

Economic System of Islām as a Panacea to Economic Recession in Nigeria

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Abstract

The National Bureau of Statistics in July 2016 officially announced that Nigeria has entered into a recession, its first in 29 years. According to the data provided by the World Bank, the most recent time that the nation saw such a significant instance of economic downturn was while Ibrahim Babangida was in power. During that time period, the economy of Nigeria had a decline of 0.51% in the first quarter of 1987 and 0.82% in the second quarter of the same year. The disaggregation of the results for 2016 into its individual quarters revealed the sharpest decline, which was 2.4 percent, and a turning point after that. This is going by the manifestation of economic hardships experienced by the populace, even up to this moment. In point of fact, Nigeria's economy went from a level of economic buoyancy to a level of economic recession in the second quarter of 2016, and it has maintained negative growths in all quarters of that year up to 2017. This downward trend is expected to continue throughout 2017. In a bid to cushion the effect of this situation, the government in the short and medium terms took some measures (policies and reforms) to reverse the recession and put it on the path of growth reliance. In spite of these encouraging developments and despite the fact that it has been two years since the National Bureau of Statistics (NBS) officially declared that Nigeria had emerged from recession in its quarterly report on the country's Gross Domestic Product (GDP), the country's economic situation is still difficult, particularly with regard to the continued high cost of food. For a long-term solution, this paper, therefore, examines some measures of Islamic economic system, which is recession proof, due to the fact that it is basically premised on the fundamental sources of Islam, Sharī'ah. The paper concludes that if these measures are taken into consideration by the government, it will not only lift the economy out of its current phase but will also guarantee a secure economy. The paper adopts analytical research methods, using majorly secondary data collection.

Keywords: Economic Recession, Islamic Economic System, Sharī'ah, Isrāf, Agriculture

1. Introduction

According to the postulates of economists, an economy is officially considered to be in a recession if it exhibits two consecutive quarters of negative growth. Due to the negative growth of the economy, output has decreased, which has resulted in a loss of

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jobs, which has severe implications. In 2016, Nigeria experienced recession technically because GDP growth in two consecutive quarters (the first and second of 2016) is negative, i.e., -0.36 per cent and -2.3 per cent respectively. The country attained that milestone at the end of June as confirmed by the figures released by the National Bureau for Statistics (NBS). The recession is a special type, affecting both the demand and supply side of the economy. According to experts in economics, the recession has opened a Pandora's box with pundits and other stakeholders discussing what led to it and how to attain economic recovery.

A recession is an adverse situation for the economy, characterized by decreased trade and industrial activity relative to normal levels as well as an increase in the number of individuals who are unemployed. Experts also warn that if robust fiscal and monetary policies are not put in place immediately, the economy is logically heading towards a depression with a longer period of recovery and devastating consequences for the government and people of Nigeria. In the short term, the government launched a planned series of policies and engagement with a view to returning the economy to the path of growth and avoiding an impending economic depression. All these policies are rather temporary palliatives.

The skeptics have pointed out that the rate of recovery has been negligible, with GDP growth averaging just slightly more than 2% per year over the last few years, and inflation increasing above the CBN's 6% - 9% barriers throughout this time. According to data provided by the Nigerian statistics office, the growth rate of Nigeria's non-oil industry was roughly 1.6% and 2.6% respectively in the first and second quarters of this year 2022. This growth rate is still considered to be very slow. Since that time, the GDP indicates that the economy has been growing at a good rate (0.72 percent, 1.17 percent, and 2.11 percent in the second, third, and fourth quarters of 2017, and 1.95 percent in the first quarter of 2018), and this trend is expected to continue up to the third quarter of 2022 by 2.55%. The NBS has said on multiple occasions that the stages that follow an economic recession are the stages of an economic recovery.

An economic recovery is a stage in which the economy progresses gradually following the conclusion of a recession toward sustainable strong growth. And many people fret that there would be another economic downturn like the one that followed Buhari's first time in government. Most political spectators predicted that the re-election of Buhari in early 2019 would bring about stability and rekindle business in the country. However, economic growth has significantly slowed to 1.94% in the second quarter of 2019, which is the second consecutive quarter of dropping growth rates for the country. This comes roughly eight months after the election.

For a permanent solution, there is need to adopt the economic system of Islām which is aimed at securing the satisfaction of all basic needs for every individual and

corporate entity. In this regard, we shall be outlining the most salient measures of an economic system based on the fundamental sources of Islām, these are: agriculture, culture of saving for rainy days and shunning extravagant lifestyle.

2. Concepts Clarification

2.1 Economic Recession

The period of reduced economic activities that the Merriam-Webster Dictionary refers to as a "recession," and the dictionary gives this definition. The National Bureau of Economic Research (NBER) defines a recession as a significant drop-in economic activity that is nationwide economy and lasts for more than a few months. Adeniran (2016) who agrees with the preceding definition of a recession, defines a recession as a drop in all five economic indicators: real GDP, income, employment, manufacturing sales, and sales at retail. An economic recession is a period of economic slowdown characterized by declining productivity and devaluation of financial institutions, often caused by reckless and unsustainable money lending and triggered by a significant drop in spending. It is also known as an economic crisis or a financial crisis. An economic recession is a period of economic downturn characterized by decreased production and financial institution devaluation. A period of widespread economic deterioration known as an economic recession is often accompanied by a fall in the stock market, an increase in the rate of unemployment, and a loss in the value of the property market.

