

## THE ROLE OF ISLAMIC SOCIAL FINANCE IN EMPOWERING YOUTH AND WOMEN IN SOKOTO STATE OF NIGERIA

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### ABSTRACT

Islamic Social finance is an emerging area of study and practice, different from commercial finance. It concerns about financing members of the community or country for socio-economic development. However, it faces the challenge of sustainability either due to legal or regulatory framework or due to lack of awareness among members of the society. The history of Islamic social finance in Nigeria connects back to the revivalism of Islam through Shehu Uthman Bin Fodio in 1804. Recently, with the establishment of Zakat and Endowment Committee in Sokoto in 2007, there was an increasing awareness and practice in the contemporary Islamic Social Finance, especially when the Government converts the Committee into Commission in 2016 which makes it independence to initiate and execute its policies. The objective of this paper is to examine two of its recently executed projects vis-à-vis Youth and Women Empowerment programs. The study uses qualitative technique for data collection and analysis. Two focus group sessions were conducted with the Youth and Women entrepreneurs who benefitted from the empowerment programs by the SZEC. The study finds that the Youth have been able to harness their potentials by expanding their businesses and upgrading the quality of their products and services such as shoe repair due the skills acquired in the training. Moreover, the women have improved their welfare and that of their children to an unprecedented level. They were able to maintain their chosen business as livelihood of income. However, they reveal that, marketing of their finished products is the major challenge they face.

*Keywords: Islamic Social Finance, Zakat, Waqf, Empowerment, Sokoto*

**JEL Classification: D64, L31, I31**

Received : September 18, 2017

Revised : April 17, 2018

Accepted : May 3, 2018

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## I. INTRODUCTION

Nigeria has a high level of poverty and inequality with over two-third of its population living below poverty line according to the National Bureau of Statistics (NBS Annual Abstract of Statistics, 2011). Although various measures have been deployed to counter poverty and inequality in the country, no significant effect was recorded for the last few decades. For instance, the Operation Feed the Nation (1970s), Green Revolution (1980s), Family Economic Advancement Program (1990s) and National Poverty Eradication Program (2000s) have all suffered bottlenecks of corruption, poor targeting and discontinuity of the programs.

Similarly, there is a huge regional disparity in all poverty indices for the country. There is no doubt that poverty in predominantly Muslim northern part of Nigeria is much higher than in other parts of the country. In January 2007, the then CBN Governor, Professor Charles Soludo reported that the three Northern regions have an average poverty incidence of 70.1 per cent as compared to 34.9 per cent for the three Southern regions.

In spite of the fundamental provision of Islam in fighting poverty and reducing inequality through the institutions of *Zakat* and *Waqf*, poverty still lingers in Muslim-majority countries. The obligatory nature of *Zakat* coupled with the large number of Muslims eligible to pay it should leave no room for Muslims poor to suffer. Yet, the recent findings in the Islamic Social Finance Report (2015) on the potential of, and the actual *Zakat* collection in Nigeria pose a puzzle in the mind of researchers and policy makers. The finding reveals that *Zakat* alone could reach up to 2.08 percent of GDP, an amount far greater than 1.4 percent of GDP resource gap, sufficient to eradicate poverty of 1.25 USD per day.

Similarly, the low impact of *Zakat* in Nigeria could be attributed to the various forms of *Zakat* practices such as issues associated with private payment, collection and distribution through state owned agencies and voluntary organizations. Similarly, lack of enforcement leaves a huge gap in the practice compared to other jurisdictions such as Sudan and Malaysia, thus leading to ineffective implementation of the third pillar of Islam. 12 out of 19 Northern States that implement *shari'ah* legal system in the early 2000s made laws and enactments that govern *zakat* and *waqf*. Some States however are having more comprehensive provisions and far advanced than others. Hence, there exist variations in the performance at state and institutional levels. The importance of revisiting these institutions cannot be overemphasized especially in a society where poverty is amidst affluence. Thus, sharing of experience and involving key stakeholders is not only timely but it also has long term benefit to the society.

On the other hand, *waqf* being the voluntary and third sector in addition to government and private sector has huge potentials not only in the collection but also in the distribution due to its flexibility. In terms of collection the rich persons have the opportunity to donate some properties or cash for specified purposes. In terms of distribution, the *waqf* proceeds could be used to improve the socioeconomic well-being of all members of the society.

