that not more than 2% of the population in the world living at a high level of comfort and luxury, the remaining percentage of the population are battling with poverty, hunger, and ignorance, worse part of it some are even living on less than one dollar a day, and witnessing increasing gap day after day (Abdalbaki, 2017).

In Nigeria the level of poverty is high, the number of Nigerians that are poor has been estimated to be 83.9million (NBS 2020). Similarly, the Nigerians Living Standards Survey (NLSS) reveals that in the year 2019, 40.1% of Nigerians are classified as poor by National Standard (NBS, 2020). Further detail provided in the nation – wide survey report shows the Northern states in Nigeria rank poorest and Sokoto State where the study area falls is rank among poorest top 10 (Naira metric 2020). In a bid to address the issue of poverty in the country, the government introduced so many programmes aimed at reducing poverty menace. The poverty situation highlighted indicates the deficiencies, therefore this research is important on the basis to assess and see weather Zakat would put an end to poverty in Sokoto South Local Government Area of Sokoto State.

STATEMENT OF THE PROBLEM

The poverty rate of Nigeria as a nation covered about 82% of the entire populace (NBS 2020). The government made effort to curtail such growing rate of poverty in the country through the introduction of different poverty reduction interventions programmes and schemes. Sokoto State is one of the Northern Nigeria states whose inhabitants are mostly farmers that live in rural areas and whose poverty rate was among the poorest in the country with 87.7% in 2019 (NBS 2020) and 80% of the population living below the poverty line in 2000 and 2020 respectively (NBS, 2020).

This made the Sokoto State Zakat and Endowment Commission among others to commit greatly towards assisting and funding Zakat distribution that are directly focus on poverty reduction and financial and support as well as wealth creation to poor. This effort of government through Sokoto State Zakat and Endowment Commission (SOZECOM) was implemented in all the 23 Local Government Area of the State including Sokoto South Local Government. Therefore our focus now is

that has the Zakat distribution of SOZECOM really alleviate poverty among beneficiaries in Sokoto South Local Government Area of Sokoto State.

OBJECTIVES OF THE STUDY

The main objective of this study is to examine whether the Zakat distributions has actually contributed to alleviated poverty among beneficiaries in Sokoto South to achieve this, the following objectives were set.

1. To determine the level of improvement in living condition of the Zakat beneficiaries.
2. To assess the credibility of criteria adopted in selecting the beneficiaries of Zakat in Sokoto South.

HYPOTHESIS TO BE TESTED

H₀: There is no significant relationship between poverty reduction and Zakat distribution in Sokoto South Local Government Area of Sokoto State.

H₁: There is significant relationship between poverty reduction and Zakat distribution in Sokoto South Local Government Area of Sokoto State.

SCOPE OF THE STUDY

This study captures the role played by the Zakat on poverty reduction among beneficiaries in Sokoto South Local Government of Sokoto State with focus only on the Zakat beneficiaries. The choice of Zakat is due to the fact that is one of the funds that concentrates on alleviating poverty among society. The study covers period between 2010 to 2020.

SIGNIFICANCE OF THE STUDY

Several studies have been conducted on the issue of poverty especially as it affects socio economic development of the country. However, from the available literature and records to the researcher, nothing or very little is done on the issue of Zakat distributions in Sokoto State as it impacts on poverty reduction among people.

This study will therefore bridge the gap of knowledge by digging deep into the impact which the Sokoto State Zakat and Endowment

Commission Zakat distribution has on poverty reduction among beneficiaries in study area.

REVIEW OF LITERATURE

In the study conducted by Sani et al., (2019), found that Zakat funds promotes poverty reduction, and eventually with Zakat funds the poor can be out of poverty and with government support by implementing the right regulation on Zakat as one of the tools for poverty alleviation the poor beneficiary can have a good livelihood. this point we can see that this study is justifiable and Zakat can be good government economic policy for poverty alleviation to improve the lives of its citizenry among other things.

Haji Othman et al., (2020), study the role of Zakat distribution in Hunger and Poverty Elimination in Kedah, using Secondary data, they found that in a bid to eliminate poverty and hunger Zakat distribution has great potential and Zakat collection need to be increased. Another study conducted by Kari (2017) on the determinants of poverty in Indonesia, using a survey data found that age, education, and less formal job are related to the household size which have a significant influence or possibility of the family to be poor. They further found that such category of people should be one of the target of Zakat in Indonesia's context.