2.2 Economic System of Islām

The Islamic economic system is a system that is completely run according to the Islamic Sharī'ah law, with the aim to have a just society where everyone should be honest. To put it another way, the Islamic economic system is the collection of rules, beliefs, and standards of conduct that govern economic activity and establish relationships of production in an Islamic society. The Islamic order, as described in the Qur'an and Sunnah, as well as the body of jurisprudence opus, which was built over the course of the last 1,400 years by thousands of Islamic jurists in response to the unpredictable circumstances and ever-evolving lives of Muslims all over the world, serve as the basis for these laws and standards (Ishaque, 1983).

Hassan et. al. (2020) states that, the Islamic economic system provides an innovative approach to addressing the economic issues that concern mankind today. It describes an idea for addressing the challenges facing modern society by drawing inspiration from the basis of the Islamic faith, culture and tradition, while availing itself of the whole experience of humanity in the field, past and present. The uniqueness of the Islamic approach lies in the integration of moral and material, spiritual and mundane, ethical and socio-physical aspects of life. 'Islām stresses the development of humanity with social values, instead of only materialistic development.

It needs to be emphasized that 'Islām doesn't prescribe a specific system of economics but presents its fundamental elements and principles, forming the foundational concept of a system or an economy," according to one perspective of Islām. The primary contributions that Islam makes to the domains of economics and finance are in the form of normative standards. On the other hand, it does not completely lack optimistic economic claims or theories. There are several sectors of economics that are truly beneficial and cannot be different in any framework, whether it is Islamic or another.

The following are some of the sources from which the Shari'ah derives the network of laws that it has established for the Islamic economic system:

1. Qur'ān
2. The Sunnah of Prophet Mohammad (SAW)
3. The consensus of opinions of scholars (Ijmā')
4. Analogical reasoning (Qiyās), i.e., scholars derive rules by discerning an analogy between new problems and those existing in the primary sources.
5. Textual reasoning of Shari'ah experts.

The Shari'ah categorizes all human behaviours (whether conducted by an individual, society, or state) into six categories:

1. Obligatory (Wājib)
2. Prohibited (ḥarām)
3. Permissible (Ḥalāl)
4. Discouraged (Makrūh)
5. Recommended (Mustahāb)
6. Neutral (Morally neutral. An act for which there is no profit if performed and no penalty if avoided).

Therefore, all ideals and objectives of Islamic economic system must necessarily conform to and comply with the concepts obtained from these essential sources.

3. Review of Related Literatures

The Islamic economic system has gained significant attention as a potential solution for economic recovery in various countries, including Nigeria. This literature review aims to explore and analyze few scholarly articles, books, and reports that discuss the effectiveness of the Islamic economic system as a means to revitalize the Nigerian economy. The theoretical framework of Islamic economics is based on the principles of justice, fairness, and moral guidance provided by the Qur'ān and Hadith. Scholars argue that by adhering to these principles, Islamic economics can foster economic stability, reduce income inequality, and promote sustainable development.

Al-Jarhi (2015) in his work, provides an overview of the fundamental principles and features of the Islamic economic system, highlighting its emphasis on justice, welfare, equity, and ethical behaviour. He also discusses the role of Islamic finance and its potential in Nigeria's economic recovery. The agrarian nature of Nigeria's economy presents an opportunity to explore the compatibility of Islamic economics with agricultural development. Islam encourages responsible use of resources and discourages hoarding. Studies have shown that Islamic economics can enhance agricultural productivity through the emphasis on fair distribution of land, water resource management, and sustainable farming practices. He then posits that integrating Islamic economics can strengthen Nigeria's agricultural sector, ensuring food sovereignty and enhancing economic recovery.

The work of Iqbal, Munawar, and Philip Molyneux (2016) titled "Thirty Years of Islamic Banking: History, Performance, and Prospects", explores the growth, performance, and potential of Islamic banking and finance systems worldwide. It offers insights into how Islamic finance principles can contribute to economic development, including job creation, poverty alleviation, and investment in infrastructure.

Hasan Zubair (2011) in his work titled "Islamic banking at the crossroads: theory versus practice." analyzes the performance and challenges faced by Islamic banking institutions in Nigeria, providing insights into the practical implementation of Islamic economic principles. It sheds light on the benefits and limitations of adopting the Islamic economic system in a contemporary context. The Islamic financial system operates within the framework of Shari'ah law, emphasizing ethical financial practices, prohibition of interest (Riba), and speculation (Gharar). Islamic banking and finance models such as Murabahah, Musharakah, and Ijarah have gained attention in Nigeria due to their potential to promote inclusive growth and financial stability. He further argues that Islamic finance can address Nigeria's liquidity challenges and contribute to economic growth by providing alternative financing mechanisms.

