Philanthropy in Islam: A promise to Welfare Economics System

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Abstract
Islamic presence is intended to meet all the demands of life (shumūl al-hayāh). In the economic sphere, Islam set rules comprehensively about the relationship between religion and economy, both should go hand in hand, such as philanthropy actions. Since the early days, philanthropy has become the basic Islamic economy, where philanthropy which means "love of people" had been successfully practiced by the Prophet and the companions accompanied by moral motivation to achieve the glory of Islam, social justice and remove economic oppression. Philanthropy in Islam has been based on a clear legal, either from the al-Qur'an also al-Hadīth. However, the current discussion on the economics of philanthropy is very much clouded by conventional view which argues that the form of charitable gifts are motivated by government tax policy. Our view which is derived from Islamic law theory may deviate from such view in the sense that the motives, causes and influences of philanthropic behaviour are different. Therefore, this study will explore the economics of philanthropy which is adapted from the Islamic law. The end result, it might us to readjust the impact of philanthropic behavior on inter-generational transfers and the provisions of public and private goods.

Keywords: philanthropy, altruism, welfare programs, economics of philanthropy, government policy.

JEL Classification: D64, D64; D63, H55, M14, D31

philanthropy
Philanthropy in Islam: A Promise to Welfare Economics System

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1. Introduction

The rapid accumulation of wealth and the strengthening of position and status of a few rich people have created injustice. Over the last 20 years (from 1990 to 2012), the rich one percent of the world population is able to raise more than 60 percent its revenues. The unjust distribution is identified as one of the major factor of poverty for millions of people around the world. It shows that to realize the economic life of justice and hence the state of welfare are not an easy thing to achieve. Similar views are also mentioned by Posner (1981), Kapstein (2007) and Oxfam (2013).

In the effort to address the economic inequalities, economist like Andreoni (1982) believes that philanthropy could be one of the tools to create economic justice and betterment. As the results, rich individuals like Kings, rulers, celebrity and the like donate their wealth (in bigger amount) through philanthropy. The philanthropy act also comes from the individual at large. But others like Stiglitz (2002) say that the actual range of social programs that philanthropists do, just considered a "mask" to cover up the sense of social injustice, environmental as well as they did.

Many factors are identified that encourage the rich individual to donate. For example, George Soros inspired by his father’s risk-taking during World War II which took his family and others to escape Hungary during the Nazi occupation. By doing this, it makes him feel happy. Arnold Goldstein which builds a million-dollar playground in the old neighborhood says he wanted to provide something to kids there where he did not have when he was growing up. The Bill and Melinda Gates Foundation has distributed...
approximately USD23 billion in grants to help all people lead healthy, and productive lives. Oprah which has given scholarships in South Africa, said that she finds inner peace when she started doing charity acts, “…making charity really feels like a part of her life”6. The act also comes from the people at large to donate. They donate partly because the incentive given by government policy such tax exemption. But, generally the motivations are based on their concern for others, also maybe inspired by an event on the past without based an obligation orders by religion as a way of life towards the hereafter.

It shows that philanthropy also has contributed to the economy. Economic impact that comes from philanthropy will usually be beneficial to the people may be in the form of property, facilities, services, charities, building and others either in tangible or intangible objects. Therefore, the existence of philanthropy is important in maintenance and enhancement of social cohesion. The willingness to give and share not only can ease the lives of the needy, poor, and also those who are weak and oppressed economically, politically, and socially, but also can reduce social jealousy and hatred among social classes. Therefore, the philanthropy may lead a country towards a welfare state. On the other hand, it may be motivated by the state of welfare in a country. It raises the debate again on the paradigm of “state or market” and the “welfare state or philanthropy”. The market fails to produce just and fair economic system. Or the social programs should be done by government to address the state of welfare. Or the state of welfare should be taken care of by voluntary sector.

Hence, the important message of this paper is that though philanthropy is an old concept, and recently is recognized as new field in economics (see JEL classification code D64) and becomes part of welfare economics. However, as reported in Schuyt (2010), the scholarly publication in leading English-language political science journals shows that philanthropy is a distinct concept. In addition, the current studies also as summarized by Schuyt (2010) are very much influenced by Christian tradition; none has included the Islamic tradition in explaining the instruments and principles. Then, the challenge is to incorporate philanthropy in welfare economic system. Therefore, the aim of this paper is to examine the comprehension of philanthropy from Islamic tradition. Then, it will be used to explain the current debate on the paradigm of “state or market” and the “welfare state or philanthropy”.

The discussion of this paper will be divided into 4 sections. Section 2 will discuss the subject of philanthropy from Islamic tradition. Our tradition will start from traditional (ṣalāf) view, but this view is limited to instruments and motives our view may be grouped as modern (khalāf) view, section 3 will touch on the principles of philanthropy and in last section will discuss how does principles of philanthropy has been applied in Islam.

Our discussion on this area is motivated by two reasons: this area is new and only recently up-dated as new subject in welfare economics applied from the Islamic Philanthropy and much of the discussion are clouded by general interpretation about philanthropy. In this paper, we will discuss the subject from Islamic view. Although, there are many discussion from salaf view, but this view is limited to instruments and motives our view may be grouped as khalaf view. In the sense that our discussion will highlight the similarities and differences the definition compared to conventional view. This paper will give us an idea on the differences to know concept and Islamic purpose. Also provide why the instruments of it is an important function to support Islamic economic welfare, while seeing a few examples what that have been applied in Islam.

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2. An Insight into the Studies of Philanthropy

In Islam, philanthropy has become the centerpiece of the development of the ummah. Philanthropy has been exemplified by the Prophet (saw) and along with His companions. Until now the survival of Islam also relies on philanthropic involvement. For example, in the development process al-Nabawi mosque, action involving philanthropy, in a long hadith that tells the events of the Hijrah: "Then, he rode his mount animals, accompanied by the people. Eventually, the beast roars at the site (candidate) mosque Prophet saw at that place, on that day he also founded the prayer with the Muslims. Locations are is palm groves owned by Suhail and Sahl, two orphan children who are under the care of As’ad bin Zurārah. The Prophet said when his mount beast roars at the site, "this place, will be a place to stay (The Prophet)."Then, he called for two of the landowners and the children bid their land for the mosque. Both of them said," No, we even gave it over to you, O Prophet "the Prophet was reluctant to accept the grant, until he bought it from both. Which then until now where it is a place owned by the ummah.

Likewise Umar ibn al-Khattāb, when he gave the land in Khaibar. Narrated in a hadith of Imam al-Bukhari. From Ibn Umar, said that the Companions Umar acquired a land in Khaibar, then facing Rasulallah to seek the guidance. Umar said: "O Rasūlallah, I get a piece of land in Khaibar, I have not been getting the best property, then what do you command me?" Rasūlallah said: "When you love, you shall hold the land, and donate outcome of it". "Then Umar decide donate the land, not sold, not inherited, and not even hibah. Ibn Umar said: "Umar give it to the poor, kin, thrall, sabīllah, Ibn al Sabīl, and guests. And it does not matter/not restricted to the control of the land (for manage) eat from the outcome, either way (if appropriate) to feed other people with no means to accumulate wealth."

