

The Quintessence of Zakat in Islamic Economics

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Abstract

Islam teaches that life is all about service: service that is aimed at attaining eternal felicity and guarantees a life of peace and tranquillity. Thus, Islam requires a believer to strive for the satisfaction of his needs and those of his dependants in a way that is wholesome and free from all kinds of cheating (ghisu) and fraud (tatfif). He is further required to spend out of the wealth which has been bestowed upon him by Allah for the cause of his Lord and for the upkeep of the indigents in his neighbourhood. The reward for this charitable spending both the mandatory Zakat and voluntary Sadaqah, have continued through the long history of Islam to serve as an impetus for Muslims to hearken towards its prompt payment and even compete among themselves. It therefore, constitutes one potent driving force in Islamic Economics and Fiscal Policy as Muslims consider it as a religious obligation that every true believer must strive to observe. Hence, the observable urge among Muslims, to acquire enough not only to meet ones need and those of his family members, but equally surplus to pay Zakat and give Charity to indigent neighbours in any given Muslim community across the globe. This is one of the factors which distinguish Islamic economics from those of others in which people are self centred and usually

think of their personal welfare alone. We have against this background, looked at the impacts of Zakat on Islamic Economic System and Fiscal Policy and made certain recommendations for further improvement of the present situation based on the higher objectives of Shari'ah-the Islamic law and modern contingencies.

Keywords: Zakat, Islamic economics, Sadaqah and Riba.

Introduction

Zakat is one of the fundamental pillars of Islam that ensures equitable distribution of wealth and facilitates social security in the *Ummah*. The primary objective of Zakat as stated by Allah in the Glorious Qur'an is to ensure that wealth circulates in the society rather than being confined to certain class of people as it is obtainable in the capitalist system and to allow for mutual healthy competition rather than killing the urge as is the case in the socialist/communist societies. The beneficiaries just like the benefactors of Zakat are well spelt out in the Qur'an and are further elucidated by the traditions of the Prophet. Further explanations are also made by jurists in order to ensure proper understanding of it. Hence, a vast body of literature abound on this subject matter. The vital position occupied by Zakat in Islamic Economics could not be over emphasised going by the remarkable feat achieved by 'Umar II by way of proper collection and adequate distribution of it, such that he was able to eradicate poverty in the society despite the fact that his reign lasted for just about two years. Much research needs to be done on this by experts in order to furnish the modern society with the important economic lessons inherent in it. Besides facilitating even or equitable distribution of wealth, Zakat ensures proper management of resources and thereby generate employment. The hadith of the Prophet which says that the wealth of orphans should be invested in order to avoid it being eaten up by Zakat is apposite in this regards (Sahih Bukhari, Vol. 3, Hadith No. 591). So, it engenders sense of investment culture in the *Ummah*. It ensures mutual good will, solidarity and cooperation, unity and peaceful

co-existence and sense of brotherhood and togetherness. It guards against inflation and ensures stable value of money as a means of exchange. These are some of the impacts exercised by Zakat on the Islamic Economic System as we are going to explicate in the succeeding paragraphs.

Islamic Economics and Zakat

The success or otherwise of any economic system is gauged by the overall direct impacts it has on those who live under such system¹. This is further measured based on the satisfaction and security it provides the people. Such security and satisfaction is measured with the following parameters: food, health, education and life expectancy. In Islam and specifically Islamic economics, preference is given to the basic needs of people. These basic needs include food, cloth, shelter, health care facilities, security and education. Authorities in Muslim states are obliged to ensure that their subjects have access to these basic needs. Facilitating such access is the first primary responsibility of an Islamic/Muslim (state) government. Besides, equal opportunity should be given to the general members of the society to realise their full potentials. However, since factors like health and agility, temperament, initiatives and foresight varies in man and owing particularly to the fact that fate also come to play its role; Islam made it a responsibility binding on an Islamic/Muslim government to collect Zakat and distribute it to the indigent, the needy, wayfarers and those whose hearts are newly reconciled to Islam in her societies. This is aimed at bringing about a balance or equilibrium in the society in order to strengthen the social fabric and guarantee peace and peaceful co-existence, solidarity and co-operation, mutual goodwill and brotherhood. Cheating is not considered as a problem in other economic systems especially capitalism as long as it leads to profit (Euro & Authur Anderson)² however, this is not allowed in Islam no matter the form and degree it may take³. It is equally asserted that monopoly is economically feasible and can be maintained and supported as well (Microsoft)⁴. Unlike in those other systems, Islamic economic system is based on an ideological foundation, moral suasion,

