

Poverty Alleviation: The Redistribution Impact of Eid-ul-Azha Animals' Sacrifice on Rural Economy

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Abstract

Sacrifice of animals at Eid-ul-Azha is a religious obligation which is performed with great religious fervour throughout the Islamic world each year. Some of the scholars argue that instead of sacrificing the animals, equal intended value in cash, among the poor may be distributed. This paper attempted to analyze this argument and found that distribution of alms in lieu of sacrifice has negligible economic significance viz-a-viz the economic benefits which accrue from practicing this religious obligation. The practice involves exchange of value with rural population as the major beneficiary and with the average of marginal propensity to consumer as 0.68 for the last 10 years in Pakistan, the total value of Rs 60 billion of all sacrificed animals during 2007-08 formed an immense injection to the income flow and accelerated the velocity of money. This study has found that the practice provides incentives for animals raising, neutralizes pressure on fodder, provides the basic input to the leather industry and appreciate concern for quality and helps balance the eco- system. The market offer greater competitiveness and diversity so that all income groups find a seller. From management point of view, many of the buyers form a group and one member is entrusted with the responsibility of selection, purchase and execution of the sacrifice with reasonable flexibility for upper price adjustment. The study concludes that the practice be organized on more scientific lines and a campaign in favour of the practice may be launched both in print and electronic media well before the Hajj.

Keywords: *Poverty Alleviation, Eid-ul-Azha, Rural Economy*

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Introduction

Sacrifice of animals in one of the nine Hajj rites which are Wajib (obligatory) in nature [1]. The religious and spiritual importance of this obligation is paramount; the practice has comprehensive economic implications for the livestock raisers in rural economy. The obligation is performed throughout the Islamic world, including Pakistan, with great religious zeal and fervour. A conservative estimate has put the total number of animals slaughtered in Pakistan in 2007-08 Eid ul Azha, at 5.5 million heads [2] with 2.2 million as large animals (catties and buffaloes) and 3.3 million small animals (sheep and goats). The total value of these animals at the prevalent market price amounted to Rs 80 billion which after adjustment for statistical discrepancies, implied a total direct injections of Rs 70 billion to the rural economy and about Rs 10 billion as the value of the bi-products resulting from fulfillment of this obligation [3] of the practice. This paper attempts to investigate the argument of distribution of money equivalent to the value of the intended sacrifice among the poor in lieu of the sacrifice. In this context, religious injunctions have been quoted to substantiate the religious basis and economic aspects viz exchange of value, consumption function, poverty alleviation, livestock market and bi products resulting from fulfillment of the obligations, have been analyzed to address the subject-matter of the paper.

i). **Quran & Hadith Evidence**

Offering of the animal sacrifice has been an essential part of the system of worship of all Divine Shariats though the ways and procedures might have been different for different ages and countries.[4] The Quran says:

“We have appointed for every community a way of offering the sacrifice so that the people (of the community) may mention the name of Allah over the cattle which He has given them”. [5] (22:23)

The Quran has referred to three objectives which must be borne in mind while offering a sacrifice.

- Sacrifice of animals constitutes the symbols of Allah’s worship.
- *“And we have included the (sacrificial) camels among the signs of Allah for you” (22-36)*
- Offering of the sacrifice is a practical expression of ones gratitude to Allah for His many blessings. The Quran says:
 - *“Thus have we subjected there (animals) to you so that you may express your gratitude”:* (22-36)
 - Offering of the sacrifice is a declaration of Allah’s greatness and glory.
 - *“Thus has Allah subjected the cattle to you so that you may extol His greatness and glory in accordance with His guidance” (22:37)[6]*

Spirit of Sacrifice

Before the advent of Islam people used to bring and place the flesh of slaughtered animals in front of the Kabah and would smear its walls with their blood. The Quran categorically stated that Allah does not stand in need of the flesh or blood of the slaughtered animals, but He sees the spirit, feelings and intent of the person offering the sacrifice. [7]

“The flesh and the blood of the animals does not reach Allah, but what reaches Him is (the spirit of) your piety”. (22:37)

“Allah accepts the offering of the pious people only”.(5:27)

The command of offering the sacrifice is general and is meant for all the well to do people as is confirmed by many of the traditions of the Holy Prophet. Hadrat Abdullah bin Umar has reported.