The historical facts on the role of *waqf* in Muslim lands stand out as the reference point for trust and other philanthropic services even in contemporary non-Muslim states. In Nigeria, *waqf* is reduced to only building mosques, grave yards and to some extent Islamic schools or madrasah. Previously, there exist few houses for

the guests and travelers in form of *waqf*. Even that, the conception and application require improvement if not complete overhaul. For instance, some of the *waqf* properties do not have identified registered overseers (*nazir al-waqf*), hence it is difficult for the local authorities to regulate them. In view of this, the Sokoto State *Zakat* and Endowment Commission was established to regulate and harness the potential of Islamic social finance in the state. This study aims to investigate the role of the commission particularly on youth and women empowerment. The next section reviews related literature on the area. Section three covers the research methodology used in the study. Section four presents data and its analysis as well as discussions. Finally, section five concludes the paper.

## II. LITERATURE REVIEW

This section reviews the related literature on Islamic social finance. It covers the *zakat*, *waqf*, *sadaqah*. It also reviews the role of Sokoto State *Zakat* and Endowment Commission.

### 2.1. Islamic Social Finance Defined

Conventionally, social finance is defined as provision of financial services to achieve social protection of the poor; reduction in their vulnerability through community investing, microfinance, social enterprise finance, outcome-based philanthropic grant-making and program-related investments (Islamic Social Finance Report, 2015). Islamic social finance therefore refers to the provision of financial services to the vulnerable members of the society to achieve socio-economic welfare. It comprises three main sectors vis-à-vis *zakat/sadaqah*, *waqf* and Islamic microfinance. The institutions are meant to serve as platforms for empowering and disbursing wealth and income in the society.

According to maiden Islamic Social Finance Report (2014) sector comprises the traditional Islamic institutions based on philanthropy-*zakat*, *sadaqah*, and *waqf*; those on mutual cooperation such as *qard* (loan) and *kafala* (guarantee); and also, the contemporary Islamic not-for-profit microfinance that use for profit modes to cover primarily their cost and sustain their operations.

Despite the increasing awareness on the role of Islamic Social Finance it is still underexplored potential in the humanitarian sector (HMS, 2016). This is more relevant given the fact that nearly one third of world population, 70 percent of the world's energy resources and 65 percent of natural gas reserves are located in Muslim countries. Yet, more than 40 percent of the Muslim countries live in poverty of 45 percent of the world's poor (Momin, 2017, p. 267). The recent estimate shows that one-fourth of the Muslims world live on less than 1.25USD a day (Saleem, 2015). Previous estimates reveal that USD200 to USD I trillion is spent from Islamic charitable giving (*zakat*) every year in Muslim Countries. In Nigeria, the potential of *zakat* in 2013 is estimated to be between 0.86-2.08 of GDP or USD 8776.5-USD 21160.99 million. This amount I realized was sufficient to get rid of the resource gap thereby eliminating poverty of USD 1.25 a day. However, around that time, the actual *zakat* collection was quite low to the tune of USD 3 million (ISFR, 2015).

## 2.2. Zakat as a social Finance Subsector

*Zakat* is one of the five pillars of Islam. It is an act of *Ibadah* that have massive economic significance. Islamic economic system is guided by the principle of justice and benevolence between and among fellow human being and other creations. Islam is against wealth concentration among few wealth individuals and families. Allah says in the Qur'an: "...so that wealth will not circulate among few riches among yourselves" (Qur'an: 59: 7). Similarly, Qur'an surah 70:25 states that "...the needy and dispossessed have a rightful share in the possessions of the rich." Poverty and destitution result largely from the inequitable distribution of resources and the concentrations of wealth in the hand of few (Momin, 2017).

In an authentic hadith, the Prophet (s.aw.) said to his assigned *zakat* collector "Take wealth from the rich and turn it over to the poor." Islam provides positive and prohibitive measures to fight poverty and inequality in the society. One of the main components of positive measures is the payment of *zakat* by the wealthy individuals. The prohibitive measures however include prohibition of interest, hoarding, exploitation etc. (Rahman, 1990, p. 51). Payment of *zakat* comes at post production stage whereby the market was unable to sufficiently allocate income and resources to some individuals that partake in the production processes or those who are incapacitated to contribute directly and physically. Thus, compulsory payment of 2.5 percent on monies; 5 percent and 10 on agricultural produce as the case may be are essential measures to checkmate the excessive love of wealth by the rich and to purify their hearts.

Payment of *Zakat* certainly has social and economic significance in the society. Firstly, it plants loves and cooperation between the haves and have not members of the society. Through the payment of *zakat*, the poor is felt loved by the rich and the potential hatred is eliminated in the process replaced by caring and cooperation. The poor then prays for the rich and the blessings continue to manifest in the society.