According to world bank (1990) Poverty can be describe as a condition characterised by lack of basic human needs such as safe delivery water, food, health and sanitation facilities shelter education. This ascertains the scope of absolute poverty which includes absence of necessity for human survived. Such as goods and services needed for survival.

CONCEPT OF POVETY

According to the World bank as quoted from Mato (2008), poverty is caused by inadequate access to employment opportunities, inadequate physical assess, such as land and capital, and minimal access by the poor to credit even on a small scale; inadequate access to the means of supporting rural development in poor regions; inadequate access to markets where the poor can sell goods and services, law endowment of human capital; Destruction of natural resources, leading to environmental degradation and reduced productivity; inadequate access to assistance for

those living at the margin and those victimized by transitory poverty and lack of inclusive participation, which is the failure to include the poor in the process of designing development programme. Similarly, according to Sani et al., (2019), poverty can be defined as a situation where individual consumption is minimal, this means that the purchasing power of a person is low to attain his basic needs or necessity.

THEORITICAL FRAMEWORK

This study adopts the Benefit Cost analysis model which is developed by Schalock and Butterworth (2000). The framework is based on the assumption that public policy is based on two fundamental principles, efficiency and equity. The equitable programmes contributed to balancing the needs and desires of the various groups in society; So also, efficient programmes are those that serve to increase the net value of goods and services available to society.

The above accertation is justification to adopts this theory, as Zakat funds become one of the public policy more especially in the Muslim majority countries or state, such as Sokoto State where the study area is located. Similarly, the primary issue addressed by benefit cost analysis is whether the impacts of a programme, intervention or service are big enough to justify the costs needed to produce them, this also ascertain by the study conducted by Yerima (2020).

METHODOLOGY

This study was carried in one district of Sokoto South Local Government Area of Sokoto State which is situated in North – Western Nigeria. The data used for this research were from both Primary and Secondary sources. The primary data were generated from the beneficiaries of the Zakat in the study area and the staff of Sokoto State Zakat and Endowment Commission (SOZECOM). The research design was largely survey which involves the instrumentally of questionnaire, interview and observations.

However, 50 units of beneficiaries out of total of 150 beneficiaries were selected to serve as the sample. Simple random sampling was used in the selection because the population is homogenous. Also, all the 2 staff of SOZECOM were selected as sample size for the other population Data from the questionnaire were presented using tables and analyzed using chi

square statistical tool of analysis was adopted using statistical package for social sciences (SPSS) version 20. Discussions and comments were provided where necessary especially on the interview and data from the secondary sources.

RESULTS

This section presents the results of the response rate of return questionnaire of each category of respondents under study:

Table 1: Summary of survey Response

| Description | Numbers | Percentage % |
|-----------------------------|---------|--------------|
| Questionnaires Administered | 50 | 100 |
| Retrieval Questionnaires | 43 | 86 |
| Unreturned Questionnaires | 7 | 14 |
| Valid Questionnaires | 40 | 80 |
| Invalid Questionnaires | 3 | 6 |
| Total | 50 | 100 |

Source: Field Survey, 2021

Table 1 shows the copies of questionnaires distributed by the researcher to the respondents during the period from 10th September, 2021 to 10 October, 2021, amount to 50 questionnaires. Among which 43 were retrieved by the respondents while 7 of the questionnaires were not returned. Therefore, the copies of the valid questionnaires used for the study was 40 while the invalid questionnaire was 3 respectively.

Credibility of the Criteria adopted in the Selection of the Zakat Beneficiaries.

To determine the credibility of the criteria that transpired in the selection of the Zakat beneficiaries, we ask the respondents to State whether the criteria applied in their selection was credible. The responses we got are tabulated below:

Table 2: Response on credibility of the criteria Adopted in the selection of the Zakat beneficiaries.

| Options | Frequency | Percentage % |
|-----------------|-----------|--------------|
| Very credible | 18 | 48.7 |
| Credible | 11 | 29.7 |
| Incredible | 5 | 13.5 |
| Very incredible | 3 | 8.1 |
| Total | 37 | 100 |

Source: Researcher’s survey, 2021.

From the data presented in table 2 above shows the respondents views on the criteria adopted by the Sokoto State Zakat and Endowment Commission (SOZECOM) in selecting the Zakat beneficiaries. Based on the data tabulated, 48.7% of the respondents expressed that the criteria adopted in selecting beneficiaries of Zakat were very credible. 29.7% of the total respondents rated the criteria to be credible. Also, 13.5% of the respondents believed that the criteria were incredible. Similarly, remaining 8.1% are on the view that such criteria were very incredible. The data received show that credibility reigned during the beneficiary’s selection.

