

# POVERTY REDUCTION STRATEGIES IN ISLAM

Ammar Saadoon Albadry<sup>1\*</sup>

## **Abstract**

The study illustrates the twofold nature of poverty dynamics of eradication in the Islamic system, which unites (a) boosting income via a vital anti-hoarding and pro-investment Zakat system with (b) efficiently redistributing the revenues for the sake of the needy. The research specifies the distinct elements that balance those two aspects of the Islamic system to fight poverty, implies that development is all-embracing, sustainable, equitable, and free of deficiencies noted in other similar systems. These deficiencies consist of looking at poverty as an minor failure at any moment in time to get essential material requirements, and a failure to value these requirements are not the similar for all. The aims remain; introducing a theoretical outline, the poverty concept in Islam, conceptualize poverty from the perspective of Islam, focus on the flaws of the poverty concept in the existing literature, provide an overview of the development concept in Islam, and concentrate on how Islam views poverty? What measures are provided in Islam to combat poverty? What is the common denominator in Islam?. This study used a survey technique through studies conducted in the poverty reduction strategies in Islam in general and studies that are related to that in particular. The case studies mostly relied on reviewing and synthesizing on the verses from the Koran and the “hadith” based poverty, and conducting a number of interviews with specialists. Also a number of Islamic literatures were addressed, insofar as their direct or indirect impact on poverty. The study continues in highlighting the additional security nets established by Islam to liberate the poor people and their communities from the social, material, political and spiritual ills of poverty.

<sup>\*</sup> Ministry of Higher Education & Scientific Research, Middle Technical University/ Baghdad

Corresponding author: Email: [Ammartt@yahoo.com](mailto:Ammartt@yahoo.com);

## POVERTY REDUCTION STRATEGIES IN ISLAM

الباحث عمار سعدون البديري

### المخلص

الدراسة توضح الطبيعة المزدوجة من ديناميات القضاء على الفقر في النظام الإسلامي، الذي يجمع (أ) زيادة الدخل عن طريق مكافحة الاكتناز والمشجعة لاستثمار نظام الزكاة مع (ب) إعادة توزيع الإيرادات بكفاءة من أجل المحتاجين. البحث يحدد العناصر المتميزة التي توازن بين هذين الجانبين من النظام الإسلامي لمكافحة الفقر، يعني أن التنمية هي جامعة مانعة ومستدامة ومنصفة، وخالية من العيوب الملحوظة في أنظمة مماثلة أخرى. هذه العيوب تتكون في النظر إلى الفقر باعتباره فشل بسيط في أي لحظة في وقت مناسب للحصول على الاحتياجات المادية الأساسية، والفشل في قيمة هذه المتطلبات ليست مماثلة للجميع. الأهداف تبقى تقدم المخطط النظري، مفهوم الفقر في الإسلام، تصور الفقر من وجهة نظر الإسلام، التركيز على عيوب مفهوم الفقر في الأدبيات الموجودة، تقديم لمحة عامة عن مفهوم التنمية في الإسلام، والتركيز على كيف وجهة نظر الإسلام للفقر؟ ما هي التدابير المنصوص عليها في الإسلام لمكافحة الفقر؟ ما هو القاسم المشترك في الإسلام؟ استخدمت هذه الدراسة أسلوب المسح من خلال الدراسات التي أجريت في استراتيجيات الحد من الفقر في الإسلام بشكل عام، والدراسات التي تتعلق بذلك على وجه الخصوص. دراسات الحالة في الغالب اعتمدت على مراجعة وتجميع آليات من القرآن الكريم و الحديث النبوي التي تناولت الفقر، وإجراء عدد من المقابلات مع المختصين. كما تم تناول عدد من الأدبيات الإسلامية من حيث التأثير المباشر أو غير المباشر على الفقر. الدراسة تستمر في تسليط الضوء على الامان التي وضعه الإسلام لتحرير الناس الفقراء ومجتمعاتهم من البلاء الاجتماعي، المادي، السياسي والروحي للفقر.

## ١.١ Introduction

Islam is not only a religion but a complete way of life that was revealed to humanity by our creator who is more knowledgeable, wise and just. Islam was revealed as a practical religion to be implemented in our daily life since it covers all aspects of human life. As such, when implemented honestly and correctly, Islam provides solutions to all problems that are faced by humanity. One of the most widespread and dangerous problems faced by humanity is that of poverty, hunger and starvation. Millions of human souls on this planet are living under extreme poverty and very inhumane conditions.

Poverty is as old as the human existence itself. This has been a cause of concern in every society and throughout the history. During current era poverty came under limelight recently and has been a focus of the international community. Everybody is talking about poverty reduction and different measures are being suggested for the purpose. Different instruments are being tried with different levels of success. However the situation has not improved to such a level where it can be claimed that this Anti poverty drive has paid its dividends [١].

Finally, Poverty has obviously turned out to be one of the chief universal challenges. However, for almost fourteen centuries, Islam was calling on nation to fight poverty at all levels through several voluntary and compulsory procedures, financial and non-financial altogether. The achievement of this aim requires a good understanding of the poverty concept in addition to larger and deeper information about the poor people: their number, positions, characteristics, living circumstances, the mode in which they live and respond to altering situations as well as procedures intended to improve their income. Owning this knowledge is the clue to the development of effectual policies to fight poverty and misery.

