



# A Critical Analysis of Poverty Alleviation Strategies of *Al-Hayat* Relief Foundation in Nigeria

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## Abstract

Poverty is a global phenomenon that is dynamic, complex and multi-dimensional. It remains a major factor in human history. In recent years, however, international consensus has tended to focus development goals on poverty alleviation. Three actors, therefore, have been identified in the existing literature as agents for poverty reduction, the bilateral or multilateral corporations, the governments and the non-governmental organisations (NGOs). However, studies have shown that the roles of the third group are remarkable in the poverty alleviation agenda the world over. The non-governmental organisations are capable of introducing participatory development opportunities for grassroots people or poor communities. Using observational technique, interview and content analysis, this paper is aimed at presenting a critical analysis of poverty alleviation strategies of Al-Hayat Relief Foundation, with a view to establishing a framework for the Muslim communities in Nigeria in their quest for poverty reduction. The Foundation is one of the non-governmental organisations providing non-interest microfinance credit facilities for Muslims in Southwestern Nigeria.

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## 1. Introduction

The prevalence of poverty in many parts of the Less Developed Countries (LDCs), despite spectacular economic growth, has spawned interests in the scourge in academic and policy-making circles. Thus, the bloc-LDCs- with 70 percent of the world population subsists on only 30 percent of the global income. This meagre income is so unevenly distributed to the extent that the bulk of the world population is in abject poverty (Ilori, 2003). Corroborating this, Watt (2000) asserts that the 550 million people living in the forty-nine Least Developed Countries have suffered reversals in living standards in the last decades, both in quantity and quality. This fragile situation is further exacerbated by insecurity (World Bank Annual Report, 2013). Even Industrially Advanced Countries (IACs) in North America and Western Europe, according to the Food and Agriculture Organisation (2012), have found no effective institutional frameworks to their structural and transient core pockets of poverty. In recent years, international consensus has emerged to focus development goals on poverty alleviation (McKinley, 2004; Millennium Development Goals, 2000). Governments have agreed to formulate and implement anti-poverty plans that would set time-bound goals and targets for the substantial reduction of poverty.

However, three complementary actors have been identified in the existing literature as being involved in poverty alleviation programmes in terms of formulation and implementation. They include bilateral or multilateral organisations, governments and non-governmental organisations (NGOs). Adebayo (1997) notes the roles which the latter category plays in poverty alleviation programmes the world over. He believes that non-governmental organisations have challenged the historic failures of the governments to address equity issues and asset redistribution, which are ultimate causes of poverty. It is in this group that Al-Hayat Relief Foundation falls. It is the aim of this paper, therefore, to critically analyze poverty

alleviation strategies of this foundation. The paper is divided into six sections. Section one dwells on the concept of poverty and its alleviation; section two takes a cursory look at Islam's approach to poverty alleviation. The third section discusses the dimensions of poverty in Nigeria, while section four focuses on historical and operational schemes of the foundation under study. The fifth section beams its touch on the critical analysis of the foundation's poverty alleviation strategies and the final section covers the concluding remarks and recommendations.

## **2. Conceptual Frameworks**

### *2.1. Poverty and Its Alleviation*

The complexity and multidimensionality of poverty makes its conceptualisation elusive and replete in social science literature. However, thoughts on appropriate conceptualisation, measurements and accurate characterisation of determinants of poverty have long history. These thoughts indicate that poverty breeds social inferiority, isolation, physical weakness, vulnerability, seasonality, powerlessness and humiliation (Ajaikaye and Adeyeye, 2001). Hence, Sen (1977) and Adeyeye (1987) view poverty as lack of access to basic needs/goods, a result of lack of or impaired access to productive resources; outcome of inefficient use of common resources and result of elusive mechanisms. The position here shows that poverty is a persistent or permanent socio-economic deprivation and vulnerability to environmental shocks.

However, Obadan (1996) as cited by Abdullahi (2006) asserts that poverty connotes the image of underdevelopment and lack of economic growth (in a society), having both income and non-income trends, which are usually intertwined. Thus, the United Nations Development Report (2006) posits that it is a condition of life characterized by malnutrition, illiteracy and diseases as to be beneath any reasonable definition of human decency. In a similar dimension, Atoyebi et al (2008) maintain that poverty is an inability to attain minimum standard of living. This encompasses inaccessibility to food, clothing, shelter, education, depreciation, and/or lack of dignity.

