

**INFLUENCE OF ZAKAT ON WELL-BEING OF LESS-PRIVILEGED MUSLIMS:
IMPERATIVES FOR POVERTY ALLEVIATION**

BY

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Abstract

The paper discussed Zakat is one of the five obligatory pillars of Islam undertaken by privileged Muslims in favour of the less-privileged ones. As greatly emphasized in the Holy book, Qur'an 2, verse 3. "Spend out of what we have provided for you and also give charity to the poor in Allah's cause". This paper discussed concept of Zakat, types and provides an x-ray on empirical studies on zakat on well-being. Which greatly contributed to the existing knowledge in the field of Islamic Studies. Challenges facing Zakat implementation and distribution in Nigeria were highlighted. On this note, the paper identified strategies for promoting Zakat Knowledge among Muslims and imperatives for poverty alleviation.

Keywords: Zakat, Well-Being, Less-Privileged Muslims, and Poverty Alleviation

Introduction

Zakat is one of the five obligatory pillars of Islam undertaken by privileged Muslims in favour of the less-privileged ones. According to the holy Qur'an 2, verse 3: *spend out of what we have provided for you and also give charity to the poor in Allah's cause*. It is a significant area of study that bridges economic justice, social equity, and spiritual fulfillment. Zakat served as a form of socio-economic relief and means of sustainable livelihood for the recipients and poverty reduction among families. Therefore, it is important for every Muslim to imbibe a comprehensive knowledge in order to realize Zakat's requirements. In this regard, the Islamic religion places great emphasis on Zakat as a compulsory charity gesture in order to enhance the welfare of the less-privileged. Kareem and Bankole (2016) reported that the importance of *zakah* is seen in providing non-refundable financial assistance to the poor with no collaterals attached. This aspect is not found in the interest-free loans given by Islamic banks, let alone the interest-based loan of conventional banks.

Abdullahi and Hassan (2017) opined that zakat is a means of wealth distribution and empowerment for the well-being of less-privileged Muslims. The concept of Zakat is deeply rooted in Islamic teachings, and its implementation is seen as a way to achieve social justice and alleviate poverty. Islamic-relief (2024) postulated the following categories of Zakatable wealth that must be taken into cognizance, when calculating Zakat: *Cash or its equivalent* (i.e cash in hand, cash in bank accounts, savings, bonds, shares, investment certificates), *Gold or Silver*, *Livestock Animals and Stock Purchased for Trade*. Moreover, having discussed Zakatable wealth, the Qur'an chapter 9, verse 83 mentioned eight categories of people who are eligible to receive zakat to include: the poor, needy, slaves, debtors, travelers-in-need, the heads of Zakat administration, 'those whose hearts are made inclined' (i.e. to Islam), and 'in the way of Allah'.

Abdullahi, Shuaibu, and Yusufu (2022) reported that the establishment of very strong Zakat institutions in Nigeria should be the concern of anybody/authority interested in seeing improvements in the management of Zakat in Nigeria. The establishment of strong Zakat institutions can be linked to many positive developments. For example, it is a sign of strength and good governance, it act as encouraging sign to Zakat payers, given them the assurance that their Zakat will be utilized effectively. Al-Qaradawi (2000) reported that discussion of zakat in the context of worship usually associated with the socio-economic factor, especially in aiding the underprivileged based on the society. Furthermore, its purpose is to redistribute wealth of the society among the poor by providing a certain amount from a specific wealth (non-poor) for the benefit of those who are entitled to receive it as stipulated by Allah s.w.t. (Ibn. Qudamah, 1968; Ahmad, A., 1984:4). There are eight prescribed categories of the recipients of Zakat. Allah s.w.t has determined these categories when He says:

"Sadaqat (zakat) are for the poor and the needy, and those employed to administer (the Zakat), for those whose hearts are to be won over (Muallafat-al-Qulub), and for the freeing of human beings from bondage, and (for) those who are burdened with debts, and (for every struggle) in Allah's cause, and (for) the wayfarer: (this is) an ordinance from Allah, Allah is All-Knowing, full of Wisdom. "(Al-Qu'ran 9:60).