## ١.٢ Significance of the study

The current study describes and analyses the major features of poverty reduction strategies in Islam. Also, it is a trial to revert to the question on how to identify poverty from an Islamic viewpoint, beginning with an assessment of how Islam recognizes and/or conceptualizes poverty in addition to create procedures to lessen it. Islam sees poverty not only as a social humiliation, but also a path to apostasy where the poor people should have a protection. Finally, we refer to the necessity for Enhance and strengthen the principle of Islamic brotherhood in the society to accomplish the goal.

## ١.٣ Research Objectives

The objectives of this study are as follows:

١. Presenting a theoretical overview, concept of poverty in Islam.
٢. It is an effort to conceptualize poverty from the viewpoint of Islam by generating proposed broad rule and questions for discussion, by which I can reach a public understanding, and make sure that policy and theory rest upon a firm basis.
٣. The major focus of this study is on the flaws of the poverty concept in the current literature.
٤. The present study will view seriously the existing notions of poverty, embark the Islamic vision towards it, highlight the financial procedures to fight poverty in Islam and end up with an outline of the concept of the dual nature of the poverty dynamics in Islam in addition to comments on the validity of substitute definitions. As poverty is one of the most challenging issues of development.
٥. The study presents an outline of the development concept in Islam, which identified development as human's major task on earth, naming it 'i'timar' (i.e. development).
٦. The study will concentrate on how Islam views poverty? What procedures are provided in Islam to fight poverty? What is the common denominator in Islam?

## ١.٤ Research Methodology

The study is a theoretically based. It uses a survey technique through studies conducted in the poverty reduction strategies in Islam in general and studies that are related to that in particular. Focusing on the subject of poverty reduction strategies in Islam was mainly from the fact that this research is of great significance in Development Administration.

The case studies mostly relied on reviewing and synthesizing on the verses from the Koran and the “hadith” based poverty, and conducting a number of interviews with specialists. Also a number of Islamic literatures were addressed, insofar as their direct or indirect impact on poverty.

## ١.٥ Definition of poverty in Islam

In Islam, poverty is a multidimensional concept. A term used in Islamic literature for a poor person is “Faqeer”. A person is considered to be a “Faqeer” or Poor who does not have sufficient material wealth in hand to satisfy his/her basic needs which are defined in five broad categories:

١. Protect his/her religion
٢. Protect his/her physical self.
٣. Seek knowledge or mentality.
٤. Protect his/her family.
٥. Accumulate some wealth.

These are necessary to lead a good social, individual and economic life ensured by Islam. People who are not able to meet these necessities are poor. Islam is not against property and wealth rather it wishes its followers not make the wealth accumulation their sole purpose of existence. Islam considers richness a blessing from their creator as long as it is acquired by “halal” means and the person fulfills all his responsibilities towards Allah and society.

Islam does not see poverty as a virtue rather it is seen as a social anomaly that is to be removed and alleviated. In many “Ahadith” Prophet Mohammed (p.b.u.h) sought refuge from poverty. To eradicate poverty, Allah (S.W.T) has included built in

features in his revealed religion to protect humankind from poverty [٢].

Amir al-mu'minin Ali Bin Abi Talib (May Allah be pleased with him) said: "Destitution is the greatest death". Also he said: "destitution is deficiency of religious belief, perplexity of intelligence, and it is conducive to hatred of obstinate people [٣].

## ١.٦ Poverty in Islamic Sources

Poverty, meaning that a person has some material difficulties and cannot do certain things and needs others, as "fakir ( poor), fakir and (plural form) fukara (poor people)" is mentioned in the Qur'an twelve times. When these verses are examined, it is seen that two speak of "spiritual poverty" [٤]. These verses compare the inability of human beings to sustain themselves and their absolute need for Allah (al-fukara ilallah) while Allah himself who does not need anybody (wallahu'l-gani). The remaining verses are related to "material poverty" and mean helping, protecting, and sheltering poor people [٥]. In these verses, those who are not rich have material needs and require other peoples' help. Thus, it is seen that the majority of verses deal with material poverty [٦].

The words for poverty (in the hadiths of the Prophet Muhammad P.b.u.h) are generally used in the same way. There are many hadiths related to poverty and the poor in the Zühd (the ignorance of the world life) and Rikak (giving sensitivity to the heart) chapters of hadith sources. In these hadiths the poor, mainly refer to "material poverty" as it is in the Qur'an. However, it is interesting to note that these hadiths speak of poverty in terms of both compliment and loathing [٧].

In the doctrine of "Taavvuf"( continence), which accepts "zühd" as worldwide, Fakr or poverty has a special meaning and place. The Sufis pays attention to the material meaning of poverty in the early years also accepted the act of giving up property and goods as a basic principle [٨]. Since the ninth century, it has been seen that Sufis' concept of poverty has acquired a philosophical and spiritual meaning. Fakr means to have no need of anything or anyone except Allah. With this meaning, the poor is not a person who is far from material things and without daily food, but one who lives keeping constantly aware only needing Allah [٩].