The Central Bank of Nigeria (1999) contributes to the growing literature on conceptualisations of poverty when it states that poverty is:

“the state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter; is unable to meet social and economic obligations, lacks gainful employment, skills, assets and self-esteem; and has limited access to social and economic infrastructure such as education, health, portable water and sanitation; and consequently, has limited chance of advancing his or her welfare to the limit of his or her capabilities (cited in Oyesanya, 2013:26-27).”

The present paper, therefore, adopts this definition because of its comprehensiveness, aggregativeness, inclusiveness and above all, peculiarity to Nigerian situation. Also, the definition shares the distinctive characteristics of the prevalence of poverty among the Muslim populace in Nigeria.

Meanwhile, from all empirical findings, poverty is generated and nurtured by different policies-national and international. The international perspectives include: slavery, protracted wars, colonialism, neo-colonialism or imperialism, foreign trade, technology, foreign direct investment, globalization, aid and immigration policies. The national policies are macroeconomic and microeconomic, regional, political, social or ethical justice (Onimode, 2003). Also, Ilori (2006) opines that poverty is caused by skewed income distribution, subsistence orientation of production, poor quality or inadequate infrastructure, mass illiteracy, political instability, high growth of population leading to over-population, market/ structural rigidities and imperfections and urban-based policies.

Narrowing them down to more strategic issues, Ajaikaye and Adeyeye (2001) highlighted nine causes of poverty in developing countries viz: low economic growth performance; macroeconomic shocks and policy failure; labour market deficiencies; unemployment and underemployment; human resource development; debt burden; health and diseases; environmental degradation and governance. The debilitating consequence of the above is that the social fabric- the poor's 'insurance' is unraveling; social cohesion, solidarity and social norms are breaking down; increased lawlessness; violence and crime; breakdown of community solidarity and norms of reciprocity (Perez-Corral, 2001). It is instructive to note that Muslims are not exempted from these consequences in Nigeria.

In recent years, there has been international consensus to focus development goals on poverty alleviation (McKinley, 2004). Governments have agreed to formulate and implement anti-poverty plans that would set time-bound goals and targets for the substantial reduction of poverty. So since the second

half of the twentieth century, national and international institutions have proposed or attempted to reduce global poverty through a number of strategies- Green Revolution, Debt Relief, Good Governance, Import Substitution and Export Industries etc. As global world has such detrimental effects on societies and communities, nonetheless, the relative merits of these schemes remain a source of controversy.

## 2.2. Islam and Poverty Alleviation: A Conceptual Discourse

Gusau and Abdullahi (1994) conceive poverty as “such pressing want which makes satisfaction of (basic) necessities of life difficult or impossible.” The implication of this definition superficially is that material dimension of poverty should not be the central focus; rather it should include *piety* of the mind. This approach which combines the spiritual and material well-being of life, according to al-Ghazālī (n.d.), is a distinctive constituent of Islamic system. The position above is further corroborated by Zien-al-Abdin (1997) who argues that poverty in Islam is a test of man’s allegiance to his creator and a dreadful affliction. He therefore lends credence to the Qur’ān Chapter 2 verse 155 which states thus:

*“Be sure We shall test you with something of fear, and hunger, some loss in goods, lives and the fruits (of your toil) but give glad tidings to those who patiently persevere.”*

At the same time to be free from fear and hunger is a blessing from God Who deserves thanks and worship. The Qur’ān Chapter 106 verses 3-4 are categorical on this:

*“Let them worship the Lord of this House Who provides them with food against hunger, and with security against fear (of danger).”*

He therefore concludes that:

Islam looks upon poverty as a religious and social problem which pushes a person to lowliness, sin and crime. That is why the Prophet (SAAS) sought the refuge of Allah from it, “O Allah, I seek your refuge from poverty, insufficiency and lowliness” (p. 65).