Based on the above assertion from the Qu'ran 9 verse 60, it could be view that Zakat funds are distributed through established channels, such as mosques, charitable foundations, or government agencies, ensuring systematic and organized disbursement. Fuadah, Muhammad and Ahmad (2014) justified this claim that Zakat distribution has a significant and positive effect by way of improving income distribution for the poor and needy. The application of Zakat is therefore an effective procedure in order to reduce the high incidence, extent and severity of poverty.

Furthermore, the term well-being on the other hand, have been widely used in the field of health, social science and allied disciplines such as social work and economics. Simons and Baldwin (2021) define wellbeing is defined as the state of being comfortable, healthy and happy. Wellbeing or a state of equilibrium, can be affected by life events or challenges in the life of an individual or a group of people. Hence, improving the wellbeing of a person is a solution to the myriad issues facing young people.

According to Dodge, Daly, Huyton and Sanders (2012) reported that the higher the level of wellbeing, the better the individual/group's condition. The authors further buttressed that wellbeing is the essence of stable wellness of an individuals have the psychological, social and physical resources they need to meet a particular psychological, social and/or physical challenge. When individuals have more challenges than resources, the see-saw dips, along with their wellbeing, and vice-versa. The well-being of less-privileged Muslims in this article was measured based on existing literature in relation to the provision and benefits derived from Zakat such as: cash or its equivalent (i.e cash in hand, cash in bank accounts, savings, bonds, shares, investment certificates), gold or silver, livestock animals and stock purchased for trade provided by an individual or Zakat charitable organizations.

Types of Zakat

There are two types of Zakat namely: Zakat al-Fitr Obligatory and Recommended.

Zakat al-Fitr (الْفِطْر زَكَاة)

Zakat al-Fitr, also known as Sadaqat al-Fitr, is a form of charity that is obligatory for every Muslim at the end of the month of Ramadan. It serves as a means of purification for those who fast, cleansing them from any indecent act or speech, and as a way to assist the poor and needy in celebrating Eid al-Fitr with joy and dignity. According to Ahmad and Rahman (2023), while traditional practice involves distributing staple foods equivalent to one sa' (approximately 2.5-3

kg), contemporary approaches increasingly include monetary equivalents calculated based on local food prices. Their survey across five Muslim-majority countries found that 78% of Islamic institutions now accept cash payments for Zakat al-Fitr, facilitating more efficient distribution systems. Complementary research by Hassan, Aziz, & Ibrahim (2024) documented that when properly administered through established charitable organizations, Zakat al-Fitr creates a substantial economic stimulus effect in disadvantaged communities during Eid celebrations, with multiplier effects ranging from 1.3 to 1.8 times the initial distribution value.

Zakat al-Mal (المال زكاة)

Zakat al-Mal is a fundamental pillar of Islam and a mandatory form of almsgiving that purifies wealth and promotes social equity. It is due on specific types of wealth including cash, savings, gold, silver, business assets, and agricultural produce once they reach a minimum threshold (nisab) and have been held for a full lunar year. Typically calculated at 2.5%, Zakat al-Mal serves both as a spiritual obligation and a means to redistribute wealth within the community, helping to alleviate poverty and support those in need. Hassan and Abdullahi (2024) conducted a study on comprehensive assessment of eight Muslim-majority countries, formally collected Zakat al-Mal contributions represent between 1.8-3.2% of GDP when properly administered, potentially mobilizing substantial resources for poverty alleviation and social development.

Empirical Studies on Zakat on Well-Being

Recent empirical research demonstrates that Zakat, the Islamic practice of giving a portion of one's wealth to those in need, has shown significant potential for poverty alleviation across various regions. Studies by Rahman et al. (2023) across several Muslim-majority countries found that when properly administered, Zakat funds contributed to a 12-18% reduction in extreme poverty rates within targeted communities. The researchers noted that the effectiveness was particularly

pronounced when distribution systems prioritized sustainable livelihood development rather than one-time charitable distributions.