Similarly Abdurrahman ibn Auf sold his land forty thousand dinars, then distributed in between the Zahara people, poor, and the wives of the Prophet (s.a.w), he sent to Aisha the money, and ‘Aisha said: Who sent this money? Said, ‘Abd al Rahmān ibn ᶜAuf. She said: The Prophet said: "will not bowed you after me, but the righteous" and God watered Ibn Auf of Salsabil paradise. Said Dhahaby: that Abdul Rahmān ibn Auf recommended fifty thousand dinars for the sake of Allah. He also recommended a thousand horse for the sake of Allah, give for Badrin (which amounts one hundred people), giving every one of them: four hundred dinars. That's life in the early development of Islam, where philanthropy is very common among Muslims.

From the above discussion, we can identify the words like “give”, “donate”, “palms grove” and “grant” which show the type of instruments and the motives of donation. In this section, we will dwell further the explanation on the instruments that can considered for philanthropy and the motives behind it. Let, we discuss the meaning of philanthropy first.

2.1 The Meaning of Philanthropy

Generally, most of us agree that philanthropy is a form of charity. Etymologically, the word of philanthropy comes from Latin as philanthropia. In Greek, philanthropia is defined

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as "kindliness, humanity, benevolence, love to mankind" (from gods, men, or things), while the adjective of this word, i.e., philanthropos means "loving mankind, useful to man,". Because it is derived from phil- "loving" (see philo-) + anthropos "mankind" (see anthropo-). Hence, the combination of these two words generate a meaning "Love or love to man".12 Therefore, Andreoni (1982) suggests that philanthropy is defined as benevolent behavior, usually in the form of charitable gifts, toward others in society. The term of “new philanthropy”, as stated by Brown (2000), invokes together the descriptions of the hands-on, entrepreneurial style of charity practiced by many new foundations and newly rich benefactors. Thus, it shows that philanthropy is a moral effort for the liberation of man from his troubles.

The definition of philanthropy has also evolved from personal activities into one action-oriented economic objectives that the actions of a group of person who loves others by donating their resources. This definition is clearly mentioned by Payton (1988) who says that philanthropy is a form to show the collective activities undertaken by individual through organizations or institutions. He also interpret the practice of giving, services and association to help others in need as an expression of love. As the results, dozens of philanthropic organizations have been established13 and their activities and programs are many including fulfillment of basic needs such as food, clothing, medicine, and housing; redistribution of power; transformation to develop values of plurality and diversity; increased the capacity of community (so that the people have power to act); and public participation in decision-making.

As explained above, the general meaning of philanthropy is indeed different from the tradition of Islam. What we can interpret is that philanthropy is a sense oriented 'love of man' with moral motivation voluntarily, without any element of obligation from Allah (s.w.t). While in Islam, its philosophical basis is the 'obligation' of 'Allah' to achieve social justice. This understanding may create unity between love of the human, moral motivation, and the obligations of Allah (s.w.t) to achieve social justice in this world. In Islamic philanthropy, the donor and the recipient has relationship, it is not only to perpetuate the superior-inferior, but more importantly partnership with balance and equality, and therefore the bad intentions can be avoided.14 So, the meaning of philanthropy is an example is the meaning that understood today, i.e. we give voluntarily.

2.2 Instruments

In Islam, the word of philanthropy itself can be interchangeably with the word Sadaqah. Therefore, philanthropy is not limited to the source of wealth that are just voluntary donation, but may be derived from the rule that requires (obligatory order) was issued, while the same legal source, their utilization and the same way and function from the ummah, to ummah for the economic welfare of ummah. Hence, there are two forms of charity in Islam obligatory and voluntary, called Sadaqah. In practice, there are two kind we can divided into the following categories which have separate rulings is ṣadaqah wajibah (obligatory), ṣadaqah nāfilah (voluntary). Actually these the two kind of Sadaqah have the same function of creating social justice in the field of welfare economics. With this instruments that transfer income to the poor rich people, then demand for goods and

14 "Is it they who allocate the mercy of your Lord? We have allocated among them their livelihood in the worldly life, and have raised some of them over others in ranks, so that some of them may put some others to work. And the mercy of your Lord is much better than what they accumulate." [Qur’an: 43:32]
services the poor will increase. In this context we can see that the Islamic Philanthropy allocative function of reallocating resources from the rich to the poor as an effective way of fighting poverty.

A **Sadaqah Wājibah**

This is type of worship donations for all muslims. This type is comparable with zakāh, it should be spent on an equivalent classes as outlined by *dalil* (reason or argument from the al-Qur’ān and Hadith) or *ljma* (scholars consensus), as:

**Zakāh**

*Zakāh* is obligatory for every muslim, it’s part of the wealth required of a Muslim when his property was reached *nisāb* to be given to people who deserve it (*mustaṣiq*). The group that has been assigned the right to receive in al-Qur’ān. Allah s.w.t said:

> “Who give not the poor-due, and who are disbelievers in the Hereafter.”

> “The alms are only for the poor and the needy, and those who collect them, and those whose hearts are to be reconciled, and to free the captives and the debtors, and for the cause of Allah, and (for) the wayfarer; a duty imposed by Allah. Allah is Knower, Wise.”

**Zakāh** is divided into two types, is based on the purpose of the charity function itself, one for the purpose of purifying the soul and the second aims to purify the property.

**Zakāh al-Fitr**

This type which issued in the month of ramadan or lastly in the morning of Ied al-Fitr. The obligation intended to purify the soul, as cleaner the soul of things littering the implementation of the fasting in Ramadan. It also serves as a donation for the poor and those who are eligible to receive charity on Ied al-Fitr. Those who were hit obligation for every Muslim, whether rich or poor, is still alive, and have excess the property from being spent on primary needs. Prophet s.a.w said:

> “The compulsory al-fitrah charity in Ramadan, one sha of dates, or one sa of wheat, of every Muslim free and slave, male or female.”

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15 Gold *nisab* is 20 dinars (equivalent to 85 grams of pure gold) while nisab silver is 200 dirhams (equivalent to 672 grams of silver). This means, if you have 20 dinars of gold for one year, then gold should be issued zakat 2.5%. While nisab of cash money, savings, stocks, bonds, and other treasures are similar in value to the amount of gold must be paid same as zakah of gold and silver. Nisab of income is if your income has reached a value of 5 wasaq or 652.8 kg of grain (equivalent to 520 kg of rice), the amount must be paid is 2.5% from income.

