

## Distributive Justice in Islam: An Expository Study of *Zakah* for Achieving a Sustainable Society

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**Abstract:** Before the advent of Islam in Mecca, there existed enormously unequal distribution of money. With the result of that wealth was concentrated in elites' hands, and a large section of the society was poor and needy. Some of them were hardcore poor and were compelled to work as bonded labours for the elites. As Islam believed in Islamic brotherhood, it came out with the scheme of *amanah* and redistribution of money from haves to havenots. It also considered releasing slaves as a splendid deed. These noble messages along with the message of oneness of God (*tawheed*) of Islam started disturbing the rich Meccans, as they were dominated by very limited altruism, and wanted to maintain their supremacy over the poor mass. These became prime reasons for them to oppose the Prophet (The messenger of Allah). Later, Islam came out with a system of *zakah* and *sadaqah*, a pragmatic redistribution of resources, including money, which has now proven to be a competent mechanism for alleviation of poverty. For achieving sustainable development imperatives contained in Agenda 21 and Local Agenda 21, there has to be a sustainable society, a socially, educationally and culturally competent to work together for harmony, stability and solidarity of the society. From the contemporary practice it is proven that an institutionalized *zakah* system can faster implement the will of Allah. It has to be practiced in those countries also where the system is in a rudimentary form. The paper discusses various aspects of distributive justice in Islam with special reference to *zakah*.

**Key words:** *zakah*, *sadaqah*, *amanah*, sustainable, *ibadah*, *ukhuwwah*, *asnaf*, *nisab*

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### INTRODUCTION

Sustainable development imperative, which necessitates for enjoying fruits of development by the present generation without compromising with interests of coming generations, (See, 1987) cannot be achieved without a sustainable society, socially, economically, educationally and culturally competent to work together for harmony, stability and solidarity in the society. If money in the society is unevenly distributed or allowed to be concentrated in a limited number of people, the fruits of development and natural resources will be enjoyed only by the elite class of the people, and destitute and helpless ones will remain with the same fate. They will remain socially, economically and educationally backward, and, thus, will not be able to participate in consolidating the society and ultimate development of the nation. Rather, poor might act as an impediment in achieving sustainable development imperatives contained in the Agenda 21 and the Local Agenda 21. It is notable here that a comprehensive sustainable development requires, as *sine qua non*, an effective public participation in making viable developmental policies and implementing them. A poor and uneducated section of the society, which is struggling for their subsistence, might not be able to contribute to public participation. Perhaps, it is for this reason that the 1st Muslim Convention on Sustainable Development, known as 'the Muslim Summit', held in Pretoria on 1 September 2002, among other strategies for sustainable development in the Muslim World, in line with Principle 16 of the Rio Declaration, 2002, which reads – 'Integrate the issue of production and consumption patterns into sustainable development policies, programmes and strategies, including, where applicable, into poverty reduction strategies' - strived to achieve economic justice by way of redistributing money from rich mass to the poor. (Rosalie Gardiner, , 2011)

Man is governed by two mental instincts, greed and compassion. When greed dominates, he becomes utterly selfish and amasses wealth limitlessly. When he overcomes it and becomes altruistic, he becomes generous in giving away wealth to poor and needy. For a just and equitable society, compassion on the part of rich section of the society is imperatively demanded. This mental element requires movement of resources from those who have more than enough to those who are deprived which has been put by Marx as, "from

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every one according to his ability to very one according to his needs”. Among Western thinkers, it was first realized by Aristotle and carried forward to its logical end by Rawls and Finnis. Redistribution is possible because it acts as a means of establishing peace and amity in the society. Transfer of money from rich to poor and needy has to be voluntary. If greed dominates and wealth concentrates in few hands, state has to develop and practice an amicable redistribution process. In a democratic state, this becomes a necessity. The utilitarian approach of Bentham and Mill is not practicable in modern states, because it lacks fairness as their concern is only to ensure ‘greatest happiness of the greatest number’, rich or poor. Islam emphasizes on generosity and prohibits greed. By practicing generosity, a man can glorify his hereafter; otherwise he has to leave his unspent money in the world with no use. Khalifa Umer has demonstrated this in these words, “Verily, Allah sets forth parables for you, and He directs admonition towards you in order that hearts will be enlivened. Surely, the hearts are dead until Allah enlivens them. Justice has signs and portents. As for its signs they are shyness, generosity, humility, and gentleness. As for its portents, they are embodied in mercy. He has made for every affair a gate, and has made that gate assessable by providing a key. The gate of justice is deep of consequences, and its key is otherworldliness. Consideration of consequences ultimately involves remembering death, and preparing for it by freely parting from one’s wealth. Otherworldliness involves dealing justly with everyone and being satisfied with what suffices. If one is not satisfied with what suffices him, no abundance will every enrich him.”(Salih Bin Abdullah Ibn Humayd. 2000) The concept of trust (*amanah*) and the in-built Islamic mechanism of distributive justice in Islam, in the form of mandatory *zakah* poor’s alm or poor’s dues) and voluntary *sadaqa* and creation of *awqaf* (It is Islamic charitable trust; *awqaf* is plural of word *waqaf*) for the benefit of general public, especially the indigent ones, have relatively greater degree of compliance because it is based on divine commands and their practice purifies the *mal* (wealth). In spite of differences in detailed rules pertaining to *zakah*, the basic principles of redistribution are undisputed and are considered to be immutable, universal and eternal; and they are undoubtedly competent enough to alleviate poverty and establish a sustainable society. In fact, payment of *zakah* is fulfilling one of the rights of Allah as it comes under the category of *ibadat* (various kinds of worship). An institutionalized *zakah* system administered by an appropriate state agency is supposed to have competence to lessen it at a faster speed. But the irony is that some consider financial resource mobilized by way of *zakah* can be part of the consolidated fund of the state, and state will be free to use it in any manner it likes. If this view is accepted, it will frustrate the very element of charity in *zakah*. There are some states, notably India, where institutionalized *zakah* system is in a rudimentary form. It is said that institutions like Organization of Islamic Conference can play a constructive role in this area.