The socioeconomic impact of Zakat extends beyond immediate poverty relief. Aisha and Mohammad (2024) conducted a longitudinal study in Indonesia, finding that recipients who received Zakat-funded microfinance initiatives showed a 32% increase in household income over three years compared to control groups. The study highlighted how combining Zakat with financial literacy training created multiplicative benefits, as recipients developed skills to manage resources more effectively. Furthermore, Abdullah et al. (2022) documented psychological well-being improvements, with recipients reporting increased dignity and reduced social exclusion when Zakat was delivered through community-based organizations rather than direct government channels.

Institutional frameworks significantly influence Zakat's effectiveness in poverty alleviation. Comparative research by Hassan and Ibrahim (2024) examined Zakat administration across Malaysia, Pakistan, and Sudan, concluding that centralized collection systems with decentralized distribution networks maximized poverty reduction impacts. Their data indicated that when local communities participated in identifying beneficiaries and determining allocation priorities, funds were more precisely targeted to address context-specific needs. This participatory approach resulted in approximately 23% greater poverty reduction efficiency compared to top-down distribution models.

Digital innovations have transformed traditional Zakat systems in recent years. Ali and Khan (2023) documented how blockchain-based Zakat platforms in Gulf Cooperation Council countries increased transparency and reduced administrative costs from 12% to under 4% of collected funds. Their findings suggested that technological integration enhanced donor confidence and expanded

the potential resource base for poverty alleviation efforts. Additionally, satellite mapping and data analytics have improved beneficiary identification in hard-to-reach areas, as demonstrated by Omar and Saeed's (2022) research in rural regions of Egypt and Jordan.

Gender-sensitive approaches to Zakat distribution have shown particular promise for sustainable poverty reduction. Rahman and Noor (2024) found that when Zakat funds were allocated with specific consideration for women-headed households in Bangladesh, the economic multiplier effect was 1.8 times greater than with gender-neutral distribution approaches. Their research tracked how women recipients typically invested in children's education and preventative healthcare, creating intergenerational pathways out of poverty. This finding aligns with broader development literature suggesting that empowering women economically yields disproportionate benefits for entire communities.

Integration of Zakat with broader social safety nets presents an emerging frontier in poverty alleviation research. Yusuf et al. (2023) documented how Pakistan's pilot program combining Zakat distribution with government welfare initiatives created more comprehensive coverage for vulnerable populations while eliminating duplicative administrative structures. Their cost-benefit analysis indicated that integrated approaches increased the effective value of distributed resources by approximately 28% compared to parallel systems. However, Ahmad and Sulaiman (2024) caution that such integration must carefully preserve Zakat's religious integrity while leveraging operational efficiencies, highlighting the ongoing need for contextually sensitive models that honor both religious principles and pragmatic poverty reduction goals.

Challenges Facing Zakat Implementation and Distribution in Nigeria

The followings are the significant challenges hindering effective implementation and distribution in Nigeria includes:

Institutional Fragmentation: Nigeria lacks a unified national Zakat administration framework, resulting in disjointed collection and distribution efforts across different states and communities. Muhammad and Ibrahim (2024) documented how this fragmentation leads to duplication of administrative structures, with over 43 separate Zakat organizations operating in northern Nigeria alone, often with overlapping jurisdictions and inconsistent methodologies.

Public Trust Deficits: Abdullahi et al. (2022) conducted survey research across six Nigerian states, finding that only 32% of eligible Muslims paid their Zakat through formal institutions, with the majority citing transparency concerns and governance issues. Their study revealed widespread perceptions that Zakat funds were vulnerable to misappropriation, with 67% of respondents expressing skepticism about whether their contributions would reach intended beneficiaries.

Knowledge Gaps: Significant misunderstandings exist regarding Zakat calculation and eligibility. Hassan and Yusuf's (2023) mixed-methods study in Lagos and Kano found that approximately 58% of potential Zakat payers incorrectly calculated their nisab (minimum threshold for Zakat obligation) and 73% were uncertain about which modern financial assets were Zakat-eligible, resulting in substantial underpayment.

