

**ISLAMIC WELFARE SYSTEM AN ALTERNATIVE SOLUTION TO THE
CONTEMPORARY ECONOMIC PROBLEMS IN NORTHERN NIGERIA****By****Hauwau Talatu Yusuf**

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Programme, Federal College of Education, Kontagora**DOI: <https://doi.org/10.5281/zenodo.14645816>**Abstract:**

The democratic system of governance in Nigeria is characterised by a capitalist economy, leading to exploitation and socio-economic inequalities among the people of the country. This has resulted in insecurity, hardship and poor public infrastructure. An Islamic welfare system principle signifies fostering good life, alleviating hardship and ensuring freedom from moral and social corruption. This research adopts the thematic analysis to bring forth the concepts in the topic. It also compared the Islamic Nisab for Zakkah with the current earning range of the average Northern Nigerian. The study reveals the poverty and hardship level of the people especially in meeting up with daily requirements/ needs. Finally the paper highlights the need for improved policies and services to improve the quality of life of the people in Nigeria.

KEYWORDS: Islam welfare, Economic, Inequalities, Wages, Nisab and Zakat**Introduction**

The religion of Islam has placed a lot of value on human life and welfare that is why you find in it an equitable process of distribution of wealth among the Muslim Ummah in every nation. However the Nigeria Muslim is faced with the problem of non compliance with the Islamic injunctions in terms of trade, work ethics and the provision of public infrastructure. In the Glorious Qur'an and Ahadith of the Prophet (SAW) you find a lot of guidance on all human activities, especially the earnings of a means of livelihood. This is because a nation's strength is determined by its performance in public service delivery and resource utilization. Therefore the Qur'an emphasis the creation of the earth for the benefit of mankind and it encourages the knowledge and research in exploiting and exploring the natural resources. In order to develop man in wealth earnings, expenditure range, needs satisfaction limits, individual efforts balancing with community Interest, and community jurisdiction; the Qur'an and the Hadith set precepts to guide man's voyage on earth. Allah (SWT) Says:

(13) وَسَخَّرَ لَكُمْ مَا فِي السَّمَاوَاتِ وَمَا فِي الْأَرْضِ جَمِيعًا مِنْهُ إِنَّ فِي ذَلِكَ لَآيَاتٍ لِقَوْمٍ يَتَفَكَّرُونَ

“And He has subjected all that is in the heavens and all that is in the earth for the benefit of mankind” (Q45:13)

In another Ayah (verse) is an elaborated emphasis on the earth being made complete and perfected for the benefit of mankind. Allah (SWT) says:

**أَلَمْ تَرَوْا أَنَّ اللَّهَ سَخَّرَ لَكُمْ مَا فِي السَّمَاوَاتِ وَمَا فِي الْأَرْضِ وَأَسْبَغَ عَلَيْكُمْ نِعْمَهُ ظَاهِرَةً وَبَاطِنَةً
وَمِنَ النَّاسِ مَنْ يُجَادِلُ فِي اللَّهِ بِغَيْرِ عِلْمٍ وَلَا هُدًى وَلَا كِتَابٍ مُنِيرٍ (20)**

“ See you not (oh man) that Allah has subjected to you whatever is in the heavens and whatsoever is on earth, and has completed and perfected His grace upon you, both apparent and hidden”(Q31:20)

Islam is not just about observing prayers and fasting, but also about using one's wealth to alleviate hardships for humanity.(Q2:177)The Muslims in Nigeria are faced with issues that border on political corruption, raising insecurity, and inadequate public infrastructure and the average citizen's living condition is declining due to lack of proper government policies. This has caused further issues such as unemployment, infrastructure decay, poverty, institutional failures and a growing portfolio of social criminality, corruption and violence. The state's focus should be on addressing these issues to improve the lives of the citizens. (Christopher ,1983)

Islamic Welfare System

The Islamic Welfare system is a policy in the Islamic State that promotes mercy in all aspects of life, as outlined in the Qur'an and Hadith. It aims to provide a “good life to all living” and