In short, the Islamic concept of sustainable development depends on achieving a sustainable society by means of redistribution of *mal* (money) and other resources which can be achieved if the relevant Islamic principles are understood together. This can well be understood from the figure 1 below.

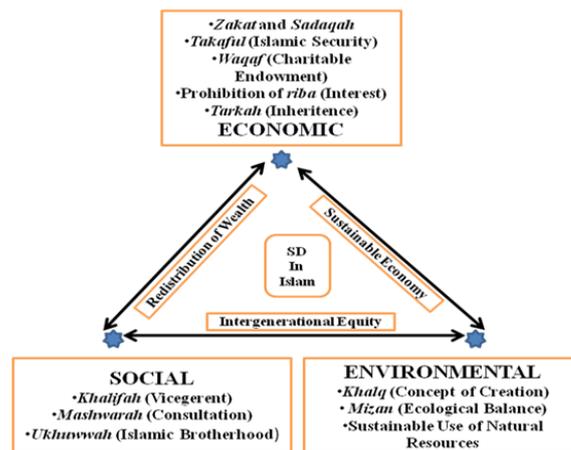


Fig. 1: The Imperatives of Sustainable Development in Islam

The purpose of writing this paper is to discuss the concept of *amanah* and the distributive justice via *zakah* and examine its viability in establishing sustainable societies in some states. It will also discuss various welfare activities social security measures that can be practiced by Islamic states.

### ***Distributive Justice in Islam:***

#### ***1. General:***

In Islam, there is great emphasis on justice. The concept of social justice is one of the essential requirements in an Islamic social order, which is based on the concept of Islamic brotherhood (*ukhuwwah*) (Qur'an: 55:7-8; 4:135).

Also, nobody is superior because of his wealth and position in the society; gradations are there solely based on good deeds (*amal- e-swaleh*). Allah clearly says, "O mankind! Indeed We created you from a male and a female, and We made you different nations and tribes so that you may come to know one another. Indeed the most honoured amongst you are the most God-conscious." (Qur'an, 9:13) There is a *hadith* also to the effect that "Indeed Allah is neither concerned with your appearances nor your work, rather your hearts and deeds." (Muslim Ibn Hajjaj al-Qushayri, 1997) Islam is at peace with other religions, and there can be no discrimination on the basis of religion. In Islam, Justice is considered as a sacred trust (*amanah*) and worship *ibadah*. It has, therefore, to be imparted to all honestly without any fear or favour. Anybody, who perpetrates injustice in any manner and by any means, is committing an act of misappropriation (*khiyanah*); and, thus, he will be accountable to Allah on the 'Day of Judgment'. Justice is a comprehensive word. It can be considered as a combination of distributive justice and imparting justice on disputes. Distributive justice is central in the concept of social justice. In fact, justice encompasses just disposition of disputes (*al-Adl*) and equitable distribution of resources (distributive justice, *al-Qist*). These two aspects of justice play role in all aspects of human relations (*muamalat*). There is another aspect of justice that justice (*adl*) and compassion (*ihsan*) should go hand-in-hand. This can be exemplified from the following illustrations: 1. A, a laborer worked for B on a daily basis. In the evening, B paid him the agreed money. He paid this money before his sweat got dried out of *adl*. But he paid him some more money out of *ihsan*. 2. A lecturer gave an A to a student, who did not deserve this grade; he might have done *ihsan* to him, but he did not do *adl* if the student did not deserve an A. Allah says in the Qur'an that Messengers of Allah have to maintain balance (in distribution of resources) in order to lead people with justice. (57:25) Man has been ordained to maintain balance (in inter-personal relationship) in order to maintain justices in the society. Al-Qurtubi and Imam Mawardi have also subscribed to this idea. Imam Mawardi writes: "One of the things that reforms worldly affairs is the principle of distributive justice. It facilitates amicable relations between people, engenders obedience to the Divine law, and brings about the prosperity of countries. It is the basis of the thriving economy, strong families, and stable government. Nothing devastates the land nor corrupts the mind as quickly as tyranny. That is because there are no acceptable limits 'to regulate tyranny'." (Abu'l-Hasan al-Mawardi, 2005) But a ruler of an Islamic state, according to Ibn Taymiyya, has to maintain justice among his subjects, as it has been ordained by Allah that a ruler has to deliver the trusts to their rightful possessors. And he has to impart justice among his subjects. This has been accentuated by a Prophetic tradition (*hadith*) that "Surely the most beloved of people with Allah and the closest to Him on the Day of Resurrection will be a just leader. And the most hated of people and the furthest removed from him will be a tyrannical leader." (Abu 'Isa al-Tirmidhi, al-Jami', 1938) To impart justice is a sacred duty of all. But the burden to pass on justice to his subjects heavily falls on the ruler. A ruler has to decide over disputes directly or through his subordinates by delegating this power to them. Likewise, he has to practice distribution of resources equitably among all by himself or through his subordinate authorities. In all cases, the ruler will be held responsible for any discrepancies. However, the people who misguide him, they will also be responsible for the wrongdoing. This is because people have to be honest to bring total truth before the ruler; and if out of ignorance any wrong decision is given by the ruler, it should not be accepted by the person in whose favour the decision has been given. This is clear from this *hadith*: "You bring your disputes to me for adjudication; perhaps one of you is less eloquent than another, I rule against the other party on the basis of what I have heard. Therefore, if I inadvertently grant one of you something owed to his brother; do not take it, for I am granting him something that constitutes a piece of Hellfire." (Ibn Hajr Asqalani. 2000) As quoted above, Khalifa Umar has emphasized on this aspect in these words: "...Consideration of consequences ultimately involves remembering death, and preparing for it by freely parting from one's wealth. Otherworldliness involves dealing justly with everyone and being satisfied with what suffices. If one is not satisfied, with what suffices him, no amount of wealth will enrich him." (Nadr al-Na'im)

