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# Charitable Giving in Islam

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## Introduction

The principle of giving charity is one that spans all cultures and religious faiths and is an important means of establishing a social safety net for the poor. A general definition of ‘charity’ is: “a voluntary giving of money or other help to those in need” (Bentley, Webber and Hall-Russell 1999). Oftentimes, charitable giving is motivated by people’s religious beliefs. According to a 2002 report on charitable giving in the US:

The power of faith-based giving and volunteering is clear, compelling, and measurable: The beliefs, values, attitudes, and commitments of those who contribute to religion translate into high levels of generosity to other causes as well. Undoubtedly, there are a number of other factors that influence levels of giving, including income and home ownership, but religious belief is without question one of the most important factors independent of economic status (Independent Sector).

This report highlights the strong connection between religious belief and the notion of charity. This is an important aspect of all of the major world religions, including Islam. The purpose of this paper is to shed light on some of the key expressions of charitable giving in Islam, which are major aspects of the faith.<sup>1</sup>

## Charitable giving in Islam

The alleviation of poverty and suffering lies at the heart of Islam. It is for this reason that charitable giving is strongly encouraged in Islam both as a means of purifying one’s wealth and in order to alleviate poverty and suffering. Islam has put in place a mechanism for alleviating poverty in the shape of various forms of charitable giving.

However, it should also be noted that charity in Islam is not only about alleviating material poverty in the short-term through individual acts; rather, Islamic teachings focus on broader concepts of social and economic development as part of a holistic approach to human development. This acknowledges that charity alone will not solve poverty. An exploration of Islamic teachings on finance and justice suggests that Islam encourages an alternate set of trade rules and a different kind of financial system that discourages the exploitation of the poor and ensures a more equitable distribution of wealth.<sup>2</sup>

The importance of charity was repeatedly underlined by the Prophet Muhammad (PBUH<sup>3</sup>), who is reported to have said:

“There is no person who does not have the obligation of (doing) charity every day that the sun rises.”<sup>4</sup> Whereupon he was asked: "O messenger of God, wherefrom would we get something to give in charity (so often)?" To which he replied: "Indeed the gates to goodness are many: glorifying God, praising Him, magnifying Him, saying ‘There is no god but Allah’, enjoining the good and forbidding the wrong, removing any source of harm from the road, listening to the aggrieved, guiding the blind, showing the seeker his need, striving as far as your two legs could carry you and with deep concern to give succour to him who asks, carrying with the strength of your arms (the burdens

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<sup>1</sup> For an overview of the history of charitable giving by Muslims, please refer to AbuArqub M., and Phillips, I. (2009) ‘A Brief History of Humanitarianism in the Muslim World’ available at <http://www.islamic-relief.com/Indepth/downloads/A%20Brief%20History%20of%20Humanitarianism%20in%20the%20Muslim%20World%20New%20Format.pdf>

<sup>2</sup> For a brief overview of Islamic perspectives on trade and debt please refer to <http://www.islamic-relief.com/Indepth>

<sup>3</sup> PBUH: peace be upon him, customarily said by Muslims after the mention of any Prophet in Islam.

<sup>4</sup> See also quote from Qur’an 2: 177: “to spend of your substance, out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves.”

of) the weak. All these are (acts of) charity which are an obligation on you." And he added: "And your smiling in the face of your brother is charity, your removing of stones and thorns from people's paths is charity, and your guiding a man gone astray in the world is charity for you" (reported by Al Bukhari and Muslim).

There are also numerous examples of the Prophet Muhammad (PBUH) acting in a concerned manner in his interactions with different parts of Creation (human or animal), for example diverting his army to avoid disturbing ants and bees.<sup>5</sup>

This emphasises a more holistic notion of charity, which encompasses tangible goods as well as deeds and actions. The Prophet (PBUH) believed that if charity were to remain restricted only to material goods, many people, especially the poor, would be excluded. However, Islam advocates a broader approach to charity, which moves beyond the material dimension, is more inclusive and helps avoid the creation of divisions based on wealth and status in society. The Prophet Muhammad (PBUH) is recorded as having said: "No one of you believes until he loves for his brother what he loves for himself," (reported by Al Bukhari and Muslim) stressing the virtues of selflessness and generosity both in terms of material and as well as spiritual assets. This points to another basic principle of Islamic thought and behaviour—that the standard on which life is judged is not the materialistic or the economic standard alone but is based on faith, sensitivity, and compassion.

Furthermore, according to the Quran (2: 271), giving charity secretly is best:

If you disclose (acts of) charity, even so it is well, but if you conceal them,<sup>6</sup> and make them reach those (really) in need, that is best for you: It will remove from you some of your (stains of) evil. And God is well acquainted with what you do.