Secondly, payment of *zakat* reduces the undesirable wealth concentration among the few riches in the society, thereby bridging the gap between the rich and the poor. This distributive justice coupled with the multiplier effect of private spending, trade and commerce will be advanced and economic prosperity will be resulted.

Thirdly, there will be smoothening consumption and regulating, if not eliminating the cyclical effects of business cycle. This is more realizable where institutional *zakat* collection and distribution are advocated such as in the South East Asian countries and recently Sub-Saharan African Countries such as Nigeria. Yusoff (2010) views that *zakat* can be used as a fiscal measure to control recession or to boost the economy. Thus, expansionary *zakat* policy would be applied during recession while contractionary *zakat* policy would be adopted in the boom period.

Fourthly, *zakat* is a reliable means of eradicating poverty eradication. Dogarawa (2009) asserts that *zakah* System provides permanent mechanism from within the economy to continuously transfer income from the rich to the poor and that once correctly assessed, promptly collected and properly disbursed, it plays the role of solving dangerous problems such as poverty, unemployment, catastrophe, indebtedness and ensures equitable income distribution in a Muslim society. It is also a self-help measure adopted with full religious backing to support those

poor and destitute who are unable to help themselves so as to alleviate misery and poverty from Muslim society (cited in Muhammad, et al., 2017).

However, human needs are very unreal and can be greatly reduced by Islamic moral education. According to Rahman (1990), if the fancied economic needs are reduced and brought down to practical ones and consequently the real dread poverty is removed from the mind, one can truly experience inner happiness. In other word, if genuine human needs can be portrayed, *zakat* alone could tackle them.

### 2.3. Waqf as a Social Finance Subsector

*Waqf* is a form of ongoing charity (*sadaqah jariya*) in which a gift is donated to bring a charitable return. *Waqf* is an irrevocable and perpetual charity which is meant to provide permanent and sustainable rewards to the donors while improving the socio-economic welfare of the society. It is a unique institution that has played historic role in the past and served as the mainstay of the economy of some Muslim empires and jurisdictions.

Originally, the first *waqf* was that of Umar R.A when he asked the Prophet S.A.W "O Prophet of Allah, I have gained a valuable piece of land in Khaibar and I do not have any other thing more valuable than it. What do you command me to do with it? The Prophet S.A.W replied, "If you wish, you can give its benefits to charity whilst preserving it- so that it can no longer be sold, nor may it be possible to give it away or bequeath it."

Since then, it was reported that none of the companions of the Prophet s.aw that was capable of doing *waqf* except he had done it. The scope of *waqf* includes provision of well, bridges, mosques, grave yards, guest houses, orchards, medicinal and economic trees among others. This large-scale application shows that the companions accepted and adopted this practice as a means of fulfilling their economic and social needs and above all accruing rewards for the hereafter.

Recently, Ottoman Empire applied *waqf* in large scale and it became a wide practice at various level of the society. The extent of its application could be discerned in the scope and coverage of *waqf* activities. The government budget and expenditures were heavily drawn from *awqaf* funds. This includes military, health care, education, social services and workers` salaries. In addition, other religious duties such as mosques, madrassa, graveyards and even clothes for covering the corpse (*kaffaya*) were very much freely available in the Ottoman Empire. In Egypt, over 40 percent of agricultural land is *waqf* (Khalil, et al., 2014).

### 2.4. Other Sadaqah as Social Finance Subsector

Allah encourages spending in his course in form of voluntary charities. He says:

*"O you who believe! Give of the good things which you have (honourably) earned, and of the fruits of the earth which We have produced for you, and do not even aim at getting anything which is bad, in order that out of it you may give away something, when you yourselves would not receive it except with closed eyes with disgust". (Qur'an: 2:267)*

The holy Prophet encourages private expenditure on others and condemned those who shun from it. To show that there is *sadaqah* other than *zakat* a hadith of the prophet states that "There are rights (of God and the poor) in the wealth besides *zakat*" A verse added that "And in their wealth there is a known share for the beggar and the destitute" (Q: 70:2-25). In another verse Allah says, "*And those who hoard up gold and silver and spend it not in God's way...announce them a painful chastisement.*" (Q: 9:3).