#### ***2. Prohibition of Concentration of Wealth and Command for Distribution:***

All that have been created by Allah between the skies and the earth are for the benefit of the mankind. They are, thus, subservient to man. They are, in fact, to fulfill the sustenance (*rizq*) of all, which is considered to be legitimate human needs that might change with the change of time and space. No one is deprived of Allah's bounties. All have an equal right of livelihood from His inexhaustible natural resources. As there is

no limit on earning money, an ignorant man earns money and accumulates it limitlessly without giving any part of it to poor and needy. He is ignorant of the fact that concentration of money even if earned legitimately is against the economic teachings of Islam. Islam never favoured concentration of money in certain number of persons or class of persons. There are several verses to this effect in Qur'an. Thus, in *Surah Humaza*, (104:2-7) Allah warns, "...Who amasses wealth and counts it. He thinks that his wealth will make him last forever. Nay he will certainly be hurled into the crushing disaster. And what will make thee realize what the crushing disaster is? It is the Fire kindled by Allah. Which rises over hearts..." This is a Maccan *Surah* (chapter) and the perspective in which this *Surah* was descended was that there was concentration of money in few hands and the general people were suffering from poverty; some of them were hardcore poor. It is said that it was indeed because of this exhortation against the concentration of wealth and to promote distributive justice that leaders of Mecca became hostile to the Prophet.

We have noted above that Islam is against concentration of money in lesser number of people. It is also against squandering of money (*israf*). It is, thus, against concentration and squandering of wealth and hoarding and wasting of essential commodities when people are deprived of them. In Islam there is a clear message of redistribution of wealth. In fact, redistribution is a noticeable characteristic feature of Islamic economics. In *Surah Ma'un*, (107:1-7) Allah says, "Hast thou seen him who believes religion. That is the one who is rough to the orphan, and urges not the feeding of the needy, so woe to the praying ones, who are unmindful of their prayer! Who do (good) to be seen, and refrain from acts of kindness." This *ahyah* (a part of a chapter of the Qur'an) clearly presents that those who are true Muslims and have more than enough money will take care of those who are poor and indigent. This has been accentuated by a *hadith*. The Prophet once said: "One who has the means of power and strength more than his needs, it is his duty to handover the excess in wealth to the weak, and who has articles of food more than his requirements must surrender the surplus with him to the needy and poor." (Al-Muhalla Fi Sharh, 1988) Those who practice otherwise in fact belie the religion. It is the beauty of the religion that it has no prohibition on earning limitlessly, but at the same time, it preaches for altruism and compassion for those who are needy. It has clearly been said by Allah to say those who ask about ways to spend money that spend what is surplus after meeting your essential needs. (Qur'an, 2:219) This has further been stressed by Allah in these words: "And those who hoard up gold and silver and spend it not in Allah's way – announce to them a painful chastisement." (Qur'an, 9:34) In fact, this *ayah* has gone a step farther to say that those who have more than enough and do not take care of poor will be accountable on the Day of Judgment and will face painful punishments. These Qur'anic injunctions have been accentuated by Prophetic traditions *ahadith*. Prophet is reported to have said that to work for the betterment of widows and orphans is like taking part in jihad or praying whole night or observing fast. (Al-Bukhari, Muhammad Bin Ismail, 1977) Islam prohibits man from wearing gold ornaments and silk cloths. It also prohibits eating and drinking in golden or silver vessels. These have been prohibited because they amount to leading a luxurious life, and encourage lust and pride. Rules had the lust to have plentiful of wealth and power. They worked for their pride and hardly worked for alleviation of poverty. It is in this context that the prophet said that real jihad was to speak truth in the face of a tyrant (*zalim* ruler). (Al-Nasai, Abi 'Abd Rahman Bin Shuaib, 1964) In Islam, one can have things within the limit of necessity. Where necessity ends, squandering (*israf*) starts. Luxury is the sign of ostentation. Islam can never brook the situation where one group of people is leading a luxurious life while others are starving. Allah has warned squanders saying: "Squanders are brothers of devils (*shiyatin*)..." (Qur'an, 17:27) "...Allah does not like squanderers." (Qur'an, 6:141) There is a *hadith* narrated by Abu Dharr to the effect that squanderers will face punishments in the hereafter. (Muslim, Ibn Hajjaj al-Qushayri, 1997)