Balogun Rasheed (2014) in his paper "The role of Islamic banking in Nigeria's economic development", examines the potential contribution of Islamic finance to Nigeria's economic development. He explores the compatibility between Islamic economic principles and the Nigerian socio-cultural context, identifying opportunities to leverage Islamic banking for inclusive growth, poverty reduction, and infrastructure development. Nigeria has been grappling with income inequality, poverty, and social unrest. Islamic economics emphasizes the equitable distribution of wealth, regard for social welfare, and discouragement of excessive accumulation of wealth. He therefore suggests that implementing principles of Islamic economics could foster a more cohesive society and contribute to Nigeria's economic recovery efforts Siddiqi (1995) in his work titled "Islamic economics: ideology, nature, and methodology", delves into the ideology, nature, and methodology of Islamic economics, emphasizing the

principles of fairness, justice, and the prohibition of usury (riba). It examines the implications of these principles on economic governance, regulation, and decision-making.

To sum up, the literatures reviewed highlight the potential of Islamic economics to act as a panacea for Nigeria's economic recovery. The principles underlying Islamic economics can address issues of income inequality, economic instability, agricultural development, and social cohesiveness. However, challenges such as institutional resistance and inadequate legal frameworks need to be addressed for successful implementation. Further research is required to analyze the practical implications and assess the feasibility of implementing an Islamic economic system in Nigeria.

4. Causes of Recession in Nigeria

According to Keynes, the main cause of economic recession is a reduction in aggregate demand. To him, a drop in consumption and aggregate demand for goods and services translates into a drop in output caused by a drop in manufacturing firm revenue. A decline in output leads to a decrease in production activities, which invariably leads to layoffs of workers because these enterprises are unable to cover their production costs, resulting in an increase in the country's unemployment rate (Afimia, 2017).

As per expert opinion, the Nigerian recession is the result of a confluence of factors, one of which is inflation, defined as a sustained and pervasive increase in the cost of products and services. This indicates that Nigerians purchase a smaller proportion of products and services with each naira in their possession. Since the start of 2016, the inflation rate has almost doubled, going from 9.55 % to 16.45 %, the highest rate since 2005. Another cause is overdependent on importation which has led to lower purchasing power and foreign exchange scarcity. One begins to wonder that Nigeria adjudged to be a technology-driven country, with at least 58 research institutes and development centers still import toothpicks and handkerchiefs from China (Afimia, 2017). We export what we don't have and import what we have. We have crude oil, but we import fuel from our own crude; we have cotton, but we import textile materials from China. Even though we have gas, we buy generators from other nations while allowing flares go out of hands. We import shoes from outside and consume our own hide and skin. We purchase canned tomato paste from China and consume tomatoes (Afimia, 2017).

Based on the import-dependent nature of the economy, inadequate foreign reserves to back the naira leads to the depreciation of the latter. Currently, the demand for foreign exchange exceeds the supply as reflected by the large misalignment between the inter-bank rate and that of the parallel market. For instance, the official market adopted a fixed exchange rate policy of 197 to the USD from the beginning of 2016 until June,

but the parallel market saw the naira fluctuate between N300 and N330 to the US dollar.

However, the Central Bank of Nigeria implemented the flexible exchange rate policy in June 2016, the official exchange rate has increased to between N280 and N310 to the US dollar (and is currently between 450 and 500), while the parallel market rate is currently between N360 and N375 to the US dollar. (and presently between 1000 – 1200). The fall in crude oil price in the international market and reduced production output of oil from 2 million barrels per day to 800,000, due to disruptions by the Niger Delta Avengers was another cause of recession in Nigeria. Furthermore, when all economic data are considered, the last administration of Muhammadu Buhari is to blame for the country's economic crisis in 2016/2017 due to a lack of adequate fiscal policies and measures taken and not implemented (Friday & Chika, 2019).

5. Visible Signs of Recession in Nigeria

The major sign of a recession is when there are several quarters of slow down but positive growth and this is demonstrated in the following factors:

1. Massive closure of companies and lay off of workers, especially in banks and financial institutions.
2. Failure to pay workers' salaries by federal and state governments. 27 out of 36 states can't pay while some pay half salaries.
3. Fuel price increase from N70- N165
4. Foreign airlines, about 14 of them suspended operation due to low patronage and bad economy.
5. South Africa now replaced Nigeria as the biggest economy in Africa.
6. The worsening situation of Nigerian currency. Presently, it is exchanged N1250 against 1 US dollar.
7. Shutting down of oil production due to militants' pipeline vandalization. (Adeniran & Sidiq, 2018)

1. Features of the Islamic Economic System and their Potential Contribution to Economic Recovery in Nigeria

The Islamic economic system is founded upon the principles of justice, fairness, and socio-economic well-being for all individuals. It emphasizes the establishment of a society where economic prosperity is balanced with social justice, wealth distribution, and ethical considerations. In the context of Nigeria, the features of the Islamic economic system hold tremendous potential for contributing to economic recovery. Some of the key features of the Islamic economic system and how they can contribute to Nigeria's economic recovery are analyzed here.

