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Zakah Institution and Poverty Alleviation Nexus in Kano State, Nigeria: A Structural Equation Model Approach

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Abstract

This study empirically examines the impacts of Zakah institution on poverty alleviation using Structural Equation Model approach. This is in view of the socio-economic and spiritual significance of Zakah institution in Muslim societies like Kano state, Nigeria. Kano state is the most populated state in Nigeria with over 15 million people and poverty rate of over 70%. Therefore, in order to achieve the objectives of this study, primary data through questionnaire method was utilized and 1,230 copies of questionnaires were administered but only 899 were considered usable. Basically, the findings emanating from this study support Zakah effectiveness hypothesis. In this connection, Zakah payment has positive impact on poverty alleviation. Also, Zakah awareness and perceptions have positive effect on poverty alleviation. Similarly, effective and efficient management of Zakah positively affects poverty alleviation. As a matter of fact, this study recommends that Zakah institution should be adopted as a core fiscal measure for poverty alleviation in Muslim societies like Kano state with necessary and required legal and political supports. Also, more awareness and public advocacy should be intensified to mobilize and motivate especially high ability Zakah payers like the business class, for enhanced Zakah revenue. More importantly, trustworthy, sincere and competent people should be assigned to operate and manage Zakah institution, so as to optimize its revenue potentials in Kano state.

Keywords: Nigeria; Poverty Alleviation; Structural Equation Model; Zakah Effectiveness Hypothesis; Zakah Institution
JEL Codes: P36

1. Introduction

Zakah institution (ZI) is not only a fundamental pillar of Islam but also, the central pillar and foundation of Islamic economy since the Prophetic era and even now in modern Muslim economies. Similarly, ZI is a viable, vibrant and sustainable Islamic social security safety net and fiscal measure for tackling poverty and other socio-economic phenomena like unemployment, income inequality and begging among others, in Muslim societies like Kano state, Nigeria (Mustafa, Tabiu & Bello, 2017a; Ahmed, 2004; Sadeq, 1994). Essentially, the primary objective of Zakah is to alleviate poverty in the society and this is

evident in the fact that five (5) of the prescribed beneficiaries (*Asnaf*) belong to these categories (see Q9:60). In this direction therefore, it has been noted in the various studies on Zakah institution that it has the potentials to improve the socio-economic and spiritual well-being of the downtrodden masses and more so, ZI can even make them to be more productive and successful citizens. Thus, Zakah system as an important Islamic economic institution transfers wealth or income from the rich (i.e. the Surplus Saving Unit – SSU) to the poor and needy (i.e. the Deficit Saving Unit – DSU) (Aliyu, 2002; Akanni, 2006; Mustafa & Maiyaki, 2011; Mustafa & Idris, 2015).

Importantly therefore, there are studies that have established positive and impressive link between both Zakah institution and poverty alleviation in Muslim societies like Indonesia, Malaysia, Nigeria, Saudi Arabia, Sudan and a host of others. It was also noted that Zakah potentials are yet to be fully explored in Muslim countries, especially in Nigeria with Muslim population of over 90 million people. However, it is instructive to mention that Kano state, which is the focus of this study, is one of the 14 most poverty-ridden states in Nigeria, despite her natural endowments and Islamic economic legacy like Zakah institution, which dates back to the 19th century *Dawlatul-Usmaniyyah* – Sokoto Caliphate (1804-1903). Furthermore, the poverty rate in Kano state is over 70%, especially among the youths and women (Sadeq, 1994; Aliyu, 2002; Abu Bakar & Abdul Rahman, 2007; Zainal, Abu Bakar & Saad, 2016; Mustafa *et al.*, 2017a). Interestingly, a study by Mustafa *et al.* (2017a) revealed that historically, Kano state generated the highest Zakah collection of ₦16.14 million in 2012 but in 2015, it dropped to ₦6.54 million (Kano State Zakkah and Hubusi Commission, 2010, 2015). Yet, as noted by Mustafa *et al.* (2017a), the enormous potentials to generate as much as ₦25 billion (i.e. USD82m) exists in Kano state to tackle poverty, if qualified and conscious Zakah payers (ZPs) of one million people will pay ₦25,000 each.

