

## EFFECTS OF CORRUPTION ON ISLAMIC ORGANIZATIONS AND ITS ANTIDOTES - FOCUS ON AL-HAYAT RELIEF FOUNDATION

BY

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### Abstract

*This paper probes into the effects of corruption on Islamic organizations in Nigeria. The researcher observes that laudable activities and initiatives of some Muslim organizations are being thwarted by some members who are within the organizations and this poses great threat to the survival of these organizations. Certain individuals and groups who have benefited from the programmes of these bodies are becoming worried of sustaining the continuous existence of these organizations and they anticipate fear that the corruptive behaviours of these bad elements may jeopardize the good initiatives that have been entrenched into the society. This necessitates the rationale for carrying out this research to make this work serve as educating the Muslims who belong to one organization or the other to be familiar with the effects of corruptive practices among members in order to work with concerted efforts for the continuous survival of the organizations. The researcher adopting the historical approach, reviewed Al-Hayat National Executive Disciplinary Committee's reports and assessed some financial records showing observable corruptive behaviours among some members of Al-Hayat Relief Foundation which serve as focus for this study. The paper enumerated the effects and dangers of these corruptive practices among which include injustice, partiality, loss of honour and integrity, loss of funds and assets and possible collapse of the organization. The paper concluded with antidotes to corruptive practices among which include following the provisions in the constitutions, developing an online accounting software to monitor the activities of members and joining hands together by committed members to work as a team for the growth and development of the organization.*

**Keywords:** *Corruption, Islamic organizations, effects, antidotes.*

### Introduction

This paper starts with the concept of an organization, a society or a foundation. This becomes imperative in view of the facts that each of these words is used in establishing one Islamic association or the other. Also, the tendency to portray one association different from the other or assume that each of the words stand on their own need to be corrected for the purpose of this research to enable the researcher use them interchangeably. Hence, the question what is an organization, what is a society or what is a foundation becomes relevant in this context. As a result each concept is examined separately.

### **What is an organization?**

An organization is a group of people or an entity comprising multiple people, such as an institution or an association which has a collective goal or set of objectives to achieve. E.g. The goal of Al-Hayat is to acquire man's needs through (*halal*) lawful means. This is supported with the verse of the Quran that says, *La tansa nasibaka minna duniya, wa hasinu kama hassanallahu ilayka, walla yabtagi alifasada fil ardi, inna laha la yuhibu li mufsidina (Q 28:77)*; meaning: "Do not forget your portion in the world, but do good as Allah has done good onto you, and do not commit evils on the land, Surely, Allah does not love the evil doers". Another verse of the Quran also says, *Robbana atina fiduniyya hassanatan wa fil akhirat hassanatan wa qina azaba narri. Meaning: "Our Lord, give us all the good things of this world and all the good things of the hereafter, and save us from the torment of hell fire". (Q 2: 28)*

### **What is a society?**

The Cambridge English Dictionary describes a society as a large group of people who live together in an organized way, making decisions about how to do things and sharing the work that needs to be done among them.

### **What is a foundation?**

A foundation is a non-governmental entity that is established as a non-profit corporation or a charitable trust, with a principal purpose of making grants to unrelated organizations, institutions, or individuals for scientific, educational, cultural, religious, or other charitable purposes. In the opinion of the researcher, each of these words can be used interchangeably for all of them involve association of people coming together for a purpose which is known to all the members of the association and where all are working towards achieving the set goals and objectives as laid down in their organizational provisions. One keyword is inherent in the concept of organization, society or foundation and that is the network of people who are members of the organization working together for the singular purpose of achieving the organizational set goals and objectives. This takes us to the concept of network, the key element in any organizational setup to achieve the stated provisional goals and objectives.