From the above discussion it is clear that Islam prohibits concentration of wealth. It teaches for being compassionate and generous to poor and indigent people of the society. Those, who have plentiful of wealth and did not spend in the name of Allah, will face penalties. To be generous to poor in addition to payment of obligatory *zakah* is, in fact, fulfilling the rights of Allah. In Islam, squandering is prohibited; rather squanderers will be accountable to Allah in the hereafter. This Islamic teaching of distributive justice is significant and unique in the scheme of justice expounded by Allah, as it has to be practiced with predominance sense of altruism and not giving some one too much and some others too little. This was practiced by the Prophet and his companions. The Prophet never treated her daughter favourably although she was poor. He distributed *zakah* collections and other collections (like *mal ghanimah*) equally among his deserving companions without any favour. On one occasion, one *Sahabi* (Companion of the Prophet) had two sheets to cover his body, one other companion of the Prophet questioned him saying that everyone was given one sheet, how did he have two. The *Sahabi* replied saying that the other sheet belonged to his brother. Some of the companions of the Prophet never hesitated wearing patched clothes rather than misappropriating the state

money. Ali led his life starkly simple and observed rigorous justice in distribution of wealth from the state treasury. This has been the way of life of rulers in many Islamic regimes. But at later stage, some of the rulers distracted from the right path and forgot their duties towards their people. In spite of this, the basic teaching of distributive justice remained intact.

### **3. Trust (Amanah): The Basis of Distributive Justice:**

In Islam, the whole structure of the grand scheme of distributive justice is based on the concept of trust (*amanah*). This concept links man with Allah. We have noted above that whatever Allah has created between the skies and the earth are for the benefit of the humankind; but they are in trust. Money is also as *amanah* in the hands of the man who has earned it. Thus, all resources, including wealth, have to be held and used and utilized on the basis of injunctions ordained by Allah. We have noted above that Allah has ordained us to utilize money to the extent of necessity, fulfilling his needs, which may vary with the change of time and space, and with the rest of the money take care of poor and indigent people in the community.

Islam does not reject the concept of ownership. However, concept of trust indicates that the holder of the wealth is not the sole beneficiary of the wealth he is holding with him. He is only one of the several other beneficiaries. He has, thus, to carry out the distribution of rights of other beneficiaries. The concept of *amanah* is for protecting the interests of the holder of the money and others who have stake in it; it for the sake of practicing economic justice and bringing about harmonious relations between haves and havenots. However, if the holder of the money misappropriates or unfairly distributes the money among the stakeholders or even unnecessarily delays payments to others, it will be considered as (*khiyanah*) If he so practices, he will be accountable in the hereafter. Thus, it is a big responsibility on the man. It can be said that wealth is a means to a glorified end only when the trust of Allah is carried out according to His will. On the contrary, it will be a means of loss (*khasarh*) to the possessor.

As a trustee and a vicegerent (*khalipha*) of Allah man has to take care of not only the interests of the present generation, but also of all coming generations. It requires sustainability in the utilization and consumption of resources, including wealth. Thus, we have to be moderate in using and utilizing resources that are in trust with us, so that needs of all coming generations are also fulfilled. If we don't do that, we are failing to carry out the trust of Allah according to His will. For example, forests are exhaustible natural resources that have interest of the present generation and all coming generations. As *khalipha* of Allah we have to protect the beneficial rights pertaining to forests of the present generation and all future generations alike. If we exhaustively utilize this natural resource, we do not fulfill Allah's trust. This logic is applicable with respect to other natural resources also.