These and many other teachings on *sadaqah* indicate how important the act is in Islam. It is a flexible and a clear means of gaining closer to Allah and alleviating sufferings of the needy. Its socio-economic benefit cannot be over emphasized. It provides prompt and direct intervention to the beneficiary in form of food, water, clothes, medicine, transportation etc. It also saves life in period of famine. In addition, maintenance of the holiest sites is done with *sadaqah* fund while in some cases with *awqaf* fund.

### **2.5. Role of Zakat and Endowment Commission on Youth Empowerment**

Historically the Sokoto caliphate applied an Islamic *shari'ah* as its guiding principles in all aspects of governance including that of *Zakat* collection and distribution. An officer with the title of *Sai'i* (*Sa'in Kilgori*) was appointed as chief *zakat* collector for the caliphate. This practice continued up to 1904 when the caliphate was conquered by the British Colonization which started in 1901. The revival of *Zakat* came after independence when some state Governors re-introduced the application of *shari'ah* in early 2000s (Maidoki and Sani, 2016).

Sokoto state *Zakat* and Endowment committee began as *sadaqah* committee around 1988 and became a non – profitable *zakat* and endowment organization in 2007. The committee was established and funded by Sokoto state government of Nigeria, the objectives of the committee could be outlined as follows:

- i) Overall collection, management and distribution of *zakat* and Endowment.
- ii) Charity activities (*Fisabilillah*) in the areas of assisting needy by settling medical bills and provision of health services.
- iii) Provision of shelter and settling of debt for the poor.
- iv) Treatments and rehabilitation of mentally ill patients, assisting victim of disasters, provision of food assistance to the needy and sponsoring education of new Muslims.
- v) Provision of welfare packages and shelter for orphans and people with disabilities to enable them to become self-reliant.
- vi) *Da'awah* and public enlighten activities on the significance of *zakat* and endowment in Islam.
- vii) Investment in halal business for income generation.

With appreciative level of its performance by the Government, the Committee was upgraded to Commission. Thus, the newly established act was signed into law on 15<sup>th</sup> December 2016 by the Governor of the State. The Law that was titled: *Zakat and Waqf Commission Law, 2016*. Since its commencement the Commission has executed a number of programs and activities. Some major areas of the Commission include *da'awah* Outreach, rehabilitation of the needy, Ramadan packages, health assistance, monthly feeding assistance and disbursement of small scale business

capitals to orphans and widows. Recently, the commission spent a total of twenty-four million naira for women empowerment (Maidoki, 2016).

### **III. METHODOLOGY**

The study employed qualitative method to collect and analyze the data. It relies heavily on the statistical reports and documentation of the SZEC. The study further conducted two (2) focus group sessions from the youth and the women empowered by Sokoto *Zakat* and Endowment Commission on 20<sup>th</sup> August 2017. Focus group is a technique that allows close interactions with the research participants or unit of the analysis. It enables an in-depth discussion in a comprehensive manner. What a participant has not observed might be raised by another. It also ascertains any information under discussion during the event. The first focus group discussion was moderated by a researcher whereby the participants were allowed to freely discuss on the issues raised. The selection of the respondents is based on purposive sampling techniques. According to Muhammad (2011) purposive technique allows targeting the right respondents.

#### **3.1. The Study Area**

Sokoto State is a having a strategic location that brings economic opportunities for its people and the state. Historically the metropolis which was the seat of Sokoto caliphate is bordered with a convenient air and road linkages with Niger and Benin Republics (Sokoto, 2014). It is linked to National infrastructure system and serves a centre for exchange distribution of goods and services.

Agriculture is the mainstay of the Sokoto economy which provides employment to more than 80 percent of the labor in the State. They specialize in the production of crops as millet, maize, rice, potatoes, groundnuts, wheat and other cash crops. Other traditional occupations include livestock and trade and crafts. In fact, some traditional occupations are linked with the settlement of the people since 19<sup>th</sup> Century. Most of the Sokoto city gates built by Sultan Muhammad Bello are linked to the occupations of the inhabitants in the area. The people specialized in different industries such as smiting, tanning, wood-carving, pottery, making cloth and weaving among others. Thus, having economic significance to the people and the city.

Recent population estimates show that the Sokoto State has a total population of 4.3 million people (NBS Annual Abstract of Statistics, 2011). The state is also endowed with natural and mineral resources. It has potential for agro allied industries due to presence of some commodities such as wheat, gum Arabic, cassava, sugar cane etc. There exists a large endowment of lime stone, Kaolin, gypsum, red mills, and phosphate and shade clay among others.