In another verse of the Qur’ān, poverty is described an affliction caused by *Shaytan*. It reads thus:

*“The Evil one threatens you with poverty and bids you conduct unseemly. Allah promises you His forgiveness and bounties. Allah cares for all and He knows all things (Q 2: 268).”*

This verse indicates that *Shaytan* threatens human beings with poverty so that they hold on to whatever they have and refrain from spending it in *Allah's pleasure*. Consequently, the very essence of social welfare system in society is undermined. Commenting further on this verse, ‘Alī (1989) notes that:

*“Good and evil draw us opposite ways and by opposite motives, and the contrast is well-marked out in charity. When we think of doing some real act of kindness or charity, we are assailed with doubts and fear of impoverishment; but Evil supports any tendency to selfishness, greed, or even to extravagant expenditure for show, or self-indulgence, or unseemly appetites. On the other hand, Allah draws us on to all that is kind and good, for that way lies the forgiveness of our sins, and greater real prosperity and satisfaction. No kind or generous act ever ruined anyone. It is false generosity that is sometimes shown as leading to ruin... (p. 113).”*

According to the Holy Qur’ān, many reasons abound for the pervasiveness and persistence of poverty in certain segments of the society. These include:

- a) The poverty of the weak and vulnerable is largely due to man’s deviation from divine teachings (Q 16: 90; 107: 1-7 etc.);
- b) Poverty evolves as a result of man-made social problems rather than lack of material resources as propounded by the classical theory of scarce resources (Q 20: 188-189; 29: 60, 62 etc.);
- c) The Qur’ān has not justified the existence and prevalence of poverty as the natural consequence of vulnerability and/or inter-generational transmission but rather as a reflection of the irresponsible attitude of the rich (Q 7:10; 15:19-22; 63:7; 68:7; 70: 18, 21 etc.); and
- d) Inequitable distribution of natural resources creates nurtures and aggravates poverty situation (the Qur’ān 3:180; 9:34; 68:17, 21-24; 69:34 etc.) (Abdullahi, 2006; Salahudeen, 2007).

From Islamic socio-economic system therefore, poverty situation is tackled head on. Its teachings, according to al-Qarḍāwī (1999) cited in Abdullahi (2006), are unprecedented in the extent of its care for the poor. It provides, in the words of Hassan and Alamgir (2000) cited in Maidagu (2001), laws and legal institutional framework for the reduction of poverty by suggesting policies and operational mechanisms to

meet basic needs, narrowing the protracted gap between the comparatively-rich people and the vulnerable, and developing the resources of the earth for the welfare of human beings to whom everything in the heavens and the earth is made subservient. Corroborating this position, Maidugu (2001) states that Islam proposes short and long term measures for poverty alleviation. Some of these are the responsibilities of the state, others are to be fulfilled by the society, and some are shared obligations of both the state and the society. Therefore, poverty is attacked within the economic frameworks of Islam from three broad angles which correspond with three sectors of an economy, public (government), private, and voluntary (non-governmental organisations) (Abdullahi, 2006). From the private sector, hardworking and self-reliance are encouraged by the Qur’ān (Q 28: 77; 7: 10; 62: 10-11; 53:40-42) and the *Hadīth*. The concept of *seeking* and *striving* has been stressed by the Holy Qur’ān as a way of alleviating poverty, while work is seen as an *Ibādah* (worship) or *Fard al-Kifāyah* (obligatory duty) (Abdullahi, 2006). This, in the words of Adepoju (1998), is meant to prohibit idleness and laziness, which are strong factors in poverty creation and transmission.

Islam operates within a framework of expediency and pragmatism at government sector. Therefore, priority is given to socio-economic institutions based on the *Sharī’ah*. The religion believes that one of the responsibilities of an Islamic state is the guarantee of a minimum level of good living. This is seen in the context of Islam’s perspective of life, the function of the society and its basic social institutions like the family. Administrators in an Islamic state therefore must operate within this principle. Corroborating this position, Adepoju (1998) quotes the Prophet as saying:

“He whom God has made an administrator over the affairs of Muslims but remains indifferent to *their needs and their poverty*, God will also be indifferent to his needs and poverty (p.129).”