### **Classification: a Tool for Distributive Justice:**

#### **1. General:**

So as to impart distributive justice there has to be an amicable system of redistribution. This requires people to be classified at least into two groups, rich and poor. A redistribution process requires flow of money and things from those who have more than what they usually need to those who do not have enough to live. A general classification can be 'rich' and 'poor' in terms of money or property or both. Aristotle in his theory of 'distributive justice' requires equal distribution of wealth and honour among equals. This has a necessary element of classification. The second principle of Rawls is: "Economic and social inequalities have to be arranged so that they are both: (a) to the greatest benefits of the least advantaged...; and (b) attach to offices and positions open to all under conditions of fair equality of opportunity." Rawls' 'differential principle', thus, requires that individuals who have natural talents may increase their wealth only if, in the process, they also increase the wealth of the least advantaged. This also necessitates making classification. The idea of classification is still being pursued under equality clauses of modern constitutions, which are commonly known as 'equal protection of the law, and equality before the law'. Although equality clauses prohibit discrimination on the ground of cast, creed, color, religion and gender, to facilitate distributive justice courts have developed the doctrine of 'protective discrimination'. It means there is discrimination, but classification can be made for protecting the interest of the poor citizens of the country so that the gap between the rich and the poor is alleviated. The whole idea of protective discrimination depends on redistribution of resources, including land, wealth and power.

India is the best example of 'protective discrimination'. The weaker sections of the country, which are socially, economically and educationally backward, qualify for reservations in education, jobs, promotions, representations in the state assemblies and the Parliament. So as to test the genuineness of the classification, the Supreme Court of India has developed certain conditions: that the classification should be reasonable; that

there should be intelligible differentia between one class and the other class; that there should be an object to achieve; and that object should be achievable. If any of these conditions lacks, the classification is considered to be a violation of Article 14 of the Constitution of India. It is noticeable that in such classifications, caste has been one of the predominant criteria. That is why it was said that 'caste is a class'. This kind of classification created a class within a class. With the result of that, the households within a class, which were socially and educationally well off, took the maximum benefits of reservations; and poor remained deprived. So as to meet this undesirable result, the concept of 'creamy layer' is has been developed; so that economic condition should be made the basic criterion for availing benefits of reservations. The author is of the opinion that this is a healthy legal development. As Islam is based on the concept of Islamic brotherhood (*ukhuwwah*), it rejects caste system among Muslims. For this reason, in the Schedule of the Constitutions of India, which has been made for the purposes of granting benefits of reservations, Muslims have not been included although caste system is practiced among Indian Muslims, and there exist low castes and high castes, similar to Hindus. Some Muslim castes have now been included in the third category, which is known as backward class (now known as other backward class or other backward classes, OBCs). But the irony is that in this category they have to compete with Hindu backward castes, which are socially and educationally ahead of Muslims. Muslims have been demanding for reservation, as whole Muslim population of the country has now become socially and educationally backward. The Mandal Commission and Sacchar Commission have recognized this also. The Mishra Commission recommended for separate 10 percent reservations for poor Muslims, but it has not yet been implemented. It is good news that State of Andhra Pradesh has recently made law providing benefits of reservations to poor Muslims also. Right now, it is 4 percent, which is quite low as compared to the Muslim population of the state. However, it may be expected that the state will increase the percentage of the reservation. It is suggested that other states should take similar initiatives.

Islam is not against the idea of reservation. Rather, it has made classification of rich, who fulfill the *nisab* and obliged to give away certain part of their money and crop to indigent people, and poor, who are entitle to receive it (the 8 categories *asnaf*). (See *infra*) There is a scheme of redistribution of wealth from rich to poor (see below under *zakah*). The idea of reservations in education and services is in conformity with economic and social justice system in Islam. But reservations should solely be on the basis of poverty, as Islam does not subscribe to caste system. In Islam, sovereignty is with Allah. The head of the state, therefore, has to rule the country according to *Shari'ah* principles and detailed rules (*fiqh*) developed on the basis of prescribed means. It requires developing means to check concentration of money and ways to distribute wealth land and essential commodities among the poor section of the society. In other words, state is the custodian of welfare. By virtue of that, it has duty to take care of widows, orphans in particular and other down and trodden in general. So as to carry out this duty state: should declare interest as illegal; should prohibit bonded labour system; should develop schemes for widows, disables and orphans, who cannot be supported by their relative; should provide opportunities to educate people so that child labour is not practiced; should fix minimum wage; if possible, should give unemployment allowance; should work for distribution of land to landless farmers; should control prices of essential commodities; should take stringent action against the act of hoarding, marketeering, black-marketing etc; and should create a welfare fund to meet the challenges of natural calamities.

## 2. *Zakah*:

We have noted above that Allah's bounties (*fadl*) to blessed ones require from them to be generous towards poor and needy of the society (charity, *infaq*). Thus, both *fadl* and *infaq* have to go hand-in-hand. Although Qur'an does not distinguish *sadaqa* from *zakah*, they are pious acts. However, *zakah* is considered to be an obligatory (Qur'an, 5:55) act of *ibadah* and right of Allah; and if a Muslim does not pay it regularly, he is not fulfilling the promise given to Allah. The importance of *zakah* can well be judged from the fact that it has been used many times in Qur'an right after five times prayers (*solat*). It is one of the five pillars of Islam. It purifies givers and their wealth. (Qur'an, 9:103) Through *zakah* Allah has given a Muslim society a unique redistributive system for eradication of poverty. Perhaps for this reason, the Prophet was ordained from Allah that he must necessarily take one part from their wealth as charity. (Qur'an, 9:103) Thus, it has to be taken compulsorily from those who fulfill the *nisab*, above the exemption limit. It is because of this that Caliph Abu Bakr enforced it by application of force. However, in practice now, it is either totally institutionalized, or partially institutionalized, or completely optional. But in all cases there is a religious duty impinged on all Muslims to pay it regularly. If he habitually violated this religious duty, he ceases to be among believers.