### **Concept of network**

Network is a group or system of interconnected people or things. Webster (2018) defines network as a system of lines, wires, etc., that are connected to each other; a system of computers and other devices (such as printers) that are connected to each other; a group of people or organizations that are closely connected and that work with each other. Therefore, network could be summarized to mean an association of people joined or affiliated together who have been given schedules of duties to carry out in conjunction with other members of the association or group for the purpose of arriving at same conclusions in meeting the targets of the association which every member and group is working for. This however cannot be achieved without organizational networks.

### **Organizational networks**

Organizational networks consist of nodes and ties, it is the ways and manners through which the foundation understands how information in the organization is flowing, can flow, and should flow harnessing the human and material resources together. (Google search) Organizational network is the interaction between and among the human and material resources in an

organization. For any organization, society or foundation to be successful and to be able to achieve set goals and objectives, it is important that such an organization must have good human and material resources which are the instruments and tools to work with to enhance effectiveness and productivity. Effective interaction between the human and material resources and effective use of the organizational tools by the human elements will guide against breakdown of communication which can seriously affect any organization and bring about its downfall.

**Characteristics of the organizational network include:**

- i. Getting the correct information – this is ability to harness adequate information from another source which could be human or material source.
- ii. Clear understanding of the information – this is ability not to misunderstand or misconstrue or misinterpret the piece of information given.
- iii. Sincerity in delivering the information – this is passing the information with all clear mind and conscience to others without bringing in personal sentiments or dubious and misleading opinions.
- iv. Seeking clarification where one is not sure about the information – this is asking for sincere and clearer understanding where a piece of information is not well understood rather than giving out distorted piece of information.
- v. Using the material resources for adequate information storage and record keeping - this involves the use of all association documents such as constitution, bye-laws, forms, ledgers, account books, computers and softwares accurately and properly without manipulation to achieve success of the organization. (Q.2:282)

**Meaning of corruption**

Corruption according to Osoba (2007) is defined as anti-social behaviour conferring improper benefits contrary to legal and moral norms which undermines the authorities' capacity to secure the welfare of all citizens. To Dike (2008), corruption is a perversion or a change from good to bad. It is the violation of established rules for personal gain and profit", it is "efforts to secure wealth or power through illegal means – private gain at public expense; it is a misuse of public power for private benefit.

In a simpler term, corruption is the dishonest or fraudulent conduct by those in power, the leaders or the followers. It is important to note that most definitions of corruption centre on fraudulent acts from the leaders forgetting that followers too perpetrate a lot of corruptive behaviours. For instance, in Al-Hayat Relief Foundation, a foundation that gives interest free loans to members of the foundation. It has been observed that while some officers of the foundation forge people's names to take loans for themselves or buy items in the names of those who are not registered members at all, members too who are on loans have been detected presenting same tellers for more than one times trying to deceive the foundation and some members have been found forging signatures of guarantors etc.

**Causes of corruption**

Causes of corruption could be summed as greed, quest for materialism, self centredness and lack of piety of some certain individuals. Some people are too greedy that they want everything to be their own alone at the expense of other people. They do not care about other people, all they want is take what belongs to other people for themselves alone. This set of people are too materialistic that they want all the worldly things to be their own and not for any other persons.

They are so self centred and do not bother about the feelings and welfare of other people. If they do any good for people, it is because of what they would gain in return. Where they would not gain anything, they would not attempt to do any good there. This set of people lack the fear of Allah even though they may be parading themselves as godly people but in real practice, their dealings and activities negate what God commands people to do.

A pertinent question one may ask therefore is, “why are people’s prayers and efforts not meeting their personal needs and demands today”? People make frantic efforts in the day and say fervent prayers at night, yet they are not able to achieve their request or meet their demands. This is because people have dead hearts and they make empty supplications as illustrated in the hadith that follows.