This is intended to discourage the development of pride amongst those who give charity as well as feelings of embarrassment or shame amongst those who are on the receiving end, which again, is intended to prevent the creation of divisions amongst people.

Finally, Islamic teaching on charity emphasises the importance of caring for the environment as well. As the Prophet (PBUH) said: "For charity shown to each creature with a pumping heart, there is a reward" (reported by Al Bukhari). As well, he is reported to have said: "There is none amongst the believers who plants a tree, or sows a seed, and then a bird, or a person, or an animal eats thereof, but it is regarded as having given a charitable gift" (reported by Al Bukhari). Hence, charity in Islam applies to all creatures and includes nurturing and caring for one's surroundings as well as for other human beings.

The following sections provide a broad overview of the main forms of charity in Islam: zakat, waqf and sadaqah:

## **Zakat**

*Zakat* (also spelt '*zakah*') is the third pillar of Islam and represents compulsory giving for Muslims (for wealth over a certain threshold), what Tariq Ramadan refers to as a "social purifying tax" (2004). The word '*zakat*' itself is derived from the Arabic word '*tazkiyah*', which

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<sup>5</sup> The Muslim defence army was diverted and made to travel a different route at the times of the attack from the attacking army so as not to trample an ant hill or to pass trees that also contained beehives. The needless intrusion, noise and commotion were considered cruel and not in line with the sacred relationship that humans enjoy with the animals and insects as part of God's creation (Hai, I. A.).

<sup>6</sup> See also: "O you who believe! Cancel not your charity by reminders of your generosity or by injury, like those who spend their substance to be seen of men, but believe neither in God nor in the Last Day. They are in Parable like a hard barren rock, on which is a little soil; on it falls heavy rain, which leaves it (just) a bare stone. They will be able to do nothing with aught they have earned. And God guides not those who reject Faith (Qur'an 2: 264)

means ‘purification.’ Thus, *zakat* is often seen as a means of purifying the wealth acquired by the giver as well as purifying the giver themselves by making them more sensitive to the needs of others (Zaman 1980: 4). According to Yusuf Al-Qaradawi, “*Zakah* means to grow and to increase. When it is said about a person, it means to improve, to become better. Consequently *zakat* is blessing, growth, cleanliness, and betterment”. In this way, the primary purpose of *zakat* is to purify the giver, a consequence of which is aiding those who are less fortunate. Because *zakat* is an obligation, some scholars argue that it should not be interpreted as a form of charity, but rather a *right* of the poor.

The Qur’an repeatedly emphasises the importance of *zakat* as an obligation for all Muslims. Every Muslim<sup>7</sup> who possesses wealth above a *zakat* payable amount (*nisab*) for one lunar year has to pay *zakat* (normally 2.5% of *nisab*). The threshold for *nisab* is calculated based on what one owns in cash money, gold, silver, commercial commodities and cattle (reported by Abu Dawud). A *zakat* year is one lunar year starting from the time one’s wealth reaches the *nisab*. If one’s wealth falls below the *nisab* at any time during the year, one should stop counting days and start again the day the wealth reaches the *nisab* again. Different scholars have different opinions on what exactly the *zakat* payable amount is in the current time, though it is generally considered to be payable upon one’s wealth - that is what one possesses above and beyond life’s necessities (i.e. food, shelter, clothing, etc.).

*Zakat* can be spent only on eight specified categories according to Surah 9: 60: (1) the people who do not have anything, so they are in need of asking others for food, clothing, health services and shelter; (2) the poor who may have money, but it is not sufficient for their basic needs; (3) *zakat* collectors (which can include Islamic charities<sup>8</sup> in absence of a Caliph<sup>9</sup>); (4) for God’s cause (which includes every kind of struggle for a righteous cause); (5) debtors; (6) wayfarers (or travellers); (7) freeing captives; (8) reconciling hearts.<sup>10</sup> If a person does not fall into any of the listed categories, then they are prohibited from receiving *zakat*, though they may be eligible to receive other sources of charity.

*Zakat Al-Fitr* (as compared with above ‘*zakat ul-mahl*’, *zakat* on wealth) is a one-off payment that is made once in every Muslim Hijri calendar year (lunar year) at any time during Ramadan (before *Eid Al-Fitr* prayers). Muslims are obliged to pay this, regardless of their age, status or wealth (unless they do not have enough food to eat). The amount of *zakat al-fitr* payable is the equivalent of approximately 3kg of staple food in the relevant country or an amount of money that is equivalent to the price of the food. At present the rate in the United Kingdom is about £3 per person.

