

## INFLUENCE OF HISBAH AND ZAKAH ON CONSUMERS PROTECTION, POVERTY ALLEVIATION AND MANAGEMENT

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### Abstract

*This paper analyses the Influence of Hisbah and Zakah on Consumers Protection, Poverty Alleviation and Management. The specific objectives are: Identify the role of Hisbah in protection of consumers and examine Zakah as a means of poverty alleviation and management. The research techniques used is content analysis by systematically evaluating from documents, books, journals, and periodicals. The researcher concludes that the two institutions of Zakah and Hisbah have much role to play in not only protecting the right of people in the society but also managing and reducing poverty. Therefore, Muslims societies can adopt and implement these institutions for the improvement of the people's welfare.*

**Keywords:** *Hisbah, Zakah, Consumer Protection, Poverty Alleviation, Management.*

### Introduction

The Institution of *Hisbah* which is enshrined in the *Qur'anic* command of ordaining good and forbidding evil was put into practice by Holy Prophet Muhammad (PBUH), who undertook inspections of markets himself to see that the merchants did not exploit the consumers. Therefore, the four rightly guided caliphs took serious measures to prevent market imperfections, irregularities and distortions so as to protect consumers (buyers) from injurious practices of producers and sellers during their reigns (Dogon-daji, 2003). The officer in charge of this institution or Muhtasib has wide range of human functions even though the supervision of transactions in the market place occupies a central position (Islahi 1988, Gwandu 1977).

Thus, *Hisbah* can equally be described as a consumer protection agency especially as the Mzihtasib deals decisively with injurious practices in the market places such as fraud dishonesty, cheating in sales, wrong weights and measures to ensure the uniformity of standards and prevent the sales of items considered harmful by the Islamic law (Gwandu, 1977). The Muhtasib according to Sheikh Abdullahi Fodio is responsible for preventing harmful monopolies, ensuring an unhindered flow of goods to the market, and disallowing artificial and unwarranted price rises without however imposing artificial prices of his own (Aliyu, 2006). He also strives to eliminate all forms of usury and unjust enrichment in commercial transactions (Sulaiman, 1987).

### Role of *Hisbah* in Protection of Consumers

Therefore, *Shari'ah* state uses *hisbah* to exercise a comprehensive socio-economic control on trade and economic practices, the most important being supervision of industry, professional services, standardization of products, checks on hoarding, middleman ship and usurious practices (Islahi, 1988). To achieve these consumer friendly measures, Sheikh Uthman Ibn Fodiyo maintained that a *Muhtasib* be appointed and given the power to "restrain in the most forceful way possible, those who defraud and cheat and if anyone obtains his wealth by these fraudulent means it should be confiscated and considered as revenue, which is used for the benefit of people including consumers in the state (Kani and Gandhi, 1990). The essence is to ensure that people's (traders) behaviours conform to the public interest (Khalidun, 1958).

It is not unlikely in a deregulated economy where producers and suppliers pursue their selfish interest by charging exorbitant prices on their goods and services to see that consumers' purchasing power is eroded and by extension their welfare. In order to guard against this, Ibn Taimiyyah advocated some price control measures such as supply regulation to ensure that no harmful items are produced and sold, no secret dealing, no collusion, adequate supply of essential items, free access into and exit from the market, no interception of commodities at the border, no unnecessary agency, no dumping, no deficiencies in weights and measures, no fake advertisement to deceive consumers. According to Ibn Taimiyyah, all these regulatory assignments are to be shouldered by the *Muhtasib* (Gatawa, 1996). The *Muhtasib* also decisively deals with the exploitative behaviour of brokers and retailers through close monitoring, supervision and as a last resort, punishment, all with a view to avoiding cheating of consumers (Kani and Gandhi, 1990).

The authority (*Muhtasib*) therefore checks imperfections and other exploitative tendencies in the markets with a view to ensuring that justice prevails in the markets, sellers do not display their commodities deceitfully, neither hides defects of their goods nor tells lies about their quality (Al-Ghazali, 1975). *Hisbah* as an Islamic institution is therefore designed to protect consumers' right though the duty of *Muhtasib*, who is largely responsible for overseeing three kinds of practitioners and artisans in the markets i.e. those whom he must oversee to ensure that their work is up to standard and not defective, those whom he must make sure that they act in a trustworthy and not in a dishonest manner, and those whose work he must inspect to ensure its quality or otherwise (Al-Mawardi, 1996). Thus, consumer's rights are protected in the market place by the *Muhtasib* through warnings, and imposition of appropriate penalties on the wrong doers in transactions.