ethical conviction and trust in the economic foundation. The major dominant economic systems in the 20th century as observed by Malkawi; is a set of rules and regulations which defines how to distribute wealth, how to possess it and how to spend or dispose of it. This system (set of rules) is based upon a particular concept, worldview or ideology. Therefore, as he concludes, the economic system of Islam is different from that of Socialism/Communism as well as that of Capitalism, since each one of these systems follows its own ideological foundation which is at variance with Islamic ideology. According to him, economic science on the other hand deals with production, its improvement, invention and improvement of its means. Therefore, Economic Science to him does not depend upon any ideological basis. However, it must be said no matter how brief that Economic Science or rather political economy of any society depends on the ideology of the people or those who cultivate it.

Man has several other needs besides that of economics. While Capitalism concentrates on production of wealth more than its distribution by including the subject of satisfying the needs within the subject of the means of satisfaction, and by viewing the means of satisfaction only as satisfying a need and not by any other consideration⁵, socialism kills the morale and urge to work. Capitalism leads to unhealthy competition and rivalry, haggling and quarelling such that while the rich are getting richer, the poor are getting poorer. Zakat is a facility geared towards remedying the ailments of a Godless approach which had resulted into the highly speculative and exploitative free-market forces which created 'a crisis of deviant economics' (Robert Skidelsky, 2008)⁶ and enthroned the 'Religion' of 'market idolatry' (William Raspberry, 1998)⁷ which had plunged the world into 'The Age of Turbulence' (Alan Greenspan, 2007).⁸ Under the system, materialism holds sway as man is seen or considered as just an economic animal (*homo-economicus*). Such competitions are completely killed in socialism. Islam on the other hand maintains a golden mean course between these opposing extremes. Hence, Islamic economic system is a mid-road between Capitalism and Socialism. In such situation therefore,

there is bound to be mutual ill-will rather than good will. Hence, in Islam, work is considered as an act of worship much as the charity (both mandatory and voluntary) that one pays from his wealth. This is essentially the ideological foundation, moral suasion and ethical axiom and postulate upon which Islamic economic system is based. The idea of virtual wealth is another problem of Capitalism which signifies the removal of the boundaries between products, services and money⁹. It has been observed that over several centuries, gold and silver were used for measuring the exchange value of products and services, growth of money and independent growth of products and services. The drastic shift from this method or means of measurement had impacted so negatively on the world economy.

Equitable Distribution of Wealth

One of the major purposes of Zakat besides purifying the payer and his/her wealth is to ensure equitable and even distribution of wealth among the entire citizens of a state. Since Zakat is payable on a certain amount of wealth (*nisab*) that has remained with the owner for a period of one year, it therefore facilitates saving and investment. It, through such investment, encourages establishment of factories or industries by means of which jobs are provided for the teeming population of a state. Allah commands:

What Allah has bestowed on His Messenger (and taken away) from the people of the township-belongs to Allah-to His Messenger and to kindred and orphans, the needy and the wayfarer; in order that it may not (merely) make a circuit between the wealthy among you. So take what the Messenger assigns to you, and deny yourselves that which he withholds from you. And fear Allah; for Allah is strict in punishment. (Some part is due) to the indigent Muhajirs, those who are expelled from their homes and their property, while seeking Grace from Allah and (His) Good Pleasure, and aiding Allah and His Messenger: such are indeed the sincere ones-but those who before them, had homes (in Madinah) and had adopted the faith-show their affection to such as came to them for refuge,

and entertain no desire in their hearts for things given to the (latter), but give them preference over themselves, even though poverty was their (own lot). And those saved from the covetousness of their own souls- they are the ones that achieve prosperity (Qur'an 59:7-9).

This is so, because of course, for anybody to remain *zakatable*, he must possess enough wealth or substance over which it is due.

