Chapter 9
Zakat Distribution in the Context of Shari‘ah Corporate Governance: Evidence From South-Western Nigeria

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ABSTRACT

History of Zakat in Nigeria is not uniform across various regions of the country. Ever before the invasion of the colonialists to the northern part of the country, its collection and disbursement were largely in the hands of the Emirs. This was not the case in the south-western region where Zakat was not given the desired attention by the Muslims and did not win the support of the rulers for proper administration. In the post-colonial Nigeria, Zakat administration in the northern part of the country received a boost consequent upon the re-introduction of Shari‘ah legal system to some states in the region. While state governments support its collection and disbursement through agencies set up for the purpose, this is not the case in the southwestern region where no government is involved. This chapter sought to evaluate Zakat distribution in south-western states of Nigeria with a view to determining how compliant with Shari‘ah the entire process is.

INTRODUCTION

Zakat right from inception has been one of the pillars of Islam which probably because of some conditions attached to it, has been suffering neglect by many Muslims. Historically, with the demise of the Prophet (May peace be upon him), some groups of Muslims decided not to pay Zakat believing that the only eligible person to collect it from them was Prophet Muhammad (May peace be upon him) and

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with his death, the institution had died with him. It was Abubakr (May Allah be pleased with him), the immediate successor of the Prophet (May peace be upon him) to the caliphate that came to rescue this important pillar of Islam from going into oblivion by enlightening people on it and enforcing its payment on those qualified to do so. In Muslim minority areas where Shari’ah is not fully implemented, Zakat is equally suffering because there is nobody to enforce its payment. That notwithstanding, some conscious Muslims are trying to pay it within their limited knowledge of the institution. In such a case, it is either paid into wrong hands or that the payers don’t fulfill the necessary conditions attached to its payment. Adetona (1999) also observes the non-appropriateness of Zakat administration by some organizations and mosques which claimed to be collecting and disbursing it in form of using it for the purpose it is not meant.

In the pre-colonial Nigeria and especially in the northern part of the country, there was an efficient machinery of Zakat collection and distribution within the Muslim community, as it was taken care of by the Emirs. According to Muhammad (2005), this arrangement was hampered with the imposition of taxes and related fines and charges by the colonial administration and this created “a sort of double taxation and confusion within the emirate financial administrative structure.” The method of collection and distribution of Zakat in the area therefore suffered a setback and this made people to explore direct method of distributing their Zakat. Since there was no direct supervision by any recognized body, the institution began to crumble. However, some Muslims who were dissatisfied with the status of Zakat as being haphazardly practiced by people started to make efforts to revive the institution. This was in form of organizing seminars and workshops to sensitize the Muslims on this neglected pillar of Islam.

From the above efforts, an Independent Zakat committee, a non-governmental initiative, was set up in Kano State. The success of this committee within some years coupled with the re-introduction of Shari’ah legal system to the state culminated in its merger into the Kano Zakat Commission established by the State Government. This Commission was to collect and distribute Zakat funds and possibly invest excess Zakat funds on Shari’ah compliant ventures (Rano Aliyu, 2002). Zamfara and Bauchi states also have Zakat and Endowment Board and Zakat and Endowment Committee each operating under the Ministry of Religious Affairs and the Shari’ah Commission respectively. The Bauchi State Zakat and Endowment Committee is empowered to prosecute eligible persons who refuse to pay Zakat through the office of the Attorney General of the State or any other legal practitioner, while it can also invest endowment funds. In addition, Isa (2010) also recorded such agencies of government that managed Zakat between 1999 and 2001 in such states as Zamfara, Jigawa, Kebbi, Yobe, Sokoto, and few others. These states’ agencies collected Zakat of cash and farm produce and distributed accordingly to the poor and needy across the various states.

The case of Zakat in the south-western part of Nigeria does not follow the same pattern of the northern part. This is because no state has adopted Zakat administration as a responsibility. Just like in Pakistan where before the 1980 promulgation of the Zakat and Ushr ordinance, which marked the establishment of official Zakat system (Shirazi, 1996), Zakat was paid based on individual capable Muslims’ caprices among the Yoruba who constitutes the major ethnic group in the South-western Nigeria. However, in recent years, non-governmental agents have assumed the responsibility in order to make the institution of Zakat a functional pillar of Islam in this region of the country. This is not to say that Muslims in this part of the country are not up and doing in the payment of Zakat before the emergence of Zakat agencies; however, this has been on private arrangement with scholars and Imams collecting it. Ashafa (2014) observed that many of the religious leaders who collected Zakat proceeds used such for their personal benefit and did not give such to indigents who actually deserved it. A slight deviation from this practice
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