

## **Zakat and Waqf Model in Reducing Poverty among Vulnerable Groups During the Pandemic in Nigeria**

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### **Abstract**

The crisis of COVID-19 pandemic has already crushed and affected almost everyone in the world. In terms of economy, the vulnerable group was the most affected group in the society as many of them lose their jobs and thus poverty rate rose. Poverty is a worldwide spread problem that results pains and loss of confidence to many people in the world where vulnerable citizens of Bauchi state-Nigeria are not excluded. The menace of poverty during COVID-19 pandemic can be alleviated through proper Zakat and Waqf administrations. This study explores the possible uses of Zakat and Waqf as financing tools for poverty alleviation during COVID-19 pandemic on the vulnerable in the society. The qualitative approach is adopted which includes review of related literatures and interview with relevant bodies and individuals. The findings of the study reveals that Zakat and Waqf as an Islamic finance models have relevant potential to fight any contemporary crisis and pandemic in respect of geographical location, era, people or religion. Zakat and Waqf if properly organized, maintained, collected, well managed and truthfully distributed to the people concerned can help in fighting the adverse effect of COVID-19 pandemic and alleviate poverty among the vulnerable in Bauchi state Nigeria.

**Keywords:** Poverty Alleviation, Nigeria, Vulnerable, Zakat and Waqf

### **Abstrak**

*Pandemi COVID-19 telah mempengaruhi dan merugikan hampir setiap orang di dunia. Dalam masalah ekonomi, golongan yang rentan adalah kelompok paling terdampak olehnya karena banyak diantara mereka yang kehilangan pekerjaan sehingga angka kemiskinan naik. Kemiskinan merupakan masalah yang terjadi di seluruh negara di dunia yang menyebabkan kerugian bagi masyarakat rentan termasuk di dalamnya penduduk negara bagian Bauchi di Nigeria. Masalah kemiskinan yang muncul di masa pandemic ini bisa ditanggulangi melalui pengelolaan dana zakat dan waqaf yang tepat. Penelitian ini menelusuri kemungkinan penggunaan Zakat dan wakaf sebagai sarana*

*pembiayaan untuk menanggulangi kemiskinan di masa pandemi bagi golongan rentan. Pendekatan kualitatif digunakan yang terdiri dari pelaksanaan kajian pustaka dan interview terhadap lembaga dan individu. Hasil dari penelitian ini menunjukkan bahwa Zakat dan Waqaf sebagai instrument keuangan Islam mempunyai potensi yang baik dalam menghadapi krisis dalam berbagai tempat, waktu, orang dan agama. Selanjutnya, bila Zakat dan Waqaf diatur dan dikelola dengan baik, serta disalurkan dengan tepat sasaran akan dapat membantu melawan dampak buruk dari pandemic COVID-19 dan membantu mengurangi kemiskinan dari golongan rentan di negara bagian Bauchi, Nigeria.*

**Kata Kunci:** *Penanggulangan kemiskinan, Nigeria, Golongan rentan, Zakat dan Waqaf*

## **INTRODUCTION**

The first quarter of 2020 year has seen number of challenges in terms of fear, reliable and fake news that lastly exposed the emergence of COVID-19 pandemic almost all over the world. The emergence of the virus started with the rumors and fear to real world deadly pandemic which crushed and paralyses the global economy. It is believed that this pandemic is a large family of disease that has common symptoms like, normal cold, flu and cough (Erken, 2012).

Since the advent of the current civilization, poverty looks as a major troubled challenge till the present time, it is a wide spread world problem which is directly or indirectly affecting any angle of human development (Shirazi & Khan, 2009). Poverty and its implications and alleviation measures on vulnerable has been considered as a big challenge to national and international policy making bodies, it serves as a topic of debates among economic experts and civil societies on who is a real poor, how to define poverty and where and how it detected (Khan 2007).