It is reported that Ibrahim b. Adham (d162H) RA, once passed through the market of Basrah. People gathered around him and asked: O Abu Ishaq, Allah says in His Book. ‘Call on Me, I will answer your prayers,’ but we have been calling on Him for a long time and He does not answer our prayers. (Ibrahim) replied, “O people of Basrah, your hearts have died in respect of ten things:

- i. You know Allah but you do not give Him His rights. (to worship Allah as purpose of creation)
- ii. You have read Allah’s Book but you do not act by it. (To guide our daily affairs)
- iii. You claim to love Allah’s Messenger (SAW) yet you abandon his sunnah.
- iv. You claim to be enemies to Shaytan (LA) but you conform to his ways.
- v. You say you love paradise yet you do not work for it.
- vi. You say you fear the Fire yet you put yourself closer to it by committing sins.
- vii. You say death is true but you do not prepare for it.
- viii. You busy yourselves with the faults of others and disregard your own.
- ix. You consume the favours of your Lord but are not grateful to them.
- x. You bury your dead but take no lessons from them.

(Abu Nua’aym, Hiyah Al-Awliya 8: 15, 16).

The above hadith indicates that one cannot deceive Allah and no matter one does, Allah sees man and will make him account for his actions one day as a matter of must. And for man to gain the pleasure of Allah in this world and in the hereafter, one should stay within the confinement of Allah’s provisions in all aspects of life.

### **Corruptive practices in Al-Hayat Relief Foundation**

Al-Hayat Relief Foundation is an Islamic Cooperative society established about twenty-one years ago precisely March 15th 1997 registered with the Corporate Affairs Commission (CAC). Among the aims and objectives of this foundation is to carry out all the cardinal principles of Islam as a religion and more importantly to give interest free loans to registered members of the foundation for the purpose of financially empowering the people and contributing to people’s welfare and alleviation of poverty in our environment. The foundation has about 76 branches across the south west Nigeria with a total membership of about 17,000. The foundation is one of such Islamic organizations that champion the course of Islamic economic financial theories and practices in Nigeria today. The foundation has recorded a number of achievements in its

twenty-one years of existence among which are establishing a unit microfinance bank known as Al-Hayat Microfinance Bank Limited situated at Ijebu-ode where the foundation has its national secretariat. Besides, the foundation has contributed immensely to the socio and economic development of members and people in general within areas and states where Al-Hayat Branches exist. The foundation has also contributed meaningfully to the welfare and health challenges of many people through its zakat and sadaqat programmes.

The services and benefits that people enjoy in this foundation are unrivaled in our contemporary society and such benefits people do not wish to lose. For instance, the foundation gives interest free loans up to the tune of one million naira to registered members payable within thirty months. However, recent happenings among some members may thwart these services and benefits if not put under check. This calls for awareness and caution and the need to educate members in particular and people in general to forestall threading paths that may lead to the collapse of organizations that people are benefiting from.

### **Methods of research**

The research focused on corruptive practices by members of Islamic organizations. Al-Hayat Relief Foundation members were chosen as the target group. This choice of selection was based on the fact that Al-Hayat prepares annual accounts which are audited by the Internal Audit Committee and further subjected to Licensed and registered independent External Auditor. Both internal and external auditors give their independent audit reports yearly. Total branches of Al-Hayat were 76 branches across the South West Nigeria and total population of members were put at about 17,000 as at March 31st 2018.

The researcher adopted historical research approach reviewing National Al-Hayat Disciplinary Committee's Report and observing the Consolidated Financial Records of all the Branches for six financial years between April 1st 2012 and March 31st 2018 prepared by the Internal Audit Committee of the foundation and validated by External Auditor. The researcher further complemented these research instruments with the Internal and External Auditors reports, comments and recommendations.

Over 200 members were observed to have faced Al-Hayat Disciplinary Committee for one disciplinary case or the other due to violations of the constitutional provisions. From the Internal Auditor's reports, more than two third of the branches have one issue or the other which affect the officers and members of the different branches.