It is well understood that payment of *zakah* is a type of *ibadah*. Although its payment is obligatory, it is not a tax. Those who are considering it a tax are, in fact, have a wrong notion about it. However, it has some resemblance with wealth tax. Because of this resemblance, some consider it as an Islamic wealth tax. It may be noted here that since *zakah* is imposed on the accumulated wealth, the list of zakatable items has to be determined on the basis of human wisdom. It is because of this that there exists difference of opinions among scholars of the four *Sunni madhahib* (schools of thought). But it is not a tax; it is worship (*ibadah*). The moment we consider it to be a tax we will come across the following undesirable circumstances which might be true from the point of view of economic expediency: Experts of public finance will try to judge its genuineness, its rates, the *nisab* and exemption limit, the mode of expenditure, etc. It will also develop tendency to avoid payment of *zakah*. The author is of the opinion that anything that is based on divine wisdom, which is absolute, cannot be tested by the limited human wisdom, which is limited. The whole structure of *zakah* is based on divine wisdom, the Qur'an and *Sunnah*. There exists difference (*ikhtilaf*) of opinion on some matters, especially on determining the *nisab* among Muslim jurists, because *zakah* is imposed on the accumulated wealth, and what can be included within the definition of wealth has to be determined on the basis of human wisdom. It is for this reason jurists of four different *Sunni madhahib* have given different lists of inclusions and exclusions. But they all substantiate their opinions prophetic traditions.

It is clear that *zakah* is an obligatory impost of the accumulated wealth, livestock, crops and stock-in-trade. It means any one, who earns income, including salary, is not required to pay it unless he has accumulated wealth up to and above the threshold level. It implies that if a salaried person gets salary every month but does not accumulate any wealth, he will not be liable to pay *zakah*. His participation in the Islamic redistributive system will become obligatory if he has fulfilled the *nisab*. There is another view that *zakah* can be deducted as an employee earns, e.g. monthly basis, which can be known as pay as you earn (PAYE) applicable to income tax payment mechanism, including Malaysia. Most of the jurists are of the opinion that imposition of *zakah* on income should be *zakah* on the crop. However, it is a matter of dispute as to what *nisab* will be applicable to salaried people. Majority view is that the *nisab* applicable to grains will be applicable. On the contrary, there is another view that the *nisab* should be like earned dirham and dinars. From the practicability point of view, the second view is better because in that case from the monthly income monthly expenditures will be deducted, and the balance will be subject to *zakah* if saving is equal to or more than 85 grams of gold. There is yet another view that the income should be calculated at annual basis: one month's salary multiplied by 12 minus annual expenditure, and the balance will be subject to *zakah* if the saving is equal to or more than the value of 85 grams of gold. But in all cases payment of *zakah* will be on monthly basis. It is notable here that in determining the *nisab*, all kinds of debts have to be deducted. In Malaysia, *zakah* can be paid through salary on monthly basis. Monthly deductions can be determined by the payer because he is the best person to know his other sources of income and he may or may pay through the institutional system or he may pay by himself. Since payment of *zakah* is deductible from the liability of income tax, monthly deductions of *zakah* qualifies for deduction from the monthly tax deduction (PCB). The author is of the opinion that the present system is good, and it is in the interest of general public because gradual payments are always than lump sum payments and because the *zakah* money can fast reach poor. At this juncture, a question arises whether deduction of *zakah* from the tax liability will be taking back the money by the other hand. The author is of the opinion that deduction from the income tax liability granted by the government will not affect the meeting out the obligation of paying *zakah*. This is because the deduction is a privilege given by the country to its Muslim residents. The other reason is that in doing so the government puts Muslims and non-Muslims at par. On the contrary, Muslims will have to pay income tax plus *zakah*, will not be economically advisable.

It can, thus, be concluded that the system of *zakah* is distinct and separate from a tax system. This distinction is necessary to be maintained. *Zakah* collections should not be put in the consolidated fund of the states. And one has to be very clear that no state can be run only on money mobilized by way of *zakah*. There has to be a system of taxation. It is economically demanded that those who pay both *zakah* and income tax, they should be given deductions from the tax.

*Zakah* system provides an in-built social security system based on redistribution of money. It provides a mechanism for eradication of poverty in the society, as it requires payment from those who have more than their necessity to those who are poor. (Qur'an, 9:60) (al-Qardawi, Yusuf, 1999) One category of distribution is 'in the cause of Allah'. This is being interpreted widely. The author is of the opinion that it should be interpreted keeping in mind the purpose of the alms (charity). For example, there should be no objection in creating a *zakah* fund, and to invest money from it in various charitable activities from which poor people benefit. But this has to be done only on proper economic investigations. Likewise, low cost houses or shops can be built for poor people. Money can also be paid for establishing business. The author is of the opinion

that if the government properly manages the whole system, a time will come when there will not be hardcore poor households among Muslims. And if *zakah* is supplemented with voluntary charitable payments (*sadaqah*), the speed of poverty eradication will be accelerated.