Proper Management of Wealth, Culture of Investment and Wealth Creation

Part of the economic and welfare role of Zakat is that, it instil in Muslims, sense of proper management of their resources and financial discipline. Hence, the Qur'an teaches that Muslims should avoid entrusting their wealth with people of low intelligence or the minors. Allah says:

To those weak of understanding make not over your property, which Allah had made a means of support for you, but feed and clothe them therewith, and speak to them words of kindness and justice (Qur'an 4:5)

Also, since Zakat is paid annually and since it is only those who have enough wealth that pays it, care would be taken to ensure proper management of the available resources. However, it seems these days that Muslims are far from this ideal. Reason for this is outside the scope of the present study and it is vital enough to form the topic or theme of a future enquiry. No wonder why the Prophet even encouraged Muslims to invest the property or wealth of orphan in their custody rather than allowing Zakat to consume it.

As could be seen from the foregoing discussion, Zakat facilitates investments and wealth creation. This is because, for one to be continuously due for the payment of Zakat, his wealth should not be stagnant otherwise a time would come when his wealth would be lower than the minimum amount over which it is due. People are further encouraged by the fact that, Zakat is only due on amount left behind after all rent, salary and wages as well as debts have been paid. Islam accords a great honour to labour, and abhors indolence and begging unless there are legitimate reasons for it.

Little wonder, therefore, that it treats as equal, human capital (labour)¹⁰ and capital invested in a business. Nobody can give what he is bereft of, thus for one to pay Zakat he must struggle to acquire wealth.

Prevention of Inflation and Provision of Employment

Zakat due (*nisab*) is stable and since it forms one of the major benchmark in Islamic Economics, it thereby helps to prevent inflation and sustain the stable value of money as a means of exchange. Equally, since hoarding is not only considered to be a crime but also a sin, virtually all Muslims would try to avoid it thereby avoiding artificial scarcity that may lead to artificial inflation. Hence, the law or the idea that demand and supply are the two forces determining price of goods and services in conventional economics has no place in Islamic Economics.

One other important feature of Zakat compare to taxes imposed by a state is that, as observed above, it encourages investment and thereby provides job/employment for the teeming population of a state. This is so because, where there are investments there would be employment opportunities for people and wealth would as a result be allowed to circulate among them rather than being confined to the capitalists as is the case under capitalism. This is because most capitalists invest their wealth in interest oriented loan, a practice that is forbidden in Islam owing primarily to its exploitative nature as one party gains to the detriments of the other. Islam teaches that a labour is worth the value of his work/efforts, such that underpaying him/her amount to cheating. Besides, his/her wages, Islam teaches that he/she should be paid before his/her sweat dries up. These are incentives that purge a worker into putting in his best in the service of a company or factory.

Prevention/Eradication of Poverty and Crime

The most important objective of Zakat is to ensure even and equitable distribution of wealth in such a way that no citizen is denied or short of the basic necessities of life. Such basic needs when provided via

Zakat would take all the subjects off the poverty level. It would equally safeguard the society from crime. In fact, crimes are only rampant in places where the basic human needs are out of reach of people. Most importantly, class formation or marked difference had never been observed in an ideal Muslim society between the rich and the poor unlike in the Capitalist economy where the rich men live in pomp and pageantry (affluence) enjoying the best of the luxury their wealth could afford while the poor ones are languishing in abject poverty living in utter penury.

Public Health/Safety

Islamic Economic system is particularly concerned about public health not only by way of ensuring even and equitable distribution of wealth particularly through Zakat and Sadaqah but via the regulation of what is to be produced. Hence, certain items that hamper public health and security are declared to be *haram* (unlawful). Such items include all sorts of intoxicants, pork, gambling and other games of chance as well as services based on usury or interest; services which by their nature may lead to hue and cry, haggling and quarrelling, as well as mutual misunderstanding and reciprocative ill-will. Since those items could not be produce, sold and consume in an Islamic state, it is thus clear, that Zakat or Sadaqah could not equally be paid from their proceeds. Islam therefore gives priority attention to public interest (*Masalih/Maslah*), health and security (*Amnu*) so much so that, rather than higher Gross Nation Product, it is more interested in individual comfort and happiness, for the happy people is the happy nation. Thus, it prefers Personal Domestic Happiness (PDH) to Gross Domestic Product (GDP). This is another way by means of which it guards against crime and sustains public health. A nation may possibly have the highest GDP and yet parades the poorest of people on earth if the wealth of the nation is confined to few capitalists and not equitably distributed.