6.1 Prohibition of Interest (Riba)

One of the prominent features of the Islamic economic system is the prohibition of interest-based transactions (riba). This principle ensures that wealth is generated through ethical means and discourages harmful practices prevalent within traditional banking systems. The elimination of interest-based transactions can lead to increased investment in productive sectors and entrepreneurship, as individuals are motivated to invest in real economic activities rather than speculative ventures. This shift can stimulate economic growth and contribute to Nigeria's recovery by promoting investment in sectors with tangible potential for job creation and wealth generation. (Hassan, H. 1992)

6.2 Emphasis on Equity and Fairness

The Islamic economic system places a strong emphasis on equity and fairness in wealth distribution. In Islam, wealth is recognized as a trust from God, and it is the responsibility of society to ensure that it is shared equitably. Through mechanisms such as zakat (obligatory charitable giving), sadaqat (voluntary charity), and waqf (endowments), the Islamic economic system seeks to address income inequality and provide a safety net for the less privileged (Ishaq Haqq, 1996). Implementing these principles in Nigeria can lead to a fairer distribution of wealth and provide necessary support to marginalized communities, ultimately fostering economic stability and recovery.

6.3 Ethical Business Practices

The Islamic economic system encourages ethical business practices, promoting honesty, transparency, and accountability. These principles can combat corruption, a major obstacle undermining Nigeria's economic growth. Islamic finance institutions, which operate based on Shari'ah-compliant principles, have gained popularity worldwide due to their adherence to ethical practices. Implementing these principles within Nigeria's business sector can help restore trust and confidence, attracting both domestic and foreign investments. Ethical business practices can contribute to a culture of accountability, promote economic stability, and propel Nigeria towards a path of sustainable economic recovery. (Khan, 1992)

6.4 Focus on Real Economic Activities

Islamic economics places great importance on real economic activities that have a tangible impact on society. Speculative practices, such as gambling and excessive risk-taking, are discouraged. By directing resources towards productive sectors, such as agriculture, manufacturing, and infrastructure development, the Islamic economic system encourages sustainable growth and creates employment opportunities. (Rahman, M.H. 2018). Nigeria, with its vast potential in natural resources and human capital, can leverage the principles of the Islamic economic system to channel

investments into sectors that have the potential to drive economic recovery and diversify the country's revenue streams.

6.5 Stimulating Entrepreneurship and Innovation

Islamic economic system encourages entrepreneurship and innovation through equitable distribution of wealth and financial support mechanisms such as Musharakah (partnership) and Mudarabah (investment). By enhancing access to capital for small and medium enterprises (SMEs), Nigeria can foster entrepreneurial culture, job creation, and economic diversification. Additionally, the promotion of research and development, encouraged by Islamic financing mechanisms, can spur innovation and technological advancements, positioning Nigeria as a competitive player on the global stage. (Usmani, T. 2006)

Overall, the Islamic economic system offers several features that can contribute to Nigeria's economic recovery. By prohibiting interest, promoting equity and fairness, emphasizing ethical business practices, and encouraging focus on real economic activities, the Islamic economic system can create a more just and inclusive society. Implementing these principles within Nigeria's economic framework can help address income inequality, combat corruption, restore trust, attract investments, and foster sustainable economic growth. However, it is crucial to consider the local context and adapt these principles accordingly to maximize their potential impact in Nigeria's journey towards economic recovery.

7. An Analysis of Measures taken by Government to end Recession in Nigeria

In successions, the regimes between the early 80's and 2015 have endeavored not only to reverse the recession but to avoid another economic situation that would have adverse implications on the citizens. A number of measures were taken in this respect. There was an austerity measure without success, followed by stabilization; yet the economy was in recession. Thereafter, the regime of Ibrahim Babangida implemented a full-blown Structural Adjustment Program, SAP, of the Bretton-Woods type and yet the economy was on a roller coaster. At certain periods when the economy grew positively, there was no development. The school and health system had collapsed; infrastructure was in disarray as exemplified by constant and/or epileptic power failure, poor road networks among others (Adeniran & Sidiq, 2018).

At the return of democracy in 1999, it appeared there would be a relief, but after 16 years of the democratic experience starting with Chief Olusegun Obasanjo and ending with Dr. Goodluck Jonathan, the economy seemed to have returned to the era of austerity with recession almost imminent. In the periods between 1999 and 2007, the government launched some economic policies to ensure fiscal discipline and guard against inflation and also put the economy on the path of growth reliance. There was

the Fiscal Responsibility Act, the Public Procurement Act, Excess Crude Oil Account etc. There was also the transformation agenda of President Jonathan which was not followed to its logical conclusion. There were no efforts to diversify the economy. The government relied heavily on oil revenue to finance development.