The current economic condition of Muslims in rural areas where citizens of Bauchi state Nigeria not excluded is worsening because of their financial restrictions and poverty overwhelming due to pandemic and its outcomes. The current economic challenge that rapidly affecting numerous vulnerable Muslims has a detrimental impact on their lives religiously, morally, socially and mentally where many vulnerable individuals cannot afford the simple and minor necessities for their immediate families because of financial problems, and this problem must requires an urgent solution. (Ali, 2012).

Islam as a religion of brotherhood and mercy, it gives the clear picture and strategies for the solution of the current financial situation that challenging several Muslim countries, as we believed that there is an urgent need for poverty alleviation among vulnerable individuals, the Islamic finance tools of Zakat and Waqf are to be demonstrated for the success of the program. It is believed that poverty alleviation requires proper financial systems such as micro-financing, lawful businesses, agriculture, investment, large-scale enterprises and small and medium enterprises as well as gifts, interest free loans and partnerships (Adebayo, 2008).

In line with the conception of brotherhood in Islam, Muslims are strongly encouraged to take care of the needy and the vulnerable individuals in their respective communities. As a result of this, the obligation to pay Zakat on own wealth was received

by Prophet Muhammad SAW, and later he encouraged the Muslims on Waqf donation. It was discovered that through the institution of Islamic Zakat and Waqf, real poverty was nearly eliminated completely during the reign of ‘Umar bin Al-Khattāb and ‘Umar bin ‘Abdul-‘Aziz (Haykal, 1982: 7).

## LITERATURE REVIEW

Sources of revenue of the public treasury (Bait-ul-Mal) in the Islamic state in the time of Prophet Muhammad (PBUH) and early caliphs included Zakat, Ushr, Khums, Fai, Jizyah and Kharaj (Muhd, 2003). The word “al-zakah” has been mentioned thirty times in the Holy Quran (Qaradawi, 1999). Literally, zakat means to grow and to increase, while in the Shari’ah, the term zakat is a concept referring to the redistribution of wealth prescribed by God to the deserving category of people. Besides poverty eradication, zakat aims to eliminate greediness among Muslims and encouraging socially oriented behavior (Farah, 2012).

Above all, in Islam it is expected that the payment of zakat will purify the income of the zakat payer, reconcile the hearts of payer and asnaf, satisfy the basic needs of the poor and needy, and solving the social problems such as poverty, unemployment, indebtedness and unfair income distribution (Dogarawa, 2009; Qaradawi, 1999).

The tools for equitable distribution of wealth in Islamic economic system can be divided into two categories i.e. obligatory institutions and non- obligatory institutions. The contents of obligatory institutions are Zakat, Khums, Ushr Kharaj, Jizyah etc., while the contents of non- obligatory institutions consists of Waqf, Wasiyyah, Sadaqah, Qard al-Hasan, Infaq, etc (Aziz, etal 2008).

Muslims are obligated to pay zakat, one of the five “pillars” of Islam. It is payable on business revenues and assets, gold and silver, and savings at the basic rate of 2.5% (Gambling & Karim, 1986; Hamid et al., 1993; Mohamed, 2007; Mohamed Ibrahim, 2001; Lewis, 2001; White, 2004). Mohamed (2007) claims that Islam requires its followers to pay zakat so that the money collected can be of help for the poor to have basic requirements in life. Unlike conventional tax, zakat is viewed by Muslims as a means of ‘purifications’ and not just an obligation (Gambling & Karim, 1986). Furthermore, Sulaiman (2003) Islamic Zakat and Waqf models plays a vital role in the economy, moral and social well-being of any given society. Economically, they promotes wealth development and cleanliness to the owner, morally, they promotes sharing of wealth and eliminates greediness, and socially, they helps in reducing poverty within the community (Gambling & Karim, 1986; Sulaiman, 2003).

Usually, the economic experts believed that poverty is dignified in fiscal terms, based on the income levels or consumption rate of any particular household. In the year 2008, the World Bank has considered the international poverty line at \$1.25 a day instead of \$1 a day, based on the purchasing power parities (World Bank, 2007).