## ١.٧ Causes of the of poverty

The main causes of the problem of poverty in the Muslim world as follows:

١. Control of underdevelopment, is the lack of sound exploitation of the resources of society's material and human, which is reflected in the low standard of living in general, and the spread of corruption types on most economies of the Muslim world. The Islamic world is producing oil at the forefront of those countries, even some oil-producing countries still suffer from underdevelopment to a lesser extent and the reason for this is because they did not adopt the economic policies optimal in the recruitment of oil revenues to the exit from the stage of underdevelopment, especially those States which is undergoing a population growth, which has a large geographical region, which falls below each from Algeria, Iraq and Libya. In order to come out of the Islamic world - economically backward - from the stage of underdevelopment, must have been the adoption of development as a way connector to the stage of economic growth.
٢. Control of economic dependency and foreign employment to most economies in the Muslim world.
٣. Non-application of the principle of economic integration at the level of the Muslim world.
٤. There is a gap in the distribution of human resources and natural resources between the countries of the Islamic world.
٥. Poor use of available resources in the countries of the Islamic world.
٦. Exacerbate the debt most of the Muslim world.
٧. The scarcity of investment capital of the Islamic in the Muslim world poor, where enjoy most Islamic countries producing oil - especially the GCC countries - with a wealth of substantial financial result of the sale of oil and its derivatives, but the question that imposes itself is the following: where to invest those funds abundant investment appropriate and sound and healthy? and how to preserve and take care of them, in order to keep us and our Arab and Islamic countries? [١٠].

## ٢.٩ Foundations of Development in Islam

At the beginning, it is essential to pull attention to a general misunderstanding when addressing economic questions in Islam. It is more suitable to talk about "the economy in Islam" instead of 'Islamic economy' because economics is a science, so when we set it in the context of Islam, it grows one component of a inclusive system of social, economic, political and religious dimensions in addition of beliefs and values which means no more than an approach. These dimensions interconnect; they cannot be divided or thought of in isolation.

Moreover, it is essential also to highlight the Islamic vision that economics is too much related to ethics. Thus, in attempting to fulfill needs, an individual is steered via Islamic teachings, which necessitate ethical commitment, i.e., the fear of God. Islam has called for the prioritization of the provision of essential needs in advance of luxury commodities; and has forbidden usury, monopoly and squandering in addition to lavish consumption. These issues represent the departure point towards understanding issues of development in Islam.

Development in Islam holds all aspects of life, material and non-material altogether, including social and spiritual requirements and/or issues, and environmental issues, which means it is essentially "humane" and comprehensive in nature. Development is not only an issue of production, but also sufficiency in production accompanied by equity in distribution of all gains and costs, targeting all human beings in agreement with the Holy Qur'an, which records that Allah "... brought you forth from the earth and hath made you husband it..." (١١:٦٠). This implies that people are both a means and aim of development [١١].

A person must be developed in moral and spiritual, supplied with skills and knowledge, and empowered to innovate and create and thus to produce food for him/her and others, to save and recover his asset depreciation and before anything, to develop the earth which he lives on. In this way, wealth and mankind can concurrently be developed in a sustainable style.



## ٢.١.٠ **Development Characteristics in Islam**

The major characteristics of development in Islam comprise inter alias: sustainability, comprehensiveness, equity, sufficiency, accountability and mankind-orientation as a means and an end at the same time. I will in brief talk about these issues as follows:

### ٢.١.٠.١ **Comprehensiveness**

Development must be comprehensive, addressing all life aspects (material and spiritual) in a way guarantees the recognition of essential rights including classical and modern basic needs like food, clothing, housing, health care, education, employment, entertainment, and freedom of expression, etc. In fact, these domains must be developed together without preferring one over the other. It is also an essential principle in Islam that main concern must go to the provision of basic needs while luxuries come as a second concern, while there is no preference of one sector over the other [١٢].

### ٢.١.٠.٢ **Equitable growth**

Development must unite growth with fair and just distribution that extends beyond making sure of subsistence to securing a sufficiency to all people who must be treated equally regardless of religion, color, or ethnic group. Distribution without growth simply means a division of poverty; whereas abundance in production with no equitable distribution means a wealth monopoly. The two situations are forbidden in Islam.

### ٢.١.٠.٣ **Responsibility (together with accountability and commitment)**

The origin of responsibility in Islam has been laid by the Prophet Mohammed (p.b.u.h) saying that “you all are guardians and you are all responsible for your subjects...”; this Prophet’s Tradition (Hadith) goes on to define the responsibility of the Imam (ruler) for his populace, of the husband for his family’s matters, of the wife for her husband and children, of the son for

the father's wealth, and of the worker for his boss's properties, and the responsibility for all [١٣]. According to this Hadith, four main types of responsibilities may be identified:

- a) The responsibility of the State for its citizens. Each person in need has the right to ask the state the provision of enough food; a suitable home protects from sun, rain, and the people's eyes in the street; clothes for summer and winter; transportation means... etc. The state should be committed to supply those necessities equally to all the citizens regardless of religion (whether they are Muslims or non-Muslims). In this manner, preferably, Islam presents a complete prosperity system for Muslims and non-Muslims similarly; therefore it guarantees the distribution in a fair way.
- b) The distinct responsibility of all for what they are assigned to, which in the world today is ruled by certain approved conditions since they are not contradicting the faith.
- c) The responsibility of all the society members towards each other, which may be recognized through establishing some security nets ensure each one's responsibility towards his society. This commitment relies on the basis the part cannot be separated from the whole, and the public interest takes the priority over the individual interest. This embraces the principle of "charity begins at home", which means that the rich people in a certain area should sponsor their less capable poor people, specifically when the Zakat earnings are not sufficient. Certainly, 'charity starts at home' here does not mean an excuse for not caring about strangers or outsiders.
- d) The shared responsibility of each citizen as well as the nation in whole for other beings and components of the atmosphere surrounding them such as animals, resources of nature (like water, land, forests, vegetation cover), the general environment... etc [١٤].

#### ٢.١٠.٤ **Sufficiency**

The final aim of development lies in the elimination of poverty and destitution in the whole society. Hence, the provision level of basic necessities is supposed to be at the level of sufficiency instead of the level of survival.

#### ٢.١٠.٥ **Mankind-oriented**

Basically, development must target the people as its end and means. A genuine approach of partnership to the recognition of development involves the cooperation between the state and citizens which means private and public sectors [١٥].

#### ٢.١١ **Present Concepts of Poverty**

Students of poverty have laid three different concepts of poverty: completely gauged, comparatively designated or personally viewed by the poor people themselves [١٦]. And these concepts control the literature about poverty.

The complete idea of poverty classifies the poor people with no reference to others' situation in their community, and it points out the "inability to attain a minimal standard of living" [١٧]. Thus, it inclines to highlight the idea of subsistence: the accomplishment of which is indispensable for existence and survival.

The comparative poverty has a lot to do with the matter of non-equality (the distribution of income and wealth) and it classifies the poor people relative to other sections of society, relative to a comparator group. Hence, one might be recognized as poor if he is in the poorest section of society; or if he has lower than a certain usual share of wealth. If one lives in a rich country, he shall be poor, although he might have a living standard considered high in the poorer part of the world.

On the other hand, subjective poverty is a concept self-defined and echoes the person's attitude and perception towards what is considered minimum to meet the basic needs which means comparing "actual income against the earner's expectations and perceptions" [١٨].

Upon all those definitions, the criterion distinguishing the poor people from the non-poor ones is made by building a border (i.e. poverty line), the incapability to cross considered as the evidence of the one's poverty [١٩].

#### ٢.١١.١ **Problems with the existing definitions**

Those concepts (specifically the complete and comparative), although controlling the literature about poverty, suffer from certain serious definitional weaknesses and neglect some issues central in confronting poverty directly. In brief, those comprise, beside others:

##### a) The lack of time-dimension

Upon all those concepts, the poor people are defined at a point of time according to some procedures (typically the poverty line). One actually might not be poor these days, but susceptible to fall in poverty tomorrow. In the conceptualization and handling of poverty, we are in need of a more active approach, taking into account the factor of time. This is one of the sustainability warranties in meeting the needs and the readjustment possibility to changes might happen over time.

##### b) The basis of staying-alive

The comparative and complete conceptions of poverty utilize the idea of the 'minimal criterion of living' which means the survival margin keeping one alive. Still, for the sake of humanitarian existence and/or protection of human dignity, providing subsistence needs alone is insufficient.

##### c) Poverty transient view

The present ideas, indicators, and even procedures of poverty are increasingly treating poverty as being a transient and/or incidental occurrence. According to this understanding, procedures to lessen poverty are likely relief-like solutions that do not discuss the original causes of poverty. Poverty is typically a result of a process and rarely an incident. Procedures to lessen it should, thus, be developed: increasing the poor people's capacity of earning rather than making them permanent seekers of aid and donations [٢٠].

#### d) Similarity of needs

Most of the dominant procedures of poverty are grounded on a supposition that nutritive necessities are the same for all areas or sections of society. Actually, various groups (as well as families) might expose various needs. Helpless groups such as the disabled, aged, displaced, pregnant and lactating mothers, children... etc. own various characteristics and various needs. Needs in different regions and areas might also be various in many manners. Hence, an appropriate consideration of poverty must be relied upon a consciousness of the disparity instead of similarity in needs. Categorizing all poorer as a group of persons in need with the same characteristics and thus needs, betrays a humanity basic feature: difference. That the poor have certain urgent needs that should be met must not be a reason for interpreting differences in these needs [٢١].

#### e) Bias of procedures and estimations

The dominant procedures of poverty are extremely oriented towards monetary features of poverty with little or no respect to its other likewise significant or compelling features. Certain man needs cannot be counted or measured in a money-metric manner. Most estimates also focus on the fiscal inability to meet the basic needs. Considering wealth allover is essential as long as it grows as one crucial determinant of capability. This is beside the individual skills, knowledge, and capacity to endure shocks [٢٢].