The then government of Muhammadu Buhari also in a bid to calm jittery nerves and avoid being drifting into economic depression is doing everything possible to restructure the economy and change the nation's way of doing things. The economy will be diversified to include industry, agriculture, and services in place of oil to achieve this. In addition, there will be a rise in investment in these economic sectors and a decrease in interest rates, as the existing rates are insufficient to encourage the growth that is necessary to move the economy out of its current state (Friday & Chika, 2019). This is yielding to the calls of experts who insisted that unless certain reviews are made to the existing policies, the economy would record another negative growth soon. Experts are also of the opinion that the economy to be on the path of growth reliance, there must be fiscal and structural reforms. The government must spend on capital projects to restore growth. Investment in hard infrastructure such as power, roads, railways and housing would help recovery. It is also crucial to reduce the high cost of governance by cutting down on frivolous allowances enjoyed by political office holders (Friday & Chika, 2019). All the above measures and policies taken by the government are in the short and medium terms, they are not necessarily aimed at finding lasting solution to the economic situation.

8. Ultimate Solutions Offered by Islām to Grow an Economy

There is a need to plan the economy in a comprehensive manner, which would involve all sectors and sub-sectors of the economy with projected targets and how to meet them. Countries that have moved millions of their people out of poverty and are on the path of building a modern knowledge economy have relied heavily on comprehensive economic planning, despite whether there is recession or not. From our perspective, this could be accomplished by implementing the economic ideology of Islam, which possesses the complete capability to address the demands of the contemporary world. Islām, in contrast to alternative religious systems, provides a comprehensive code of conduct that extends beyond the organisation of worship and rituals. Various subsystems within the Islamic system contribute to the achievement of the system's primary goals (The Encyclopedia of Islām, 1965).

They are interwoven to the extent that removing, deforming, or replacing any of the components would result in the collapse of the entire structure. The economic policy of Islam, which is a part of Islam as a whole, is meant to make sure that everyone can meet all their basic wants and enjoy their extravagant goods as much as possible. This means that economic policy will seek to accommodate everyone rather than simply leave satisfaction to market forces (The Encyclopedia of Islām, 1965). The economic

system of Islām has outlined some measures which are capable of finding lasting solution to a dragging economy, like in the present case of Nigeria.

8.1 Agricultural Measure

In Arabic, agriculture refers to al-Filahah, which means "to clear and cut," but when used to soil, it means "to break up in order to cultivate or plough." From pre-Islamic times, the term has come to refer to the occupations of husbandry and agriculture. In this sense, it is synonymous with Zira'ah, to which the ancients preferred al-Filahah (all beyond agricultural writers referred to their works as Kitab al-Filahah). Agriculture developed at least 10,000 years ago and has seen incredible developments since its inception. Agriculture's history is an important part of human history since agricultural progress has been a major influence in global socioeconomic changes (Izuchukwu, 2011).

Agriculture is the systematic harvesting of plants and animals to provide food, feed, and fiber. By this definition, it therefore means that the place of agriculture as a food basket of any nation cannot be wished away. A key factor in the growth of human civilization was agriculture. It is widely believed that during the Neolithic Revolution, humans were capable of settling and renounce their prehistoric hunter-gatherer lifestyle due to the domestication of plants and animals. Agricultural labour accounted for most of the human labour until the Industrial Revolution. The development of new technologies has resulted from the broad dissemination of agricultural techniques, which have progressively raised agricultural production (Izuchukwu, 2011).

It is well known that the agriculture industry is one of the key components of any local or national economy that is established. It provides individuals with a means of livelihood and employment, and it plays a significant role in making it easier to swap money for foreign currency. It facilitates the rapid growth of any country that has implemented sound agricultural practices to build public infrastructure and ensure the welfare of its citizens. This fact was the case with Nigeria from pre-independence up to the point when the Nigeria economy descended abysmally to heavy dependence on imported food. In the beginning the country boasted of its groundnut pyramids in the North, cocoa in the West and palm oil in the East, the seedlings of which nourished the flourishing oil palm plantations in Malaysia from 1967, and now sustains that country's position as the global leader in palm oil production, through which it earns about 18 million dollars annually. Nigeria contains a large amount of agricultural land that may be utilized for the cultivation of rice, cotton, tomatoes, and palm oil in along with palm oil.

In accordance with the previous statement, Islam offers the agricultural sector a particular level of significance and encourages Muslims to extract as much benefit as they possibly can from the blessings that Allah has showered upon the earth. In clear terms, there are several passages of the Qur'ān that underscore the importance of

agriculture as a food basket. There are also scores of prophetic traditions that are reported on the basis of agriculture.