Based on the figures claim by World Bank experts, it was suggested that those citizens who earned less than \$1.25 a day from all over the world are categorized under absolute poverty, this idea implicate millions of people living in rural areas across the world where Bauchi state vulnerable are included.

On the other hand, Islam defines poverty based on individual failure to fulfil any of the five basic human requirements of life that is based on Maqasid al-Shariah (Goals and objectives of Islamic law) namely; religion, physical self, knowledge, dignity, and wealth (Hassan, 2010).

Islam, being a religion of balance, views poverty as a social and ideological problem that affects one's life in respect of his religion, background or location and it affects the performance of one's socio-religious obligation towards the community and Islam, and may even lead to kufr (Farah, 2012).

Aliyu (2018) found that over its historical development, Waqf institutions have helped lessen the burden of tax and budget deficits, promote the public good, address inequality and alleviate poverty. Abdullahi (2019) said that Waqf and Zakat if embraced and properly harnessed have the potential to boost Nigeria's infrastructure. Raimi et al. (2010) argue that if zakat were properly administered it would go a long way in eradicating poverty in Nigeria and actualizing the millennium development goals.

Similarly, Adebayo (2011) agrees that zakat would go a long way in alleviating poverty in Nigeria if it were properly harnessed. Daud, (2011) argues that in addition to the revenues of a state, Zakat has the fiscal potency to stimulate economic growth of Muslim countries if it were properly administered within the central public economic policies of a state.

Zakat and Waqf are charity tools in Islamic finance that can be used for various purposes, mainly for eradicating the poverty from Muslim community. Holy Qur'an has mentioned at least eight application of Zakat, but there is general consensus that the most important application of Zakat can be for the eradication of poverty by paying it to the needy and poor (Hasan, 2010).

### **Islamic Concept of Zakat, Waqf and Poverty (Sub-tema)**

#### **Zakat**

The literal meaning of zakat means something which purifies (Benda-Beckham, Franz Von, 2007). Zakat on wealth means alms giving which is treated in Islam as the third pillar of Islam after Testimony and prayer; it is a religious obligation on only Muslim whose wealth reaches nisaab (Lessy, Z. 2009).

'Zakat' or 'Zakah' literally means 'growth' or 'increase' or 'nourishment' another derivative of this word carries the sense of purification. Thus, Zakat means 'to grow', 'to increase' or 'to purify'. It is because of the fact that Zakat helps the purification of human soul from miserliness, selfishness, lust and greed of wealth and, thus, it paves the way for its growth and development. Technically, Zakat is a compulsory contribution, a sort of tax which is collected from the rich and distributed among poor or spent by the state for the welfare of the needy and helpless.

Zakat in Islam originates from textual authorities namely Qur'an and Hadith. In chapter 9:103 of the Holy Qur'an, Allah (SWT) says:

*"Take sadaqah (alms) from their wealth in order to purify them and sanctify them with it, and involve Allah is all Hearers all known" (Qur'an 9:103).*

In another verse Allah says:

*“Establish worship, pay the poor-due (Zakat) and bow your heads with those who bow (in worship)”.* (Qur’an 2:43).

The Prophet Muhammad SAW has been quoted saying as follows:

“Islam is built on five things; to bear witness that there is no God but Allah and that Muhammad (PBUH) is His Messenger; to establish prayer; to pay Zakat; to make pilgrimage; and to keep fast in Ramadan” (An-Nawawi’s Collection No. 3).

Zakat is mandatory alms-giving, to be taken from those who hold more than a minimum threshold of assets over a lunar year, and to be given to the poor and needy (As-Sallabi, 1999, p574).

