



AN OVERVIEW OF THE IMPACT OF ISLAMIC SOCIAL WELFARE INSTITUTIONS TO THE MUSLIM *UMMAH*

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Abstract

Globally, poverty is a social scourge ravaging most of the developing countries in the world. This constitutes great obstacles to sustainable development and poses serious threats to humanity. To tackle the menace of poverty and hunger, Islam has initiated strategies of poverty eradication. The institutions of zakāt, sadaqah and waqf are among several strategies instituted by Islam to combat poverty and enhance welfare of the less privileged Muslims. Zakāt known as (poor-due) is an obligation set to solve social problems and finally bring social justice to human society. The main object of zakāt is to assist the needy, the indigent and the poor, preferably giving financial assistance to widows, orphans, as well as the whole community and its general welfare. On the other hand, sadaqah is voluntary charity given in the cause of Allah. In addition, waqf is also one of the underlying socio-economic instruments in Islam, meaning dedication of specified property for the sake of Allah with the purpose of eradicating poverty and improving the activities at family, community and state levels. These institutions play an important role in promoting social justice, alleviating poverty as well as improving the general welfare of the less privileged Muslims in particular and the Muslim ummah at large. The paper suggested that Muslim leaders should observe and execute just and exemplary leadership, instructing the rich to assist the less privileged members of the society.

Keywords: *Poverty alleviation, Zakat, Sadaqah, Waqf, Ummah, Welfare.*

Introduction

Islam is a complete and comprehensive way of life; it is universal in its scope and applicability. The Arabic word 'Islam'

connotes submission, surrender and obedience to Allah (SWT). Islam places a high value on compassion, wealth redistributions, social justice, and support and enhance the life of

the *ummah*, both philanthropy and charity play crucial roles for Muslims and their civil societies. Moreover, Islam as a religion presents novel systems for the welfare and benefits of the society. In addition to that, Islam provides moral values such as benevolence, equality, freedom and brotherhood. It is a source of inspiration for mankind for a true and positive moral conduct. It caters for human welfare through providing harmony of moral, material and spiritual needs of human beings. The mission of the Prophet (SAW) is defined by the Qur'ān to be a merciful blessing (*rahmah*) for all mankind (Qur'ān 2:107). Some manifestations of these merciful blessings are stated explicitly in the Qur'ān, which include fostering of "good life" (*hayat tayyibah*) and "welfare" (*falah*), provision of ease and alleviation of hardship, generation of prosperity among others (Chapra, 1989:5). The welfare function of the Islamic state was particularly stressed by the Prophet when he stated: "A ruler who, having obtained control over the affairs of the Muslims does not strive for their betterment and does not serve them sincerely shall not enter Paradise with them" (Bukhari, Book 4 Hadith No: 1750). In ensuring the welfare and betterment of a society, there is the need for an authoritative and qualified leader as prescribed in Islam. This explains that a leader must ensure the well-being of the individuals and society to achieve the aspirations of *al-falah* (success) and *al-salah* (good). Moreover, the Companions of the Prophet (SAW) fully conscious of their obligation towards meeting the needs of poor peoples. For instance, Umar (R.A)

declared, "If a camel dies at the bank of Euphrates, I am afraid Allah would make me accountable for it" (Ibn Sa'id, vol.3: 305). Islam further distinguishes itself by its own unique philosophy of welfare which is comprehensive and consistent with its concept of human nature. The foundation of *shari'ah* is wisdom and safeguarding of peoples' welfare in this life and the hereafter. Its entirety is about justice, mercy, wisdom and good (Chapra, 1989:5).

Furthermore, Allah (SWT) is the sole creator of the universe and all it contains. He created man as a masterpiece of His creation and elevated him to be His vicegerent on earth. Allah has given him resources and physical and mental faculties to change individual and social conditions for living a good life. Allah has placed a measured quantity of natural resources in the universe for all time human sustenance. To meaningfully realize social justice therefore, all the resources at the disposal of human beings must be utilized efficiently and equitably to fulfill the needs of all and to bring about an equitable distribution of income and wealth (Dogarawa, 2009:2). The mission of man is to fulfill his obligations as the vicegerent of Allah on earth. He is not only a member of the brotherhood of Islam but also a part of mankind. Only that philosophy of welfare is best suited to man which enables him, firstly, to attain a fuller realization of his complete indivisible self (spiritual as well as material) in keeping with his status as vicegerent of God and, secondly, to make the optimum all-round contribution to his *ummah* and

to mankind (Chapra, 1989:3-4). Man is encouraged for human welfare more especially to the underprivileged members of the society through different means such as *zakāt*, *sadaqah* and *waqf* so that the entire community benefits. Islam prioritizes the welfare of different segments of society, as explained in Qur'an 9:60 and 2:215.