“The Holy Prophet lived in Madinah for ten years and offered the sacrifice every year.”[8]

“The person who does not offer the sacrifice in spite of possessing the necessary means for it, so he should not approach our Eid ground”[9]

i). Exchange of Value

Animals sacrifice involves both value –in- use and value- in- exchange. Value- in- use means the intrinsic quality of a commodity to satisfy human wants. [10] In the present context, it is characterized by the satisfaction of the desires of the practicing muslims to fulfill their religious obligations, distribute the meat among the poor, friends and relatives and hence derive satisfaction. Thus social interaction is promoted at all the levels of the society. From transactions point of view the practice offers value-in-exchange, which means the worth of a commodity in terms of its capacity to be exchanged for an other commodity. [11] In terms of equation, the transaction is represented as M-A-C which means money M is exchanged for Animals A which is then utilized for a range of consumption expenditure. The distribution of alms in lieu of sacrifice, transforms the transaction into transfer payment and reduces the equation to

M-C i.e money directly offered for consumption. This elimination of "A" from the equation directs the flow of funds from the economically active livestock producer to the economically unproductive alms receivers which in turn provides disincentive for production and incentive for laziness.

ii). Consumption function of M-A-C.

J.M. Keynes in his fundamental psychological law established consumption as the direct function of income i.e. consumption 'C' increases with an increase in income 'Y' but the percentage change in consumption is less than the %age change in income. [12] The strength of the relationship between C&Y is defined by the ratio of change in C to the change in Y, called as the marginal propensity to consume MPC. The average MPC in Pakistan over the past 8 years has been assessed as 0.68 which implies that every Rupee 1 increase in income, cause the consumption to increase by 68 paisas. [13] But the information of 150 respondents of the study from three districts of Peshawar, Mardan and Swabi about the utilization of the sales proceeds of animal in sacrifice, revealed their MPC to be 1, i.e. 100 percent consumption of the income realized from the sale of animals. [14] The major components of their planned expenditure included refrigerator, colour television and CD, repair of barn provision of supplies to the shop, health care of a family members, construction of additional room in the house, marriage of the son, sister, daughter or brother, mobile phone, ceiling and padestal fans, motorcycle, a

buffaloes or cattle [15] all of which implied an improvement in the existing physical facilities which in turn implied a rise in the standard of living. With MPC equal to 1, the application of the Keynesian consumption multiple in two sector economy, reveals a total injections of Rs 240 billion to the manufacturing sector of the economy.[16]

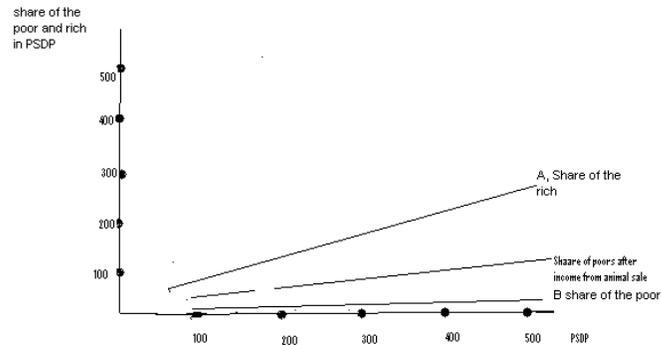
iii). Poverty Alleviation

One of the principal macroeconomic objective of the GOP is to ensure equity i.e. increase the share of the poors in the national income. The existing situation is that “20% of the population in lower income group gets only 8% whereas the top 20% enjoy 45% of the national income”. [17] To meet the challenge the govt has adopted different measures. For instance in addition to the grant of subsidy, which was only Rs. 04 billion in 1998-99 and increased to Rs 142 million in 2007-08, measures like Poverty Reduction Strategy of Pakistan (PRSP), National Internship Programme (NIP) also been adopted. Similarly the volume of the PSDP was Rs 110 billion in 1998, which increased Rs 202 billion in 2004-05, Rs 273 billion in 2005-06 and 543 billion in 2007-08 [18] thereby registering a total of 494% increase in the last 10 years. If the total developmental expenditure is assumed as instrument of income redistribution and that the estimated funds as fully utilized, the share of the poor has only been Rs 8.8 b, Rs 16.16 billion, 22 billion and 43 billion respectively in the quoted financial years, against the 20% richest which amounts to Rs. 50 billions, 91 billions, 122 billions and Rs.244 billions respectively. But the incidence of poverty

remained the same i.e. 32 % of the population still living below the poverty line. Since the share of the poorest 20% in national income is only 8% therefore only 8% of all the developmental strategies and PRSP is bound to reach the poor, which may help reduce the absolute poverty, [19] but the relative poverty [20] i.e. the gap between the rich and the poor has increased. This problem is addressed more efficiently and sustainable basis by business transaction in which the value produced by the rural population is purchased at good terms. The transactions of animals sacrifice proves very viable instrument that helps reduce the relative poverty.

Line A shows the growth of the share of the rich and line B shows the growth of the poor after the execution of Public Sector Development Programme. At the end of 2007-08, it may be observed that though the absolute poverty has declined, but the relative poverty, the main cause of social unrest has increased from Rs.100 billion in 1998-99 the almost Rs.200 billion in 2007-08. If income from sale of animal sacrifice is counted towards the poor livestock raiser, the gap is narrowed down to Rs.140 billion.