In this connection, figure 1 presents the research model through which this study can be conceptually espoused in line with the central thesis of this study. As such, the figure shows that poverty alleviation is the dependent variable and three (3) other variables i.e. Zakah awareness, Zakah payment and Zakah management, serve as the independent variables (which represent Zakah institution as a vector variable). In this regard, this study empirically examines the Zakah effectiveness hypothesis, considering the economic dynamics and potency of Zakah institution, especially in alleviating poverty in Muslim economies like Kano state. Thus, it investigates the effect of Zakah awareness and perceptions on poverty alleviation and it determines whether effective and efficient Zakah management affects poverty alleviation in Kano state. In order to achieve the set objectives, questionnaire method was utilized to generate data from the eight (8) metropolitan local government areas of Kano state; while Structural equation model (SEM) was adopted as the technique for data analysis. In this connection, the choice of Kano state as the case study is based on her being the most populated state (with over 15 million people) and Islamically informed state in Nigeria with high ability Zakah payers. The state has high level commercial and business orientations; yet, poverty rate in Kano state is over 70% (Muktar, 2017; Mustafa *et al.* 2017a; Ibrahim, 2015).

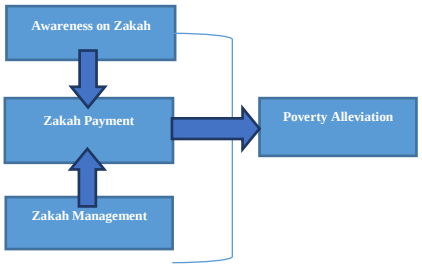

Figure 1: Conceptual Model of Zakah Institution for Poverty Alleviation
Source: Adapted from Zainal, Abu Bakar and Saad (2016).

2. Literature Review

Abdullahi (2006) examines the impact of Zakah on the beneficiaries in the six (6) local government areas of Kano metropolis with the use of questionnaire and Key informant interview (KII) methods. The sample size was 577 respondents for the questionnaire survey and six for KII. The findings from the study indicates that the Zakah provided was for the purpose of setting-up/boosting their capital base, cater for the orphans or feed family and payment of medical expenses. Majority of the respondents noted that the amount provided as Zakah did contribute to the enhancement of their well-being but did not take them out of poverty. The findings also established that 17% of the respondents were dissatisfied with the distribution of Zakah by the Kano State Zakah and Hubusi Commission. Among the reasons advanced included: (i.) the amount (i.e. between ₦5,000 - ₦10,000) given was not sufficient; (ii.) wastage of time before disbursement; (iii.) some respondents were requested to share their ₦5,000 with some people while others enjoyed their full amount; and (iv.) local politicians got involved in the exercise of Zakah disbursement thereby favoring their candidates. However, the techniques of data analysis adopted were too simplistic and not robust enough for better results to be derived.

Also, a study by Ashafa (2014) investigates the distribution of Zakah in Lagos and Ogun states of Nigeria. His study considered the activities of NGOs working on Zakah collection and distribution as the basis for assessment. Thus, the study adopted simple random sampling and interview methods to collect data from seven (7) Muslim NGOs in the two sampled states. The findings recorded by the study show that Zakah has positive impacts on the beneficiaries except that its collection was restricted to only cash Zakah. Some of the beneficiaries were empowered to become business owners while students received scholarships into various higher institutions. However, some of the challenges confronting Zakah institution as noted by the study are: inefficient administration of Zakah, circumvention by eligible payers, lack of trust, inadequate knowledge and lack of proper record keeping by the Zakah agencies. Another study by Ahmad, Othman and Salleh (2015) on the acquisition of information on Zakah distribution and management in Malaysia utilized questionnaire method to generate data on respondents' perceptions towards Zakah distribution based on six (6) Likert scale. Most of the respondents are poor and needy people. The findings emanating from the study established that some of the recipients are grateful for the Zakah gesture because of its positive impacts in their lives. However, the recipients are dissatisfied with the waiting time (i.e. three weeks) before the disbursement of Zakah. Also, sourcing of information about Zakah activities, especially distribution was largely through relative friends. Nonetheless, the recipients are delighted for receiving Zakah but are disappointed with the Zakah agency, especially in terms of Zakah management. While the study is commendable for its merits, it did not provide information about the sample size used and the actual number of questionnaires utilized for analysis, which could have affected the outcomes. Also, the method of data collection should have been complemented with interview method or any other suitable method for robustness of results.