Therefore, to protect and manage consumers' right effectively via market control, supervision and regulation, the *Muhtasib* should not only be appointed but also given sufficient power to manage and deal with those who defraud and cheat consumers. He should also be provided with adequate staff to assist him in carrying out his supervisory functions. The essence is to ensure justice and fair play between consumers and producers or sellers. The *Muhtasib* and his office are very powerful and crucial as they are independent of the office of a judge, for while the former checks and supervises to find cases, the latter only tries cases reported to him (Aliyu, 2000). However, despite the enormous power enjoyed by the *Muhtasib*, Sheikh Abdullahi urged him to fear God and observe maximum respect for the rights of individual consumers, producers and sellers in his supervisory and regulatory roles (Aliyu, 2006).

The foregoing review portrayed *Hisbah* as a vital organ of the Islamic state headed by the *Muhtasib* to protect consumers right especially in the market places by removing market imperfections as well as evil practices (distortions) of wicked traders who if left unchecked, worsen the condition of poor consumers both directly through charging higher prices and indirectly by hiding the defects of their products or producing/supplying substandard products and services.

### **Zakah as a Means of Poverty Alleviation and Management**

Zakah is one of the five pillars of Islam which is compulsory on all Muslims in possession of Nisab (minimum level of cash or other properties for which Zakah is due). It is normally paid after passage of one year except for some agricultural products from which Zakah is levied at the period of harvest and not twelve calendar months.

As observed by Balogun (1999), the objective of Zakah is primarily eradication and management of poverty and establishment of an egalitarian society where wealth will circulate as widely as possible. He added that zakah attempts to narrow down as far as is natural, the gap between the rich and the poor. The hard-core poor and needy are the central focus of the eight beneficiaries of zakah defined in the Qur'an. The Shari'ah stipulates that Zakah should be spent in the locality in which it is collected. As observed by Gusau (1992), the concentration of zakah revenue on a group of poor in a locality does not therefore lead to the emergence of contemporary problems where funds are collected in the rural areas to develop urban areas. This means urban-biased expenditure from the hard earned rural income, which may turn out to favour the rich, will be checked. Gusau (1997) maintained that Zakah has several positive social effects when effectively implemented such as: promotion of social solidarity; cultivation of love between rich and poor; reduction of jealousy, envy and rancor thereby reducing social tension and averting violence (Aliyu, 2006).

In order to make Zakah pro-poor and to ensure that its main objective of income redistribution is realized, the Shari'ah defined its beneficiaries so that Zakah budget can be separated from the general budget of the state. The Holy Quran (9:60) defines them as follows: *Alms are for the poor and the needy, and those employed to Administer (the funds); for those whose hearts have been (recently) reconciled (to the truth); for those in bondage and in debt; in the cause of Allah; and for the wayfarer; (thus is it) ordained by Allah, and Allah is full of Knowledge and wisdom.*

Mikailu (2000) opines that by according purchasing power to the poor and the needy, *Zakah* creates a balance between the demand for and the supply of, commodities that invigorates production and softens the path of national progress, cohesion and wellbeing. Naqvi (1981) maintains that *Zakah* links tax policy with expenditure policy because the Qur'an specifies its rates, base and mode of expending. This he believes improves fiscal accountability and facilitates tax collection with minimal evasion.

### **Conclusion**

From the forgoing analyses, we can observe that the two institutions of *Zakah* and *Husbah* have much role to play in not only protecting the right of people in the society but also managing and reducing poverty. Therefore Muslim societies can adopt and implement these institutions for the improvement of the people's welfare. Some humble efforts could be traced in some Northern States in Nigeria where *Zakah* Boards and committees are established but

there is need for more formalization of these institutions by the Federal Government through passage of bills and laws to strengthen them and accord them federal presence.

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