Islamic Economic System and its Ideological Foundation

Islam is based on belief in God (Allah) and accountability to Him on the Day of Judgment with a law guiding and regulating the lives of its adherents as contained in the Glorious Qur'an and the Sunnah-the saying and tradition of the Prophet. This ideological basis and law is comprehensive and all encompassing. All wealth belongs to Allah Who gives it to individuals in different proportion and or grade; raising thereby some above others in order to see which of them will excel in righteous/charitable deeds.

It is He Who hath created for you all things that are on earth; then He turned to the heaven and made them into seven firmaments. And of all things He hath perfect knowledge (Qur'an 2:29).

Some of the providence made by Allah for the use of man are meant for general and collective use of the community. Hence, for such items, there cannot be monopoly of ownership. Such items include natural resources like water, minerals, vegetations, etc all of which are to be managed, developed, and distributed among subjects by government. It would amount to negligence on the part of government to allow any individual or group of persons to monopolise such resources which are for the general good of all. Allah says:

It is Allah Who has subjected the sea to you, that ship may sail through it by His command, that ye may seek of His bounty, and that ye may be grateful. And He has subjected to you, as from Him, all that is in the heavens and on earth: behold, in that are signs indeed for those who reflect (Qur'an 45:12-13).

One such other fundamental principle or ideological foundation of Islamic economic system which Zakat is meant to compliment is equality of humanity which warrants equal access to the basic necessities of life which has already been enumerated in the foregoing paragraphs. All men/women are equal in Islam and before Allah. This equality before Allah and Islamic law cannot be compromised by the authorities in Muslim states. Hence, it is expedient to take care of the fundamental needs of the Qur'anic recipients of Zakat in their respective domains.

We sent afore-time Our Messengers with clear signs
and sent down with them the Book and the Balance (of Right and Wrong),
that men may stand forth in justice; and We sent down Iron,
in which is (material for) mighty war, as well as many benefits for mankind,
that Allah may test who it is that will help, Unseen, Him and His Messengers.
For Allah is full of strength, Exalted in Might (and able to enforce His Will)
(Qur'an 57:25).

Islam further teaches that man can never produce, manufacture, extract and construct anything without Allah's leave and without using things created by Allah. Whatever a man or a group of individual may have achieved is with a special leave of Allah; and therefore a trial for him/them as the case may be, as Allah would see whether they are going to be grateful and righteous or whether they are going to show ingratitude and unrighteousness towards their fellowmen-that is, Allah's servants.

Then let man look at his food, (and how We provide it):
For that We pour forth water in abundance, and We split the earth
in fragments, and produce therein corn, and grapes and
nutritious plants, and olive and dates, and enclosed Gardens,
dense with lofty trees, and fruits and foddors-for the use and
convenience to you and your cattle (Qur'an 80:24-32).

Economic Policy in Islam

Islam is primarily concerned with the satisfaction of basic individual needs of adequate food, shelter, clothing, access to basic education, medical facilities, etc; all of which constitutes the basic necessities which Islam made mandatory for the state to provide for her poor citizens. Prohibited item such as wine, pork, riba/usury or interest, gambling and so forth are not allowed to be produced, traded with or consumed in an Islamic state. This prohibition is necessary in order to safeguard public interest and guarantee public health as we have observed in the earlier paragraphs.

Let not those among you who are endued with grace and amplitude of means
resolve by oath against helping their kinsmen, those in want,
and those who have left their homes in Allah's cause:
let them forgive and overlook, do you not wish that Allah should

forgive you? For Allah is Oft-forgiving, Most Merciful.

(Qur'an 24:22)

In Islam charity is done solely to please Allah and for seeking His Grace. It is not motivated by material/worldly gains or incentives. It is indeed spiritually imbued and heaven ward inclined as it is not done for economic and political reasons as it is the case whenever it is done in materialistic societies. Allah commands:

Believe in Allah and His Messenger, and spend (in charity) out of the (substance) whereof He has made you heirs. For, those of you who believe and spend (in charity)- for them is a great reward²³. 'But seek, with the (wealth) which Allah has bestowed on thee, the Home of the Hereafter, nor forget thy portion in this World: but do thou good, as Allah has been good to thee, and seek not (occasion for) mischief in the land: For Allah loves not those who do mischief (Qur'an 28:77).