In a related empirical study by Abdussalam, Johari, and Alias (2015) on the effectiveness of Zakah on poverty reduction of the poor Muslims in Kwara state, Nigeria with special attention given to the womenfolk in the collection of data. The study employed mixed methods of data collection i.e. both primary and secondary data by using questionnaire of 360 copies, interview and published works on Zakah. The findings revealed that Zakah does not have significant impact on poverty alleviation among the many respondents sampled, especially women. The study was however quick to state that this outcome was as a result of ineffective Zakah management in the state, which is been handled by individual Muslim scholar and the amounts distributed were

also not significant. In view of this, such Zakah distribution is not expected to make any significant impact since it negates some of the basic guidelines and principles of Zakah like the principle of sufficiency credited to Khalifah Umar Ibn Khattab (R.A.) that whenever you give Zakah, you should enrich the people. Doing this will take them out of poverty and make them also to become Zakah payers.

An empirical study by Ali and Saaid (2016) examined the impact of Zakah on poverty alleviation in Sudan by adopting structured questionnaire of 50 copies to collect data. The findings emanating from their study noted that in spite of some operational inefficiency and challenges' confronting the Sudanese Zakah Chamber (SZC), poverty was positively and significantly impacted upon by Zakah. Again, a pilot study conducted by Mustafa *et al.* (2017b) on the institution of Zakah for poverty alleviation in Kano state adopted 165 questionnaires, ehich were distributed across three (3) local government areas of Kano metropolis (i.e. Dala, Fagge and Kano Municipal). In this connection, the findings established that the four dimensional constructs satisfy the reliability and validity tests. Similarly, it notes that 98.65% of the respondents are business men and women with huge Zakah payment of ₦100million in the last 15 to 20years. Also, 80% of Zakah payers are relatively young people of 25 to 55years with some of them as old beneficiaries of Zakah. These findings established that huge Zakah potentials exist in Kano state, which must be judiciously explored for societal welfare.

In a more recent study by Ayuniyyah, Pramanik, Md Saad and Ariffin (2018) on the role of Zakah distribution programmes in poverty alleviation and income inequality reduction in West Java (Indonesia). The study adopted questionnaire method using 1,309 Zakah beneficiaries managed by the National Zakat Board of Indonesia (BAZNAS). The findings of the study indicate that Zakah distribution programmes (ZDPs) by BAZNAS have potentials to significantly alleviate poverty and reduce income inequality. This is in view of the fact that the falah index adopted indicates approximately 60% increase in the well-being of the beneficiaries, which suggests that the material and spiritual conditions of the beneficiaries both in the urban and rural areas were enhanced a year after their enrolment into the ZDPs. Thus, the result of this lends credence to the Zakah effectiveness hypothesis reported in some of the studies.

3. Methodology

Sample Size and Sampling Techniques

Kano state is a Muslim populated state with an estimate of over 15 million people, which makes her the most populated state in Nigeria with official creation in May, 1967. The state is known for her Islamic heritage of civilization, commerce and scholarship. Kano state is a commercial nerve centre with manufacturing and agricultural sectors having dominance. As such, Kano state is popularly known as "the Centre of Commerce" with over 3million hectares of cultivable land. The hectares of land have been very useful in the production of rice, grains, groundnuts/peanuts and livestock, among others. Furthermore, the state consists of 44 local government areas (LGAs), which are divided into urban (Kano metropolis) i.e. eight (8) LGAs and rural (36) LGAs (Muktar, 2017; Mustafa & Idris, 2015). According to the 2006 National Population Census for Kano metropolis, the population was 2,828,861. Table 1 presents the breakdown of the allocated sample size based on LGAs peculiarities (see Appendix I). Essentially, the sample size for this study was determined by adopting the recommendation of Krejcie and Morgan (1970). They recommended 384 copies of questionnaires for a population of 1,000,000 people and above, for any study. Since the population of this study is almost 3 million people, 384 was multiplied by 3 and approximated to 1,230 copies of questionnaires, so as to take care of sampling error.