### **IV. RESULT AND ANALYSIS**

One of the vibrant programs is Citizen`s Empowerment Initiative. This program targeted youth who dropped out of school to give them vocational and numeric

trainings to become self-reliant. However, unemployment rate in the State stood at 17.9 percent (NBS Annual Abstract of Statistics, 2011).

#### **4.1. Focus Group with Women Entrepreneurs**

They were selected based on geographical spread of the State. This is to ensure equitable justice of wealth and income distribution in the society. Moreover, the selection of women in the scheme will not only bring about women empowerment but also reduce over dependence level in the state.

When it comes to the occupational choices, participants were given the right to choose what they are interested on. However, they were given the opportunity to learn a range of skills and that appeared to be beneficial to the participants simply because the participants of the focus group appreciated that by ascertaining their involvement in a number of income generating activities they learnt. They involve in making of oil, car wash detergent.

They were given the tools for their different occupations with additional N10,000 only as a capital. During the focus group session, most of the respondents agree that they were economically supporting themselves and their children's education. Occasionally they even help their husbands with loan or gift to fulfill some basic needs.

In addition, they provide employment to some of their family members. They also provide step down training to other members. This way, will certainly make a reasonable impact in the community because the number of the potential entrepreneurs.

However, the participants are faced with the marketing challenge of their products. One of the participants stated that "I instead teach a potential buyer at a fee than to wait for the sales to come." Interestingly, the participants suggest that the Sokoto *Zakat* and Endowment Commission to train more women so as to benefit.

#### **4.2. Focus Group Session with Youth Entrepreneurs**

Data reveals that in 2008, 2009 and 2011, 10, 30 and 24 youth were respectively trained and provided with equipment by the State. This is quite insignificant in the fight against unemployment in the state. In May 2014 the SSZEC trained 125 youth on shoe making and its production. They were given equipment including the necessary inputs the machine for cutting materials.

Focus group with eight (8) trainees trained on shoe making were conducted and interesting as well as insightful discussions were the outcome. When asked about the selection process, all the participants confirmed that they got the information from their local governments. This shows wide awareness about the activity of Sokoto *Zakat* and Endowment Commission. The training which was conducted between May and June 2014, has left indelible mark in the heart of the participants. The participants were given the training and tools and N10,000 as capital.

One of the participants confirms that he was visited by the Commission to evaluate the success and sustainability of the business. This shows that the Commission has supervision and monitoring system. One of the participants



stated that he is currently training two persons. Another one has trained five (5) persons. An interesting revelation is that, one of the disabled participants stated that "I have never requested any one to pay for my bill. I rather tried hard and find it myself. All my responsibilities are under my control." He added that "My wife undergone surgery twice as she could not deliver herself and I paid her medical bills all and when it comes to naming ceremony, I got my big rams for sacrifice." This positive attitude needs to be encouraged.

The participants however, suggest that the government and SZEC to try to reach out to more people that need similar gesture in the state. However, they commended the effort of the SZEC for its remarkable performance in its initiatives.

According to the participants the training has brought them together as a family of like minds and businesses. It also shows them the process and procedure of shoe making which they were ignorant before. The training also increases their capacity to repair any shoe, create a design or learn from other designs to come up with a hybrid product. The machines given to them enable them to design modern shoes that are quite smooth with less stress. The training equally guides them on business expansion and financial literacy and management. According to one of the participants, "If my capital dwindles I travel to Niger Republic and buy some goods and sell it here to expand my capital." This management skill itself cannot be unconnected with the skills acquisition and training the participant has undergone.

In addition, the income level of the participants increases after the training. The average income of some of the respondents is N1000 or USD 2.5 per day. This shows that the participants are earning above the USD 1.25 per day indicating that they are above poverty line. More of such training and skills acquisition will alleviate the rampant poverty in the state.

Pointing out to the challenges some have shown concern for the low level of sales of their products. Perhaps, the government can link them up with the dealers and distributors for better marketing of their products.

They also identify inadequate capital as their main challenge. They also suggest for close interaction before financing is being made. The participants express their concern over the market distance of purchasing input for making their products. Some items are only in Kano and transportation cost always adds up on the price. Thus, if they use low quality materials it will have bouncing back effect on their market. They suggested that a strong association needs to be formed to advance their course on shoe making business. In view of this, they suggest for the interventions of rich members of the society by establishing companies for materials needed. They also suggest that government to replicate similar training in the states so as to reduce youth unemployment that is bedeviling the state.