Even upon payment of Zakat or Sadaqah one is expected to be thankful to Allah and seeks His forgiveness over ones shortcomings. By so doing, one may be hopeful of Allah's further blessings and increase in wealth and prosperity. Allah says:

...He will send rain to you in abundance; give you increase in wealth and sons; and bestow on you Gardens and bestow on you Rivers (of flowing water) (Qur'an 71:12).

Man according to Islam is Allah's vicegerent on earth, a position that gives him certain degree over and above all other creatures and by means of which they are all made subservient to him. However, whatever use he made of them is going to be accounted for before Allah. He is therefore responsible to Allah. This responsibility made it binding on him to be obedient to his Lord and live in accordance with His dictates. Thus, it is his obedience that determines his final abode as his sojourn on earth only signifies a cultivating field, the harvest of which lies ahead in the next world-the hereafter. This is not to a Muslim a permanent abode but rather a transit camp, thus the urge to work and work diligently for the final one.

It is He Who has made the earth manageable for you, so traverse ye through its tracts and enjoy of the sustenance which He furnishes: but unto Him is the Resurrection (Qur'an 67:15).

Once the Prophet (SAW) shook the hand of Sa'ad bn Muadh (R.A.) and found his hands to be rough. When the Prophet asked Sa'ad about it he said: I dig with shovel to maintain my family, the Prophet kissed Sa'ad's hand and said (they are) two hands which Allah loves.

The life of a Muslim is that of obedience-obedience to Allah, His Apostle and those of the constituted authorities among them. He is expected to live in this world as if he is not going to die by way of goodness and righteous deeds and activities which benefit him and his fellow men. He is equally expected to live as if he is going to die in the next few minutes by way of good deeds and preparation to meet his Lord such that he spend for the general good of the society with hope of seeking the countenance of Allah. He should enjoy the good things of this world but should avoid transcending the bound set by his Lord.

O ye who believe! Make not unlawful the good things which Allah has made lawful for you, but commit not excess, for Allah loves not those given to excess. Eat of the things which Allah has provided for you, lawful and good; but fear Allah, in Whom you believe (Qur'an 5:87-88).

Muslims are encouraged to give out what is wholesome from their substance which has been bestowed upon them by Allah.

O ye who believe! Give of the good things which you have (honourably) earned, and of the fruit 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. And know that Allah is free of all wants, and worthy of praise (Qur'an 2:267).

And let not those who covetously withheld of the gifts which Allah has given them of His Grace think that it is good for them: Nay, it will be the worse for them; soon shall the things which they covetously withheld be tied to their necks like a twisted collar, on the Day of Judgment. To Allah belongs the heritage of

the heavens and the earth; and Allah is well-acquainted with all that you do (Qur'an 3:180).

Muslims are required to acquire good things of this world without transcending the limit by being extravagant and niggardly. Islam does not forbid Muslims to acquire good things of this world it only warns them of becoming materialistic and negligent of their duties to Allah and their fellow men.

O children of Adam! Wear your beautiful apparel at every time and place of prayer: eat and drink: but waste not by excess, for Allah loves not the wasters. Say: Who has forbidden the beautiful (gifts) of Allah, which He has produced for His servants, and the things, clean and pure, (which He has provided) for sustenance? Say: They are, in the life of this world, for those who believe, (and) purely for them on the Day of Judgment. Thus do We explain the Signs in detail for those who understand (7: 31-32).

There are three types of ownership in Islamic economics: 1. Individual ownership, 2. State ownership, 3. Public ownership. Islam is mostly concerned with the property of individual citizen in addition to that of a nation as a whole.

O ye who believe! Eat not up your property among yourselves in vanities; but let there be amongst you traffic and trade by mutual good will: Nor kill (or destroy) yourselves: for verily Allah has been to you Most Merciful! (Qur'an 4: 29).

This shows that there are personal Zakat on personal/individual belongings much as there are corporate Zakat to be paid by corporate bodies and government agencies. Zakat is not just a tax imposed by a nation state but an act of worship much as compulsory as Salat for those who are rich enough to pay it. It aims at eliminating poverty not just at alleviating it or managing the poor. No wonder 'Umar bn Abdul Aziz was able to eradicate poverty in his short but meritorious reign.

Ali Ibn Abitalib was reported to have said: 'If poverty were a man, I would certainly kill him'.¹¹

'Allah breaks covenant with any group of people living in close vicinity whereby one of them goes to bed while hungry' (Hadith of the Prophet).