#### f) Single-strand approach

Though poverty was initially regarded as a comparative phenomenon, the present concept utilized in most literature, specifically the one devised by the World Bank to the developing countries particularly is a complete concept defined as “the inability to attain a minimal standard of living” [٢٣]. The fact saying that the World Bank and others overlook the comparative concept of poverty might be ascribed to many reasons, one of which is the fact that persons’ consciousness of the existence of comparative poverty is recognition of comparative deprivation and social inequality, which might be a

motive for riots, destruction and political turmoil elicited by deprived crowds.

### **٢.١٢ Towards a New Concept – the Islamic Perspective**

For policy importance, it grows crucial to combine the comparative and complete concepts of poverty in one composite concept absorb the two forms of comparative and complete deprivation. Merging both into one composite approach is central to the degree that the complete idea guarantees the provision of basic needs, whereas the comparative one adopts equity in distribution across various segments. The novel composite concept shall be authenticated if we transfer from the subsistence level to the sufficiency paradigm in providing the needs.

We have also perceived that the complete and comparative concepts, presently controlling the literature about poverty, do not consider, at least, the dimension of time in determining the capability to meet the needs, i.e. the standard whereby the poor people are distinguished from the non-poor people. Weight should be put on whether the capability to meet the needs is sustained or not. Consequently, this will make us closer to a practical instead of a simply linguistic conceptualization of poverty [٢٤].

### **٢.١٢.١ Presenting an Islamic perspective of poverty**

Principally, the aforementioned conceptual weaknesses and flaws are not inevitably a satisfactory reason solely to discard the concepts and definitions coined for poverty in the existing literature. The quest to take an Islamic perspective to the poverty conceptualization is not a denial of the conventional literature, but a trial to participate in the current debate. Principally, Islam does not prohibit its believers from deriving knowledge from other civilizations; actually, it calls for interdisciplinary as well as an exchange of knowledge. This is a genetic tradition ascribed to the Prophet Mohamed (p.b.u.h.) [٢٥].

“Abu Huraira (may Allah be pleased with him) reported Allah's Messenger Mohammed as saying: a word of wisdom is

the lost property of a believer; he can take it wherever he finds it, because he is more entitled to it".

Poverty is inversely conceptualised in various economic and social systems for each of the three prevailing economic systems (socialism/communism, capitalism, and Islam) accentuates the poverty nature, its causes and the mechanisms of fighting it [٢٦].

Capitalism sees wealth and poverty as natural yields of tough and weak effort on the part of the rich and the poor, respectively. It views no excuse for compelling the wealthy people to submit part of their wealth to the poor people. Communism sees poverty as the result of exploiting the working class by their employers whose wealth itself is the product of their employees' labour. Communism views no remedy for poverty but via the capitalists' expropriation and the socialisation of all production means. As for the Islamic economic system, wealth is considered as a gift from God who bestows it straight to a person (through inheritance or charity) or awards him with the capability to gain it. The receiver of divine gifts is anticipated to show similar kindness towards his less donated fellow human beings. The latter one are regarded permitted to a portion of every rich individual's wealth by being co-owner of the natural resources from which their wealth is resulted [٢٧].

Basing on the factors of need and time, Islam has done an essential distinction between two kinds of needy groups: the "poor" and "destitute". This distinction is a question of degree. The first type (the poor) comprises those individuals who by using their resources cannot preserve the sufficiency level for a one year period. The latter type (the destitute) includes those unable to ensure the same level for a one day period.

Thus, poverty in Islam is not a question of incapability to meet the basic needs necessitated for man survival at a point in time, but a question of incapability to withstand satisfaction of those needs for a long duration of time; may be a year. Hence, sustainability in satisfying basic needs for man survival is a

crucial element and a starting point to differentiate the poor people from the non-poor people.

They said that both groups are recorded as the first two of eight types selected in Islam as qualified for Zakat, i.e. charities and donations. The eight types include what is well-known as "Zakat Avenues"; which are classified in the Holy Qur'an in eligibility order as: the poor people, the destitute people, Zakat gatherers, pacified non-Muslims, slaves or captives, debtors, in the God's cause, and travelers. Though the first two types (the poor and the destitute people) are the bona fide in need, the latter six types are not poor necessarily; however they are still eligible to Zakat. This is because they might be in impermanent need.

In this study, we should recall that both types (the poor and the destitute people) are merely two categories of the poor people; the only factors that differentiate between them are the degree and period of their poverty, which means factors of needs and time dimension.

At the current time, several the "Zakat" avenues are non-existent (with no members); their portions may thus be removed to other avenues upon the priority and the degree of susceptibility. This reveals the elasticity of the Zakat system. Also, it indicates that this system is open to the changes that happen over time and space. These prearranged avenues may be changed when it is considered imperative. In other sense, new substitute types can be made as relevant in the present definite context like refugees, internally displaced individuals... etc. But this must be institutionalized by the state and by be left for subjective judgment.

#### ٢.١٢.٢ **A two-pronged system**

Though several scholars view Zakat a merely re-distributive mechanism [٢٨], it actually has an extra economic role: it works as an income producing and, thus, a mechanism of development, too. This is because the economic justification behind the Zakat system forbids hoarding and hence mobilizes wealth; therefore resulting in further investment and more income generation and development. Economically, Zakat is destined to motivate



investment in savings, in case they grow eroded over frequent Zakat deductions at its yearly identified ratio of ٢.٥%, which applies just when leaving wealth hoarded. Moreover, the poor people are not only given a Zakat portion satisfies their basic needs of consumption, but also seed the capital to aid and enable them generate and earn income.