### **Findings of the study**

Findings of the study reflect some corruptive practices noticed among members which include the following:

- a. Dishonesty – acts of not being truthful among officers and members, there are shady deals perpetrated by members e.g. some officers spend the money of the foundation without due process and authorization. This has led to converting such money into loans for them and such monies remain unpaid for a long time thereby denying members from gaining access to such funds for use. These actions negate honest practices whereas honesty is a big virtue in Islamic organizations.

- b. Deceit – this deals with giving wrong information knowingly. (Q.4:105) This is where an officer uses the name of a ghost member to collect money from the foundation. Here, many atrocities are perpetrated in the sense that impersonation would have also taken place. The guarantors too would have been fake guarantors.
- c. Duplicity – presenting same tellers as different ones. A few members were detected to have presented same teller for different months trying to fraud the foundation. This would have resulted into account not being balance and shortfalls in balance sheets.
- d. Fraud – illegally taking the society money. Some members take the money they are not due for because of the positions they hold. Some use other fictitious names as fronts to defraud the foundation; they perpetrate cash diversion and suppression and yet refuse to pay back such money.
- e. Lawbreaking - not following the approved laid down law and policy of the organization. Some officers and members deliberately flout the foundation's policy put in place to guide against fraud. E.g. taking cash when the foundation has instructed that all monies should be paid through the banks. Not filling forms before taking money so that it would be difficult to trace etc.
- f. Crime – diverting the foundation's money for personal use. Some close eyes to members' needs and requests and deliberately divert foundation's money for their own use, they at times use other people's names for the diversion to deceive members.
- g. Criminality – not paying the money collected on behalf of the foundation into the account or destroying the foundations accounts and records of information. Some have been found to destroy ledgers, cheque books, loan forms and other documents purposely to cover up details. Some have removed these documents completely under organized and stage-managed robbery and theft. Some submit fake tellers for monies not paid into foundation's account.
- h. Alteration – changing the information on the computer system or other documents falsely.
- i. Falsification – giving incorrect information deliberately to cover up facts.
- j. Doctoring – tampering with the society account or piece of information to make it look correct or real.
- k. Manipulation – to deliberately change figures or information on the system or other documents contrary to what should be there.
- l. Forging – to get other peoples' data, signature or pieces of information without one's consent or permission.
- m. Abuse – to use one's offices unduly because of the virtue that one holds such position.
- n. Misrepresentation – to present information wrongly different from the way it should be because one wants to cover up facts and details.
- o. Not keeping proper documents like loan forms, business forms etc – to make it difficult to trace issues and track records of events, loans and businesses.
- p. Not disclosing actual number of members in the branch for the purpose of accountability and head count and to deceive the foundation by not paying for accurate number of members in the branch i.e. hiding some vital information officially requested for etc.

### **Effects of corruptive practices on Al-Hayat Relief Foundation / Islamic organizations**

Some of the effects of corruptive practices noticed on the foundation could be itemized thus:

### **Denial of Other members their due benefits:**

It gives rooms for the perpetration of injustice. Those who are due for a benefit would not be able to get it and this Allah frowns at. He says, *Ihdilu wa aqrabu litaqwa. Liman taquluna ma latafaluna*. Meaning: Be just and this is closer to the fear of Allah.. Also, “Why do you say that which you cannot do”. (Q.2:277); (Q.2:283); (Q.4:58; 4:135). People have become partial because they would want to favour those whom they want to benefit from. This will lead to denying rightful beneficiaries the opportunities they have.

People have begun to favour their wives, friends, family members and their business or associated partners above others whom they have no association with. Some of these practices have become glaring that members now accuse their executive officers of committing these acts openly. Perpetration of these corruptive practices has led to making members lose their due rightful benefits when it gets to their turns and this is not good for an Islamic organization and any ideal society.