At the voluntary level, the institutions of *Sadaqah* (voluntary charity), *waqf* (endowment), *zakāt* (Islamic tax), *takāful* (Islamic cooperative/mutual insurance), *nafaqah* (maintenance), etc. have been emphasised in the Qur’ān and *Hadīth* as ways of advancing help to the poor, the distressed members of the society (orphans, widows, the needy, etc.). Hence, Adepoju (1998) quotes the Prophet (SAAS) as saying “a locality in which one has to starve is deprived of Allah’s protection.”

### 3. Poverty Dimensions in Nigeria

Poverty is a long-standing phenomenon in Nigeria over the past two and half decades and its level appears to be increasing with the passage of time. Quite a wealth of studies carried out to investigate poverty trends in the country show that the number of absolute poor has continued to increase in geometric progression- Ojowu (2004), Ijaiya (2004), Nzewi (2007), Soludo (2007), Nigerian Poverty Report (2010) etc.

Table 1: Estimated Population and the Rate of Poverty in Nigeria (1995-2002)

Year	Population (in Millions)	Absolute No of Poor (in Millions)	Percentage
1995	98.9	59.3	60.0
1996	102.3	67.3	65.8
1997	104.0	67.6	65.5
1998	106.3	68.0	69.5
1999	109.3	72.3	72.0
2000	111.3	77.0	74.0
2001	114.0	86.0	83.0
2002	116.4	88.2	88.0

Adopted from Ijaiya (2004) in Rosenje and Moliki (2007:99)

By implication, the data contained in table 1 show that the poverty level in Nigeria rose from 61% in 1995 to 88% in 2002. Furthermore, Nigeria which ranked 142nd of 174 countries listed in 1999 using UNDP Human Development Index (HDI) dropped to 146<sup>th</sup> position, therefore, finding itself among 40 poorest countries of the world. Also, Nigeria’s festering poverty is not only multi-dimensional and

gender-based; it is generally more prevalent in the rural areas. Hence, table 2 shows the prevalence of poverty in urban and rural areas in Nigeria between 1980 and 1996.

Table 2: Poverty Incidences in Urban and Rural Areas in Nigeria (1980 - 1996)

Year	Poor (%)	Core Poor (%)	Urban Poor (%)	Rural Poor (%)
1980	28.1	6.2	3.0	6.5
1981	32.0	7.5	4.0	8.0
1982	35.5	8.8	4.8	9.8
1983	39.0	9.8	5.7	11.2
1984	4.3	11.0	6.8	13.0
1985	46.3	12.1	7.5	14.8
1986	46.0	12.3	8.0	14.9
1987	45.4	12.7	8.5	15.0
1988	45.0	13.0	9.0	15.2
1989	44.5	13.2	9.2	15.4
1990	44.0	13.5	9.5	15.8
1991	43.5	13.7	10.2	15.7
1992	42.7	13.9	10.7	15.8
1993	49.0	18.0	11.0	20.0
1994	54.7	21.8	14.0	24.0
1995	60.0	25.0	22.0	28.0
1996	65.6	29.3	25.2	31.6

Adopted from Poverty Profile for Nigeria: A Statistical Analysis of 1996/97 National Consumers' Survey, FOS (1999) in Ogunnowo and Adu (2007:78)

Meanwhile, according to Saura (1998) and Odugbemi (2002), sex distribution and poverty revealed a shocking gender-basis against the womenfolk in Nigeria. However, Soludo (2007) as appeared in Mohammed and Hasan (2008), using geo-political indices, submits that the incidence of poverty in the three Northern regions is high compared to the Southern regions. It was 71% in North West; 72% in North East; and 67% in North Central. The corresponding figure is 43% in the South West; 23% and 35% in South East and South-South respectively.

#### 4. Al-Hayat Relief Foundation: Background and Objectives

The establishment of Al-Hayat Relief Foundation, an incorporated body with registration number CAC/IT/18559, dates back to Saturday 15<sup>th</sup> March, 1997 in Ogun State, southwestern Nigeria. It sprang up consequent upon the Da'wah activities of Alhaj 'AsifOlatunbosun 'Abdul 'Azeez and his research on the factors responsible for the Muslims turning their deaf ears to the prohibition of *Ribā* (Azeez and Salako, 2007). The inaugural meeting of the foundation was held with six members – Mr. T.A. Salako, Mr. R.I. Adepoju, Mr. A.O. Azeez, Mr. Alimi Habeebullah, Mrs. Basirat Abiola Salako and Mrs. Mushrafat Mowunmi Azeez.