﴿ إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ
عَلَيْهَا وَالْمَوْلَاةِ قُلُوبُهُمْ وَفِي الرِّقَابِ
وَالْغُرَبَاءِ وَفِي سَبِيلِ اللَّهِ وَأَبْنِ السَّبِيلِ
فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ﴿٦٠﴾

The alms are only for the Fuqara' (the poor), and Al-Masakin (the needy) and those employed to collect (the funds); and to attract the hearts of those who have been inclined (towards Islam); and to free the captives; and for those in debt; and for Allah's Cause, and for the wayfarer (a traveler who is cut off from everything); a duty imposed by Allah. Moreover, Allah is All-Knower, All-Wise. (Qur'an 9:60)

﴿ يَسْأَلُونَكَ مَاذَا يُنْفِقُونَ قُلْ مَا أَنْفَقْتُ مِنْ خَيْرٍ
فَلِوَالِدَيْنِ وَالْأَقْرَبِينَ وَالْيَتَامَى وَالْمَسْكِينِ وَالرِّبَّانِ
السَّبِيلِ وَمَا تَفْعَلُوا مِنْ خَيْرٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ ﴿٦١﴾

They ask you as to what they should spend. Say: whatever wealth you spend, it is for the parents and the near of kin and the orphans and the needy and the wayfarer, and whatever good you do, Allah surely knows it. (Qur'an 2:215)

It should be noted that, Islam has so firmly and exquisitely dovetailed the

spiritual and material aspects of life that may serve as a source of mutual strength and together serve as the foundation of true human welfare and happiness (Chapra, 1989:5). The objective of this research is to show how *zakāt*, *sadaqah*, and *waqf* can contribute for the betterment and welfare of the mankind. It is believed that this research is significant since it shows how these institutions improve the difficult situation of the less privileged Muslims in particular and the Muslim *ummah* at large and as such fulfils an important role to redistribute income and reduce poverty.

Problems and Objectives of the Paper

Zakāt, which is one of the five pillars of Islam to provide an economic safety net to society, has lost its relevance in contemporary Muslims societies. In addition to that, the establishment of revenue streams *waqf* to facilitate sustainable growth and development remains sadly lacking in most communities. Moreover, our contemporary society is pervaded with poverty, hunger and unemployment. Many wealthy Muslims who pay *zakāt*, unfortunately, do not even know how to accurately calculate it, let alone its potential economic impact on society. These have created a wide gap between rich and poor people in our society. In addition, absence of trustworthy and credible *zakāt*, *sadaqah* and *waqf* administration has made the socio-economic role of *zakāt sadaqah* and *waqf* almost a thing of the past.

Accordingly, this paper discusses the impact of *zakāt*, *sadaqah* and *waqf*

institutions in poverty alleviation. The paper is analytical with presentation based on survey of relevant literature with a view to adding to existing literature on the socio-economic role of *zakāt*, *sadaqah*, and *waqf* in improving the general welfare of the less privileged Muslims in particular and the Muslim *ummah* at large. It is believed that creating awareness among the Muslims about the institution of *zakāt*, *sadaqah* and *waqf* and its usefulness of addressing poverty in Muslim countries with extreme poverty.

Conceptual Definitions

To enhance our understanding and appreciation of this paper, it is imperative to define and explain the concepts of *zakāt*, *sadaqah* and *waqf*.

A. *Zakāt*

The word *zakāt* is derived from the Arabic word “*zakah*” which means “cleanliness, purification, increase, growth, righteousness, blessing and praise” (Abdullah, 2011:86). According to Chapra (1989:10), *zakāt* has literary meaning as purification (*thaharah*), growth (*an na'mu*), blessing (*barakah*), and praise (*madh*). *Zakāt* is a form of worship (*ibadah*), which involves wealth. In *shari'ah*, *zakāt* is a concept referring to the redistribution of wealth prescribed by Allah (SWT) to the deserving category of people. When a Muslim earnings reach a prescribed amount (called “*nisāb*”) in excess of his/her needs, that person is required to pay a portion (on monetary wealth and on gold and silver it is 2.5%, or the 40th part of the wealth) of his earnings to the poor and needy (Abdullah, 2011:86). The prescription of *zakāt* as

a divine regulator of the socio-economic affairs in human society is stylistically mentioned in the Glorious Qur'an and in the *Sunnah* of Prophet Muhammad (SAW) through emphasis in 32 places in the Qur'an (Abdurraheem, 2018:25).

B. *Sadaqah*

Sadaqah “Charity” is derived from the Arabic root “S-d-q” and means giving charity to poor people in order to be blessed and receive the mercy of Allah (SWT), which is the only true purpose of giving *sadaqah*. The term *sadaqah* refers to non-obligatory actions, where it is left to a man's faith and charitable nature to give without being asked believing that Allah will compensate him, and hoping for a greater reward. It is the act of voluntarily spending one's resources with one's closest relatives or next of kin, as well as with other members of the human community, including those of other faiths (UIHaq, 1996:25). Moreover, *sadaqah* are all free-will offerings given for the sake of Allah (SWT) by a Muslim out of love, compassion and concern for others, as well as what he/she is morally or legally obliged to give without expecting any worldly return. Ibn Manzūr cited by Awang, et al, (2017:142) opine that the word *sadaqah* has several meanings. Firstly, *sadaqah* means to be truthful which is the antonym to lies and is associated with someone who has noble characters and manners (Abdulla, 2011:87). It is also defined as whatever given to the needy for the sake of Allah (SWT) and can also mean a dowry given by a husband to his wife. Similarly, *sadaqah* is defined as to be truthful, true or sincere, to