Unlike what obtains in other systems, the strength of economic growth is determined by the actual well being of individual as against the GDP, GNP, etc. The Islamic Economic Index (IEI) is based on the food, quality of shelter, education, health care facilities amongst others, that are available to each citizen in a society. Essential commodities or rather natural resources are generally owned by all people in a state. While Socialism proclaims collective ownership, capitalism centres on private ownership, Islam on the other hand balances the interest of individual and that of the society¹².

Say: Shall I seek for judgement other than Allah?- when He it is Who has sent unto you the Book, explained in detail. They know full well, to whom We have given the Book, that it has been sent down from thy Lord in truth, never be then of those who doubt (Qur'an 6: 114).

One fundamental aspect of Islamic economics is that, any harmful product or service no matter how profitable it may be is unlawful; whatever is *haram* is harmful, for there is a difference of an "a" between *haram* and harm and so whatever is *haram* is harmful or injurious either to an individual or the society at large or both together at the same time:

O ye who believe! Fear Allah and give up what remains of your demand for usury, if you are indeed believers.

If you do it not, take notice of war from Allah and His Messenger: but if you turn back, you shall have your capital sums; deal not unjustly and you shall not be dealt with unjustly (Qur'an 2: 279-80).

The possession of a Muslim is illegal to his brother except that which he willingly offers to him (the Prophet). People are to share three things: fire, water and pasture as well as other natural resources.

These are national possession. State possession:

they ask thee concerning (things taken as) spoils of war.

Say: '(Such) spoils are at the disposal of Allah and the Messenger: so fear Allah, and keep straight the relations between yourselves:

Obey Allah and His Messenger, if you do believe (Qur'an 8: 1).

It is the responsibility of government to establish factories or industries for the employment of people. Islamic economics recognises people's freedom and right of ownership, it however, defines their limit in order to check

monopoly and hoarding of essential items. Social amenities are also to be provided by the government complimented by citizen efforts.

Islamic Education and Islamic Economics

Islamic education imparts on Muslim the knowledge of Islamic worldview as well as the basic knowledge of its law regarding the lawful and unlawful, the desired and detested, the allowed and disallowed all of which combined together to form its moral teachings. With this education or knowledge, a Muslim is expected to eschew all acts that contradict the moral teachings of his religion and leads to blameworthy character. He is thereby taught to shun monopoly, hoarding of goods, forming syndicates, usury or interest, gambling, intoxicants, pork, uncertainty etc in his economic or business activities. Besides, he should not allow the struggle for wealth to distract his attention from other forms of *Ibadah* or worship and or other responsibilities he owes his Lord and his fellow men. Allah says:

O ye who believe! Take not for protectors your fathers and your brothers if they love infidelity above faith: if any of you do so, they do wrong. Say: if it be that your fathers, your sons, your brothers, your mates, or your kindred; the wealth you have gained; the commerce in which you fear a decline; or the dwellings in which you are delighted-are dearer to you than Allah, or His Messenger, or striving in His cause-then wait until Allah brings about His Decision: and Allah guides not the rebellious (Qur'an 9: 23).

Education is of vital value in Islam such that knowledge is considered as a lost property of a Muslim and so much so that he/she is entitled to picking it wheresoever he may come by it. Distance or age is not a barrier to acquisition of knowledge in Islam. No wonder therefore that, authorities in Muslim lands are charged with the responsibility of providing facilities for educating their subjects. Those who are knowledgeable are held in high esteem in Islam (Qur'an 58: 11). One of the major functions of Zakat and other endowments therefore, is to ensure that citizens are properly educated so that they may play their individual and collective roles in the society.

The Roles of the State

Zakat is to be collected from the rich members of the society and distributed to the Qur'anic recipients (Qur'an 9:60) by the state. Allah says: *Of their goods take alms, that you may purify and sanctify them; and pray on their behalf, verily your prayers are a source of security for them: and Allah is One Who hears and knows* (Qur'an 9: 103).