16 Qur’ān, 41:7

17 Qur’ān, 9:60


19 Sa, if we convert, then the amount of zakah al-Fitrah is worth 2.176 kg of basic foodstuffs that apply in the region, such as wheat flour, dates, wheat, and rice.

Zakāh al-Māl

This type is zakāh must be paid of a Muslim from their proper ty when it reaches a certain amount (nisāb).²¹ Allah s.w.t said:

“O ye who believe! Spend of the good things which ye have earned, and of that which We bring forth from the earth for you, and seek not the bad (with intent) to spend thereof (in charity) when ye would not take it for yourselves save with disdain; and know that Allah is Absolute, Owner of Praise.”²²

“And in whose wealth there is a right acknowledged, For the beggar and the destitute.”²³

Zakāh is not a gift or donation or favor from the rich to the poor, but right for them and preferred the poor to the rich because they cause large to rewarding them. As explained in the verse above that the recipient of zakāh are eight groups. They are: first, the Faqīr - faqīr is often equated with the poor. Since both are similar to each other. But each still have the uniqueness that sets it apart from others. Ash-Shafi’i view that is meant by faqīr is a person who has no assets and no income sufficient basic needs. Or at least their human intent suffice. Including them is a woman does not have a husband who can give cost of living. Basic needs itself in the form of the need to eat to pass on his life, clothes that can cover just nakedness or protect themselves from the heat and cold, as well as just a place to stay for shelter from heat and rain or unfavorable weather.

Second, the poor - they are people who do not have sufficient assets to meet their basic needs, although they are still there is little ability to get it. He’s got something that can produce basic needs, but in very small quantities and is far from enough to just make a living and survive. From here we can compared there is little difference between the faqīr and the poor, that the state of the faqīr was worse than the poor. Because of the poor still have the possibility of income, although very small and inadequate. While faqīr is already not have anything and do not have any ability to get the basic intent of his life.

Third, zakāh administrator - They are required to have knowledge about the law of Zakāh. Also who are trustworthy and fair. This includes the registrar, divider charity, save property and other skills are closely associated with the task of collecting and sharing Zakah. They work well so that Zakāh-making process is running correctly, on target, and not miss. Also they work hard to ensure that people are entitled to collect it actually received. Over all this hard work and service, they are entitled to a portion of the Zakāh funds, even though they are rich. Sesunggunya work amil Zakāh was pretty tough because not only receiving and distributing Zakāh only. But more than that also had the burden of poverty and welfare distribution.

Fourth, the mu allaf (one who persuaded him to Islam) - Including the fact that mu allaf are not limited to those who are new to Islam, but also includes people who are still in non-Islamic religious or still unbelievers, but were persuaded her to convert to Islam. Muallaf the unbelievers is still divided into two groups. First, they expected kindness. Second, those who avoided crime. They expected their kindness is expected

²² Qur’ān, 2:267
²³ Qur’ān, 70:24-25
to Islam. So they are given a portion of Zakāh, so there is a kind of encouragement to enter Islam. While those crimes are avoided unbelievers who had been hostile to Muslims. To them, allowed the provision of some of Zakāh in order to soften the heart and reduce or stop the hostility to the Muslims.

Fifth, for slaves - What is meant by slaves in this case according to the Madhhab al-Hanāfiyyah and ash-Shāfi‘iyyah is Almukātibūn, the slaves who were taking care of her release by paying / pierce his pride to his master by way of pay by gradual manner.

Sixth, people who owe - understanding the gharimin is limited to people who have a debt to meet basic needs, the funds of the Zakāh given to free him from debt. Or debt for the good caused by an attempt to reconcile the two people to the dispute, even though the debtor personally wealthy, he is entitled to receive Zakāh funds to replace funds spent. So is debt resulting from program or activity for social purposes, such as orphans foundation funds, or hospital for treatment of the poor or school fees for the Muslims.

Seventh, fi Sabīlillah - Yusuf al-Qaradawi in the book Fiqh al-Zakāh say that is Fi Sabīlillah including: Building dakwah centers (Al-Markāz Al-Islāmī) that support the Islamic dakwah programs, publishes writings on Islam and teach Islam to the people, Islamic school tuition fees, the cost of educating a candidate da`i who will fight in Allah's way with their knowledge.

Eighth, musāfir 24 - That traveler who is far from his country, though he was a sufficiency in the country. But the situation is on the way, making it eligible for Zakāh. Provided that the journey is not a trip immoral.

It shows, as reported in Row 2 Table 1, that Zakāh are transferred to Zakāh administrator then it will be channeled to dedicated asnaf as discussed above. It shows that zakāh is divided into two types, is based on the purpose of the charity function itself, one for the purpose of purifying the soul and the second aims to purify the property.

**Nadhr**

This is an action which becomes necessary due to one imposing it upon oneself. This can be done if one wishes to express gratitude, and the action can take on a number of forms, including Sādaqah. If a person makes such an oath of giving charity, that then becomes Sādaqah Wājibah. If they are unable to uphold the oath, they will have to give Kaffārah, and may be sinful.

“(Remember) when the wife of ‘Imran said: My Lord! I have vowed unto Thee that which is in my belly as a consecrated (offering). Accept it from me. Lo! Thou, only Thou, art the Hearer, the Knower!”25

**Fidyah**

This is compensation for missing Salāh (muslim prayer) or Soum (fasting) for a person who cannot perform them due to being in terminal illness or being deceased (in which case it is given out of a third of the wealth) or in the event of a person making a minor mistake in Hajj. The amount for each missed Salāh or Soum, or each minor mistake in Hajj is to give 1.6 kg of wheat or its value (i.e. the same amount given for Sādaqah al-Fitr) to the poor. Fidyah

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24 That traveler who is far from his country, though he was a sufficiency in the country. But the situation is on the way, making it eligible for Zakāh. Provided that the journey is not a trip immoral.

25 Qur’an: 3: 35
is Sādaqah Wajibah. Sādaqah Nafilah may be given in addition either from the deceased’s estate or on their behalf in which case both the giver and the deceased are rewarded.

Allah said:

“(Fasting) for a fixed number of days; but if any of you is ill or on a journey, the prescribed number (should be made up) from days later. For those who can do it (with hardship) is a ransom, the feeding of one that is indigent. But he that will give more of his own free-will—it is better for him, and it is better for you that ye fast, if ye only knew.”

Kaffārah

This is major compensation and like Fidyah it is also Sādaqah Wājibah. It applies in various situations such as if a person breaks a fast intentionally, breaks an oath, or kills someone, Kaffārah would then be binding as the form of redemption. There are five actions for which kaffārah will be necessary, however, they fall under two types.