Among the wisdom behind the Ordainment of giving Zakah and Waqf charity is to cleanse the souls and purify them from stinginess, sins and misdeeds, multiply and bless their property, to test one’s obedience to the commands of Allah and to give priority to loving Allah first, over and above the love of his property, to support the vulnerable and fulfill the needs of the destitute as well as one to become acquainted with giving and spending in the cause of Allah Almighty (Muhd S.C 2003).

By giving Zakat and Waqf in Islam, one should attain numerous merits that includes a means of attaining Allah’s Mercy. Allah says:

“...and My Mercy embraces all things. That (mercy) I shall ordain for those who are the pious, and give Zakah; and those who believe in Our Signs.” (Q 7: 156)

And it is a condition that entitles those who pay Zakah will guaranteed victory. Allah says:

“...Verily, Allah will help those who help His cause. (They) enjoin Iqamat-as-Salat, pay the Zakah...” (Q 22: 40, 41).

## **Waqf**

Literally, the word “Waqf” (pl. Awqaf) literally means to hold, confine, detain, prevent, or restrain. Technically, it means “to protect something, by preventing it from becoming the property of a third person”. In other terms, Waqf is an endowment made by the rich to benefit the poor. In Islam, Waqf serves as one of the most important tools in alleviating poverty through providing basic needs to increase general welfare of people. In Islamic Law, Waqf requires restriction of a particular property as it is highlighted from the literal definition despite the existence of some divergences regarding the periodicity of Waqf (Adamu, 2021).

In a simple way, Waqf can be defined as the concept of dedicating any property for posterity from which its profit may be used for any charitable intention. Prophet Muhammad once said: "The record (Book of Deeds) is closed when a person passes away, yet those who leave behind knowledge, good children or works of charity are exceptions. Good deeds will continue to be written in that person's record." Prophet Muhammad founded Waqf himself and advised his devotees and future Muslims followed his advice. He donated the date garden in Khyber<sup>1</sup> to Muslims. The current economic situation of almost all Muslim countries in terms of their illiteracy rate, lack of good healthcare, high unemployment rate, and the spread of poverty is a call to policy makers and researchers to rethink strategies to re-born Zakat and Waqf institutions (Ahmad et al., 2021).

## **Poverty**

In Islam, poverty is defined based on an individual failure to fulfil any of the five basic human requirements of life that is based on Maqasid Al-Shariah: religion, physical self, knowledge, dignity and wealth (Farah A. et. al 2012). The concept of poverty should include all the important areas in which, people of any gender are deprived and perceived as incapacitated in different societies and local contexts OECD (2001).

Mwangi & Markelova (2008) asserted that poverty reduction has become to an urgent global consensus in development. Kabir Hassan (2009) opined that the Islamic approach to poverty alleviation comprises of five distinct measures as stated below.

1. Islam as a religion strongly emphasizes on moderate behavior that will produce necessary savings for the individual and the inclusive economy and stressed on the need for lawful (Halāl) earning. The Qur'an says:

*“A person gets what he strives for” (Al-Qur’ān 53: 39).*

In another verse, Allah says:

*“Do not make your hand tied to your neck, nor stretch it forth to its utmost reach, so that you become blameworthy and destitute” (Al-Qur’ān 17: 29).*

2. Islamic approach always teaches equitable distribution of income among factors of production such as profit sharing on the basic definition of agreed ratio, rather than a nominal fixed interest among the collaborated stakeholders.
3. Islam teaches that all available wealth that exist in the world are belongs to Allah. However, human beings have the secondary ownership as trustees, for utilizing resources per terms and conditions of the trust as ordained by almighty Allah.