The main objectives of the foundation as enumerated by Salako (2009) are:

- to champion the course of Islamic economic system;
- to give out financial relief to registered members on interest-free basis;
- to carry out welfare services on members;
- to propagate the religion of Islam through Da'wah and financial assistance to the needy;
- to carry out different schemes beneficial to members; and
- to (encourage members) observe the pillars of Islam.

With the high increase in membership, the need to establish branches was felt. The branches of the foundation, as at the time of this research, are forty one, spreading through Ogun, Oyo, Lagos, Osun, Ondo

states, in southwest Nigeria and Kwara state in North Central, the membership strength is about six thousand.

## **5. Schemes of Al-Hayat Relief Foundation: An Assessment**

### *5.1. Interest-Free Loan Scheme*

This entails giving out loans to registered members on interest-free basis for productive uses. However, some criteria are attached to this scheme. Azeez and Salako (2007) maintain that registered members must be regular and punctual at monthly meetings; have minimum membership stay of six months and have 2,500 units of share. Repayment of loan(s) is usually twenty (20) months for loan up to 200,000 Naira and thirty (30) months for loan more than that and up to 1,000,000. The scheme is one of the strong tools for economic empowerment and poverty alleviation adopted by the foundation.

### *5.2. Self-Development Scheme*

This is a scheme targeted at the less privileged members of the foundation, the artisans and petty traders whose survival is dependent on very meagre amount. It is an interest-free loan facility of 20,000 meant to assist the poorest of the poor members to take off with small business. The scheme is equally used to help members take care of some urgent needs. The duration for repayment is ten months.

### *5.3. Insurance Scheme*

The foundation operates a five-year compulsory group life insurance policy. It covers death. Every member pays premium of one thousand naira annually and twenty thousand naira (20,000) is earmarked for indemnity for the first year, thirty thousand naira (30,000) the second year, forty thousand naira (40,000) the third year, fifty thousand naira (50,000) the fourth year and sixty thousand naira (60,000) the fifth year (Adepoju, 2012). He notes further that the scheme will be terminated after the fifth year before the commencement of another one. It is important to state that the premiums generated from this scheme are invested in *Halāl*-based investments to guarantee the payment of indemnity to deserving members. The need to float such an institution has been advocated by contemporary Islamic financial analysts-Fisher and Taylor (2000), Ismail (2000), Hafiz (2004) and Patel (2008).

### *5.4. Mosque Deposit Scheme*

The scheme is operated by mobilising deposits from mosques to the foundation. The foundation monitors, supervises and disburses the deposited funds among members of Mosques on interest-free basis. It also helps recover the money from individual beneficiaries.

### *5.5. Children School Fee Scheme*

The foundation operates this scheme among members. The members are encouraged to save monthly any convenient amount towards the first term resumption of their ward(s) or child (ren) (Azeez and Salako, 2007).

### *5.6. Ileya Scheme*

The society operates an Ileya target savings scheme to enable members prepare for *'id al-Adha* expenses without much stress.

## **6. Al-Hayat Relief Foundation And Poverty Alleviation: A Critical Analysis**

It has been observed that poor societies and their people may remain perpetually so without assistance outside their circle (UNICEF, 1995). Thus, non-governmental organisations and/or complementary institutions are seen as some of the practical measures to improve quality of life at community and grassroot levels. The findings of this paper indicated that Al-Hayat Relief Foundation is committed to poverty reduction among the Muslim populace in South-western Nigeria through a number of strategies. The effects of these development efforts are so felt.