الَّذِي جَعَلَ لَكُمُ الْأَرْضَ فِرْشًا وَالسَّمَاءَ بِنَاءً وَأَنْزَلَ مِنَ السَّمَاءِ مَاءً
فَأَخْرَجَ بِهِ مِنَ الثَّمَرَاتِ رِزْقًا لَكُمْ فَلَا تَجْعَلُوا لِلَّهِ أَنْدَادًا وَأَنْتُمْ

“Who made the earth a resting place for you and the heaven a canopy and (Who) sends down rain from the cloud then brings forth with it subsistence for you of the fruits; therefore, do not set up rivals to Allāh while you know”. (Q. 2:22)

فَلْيَنْظُرِ الْإِنْسَانُ إِلَى طَعَامِهِ. أَنَا صَبَّبْنَا الْمَاءَ صَبًّا. ثُمَّ شَقَقْنَا الْأَرْضَ شَقًّا. فَأَنْبَتْنَا
فِيهَا حَبًّا. وَعِنَبًا وَقَضْبًا. وَزَيْتُونًا. وَنَخْلًا. وَحَدَائِقَ غُلْبًا. وَفُكْهَةً وَأَبًا. مَتَّعًا لَكُمْ
وَلَا نَعْمِيكُمْ.

“Then let man look to his food. That We pour down the water, pouring (it) down in abundance. Then We cleave the earth, cleaving (it) asunder. Then We cause to grow therein the grain. And grapes and clover. And the olive and the palm. And thick gardens. And fruits and herbage. A provision for you and for your cattle.” (Q. 80:24-32)

“There is none amongst the Muslims who plants a tree or sows seeds, and then a bird, or a person or an animal eats from it, but is regarded as a charitable gift for him”. (Ṣaḥīḥ Bukhārī)

The following Ḥadīth of the prophet recommends planting or growing of crops:

إِنْ قَامَتِ السَّاعَةُ وَفِي يَدِ أَحَدِكُمْ فَسِيلَةٌ فَإِنْ اسْتَطَاعَ أَنْ لَا تَقُومَ حَتَّى يَغْرِسَهَا
فَلْيَغْرِسَهَا.

“If the day of resurrection is about to come, while in the hands of you is a palm seed is planted when he was able to before the end of the world of the world then he should plant it”. (Sunan Aḥmad)

As a result of the Scriptural references that have been indicated above, Islam considers the agricultural sector to be a duty placed upon the society (Fard al-Kifyah). To ensure that there is a sufficient supply of food for the population as a whole, a society and a nation both have a responsibility to make certain that there are members of the community who are active participants in the agricultural industry. However, the responsibility of guaranteeing the safety and supply of food falls on every single

person. The climax of the efforts of many people is the presentation of nutritious meals at the dinner table. Every day, individuals such as food manufacturers, shippers, processors, distributors, handlers, and many others engage in activities that have the potential to compromise the quality of the food we eat (Ahmad, 2017). The goal for everyone involved is to carry out these particular acts to the best of their abilities, so that the food that is provided is free from any physical dangers as well as unsafe levels of pathogenic microorganisms and harmful chemicals.

Poor food security and supply must be interpreted as a lack of access to sufficient food. Because of man's inability to create enough food, the market price of food fluctuates. As a result, the body will be hungry and have an unbalanced diet.

Food insecurity is more common in underdeveloped countries than in industrialized countries, where the necessary mechanisms for food production, storage, and distribution are generally in place. Many countries are dealing with issues such as insufficient food production, insufficient food availability, and inefficient food distribution systems. As a result, they must rely on massive imports from other countries to meet their basic food requirements, as is the case in Nigeria currently. Indeed, the preservation of one's own life and the maintenance of its effectiveness are considered as an individual responsibility (Fard al'Ain) (Majeed, 2016).

In this direction, Nigeria is presently making a steady growth in the economy through its border closure to importation of rice and other commodities, such as palm oil, tomatoes, eggs and dairy products. Rice in particular, is a staple food in Nigeria, with about 7 million tons consumed each year. To meet demand, the country has imported massive volumes of the grain. Nigeria has reduced imports and is now attempting to increase domestic rice production in order to improve food security. This has resulted in a major nationwide agricultural re-awakening, which unquestionably remains our most feasible alternative for economic diversification as a government and a nation. It is critical to underline that we must be a nation that grows what we eat and consumes what we generate. According to the research, we have now achieved a paradigm shift in the correct direction and are now producing more than 90% of the rice we eat in the country. Nigeria currently produces 8 million metric tons of rice annually, with a target of 18 million metric tons by 2023, according to the Rice Farmers Association of Nigeria (RIFAN). Other agricultural products like cocoa, peanuts, cotton, palm oil, corn, sorghum, millet, cassava (manioc, tapioca), yams, rubber, cattle, sheep, goats, and pigs, as well as fish and timber, should all be grown to the same height.

Rice farming has recently provided many opportunities to the teeming populace, including direct and indirect employment for youth and women, investment opportunities not only in production but also in land development, marketing, and processing, and a source of income for farmers and a variety of other groups. The

nation's food supply source. Raw material supplier to processors and food manufacturers. Market access for agro-allied and non-agro-based products.

The Federal Government must remain committed to its mandate of assisting in the growth of Micro, Small, and Medium Enterprises. The agriculture industry in particular should be boosted in several ways:

- Government grants
- Low-interest loans to farmers
- Non-profit grants and technology
- Funding from foreign agencies such as the World Bank

8. 2 The Culture of Saving for the Rainy Days: The Strategy of Prophet Yūsuf

The concept of saving wealth is to set away funds from our wealth in anticipation of a large expenditure in the future, so that when the time comes, we already have enough available finances. Most individuals believe that conserving money is a form of self-control. We can regulate the fulfillment of our desire for future comforts by conserving a portion of our wealth, which is essential.