4. The prohibition of malpractices that can lead to economic disparity such as gambling, hoarding, cheating, and bribery are strongly emphasized. The Qur’ān says:

*“O you who believe! Squander not your wealth among yourselves wrongfully, except it be a trade by mutual consent” (Al-Qur’ān 4: 29).*

5. The establishment of Zakah as a unique and obligatory instrument for poverty alleviation as wealth is transferred from rich people to vulnerable people. And Islam is also encourages voluntary endowment (Waqf) and acts of kindness rather than mandatory one like Zakāh. Allah says:

*“And in your wealth, are obligations beyond Zakāh”. “In their wealth, there is a known right for those who ask for it and for the deprived” (Al-Qur’ān 70: 24-25).*

Hossain (2012: 8) also sees Zakat as a powerful poverty alleviating instrument in the period of pandemic or crisis. Mika’ilu (2000: 9) observes that there is need for reform in the way and manner of disbursement of Zakat and Waqf properties to vulnerable individuals in Nigeria at large and Bauchi state in particular with the aim of poverty alleviation. Shittu (2013: 27) also calls for a viable Zakat and Waqf foundations in Nigeria to be efficient solution to poverty alleviation among vulnerable individuals. In the Islamic economic system, the state should be held responsible for maintaining a favorable environment for legal business and economic activities as well as welfare of the citizens should always receive a great concern and priority (Ahmad et al., 2024).

## **RESEARCH METHOD**

This study uses a qualitative approach in answering the research questions. It comprises of reviewing some literatures that are relevant to zakat, waqf and poverty alleviation and conducting an interview to zakat and waqf institutions in Nigeria and some individuals.

## **DISCUSSION**

### **Poverty Alleviation through Zakat and Waqf Models in Bauchi state- Nigeria**

Poverty has become an economic, social, and political issue all over the world particularly in the developing and third-world nations including many of the Muslim countries. Parties from various organizations, such as the United Nations (hereafter, UN) and World Bank are working hard to eradicate poverty with all kinds of activities, programs, services, and policy developments. In 2000, the UN organized an event that gathers the leaders of the nations to sign the “Millennium Development Declaration”. On that day, these world leaders pledged to work together to achieve the “Millennium Development Goals” by the year 2015, where one of the objectives is to significantly reduce the number of extreme poverty and hunger globally (United Nations, 2012).

Zakat in Islam is not only a tax but also an act of worship, a pillar among the five pillars of Islam, a bedrock of the financial structure of the Islamic State since the first century of Islam. Next to Salat (prayer), Zakat is the most important of the religious obligations enjoined on the followers of Islam. The importance of Zakat in Islam can be judged from this very fact that the Qur’an mentions Zakat for more than eighty times, while for twenty seven times commandments regarding Zakat are found in close connection with obligatory prayers. Hadrat Muhammad (PBUH), the Prophet of Islam, not only established a model system of collection and disbursement of Zakat but also made rules and regulations of this levy. Zakat is not a private charge but it is a State institution as referred to in the verses 60 and 103 of chapter 9 and verse no 41 of chapter 22 of the Holy Qur’an. Practice of the Prophet also establishes that system of Zakat was set up in the Islamic State as governmental institution. After the demise of the Prophet of Islam, when some people declined to pay Zakat, Hadrat Abu Bakar, the successor of the Prophet, declared war on them to enforce Zakat as a state levy.

Waqf in Islam served as a viable type of Islamic endowment aimed at providing relief to the vulnerable citizens. Many developed and emerging countries such as Malaysia, Indonesia, Bangladesh, Singapore and Nigeria have established waqf Islamic system of finance for alleviating poverty several times and achieved certain success. Although, certain identified issues and challenges associated to the system remain unsolved till the present time (Sulaiman 2021).

In the current pandemic era, vulnerable citizens in Bauchi state Nigeria have witnessed total decline of their economies as a result of partial and total lock down, shops borders closure, people including vulnerable citizens being asked to stay indoors and all their economic activities are nearly to be halt, this makes the global economy left in shambles and partial collapse. The stock markets are tumbling, central banks are slashing interest rate, industrial production are almost zero resulting into massive job loss, mortality rate remain high as a result of blockage to many advanced hospitals and qualified medical personnel refocused to the most affected areas (Adamu, 2021).