### 6.1. Micro-Credit Facilities

This strategy extends loans (ranging from ₦50,000 to ₦1,000,000) to the poor for self-empowerment projects- small businesses, creation and improvement of investment and entrepreneurship that generate incomes; allowing them to take care of themselves and their families. The foundation had empowered the poor and other vulnerable groups among the Muslims, especially the women to alleviate their extreme poverty. The measure had also undermined indebtedness spiral usually associated with money-lending and/or pawn broking. This is not unconnected with a substantial track record of accomplishments and a significant body of scholarly studies that paint micro-credit as a compelling anti-poverty and development strategy- Awolowo-Dosumu et al (1994), Clark and Keys (1994), Odejide (1997), Little, Morduch and Hashmi (2003). Therefore, Al-Hayat Relief Foundation in its 3rd National Annual General Meeting Report (2012) noted that the sum of two hundred and sixty four million, nine hundred and sixty seven thousand, four hundred and sixty five naira (₦264,967,465.) was disbursed to members as interest-free loan and self-development micro-credit facilities for that financial year (April, 2011-March, 2012). This is shown in table 3 below:

Table 3: List of Disbursed Loans by Al-Hayat Relief Foundation in 2011/2012 Financial Year

S/N	Forms of Loans	Amount in Naira	Total
1	Loan Released ( <i>Normal</i> )	243,434,390.00	
2	Self-Development Loan	8, 138,650.00	
3	<i>Ileya</i> Support Loans	10,179,795.00	
4	Staff Development Loans	3,214,630.00	264,967,465.00

Computed by the Researchers (2012)

These sets of loans carry about 91.4% of the total assets of the Foundation. Members have used these loan facilities to float small scale enterprises such as fishery, snailry, *okada* business, phone call business, sachet water factory, plank businesses, rental services, pharmacy, etc. while others use them to improve their trading activities.

However, a critical evaluation of this loan and microcredit financing strategy unveils that though the measure has been effective and relative, but it has been detected that there is no equilibrium in the capital inflows and outflows on which the foundation can leverage; and also a large percentage of the beneficiaries of these facilities lack modern entrepreneurial skills and competences. This may likely affect the members in tackling the scourge of poverty.

### 6.2. Business / Investment Strategy

Business/investment is the life wire of the foundation. The foundation operates business schemes under the Islamic basic channels of *Mushārah* (Equity Partnership), *Muḍārah* (Capital Trust), *Murābahah* (Mark-up Sale), *Ijārah* (Leasing), et cetera.

Members have benefitted tremendously from the business partnership of the foundation, most especially the *Murābahah*. Items like vehicles of different brands, motorcycles, tricycles, refrigerators, electricity generators, building materials, television sets, etc have been purchased for members on *Murābahah* basis either for business enterprises or personal use. A number of the foundation members have become proud owners of their personal houses, cars and other necessities of life. The foundation also invested a total amount of thirty four million, five hundred and ten thousand, twelve Naira and seventy kobo (₦37,961,139.70) on *Murābahah* partnership. This is shown in table 4.

In the investment arena, the foundation had consolidated its investment potentials by registering its business unit- *Al-Hayat* Golden Heritage Ventures and *Al-Hayat* Golden Heritage Limited under the Companies and Allied Matters Act, Laws of the Federation of Nigeria, 2004. Therefore, sachet/bottled water factory, *Al-Hayat* rental services and *Al-Hayat* Golden Estate are subsidiaries of the business department of the foundation. The sachet water factory and rental services of the foundation are indirect investment that has economically empowered the members. A schedule of investments of the foundation shows that it had invested the sum of ₦15,477,983.00. The table 5 shows its breakdown.