The greater Kaffārah: For redemption of this a person may free a slave (which is no longer applicable) or fast for sixty consecutive days (if a person breaks a fast intentionally they would need to fast for sixty consecutive days, unless they can’t fast due to poor health or old age, there are no exceptions to this). Failing that one may feed sixty poor people for a day (i.e. two meals a day, each meal is equivalent to a fidyah). This Kaffārah applies to intentionally breaking Saum27 (fast), breaking Zihar (To consider one’s wife as Haram for oneself by comparing her to a Mahram - anyone too closely related to be marriageable) and Being the direct cause of someone’s death (this is coupled with the set punishments).

The lesser Kaffārah for redemption of this a person may free a slave (which is no longer applicable) or feed ten poor people for two meals in one day, or give each one of them clothing. Failing this, he may fast for three consecutive days (The order is also different from the greater Kaffārah). This Kaffārah applies to breaking/violating Yamīn (an oath) and Breaking Ila (To take an oath on not having conjugal relationships with one’s wife).

Udhiyyah

This is also known as Qurban or sacrifice. It is obligation order upon all mature Muslims, on the day of Idul Adha, possess nisāb. Whoever qualifies for this is required to purchase a sheep or goat of more than one year in age, and slaughter that in the name of Allah after the Eid prayer preferably on the same day. The sacrifice can also be done on the two days after Eid. If one fails to make the sacrifice in these three days he will still have to donate the value of the animal28.

From the meat he may eat himself and feed his family and also distribute meat amongst the poor Muslims. One is not responsible to give Zakāh or any necessary Sādaqah

26 Qur’an: 02:184
27 In the instance of not being able to feed sixty people in a single day then he may feed one person for sixty days, but in this case if he were to try to quicken payment of this by giving all the money in one day to one person, kaffārah would not be fulfilled, and his offering would only be equal to one days feeding.
28 One may slaughter goats or sheep, which constitute one sacrifice each, or one may slaughter a larger animal (i.e. cow or buffalo) which will be counted as seven sacrifices each. In the event of living in a wealthy country, it is better that one sacrifices one part locally to fulfil the Sunnah of sacrificing oneself; and to arrange for the remaining sacrifices to be performed in a poorer country, where the poor may also partake of it.
for one’s spouse nor one’s mature children - they are responsible for themselves. One is however, responsible for only giving sādaqah al-fitr for one’s minor children, however, neither Zakāh is given from their wealth, nor udhiyyah given on their behalf.

Udhiyyah in other type is Dām. There two types, one is like udhiyyah in the sense that it is a religious requirement on adult Muslims. The only difference is that it is specific to people who are performing Hajj. This Dām is called Dām ash-Shukr. The second type of Dām, like fidyah, is a means of compensation for mistakes in Hajj, but the difference is the magnitude of the mistake. Fidyah is given in lieu of minor mistakes while Dām is in lieu of major mistakes. Dām, like Udhiyyah, is the sacrifice of a sheep or goat. It can also be made a part (i.e. 1/7) of a larger sacrifice.

Other type of udhiyyah is badonah is like Dām, but while Dām is the sacrifice of a sheep or goat, Badanah is the sacrifice of a large animal, i.e. a cow or camel. This is the largest penalty in Hajj.

Kharāj

Kharaj is a result of the land tax imposed upon the al-Dzimmi (non-Muslims). In Islamic law, kharaj is taxes for agricultural land. It not mentioned in the Qur’an or Hadīth but rather to ijma (scholars consensus) and urf (Islamic tradition).

Historically, Kharaj is form of fees charged on land which had been taken from the Byzantine Empire, either through war or peace. If the peace agreement between Muslims and the residents agreed saying the land belongs Daulah Islamiyah (state), and they admit to paying Kharaj. Although they converted to Islam after the conquest, but the land is still land of Kharajiyah.

Ushr

Ushr understood as a collection of the tax, which is collected in a certain amount from the importer or exporter, both Muslims and dhimmi. Therefore, the amount is equal levied by the state when importing the commodity from the country or exported commodities to the State.

Daribah

Dharibah is a treasure that is obligatory upon the ummah (muslims and dhimmi) in order to meet their needs, while the Baitul mal cannot meet that.

Jizyah

Jizya is a tax which is given by non-Muslims in a country under the rule of Islam as a replacement of Zakah and guarantee of all rights.

B Sādaqah Nāfilah

This is charity which is not binding in nature but is optional. This type includes alms given for the removal of difficulties, philanthropic (to give out of mercy to the less fortunate), the general giving of any Halal item to any one etc. This type does not need to be spent on the specified categories to be rewarding nor does it have to be spent on Muslims, although if spent on poor Muslims it would be more rewarding. This can also be bequeathed in one’s will (in which case it would be only up to a third of the deceased person’s entire estate).
There are various motives in this instrument such as avoid disaster for the giver and his family; it will make extendable of life, and prevented from bad of death; defuse Allah's anger; closes seventy-seven ugliness doors; can avoid slander from the families, children and neighbors; remove sin as water removing fire or cools his grave. Generally, sadaqah might be referred for all Islamic philanthropy besides the zakāh. All worshipping act through the expenditure of money or property is broadly classified as sadaqah. According to al-Qur’an and al-Hadith, we can find a whole range of important instruments in Islamic philanthropy that comes from sadaqah.

*Lillah (for god)*

This common Muslim generally call Sādaqah, that does not have the condition of having to be passed into the possession of a person, as it can be given to institutes (e.g. Masajid, hospitals, schools, orphanages, etc)

*Waqf*

This is to allot something as a trust for a certain cause. This can be during one’s lifetime or bequeathed in one’s will (up to the value of a third of one’s estate). When executed, the donation becomes the property of Allah I (and thus has specific rules regarding it), and its beneficiaries are to remain those named as the cause (e.g. the poor, orphans, students, the people of a certain locality, etc.) The difference between this and *Lillah* is that with *Waqf* ownership is not given to people or institutes but only the benefits are ascribed. Like today’s trusts, Waqf also requires the care of trustees over it.

*Aqīqah*

This is the sacrifice of an animal or two as thanks to Allah for the birth of a child. With this too can members of the locality be fed, preference again is for the poor and close family members.

Charity that is above the amount of *Sadaqah Wājibah*

This type of Sādaqah is the essence of Lillah. Although not categorized as necessary, this type of charity, as long as from pure means and with pure intentions, is always accepted by Allah. It is also this type that Allah I has described as a beautiful debt, as He treats this charity as a loan which He will repay in the hereafter.

"Who is he that will loan to Allah a beautiful loan? For (Allah) will increase it manifold to his credit, and he will have (besides) a liberal reward."

The summary of those instruments are presented in Table 1.