Table 1: Distribution of Sample Size

S/N	Local Government Area	No. of Sample Size	% Share
1.	Fagge	250	20.3
2.	Dala	220	17.9
3.	Kano Municipal Council (KMC)	220	17.9
4.	Ungogo	100	8.1
5.	Gwale	120	9.8
6.	Kumbotso	100	8.1
7.	Tarauni	100	8.1
8.	Nassarawa	120	9.8
	Total	**1230**	**100**

Source: Authors' Computation (2018).

The questionnaires of Abdullahi (2006) and Nadzri, AbdulRahman and Omar (2012) were adapted and structured questionnaire with seven (7) point Likert scale was adopted to generate data from Zakah payers in Kano metropolis. Furthermore, multistage and convenience sampling methods were employed for the allocation of questionnaire to the 8 LGAs in line with the recommendation of Wedgwood and Sansom (2003). They posited that multistage sampling technique is suitable and appropriate when big cities, wider geographical areas across cities or urban and rural settlements are involved in a study of this nature.

Hypotheses and Model Specification

Hypotheses for this Study

The main objective of this study is to empirically examine the Zakah-poverty alleviation nexus in Islamic economic discourse. In the same vein, the study investigates the effect of Zakah awareness and perceptions on Zakah payment by Zakah payers and also, it accounts for the effect of effective and efficient management of Zakah institution on Zakah payment. Therefore, three (3) hypotheses have been formulated for validation in this study and they are stated as:

H1: Zakah awareness and perceptions have positive effect on poverty alleviation.

H2: Zakah payment has positive impacts on poverty alleviation.

H3: Effective and efficient management of Zakah positively affects poverty alleviation.

Model Specification

The central thesis of this study is Zakah-poverty alleviation nexus. As such, the economic specification of this relationship is hereby given as follows:

$$POV = f(ZAP, ZP, ZM) \quad (1)$$

Where:
POV = Poverty alleviation
ZAP = Zakah awareness and perceptions
ZP = Zakah payment
ZM = Zakah management

In this regard, the econometric specification of the model is provided as:

$$POV_i = \beta_0 + \beta_1 ZAP_i + \beta_2 ZP_i + \beta_3 ZM_i + \varepsilon_i \quad (2)$$

Techniques of Analysis and Sources of Data

This study adopted Structural equation model (SEM) approach for data analysis, which comprises reliability analysis, correlation analysis, measurement model and structural model. The adoption of Structural equation model is to provide for robustness test. Indeed, SEM is considered as the mother of all model analysis techniques (Nik Mat, 2008). Also, the adoption of SEM in analyzing Zakah-poverty alleviation nexus discourse is meant to provide for innovative approach and deliberately intended to spur more researches adopting SEM in future researches in Islamic economics and finance studies. In this regard, the two models in SEM (i.e. measurement and structural/hypothesized models) having been utilized to achieve the objectives of this study. Furthermore, the study utilized primary data, which was collected through

questionnaire method and also, secondary data was obtained from various published works on Zakah institution and poverty alleviation on Nigeria and other Muslim countries. It is however, important to note that the data utilized in this study for SEM estimation are cross sectional in nature, which was collected at a point in time, over cross sections of selected Zakah payers.

4. Results and Analysis

Rate of Response on Questionnaire for Large Scale Study

This study distributed 1,230 copies of questionnaires, which were administered in 8 LGAs of Kano metropolis with each local government allocated according to its peculiarities (see Appendix I). However, 1,129 copies of questionnaires were returned and only 899 (73%) were considered usable for analysis. In this regard, table 3 presents the breakdown of the questionnaires distributed to each local government sampled. As indicated in the table, Fagge LGA received the highest number of questionnaires (250) with the highest number of usable questionnaires (232); while Dala and KMC received 220 copies of questionnaires each and 190 and 159 respectively, were considered usable. However, Nassarawa LGA has the least copies of returned and usable questionnaires, due to the reluctant and skeptical attitude of the respondents.

Table 3: Rate of Response on Administered Questionnaires

Local Government	Allocated Questionnaires	Returned Questionnaires	Usable Questionnaires	% Share
Fagge	250	243	232	25.81
Dala	220	217	190	21.13
KMC	220	215	159	17.69
Gwale	120	100	87	9.68
Nassarawa	120	94	28	3.11
Tarauni	100	96	82	9.12
Kumbotso	100	75	55	6.12
Ungogo	100	89	66	7.34
Total	**1,230**	**1,129**	**899**	**100**

Source: Authors' Computation (2018).