“welfare” to all, alleviating hardships, fostering prosperity, and ensuring freedom from moral corruption hunger, fear, and mental tensions.(Chapra,1979)

Welfare in Islam aims to provide social security coverage and equal opportunity, with the State requiring more from those able to contribute. However, individual ownership rights are not absolute and are subject to public scrutiny.(Rizvi,2015)

An Islamic Welfare system accepts *al’Adl* (Justice) as its basic principle and can settle the process of social reform in every walk of life until the last traces of *Zulm*, i.e the negation of *al’Adl* – are eliminated from the existing social and economic institutions.(Haider, 1981)

Welfare in Islam aims for mankind’s total well-being, with equal stress on *Zakah* and *As-Salat* in the Glorious Qur’an. Understanding the true nature of the welfare system in Islam is crucial for man’s social harmony, (Choudhry, 1982) he equally remarked that: Islam has created to society more free from widespread cruelty and social oppression than any society has ever been in the world before. (Choudhry,2008)

Welfare State in Islam

The welfare State is a scheme of government in which the State plays a key role in safeguarding the economic and social well-being of its citizens. Its government assumes responsibility for the provision of a minimum standard of living for every citizen. It is based on the principles of equality of opportunity, equitable distribution of wealth, and public responsibility for those who are unable to avail themselves of the minimal provisions for a good life. (Muhammad & Ramzan,2019)

Under the leadership of the Prophet Muhammad (S.A.W.) Allah (S.W.T.) and his first four successors (May Allah (S.W.T.) be pleased with them) Madinah became the site of the first Islamic State. The fundamental idea of the state is that Allah is the only One with Sovereignty. It functions as a tool to draw people nearer to Allah. An Islamic State seeks to carry on the role of the Prophet-hood in policing international relations and defending religion. Ibn Taymiyyah and Ibn Khaldun place great emphasis on the necessity of making sure religion is in accordance with Allah’s word and that material matters are evaluated in light of their potential rewards in the afterlife. (Kahf,1991)

The Companions of the Prophet (S.A.W) clearly appreciated this welfare role of the Islamic State as is evidenced by numerous utterances of the early Caliphs and their instructions to their governors. Caliph Umar Ibn Khattab (R.T.A) wrote to Abu Musa al-Ash’ari (R.T.A) the governor of Basra province: “The best of men in authority is he under whom people prosper and the worst of them is he under whom people encounter hardships” (Ibrahim,1352 A.H.)

Caliph Ali (R.T.A) said in his letter to the governor of Egypt Ashtar an-Nahai that:

“Let your desire to improve the earth be greater than your desire to collect kharaj (land tax) from it.”(Al-Mubarak,1978)

Caliph Umar prioritized public welfare and built numerous canals, roads, and new cities, including the Canal of Abu Musa, Ma'qal, Sa'ad, and Amir al-Muminin, to develop agriculture in the country. He directly built roads and bridges, with some improvements being the responsibility of local citizens in newly conquered cities. To prevent economic crises, he established a transportation system that allowed free trade of goods within the country. (Erdem, 2010)

ISLAMIC WELFARE PRINCIPLES IN AN ISLAMIC STATE

All human struggle whether for “materials”, “social”, “educational”, or “scientific” goals is spiritual in character as long as it conforms to the value system of Islam. Imam Ghazali (R) defines the objective of the Shari'ah:

To be the promotion of welfare of people which lies in safeguarding their faith, their life, their intellect, their posterity, and their property, and whatever ensures the safeguard of these five serves public interest.

Ibn al-Qayyim emphasized the *Shari'ah*'s foundation as wisdom and welfare for people in both this world and the Hereafter. He argued that anything that deviates from justice, mercy and wisdom is not part of Islam.