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30 See al-Thabrany, Vol. 5, Hadith 422.
37 Qur’an, 57:11
2.3 The Motives

Motive is something that causes a person to act in a certain way, do a certain thing, etc.; incentive or the goal or object of a person's actions. From this definition, we can deduce that, we operate as human beings through motivation (or niat). Human is the God's creation who can think, would not be possible if it acts without any motive, in all actions, either good motives or bad motives. Therefore, motive will always accompany even the early motive with the result are sometimes incompatible, certainly in conscious condition, human actions is not possible without the motives. Including the motive is an act of giving or philanthropic actions.

By examining several verses in al-Quran, the motives are as follows: first, individual gives philanthropy in order to help the distress directly (al-Qur'an: 02:205). This act is only temporary in nature and it will last for only a short while. Giving sadaqah (refer to Table 1, under sadaqāh lillah) may fall under this act. For example, giving some money, clothes, food, providing shelter in the form of tangible assets (al-Qur'an, 02: 20) or teaching, caring for the sick, helping others own effort, giving motivation in the form of intangible assets (al-Qur’an: 03:190) are among the types of sadaqah that could be channeled to individuals or institutions.

Second, individual gives philanthropy because of obligations motive as set out in the teachings of Islam (al-Qur’an: 09: 76). This motive, as discussed in Islamic literature, can be categorized as alms that only apply to tangible property only. The examples of obligatory alms are Zakāh, nadhr, fidyah, Kaffārah and udhiyyah (al-Qur’an, 08: 60) which are addressed to a particular individual or institution.

Third, individual gives philanthropy for helping the public in general, but the motive (as reported in Table 1 under the waqf instruments) is eternal treasure forever or until the instruments could not generate the benefits. This instrument may fall under the waqf property. The tangible properties are addressed to individual or institution, for example giving land, building materials, tools, money and other objects that have benefits. However, the most important reason to give is that we end up giving our money to Allah (s.w.t) is an act of love, worship and acknowledgment that Allah s.w.t is our Lord and He is everything.

<table>
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2.4 The Causality Effect of Philanthropy

Philanthropy will raise two effects for the giver, first the socialist effect such creating the social justice functions and secondly spiritualist effects that strengthen obedience value to Allah. We can describe in terms of sociology, there is name of satisfaction and dissatisfaction, in the people society will feel the sense of satisfaction when someone has given something useful for others. In relationship with psychology, it is described by a psychologist, "If someone wants to get happiness in this life, he should take part take part in a benefit to others. Because the pleasure one can depend on other people pleasure and enjoyment of others depend on her pleasure". Actually do not need to wait for the end of the world to know how good or ill reward and punishment due to the sin, uncomfortably it. Even now, they can be felt. Reward in the form of inner contentment, happiness, and comfort the hearts obtained from do some good, and so was also the punishment, she manifesting in the form of a suffocating tangle, anxiety, inconvenience heart, mind, soul and even body after doing bad deeds of others.

Normally, if something removed, the something that will decrease or disappear. For example ten thousand minus five thousand, the remainder is five thousand. However, if this applies to the concept of giving in Islam? The Holy Quran calculations multitude numbers goodness. Kindness will be reciprocated one 100. Logically, gives but does not diminish this could be explained by a concept of Sufism, that is Tajalli the abundance what the Allah s.w.t without reducing what He has. Allah s.w.t created the creatures, giving life to them, all that does not make him lose, but by providing an abundance making it accept something else, become the opening mantle of God as creator of the universe.

3. Deriving the Principles of Philanthropy

The computer system comprises the hardware and software. The same also happens to philanthropy system which has the instruments and motives. How could we derive the principles of philanthropy that is able to explain: (i) descriptive comprehensive and fundamental law, doctrine, or assumption; (ii) normative rule or code of conduct; (iii) a law or fact of nature underlying the working of philanthropy?

(a) Togetherness (ukhuwwah)

The instruments and motives are aimed to create the essence of togetheress. Our needs are the needs of other people as well, who need each other, help each other, recognize each other, understand each other, guarantee each other, synergy and alliance each other, and complement each other. We also can not tackle or overpower the interests of others. This principle is also in line with the following verses:

“And when their eyes are turned toward the dwellers of the Fire, they say: Our Lord! Place us not with the wrong-doing folk.”

38 Qur’an, 7: 47
“And hold fast, all of you together, to the cable of Allah, and do not separate. And remember Allah’s favour unto you: how ye were enemies and He made friendship between your hearts so that ye became as brothers by His grace; and (how) ye were upon the brink of an abyss of fire, and He did save you from it. Thus Allah maketh clear His revelations unto you, that haply ye may be guided.”

It shows that in holding this principle, there is no question of superiority on the basis of race, class, or nationality arises. This principle is conspicuously at work on the basis of our civilization and its finer details.

(b) Justice (adālah)

As Allah said:

“O ye who believe! Be steadfast witnesses for Allah in equity, and let not hatred of any people seduce you that ye deal not justly. Deal justly, that is nearer to your duty. Observe your duty to Allah. Lo! Allah is Informed of what ye do.”

“Lo! Allah commandeth you that ye restore deposits to their owners, and, if ye judge between mankind, that ye judge justly. Lo! comely is this which Allah admonisheth you. Lo! Allah is ever Hearer, Seer.”

Based on the above verses, the principle of justice in the Islamic economic behavior is justice for all, that is, justice for all economic actors, for example justice between consumers, producers, distributors, as well as for other economic actors, including financial institutions and non-financial institutions. We should not in favor of one economic agent alone, but we shall put the advantages to others.

In Islam, all humans are the same, which has been created by the same God, Allah (s.w.t), and for this reason they are included in one great brotherhood. All descendants of the same ancestors, Adam and Eve, they should naturally mutual well-wishers. They are willing to come to help each other, as members of the same family. Islam has, therefore, put the greatest emphasis on the support of the poor and disabled members of the community. It is the sacred duty of the wealthy to give part of their wealth to meet the needs of deprived section of society. Allah said:

“But righteous is the one who, gives away wealth, out of love for Him to the near of kin and the orphans and the needy and the wayfarer and to those who ask, and to set slaves free” (2:177). “So give to the near of kin his due, and to the needy and the wayfarer. This is best for those who desire Allah’s pleasure”

In Islam, philanthropy plays a role not only as bridge between the rich and the poor, but the rich provides the means such as elements that can interact directly with the poor, they come to recognize, pay attention and then they realize that it is a duty to fight against poverty, its causes, and the effects thereof. This linkage helps to keep low-income groups not to be isolated from the mainstream of social development and strengthen the social fabric as a whole.

39 Qur’an, 3:103
40 Qur’an, 5:8
41 Qur’an, 4:58
42 Qur’an, 30:38
(c) Welfare (riḍāyah)

The essence of welfare means that each of the inputs, outputs and outcomes should improve the economic well-being of all parties. Islam essentially assure his followers’ welfare and security. It is the welfare for all economic actors that can sustain the economic growth. Allah Said:

“(And it is said unto them): Enter them in peace, secure.”