Demographic Characteristics of Respondents

Crosstab analysis has been adopted to discuss the demographic characteristics of the respondents presented in this study (see Appendix II). The results show that 92.89% are males and only 7.11% are females. Their educational backgrounds revealed that most of the respondents are secondary school certificate holders i.e. 311 (35.18%), insignificant numbers of the respondents are PhD holders (i.e. 0.90%) and other educational levels not indicated in the options have 10.86%. Interestingly, most of the respondents are business men and women in terms of occupation i.e. 710 (84.42%), civil servants are just 11.18% (94) and other types of occupation represent 4.40% (37). All in all, 34.68% (309) of the respondents fall within the age group of 31-40 years, which represent the highest respondents and 29.63% (176) captures those within the age bracket of 41-50 years. This particular finding suggests that the existence of a young and vibrant generation of Zakah payers between the age group of 21-50 years (i.e. 74.19%). Furthermore, large chunk of the Zakah beneficiaries are the poor and needy (i.e. 41.86%), while other beneficiaries include orphanage (4.75%), Zakah Commission insignificantly attracted 1.58%. In this connection, this result on Zakah Commission is consistent with the findings of Mustafa *et al.* (2017b), Wali (2013) and Abdullahi (2006) about lack of public trust and inefficiency of the Commission, which creates less patronage image for the Commission.

Estimates from the Structural Equation Model

Measurement Model

In line with the rule of thumb, a two-step approach as recommended by Anderson and Gerbing (1988) was used in this study. Firstly, the purification of the measurement model was done and secondly, it was followed by the investigation and evaluation of the conceptual model. Figure 2 presents the measurement model and the estimates arrived at. In this vein, the goodness of fit (GOF) index results for the measurement model is presented in table 4. Some of the indices used for GOF analysis include CMIN/DF (i.e. ratio) has 4.6; adjusted goodness of fit index (AGFI) has .935; comparative fit index (CFI) has .918; Tucker Lewis index (TLI) has .940; and the root mean square error approximation (RMSEA) has .064.

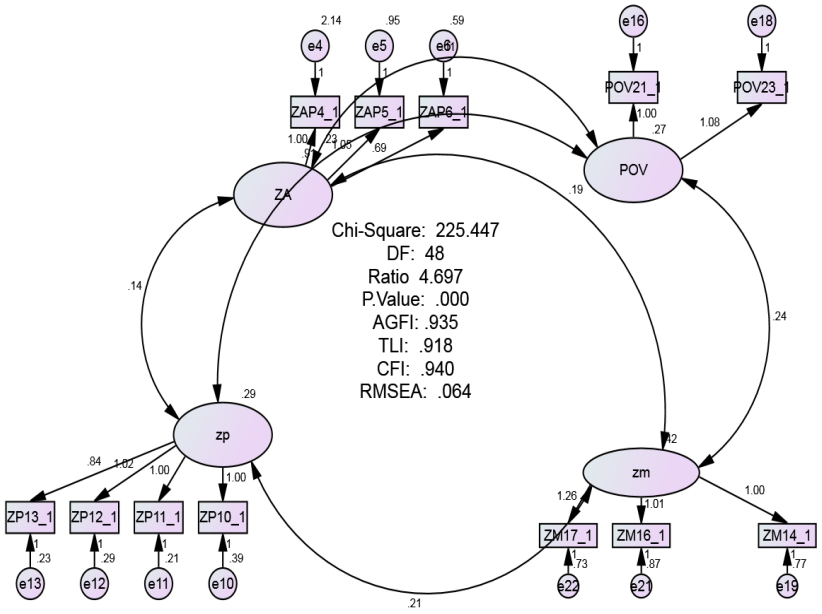

Figure 2: Measurement Model utilized for this Study.
Source: Authors' Computation (2018).

Admittedly, AGFI, CFI, TLI and RMSEA, all exceed the recommended values in the literature, especially by Chau and HU (2001), Browne and Codec (1993) and Bagozzi and YI (1988). Thus, it can be concluded that the measurement model fits appropriately with the data collected.