speak the truth, to establish or confirm the truth of what is said, to verify, accountability, to keep faith, truth, veracity, sincerity, soundness, excellence in a variety of different objects and the giving for the sake of Allah (Awang, et al, 2017:141). According to Ibn Kathīr (2000:143), this verse (Qur'ān 9:104) contains a command from Allah to perform *sadaqah* as a way to sanctify and to purify oneself for those who repent for the sins, which also includes the meaning of performing *zakāt*. Al-Qurṭubī (2002:568-569) defines the meaning of *sadaqah* in this verse to specifically refer to *zakāt* and discusses the reward given to the donor. Al-Marāghī expounds the meaning of *sadaqah* in this verse to whatever spent by the believers for getting closer to Allah which infers to the general charitable giving. These commentaries signal that *sadaqah* carries the meaning of both the voluntary charitable giving as well as mandatory charitable giving. In general, *sadaqah* means a noble act of giving by a person to others sanctified for the sake of Allah in many forms and ways. *Sadaqah* are, thus, social and charitable expenditures or gifts. It is important to know that Almighty Allah uses *sadaqāt* as a loose synonymy to mean obligatory *zakāt*. Both *sadaqah* and *sadaqāt* are repeated thirteen times (13) in the Qur'ān with the meaning of obligatory *zakāt*. For instance, Almighty Allah said:

﴿وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَارْكَعُوا مَعَ

الرَّكْعِينَ ﴿١٤﴾

And establish regular Prayer and give zakāt, and bow down your

heads with those who bow down (in Prayer) (Q2:43).

Commenting on the semantic relationship between *sadaqah* and *zakāt* as synonyms, Hallaq (2007:590) writes:

By studying the *Sunnah* of the Prophet (SAW), one finds that it (*sadaqah*) occurs in places with the meaning of an obligatory charity, and in other, with the meanings of both obligatory charity and voluntary charity, whereas in other places, it occurs with the meaning of voluntary charity only. In short, *sadaqah* and *zakāt* carry the same meaning, though they differ in name, they agree in meaning.

Furthermore, it should be noted that there are two words commonly used for charity in Islam which are *sadaqah* and *infaq*. The term *infaq* is rooted from the word *nafaqa* which literally means to spend. Al-Marbawi (1929:336) cited in Awang, et al, 2017:145 defines *infaq* as to spend with planning. Linguistically, *infaq* refers to any kinds of spending (Awang, et al, 2017:141). From the view of *shari'ah*, the concept of *infaq* is mostly discussed in the context of spending away to seek pleasure of Allah (SWT) and for the benefit and improvement of the society as a whole which includes the donour and the family as found in the following Qur'ānic verses (Qur'ān 2:3-4; 63:10).

﴿الَّذِينَ يُؤْمِنُونَ بِالْغَيْبِ وَيُقِيمُونَ الصَّلَاةَ وَمِمَّا رَزَقْنَاهُمْ يُنْفِقُونَ ﴿٣﴾ وَالَّذِينَ يُؤْمِنُونَ بِمَا أُنزِلَ إِلَيْكَ وَمِمَّا أُنزِلَ مِنْ

قَبْلِكَ وَيَأْتِ الْآخِرَةَ هُمْ يُؤْتُونَ ﴿٤﴾

Who believe in the Unseen, are steadfast in prayer, and spend out of what We have provided for

them. And who believe in the Revelation sent to thee, and sent before thy time, and (in their hearts) have the assurance of the Hereafter (Qur'an 2:3-4).

﴿وَأَنْفِقُوا مِنْ مَّا رَزَقْنَاكُمْ مِنْ قَبْلِ أَنْ يَأْتِيَ أَحَدَكُمُ الْمَوْتُ فَيَقُولَ رَبِّ لَوْلَا أَخَّرْتَنِي إِلَىٰ أَجَلٍ قَرِيبٍ فَأَصَّدَّقَ وَأَكُن مِّنَ الصَّالِحِينَ﴾

And spend (in charity) of that with which We have provided you, before death comes to one of you and he says: "My Lord! If only You would give me respite for a little while (i.e. return to the worldly life), then I should give Sadaqah (i.e. Zakat) of my wealth, and be among the righteous [i.e. perform Hajj (pilgrimage to Makkah (Qur'an 63:10).

C. Waqf

The word *waqf* is derived from the Arabic root verb *waqafa*, which means 'causing a thing to stop and standstill' (Ahmed, 2004:19). It also takes the meanings of 'detention', 'holding' or keeping (Ahmed, 2004:19). Linguistically, *waqf* simply refers to forbidding the movement, transport or exchange of something. *Waqf* (pl. *Awqaf*) is a voluntary act of charity that comes under the general terms of *sadaqah* and *infaq*. In Islamic terms, it refers to giving away of a Muslim's assets or wealth for the sake of Allah (SWT), in favour of a category of people or a kind of social service to serve them forever. As a charitable institution, a *waqf* is an endowment that is established for providing a wide variety of welfare services on a continuing basis. Although *waqf* applies to non-perishable properties like fixed property, land or buildings, it can be

applied to money, books, shares, stocks, and others (El Khatib, 2016: 9). In his contribution, Budiman (2014:3) opines that there is newly created forms of *waqf* that were not known before in the classical *fiqh* literature, such as the *waqf* of financial rights and *waqf* of usufruct. The inclusion of all kinds of *maal* (asset) for *waqf* purpose is also possible. Hence, *waqf* is not necessarily in the form of fixed assets such as land or building, but could also in the form of liquid assets such as cash or share (Budiman, 2014: 3). *Waqf* is a permanent donation once intended, initiated and endowed, it has become out of the belongings and control of the endower (Usman, 2012: 59). The properties of *waqf* movable or immovable is donated, their ownership belong to Allah (SWT) while its yield (usufruct, benefit and produce) is devoted to the benefit of human beings. This means that once a property is donated as *waqf*, its title no longer belongs to the donor. It cannot be sold, re-donated or gifted or inherited (Usman, 2012: 23; Sani, 2017: 2).