“What they spend in the life of this (material) world may be likened to a wind which brings a nipping frost: it strikes and destroys the harvest of men who have wronged their own souls; it is not Allah that hath wronged, them but they wrong themselves.”

“Have you seen him who denies the Recompense? (1) That is he who repulses the orphan (harshly), (2) And urges not on the feeding of AlMiskîn (the poor), (3) So woe unto those performers of Salât (prayers) (hypocrites), (4) Those who delay their Salât (prayer from their stated fixed times), (5) Those who do good deeds only to be seen (of men), (6) And prevent Al-Mâ’ûn (small kindnesses like salt, sugar, water). (7)”

“Whatsoever Allah may restore Unto His apostle from the people of the cities is due Unto Allah and Unto the apostle and Unto the near of kin and the orphans and the needy and the wayfarer, so that it may not be confined to the rich among you. And whatsoever the apostle giveth you, take; and whatsoever he forbiddeth you, refrain from. And fear Allah; verily Allah is Stern in chastisement.”

It starts from personal life. Personal life is important to the success and the practice of philanthropy. We have good personal life, if we have faith, diligent prayer, care of the social life, and always keeping us from negative actions. All these become valuable resource for sustainability of philanthropy practices. How could philanthropy create economic justice when our personal life cannot be well taken care of. Therefore, our family life creates an economic justice for household. Furthermore, the Prophet taught us to create a good life. The Prophet began educating individual on how to behave and do good deeds and avoid the bad. Then, the Prophet taught on how to communicate (for example through marriage and transaction) within the community so that finally the largest communities at country level can be created which follow the principle of equality.

(d) Benefit (maslahah)

The principle of benefit is the essence all forms about goodness and benefits, dimension to the earthly element and hereafter, material and spiritual, and individual and collective. Overall benefit must meet the shari’ah elements in the form of maintenance of the belief, faith, intellect, lineage, life, and property. Allah said:

43 Qur’an, 15:46
44 Qur’an, 3:117
45 Qur’an, 107:1-7
46 Qur’an, 59:7
“O ye who believe! Squander not your wealth among yourselves in vanity, except it be a trade by mutual consent, and kill not one another. Lo! Allah is ever Merciful unto you.”\(^{47}\)

(e) Balance (tawāzun)

The principle of balance essentially covers the balance life in this world and the hereafter. It means that it must balance between: the material and the spiritual aspects, public and private aspects, the financial sector and the real sector, business and social aspects. Also, in any financial transactions, it is not only emphasis the maximization of profits solely for the benefit of the owners (shareholders). So the benefits gained are not only focused on shareholders, but to all those who can benefit from the existence of an economic activity. Allah said:

“Ignominy shall be their portion wheresoever they are found save (where they grasp) a rope from Allah and a rope from men. They have incurred anger from their Lord, and wretchedness is laid upon them. That is because they used to disbelieve the revelations of Allah, and slew the prophets wrongfully. That is because they were rebellious and used to transgress.”\(^{48}\)

“But seek the abode of the Hereafter in that which Allah hath given thee and neglect not thy portion of the world, and be thou kind even as Allah hath been kind to thee, and seek not corruption in the earth; lo! Allah loveth not corrupters”\(^{49}\)

(f) Universalism (shumūliyah)

The principle of universalism essence can be performed by, with, and for all interested parties (stakeholders) without distinction as to race, religion, race and class, according to the spirit of kindness of the universe (rahmatan lil alamin). Allah said:

“O mankind! Lo! We have created you from male and female, and have made you nations and tribes that ye may know one another. Lo! the noblest of you, in the sight of Allah, is the best in conduct. Lo! Allah is Knower, Aware.”\(^{50}\)

“The Prophet Muhammad s.a.w said: “Every Muslim has to give in charity.” The people then asked: “(But what) if someone has nothing to give, what should he do?” The Prophet replied: “He should work with his hands and benefit himself and also give in charity (from what he earns).” The people further asked: “If he cannot find even that?” He replied: “He should help the needy who appeal for help.” Then the people asked: “If he cannot do (even) that?” The Prophet said finally: “Then he should perform good deeds and keep away from evil deeds, and that will be regarded as charitable deeds.”\(^{51}\)

In conclusion, we find that togetherness (ukhuwwah); justice (Sadālah); welfare (rīāyah); benefit (maslahah); balance (tawāzun); universalism (shumūliyah) become the underlying principles for philanthropy. It also proves that philanthropy is just not an

\(^{47}\) Qur’an, 4:29  
\(^{48}\) Qur’an, 3:112  
\(^{49}\) Qur’an, 28:77  
\(^{50}\) Qur’an, 49:13  
\(^{51}\) Sahih Al-Bukhari, Vol. 2, Nombor Hadith 524
economic activity which is purely based on material, but it also covers the social and justice elements. These principles also contain two elements that are the principle of faith (tawhidi) and the jurisprudence for every actions (fiqh). The merger of these two elements is essentially as principle of philanthropy.

4. Applying the Principles: An Example of Welfare Economic System

By having the principle of welfare (riḍāyah) and the principles of togetherness (ukhuwwah); justice (‘adlālah); benefit (maslahah); balance (tawāzun); and universalism (shumūliyah), how can a country move towards a welfare state? The question could be analyzed by the examples given by the Prophet and his companions and the following khalifahs.

In early days of Islam, after completing the political and constitutional issues, the Prophet s.a.w changed the country's economic system in accordance with the provisions of the Qur'an. In realizing the economic system, the Prophet s.a.w applied the following aspects:52

- a. Allah is the supreme ruler as well as the absolute owner of the whole universe;
- b. Man is Allah's representative (khālifah) on the earth, not the actual owner;
- c. All owned is obtained permission from Allah s.w.t, therefore, people who are less fortunate have part of the property rights from other who are more fortunate;
- d. Wealth must be rotated and should not be stockpiled;
- e. Applying a heritage system as a redistribution of wealth;
- f. Establishes the obligation for all individuals, including the poor;
- g. Economic exploitation in all its forms, including Riba, should be eliminated.

As the head of State, the Prophet introduced a new concept in the field of public finance in the seventh century. All proceeds from the accumulation of State's assets must be collected and then disbursed in accordance with the needs of the State, where the center's fundraiser called Bait al-Mal is located in Nabawi Mosque. The sources of revenue for Bait al-Māl come from Zakāh, Sadaqah, Kharaj, Jizya, Daribah, and Kaffārah. Then, Bait al-Māl expenditures are allocated to the Islamic dawah, education, culture, scientific development, infrastructure development, national defense, and the provision of social welfare services.