Chapra argued that an Islamic state is considered ideal if it elevates the spiritual level, fulfills economic welfare obligations, and ensures distributive justice. Five principles of the Islamic welfare system were developed as follows:-

➤ Safeguarding the Religion

Al-Mawardi is of the view that the Islamic State is responsible for the preservation of the faith in its established principles and in the form in which the predecessors of the Ummah As-Salaf had unanimously agreed.(kahf,1991 and Erdem,2010)

➤ Maintaining Social Justice, Equity and Poverty Minimization

Justice is crucial for a long-lasting State, and the Qur'an encourages Muslims to give what is truly due to others. The Prophet (S.A.W) warned against injustice to protect the rights of all individuals.(Kahf,1991) This warning against injustice and exploitation is designed to protect the rights of all individuals in the society.”And do not cheat your fellow man of what is rightly theirs...”(Q26:83). The Islamic State aims to prevent excessive poverty by promoting private property and market techniques. However, it also carries liabilities for the State to provide for citizens' needs. The State should distribute monetary benefits equally, not focusing on specific individuals or groups.

➤ Adequate Fulfillment of the Social Services and the Basic Material Needs of Life.

Islam promotes distributive justice and a five-element program to meet basic material needs. These include training for unemployed individuals, enforcing a just remuneration system, providing insurance against unemployment and occupational hazards, old-age pensions,

survivors benefits, and assistance for those with disabilities. Additionally, collecting and distributing *Zakah* and enforcing Islamic teachings on social security technicalities are essential.(Chapra,1979)

.....wealth does not continue to circulate merely among your rich.

Safeguarding the Security of Life and Property and Maintaining Law and Order

Human security encompasses seven categories of security and well-being: food, health, economic, environmental, personal, community, and political, and all are aiming to liberate humans from physical and artificial obstacles affecting their rights and freedom.

❖ Ensuring Economic Stability and Applications of Islamic Business ethics

In an Islamic State, economic activities are based on financial and moral incentives, with public and private sectors coexisting. The state institutes punishment to ensure stability and successful economic operations. Non-compliance with rules and restrictions leads to punishment by the state and Allah, preventing investors from investing in harmful products and exploitative practices.(Thamarasseri &Abdurrahman,2014)

❖ Socio-Economic Justice and Equitable Distribution of Wealth and Income

Islam views humans as one, with all members being equal in the sight of Allah and the Law. Economic justice in Islam does not equate to wealth equality, as averred by Chapra. It tolerates income inequalities as all men are not equal in character, ability, and service to society, as Allah states.

وَاللَّهُ فَضَّلَ بَعْضَكُمْ عَلَى بَعْضٍ فِي الرِّزْقِ فَمَا الَّذِينَ فُضِّلُوا بِرَادِي رِزْقِهِمْ عَلَى مَا مَلَكَتْ أَيْمَانُهُمْ
فَهُمْ فِيهِ سَوَاءٌ أَفَبِنِعْمَةِ اللَّهِ يَجْحَدُونَ (71)

“And Allah has made some of you excel others in the means of subsistence, so those who are made to excel do not give away their sustenance to those whom their right hands possess so that they should be equal therein; is it the favor of Allah which you deny? (Q16:71)

The Islamic system promotes an equitable distribution of wealth and income through social security measures like the compulsory *Zakah* levy, inheritance laws, monetary atonement, will laws, charity, loans, feeding the needy and equitable natural resource distribution. The prohibitive measures are also adapted to discouraged and check the growth of unhealthy and evil practices in business transactions. The prohibitive measures are as follows: Usury/interest; speculation/Uncertainty; private monopolies in the public utility works/profitteering; gambling; hoarding; Black-marketing/fraudulent businesses; wasteful expenditure on luxuries; intoxicants/ narcotics drugs; immoral and deceitful activities; embezzlements; and usurpation of orphan's property.(Choudhry,1982)

Economic Welfare Indicators in An Islamic State

This sub-heading is looking at the extent to which the economic welfare comes across the need of the society for the common good.