As the reality of this pandemic is daily emerging, discussion on the relevant measures to be taken for curbing its menace economically and socially on vulnerable citizens become a topic globally, this resulted the total focus of the government and employers on how to minimize its damage among the vulnerable individuals in the affected areas (Adamu, 2021).

Poverty is a hateful situation when people are deprived from access to many things but most common of these are adequate health facilities, nutrition, shelter, education, hygienic water, economic opportunities, community participation, social relations, empowerment, security and social protection and other things that makes clear difference between rightly living and merely living (Adamu, 2021).

The establishment of Islamic models of Zakat and waqf for poverty alleviation is one among the key solutions to the fight against the menace of poverty during the pandemic era in Nigeria at large and Bauchi state in particular.

For example, waqf is a continuous charitable act for the sake of Allah and improved by the fundamental spirit of self-sacrifice, which forms an integral part of the Islamic way of life (Adamu, 2021).

In the similar of this critical situation of pandemic era, Muslims urged to establish various kinds of Islamic financial assistance to their brothers and sisters for curbing the effects and pains of any disaster or pandemic, Zakat and waqf models are in fore front tools to be used for this task for distribution of financial assistants, educational materials to vulnerable individuals as well as health care facilities and public utilities.

In the Muslim world in general such as Indonesia, Malaysia, Turkey, Saudi Arabia in general and parts of Bauchi state Nigeria, many humanitarian projects today are operated through the institutions of Zakat and waqf such as building houses for the vulnerable individuals, springs development for providing water for public consumption, helping the handicapped and the disable people, taking care of orphans and widows, building bridges in rural areas, financing orphanages and homes for the elderly men and women, financing the marriages of vulnerable young couples who are in dare in need as well as providing a start-up packages for financing the small scale enterprises of talented vulnerable citizens in the affected areas (Adamu, 2021).

History of the tremendous achievements of Islamic models of Zakat and waqf is very rich with prominent achievements in enhancing the welfare of humanity in general and serving the necessary needs of vulnerable individuals in particular (Adamu, 2021).

The potential of Islamic models of Zakat and Waqf as a source of poverty alleviation tools is optimistic and positive. The clear evidence of it is shown by the Islamic historians who accounts that during the end of first century of Islam in the reign of Umar bn Abdul-Aziz (R.A) there was a surplus of Zakat funds and properties in the public treasury, this shows that there was so little poverty among muslims, that Zakat eligible recipients were scanty and the Zakat payers are too many (As-Sallabi, 1999, p574).

Islam has been the first and only religion that strongly lay down general principles for the economic welfare of the vulnerable people. Zakat and Waqf models are declared as Islamic financial Institutions that are relevant to be used in poverty alleviation during or after any pandemic, Zakat is payable on the assets of one's possession such as livestock,



agricultural produce and funds, while Waqf is voluntary charity one giving to appropriate bodies in Islam as a property to be used by public in the society but with certain conditions.

Based on Islamic history, there are evidences shows that zakat is effective in eliminating poverty in the societies. A number of scholars claimed that during the period of Umar bin Al-Khattab (13-22H) and Umar bin Abdul Aziz (99-101H) poverty is completely eliminated (Ahmed, 2004; Hidayati &Tohirin, 2010; Md. Isa, 2011; Qaradawi, 1999). During this period, it is believed that zakat money remain dormant and was stored in some regions due to the non-existence of vulnerable people that are eligible to receive Zakat. Referring to Ahmed (2004), under the ruling of Umar bin Al-Khattab R.A for example, the governor of Yemen by then, Mu'adh bn Jabal sent one-third of the zakat collection in a particular year to Umar bin Al-Khattab. Umar rejected the fund by saying, "I sent you to take from the rich and render it to the poor among them". Mu'adh later claimed that he could not find anyone who deserved the zakat money. In the following year, Mu'adh sent half of the zakat collection and similar conversation took place between them. Later, in the third year, he sent all the zakat collection to Umar and said, "This year I did not find a single person who needs from me anything of the zakat"

In Islam, the way Zakat and Waqf funds or properties were used was also a major sprit of its success. The richer can mindfully count out the zakat share and bring it to the recipients as ordained by Allah as part of worship (Adamu, 2021).