The compulsory nature of yearly Zakat payments and the Islamic designation of the poor people are of specific economic importance:

- First- it signifies that the poor people are authorized to have a certain share of Zakat.
- Second- this share, seemingly, is sufficient to meet the poor people's needs for a whole year.
- Third- the system provides investment chances: if the poor people are provided with good advice related to how can they invest their Zakat earnings, in the next year they might no longer be poor anymore. In other sense, the poor people must invest the Zakat portion for their private businesses in a commercial way.
- Fourth- it is understood from the abovementioned that if a poor person invests fruitfully, he might turn to grow a Zakat payer instead of being just a permanent receiver.
- Fifth- a Zakat payer indicates a decrease in the number of the poor people by some share, and thus another chance for new poor units to contribute in this process [٢٩].

What this suggests is that the Zakat is a maintainable mechanism that improves development in a lively way. Including the poor people in the list of Zakat beneficiaries, in specific, is a proof of its developing nature and also proposes that it is the most significant and assured fiscal source for the group. That is because the religious tenet is that all entitled Zakat payers are devoted to make its payment instead of evaders. Thus, besides its re-distributive function, Zakat has a certain development function. Prohibiting the hoarding and cross-subsidization by taking from the rich people and giving to the poor, both functions are satisfied. As a poverty-fighting

mechanism in Islam, Zakat can fulfill its aims if justice is perceived in its gathering and distribution.

### ٢.١٢.٣ **The level of poverty**

It is vital to pinpoint human's basic needs, the provision of which is an commitment on the government in an Islamic community. The definition of those needs is a key step towards a complete understanding of Islamic opinion regarding human and his needs on earth. In Islam, human beings' economic rights are scheduled as food and drink; clothes for summer and winter; a house protects one from sun, rain, cold and the street walkers' eyes; health care; education; transportation; and assistants of the aged.

The level at which those needs must be met is defined by referring to the rates within the community sector from which any poor individual stems. Hence, poverty lines should be defined by referring to rates for every village, province, region, and state to the country level.

As stated by Islam, basic needs must be provided at the "sufficiency" instead of the level of "subsistence". Obviously, then the poverty concept in Islam is a relative-in-relative one, relying on rates of various sections of community. Yet, for practical objectives, it is first vital to define the level of subsistence to which all persons should have an equivalent access, then to define the level of sufficiency on a sectoral basis[٣٠].

### ٢.١٢.٤ **A government responsibility**

It is the clear responsibility of government to bring all persons to the sufficiency level via taking from the rich people and giving the poor vis-à-vis a process of just redistribution. Thru the redistribution process, nonetheless, Islam targets lessening the gap between the poor and rich people, as it constantly attempts to eliminate differences in all aspects of man's life as a precondition for absolute fairness for all people irrespective of their ethnic origin or religious attachment. This is a process directed by the state and not left, as in other systems like the capitalist system, to society thru voluntary donations.

What this suggests is that the wealth distribution, resources, means of production, in addition to the participation in the process of socio-economic and political decision-making...etc. must be on an impartial basis. This is chiefly to eliminate the social repression and economic deprivation at all levels, beginning from the very domestic to the international [٣١].

### ٢.١٣ **Broad Strategies for Poverty Reduction**

The previous analysis indicates that poverty is a result of diverse factors and suggests three broad strategies for its reduction: Growth, distribution, and the development of sociopolitical institutions and arrangements dealing with the poor. These broad strategies, although interrelated, could have different impacts in the long term and in the immediate and short-terms, on the sustainable reduction of chronic, transitory and other types of poverty. They should be examined as a coordinated package and viewed as essential elements of an overall development strategy. We feel, however, that effective growth strategies with a built-in equitable opportunity mechanism should serve as the foundation for sustainable poverty reduction policies. As discussed below, those proposed strategies are in harmony with the Islamic ethical system outlined earlier [٣٢].

The presence of poverty on a large scale is associated with lack of development. This fact is evident from reading through the United Nations Human Development Reports. As indicated earlier, countries that were able to achieve a sustainable reduction in poverty are those that achieved sustained levels of economic growth and development. Notable examples are Korea, Malaysia, and Singapore among others in which poverty has been reduced to below ١٥%. Indeed, poverty continues to exist in all high growth and industrialized countries. But because of the relative low levels of poverty combined with the presence of high income, favorable demographic environment, and effective institutions, policies to reduce poverty are relatively less costly and more effective. Growth strategies are long-term processes of nature.

To be successful, growth strategies focus on enhancing the long-term determinants of economic growth: quality education, health and other determinants of human capabilities, productive investment, efficient market behavior, and the development of democratic practice and the rule of Law.