In the same vein, booty of war is to be shared in accordance with the following instruction from Allah by the state:

And know that out of all the booty you may acquire (in war), a fifth share is assigned to Allah-and to the Messenger, and to near relatives, orphans, the needy, and the wayfarer-if you do believe in Allah and in the revelation We sent down to Our Servant on the Day of Testing-the Day of the meeting of the two forces. For Allah has power over all things. (Qur'an 8:41)

It is equally the responsibility of the state to ensure that usury is not practised in the society in order to ensure public health and safeguard the wrath it is capable of bringing about in the society in general and on the economy in particular. Islam wants Muslims and those of their non-Muslims compatriots to live in peace and harmony, and since the effect of usury or interest would obstruct such lofty objective and run counter to the set objectives of Shari'ah it was therefore prohibited. It has to be eschewed by Muslims.

Those who devour usury will not stand except as stands one whom the Evil One by his touch has driven to madness. That is because they say: 'Trade is like usury', but Allah has permitted trade and forbidden usury.

Those who after receiving direction from their Lord, desist, shall be pardoned for the past; their case is for Allah (to judge); but those who repeat (the offence) are companions of the Fire; they will abide therein (forever) (Qur'an 2: 275).

O ye who believe! Fear Allah, and give up what remains of your demand for usury, if you are indeed believers. If you do it not, take notice of war from Allah and His Messenger: but if you turn back, you shall have your capital sums; deal not unjustly, and you shall not be dealt with unjustly (Qur'an 2: 278-9).

Allah has also entrusted the constituted authorities in Muslim societies with the duty of ensuring that wealth circulates in the society such that it is

equitably distributed without being confined to the coffers of a group. Besides, government has to facilitate effective collection as well as appropriate disbursement of Zakat and allied funds in the society.

O ye who believe! There are indeed many among the priests and anchorites, who in falsehood devour the substance of men and hinder (them) from the Way of Allah. And there are those who bury gold and silver and spend it not in the Way of Allah: announce unto them a most grievous penalty- on the Day when heat will be produced out of that (wealth) in the fire of Hell, and with it will be branded their foreheads, their flanks, and their backs-this is the (treasure) which ye buried for yourselves: taste you, then, the (treasure) you buried! (Qur'an 9:34)"

Authorities in Muslim lands also owe it as a duty to ensure that each heir of a deceased person gets his/her right share of the estate he left behind after all debt has been paid. This should be done strictly following the provision of Shari'ah taking into cognizance the will left behind by the deceased if any. Council of experts may be appointed for this purpose. In case Zakat due over the estate was yet to be paid before the demise of the person in question, it would be their duty to extract it before sharing it as it form parts of the debts owed by the late person.

Allah (thus) directs you as regards your children's (inheritance): to the male, a portion equal to that of two females: if only daughters, two or more, their share is two thirds of the inheritance; if only one, her share is a half. For parents, a sixth share of the inheritance to each, if the deceased left children; if no children, and the parents are the (only) heirs, the mother has a third; if the deceased left brothers (or sisters) the mother has a sixth. (The distribution in all cases is) after the payment of legacies and debts. You know not whether your parents or your children are nearest to you in benefit. These are settled portions ordained by Allah; and Allah is All-Knowing, All-Wise. In what your wives leaves, your share is a half, if they leave no child; but if they leave a child, you get a fourth; after payment of all legacies and debts. In what you leave, their share is a fourth, if you leave no child, but if you leave a child, they get an eighth; after payment of legacies and debts. If the man or woman whose inheritance is in question, has left neither ascendants nor descendants, but has left a brother or a sister, each one of the two gets a sixth; but if more than two they share in a third; after payment of all legacies and debts;

so that no loss is caused (to anyone). Thus is it ordained by Allah; and Allah is All-Knowing, Most Forbearing (Qur'an 4: 11-12).

Allah has strongly warned that substance should be used for the good of all (humanity) rather than transcending the bound and turning to be arrogant boasters and pompous mongers. Neither niggardliness nor extravagancy is allowed in Islam. A Muslim is expected to maintain a middle course in between these opposing extremes for the religion of Islam and the Muslim Ummah is of the justly balance ones. It is equally the responsibility of government to ensure that this limit or balance is been observed all the time by her subjects. Allah warns:

When We decide to destroy a population, We (first) send a definite order to those among them who are given the good things of this life and yet transgress; so that the word is proved true against them: then We destroy them utterly (Qur'an 17:16).

And render to the kindred their due rights, as (also) to those in want, and to the wayfarer: but squander not (your wealth) in the manner of a spendthrift. Verily spendthrifts are brothers of the Evil Ones and the Evil One is to his Lord (Himself) ungrateful (Qur'an 17: 26-7).