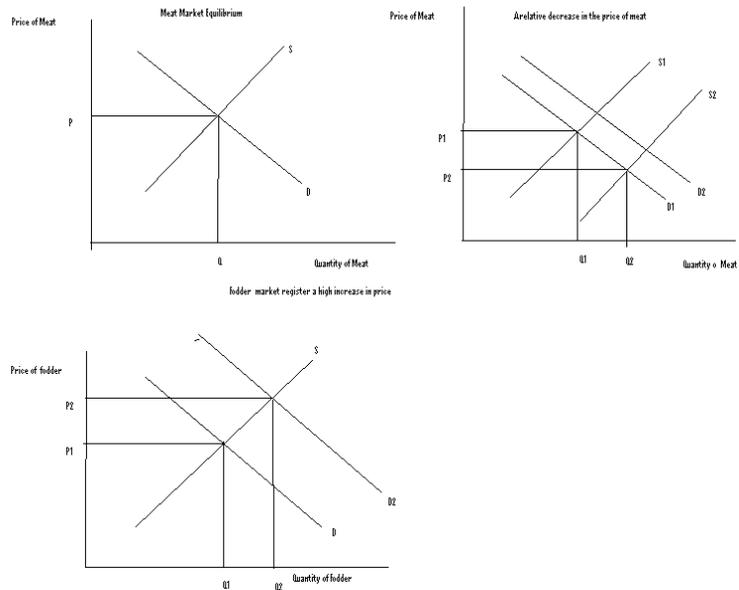
Year	PSDP (Rs in billion)	Share of Richest (Rs in billion)	Share of the Poor (Rs in billion)
1998-99	110	50	8.8
2004-05	220	91	16.16
2005-06	272	122	22
2007-08	543	244	43



iv). Growth of live Stock

The classical economists' maxim of laissez-fair implied, let all men do what their abilities, facilities and market conditions make it natural for them to do. [21] Livestock's raising is one such classic example of the natural product of the rural economy that corresponds to the natural environmental and infrastructure i.e. their feeding, housing disposal of wastes, cleanliness, attendance requirements etc are well acceded to in the rural environment, and hence rightly expected to sustain and improve life of the rural population. Livestock also serves as one source in which the rural population value their wealth. It also serves as a store of value and medium of exchange for them.[22] Livestock are also demanded on account of precautionary motive and also serves as stable and reliable basis for deferred

payments. [23] In the context of the study, only buffaloes, cattles, goats, and sheeps (ram) have been considered in which the first two are designated as large and the latter two as small animals. The current population of the large animals is 54.155 million and that of the smaller ones is 87.976 million [24]. If their current growth, with the obligation of sacrifice is continued, the number of large animals in the year 2012 is projected to be 59.48 million and that of the smaller animals as 97.960 million [25]. If the practice of sacrifice is abandoned in favour of equal amount of alms distribution, then there would be a net addition of 5.5 million head to the large animals and 14 million to the small animals, thereby adding a net 20 million heads to the livestock over the next 4 years. [26] This will cause more than proportionate increase in supply rather than demand for meat, thereby causing a net relative decrease in its price. On the other hand demand for fodder will shift to the right thereby putting pressure on the supply which in turn will imply a leftward shift in supply for human food or cash crops, thereby resulting in the net increase in the price of fodder thus a relative decrease in the price of output and increased cost of production is likely to cause an adverse chain reactions in the meat, cattle and leather markets and small scale farming, standard of living of the rural poor will also be adversely affected. On the other hand the fulfillment of the obligations helps neutralize the increase in demand for fodder leaving more space for production of more food.



v). **Bi Products**

The fulfillment of the obligation of sacrifice also produced three major bi products namely animal's skin, wool and slaughtering services. The market survey revealed the average value of the skin of large animal as 1500 rupees and that of the small animals as Rs 200/- . The average value of raw wool produced was estimated as Rs 50 from small animals. On the average, butcher took Rs 800 for large animals and Rs 400 for small animals for his services. The total value of the bi products has been estimated to be Rs 7205 million i.e. Rs 7.205 billion. [27]

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Bi Product	Large animals (Rs in Million)	Small animals (Rs in Million)	Total (Rs in Million)
Animal Skin	3300	660	3960
Wool	--	165	165
Slaughtering services	1760	1320	3080
Total			7205

Conclusion

The sacrifice of animals at Eid ul Azha has comprehensive fallout for the rural economy. The market is very competitive and the practitioners have greater regard for quality. The deductions made from the study signifies the practical importance of the injunctions of Islam. It has also been point out that the practice is a built in arrangement to stimulate the rural economy and balance the growth of livestock.

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