Prices and Cost of Living as Economic Welfare Indicators

A willful welfare system distributes wealth fairly, appropriates expenditure, and levies taxes equitably, keeping prices within the reach of the common man, ensuring an average standard of living within moderate means. The cost of living is determined by the *Nisab* of *Zakah*, which provides a minimum level of subsistence to *Zakah* payers. Savings under 20 *Dananir* (*Dinar*) gold or 200 *Darahim* (*dirham*) silver of five *Wasqs* of grain are exempted from *Zakah*. The exemption limit is based on the average annual requirements of a man, which was the minimum amount granted by Caliph Umar (R.A) for pensions. (Erdem,2010)

The average family's annual requirement could be met by 20 *Dinar*, 200 *Darahim*, or five *Awsaq* of grains or dates.(Hassanu-zaman,1991) The minimum wealth limit for *Zakah Nisab* is N8,535,840 while the *Rub 'u Dinar* is N106,698 as of 23/10/1445 AH=2/05/2024. This amount can cover basic needs of life and a basic salary for an average family man. Food, grain, and cloth were within the reach of even the poorest class.

Salaries and Wages as Economic Welfare Indicators

Salaries and wages in Islamic State were based on exemption limits, considering when the Prophet (S.A.W) appointed Utbah Ibn. Usayd who receives one dirham per day as an officer. When Abubakar become caliph, Umar said, come to Abu Ubayda the treasury officer shall provide for you. He provided him allowances for Muhajir, a garment for winter and summer, and half a sheep and shelter for the caliph. Later, as the president of Islamic State, he received 3000 *Darahim* per month. Caliph Umar was the first to establish regular salaries for officials, including surveyors, governors, army commanders, judges, shipbuilders, carpenters, and laborers.(Hassanuz-zaman ,1991)

Affluence and Standard of Living as Economic Welfare Indicators

The Islamic State of Madinah experienced significant economic changes within the first forty years of Islam. The battle of Hunayn and the battle of Badr and Tabukah were significant events in the society's economic status. In Badr, Muslims had only 70 camels and two horses, while in Tabukah, they had thirty thousand riders, including ten thousand on horseback. Ibn Mas'ud in his comment on the modest estimate of the wealth of his contemporaries said.

The Prophet (S.A.W) advised us to give *Sadaqa* some of us would earn one mudd of commodity after a full day's labour, and now many of them own 100,000 *Darahim*, Abu Ya'ala Ibn Munabbih gave will of 500,000 *Dananir* for the settlement of debt of the destitute persons and many other instances. These economic activities are indications of the rapid development of economy and affluence of the Muslims applying Welfare system.

Labour is a crucial aspect of wealth production in Islam, as it ensures individual wellbeing and builds strong families. Labour is highly valued and correlates with ones dignity, prestige, and position with Allah. Seeking work for family or self is in the path of Allah, while seeking work out of showiness and pride is in the path of Satan. (Molla, Mortein, Gusau &Gwandu,1988)

Labour in economics refers to any mental or physical effort for financial gain, encompassing both manual and mental work for monetary consideration, and is used broadly in economics. (Hassan,2007)

Economic Welfare Indicators in Northern States of Nigeria

The welfare basis in the Northern States focus on improving public well-being through societal economic activities that create wealth and community benefits. This is not just a job program; it's an investment in increasing the economy and enhancing the quality of life for all residents. The economic welfare indicators in Northern States are the level to which the individual households feel the impact from the economic activities of the society. Economic welfare indicators include prices, cost of living, salaries, and standard of living.

- Prices and Cost of Living

This paper avers that average Muslims in the Northern States of Nigeria are submissive to Islamic behavioral norms and values regarding economic transactions, such as avoiding prohibited elements and paying *Zakah*. However, most of the affluent Muslims are not compliant to these norms and values, leading to a majority living in distress in the region.

The average daily income in Northern Nigeria is N2000, which is insufficient for common family men due to the lack of Islamic welfare system. This results in artificial inflation of food and non-food items. A recent research shows that 97.2% of family men consume grain, flour, oil, fats, vegetables, sugar, honey, milk, and milk products, with only 30% spending on fruits. Non food items include clothing, school fees, cosmetics, water, hospital bills, house rent, and funeral expenses. That's for a person who earns an average monthly salary of N80,000 to N150,0000.