The poverty-reduction component is embedded in this framework as long as it adopts egalitarian policies for the development of human capabilities and the distribution of opportunities. It is this part of the growth strategy that is essential for sustainable poverty reduction. Equitable investment in education and its quality, especially at the basic level for all members of the young cohorts is a necessary condition if countries have to escape the vicious circle of poverty. Sufficient conditions are the promotion of an environment for healthy competition, productive opportunities, and fair governance. But the development of such environment requires consistent moral guidance. It is well known in recent psychological research that moral development and identity is fostered by multiple social influences that guide a person from early childhood in the same direction. Thus, while parents, the education system, and the immediate community provides the basis for industry, imaginable and independent thinking in the formative years, it is transparency in government, isonomy in the rule of Law, and other democratic practice and institutions that provide the needed support and reinforcement beyond these formative years. The transformation of the next generation into a productive, committed, and internationally competitive force, essential for the development of a healthy society and its survival in the present global environment is nothing short of a true revolution for most of the developing countries. It is this vision of 'development with productive equity' that we believe is the essence of a poverty reduction strategy based on the Islamic ethical system. In that context, not only the prevailing growth strategy, but also all distributional strategies should be designed, monitored, and evaluated according to these principles [٣٣].

## ٢.١٤ Islamic Poverty removes pollen (Evaluation)

The arrangement was so fruitful in that within the rise time of the Islamic state, Bahrain grew the first region to move all its Zakat to the central treasury of Caliph Omer Ibn Al Khattab (may Allah be pleased with him) because there were no poor people in need of it at that time. The start of the ٢<sup>nd</sup> Islamic century witnessed the entire Islamic empire under Caliph Omer Ibn Abdel Aziz (may Allah be pleased with him) free of poverty, leading to an alteration of the Zakat fund to development [٣٤].

The research sufficiently illuminates the double nature of the dynamics of poverty extermination in the Islamic system, which unites (a) increasing income via a dynamic anti-hoarding and pro-investment Zakat system with (b) efficiently redistributing the revenues in service of the poor people. The research specifies the distinct elements balancing those both sides of the Islamic arrangement for poverty extermination, guarantee that development is all-embracing, equitable, sustainable, and free of the insufficiencies noted in a similar non-Islamic arrangements. These insufficiencies comprise seeing poverty as an incidental failure to get basic material necessities of subsistence that are commonly similar. The arrangement continues to define additional security nets established by Islam to liberate the poor people and their communities from the social, material, political and spiritual ills of poverty.

A near look at more than ١٤٠٠-year-old Islamic arrangement for poverty extermination and the latest one approved by the UN agencies, run by the UNDP, expose the degree to which the latter matches the former, although not as far as it must, in either assessing poverty or dealing with it. Limited emulation addresses:

- (a) Distinguishing between a subsistence level, the destitution of al-maskin, and one of sufficiency, the poverty of al-faqir who is assured of his community's regular needs for an entire year. The World Bank has adopted the two-level concept of poverty when in ١٩٩٠ it lays two poverty lines - a lower one of \$ ٢٧٠ and a higher one of \$ ٣٧٥ each person each annum [٣٥].

- (b) What Muslim jurists (Fuqahaa) recognized as human's basic resources and social needs were afterward integrated in the UN's poverty and man's development indicators;
- (c) The present classification of deprived or weak groups, an emulation of the Qur'anic classification of those who are worthy to receive Zakat money. Those consist of the poor people, the destitute people, the homeless people and debtors. What the slaves were given to purchase their liberty is also parallel to what is nowadays called supporting and empowering socially legally, and/or politically deprived persons;
- (d) The allotment by Islam to non-Muslims of a portion of Zakat that equals what is allocated for the faith circulation represents an extraordinary obligation by Muslims to fighting poverty as a worldwide burden whose elimination, wherever it is, is the duty of every society. Present pledges by rich countries to aid anti-poverty efforts in the poor nations reverberate this old Islamic custom.

However, a lot of critical elements of the Islamic plot for eliminating poverty are lost from the current UN-sponsored one. Most unfortunate is the failure in following the pattern of Islam in indicating (i) the resource of and quantity of flow from the rich (individuals or countries) to their poor fellows; (ii) the institutional structure and the mechanisms required to cause the current schemes; and (iii) the tendency to confine the fighting of poverty to income redistribution procedures, while income-boosting strategies are terminated by contractionary modification policies.

## ٢.١٥ **Recommendations**

The Islamic wealth available now capable to reduce poverty in the Islamic world crisis, in the case have been legitimate employ for money according to the needs of the community. Here are some of the proposals put forward practical methodology to encircle those vexing phenomenon of Muslims in

the Islamic world, and achieve a kind of social solidarity between rich and poor Muslims.

١. Activating the role of the state in poverty reduction by applying the Sharia (law) in all aspects of life, and carry out its tasks in the collection and distribution of the necessary resources as required, according to Shara.
٢. Pursuit to the establishment of an Islamic Zakat Foundation operates as financial umbrella for all Muslims on earth, legally known Muslim house money, the financial house of the whole nation.
٣. Encouragement charitable donation campaigns in order to tackle poverty in the Islamic world, so that donations from able-bodied Muslims went for each of the poor within the Muslim world, and therefore a kind of social solidarity within the Muslim community happen.
٤. Encouragement the business men to support the housing construction projects to provide a free housing appropriate for the poor.
٥. prohibition the dealing by means that leading to widening the gap between rich and poor, which make rich people richer and make poor people more poorest , such as usury, gambling, monopoly, and the forbidden sales, take risks on the prices, and selling debt to debt , and selling what is not owned, etc .
٦. Study of regulatory mechanisms to convert the mosque into a charity center integrated within the Muslim world, So every mosque sponsor the poor of neighborhood that it resides.

