

Reviving Infaq As A Mechanism to Accelerate Socio-Economic and Human Capital Development

Hanifah Musa Fathullah Harun, Zulaipa Ruzulan, Mohammad Mahyuddin
Khalid, Khairul Faezi Said, Mohamad Shukran Abdul Razak

Academy of Contemporary Islamic Studies, Universiti Teknologi MARA, 40450, Shah Alam,
Selangor

Email: hanifah0704@uitm.edu.my

Abstract

Infaq is a charitable mechanism that has been applied since the time of the Prophet PBUH until today. The role of infaq is important in Islamic economics with regards to asset and wealth redistribution and poverty elimination. Historically, the practice of Infaq in upholding Islamic teachings perceivable when some of the companion (*sahabah*) volunteered to infaq their services and wealth for sustainable development of da'wah for the benefit of the ummah. The continuance of the infaq practice and Islamic philanthropy during the post-khulafa ar-rashidin caliphate noticeable during the Ottoman period when an estimated of 30,000 infaq-based institutions were developed to aid the nation-wide public financing. Generally, the concept of infaq is not limited to certain categories of wealth. It should be expanded and cultivated because by having a systematic infaq management will eradicate the poverty that results from improved human capital development. Hence, this paper aims to explore the effectiveness of infaq practices and its potential as a mechanism to promote socio-economic and human capital development. This paper presents a contextual study through reading materials and current interview. It is believes that establishing infaq practices might serve as a benchmark for accelerate the socio-economic and human capital development.

Keyword: Infaq, mechanism, human capital

1. Introduction

Islam sets the basic foundation for equitable wealth distribution through obligatory and non-obligatory charitable giving such as zakat, waqf, infaq and sadaqa . Infaq and sadaqa are synonymous term represent the voluntarily charitable giving which mutually beneficial relationship mechanism for both providers and recipients. Both Quran and hadith signifies the importance of infaq and sadaqa. In the Quran, Allah SWT clearly stated the gist of infaq and sadaqa which aims to seek Allah SWT's pleasure by instilling the feeling of purifying property and sharing some of the property to help the people around. In al-Baqarah verse 273, Allah stated:

"(Your charities should be preferably meant) for the needy who are confined in the way of Allah, unable to travel in the land. An ignorant person takes them as free of need because of their abstinence. You know them by their appearance (from begging). They do not beg people importunately, and whatever good thing you spend, Allah is All-Aware of it".

Hence, this verse encourages those who can work together and have the energy to take responsibility in helping those who are unable to meet the commandments of Islam. On this occasion, the needs of having a systematic management of infaq is crucial to empower people's lives towards economic development and develop good personality holistically.

Generally, the concept of infaq is not limited to certain categories of wealth. It should be expanded and cultivated because by having a systematic infaq management will eradicate the poverty that results from improved human capital development. However, this paper focuses on infaq discussion in general form, which generates any capability in the form of physical, product, or energy with Islamic goals Hence, this paper aims to explore the effectiveness of infaq practices and its potential as a mechanism to promote socio-economic and human capital development. For this purpose, remaining structure of this paper is divided into following sections: second section is about: Nature of Infaq. Third section is about: Conditions of Infaq imposed by Quran. Fourth section gives the: Benefits of Infaq according to Quran Fifth section gives details of: Effects of Infaq on pattern of income distribution and finally the sixth section concludes the paper.

2. Methods Of Study

This paper deploy case study based on qualitative method, which involves observation on target informants which are one local Malaysian Small and Medium Enterprises (SME) and exploration through reading materials and interviews. The reference sources are obtained from two main sources which are primary and secondary sources. The primary data are obtained from the interviews and observation with the informant from selected SME. Butik Infaq Wangi are selected as target SME for its roles and

reputation in championing social entrepreneurship in one locality in Terengganu. Meanwhile, secondary resources for this study were obtained from documentation and results of reading materials, reports from State Religious Department and zakat agencies, newspaper clippings, and articles from online databases.