Table 4: Al-Hayat Murabaha Business 2011/2012 Financial Year

No	Branches	Amount Invested (Naira)	Profit (Naira)	Total (Naira)
1	Headquarters	5,279,000.00	527,900.00	5,806,900.00
2	Idomowo	4,002,500.00	400,250.00	4,402,750.00
3	Osoba	-	-	-
4	Oshimore	1,461,500.00	146,150.00	1,607,650.00
5	Molode	1,072,000.00	107,200.00	1,179,200.00
6	Itele	-	-	-
7	IjebuImushin	1,499,075.00	149,907.50	1,648,982.50
8	Itamaga	1,721,590.00	172,159.00	1,893,749.00
9	Apebi	1,855,000.00	185,500.00	2,040,500.00
10	Ibiade	238,500.00	23,850.00	262,350.00
11	Oshinubi	-	-	-
12	Ilese	645,000.00	64,500.00	709,500.00
13	Olisa	-	-	-
14	Ijebu Ife	8,000.00	800.00	8,800.00
15	Ago Iwoye	1,372,000.00	137,200.00	1,509,200.00
16	Degun	1,437,130.00	143,713.00	1,580,843.00
17	Imepe	895,000.00	89,500.00	984,500.00
18	Imodi	900,500.00	90,050.00	990,550.00
19	Atiba	2,982,670.00	298,267.00	3,280,937.00
20	Alapo	-	-	-
21	Shangisha	2,014,573.00	201,457.30	2,216,030.30
22	Ogbere	283,600.00	28,360.00	311,960.00
23	Itantebo	-	-	-
24	Ijoko	130,380.00	13,038.00	143,418.00
25	Ala	-	-	-
26	Epe	395,460.00	39,546.00	435,006.00
27	Molipa	2,174,810.00	217,481.00	2,392,291.00
28	Ilorin	275,567.00	27,556.70	303,123.70
29	Sagamu	-	-	-
30	Onikolobo	856,055.00	85,605.50	941,660.50
31	Imalefalafia	-	-	-
32	Iwo	389,867.00	38,986.70	428,853.70
33	Ondo Road	579,150.00	57,915.00	637,065.00
34	Ifo	88,200.00	8,820.00	97,020.00
35	AraromiObu	40,000.00	4,000.00	44,000.00
36	Irewon	1,230,000.00	123,000.00	1,353,000.00
37	Ore Remo	683,000.00	68,300.00	751,300.00
38	Iseyin	-	-	-
39	Oke Ado	-	-	-
40	Saki	-	-	-
41	Lantoro	-	-	-
TOTAL		34,510,127.00	3,451,012.70	37,961,139.70

Source: Al-Hayat Relief Foundation Treasury Unit (2012)

Table 5: Schedule of Investments of Al-Hayat Relief Foundation

Variables	Amount Invested (in Naira)
Shares in Jaiz International Plc	818,667.00
Shares in Yat Water (Owned and Managed by the Foundation)	2,409,560.00
Shares in Al-Hayat Relief Foundation Golden Estates	6,374,000.00
Shares in National Executive Council	1,115,920.00
Savings in National Executive Council	1,616,400.00
Investment on Business	1,735,436.00
Investment in Stock	1,408,000.00
Total	15,477,983.00

Adopted from Al-Hayat Relief Foundation Audited Report (2012).

A cursory look at this strategy shows that it is pragmatic and strategic. However, efforts should have been geared towards training members on investment/entrepreneurship dealings so that they can embark



on profitable investments on their own through quantitative and qualitative decision-makings. This corresponds with the findings of the structured interview and observational technique as a bulk of the members is not investment-oriented. Also, the values of the foundation's investment capacity 15,477,983.00 and *Murābaha* business 37,961,139.70 are too meagre compared to the value of the loans - 260,741,728.00 to bring about the desired results for poverty alleviation.

### 6.3. Zakat and Ṣadaqah Strategy

*Zakāt* and *Ṣadaqah* are effective instruments employed by many Islamic countries to fight poverty. A wealth of literature is available to substantiate this- At-Tayib (1997), Abdullahi (2008), Obaidullahi and Khan (2008), Salahudeen (2007), Azam (2009), etc. The foundation had revived the institution of *Zakāt* and *Ṣadaqah* as instruments of poverty alleviation by establishing *Zakāt* and *Ṣadaqah* committee to collect *Zakāt* and *Ṣadaqah* from members and other Muslims. While *Zakāt* payment has been very scanty and proceed meagre (considering the economic status of members), *Ṣadaqah* has been well subscribed to by members. Available record indicates that the committee, aside from organizing *iftār* for the very indigent Muslims during Ramaḍān, has been able to disburse fund to the tune of eight hundred and sixty eight thousand, six hundred and seventy naira (=N=868,670.00) as charities for the poor among the members and non-members in the last two financial years. It must, however, be stated that the effectiveness of this strategy cannot be ascertained now as it was institutionalised about four years ago. However, the primary issue with *Zakāt* and *Ṣadaqah* is sustainability as they are rooted in voluntarism. Funds mobilised from charity could fluctuate from time to time and may hinder strategic planning and implementation required for poverty reduction.