Types of *waqf* in Islam

Waqf can be classified into different kinds based on its purpose or uses. The following are the most common *waqf*:

- Religious *waqf*** focuses on maintenance of religious institutions, like mosques and *madrasas* and their adjacent premises and properties (Hassan, 2010:14).
- Philanthropic *waqf*** aims at providing support for the poor, such as: health services, as well as education. In the early days of

Islam, Prophet Muhammad (SAW) initiated this type of *waqf* with the objective to reduce the disparity and inequality among the social strata.

- c. **Family *waqf*** is a unique kind of *waqf* that ensures *waqf* proceeds are given to the family and descendents in the first place and then the excess is given to the poor. This is in contrast to traditional trusts in western society that allows for no benefits towards the families and only to religious or philanthropic purposes (El-Khatib, 2016: 9; Hassan, 2010:14).

Socio-Economic Role of *Zakāt*, *Sadaqah* and *Waqf* in Improving the *Ummah* Welfare

In Islam, the spirit of generosity, compassion, and responsibility, strongly embodied in the teachings of Islam must be given concrete expression in the form of institutional structures for implementation. Moreover, Islam calls for mutual assistance and concern to the under privileged members among the *ummah*. There are evidences in the Qur'an that call for the spending in the cause of Allah (SWT) with confirmation of reward here in this world and the hereafter (Qur'an 34:39).

﴿وَمَا أَنْفَقْتُمْ مِنْ شَيْءٍ فَهُوَ يُخْلِفُهُ وَهُوَ خَيْرُ

الْزَّادِ﴾ (39)

He will replace whatever you spend for His cause and He is the best Sustainer (Qur'an 34:39).

Most important among these structures are, *zakāt* (obligatory

charity), *sadaqah* (voluntary charity) and *waqf* (institutional charity for long-term purposes). One of the key socio-economic objectives of Islam is the necessity of establishing a socio-economic order where all people are united by bonds of brotherhood. A logical consequence of this notion of universal brotherhood is mutual cooperation and assistance among people irrespective of tribe or race (Mawdudī, 1960:160). Almighty Allah said:

﴿لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا حُبَبْتُمْ وَمَا

تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ﴾ (92)

By no means shall ye attain righteousness unless ye give (freely) of that which ye love; and whatever ye give, of a truth God knoweth it well (Qur'an 3:92).

In the above verse (verse 92 from *Surat Al Imran*) spurred Abu Talha, one of the Companions of the Prophet (SAW), to offer a prime piece of land he owned as charity in Allah's cause to earn rewards. Instead, the Prophet (SAW) advised Abu Talha to divide his land among his relatives in a clear instance of allocation of wealth to one's kin. The second verse from *Surat al Baqara* urges Muslims to be genuine in their faith and immediately after that, it urges them (through their direct actions) to help their fellow Muslims from various groups, especially the underprivileged members of the community. Moreover, this verse provides a potential framework and description of the different possible beneficiaries of charitable contributions starting with kin all the way to paying the ransom for freeing slaves (Awang, et

al., 2017:154). Likewise, every individual in the society is assured of minimum means of livelihood; and provision of social security. Almighty Allah said:

﴿لَيْسَ الْبِرَّ أَنْ تُولُوا وَجُوهَكُمْ قِبَلَ الْمَشْرِقِ
وَالْمَغْرِبِ وَلَكِنَّ الْبِرَّ مَنْ ءَامَنَ بِاللَّهِ وَالْيَوْمِ
الْآخِرِ وَالْمَلَائِكَةِ وَالْكِتَابِ وَالنَّبِيِّينَ وَءَاتَى
الْمَالَ عَلَىٰ حُبِّهِ ذَوِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسْكِينِ وَابْنَ
السَّبِيلِ وَالسَّائِلِينَ وَفِي الرِّقَابِ وَأَقَامَ الصَّلَاةَ
وَءَاتَى الزَّكَاةَ وَالْمُوفُونَ بِعَهْدِهِمْ إِذَا عَاهَدُوا
وَالصَّابِرِينَ فِي الْبَأْسَاءِ وَالصَّرَاءِ وَحِينَ الْبَأْسِ
أُولَٰئِكَ الَّذِينَ صَدَقُوا وَأُولَٰئِكَ هُمُ الْمُتَّقُونَ ﴿١٧٧﴾﴾

It is not righteousness that you face the east and the west, but righteousness is he who believes in Allah and the last day and the angels and all scriptures and the prophets and gives his wealth for love of Him and kinsfolk and the orphans and the needy and the wayfarer and those who ask and to set slaves free and observe prayer and pay poor due (Qur'ān 2:177).

The above verse explains the term *birr* which refers to obedience to Allah by following all His legislations. Ibn Kathīr (n.d: 9:658) elaborates this verse by stating that a person who gives away when he is also in need possesses a higher degree of giving and that giving should be made to:

- i. Kinsfolk or relatives who are in need.
- ii. The orphans who are children having lost their fathers and still need governance from others.