So as to fulfill the divine will, the *zakah* system is necessary to be institutionalized. In a country like India, institutionalization of *zakah* system is in a rudimentary form. People generally pay *zakah* privately. Recipients of *zakah* take money and consume it. Thus, the very purpose of *zakah* system is frustrated, and a poor remains poor. It is, therefore, highly desirable that at all places *zakah* fund should be created, and from this fund disbursements should be made in cash and kind with a predominant object of making recipients financially self-sufficient. Local Muslim organizations, other NGOs and international institutions like Organization of Islamic Conference (OIC) can play a constructive role by training people to administer an institutionalized *zakah* system.

The author has noted above that a state, with institutionalizing a suitable *zakah* system comprising an amicable collection and distribution process, can work a lot towards eradicating poverty among Muslim, especially in Muslim countries. Along with this, state will have to execute several other welfare and other endeavors, pointed out above, in order to fast alleviation of poverty.

Before an institutionalized *zakah* system is formally developed, individuals, jointly and severally, can take initiatives. One such example is worth quoting here. Few years ago, Muslim research scholars of Rurky Engineering University of India joined hands to help poor and indigent people to make them able to earn their own livelihood. They joined hands and started pooling money on monthly basis. They identified some poor people who were working petty jobs but had the zeal to work hard and to earn livelihood for their families. They gave them enough money to start a small business. Most of them became financially self-sufficient. One of them worked so hard that he is the biggest Muslim food grain dealer of the city. The author along with other members of the Sir Sayed Society of Varanasi, India, also started practicing same kind of strategy and made many households financially self-dependent. Individuals, who have to pay a large amount as *zakah*, can also practice this. The important thing is presence of a predominant sense of compassion towards poor and enthusiasm to make people able to earn their own livelihood.

It has also pointed out above that instead of giving away money to poor and needy, states authorities or financial organizations, which are engaged with an institutionalized *zakah* system, should provide them jobs in order to make them economically independent. On one occasion, the Malaysian Prime Minister Abdullah Ahmad Badawi said, "Do not give them fish; make them capable to catch the fish". While inaugurating the Seventh Langkawi International Dialogue, he emphasized on it in the following words: "Facilitation of income-generation programmes for the poor, enabling them to have better access and make better use of various resources including land, labour, physical capital infrastructure and technology." (New Straits Times, ) In fact, it is the actual message of Islam. It can well be supported by a *hadith*: A poor Ansari man approached Prophet and asked for alms. Prophet enquired from whether he could spare anything from his house. He then brought a blanket. Prophet enquired his companions, who were sitting along with him, whether any of them could by it. One *Sahaba* bought it on payment of two dirham. Then Prophet asked the man to buy food for his family with one dirham and with another dirham buy one axe. He bought an axe and brought it to the Prophet. He helped the man to fix the axe with a baton and asked him to make use of it in earning his livelihood. Prophet told the man not to come to him 15 days. The man came back to the Prophet after fifteen days and told that he had earned 10 Dirham. Then the prophet told that 'alms are for those who are indigent, indebted, and who spitting blood (sick people) is'. (Abu Dawud, Sulayman ibn al-Ashath, 1996) We get two messages from this *hadith*: One, those who can earn their livelihood must work to get it. Secondly, alms should be given to make indigent people to make them economically self-dependent.

Among the priorities of disbursing the *zakah* money, welfare activities have to be first. It might include food to poor, who are starving, helping widows, divorcees, old folks, single mothers, orphans, and rehabilitation of prostitutes, because if they cannot get support from their relatives, who could have inherited properties of these people, it the responsibility to support them. But is the whole process the idea to make them economically independent, by giving them vocational training or otherwise, has to be given priority. Next to this comes education and health. This is because good health and education are instruments to earn livelihood.

It has also been stressed above that there should be a fund created on the basis of collections, so that as and when help to poor is needed, it could be disbursed. This will also be helpful in case of natural calamities. The author is happy to note that efforts are been to have an International Poverty Alleviation Fund. This is certainly a good step in right direction. In fact global cooperation of this type was imperatively demanded.

**Institutional mechanism:**

In South Asia, some kind of institutionalized collection and distribution of *zakah* and donations can be seen in Islamic *madaris* (schools) and *Jamias* (universities) wholly and exclusively engaged with teaching and learning, especially with imparting revealed knowledge based on the Qur'an and *Sunnah*. They collect *zakah* through *amins* (personal appointed for collecting *zakah*). *Amins* can collect *zakah* through ought the year, but they become active in the month of *Ramazan* (fasting month), as in this month all *madaris* and *jamias* all closed in order to facilitate students and teachers to go to their native home towns and engage themselves in *ibada* of fasting; and rich people pay out their *zakah* liability in this month. *Amins* (people entrusted the job to collect) are given certain percentage of the money they collect. The major part of the money is utilized by educational institutions on giving salaries and bearing expenses of poor students. Since education is fundamental for sustainable development of a society and a core feature of distributive justice and alleviation of poverty, all such educational institutions get support from rich Muslims of the region. In addition to these educational institutions, rich people give *zakah* and donations to schools, hospitals, orphanage and old folk homes.