The current measures taken by some zakat and Waqf institutions in Bauchi state Nigeria for cutting the adverse impact of the pandemic on vulnerable individuals is focusing on poverty alleviation by encouraging agricultural activities and general productivity by compiling the names of vulnerable individuals, organizing training and awareness outreach, giving the farming tools like equipment and seeds, fertilizer and pesticides as well as funds for developing the agriculture in the area where 80% of their lands is a fertile land that suits many crops farming in the dry and rainy season, this system contributed a lot towards an increase of their income, causing more to be eligible for paying Zakat and giving Waqf for the benefit of their fellow vulnerable, and less people eligible to receive Zakat in the harvesting period and many youths were engaged in farming activities to get their daily earnings and the Islamic state's revenues increased (As-Sallabi, 1999, p574).

Therefore, in view of the above the Islamic models of Zakah and Waqf can play an important role in complementing the government's effort of eradicating poverty among the citizens. Apart from that, in improving the effectiveness of zakat and waqf role in alleviating poverty in in Bauchi state Nigeria, there must be better administration of zakat and waqf fund. Such a better administration can be done through these measures:

1. Proper channel in collaboration with relevant bodies should be revolve in vast areas including business projects, financial supports, management trainings, monitoring and conducting of research by professionals (Susilo, et al., 2021).
2. A good plan of Business Corporation and supply of raw materials to vulnerable business men and women by Zakat and Waqf institutions with the help of tertiary institutions in conducting proper and relevant training on business management should be encouraged by leaders during and after the pandemic era.

3. There is an urgent need to strengthen Zakat and Waqf models in Muslim communities and Bauchi state Nigeria in particular to address the current poverty challenges among vulnerable individuals in the affected areas.
4. The need of transformation in the administration of Zakat and Waqf institutions could be given more priority by improving Zakat and Waqf collection centers across the study area.
5. The relevant authorities' needs to upgrade their method of collecting Zakat and Waqf from waiting at the counters to tracing down the prospective Zakat payers and Waqf givers by organizing public awareness among prospective payers and givers to fulfill their religious rights (Susilo, et al., 2021).
6. Assisting vulnerable individuals by giving them cash from Zakat funds without training on how to invest the money is a short term solution to the poverty alleviation as this would create dependency on only Zakat funds when it is available.
7. Those who have acquired the necessary skills and trainings should be funded from Zakat and Waqf funds to start their business and later they may empower others and may be Zakat payers or Waqf givers.

The well implementation of these concepts of Islamic finance principles with current advance technology using artificial intelligence in terms of collecting the names of the proposed beneficiaries and documenting them for future records across the affected communities will burst and give additional courage to others.

## **CONCLUSION**

Zakat and Waqf models are also related with the idea of Islamic principles of equality and justice. The main purpose of giving zakat and Waqf is to support the vulnerable individuals in the society such as the poor households and the needy, the wayfarer, the heavily indebted, widows and orphanages for the intention of alleviating poverty. It is believed that zakat and Waqf models in Islam plays an important role in terms of economic recovery for vulnerable individuals, moral and social life of the vulnerable individuals. In terms of proper management of wealth and eliminating of poverty in Islam, Zakat and Waqf plays a vital role more especially during the reign of Umar bin Al-Khattab and Umar bin Abdul Aziz, it was reported that it was hard to find an eligible recipient of zakat or someone who is in need of use of Waqf property. However, with the fall of Islamic Empire and the increasing European influence during the colonialism period, Zakat Institutions have lost their glory more especially in the areas where colonial masters deliberately separated Islamic financial institutions with social affairs in the community. The need of using Islamic models of Zakat and Waqf to fight poverty in the society re-arise with the advent of contemporary challenges posed by modernity and human inventions..

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