3. Literature Study

Definition of Infaq

Infaq (إنفاق) is an Arabic word meaning spending, disbursement. but also carries the sense of doing so simply to please God without asking for any favour or hoping for a return. Literally, infaq denotes the meaning of that particular tunnel, whose both ends are open (F.Aziz, M.Mahmud & E.Karim, 2008). It is a type of charity in Islam that is given without any expectation of reward or return. Generally, infaq is to spend property with the intention of Allah SWT. The concept of infaq is broad, it includes spending property for ourselves, family and the community for the purpose of zakat, waqf and charity. Infaq is slightly different concept from zakat because it's can be perform without restriction to specified recipient nor specific allocation. The basic guidance from the Quran to human being with regards to wealth management is stated in al-Baqarah, verse 219:

"These people ask you, how much, we will be spending in the way of Allah? Said everything beyond your requirements".

Allah SWT warns every human being to spend their wealth in the way of Allah SWT as stated in al-Baqarah, verse 195:

"And spend in the way of Allah and do not throw [yourselves] with your [own] hands into destruction [by refraining]. And do good; indeed, Allah loves the doers of good".

Wealth could damage and keep people away from Allah SWT if the wealth is mismanaged against the Islamic teaching. In relation to this, surah al-Qasas verse 76 indicates that Allah SWT has warned those who committing malpractice towards their wealth through the story of Qorun, who drowns out of arrogance and pride of his wealth and in the end, he destroys himself with his wealth. Furthermore, the Prophet Muhammad PBUH said in his hadith narrated by Muslims (1631), al-Nasa'i (3651), al-Tirmizi (1376) and Abu Daud (2880):

"When a person dies, all his deeds come to an end except three: sadaqah jaariyah (continuing charity), beneficial knowledge (which he has left behind), or a righteous child who will pray for him."

Thus, according to Razali Othman (2015), three important principles must-have in every person: the right way to acquire the property, spend the property, and obligations that should be carried out.

The Concept of Infaq in the Early Times of Islam

The Prophet Muhammad PBUH is the best role in Islam. Many of history cited how the Prophet

Muhammad PBUH is perceived as a qudwah hasanah (role model) to his followers by highlighting the distinguish attitude of leadership. Among other leadership attitude demonstrated by Prophet Muhammad PBUH such as allocating part of his wealth to help humankind and an act of organizing and encouraging people to infaq and endowed fund (waqf). His encouraging model successfully attracted the companions (sahabah) until most of them are effortlessly strive and positively participate to spend their wealth in Allah's way.

In a hadith, it is narrated that Abdul Rahman bin Auf was one of the companions of the Prophet PBUH who is rich and generous. One of his big contributions is contributing 200 *uqiyah* gold and other property to be endowed for community used (Putri Apria, 2018). In addition, Zubair bin Awwam is also one of the successful businessmen from the companion of sahabah, contributes endowment fund in Allah's way. His generosity was followed by his wife Asma'. Something that attracts attention when this practice was continued by other Islamic caliphs afterwards. According to Razali (2015), this era is familiar as the golden age of infaq and endowment culture. Thousands of *madrasah*, universities, hospitals and libraries were built during the Abbasid period (754-1258M), Ayyubiah (1171-1249M) and Ottoman (1299-1924M). Sultan al Mansur al-Qalawun built the al-Mansuri hospital in 1284, collected from waqf and infaq fund. The hospital has received 8000 patients a day and provided excellent services until the 20th century. The maintenance and management of this hospital are primarily funded by Sultan al-Mansur and assisted by other dignitaries and the general public.