As pointed out above, in an institutionalized collecting and distribution mechanism, Muslim NGOs and registered societies can play a positive role. It is notable that most of such association of persons can very well be operative at district level. If they are engaged in collection and distribution of *zakah*, they should fulfill the following conditions:

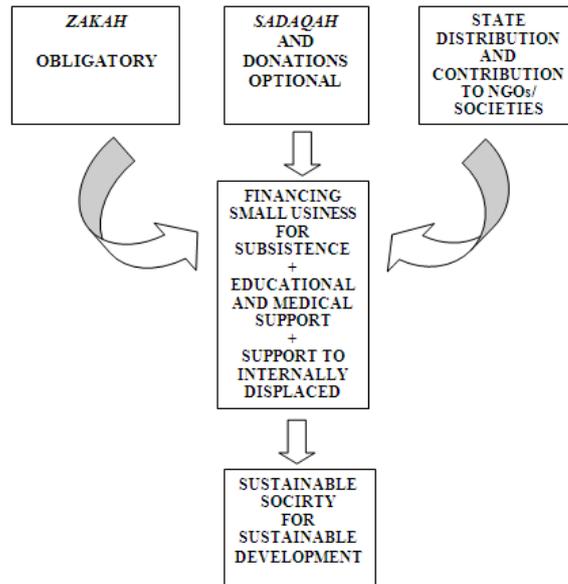
1. They all should be registered.
2. Their legal documents must provide for it.
3. There should be an executive committee and a general body.
4. These bodies should normally meet every four months.
5. They should have a president, a secretary, an accountant and an auditor.
6. They must maintain appropriate accounts.
7. Accounts must be audited both internally and externally.
8. All money must be in a bank account operable by signature of the accountant and the president of the institution.
9. Money can only be disbursed for the benefit of poor (*asnaf*).
10. They must present accounts annually to the general body of the institution.

It will be in the interest of the Muslim community if state governments pass appropriate legislations for establishment, functioning, accountability and dissolution of these institutions. The author is of the opinion that these institutions should be provided financial help by Muslim finance commissions where Muslims are in minority, established and funded by state governments.

The author is of the opinion that educational institutions, NGOs and societies work efficiently, at local level, they can succeed in alleviating poverty and establishing a sustainable development in districts they are operating. Their emphasis must be: to provide jobs to poor for making them economically self dependent, providing educational and medical help to poor, helping victims of natural calamities. These institutions must have some kind of cooperation among themselves, so that in crisis situation, one can help the other.

**Conclusion:**

For achieving sustainable development, a sustainable society is a prerequisite. This requires alleviating the gap between rich and poor, which can be achieved only by redistributing financial and other resources. Distributive justice is a significant characteristic feature of Muslim societies around the world. Islam does not plead for absolute equality. There is a limitless freedom to acquire money, but the money beyond one's necessity is in trust with the person who has acquired it. By virtue of that he is duty bound to give away a substantial, mandatory and optional, part of his money to needy and poor. If he does so, he is carrying out the will of Allah (s.w.t.). The concept of ownership in Islam is with this divine limitation. Obligatory *zakah*, as poor's due, an act of worship (*ibadah*) and fulfilling the right of Allah (s.w.t.), and optional *sadaqah* are the special feature of redistribution of money in an Islamic society. They together constitute an in-built system of social security and alleviation of poverty. This is enhanced by other distribution of lands, money, and other things e.g. reservations of jobs, education and licenses. If it is practiced as an institutionalized system by the government or organizations with an emphasis to make poor to be economically self-sufficient, it will be the real transformation of Allah's will into practice. The whole Islamic system of redistribution of financial resources from rich (who fulfills the *nisab*) to poor (who are entitled to receive *zakah*) can be demonstrated by figure 2 below:



**Fig. 2:** Institutionalized Redistribution and Poverty Alleviation Mechanism and Establishment of a Sustainable Society through NGOs and registered Societies

There are some states, including India, where *zakah* is still being paid at individual level. It is suggested that efforts should be made to institutionalize it. If is not possible to do it at national level, it should be done at local level. The best purpose that we can serve through payment of *zakah* is to make people financially self-sufficient, rather than distributing money among poor people in an unplanned manner. Instead of giving bread to a poor person, make him able to earn his own bread. This is the proper way to eradicate poverty. (See Muhammad, Abdul Aziz bin, 1993) This has to be practiced by blessed ones jointly and severally, as we cannot wait for an institutionalized *zakah* system. Local and international organizations can play a constructive role in institutionalizing *zakah* system at placed where they do not exist. Instead of having such a system at nationally level, people should be encouraged to practice it at local levels. The effort towards creating an International *Zakah* Fund is a welcome move. There are many issues pertaining to *zakah*. Jurists are making efforts to find solutions to them. The author is of the opinion that on these issues *ijmah* within a country should be reached; for it, consensus among ‘*ulama* (expert of the religion Islam) of the whole world are not required.

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