### **4.3. Challenges of the Commission**

With the transformation of *Zakat* and Endowment Committee into *Zakat* and Endowment Commission, the main challenge now is that of awareness. However, the support given and the strong rapport between the Commission and the Sokoto Emirate Council the challenge is fading by day. This will certainly make it easy for the commission to achieve its vision and mission within shorter period of time.

Meanwhile the successes recorded on collection and distribution and increasing media coverage will all put a halt to the awareness challenge or reduce it drastically.

Similarly, the large number of poor people in the community as compared to the rich coupled with low *zakat* payment in cash will continue to limit the overall achievement of reducing income and wealth inequality among the populace (Maidoki, 2016). For instance, the total monetary value of *Zakat* collected in 2015 was N174, 480, 270. As at 2011, the percentage of poor people reaches almost 70 percent. This huge percentage, unless carefully addressed by the various sectors of the government and other stakeholders, poverty will continue to remain an identification mark of the people.

Understaffing of the Commission is no doubt one of the major challenges of the commission. Previously, the Committee was having 15 paid staff. At the moment, there are only 3 paid staff. This gross inadequate of full time staff hampers the activity of the Commission to realize its full potential.

Further, there is need for capacity building of the existing staff and part time staff of the Commission. The Commission is assigned to register all *waqf* in the State. This institutional need as stated by Omar (2014) requires adequately trained professionals and managers well-versed in the *shari'ah aspects well as in scientific techniques of management of such charity-based and not-for-profit institutions. It also* requires capable hands and the support of Information and Technology (IT) system. Recently, the Commission organized Capacity building training in collaboration with Islamic Research and Training Institute, Islamic Development Bank Jeddah. This way, the staff capacity will be enhanced and more *zakat* field workers in the State will be recruited. However, more in house training needs to be organized to facilitate efficient management, collection and distribution of *zakat* and *waqf* in the state.

Inadequate *waqf* for commercial activities in the state limits the potential of *waqf* to alleviate the suffering of the masses particularly women and youth empowerment programs which are amenable to *waqf*, unlike *zakat*. Some *awqaf* are located in non-strategic areas. Others are meant for madrasa and graveyards. The monetary value of *waqf* as at 2016 stands at N19, 652,067 most of which is non-commercial *waqf* (SZEC, 2016). However, the Commission engages in promoting *waqf* for economic and commercial activities such planting economic trees as *waqf*. These trees could be a source of income generating activities for the Commission and the people. It will also harness the potentials of the people while protecting the environment against desertification and erosion for sustainable development.

## V. CONCLUSIONS AND RECOMMENDATIONS

Poverty, unemployment and low living standard characterize most of the states in Nigeria. At National level, poverty engulfs almost 70 percent of the population in the country. Similarly, the high rate of unemployment of 25 percent is not only unacceptable but unbearable in a country that is endowed with both mineral and other natural resources. At state level poverty varies from one state to another. On average the level of poverty is largely a northern phenomenon. Sokoto state, despite its vast agricultural land coupled with other natural resources, the unemployment and poverty are at their peak.

On the other hand, Islamic Social finance sector literature is fast emerging in the field of Islamic economics. It covers major philanthropic activities that are aimed at financing members in the community or a country for socio-economic development. Islam encourages productive effort by capable members of the society to earn a living. It is however, acknowledges the need for cooperation among members of the society. An Individual can be sound and skillful but may lack the capital to operationalize his skills. The source of capital in Islam can be from one's savings, inheritance, partnership and grants from the government or other philanthropists. Similarly, *zakat* and other charitable acts are institutionalized to make sure the rich are discharging their responsibilities of supporting the poor segment of the society. This financing mechanism is referred as Islamic social finance devoid of profit orientation unlike commercial financing in the banks.

Findings from this study show that Sokoto State *Zakat* and Endowment Commission continues to break the frontiers of poverty and unemployment in the society through its various initiatives with the support of Government and Emirate Council. If this trend continues, there will be steady and sustainable revival of Islamic economic institutions among the people of the state.

More so, in order to achieve the purpose for which *zakat* and *waqf*, there is need for massive awareness creation among the relevant stakeholders. Policy makers must be engaged in this noble course in addition to the philanthropists whose ability to further donate is obvious and rewarding to them and the society.

Lastly, there is need for re-orientation on the behavior of giving among Muslims in the state. Muslim *zakat* payers have started to positively respond to the call of the Commission by willingly donating their *zakat*. However, in the case of *waqf*, still the donors understood it mainly in terms of building mosque, graveyard and at most schools/madrassa. The example of ottoman, *imarat waqf*, which combines all the social services under one roof needs to be extended in this poverty- ridden society.

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