Cultivation Infaq Practices in Malaysia

A review of over 500 home contents heads issued by the United Nations Children's Fund Organisation (UNICEF) found 63% of home contents chiefs had problems managing daily expenses such as buying kitchen goods and paying the utility bills. This situation is tremendously affected and increased when the Covid-19 pandemic hits the world. Malaysia, in particular, has to deal with the economic downturn whereby the unemployment rate increased from 7% to 14%. Consequently, the group of B40s are affected most when most of them were laid off, especially around March until December 2020 when employers were unable to pay salaries during the increasingly volatile Covid-19 pandemic. This situation made many people face difficulties until these problems affect their physical and emotional health (FMT, 2021). Furthermore, Sinar Harian (2019) reported that financial problems could have major implications for families, leading to divorce, abuse, mental health and poverty such as homelessness. Owing to this, Fuad (2019) stipulated that the basic human needs are shelter, food, and clothing are urgently needed to protect the victims. These basic requirements are viewed as important physiological requirements where unhealthy

implications could happen if all the requirements are not well facilitated or fulfilled.

Currently, Malaysia placed the Poverty Line Income Limit (PGK) used since 2005 at RM980 to RM2,208. These changes recorded an increasing number of poor group categories for the household, 16,650 to 405,441 (Daily Online, 2020). According to economic expert, Dr Muhammed Abdul Khalid, a study conducted by a local university on single mothers and the disabled people found that many of them have a monthly savings average from RM300 to RM70 (Sinar Harian, 2021). Although the government provided several incentives for assistance, but it considered insufficient due to the increase in the cost of living, especially in the urban areas. According to the management and economic prospects report (2021), the economic recovery from the Covid-19 pandemic will be difficult due to weak global economic development, which the world has never experienced. It was considered more challenging than the great depression that occurred in the 1930s. About this, one of the best mechanisms given by Islam to fix this problem is by the uniqueness of infaq practices. It is a form of fundamental education that teaches people on how to share property in the society. History has shown that infaq culture capable of meeting the socio-economic needs of society. Caliph Harun Al-Rashid for example has used infaq waqf and the infaq was from himself by building an underground water canal through the desert from Baghdad to Makkah in 808M (Razali, 2015). The facilities are considered innovative, and technological advancement where this work provided significant benefits to the pilgrims at the time. According to Razali (2015), if a person easily accesses facilities such as education and health care, it indirectly allows them to improve their living level. In Malaysia, the practise of infaq in general is not difficult to execute. It appears to be a "good trend" because most of Malaysians are generally thought to be compassionate and generous. Many non-governmental groups volunteer spend their time and energy to organise initiatives and campaigns to raise funds and items to assist communities affected by financial difficulties. A social expert, Prof Mohammad Shatar believes that combining religious values and eastern culture is the key to develop a compassionate and generous society in Malaysia (Sinar Harian, 2020). However, the main basis in cultivating the practice of infaq should be prioritized, which is to produce benefits and increase the value of human capital so as not to create a material and individualistic society.

According to Shuhairimi (2013), an ideal development must be consistent with reality. He quoted a speech on the Ninth Malaysia Plan delivered by former Prime Minister Tun Abdullah Ahmad Badawi:

"The country's most valuable asset is its people. One of the most challenging difficulties is human development and the shift in citizens' minds and thoughts. If we want to move into the era of

knowledge-based economy, if we want to be a developed country and remain at that level, human capital development must be given priority. In the context of the global world, the development of high-quality human beings is a necessity".

Although this statement appears that the idea is easy to think, he claimed that the execution is difficult. It involves the cooperation of all parties to bring the plan to put into practice. According to Dr. Yusuf al-Qardawi (2007), the perfection of thought's power relies on glorifying Allah's command, while the perfection of the power of doing good depends on Allah SWT creatures' love.