- iii. The poor who do not have enough basic necessities such as food, clothing or home (al-Miskīn).
- iv. The wayfarers who are travelers in need of money who must be helped to get them return to their homeland and the guest hosted by Muslims is also included in this definition (Ibn al-Sabīl).
- v. The beggars who beg people for charity (as-Sā'il).
- vi. The servants by setting them free (al-Riqāb).

Al-Qurṭubī (n.d: 628-634) posits that spending on the mentioned groups of people is not considered as spending on *zakāt* but it is the obligation of spending the wealth which is called *mal al birr* (spending on good deed). Although a person has already performed the mandatory charitable giving (*zakāt*), help should also be given to the person in need especially from the aforementioned group. Al-Marāghī elaborates that to help these people in need is not restricted by time or amount but solely depends on the giver. However, it is the obligation of Muslim to help these people which eventually strengthens the relationship among the people in the society (Awang et al., 2017:155). Furthermore, Allah reminds the believers to give out their wealth for His sake. Whatever the believers give is out of Allah's wealth bestowed on them as a trust, because Allah is the original owner of all that is in the heavens and earth. Likewise, Almighty Allah instructs Muslims to be kind and to assist one another especially the rich among them with a view to standing at the side of the less privilege members of the society.



Social Impact of Zakāt to the Muslim Ummah

It is important to note that Islam prohibits earning only for self and not caring for the poor people in the society. Islam prevents the concentration of wealth in few hands but ensures the distribution among the poor people in a prescribed rate. *Zakāt* (poor-due) one of the five pillars of Islam is a means of self-purification for the wealthy and also an institutional means for fulfilling our collective responsibilities towards the poor. Historically, it has been a powerful tool for relief of poverty. According to the teachings of Islam, the giving of *zakāt* helps a number of functions. *Zakāt* is an important institution in the socio-economic framework of Islam. It was commanded to the Muslims in the second year of *hijra* calendar through the Glorious Qur'ān. Allah (SWT) says in the Glorious Qur'ān: "And establish regular prayer and give *zakāt*, and bow down your heads with those who bow down (in Prayer)" (Qur'ān 2:43). *Zakāt* purifies the payers from their greed and selfishness and also safeguarding future business. It also purifies the receivers because it saves them from the humiliation of begging and prevents them from envying the rich. The payers give *zakāt* as an act of worship, while the poor receive it as a right, without any obligation towards the payers. It gives increase to the poor in the sense that he gets something for his benefit and his mind is being satisfied which is a psychological increase. In this way, *zakāt* purifies the heart, mind and wealth of both sides of people, payers and receivers (Al-Qardawi, 2003:62).

The obligation of *zakāt*, from the social perspective, is regarded as an important tool to abolish poverty by making the rich alive to the social responsibilities they have. The impact of *zakāt* could be regarded in terms of consumption variable and investment variable, and the more *zakāt* is disbursed the more it increases the amount of aggregate consumption into the economy. In his contribution, Hossain (2012:19) observed that *zakāt* has a number of positive impacts on the society. First, it is for the welfare of the unprivileged people of the society. Second, it is the blessing of Allah (SWT) for the giver as well as for the receiver, as it improves the total economy of the nation. Third, it establishes a society on a humanitarian ground. Fourth, it removes the economic hardship for the poor and needy and reduces the inequality among different groups of people from the society. Fifth, it satisfies the recipient's needs and alleviates his financial as well as mental sufferings. Thus, it creates love and brotherhood between the rich and poor, minimizes social tensions and bridges the gap between the poor and rich.

Furthermore, *zakāt* and *waqf* are instruments of wealth transfer that played a significant role in socio-economic development in the early Muslim and contemporary societies. Ahmad et al (2015:12) stated that in the Kuwait for instance, the government legislated a law which provides for the establishment of *zakāt* House. The house provides means and support for treatment of the poor, treatment in a hospital abroad if the nature of the disease necessitates

treatment outside Kuwait, welfare of the orphans, widows, divorced women, old people, poor families, and families of those in jail as well as providing the necessary medical equipment. Education and training are one of the most important social investments as it will bring benefits to a country in the long run. In view of this, the Kuwaiti *zakāt* House uses the *zakāt* proceeds to provide educational opportunity to the needy in the society by supporting them with all they need to complete their studies from primary to tertiary level and get gainful employment with the hope that they will become *zakāt* givers instead of *zakāt* receivers. Moreover, in the social welfare program, the Kuwaiti *zakāt* House used to solve the problem of poverty and deprivation in Kuwait. Under the programme, the *zakāt* House also provides basic needs for poor families in a manner that transforms them from being liability families to productive families. The programme also caters for all the underprivileged in Kuwait (Ahmad, et al., 2015:12-14).

In this way, *zakāt* develops social and economic security to the community and brings its all members closer together. In fact, its rewards are boundless. Moreover, significance of *zakāt* is basically premised on redistribution of wealth which is meant to establish economic equity and social justice. Chapra (1989:76) outlines some essential functions of the Islamic welfare with respect to the economy as follow:

1. To eradicate poverty and create conditions for full employment and a high rate of growth.

2. To promote stability in the real value of money.
3. To maintain law and order.
4. To ensure social and economic justice.
5. To arrange social security and foster equitable distribution of income and wealth.
6. To harmonise international relations and ensure national defense (Chapra, 1989: 149-150).