Table 4: Goodness of Fit (GOF) Index for Measurement Model

Quality of fit measure	**Recommended value**	**Values of Measurement model**
X^2/df	≤ 3.00	4.6
AGFI	≥ 0.80	0.935
CFI	≥ 0.90	0.918
TLI	≥ 0.90	0.940
RMSEA	≤ 0.08	0.064

Source: Computed by the Authors (2018).

Reliability Analysis

In order to evaluate the internal consistency, convergence and discernments validity, confirmatory factor analysis (CFA) was conducted on the measurement model. As rightly noted by Sekaran and Bouggie (2010), the essence of the reliability analysis is to indicate the extent to which the survey instruments are free from random error and also to measure the stability of the various items in the scale adopted. Table 5 presents the psychometric properties of the measures.

Table 5: The Psychometric Properties of the Measures

Construct	AVE	CR (*pc*)	CA
ZAP	0.412	0.695	0.6
ZP	0.499	0.799	0.8
ZM	0.387	0.653	0.7
POV	0.502	0.668	0.7

Source: Authors' Computation (2018).

From the results presented in table 5, it indicates that the Composite reliability (CR) values range from 0.653 to 0.799, which are acceptable. In the same vein, the Cronbach's alpha (CA) values are from 0.6 to 0.8, which are also acceptable, especially in line with the benchmark of Sekaran and Bouggie (2010) of alpha 0.6 as minimum alpha value to be accepted.

Correlation among Constructs

The four (4) constructs adopted for this study are Zakah awareness and perceptions (ZAP), Zakah payment (ZP), Zakah management (ZM) and Poverty alleviation (POV). In this vein, table 7 indicates that the values of the square roots of the average variances extracted (AVE) for all the constructs exceed the inter-correlation of the constructs with the other constructs in the model. This is in line with the recommendations of Chin (1998) and Fornell and Larcker (1981). Therefore, in line with the results presented in table 6, the following interesting conclusions can be deduced: (i.) ZM leads to the lowest decrease in POV i.e. .137 decrease in poverty for every one unit increase in ZM; (ii.) ZP leads to decrease in POV by .193, which means that for every one unit increase in ZP, poverty decreases by .193; and (iii.) ZAP has the most positive and significant impact on POV by .394. This implies that for every one unit increase in ZAP, poverty falls by .394. To this end, it can safely be submitted that ZI has positive and significant impact on poverty and thus, lending strong support to Zakah effectiveness hypothesis.

Table 6: Result of Correlations among the Constructs

Construct	**ZAP**	**ZP**	**ZM**	**POV**
ZAP	**0.622**			
ZP	0.240	0.708		
ZM	0.207	0.232	0.706	
POV	0.394	0.193	0.137	0.642

Source: Computed by the Authors' (2018).

4.4.4 Hypothesis Testing using SEM

The results of hypothesis testing based on the structural model in appendices III and IV provide the basis for the interpretations presented in table 7. The estimates revealed that the standardized path coefficients proved to be very significant i.e. at 1% significance level for all the constructs and also for the 12 items utilized for the estimation. For instance, ZP has CR of 12.115 with respect to POV at 1% significance level, which is the highest among the four constructs. This implies that H1 is supported i.e. Zakah payment positively impacts on poverty alleviation.

Table 7: Result of Hypotheses Testing

Hypothesis	Statements of Hypothesis	Result
H_1	Zakah payment positively impacts on poverty alleviation in Kano state.	Supported
H_2	Zakah awareness and perceptions have positive effect on poverty alleviation in Kano state.	Supported
H_3	Effective and efficient management of Zakah institution should positively affect poverty alleviation in Kano state.	Supported

Source: Compiled by the Authors (2018).

Also, ZAP and POV have CR value of 4.404 at 1% significance level, which suggests that ZAP has positive and significant effect on poverty; thus validating H2. Also, the CR between ZM and POV is given as 8.942 at 1% significance level, which suggests that effective and efficient Zakah management of Zakah institution positively affects poverty alleviation. This means that H3 is also supported by this finding.