The involvement of individuals and Non-Governmental Organisations in fostering the practice of infaq in Malaysia

The history explained that infaq waqaf performed by the companions of the Prophet SAW, Islamic leaders and the glorious society of Islamic civilization should be emulated. Their diligence in enlivening infaq succeeded in developing knowledge and forming a social organization that oversees the interests of the entire society. Thus, the culture of infaq is also suitable to improve as an innovative product for encouraging the community to contribute infaq in accordance with their appropriateness and capacity, which may include energy, education, money, or products. There are various methods and channels of infaq, including via intermediaries of non-governmental organizations or Non-governmental (NGOs) or non-NGO group entities. This entity comprises volunteers who work hard to organise citizens to assist the government in reducing poverty. According to Mazlan & Makmor (2017), the term Non-governmental Organization (NGO) became popular in 1945 with the formation of the United Nations (UN), and it defined in United Nations Charter Clause 71. Wan Nor Zuriatina (2015) explained that Malaysian NGOs began to recognise locally and internationally in the 1990s.

Although Malaysia has achieved independence, poverty is still a worldwide concern. Reducing poverty is considered as biggest challenge, especially in the current situation, which clearly shows an unstable pace of economic development. There are many existing NGOs in Malaysia becomes a mediator in assisting the community such as Islamic Relief Malaysia (IRM), Hidayah Center Foundation Hidayah (HC), Muslim Volunteer Malaysia, Islamic Aid Malaysia Allied Coordinating Council of Islamic NGOs (ACCIN), Persatuan Ulama Malaysia, Pertubuhan Kebajikan Islam Malaysia (PERKIM), Sahabat Infaq Malaysia, and others. These organisations engage in a variety of activities, including infaq projects. For instance, Yayasan Amal Malaysia has started an infaq Ramadhan campaign to raise funds for the foundation's humanitarian efforts. Among the activities listed are establishing permanent and temporary pre-school education centres and programs to ensure the rural young generation achieves zero illiteracy, the provision of

religious guidance classes, food packs to underprivileged, and assistance to new relatives. There are other mediums not registered, such as a group of entities or clusters, and play an essential role in revitalizing the culture of infaq. An interview with Puan Wan Nurhidayah, who is the founder of Butik Infaq wangi was conducted where she has mentioned that establishment of the her infaq boutique was inspired after giving certain things that are still in good condition can be utilised to some needy people (Interview, 2021). Indeed, the smiling and the pleasure of the recipient are catalyst the informant to continue infaq. Eventually, this resulted in the establishment of Infaq Wangi Boutique at Kampung Padang Midin, Kuala Terengganu. This boutique has benefited from the donations made by the community, not just in Terengganu, but outsiders as well. Based on trust, many donors have contributed in various assistance like money, kitchen, electrical items, clothing and including individuals who offer to serve as volunteers to manage the proceeds of donations sent to the boutique.

Interestingly, this infaq boutique branch was extended and opened in two more locations, one in Sungai Rengas, Kuala Terengganu, as a consequence of the donor's endowment, and another in Puncak Alam, Selangor, voluntarily by a group of women. She highlighted via the interviews that doing this infaq boutique has additional difficulties in educating donors and beneficiaries. Thus, various restrictions are placed on donors and receivers to foster values such as honesty, patience, and discipline.

The following conditions are placed on donors and beneficiaries

- Contributors must have complete confidence in the Wangi infaq boutique's administration since this boutique is an unregistered company (based on trust).
- Donors may only give things that are in the best condition and smell pleasant.
- The gift is not in the form of zakat, due to the concerned receiver is not included in the asnaf category.
- Contributors comprehend the purpose of Wangi Infaq Boutique is being built.
- The following conditions imposed on recipients:
- Only registered recipients are permitted on the premises. Recipients will be given a record card for taking infaq items and must be carried with at all times while visit the premises. It attempts to keep track of the kind of items taken and to guarantee that the receiver picks up at the appropriate time. If the card is misplaced, the receiver would be assessed a penalty or fee of RM50.
- Particular Category Goods such as rice are restricted to be taken only once a month. This is to prevent the recipient from taking advantage and avoid wastage.
- General Category Goods such as clothes and

- scarves are allowed to be taken without the limit.
- Unpicked or unselected items must be rearranged on the shelves provided.
- The recipient is responsible for ensuring that the boutique is left in a clean and organised condition.