The first khalifah after the Prophet s.a.w Abu Bakr. The policy of Abu Bakr in its efforts to improve the welfare of Muslims, He implement economic policies as it has been applied by the Prophet. He was very concerned about the accuracy of the calculation of Zakāh so that no excess or deficiency payments.53

In distributing Bait al Māl, Abu Bakr applied the principles of equality, giving the same amount to all the companions, do not differentiate between them, the servant and the free people, between men and women. According to the terms of the primacy of faith, Allah s.w.t will give reward, while the necessities of life issues, the principle of equality is better than the principle of primacy.54 Thus, during the reign of Abu Bakr, property of Bait al Māl never accumulate in a long period of time because it is directly distributed. All people are

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given an equal share of national income. Even if state revenues increase, people get the same benefits and no one is left in poverty. The policy implications for the increase in aggregate demand and aggregate supply, which in turn will raise the total national income, in addition to minimize the gap between the rich and poor.

This situation illustrates Abu Bakr always keep the ummah property stored in the Bait al Māl. Abu Bakr told me that I have no right to take my share of Bait al-Mal at all, which is also a testament to the Muslims after him, he is a leader who is very careful in spending money wisely-wisely with the ummah. Abu Bakr governmental source of funds is from the 1/5 Ghanimah stored in Bait al Māl added with Sadaqah sources, in carrying out its economic policies he always puts basic maslahah and justice.55

Next is the policy Umar ibn Khattāb which lasted for ten years, He lot to expand Islamic territory includes the Arabian Peninsula, Palestinians, Syrians, most of Persia, and Egypt.56 Umar also sacrifice for the ummah, even the situation himself and his family is no different from the poor in general. Before his death, when there is no longer property to make ends meet he had to borrow money to Bait al Māl, not asked. Umar as personal is very fair in distributing property to the community, there is no strong gets a lot of small parts and got a bit part, all shared equally. Amongst Umar policy:57

a. Umar is maintaining the ummah property, he does not to increase the property for himself. He took on the government economic policy to attract property from the rich to share with the poor.

b. Along with the expansion of the Islamic empire during the reign of Umar, state revenue has increased very significantly. This case, requires special attention to manage it in order to be utilized properly, effectively, and efficiently. Umar took the decision not to spend Bait al Māl treasure at once, but gradually removed as needed there, including even provided as a reserve fund.

c. To distribute Bait al Māl, Umar established several departments: First, the Military Services Department serves to distribute funds to people involved in the war. Department of Justice and the Executive are responsible for payment of the salaries of judges and executive officials. Ministry of Education and Youth of Islam, which distributes funds for Islamic preachers. Department of Social Security that serves to distribute funds to all poor and people who suffer.

d. Umar applying horses, rubber, and honey as an object of charity because, in his time, all three things are commonly traded, even on a large scale so as to bring benefits to the seller.

During his reign which lasted for 12 years, Uthman ibn Affan successfully expand into Armenia, Tunisia, Cyprus, Rhodes, and the remaining sections in Persia.58 In the first six years of his reign, Uthman perform a new arrangement with the following policy Umar. In order to use the development of natural resources, he made the water drains, the construction of streets, and the establishment of police organizations to secure the trade route. Uthman also formed the Muslim fleet under the command of Mu’awiyah to successfully establishing maritime supremacy of the Mediterranean region. Laodicea and Syrians peninsula region, Tripoli and Barca in the north African country to harbor defense.

55 al-Najjar, Abdul Wahab, Khulafa al-Rasyidun, Dar al-Turath, Cairo, p. 110.
57 Harun Nasution, p. 58.
Uthman has dedicated to the economic welfare can be seen from the story of "Raumah (name of well)". At the time the Muslims in the Medina city lack of drinking water and then Prophet said: "Who will buy this Raumah, then he gave it to the Muslims without expectation of reward anything?" Then, Uthman out of their lineup, and went out to the Jews (the owner) to buy it. But the Jews owners refuse to sell it, except if Uthman willing to pay 12,000 dirhams. About what he has done, the Prophet once said: "What is done today of Uthman, is nothing to lose (in the Hereafter)". Also during the reign of Ali ibn Abi Talib, Bait al Māl both at central and local levels, has been going well. Cooperation between the two run smoothly then Bait al Mal in surplus income. Bait al Māl in the distribution of wealth, Ali ibn Abi Talib to apply the principle of equality. He gives the same benefits to everyone regardless of social status or position. These are among the examples using philanthropy functions for the economic welfare who had been adopted in early days of Islam.

4.1 Umar II Caliph

After passing through the glory days of Islam from the Prophet Muhammad s.a.w to the Khulafa' Al-Rasyidiyah Islamic leadership encountered many deterioration. The deterioration continued until came Umar ibn Abd al Aziz. In his reign Islam made progressing again, like of Islamic leadership in early days.

He was a great leader throughout Islamic history. He has shown an outstanding role in the Umayyah Dynasty. This Caliph, well-known as Umar II, usually made popular policies to his people. Policies and governmental system in this era was identical with the prosperity of people and the enforcement of Islamic rules. His administration was duplication from Umar bin Khattāb. He replaced all dishonest, unjust and incapable governors with the honest, just and capable. Umar II was the trustful, just, and ascetic caliphate. During his short reign termed that is about 2.5 years, he had replace all the governors who are dishonest, unjust and unable to welfare his people. With his revolutionary efforts to maintain the harmony between man and nature. He unites the human involvement, religion and nature for the final destination with the guidelines of truth and justice.

The main policy of Umar II in managing his administration focused on two things: 1) provide guarantee protection to the people. He did not continue the predecessor 'to make territorial expansion. 2) He set a neutral and egalitarian policies. In the early days of his reign, the Umayyah and their financial administration suffered a decline. In the face of this situation, Umar II established the tax mawali (non Arab) and dhimmi regulations for payment through kharāj and jizya.

To solve economic condition of the country, Umar II regulated that kharāj was a joint property of Muslims and joint possession of the communities. Jizyah was paid as land tax, while kharāj was tax for security. As such the policy was equally applied for both Muslims and non-Muslims. This equality attracted non-Muslims to embrace Islam. He stopped the wave of urbanization. This was related to the myriad mawālī in Iraq who left their home to migrate to cities. Umar asked them to return and to work on in their own

60 Adiwarman Azwar Karim, Sejarah Pemikiran Ekonomi Islam, The International Institute of Islamic Thought Indonesia, Jakarta2001, p. 44.
lands. Arabs bought dzimmî’s land. This tempted dzimmî to migrate to cities, Arabs enjoyed crops without paying kharāj. As a result, many dzimmî adhered to Islam just to avoid kharāj. Such a condition deteriorated economy. To cope with this, Umar II consulted with ulama and made a policy: “Muslims who enjoyed the land of kharāj and paid the land of ‘usyr’ as tax, since 100 A.H (9718-719 A.D), must not do land transaction.” In this, it was not allowed to change kharāj land into the land of ‘ushr’. Land transaction without the government’s permission was invalid. If a converted mawāli rent a land, he did not have to pay kharāj tax. Instead he was just to pay it in cash.