In contemporary Muslim countries, *zakāt* administration is one of the institutions that sustains the economic well-being of the citizenry. For instance, in some countries, according to Abdurraheem (2012:8), *zakāt* is collected through a decentralized and voluntary system, where eligible Muslims are expected to pay the *zakāt* as ordained by Almighty Allah. Under this voluntary system, *zakāt* committees are established and are saddled with the responsibilities of collecting and distributing *zakāt* funds to the categories of people (beneficiaries) mentioned in *Sūratu-t-Tawbah* (Qur'ān 9:60).

Furthermore, because of the apparently significant contributions of *zakāt* to the spiritual consciousness and well-being of the people, Allah (SWT) makes *zakāt*, the third pillar of Islam, as an obligatory charity and even spells out severe punishment on *zakāt* defaulters. The penalty for refusing to pay *zakāt* and the seriousness of its obligation was displayed in the *ridda* (apostasy) war after the death of the prophet (SAW) when certain Bedouins from the Yarbu'a tribe refused to pay *zakāt*. During the life time of the Prophet (SAW), the Bedouins used to pay

zakāt to the Prophet (SAW) but immediately after his death, they refused to pay *zakāt* to the first Muslim caliph Abu Bakar As-Sadiq by wrongly interpreting the Qur'an verse (Qur'an 9:103) that only the Prophet (SAW) was entitled to collect the dues. Abu Bakar fought them since Allah (SWT) has enjoined the obligation of prayer and *zakāt*. In the Glorious Qur'an, there is clear warning for those Muslims who refused the payment of *zakāt* as Almighty Allah stated:

﴿يَتَأْتِيهَا الَّذِينَ ءَامَنُوا إِنَّ كَثِيرًا مِّنَ
الْأَحْبَارِ وَالرُّهْبَانِ لِيَآكُلُونَ ءَمْوَالَ النَّاسِ
بِالْبَطْلِ وَيَصُدُّونَ عَن سَبِيلِ اللَّهِ وَالَّذِينَ
يَكْتُمُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا
يُسْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُم بِعَذَابٍ
أَلِيمٍ ﴿٣٤﴾ يَوْمَ يُخَمَّىٰ عَلَيْهِمُ فِي تَارِحِهِمْ
فَتُكْوَىٰ بِهَا جِبَاهُهُمْ وَجُنُوبُهُمْ
وظُهُورُهُمْ هَٰذَا مَا كَنَزْتُمْ لِأَنفُسِكُمْ فَذُوقُوا مَا
كُنْتُمْ تَكْتُمُونَ ﴿٣٥﴾﴾

And those who hoard up gold and silver (Al-kanz: money, the *zakāt* of which has not been paid) and spend them not in the way of Allah, announce to them a painful torment On the day when that (al-kanz: money, gold, silver the *zakāt* Of which has not been paid) will be heated in the fire of Hell and with it will be branded their foreheads, their flanks and their back, (and it will be said to them): "This is the treasure which you hoarded for yourselves. Now taste of what you used to hoard (Qur'an, 9:34-35).

In addition to this, Prophet Muhammad (SAW) gave an apt

description of the punishment that would befall *zakāt* defaulters in the following tradition:

Narrated Abu Hurayrah: Allah's Apostle said, "Whoever is made wealthy by Allah and does not pay the *Zakāt* of his wealth, then on the Day of Resurrection his wealth will be made like a bald-headed poisonous male snake with two black spots over the eyes. The snake will encircle his neck and bite his cheeks and say, 'I am your wealth, I am your treasure.'" Then the Prophet recited the holy verses: -- 'Let not those who withhold . . . ' (to the end of the verse) (Al-Bukhari, vol. 2, Book 24, Number 486).

In many traditions, the Prophet (SAW) elucidated further the painful and humiliating punishment that awaits the affluent that refuse to give *zakāt*.

Social Impact of Sadaqah to the Muslim Ummah

Islam encourages charity and acts of benevolence rather than mandatory transfers like *zakāt* and *sadaqat al-Fitr*. The Qur'an teaches us: (1) "And in your wealth, are obligations beyond *zakāt*." (Qur'an) "In their wealth, there is a known right for those who ask for it and for the deprived" (Qur'an 70:24-25). Thus, charity and other acts of benevolence are highly recommended. To further understand the concept of *sadaqah* in Islam, Almighty Allah stated in the Glorious Qur'an:

﴿أَلَمْ يَعْلَمُوا أَنَّ اللَّهَ هُوَ يَقْبَلُ التَّوْبَةَ عَن عِبَادِهِ وَيَأْخُذُ
الصَّدَقَاتِ وَأَنَّ اللَّهَ هُوَ التَّوَّابُ الرَّحِيمُ ﴿١٤﴾﴾

Do they not know that it is Allah who accepts repentance from His servants and receives charities and

that it is Allah who is the Accepting of repentance, the Merciful (Qur'ān 9:104).