However, from the results generated from interview to the beneficiaries of Zakat show that the actual beneficiaries that the Zakat distributions targets actually benefited partly because the Sokoto State Zakat and Endowment Commission (SOZECOM) do the selection according to the provision and guided principles of Islam. This view was however corresponded to that of Sokoto State Zakat and Endowment Commission staff interviewed as they ensure credibility of the process. Zakat and the level of improvement in living condition the improvement in the condition of an individual indicates improvement on the poverty level of the individual concerned. with respect to this, we asked the respondents to indicate the rate at which the Zakat funds has assisted in improving their living condition. Their responses are tabulated below:

Table 3: Responses on the level of Improvement in Living Condition of the beneficiaries of Zakat

| Options | Frequency | Percentage % |
|-----------|-----------|--------------|
| Very high | 13 | 35.1 |
| High | 7 | 18.9 |

| | | |
|----------|----|------|
| Low | 10 | 27.0 |
| Very low | 7 | 18.9 |
| Total | 37 | 100 |

Source: Researcher's survey, 2021.

The Table above represents views of the respondents in respect to the level of improvement in their living condition. The responses show that 35.1% of the respondents believed that the Zakat distribution has improved their lives at a very high rate. Those that rated it as high and low constituted for about 18.9% and 27.0% respectively.

The remaining 18.9% of the respondents argued that Zakat contribution to improving living standard was very low. Going by the general responses and the difference between those that agreed and those that did not is significant, we shall see that the zakat distribution in Sokoto South Local Government Area has really improved the condition of living of the beneficiaries.

HYPOTHESIS TEST

As this study stated is going to tested the Hypothesis that: H_0 there is no significant relationship between Zakat distribution and poverty reduction to beneficiaries in Sokoto South local Government Area of Sokoto State. The independent variable here is Zakat contribution to beneficiaries while the dependent variable is poverty reduction. Going by this assertion the results obtain from the analysis is as follows:

Table 4: Chi – square Results

| | Value | Df | Asymp Sig |
|--------------------|---------------------|----|-----------|
| Chi – square | 67.156 ^a | 9 | .000 |
| Likelihood Ratio | 66.193 | 9 | .000 |
| Linear Association | 29.105 | 1 | .000 |

Source: SPSS V. 20 output, (2021)

From the chi – square tests result above; we can see that our calculated value is 67.156. The critical value at 0.05% level of significance and 9 degree of freedom from the chi-square table is 16.91. Going by the

decision rules when comparing the two, we shall see that the calculated value is greater than the critical value. Thus, we reject the null hypothesis and accept the alternative one.

As stated earlier the decision is guided by the decision rule which state that if the calculated value is greater than the critical value we reject and if less than we accept. Interview result from the analysis above also confirm this stand, this means that there is evidence of a significant relationship between poverty reduction and Zakat distribution to Zakat beneficiaries in Sokoto South Local Government Area of Sokoto State Nigeria.

This study was able to arrive at the following findings: Firstly, it was found that the criteria that reigned in the selection of the Zakat beneficiaries was credible as most of the beneficiaries were selected based on merit according to the Islamic guided procedures. The reason to this was that political backgrounds is not consider, when selecting the beneficiaries of Zakat. However, the study revealed that the Zakat beneficiaries living condition and livelihood was improved positively such as improvement on food security, Health status, shelter and clothing among other things.

CONCLUSION AND RECOMMENDATIONS

This study investigated the role of the Zakat distribution as one of the obligations in Islam also serve as a tools for poverty alleviation to Muslim Ummah. Looking at the poverty as one of the greatest challenges to the global development remains one of the central issues of discussion when it comes to human development. Its alleviation in Sokoto South Local Government Area, Sokoto State and Nigeria at large, it requires careful strategies that focus on the core poor. In this direction Zakat distribution will be one of the strategy if not the best of them.

Thus, we conclude that poverty level in Sokoto South and Sokoto State at large would continue to increase as long as state would continue to increase as long as emphasis towards given out Zakat as well as its collection and distribution is not given much attention. Similarly, poverty reduction among Muslim communities is one of the central focus of Zakat distribution which has its own objective to fight against poverty, and can only be achieved if government can pass legislation on the

collection of Zakat in Sokoto South Local Government and Sokoto State at large.

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