As earlier observed, government is duty bounded to ensure that item/goods and or services that can infringe with public interest and health are disallowed in the society. So, rather than higher Gross Domestic Product and higher Gross National Product, it is higher domestic welfare, happiness and comfort as well as establishment of prayer and payment of Zakat for the upkeep of the poor and indigent members of the society that is of paramount importance to Islam. Certainly, both GDP and GNP may be higher and yet poverty may still be high such that only a few members of the society are rich while a greater percentage are living under abject poverty. This is the ruling of Allah when He says:

O ye who believe! Intoxicants and gambling, (dedication of) stones, and (divination by) arrows, are an abomination-of Satan handiwork; eschew such (abomination), that you may prosper. Satan's plan is (but) to excite enmity and hatred between you, with intoxicants and gambling,

and hinder you from the remembrance of Allah, and from prayer: will you not then abstain? (5: 90-91).

Ali (R.A.) instructs Malik al-Ashtar (the then Governor of Egypt) thus: *prohibit monopoly for the Messenger of Allah had forbidden it. Therefore, if anyone indulges in monopoly after being warned, he should be punished and penalised with no excess. He who cheats us is not one of us.*

Zakat therefore could be conveniently refers to as Islamic social insurance, social security and economic justice which are all embedded in the principle of Islamic Social justice. In this connection, the Prophet was reported to have said:

He who sleeps the night not caring about the welfare of Muslims is not one of us. He is not one of us, who sleeps the night while his neighbour is hungry.

Finally, Allah instructs those in authority thus:

And this (He commands): Judge thou between them by what Allah has revealed, and follow not their vain desires but beware of them lest they beguile thee from any of that (teaching) which Allah has sent down to thee. And if they turn away, be assured that for some of their crimes it is Allah's purpose to punish them. And truly most men are rebellious (Qur'an 5:49).

Islamic Social Balance

Zakat lessens the gap between the rich and the poor members of a society. It is not by error that some people are rich while others are poor. Rather, it is by a special design of Allah which is aimed at serving a purpose. This therefore, constitutes a trial for both the rich and the poor ones. It is a trial for the rich ones as they are expected to pay Zakat and give Sadaqah to the poor ones in order to sustain the equilibrium or the social balance. It is also a trial for the less privileged ones as they are equally expected to exercise patient and put hope and trust in Allah and also avoid all indecencies in their efforts to acquire wealth. So, if the two parts keep to this limit, definitely there would be a balance and counter balance and the society will be better for it.

It is He Who has made you (His) agents, inheritors of the earth: He has raised you in ranks, some above others: that He may try you in the gifts He has given you: for thy Lord is quick in punishment: yet He is indeed Oft-Forgiving, Most Merciful (Qur'an 6: 165).

The onus is on government to make provision for equal opportunity for all citizens to realise their full potentials as special assistance need to be given to the poor ones from the *Bait-ul-Mal*, the State Treasury (i.e Zakat and other endowments).

Zakat and Economic Problem

Contrary to the perspective upheld by Capitalist and Socialist economies, man rather than scarce resources is the problem. The resources deposited in any society are meant to (benefit) every one. It is therefore, the duty of government as earlier stated to ensure equitable distribution such that no single person should lack the basic necessities of life.

We have appointed sharers and heirs to property left by parents and relatives. To those, also, to whom your right hand was pledged, give their due portion. For truly Allah is witness to all things. (Qur'an 4:33)

Islam, observes Muhammad Al-Malkawi, starts from the depths of the human conscience, and proceeds in its endeavours to secure a happy life for all. Hence Zakat and Sadaqah are collected from the rich and distributed to the poor¹³ and it thus ensure even distribution of wealth in the society by means of which it guarantees social security, solidarity, love and brotherhood. He asserts further that Zakat is the positive component of Islamic Economics while the prohibition of interest is its negative ingredient. Mutual sharing of the community's income/commonwealth, productive use of investment, the economic resources of the society for economic well being of her people in order to ensure that every member of the society has access to the basic necessities of life is a fundamental principle of Islamic economics and fiscal policy. Zakat is also meant to ensure the productive use of the available resources for the economic well being of the entire populace. It thus facilitates stability in public revenues