Islām as a religion encourages saving up wealth in all cases, it however forbids and gives a stern warning against the idea of not paying Zakāh on one's wealth. But if a person pays Zakāh, he is not counted in in the condemnation (Q. 9:34).

Zakah purify one's savings by distributing the proceeds to the poor and needy. If a person does not pay Zakah on money that has reached a niṣāb, this is considered hoarding and is forbidden in Islam. The concept of saving can be seen in al-Qur'ān and al-Hadith verses that either expressly or implicitly urge saving.

The Qur'ān emphasizes establishing a balance between consumption and saving in our relationship with money/wealth, stating:

وَالَّذِينَ إِذَا أَنْفَقُوا لَمْ يُسْرِفُوا وَلَمْ يَقْتُرُوا وَكَانَ بَيْنَ ذَلِكَ قَوَامًا

“Who, when they spend, are neither extravagant nor stingy, but keep the balance between those two extremes”. (Q. 25:67)

Treasures can be used to get the advantage of the world and the afterlife. Saving money is a management strategy for organizing Allah, the Almighty's provision.

وَلَا تَجْعَلْ يَدَكَ مَغْلُولَةً إِلَىٰ عُنُقِكَ وَلَا تَبْسُطْهَا كُلَّ الْبَسْطِ فَتَقْعَدَ مَلُومًا مَّحْسُورًا

“And do not make your hand [as] chained to your neck or extend it completely and [thereby] become blamed and insolvent”. (Q. 17:29)

This verse's interpretation is a clear instruction that can assist us avoid being frugal and not lavish. It goes on to say that it can make a person become immoral and wasteful of wealth, which leads to regret. Being wasteful does not have a clear definition. In general, it is advised that we set aside a portion of our property for future usage.

In simple terms, the culture of saving will help to stabilize the commodity prices by accumulating the reserves of commodities when prices are falling and releasing the reserves of these commodities when prices are going high. This ideological principle is traceable in the Qur'ān to Prophet Yūsuf strategy in Egypt about 4000 years ago, where he had encouraged saving during the times of plenty and spending during the period of shortage (Q. 12:43-48).

According to the Qur'ān, the Egyptian king had a terrible dream that scared him and made him fear for his realm. The king urgently sought an interpretation of this dream, but all attempts failed. The most experienced of his advisors, soothsayers, and pundits at the time were unable to correctly interpret this dream. A servant in the king's household remembered Yusuf and his ability to read dreams at this point. This individual was in prison with Yusuf and had previously profited from Yusuf's interpretation of his dream.

In prison, the king's officials told Prophet Yusuf about the dream, and he informed them that Egypt will have seven fruitful years followed by seven years of dryness. Prophet Yusuf told the king that during the difficult years ahead, very cautious resource management and distribution would be required. He stated that after 14 years, fertility will return to Egypt and resources would be plentiful.

The king was convinced after hearing this interpretation. Prophet Yusuf's virtues, intelligence, and foresight were acknowledged by the king, who quickly ordered his release. Prophet Yusuf, on the other hand, refused to leave prison until he was exonerated and his innocence was recognized. The king then investigated Zulaikha's claims against Prophet Yusuf, which were quickly proven to be baseless. Recognizing Prophet Yusuf's grandeur, the ruler of Egypt authorized him immediate release.

The Prophet Yūsuf strategy, if applied in the context of Nigeria, will not only grow the economy but guarantee the survival of the nation in the long run. We are not unaware of Nigeria's measures in this regard with Foreign Exchange Reserve and Sovereign Wealth Fund aimed at maintaining a reserve for national disasters or emergencies. Nigeria's foreign exchange reserves dropped to 39830 USD million in November from 40550 USD million in October of 2019. From 1960 to 2019, Nigeria's foreign exchange reserves averaged 11936.74 USD Million, including an all-time

high of 62081.86 USD Million in September of 2008 and a low of 63.22 USD Million in June of 1968. It is quite unfortunate that money that should be put in the reserves have been squandered by politicians, especially during the periods of 1999 and 2014 when the country's earnings from oil reached a peak, and humongous resources that accrued to the country from oil sales were recorded.