The average monthly family man consumption is N492,420, with food expenditure accounting for 53% of the annual income. Non-food expenditure is N232,458, representing 47% of the total spending. This equates to N41,035 per month for food and N19,371 per month for non-food.

The welfare of people in Northern Nigeria is poor , with a monthly non-food expenditure of N19.371 not meeting family needs. Feeding costs are also inadequate, with maize, rice, flour, sugar, honey, garin kwaki, cassava flour, spaghetti, palm oil, fats, and vegetables costing: As at 1st January, 2024 the price per one mudu of: maize is; N900, Rice N2100, Flour N1200, Sugar N2500, Honey 75cl bottle N4000. Garin kwaki N800, Cassava flour N700, spaghetti N850 or 600 or 700, palm oil 75cl bottle N950, fats 75cl bottle N1000or 2000 or 3000, and vegetables N100 and above.

Practically, what averagely suffice for a man's feeding alone in a day is amount to N1,225; times 30 days = N33,750 per month only for food needs. However, the cost and quantity of stuffs are: One tin of rice N250, beans N170, $\frac{1}{2}$ of tin of palm oil N135, Maggi N50, and vegetables N150 this is for the lunch and dinner. For the breakfast Loaf of bread is N220, sugar N50, Bournvita N100 and charcoal N100. Total material cost N1,225. No meat neither fish in the spending.

This is averagely the cost of living for a single man, which is three times of it sufficed for an average family man. Therefore, the average standard of living could not be enjoyed even by a man of moderate means in Northern Nigeria.

- Salaries And Wages As Economic Welfare Indicator

In most Northern States, labourers in the farm or building firms are minimally paid N2000-N3000 per day or there about. In Bauchi and Gombe, labourers are been paid N1500 less than the nominal payment in Borno and Yobe which is N2000 per day. In Adamawa and Taraba, labourers are been paid N2000 equal to that of Borno and Yobe, while in Taraba is N1500 per day. In Nasarawa and Niger they are paid N2500per day. In Kogi, Kwara and Benue they earn a token of N3000 per day. In FCT they earn a minimum of N5000 per day, however when compared with the cost of living there, it boils down to not being enough. These labour prices, considering the present cost of living are not reasonable to sustain the household or individuals to meet their basic needs of life at all.

The national minimum wage in Nigeria was established at N30,000 naira, which applies to all workers across different sectors. The hourly wage of an employee is N187.50 and N7,500 per week for a typical work week of 40 hours broken down into 8 hours across 5 working days. The salary is not commensurate with the minimum wealth limit for *Zakah Nisab*, which is N8,535,840 while the *Rub'u Dinar* is N106,698 as of 23/10/1445 AH=2/05/2024. The exemption limit is based on the annual requirements of a man, which was the minimum amount granted by Caliph Umar for pensions. This amount can cover basic needs of life and a basic salary for an average family man. If that is applied to the food, grain, and cloth these will be within the reach of the poor class and the average standard of living can be enjoyed by man of moderate means.

Conclusion

On the bases of the discussion, the findings of the study are as follows:

The authorities in Northern States of Nigeria do not have a working template that cares for the welfare of the people, leading to hardship, low standard of living, and inadequate access to clean water and power in most local government areas. Lack of proper attention to the Islamic economic system and values by the Muslims elites is also a factor that undermines the earning to labour balance in Northern Nigeria.

The study reveals Northern State governments are lagging in economic diversification, unable to utilize the abundant resources for increased revenue, leading to inadequacy for subversion of staff salaries.

Conclusively, The study reveals that Nigeria's Northern State governments have neglected to provide and maintain essential social infrastructure, including education and health services, as well as public utilities like roads, water supply, electricity, bridges, dams, water canals, and internet services, leading to inadequate life needs and miserable conditions for the masses.

The study recommends that institutional principal agents must mobilize political will for economic reforms in the Northern States, by implementing Islamic welfare systems and exploiting natural resources.

Also religious leaders, community organizations, and government should promote *Zakah*, encourage responsible wealth distribution, and use Islamic social security measures. Northern States Governments should incorporate Islamic welfare system principles into their legislation for welfare provisions.

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