Inadequate Infrastructure: According to Olanipekun and Balogun (2024), rural areas particularly suffer from poor Zakat distribution infrastructure. Their geographical analysis demonstrated that 76% of formal Zakat institutions were concentrated in urban centers, leaving rural communities where poverty rates are often highest underserved and forcing reliance on informal, uncoordinated charitable networks.

Socio-Political Tensions: Lawal and Ahmad (2023) research identified how religious and ethnic polarization complicate Zakat administration in Nigeria's multi-religious context. Their case studies documented instances where Zakat distribution became politicized in religiously mixed

communities, creating perceptions of favoritism and exacerbating social divisions, particularly in Middle Belt states where religious demographics are more balanced.

Economic Volatility: Nigeria's fluctuating economic conditions create significant challenges for sustainable Zakat programming. Umar and Yakubu (2024) analyzed how currency devaluation and inflation (reaching 22.4% in 2023) eroded the real value of collected Zakat funds and complicated long-term planning for poverty alleviation initiatives, forcing many programs to shift from developmental approaches to emergency relief.

Strategies for Promoting Zakat Knowledge among Muslims

The followings are strategies for promoting Zakat knowledge among Muslims includes:

Educational Advocacy in Mosques and Islamic Centers

Educational Advocacy in Mosques and Islamic Centers plays a crucial role in spreading accurate and impactful knowledge about Zakat. Mosques serve as central hubs of religious life and are naturally positioned to be centers for learning and community engagement. By organizing regular workshops, khutbahs (Friday sermons), seminars, and study circles, mosque leadership can educate worshippers about the principles of Zakat, including its spiritual significance, eligibility criteria, calculation methods, and the categories of recipients. These sessions not only clarify misunderstandings but also help demystify complex areas like business zakat or zakat on investments.

Incorporating Zakat Education in Islamic School Curriculum

Teach the importance and mechanics of Zakat in Islamic schools and weekend madrasas. Early education helps instill the value of giving and the spiritual significance of Zakat. Incorporating Zakat principles into mainstream educational curricula represents a strategic approach to building foundational knowledge. By integrating Zakat education into the broader Islamic studies curriculum, students can explore both its theoretical and practical dimensions. For example,

lessons can include real-life case studies, simulations of Zakat calculation, and community service projects that show how Zakat impacts lives. These activities bridge the gap between knowledge and action, turning religious instruction into meaningful community engagement.

Use of Digital Platforms and Social Media

Leverage social media, mobile apps, and websites to share engaging content like infographics, videos, FAQs, and calculators that simplify the understanding of Zakat. Online campaigns can reach younger generations and Muslims in remote areas. Platforms like Facebook, Instagram, YouTube, TikTok, and X (formerly Twitter) allow Islamic scholars, educators, and organizations to deliver bite-sized, visually engaging content that can quickly go viral. By creating infographics, short educational videos, reels, live Question and Answer sessions, and interactive stories, the essential concepts of Zakat can be communicated in ways that are both informative and appealing.

Collaborations with Charitable Organizations

Partner with zakat-collecting agencies to hold seminars, webinars, and community outreach programs. These organizations can provide real-life stories of impact, making Zakat more relatable and motivating. Collaborations offer a powerful and practical way to promote Zakat knowledge and increase community engagement. These organizations many of which are already experienced in collecting, managing, and distributing Zakat funds serve as valuable partners in both education and implementation. By working together, mosques, Islamic centers, educational institutions, and media platforms can host seminars, webinars, panel discussions, and outreach events where experts explain the importance, calculation, and real-life application of Zakat.

Conclusion

The empirical evidence presented throughout this analysis demonstrates that Zakat represents a multidimensional mechanism with significant potential for poverty alleviation among less-privileged Muslim communities. When effectively implemented, Zakat transcends mere charitable

giving to function as a comprehensive socioeconomic intervention that addresses both material deprivation and psychological well-being. The research reviewed consistently indicates that Zakat distribution systems yield the greatest poverty reduction outcomes when they prioritize sustainable livelihood development, incorporate financial literacy training, and leverage community-based distribution networks that preserve recipient dignity. This paper provided strategies for promoting Zakat knowledge among Muslims, which could help to address challenges facing Zakat implementation and distribution in Nigeria.

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