## Waqf

*Waqf* is most comparable to the English word ‘endowment’.<sup>11</sup> There are four essentials for a donation to qualify as *waqf*: (1) the declaration or intention; (2) the donor; (3) the property or any tangible asset given as *waqf*; (4) the beneficiary (this could be a named person, but usually is something more general such as ‘the people of a specific city’). As well, the beneficiary of *waqf* cannot be the same as the donor (for example a trust for one’s own support).

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<sup>7</sup> Some scholars clarify that this refers only to the sane and post-puberty aged Muslims. This is because *zakat* is considered to be an act of worship and acts of worship require intention.

<sup>8</sup> This is according to a fatwa by the European Council for Fatwa and Research (ECFR), ‘Fatwa (5) The collection and distribution of *Zakat* by charity organisations’, as non-Muslim charities cannot be expected to know on what categories of people *zakat* money can be spent.

<sup>9</sup> The head of state in a Caliphate, and the title for the leader of the Islamic Ummah, an Islamic community ruled by the Shari’ah.

<sup>10</sup> This includes people who recently embraced Islam, people who are expected to do so, and people who by giving to them, may benefit the cause of Islam by avoiding an evil and/or harm or increasing their benevolent acts (Kahf, M (a)).

<sup>11</sup> Literally, *waqf* means ‘restriction and prevention’.

Good examples of what is donated as *waqf* are hospitals and schools or land and money to build them. *Waqf* can also be donated by buying ‘*waqf* shares’ where the funds are invested prudently and profits of the shares are used to alleviate poverty or where commercial or residential properties are donated and the returns (e.g. rents) are used for the beneficiaries. Over the centuries there have been a wide variety of creative endowments made ranging from job creation guilds to replacing broken plates in order to save maids from censure from their employers.

Religious endowments can be made by the donor during one’s life or donated after one’s death if it is specified in a will. If a person makes something *waqf*, it ceases to be their property, and neither they nor anybody else can either gift it or sell it to any person, with certain exceptions (for example, if it is replaced by something similar in kind). Also, no one can inherit from an endowment as the ownership of a *waqf* is considered to belong to God where the principal has to remain intact, providing a perpetual usufruct (Kahf, M (b) 1998: 4).

Once the property is dedicated, the ownership is ‘transferred to God’, and managed in trust. This allows the properties to be perpetually used for charity. The Prophet Muhammad (PBUH) is believed to have said: "When a man dies, his acts come to an end, but three, recurring charity, or knowledge (by which people) benefit, or a pious son, who prays for him (for the deceased)" (reported by Muslim). Thus, on-going charity is highly valued in Islam.

## Sadaqa

*Sadaqa* (also spelt *sadaqah*) means ‘voluntary charity’ (as opposed to *zakat*’s ‘prescribed charity’). *Sadaqa* literally means ‘to be truthful’, meaning that the person giving charity confirms their true devotion and service to God. This concept encompasses any act of giving out of compassion, love or generosity. Examples of *sadaqa* include responding to emergencies by donating money or time, sponsoring an orphan in need, or offering *Qurbani*.<sup>12</sup>

*Sadaqa* is what is given voluntarily for the sake of God alone (see Qur’an 9: 104 and 57: 18). Some other key characteristics of *sadaqah* are that there should be no ‘showing off’ by the giver (Qur’an (2: 266), that the recipient should not be made to feel obliged (Qur’an (2: 266) and the feelings of the one to whom it is given should not be hurt (Qur’an (2: 263 and 266), for example he or she should not be made to feel guilty for accepting charity or that anything is owed in return for the received charity.<sup>13</sup>

## Conclusion

The concept of charitable giving in Islam is a very broad one, including monetary and in kind generosity. A key aim of charitable giving according to Islamic teachings is to support a just and cohesive society. As can be gleaned from the above, there are several concepts in Islam that promote and facilitate charitable giving. At the same time, some differences of opinion and challenges remain, such as whether *zakat* can be spent only on Muslims and what possessions in the current age might be the equivalents to owning cattle and orchards. Others challenges are how and whether *zakat* collection might be formalised in some manner in Western contexts and how charities might make the most of *waqf* funds.

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<sup>12</sup> In Islam, the sacrifice of an animal during 10- 12 Dhul Hijjah, the 12th lunar month of the Islamic calendar. It is understood as a symbolic repetition of Abraham's sacrifice of a ram in place of his son, a crucial notion in Judaism, Christianity and Islam alike. The animal in question may be a goat, sheep, cow or camel.

<sup>13</sup> See also Qur’an (76: 9): "We feed you for the sake of Allah alone: no reward do we desire from you, nor thanks."

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