According to the teachings of Islam, the giving of charity and *sadaqah* helps a number of functions. Firstly, act of *sadaqah* is expiation for sins. The believers are asked to give *sadaqah* immediately following any transgression. Voluntary alms giving can also compensate for any shortcoming in the past payment of *zakāt*, and *sadaqah* gives protection against all kinds of evil. *Sadaqah* wards off affliction in this world, and punishment on Judgment Day. It is therefore recommended to give *sadaqah* by night and by day, in secret and in public to seek Allah's pleasure. The constant giving of a little is said to please Allah (SWT) more than the occasional giving of much. Moreover, Almighty Allah (SWT) in many places in the Glorious Qur'ān has instructed the financially capable to give "*sadaqah*". In *Surah Ba'qara*, (Qur'ān 2:254) Almighty said:

﴿يَا أَيُّهَا الَّذِينَ ءَامَنُوا أَنْفِقُوا مِمَّا رَزَقْنَاكُمْ مِنْ قَبْلِ أَنْ يَأْتِيَ يَوْمٌ لَا بَيْعٌ فِيهِ وَلَا خُلَّةٌ وَلَا شَفْعَةٌ ۗ وَالْكَافِرُونَ هُمُ الظَّالِمُونَ ﴿٢٥٤﴾

O you who believe, spend out of what We have given you before the day comes in which there is no bargaining, nor friendship, nor intercession. And the disbelievers - they are the wrongdoers (Qur'ān 2:254).

In the above verses, Allah commands the Muslims to give *sadaqah* to please Him. *Sadaqah* is a great step offered by Islam for the well-being of the needy. In *sadaqah*, the financially

capable provides financial assistance to the poor, needy, and handicapped members of the society without expecting anything in return from them. Islam always strives to motivate people to give charity to win Allah's grace and mercy. It is one of the biggest ways of achieving salvation. Furthermore, the Qur'ān, recommends the Prophet Muhammad (SAW) as the ideal model for our behaviour. The generosity of our Prophet Muhammad (SAW) is well known. He never turned away anyone who sought his help. It is narrated by Ibn Abbas that the Prophet (SAW) was the most generous of all the people and he used to become more generous in Ramadan when Gabriel met him. Gabriel used to meet him every night during Ramadan to revise the Qur'ān with him. Allah's Messenger (SAW) then used to be more generous than the fast wind (Al-Bukhari, vol: 1:8, Hadīth no. 6). In addition to that, the Prophet (SAW) has stated that it is obligatory for every Muslim to give *sadaqah*. The Prophet (SAW) says that valuable Dinar (currency of the Arabs during the advent of Islam) is one which a person spends on his family, on his animals in the way of Allah, and on his companions to win God's grace" (Sahih Muslim, vol:1; Hadith no 6:44).

The Prophet guided his Companions and the entire *ummah* along identical lines and infused into them the same values of generosity and self-denial. So forcefully and earnestly did he exhort the people to practice charity that as anyone reads the relevant traditions, he begins to doubt if he really has a claim over anything that is in excess of his needs (Nadvi,

1978:67). Voluntary charity (*sadaqah*) is one of the tools that the Prophet (SAW) used to alleviate poverty problem when he was alive, he also encouraged his followers to be their brother's keeper by extending to them their hands of benevolence. In a tradition report by Imam Bukhari, the Prophet (SAW) said:

Seven people will be sheltered on the Day of Judgment where there will be no shelter except that of Al-Arsh. Among them is a fellow who spends voluntarily with his right hand without letting the left hand know what he did... (Bukhari, vol.:2; Book 24: Hadīth no 3:198).

This underscores the fact that sincerity of purpose and commitment should be the guiding principle of a believer. Any act of devotion performed by a believer must be devoid of ostentation and the glory of public spectacle. Moreover, Islam encourages humanitarian acts, which will bring about lasting change in people's lives. Muslims are obliged by the *shari'ah* to take a portion of their wealth and give to the poor as charity. According to Ḥassan al-Baṣrī, the charity given for the sake of Allah will not be asked on who are the recipients whether they are the righteous, deserving the help, good or evil and so on as the reward will be given for his good intention (Awang, et al, 2017:155). *Sadaqah* plays a critical role in the Islamic society. Even where needs may have been met and poverty removed, they provide perpetual private resources for meeting personal and public wants, and promoting social development. They provide the members of society a means for self-development through altruism, as well as a mechanism to

participate and contribute toward the health, peace and prosperity of society (UIHaq, 1996:25). This means that charity is designed to take care of the basic economic needs of the poor, alleviate the problem of poverty in society, and improve their welfare.

Social Impact of *Waqf* to the Muslims *Ummah*

Waqf has been a unique institution introduced by Islam. Muslim jurists traced the institution to the time of Prophet (SAW). Throughout Islamic history and in all lands inhabited by Muslims therefore, *Waqf* had had a formidable presence. The real innovations in the idea of *waqf* came in the early Islamic period in Madinah (Dogarawa, 2009:8). Although the Glorious Qur'ān does not directly define *waqf* or make any particular reference to it, however, it encourages Muslim to do charity. Qur'ānic verses urging Muslims to be charitable, to do good deeds and spend in the way of Allah have paved the way for *waqf*. The Prophet Muhammad (SAW) articulated it in his Sunnah and encouraged his Companions to do it while the believers raced to implement it. *Waqf* system can play a vital role in supporting sustainable economic development and facilitating better financial inclusion. Since the emergence of Islam, the Muslims have voluntarily given out of their wealth for the benefit of others in the form of *waqf*. This explain that charitable giving also can be carried out in the form of *waqf* as proven in the parable of 'Umar al-Khaṭṭāb, the Prophet's companion who donated his land in Khaibar in the form of *waqf* in which the possession is still intact but the production from the land is given

for charity as described in the Hadith below:

Ibn Umar reported: Umar acquired a land at Khaibar. He came to Allah's Apostle (may peace be upon him) and sought his advice in regard to it. He said: "Allah's Messenger, I have acquired land in Khaibar. I have never acquired property more valuable for me than this, so what do you command me to do with it? Thereupon he (Allah's Apostle) said: If you like, you may keep the corpus intact and give its produce as sadaqah. So 'Umar gave it as sadaqah declaring that property must not be sold or inherited or given away as gift. And Umar devoted it to the poor, to the nearest kin, and to the emancipation of slaves, aired in the way of Allah and guests. There is no sin for one, who administers it if he eats something from it in a reasonable manner or if he feeds his friends and does not hoard up goods (for himself). He (the narrator) said: I narrated this Hadith to Muhammad, but as I reached the (words)" without hoarding (for himself) out of it." he (Muhammad' said: "without storing the property with a view to becoming rich". Ibn 'Awn said: He who read this book (pertaining to waqf) informed me that in it (the words are) "without storing the property with a view to becoming rich (Sahih Muslim, vol: 13 Hadith No: 13:83).

Philanthropy through Islamic endowments (*waqf*) has been utilized as a viable mechanism for community empowerment in many Muslim countries. The historical importance of *waqf* as vehicles for socio-economic development is well known. In view of it, it is important in the

socio-economy of the society; Prophet Muhammad (SAW) encouraged it as a kind of sustainable giving or "*sadaqatu jarriyah*" in the following narrations:

Abu Hurayrah (Allah be pleased with him) reported Allah's Messenger (May peace be upon him) as saying: When a man dies, his acts come to an end, but three recurring, or charity, or knowledge (by which people) benefit, or a pious son, who prays for him (for the deceased). (Sahih Muslim, vol: 13, Hadith No: 4005).

According to Nuruddeen (2013:15), philanthropy through Islamic endowments (*waqf*) has been utilized as a viable mechanism for community empowerment in many Muslim countries. The historical importance of *waqf* as vehicles for socio-economic development is well known. *Waqf* can play an important role in poverty alleviation by specifically targeting the poor as major recipients of its benefits. *Waqf* may also be formed purposely to disseminate knowledge and coach skills in entrepreneurship development among the poor. In Egypt, the Middle East, for example, *waqf* have for long been used traditionally as vehicles for philanthropy. Likewise, in Malaysia, the government has been able to provide access to education to everyone regardless of the social status of a beneficiary's parents. Moreover, Sani (2017:7) observed that the impact of *waqf* to the development of the *ummah* has attracted modern people who extend its scope to social development issues tackled by the *waqf* income. For instance in Fex (Morocco), there are

furnished houses under bequest where poor people organize their weddings and stay for a few days. In addition to that, in Marrakech in Morocco, many endowments are available to run a 'house' to shelter women in conflict with their husbands, free room and maintenance are provided until the women reconcile with their husbands (Sani, 2017:7). Moreover, in those countries where philanthropic institutions, like endowments (*waqf*) are active, Muslim communities are being empowered through the provision of better education, improved health and housing facilities, employment opportunities and access to finance for poverty alleviation, among others. In addition to that, Topbas cited in Sani (Sani, 2017:7) observed that the philanthropic sensitivity in the Ottoman society reached a height that not just human beings benefited from the *waqf*, but even animals as animal hospitals were established for the care of sick migratory birds, such as storks, and their expenditures were covered by endowments.

In Nigeria, more especially in the northern part of the country, Muslims have been investing in *waqf* through the establishment of Mosques, boreholes, wells, trees, among others. In addition to that, since 1999, a good number of Muslim States in Nigeria has enacted laws on *zakāt* and *waqf* administration. While some of these laws appear adequate for a good *zakāt* administration. Zamfara state *zakāt* and *waqf* board is seen as the most performing of the *zakāt* and *waqf* institutions in Nigeria. For example, section 5 of Zamfara state enactment 2003 (as amended) provides for the

boards to make rules, regulations and policies for the good management of *waqf* (Ahmad, et.al, 2015: 18).

From the foregoing, it is clear that *zakāt*, *sadaqah* and *waqf* play an important role in promoting social justice as well as improving the welfare of Muslims. A management of *zakāt*, *sadaqah*, and *waqf* will help an individual to establish a good sense of sincerity and accountability for the rich. In addition, it creates favorable conditions for the needy to recover from the financial difficulty and has a positive significance in nation building.

Conclusion and Suggestions

In the light of the foregoing, Islam enjoins the removal of hardship so as to improve the standards of living of the community. Thus, Islam is a comprehensive religion that teaches us to help the needy and unfortunate people in the society. Islam also encourages helping and supporting each other in the case of needs. *Zakat*, *waqf* and *sadaqah* plays an important role in promoting social justice as well as alleviating poverty. These institutions play important roles in promoting social justice, alleviating poverty as well as improving the general welfare of the Muslim *ummah*. To sum up, Muslim leaders should observe and execute just and exemplary leadership, instructing the rich to assist the less privileged members of the society. They should also design policies to strengthen the collection mechanism and develop a transparent and user-friendly method for distribution of *zakāt* and *sadaqat* to benefit the less privileged people, which can make a positive and

significant impact on the welfare of Muslim *ummah*. Finally, the writers suggested that Kuwait system of administration of *zakāt* and *waqf* ought to be emulated by developing countries more especially in Muslim minority country like Nigeria.

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