### **Hatred and ill feelings among members of the foundation:**

Where there is corruption in an organization, it will generate hatred and ill feelings among the members. Those who want to checkmate the corrupt people will be taken as enemies because those involved would not want themselves to be exposed. They would even want to do everything possible to form a clique against those who want to stop them. To this, the Quran says, *taawanu alal birr wa taqwa, walla taawanu alal udhni wal udhwani*. Meaning: “Join hands together in good deed and fear of Allah”. Napoleon also says, “The world suffers a lot. Not because of the violence of bad people, but because of the silence of good people”. Those who are involved in corruption have gone against the injunction of Allah because Allah has warned against corruptive practices.

### **Destruction and collapse of the society:**

Corruption can lead to the destruction and collapse of the organization. Many organizations have collapsed and have been destroyed due to corruptive practices. Al-Hayat Relief Foundation is a unique organization through divine guidance and support of Allah and which are of many benefits to Muslims and humanity in general like some similar organizations. Therefore, people should not give room to corruption to destroy the foundation and similar others. The statement of Allah that, *huwa ladhi arsala rasulahu bil huda, wa dinni li haqi liyusirau ala dinni kullihi wakaffa billlahi shaydan. (Q 48: 29)* Meaning: “He Allah has sent His Messenger with guidance and Religion of Truth, and this will override every religion and Allah testifies to this”, transcends beyond mere salat, sawm and hajj alone but incorporates the muamalat (interpersonal relationship) and particularly the aspect of Islamic economy and finance.

Presently, the world is moving towards Islamic financing to get out of economic woes which are the focus of Al-Hayat, certain fraudulent individuals should not be allowed to derail the generality of members from the path that Allah has established for the people with His Mercy and Kindness.

### **Sufferings by the members of the foundation or long waiting period to enjoy interest free loan (Qarda Hassan):**

Corruption will lead to sufferings among members of the organization because certain benefits that people rightly enjoy will elude them. For instance, before now, members would take loans from Al-Hayat with ease, pay back promptly and others would enjoy the same benefits. Today because some of the people have become corrupt in their dealings, insincere in their practices and because they want to cover up their shady deeds, members do not longer enjoy these benefits and attempts to curtail them lead to blackmailing and defamation of character by the individual members concerned.

#### **Loss of integrity and dignity of corrupt individuals:**

Any corrupt individual that is exposed would lose his or her integrity and respect and this may be damaging for life because it would not be easy to redeem such image. Such a person may not be assigned positions of responsibilities any further and this could bring disgrace not only to the person but also on the religion he professes. It is a big dent if the level of corruption goes beyond what the foundation could manage thereby involving the third party i.e. legal action. Today in Nigeria, particularly in the south west Nigeria, there are no Islamic courts to treat cases from among the Muslims and Islamic organizations, this would force people and Islamic organizations to take their cases to western courts that may not have what it takes to handle such cases. Hence, people should avoid corruptive practices that may bring shame and disgrace on the Muslims and the religion of Islam.

#### **Reputational loss and loss of corporate image:**

Corruption could bring about reputational loss on the organization which could lead to mass withdrawal of members thereby leading to bankruptcy. This will sour the name of the organization and all the achievements so far. Certain benefits enjoyed by the foundation and members could therefore be put at jeopardy. As individuals, people should avoid corruption so as not to tarnish the image of the foundation and not to be an instrument through which the organization would collapse.

#### **Loss of Assets:**

Corruption no doubt will lead to loss of the organization funds and other useful assets. Where corruption has been perpetrated, funds that cannot be accounted for will be lost. If immediate action is not taken, assets belonging to the organization would be sold or confiscated to cater for the lost fund. Certain money traced to some individuals could be lost if not properly handled.

#### **Antidotes to Corruptive Practices**

Solutions to corruptive practices can be found in the antidotes provided by Allah in Quran 3, verse 3 which are: *illa ladhina amanu wa amilu saliat, watawasaw bilhaqi, watawasaw bissabri*. Meaning: "Except those who believe in Allah, and do good works, and say the truth and exercise patience".