8.3 Avoidance of Wasteful Spending and Extravagant Life

Islam, being an entire way of life, guides us to be frugal with our money rather than lavish. Thus, moderation in consumption and spending that avoids both extremes of niggardliness and profligacy is the fundamental requirement for utilizing resources and spending. Allah Almighty states that:

وَالَّذِينَ إِذَا أَنْفَقُوا لَمْ يُسْرِفُوا وَلَمْ يَقْتُرُوا وَكَانَ بَيْنَ ذَلِكَ قَوَامًا

“Who, when they spend, are neither extravagant nor stingy, but keep the balance between those two extremes.” (Q. 25:67)

Living a lavish lifestyle is against the core principles of Islam. Actually, it is an act of disobedience to Allah for the blessings He has given us. The Qur'an refers to wasteful expenditure as *Isrāf*, which signifies going above the bounds in a variety of situations and is the opposite of moderation. According to Fahm and Yussuf (2020), "Any action that an individual performs that exceeds the limits is considered to be *Isrāf*." is one definition of *Isrāf*. Thus, it is also possible to define *Isrāf* as any action that is pointless or that goes beyond the bounds of nature, regardless of whether it has to do with excess in terms of quantity or quality. This shows that the concept of *Isrāf* is significantly broader and encompasses much more than just food and drink or even financial matters. It is also possible to say that *Isrāf* has a connection with any excess of conduct, feelings, or spirit; it is also associated with any excess of moral, cultural, or social traits. This description lays an enormous responsibility on each Muslim's shoulders since it emphasizes the problem of waste and links it to every aspect of life for humans (Fahm & Yussuf, 2020). It therefore means that spending money irresponsibly is not only disallowed in *Islām* but is considered as an evil deed. Wasting money over necessary things comes under this law. Wasting water even when one is sitting on the bank of a river is forbidden.

Although, it is the only way to live in accordance with the fundamental principles of Islam, maintaining a modest and economical life ought to be an ideal way of life for every single person. Before spending a penny, each and every person, family, and society at large have a need to take a moment to think about those who have no access to the necessities of life.

It is an interesting paradox that Nigeria's kind of democracy has been labeled as the most expensive in the world, given the overhead cost of government and the country's lack of comparable progress. The President, Governors, local government chairmen, ministers, and even state commissioners with their retinues, not to mention members of the National Assembly and State Assemblies and their retinues, are bleeding our country dry (Imhonopi & Urin, 2012).

In actual fact, the scandalous nature of Nigeria's expensive democracy is nauseating, incredible, and malevolent in a country where many of its citizens, according to the United Nations Human Development Report (UNHDR) published for 2007/2008, live in abject poverty, while the government finds it difficult and unjustifiable to pay workers the paltry sum it considers to be minimum wage (Okeke & Eme, 2015).

The monthly security vote, which has failed to protect the nation's citizens from both internal and external aggressors, legislators' lavish compensation packages, the costly electioneering process, public office holders' corruption, contract inflation that is excessive, the duplication of aides and advisers to elected officials, the duplication and multiplication of government ministries, departments, and agencies, and an entrenched culture of graft and bribery that has scandalized government business as a whole are just a few of the areas of Nigeria's expensive democratic system that Okeke and Eme (2015) have identified. These intriguing scenarios specifically illustrate the cost of maintaining Nigeria's democracy and compensating elected and public officials for overseeing the country's government. In 2010, Mallam Sanusi Lamido Sanusi, the former governor of the Central Bank of Nigeria, asserted that the National Assembly's expenses accounted for a quarter of the country's budget, thereby reducing the funds allocated for much-needed capital projects. For their maintenance, 500 Nigerians receive one-fourth of the nation's resources. According to US government statistics, which are based on increases made in 2010, the average US congressman, whether in the Senate or the House of Representatives, only receives roughly \$174,000. In contrast, the average Nigerian senator receives an annual package worth \$1.7 million, and the average federal representative receives an annual package worth \$1.45 million.

9. Conclusion

Nigeria's abundant natural and people resources offer it the opportunity to play a significant role in the global economy. But over time, most of these potential have remained untapped. Since the late 1960s, the government has moved away from agriculture, which was the backbone of the economy, and instead depends on the revenue generated by crude oil and gas. But since the middle of 2014, the government's inability to diversify its sources of income has resulted in a decline in oil revenue, and the economy's reliance on foreign funding has slowed the rate of economic growth. In reality, during the second quarter of 2016, this led to a recession.

The 2016-2017 economic downturn provides an additional motivation to pursue a pro-growth policy that reduces our reliance on earnings from crude oil sales as well as imports of goods that can be produced in Nigeria. Despite the government's initiatives to stimulate the economy, the economy grew by slightly less than 2% in 2018, with non-oil industries, mainly agriculture, driving the growth. Agriculture is primarily dependent on subsistence farming and suffers from a lack of technology. The administration recognizes that unless anything is done to shift course, the economy is likely to continue its steady and rapid decline.

As a comprehensive way of life, Islam has established laws and regulations for all areas of society and daily existence. A robust social structure, supplied by Islam, is essential to a thriving community. In light of this, this paper has urged Nigeria to address the numerous issues it faces, particularly by making significant investments in agriculture, cutting back on central government expenses, and freeing up funds that could be used for other vital state initiatives that would ensure the country's development. To free up large sums of money for other developmental projects, the legislative branches of government should be rendered less appealing, should operate on a part-time basis, or should operate as a unicameral legislative body. In other words, if the Islamic economic measure of frugality and moderation is fully and authentically adopted, it will go a long way toward lowering the entire cost of administration in Nigeria.

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