### 6.4. Group Life Insurance (Takāful)

There is no gainsaying that *takāful* plays indispensable roles in poverty reduction in the Muslim world; thus, Fisher and Taylor (2000), Ismail (2000), Hafiz (2004) and Patel (2008) confirmed this in their different studies. They concluded that *takāful* is the second most important social institution in the Islamic community to fight poverty and deprivation. Therefore, the accruals from *takāful* strategy of the foundation are invested. To strengthen this institutional mechanism of poverty alleviation, some branches had built insurance houses while others are warming up. The foundation claims to have collected ten million and fifty one thousand Naira (=N=10,051,000.00) from members as premiums and invested the amount in *halal*-based business and further recorded One million three hundred and eight thousand two hundred Naira (=N=1,308,200.00) as profit. It has also paid the sum of three hundred and ninety thousand Naira (=N=390,000.00) as indemnities to the relations of the deceased members. However, the premiums, =N=10,051,000.00 (about 1.2% of the total assets) are too meager as this strategy is a capital-intensive project requiring huge start-up capital costs and financial commitment, modern technology and educated workforce. Although, Al-Hayat could be said to have embarked on micro-*takāful*, it is however, constrained by three interrelated challenges- technical expertise, sound regulatory frameworks and reinsurance. Because, *takāful* on its own is not the solution to the poverty problem, thus, it has to be organised practically as an important component of the foundation's poverty alleviation objectives.

## 7. Conclusion and Recommendations

The embarrassing paradox of poverty in the midst of plenty among the Muslims suggests the compelling need for complementary pursuit of poverty reduction and its eventual elimination. Al-Hayat Relief Foundation, as a microfinance organisation has been proactive in alleviating poverty among the Muslim populace through a number of interrelated strategies. For these programmes to be relevant, relative and sustainable in Nigeria, it is crucial for the poverty alleviation objectives to be implemented within the framework of rapid and broad-based economic growth with controlled population growth, sound economic and financial management, corporate governance and aggressive investment policies, among others. There is no gainsaying that Al-Hayat Relief Foundation if properly regulated and strategically supervised has great potentials in poverty reduction and economic development at the grassroots. Arising from the foregoing, we make the following recommendations:

1. The foundation should embark on massive investments/businesses with special diversification into real estate, agro-allied, oil and gas, telecommunications, consultancy services, etc. to foster its growth, development and sustainability.
2. There is an urgent need to establish Strategic Planning/Research and Development Unit with modern sophisticated equipment to assist in the constant assessment and review or redesign of the foundation's development objectives, as well as, sustainability of its poverty alleviation strategies.
3. There is the need to intensify manpower/human resource development through regular professional training, seminars, workshops, conferences, symposia, etc in terms of accounting, debt management, financial and risk management, corporate governance, corporate business/investment management and strategic planning. This is because of the proliferation of branches and expansion of the foundation's corporate social responsibilities.
4. The foundation should consider the feasibility of setting up vocational centres where under-privileged and/ or poverty-stricken Muslim youths could be enrolled and trained as entrepreneurs.
5. It is expedient for Al-Hayat to float an institution that shall be empowered with definite manpower capacity for project identification and feasibility studies on some economically-viable projects to boost its investment strength.
6. There is the need for international partnership with Muslim multi-lateral organisations such as Organisation of Islamic Conference, Islamic Development Bank (IDB) etc. in order to benefit immensely from their poverty alleviation provisions.
7. Prudential regulations and effective supervision may enhance the efficiency of financial institutions. It may also promote the development of transparency and accountability. Therefore, the foundation needs to ensure strengthened supervision in areas of disclosures, corporate governance, and internal control systems.
8. Expectedly, there is the need to maintain a balanced equilibrium of cash-inflows and out-flows to reduce accumulated debts and propensity of risk.
9. The *Zakāt* and *Ṣadaqah* Committee should research into the feasibility of incorporating *Waqf* (Endowment) into its objectives and programmes as *Zakāt*, *Ṣadaqah* and *Waqf* have almost become powerful financial instrument in the Islamic Financial parlance globally.
10. There is the need to replicate this pragmatic initiative in other Muslim communities in Nigeria in order to reduce the rate of poverty among the Ummah.

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