Discussion of Results and Findings

In the light of the results and findings presented above, it is evidently clear that this study has brought to the limelight some interesting discoveries and contributions to the Zakah literature, especially with the adoption of SEM approach. Therefore, the findings in table 8 provide ample empirical evidences that ZI impacts positively on poverty because ZP, ZAP and ZM, all lead to decrease in poverty. More importantly, the hypothesis testing in table 8 revealed that all the hypotheses are supported by the findings. As a matter of fact, ZP has CR of 12.115 with respect to POV at 1% significance level (see Appendix IV), which represents the highest value among the four (4) constructs. By this result, Zakah payment impacts positively on poverty and as such, it validates H1. These findings lend support to Zakah effectiveness hypothesis, which is consistent with earlier finding of Ahmad *et al.* (2015), Ashafa (2014), and Wali (2013) but negate the finding of Abdussalam *et al.* (2015). Similarly, the CR for ZAP and POV is given as 4.404 at 1% significance level. In the same vein, CR between ZM and POV has 8.942 at 1% significance level, which also validates H3. Furthermore, empirical evidences support that Zakah effectiveness

hypothesis exists in the state, in spite of the meagre Zakah revenue generated; it still makes positive impact on poverty in Kano state. Also, the study recorded new Zakah payers of 37.24% of the respondents and a young generation of Zakah payers was identified within the age bracket of 21-50 years, which constitute 74.19% of the respondents as presented in table 5. This suggests that ZI has a lot of potential revenue base in Kano state. These findings lend credence to earlier findings by Mustafa *et al*. (2017b), Ibrahim (2015) and Wali (2013). All in all, it is evidently obvious that Zakah institution in Kano state, has enormous potential revenue base with promising positive impacts on poverty alleviation.

5. Conclusion and Recommendations

It is evidently clear from the various findings recorded in this study that Zakah institution (ZI) has positive impacts on poverty alleviation in Kano state, which lends credence to the Zakah effectiveness hypothesis in the literature. In the same connection, Zakah awareness and perceptions has positive effects poverty alleviation. Similarly, effective and efficient management of Zakah positively affects poverty alleviation in Kano state. This particular finding connotes that many Zakah payers who perceived effective and efficient management of Zakah institution shall be willing and ready to patronize the Zakah Commission owned by the State government and hence, more funds for poverty alleviation in the state. Furthermore and interestingly, the study discovered a group of Zakah beneficiaries who are now Zakah payers (i.e. 37.24% of the respondents) and a young generation of Zakah payers within the age bracket of 21-50years, which represents 74.19%. These findings suggest that potential revenue base for sustainability of Zakah fund for poverty alleviation exists in Kano state, which must be explored and maximized for the good of the downtrodden masses and the society at large.

In view of the foregoing presentation of results and discussion of the findings, it is hereby recommended that ZI should be adopted as a core fiscal measure for poverty alleviation in Muslim societies like Kano state with necessary and required legal and political supports by the Kano state government. In this connection therefore, ZI needs to be greatly promoted and supported among high ability Zakah payers, especially the business class by more awareness and sensitization as well as providing fiscal incentives and motivation by the Kano state government. More importantly, trustworthy, sincere and competent people should be assigned to manage ZI because it should not be meant and left for every Tom, Dick and Harry to be operated and managed. Moreover, Kano state government as a major stakeholder in Zakah management via the Zakah Commission should take the lead through exemplifying good governance in the form of more accountability, transparency and information disclosure in the management of Zakah revenue. Considering the Islamic awareness and the high level of commercial and business orientations in Kano state, Zakah institution shall contribute tremendously to the socio-economic and spiritual well-being of the people, "if and only if" all hands shall be on deck to faithfully and persistently implement the recommendations stated above.

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Appendix I

Demographic Information about the Population of Study

S/N	LGA	Population Size	Number of Markets	Allocated Questionnaires
1.	Nassarawa	596,669	Small = 4	120
2.	Dala	418,777	Big = 4	220
3.	Kano Municipal Council (KMC	365,525	Big =4 and Small = 2	220
4.	Ungogo	369,657	Small = 2	100
5.	Gwale	362,059	Small = 4	120
6.	Kumbotso	295,979	Big = 1 and Small = 2	100
7.	Tarauni	221,367	Big = 1 and Small = 2	100
8.	Fagge	198,828	Big = 4	250
	Total	2,828,861	Big = 14 Small =16	1230

Source: National Population Commission (2006) and Authors' Compilation (2018).