- a) To believe in Allah and allow this belief to manifest in all one's daily activities. One should not be a Muslim in the mosque during Salat or during Ramadan and be another person when one is in the office, shop or at other engagements. One should be and act like a Muslim when one is at Al-Hayat programmes and when one is outside Al-Hayat programmes. Quran says, *Idhulu fi silmi kaffatan, wala tatabiu uttuwatu shaytan, innahu*

*lakun aduwun mubinu*. Meaning: “Enter into the fold of Islam whole heartedly, and do not follow the footsteps of the devil, surely, he is an open enemy”.

- b) To do good deeds always as an executive officer of Al-Hayat or any Islamic organization and as a member of Al-Hayat or the organization. (Q.4:36). One is to play his part very well, to play the role given to one quite well. To be fair in one's part, not to attempt to please and satisfy members but attempt to satisfy Allah by following all the constitutional provisions of Allah and that of Al-Hayat or that of the Islamic Organization. Where one is in doubt, one should seek for the clarifications from the National Executive Officers and where need be from the Board of Trustees and or appropriate authorities.
- c) One is to be honest and truthful in all dealings and operations. One should be transparent in everything that one does, people should see this in the individual. Where one needs to be blunt, one should be blunt, where one needs to be frank, one should be frank. One is not to favour anybody, one is to be sure of facts, crosscheck information before taking any action which warrants punishment and rebukes. Quran says, *wa injaakum faasikum binabayin, fatabayanu*. Meaning: “And when issues crop up among you, investigate the matter”.
- d) One is to be patient in dealings and operations. One should be fast in listening to people but be patient in responding in line with the summah of Prophet Muhammad (SAW). Quran admonishes the believers of Allah, *isbiruu, wa sabbiruu, wa rabbiruu, wa taqu llaha, lahalakum tuflihuna*. Meaning: “exercise patience, and be patient, and be united in act of goodness and fear Allah for you to be successful”. (Q.3: 200)
- e) One should be a Muslim in the open and in the secret aspects of one's life. One should not forget that Allah is *alimu li ghaybi* (One who has the knowledge of the hidden things). He sees what is open and what is hidden and it is on Him we rest our trust and judgments.
- f) Seminars and workshops should continuously be organized for members where issues relating to moral virtues should be discussed to enhance moral development of members.
- g) Online accounting software should also be prepared to monitor account and activities of members online. This will make it easy to track the operations and activities of members through electronic devices.
- h) Ensuring that all documentations are given priority and utmost attention before any transaction or activity could be initiated and carried out by executives and general members of the foundation.

## Conclusion

Corruption is becoming a cankerworm in the wheel of progress of Islamic organizations and Al-Hayat Relief Foundation which is the focus in this study and attention has been drawn to the havocs and damages which corruption could do to Al-Hayat or any other Islamic Organizations. It is then suggested that if we cannot curtail the corruption in our larger society, people should not allow it to rear its ugly heads into Al-Hayat Relief Foundation and other Islamic organizations. Therefore, people should join hands together to fight corruption in Al-Hayat Relief Foundation and other Islamic organizations so as not to allow corruption to cripple into these Islamic associations for people to continue to benefit from these bodies as it has been established that corruption could lead to their collapse and extinction. Quran (Q.5:63) says: “Strive against sinful and unlawful acts”. Also, Quran (Q.5:2); says, *taawanu alal birr wa taqwa, walla taawanu alal udhni wal udhwani* Meaning: “join hands together on what is good and fear of Allah, and do not join hands together on sin and transgression”. Napoleon also says,

“The world suffers a lot. Not because of the violence of bad people, but because of the silence of good people”. So, according to Quran 31, verse 17, “Enjoin right, forbid wrong”, and be self contented. *Idha man kunta dha qalbin qanuhin, fa anta wa malikun dunniiyya sawahun*. Meaning: Wherever you may find yourself, be contented, with that, you and the rulers of the world, you have become equal”. One with contentment is not likely to get involved in corruptive practices.

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