One of the most important measures was his reform of taxation. He made adequate arrangement for easy realization of taxes and administered it on a sound footing. He wrote a memorable note on Kharaj to Abd al Hamid Ibn Abdur Rahman which has been copied by Abu Yusuf: "Examine the land and levy the Kharāj accordingly. Do not burden a barren land with a fertile one and vice versa. Do not charge the revenue of barren land." His generous reforms and leniency led the people depositing their taxes willingly. It is a strange paradox that in spite of all oppressive measures adopted by the notorious Hajjaj ibn Yūsuf for the realization of taxes in Iraq, it was less than half of the amount realized during the benevolent regime of Umar II. He stressed that taxes should be collected with justice and leniency and should not be beyond the ability of the people to bear. Tax collectors should not under any circumstances deprive the people of the necessities of life. This action long before Adam Smith, who is famous, among other things, for his canons of taxation (equality, certainty, convenience of payment, and economy in collection).

In his policy, the Bait al Māl which was one innovation of Islam and had proved a blessing for poor Muslims during the regime of pious Califhs, was freely used for private purposes by the Umayyah Califhs, in Umar II regime stopped this unholy practice and never drew a pie from the Bait al Māl. He separated the accounts for Khums (Fifth part of the spoils of war), Sadaqah and Fai (property acquired from the enemy without passing through a war) and had separate sections for each. He immediately stopped the practice of richly regarding the authors of panegyrics of the royal family from the Bait al Māl. His was a proof that Umar II was careful about the poor people’s prosperity. Justice was the basis of Umar II’s leadership. There were no different rights and services. He forbade death and hand-cutting sentences only for un-clear reasons. He said, “One must not be sentenced even only once, until he has been asked (about a related case) and given defence”. Until before he died, he ordered his family to give their property to the state. He even ordered to restore the rights of all the people seized by the his predecessor to the state for the benefit of the people.

4.2 Remnants of Islamic Welfare

The principle of social justice in Islam in accordance with GOD ordered in Qur’an Also approved this point that the poor people and needy have same share from wealth and property rights; because within the framework of Islamic law all things belong to the Essence of God. And whatever from his wealth and property that gives some should, forgive and help others. In the Islamic texts it has been emphasized. That God has hosted reformer slaves and charity that is not only prayer, but are pioneers in the good work.

65 Husani pp. 135-136.
From these examples, it stands to reason that Islamic welfare will not be apart from an active role of philanthropic action such as Zakāh, Waqf, or similar institutions in other cultures, is considered as an original Islamic institution which has evolved in the Islamic world. Having its origin in the concept of "perpetual charity", it evolved into a full-fledged institution. As far as the institution of waqf is concerned, it developed in the Muslim world during the early days of Islam, long before it did in the West, and made a significant contribution to the development of Muslim societies. There is also philanthropic action has financed many public services and facilities including the construction or establishment of religious institutes like mosques, institutes of education, libraries, hospitals, poor-kitchens, public fountains and bridges. Most of them served the people regardless of their religious, ethnic and cultural origins. Is where philanthropic institutions is once again getting an impetus in the Muslim world because of the recognition of property rights and the renewed private initiative along with government support, regulation and supervision. In Pakistan, a major waqf, Hamdar Foundation, has been producing and distributing herbal medicines and tonics, since 1906. In many Muslim countries, including Bangladesh, Egypt, Jordan, Malaysia, Pakistan, and Yemen, public hospitals and health centres are established and supported by large awqaf.

We can see al-Azhar in Egypt founded by the Fatimids on 970 AD, is one of the oldest awqāf supporting a major seat in Islamic teaching, research and higher education. In different parts of South Asia especially in Indonesia and Malaysia awqaf provide support for education, we can see almost pondok (private religious boarding school) and mosques are numbered in hundreds of thousands like many other Muslim countries, are established, financed, and managed through the funding from awqaf funds or other philanthropy. In Yemen educational counselling, private tutorials, publication of educational materials for religious, general, and technical schools are supported by zakat funds.

Islamic charities seem to be one expression of this promotion of welfare. So that, in response to manmade and natural crises around the globe and especially in Muslim countries, the Muslim World League (Rābitah al-alam al-Islāmiyyah), with the full support of Saudi Arabia has established the International Islamic Relief Organisation (IIRO). Other examples of state-sponsored Islamic relief associations include Qatar Charity and the Asian Muslim Charity Fund (AMCF) in the United Arab Emirates. These multipurpose associations operate around the globe to provide relief for the poor and to support Islamic propagation (da’wah) and a sort of ‘reIslamisation’ process. Here are some examples concern with the welfare of society in general, which can also be referred to as ‘social benefit’ (al-maslahah al-ijtima’iyyah) or ‘public welfare’ (al-maslahah al-ammah).

5. Conclusions

Concept of philanthropy generally which means giving voluntarily. The word voluntary is actually not proper if we look from the perspective of Islam, both in terms of its function or in terms of the history of literature. As described above, that the philosophical basis of Islamic philanthropy is the "duty" of worship as a creature of God, in this case the property is issued or recognized by the general meaning of Sadaqah. From that base it will be found some instruments of philanthropy, there are mandatory, others voluntary. Both are in the category of Islamic philanthropy, such as Zakāh, Waqf, Nadhr and so forth.

Various philanthropic motive found in the concept of Islam. Motive is derived from Islamic law the basis itself better define the due to resulting from philanthropic activities. In

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69 Sami H, pp. 4.
addition, the Islamic philanthropic activities not only influential to worship, as a means to get closer to Allah but also socially, in his other influential will strengthen the worship of Allah, the other side he has influenced economic and social change in a positive direction. Sociologically speaking, the first and foremost objective of Islamic charities is to promote the welfare of the poor by eradicating poverty within communities. As a form of collective action, Islamic charities represent Muslim efforts to translate the Islamic creed into reality by reformulating the Islamic faith, so as to be able to impact on the actual needs of society, especially when faced with hardship, social disparities and economic crises. Islamic doctrine has provided plentiful reminders of the fact that creating joy (al-falāh) in the world and hereafter is a Muslim obligation.

The function of philanthropy has become a part of economic welfare. It can be seen from the role function and the reception and distribution of Bait al Māl, where it has functions like the National Budget nowadays. But, unrealistic to expect that everything necessary for development would be specified in the al-Qur’ān or the al-Hadith without interpreting. One of the most important and well-known principles of Islamic jurisprudence is that whatever is not specifically prohibited is allowed. Since very few things have been specifically prohibited, there is a great potential for the evolution of institutions needed for promoting development. This did take place in Muslim societies, as Kuran has himself acknowledged by stating that: “The distinguishing economic features of classical Islamic civilization evolved over the next three centuries or so, roughly through the 9th century.”

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References

Al-Qur’an