Appendix II

Demographic Characteristics of the Respondents

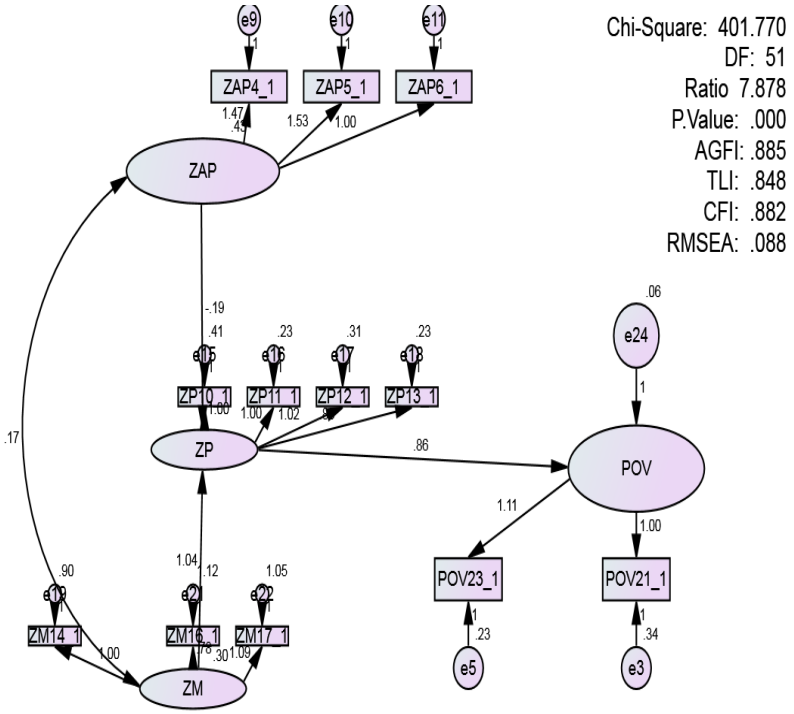
Demographic Status	Frequency	**Percentage**
Education Level		
Primary	145	16.40
Secondary	311	35.18
Degree	145	16.4
Masters	38	4.30
PhD	08	0.90
Non-formal	141	15.95
Others	96	10.86
Total	884	100
Occupation		
Business	710	84.42
Civil service	94	11.18
Others	37	4.40
Total	841	100

Age		
21-30	88	9.88
31-40	309	34.68
41-50	264	29.63
51-60	176	19.75
60 and above	53	5.95
Total	890	100
Gender		
Female	62	7.11
Male	810	92.89
Total	872	100
Major Beneficiaries of Zakah		
Poor & Needy	370	41.86
Orphanage	42	4.75
Family & Friends	162	18.33
Zakah Commission	14	1.58
Others	13	1.47
More than one category	283	32.01
Total	884	100
Once a Beneficiary of Zakah		
No	551	62.76
Yes	327	37.24
Total	878	100

Source: Computed by the Authors (2018).

Appendix III

Hypothesized Model for this Study



Source: Generated by the Authors (2018).

Appendix IV

Result of Hypothesized Model Estimates

Constructs & Items	Estimate	S.E.	C.R.	P-value
ZAP<-->ZP	.137	.025	5.421	***
ZAP<-->POV	.113	.026	4.404	***
ZAP<-->ZM	.194	.036	5.442	***
ZP <-->POV	.232	.019	12.115	***
ZP <-->ZM	.207	.023	8.869	***
POV<-->ZM	.240	.027	8.942	***
ZAP4	.143	.127	16.901	***
ZAP5	.952	.092	10.347	***
ZAP6	.594	.045	13.089	***
ZP10	.391	.022	17.987	***
ZP11	.209	.014	15.065	***
ZP12	.288	.017	16.631	***
ZP13	.234	.014	17.286	***
ZM14	.336	.021	16.224	***
ZM16	.239	.019	12.526	***
ZM17	.775	.049	15.885	***
POV21	.872	.052	16.692	***
POV23	.731	.058	12.669	***

Source: Authors' Computation (2018).