4. Conclusions and Recommendations

In general, infaq practise is a shared duty shared by all stakeholders. This infaq culture may be characterised as "good vibrations" or positive vibes. Consistently cultivating infaq may invigorate the human heart and help build a strong soul. The majority of verses promote increasing infaq and not limiting what and how much to infaq. Therefore, Infaq places a higher premium on social welfare and the development of a genuine and compassionate spirit.

References

- FMT reporters. (2021, 8 Februari). Makin ramai berdepan kemiskinan, pengangguran meningkat 2 kali ganda, kata Unicef | Free Malaysia Today (FMT). Fuad, Mohd M. Berawi B. & Noor Amalina, Ismail. (2019). Gelandangan di Kuala Lumpur: Tinjauan Awal. Sintok, Kedah
- Hazwan Faisal Mohamad, M.-. (2020). *Had pendapatan kemiskinan dinaikkan dari RM980 kepada RM2,208*, Diambil daripada <https://www.bharian.com.my/bisnes/lain-lain/2020/07/709264/had-pendapatan-kemiskinan-dinaikkan-dari-rm980-kepada-rm2208>
- Mazlan, Che C. Soh S. & Makmor, Tumin. (2017). *Sejarah Dan Perkembangan Badan Bukan , Kerajaan (Ngo) Kesihatan Di Malaysia Sehingga Tahun 2015*, *Sejarah*, No. 26, Bil. 2, Disember 2017, Hlm. 49-70
- Mohammad Khairil Ashraf, M.K. Mohd Khalid, Rosmiza, K. asim, Hazelen Liana, Kamarudin K. Dan & Wan Mohd Noor Hafiz, Wan W. Mansor M. . laporan 25 Disember 2020, *Rakyat Malaysia 'Kaya' Dermawan*, Diambil daripada <https://www.sinarharian.com.my/article/116215/Berita/Nasional/Rakyat-Malaysia-Kaya-Dermawan>
- Pengurusan Pengurusan dan prospek ekonomi* , bab-1.pdf (treasury.gov.my)
- Putri Apria, Ningsih. (2018.). Studi deskriptif tentang Abdul Rahman bin Auf Prototype Entrepreneur Muslim Sukses, *Jurnal Riset Ekonomi Islam*, DOI:10.31958/imara.v11i1.990
- Rosalwani, C. (2020,4 Nov) Diambil daripada <https://www.sinarharian.com.my/article/108354/LAP-ORAN-KHAS/Ramai-orang-jatuh-miskin-angka-Covid-19-Ahad> | 18 April 2021
- Razali, O. (2015), *Institusi Wakaf Sejarah dan Amalan Masa Kini*, Dewan Bahasa dan Pustaka: Kuala Lumpur,
- Shuhairimi, Abdullah. (2013), *Memperkasakan Pembangunan Insan Melalui Amalan Infaq. Sosiohumanika, Jurnal Pendidikan sains Sosial dan Kemanusiaan* , 6 (2) November 2013

Wan Nor Zuriatina Wan Ismail. (2015). *Non Profit Oriented Entrepreneurs: Case Study Of Non Governmental Organisation And Social Entrepreneurship In Johor Bahru*, University Teknologi Malaysia

Yusuf, Q (Diterjemah oleh Salman,H.,, Didin, H., & Hasanuddin), (2007), *Hukum Zakat: Studi Komparatif Mengenai Status dan Filsafat zakat Berdasarkan Quran dan Hadis*, PT. Mitra Kerjaya Indonesia, Cetakan ke-10

Temu bual secara atas talian bersama pengasas Butik Infaq Wangi, Puan Wan Nur Hidayah Wan Pauzi, (2021, 16 April).