## ٢.١٦ **Conclusion**

Analyzing the Islamic thought history, poverty is relative-in-relative; availability of basic needs is the duty of the State; and the level at which those needs are to be supplied is the sufficiency instead of the subsistence one which is stressed by most dominant procedures of poverty. Economic human rights in Islam were decided to be food; drink; clothes (in summer and winter); a house that protects one from cold, sun, and street

walkers; health care; education; transportation; and attendants for the aged.

Islam theoretically distinguished between poverty and destitution based on need and time. Poverty is the inability/failure to meet basic sufficient needs for a whole year; misery is failure to do so for one day. This difference is very important for policy issues when identifying the poor people or designing poverty-mitigation programs. Those poverty considerations in fact are one pace beyond the modern prevailing concepts. Development in Islamic thought centers around human as its means and its target together. Human's major duty on earth is to develop and husband it through benefiting from all obtainable natural sources (water, land...etc.).

Yet, since development activities are more concentrated in utilizing natural resource donations, the portion of the poor people (Zakat) raises consequently, i.e. rain-fed versus irrigated plantation where Zakat portion is larger in the earlier, approximately ١٠% versus ٥%. What makes development attain its targeted humanitarian function is the simultaneous process of balanced growth, i.e. production, and impartial distribution of all earnings and overheads. Poverty-alleviating plans are also supposed to be implicitly funded vis-à-vis financial procedures and legislation proposed by Islam as counteractions towards poverty.



## ٢.١٧ **References**

١. Irungu ,G. (٢٠١٠). Islam Poverty and Microfinance: Microfinance Africa.Retrieved from:  
<http://microfinanceafrica.net/news/islam-poverty-and-microfinance>. [Accessed on September ٢٢, ٢٠١٤].
٢. Geoffrey Irungu.Ibid.p٢.
٣. Selections from The Sayings And Preaching Of Amir Al-Mu'minin 'Ali Ibn Abi Talib (Peace Be Upon Him), Hadith n.٣٢٩.Available on  
<http://www.al-islam.org/nahjul-balagha-part-٢-letters-and-sayings/selections-sayings-and-preaching-amir-al-muminin-ali>
٤. The Qur'an, Fâtîr, ٣٥/١٥; Muhammad, ٤٧/٣٨; Haşr, ٥٩/٨.
٥. The Qur'an, Bakara, ٢/٢٦٨, ٢٧١, ٢٧٣; Âl-i İmrân, ٣/١٨١; Nisâ, ٤/٦, ١٣٥; Tevbe, ٩/٦٠; Hacc, ٢٢/٢٨; Nûr, ٢٤/٣٢; Kasas, ٢٨/٢٤; Haşr, ٥٩/٨.
٦. See for this meaning used in the Qur'an, Kasas, ٢٨/٢٤; Haşr, ٥٩/٨.
٧. Wensinck.A.J. (١٩٨٦). Concordance et Indices de la Tradition Musulmane (el-Mu'cemu'l-Müfehres li Elfâz'l-Hadîsi'n-Nebevî), Çağrı Yay., İstanbul, V/١٨٦-١٨٩.
٨. Kuşayrî,A.& Risâlesi,K.(١٩٩١). (S.Uludağ), Dergah Yay., İstanbul, , pp.٤٤٠-٤٤١.
٩. Afîfî,E.A.(١٩٩٦)Tasavvuf: slam'da Manevî Hayat, (Translated by E.Demirli-A.Kartal), İz Yay., İstanbul, pp. ٢٣٣-٣٤. See for the definition of fakr and more information, Kuşeyrî, Kuşeyri Risâlesi, s.٤٤٠.
١٠. Al-Darwish. A. H. (٢٠١٠). The problem of poverty and underdevelopment in the Muslim world.Syria: Dar Al-Fiqrfor printing, distributionand publishing.
١١. Marmaduke,M.(١٩٩٦). The Meaning of the Glorious Qur'an. Libyan : The Islamic Call Society.
١٢. Al-Shikeiri, A. (١٩٨٨). Economic Development in the Islamic Doctrine. Umma Book Series. Qatar: Courts and Religious Affairs.p٢٢.

١٣. En-Nawawi, A. (No date). Sahih Muslim (٦٣١-٦٧٦). Volume ٦. Hadeeth No. ٢٠-(١٨٢٩). Alexandria :Modern University Office. P ٢٩٦.
١٤. Al-Shikeiri, A. Ibid. p ٢٣.
١٥. Ibid. p ٢٣.
١٦. Sahl, I. M. G. (٢٠٠١). "Public Sector Saliariats' Poverty-Coping Mechanisms: A Comparative Case from El-Obeid". Eastern Africa Social Science Research Review (EASSRR), Vol. XVII, No. ٢, June ٢٠٠١, Page: ٩١-١٠٧, OSSREA, Addis Ababa, Ethiopia.
١٧. World Bank. (١٩٩٠). World Development Report: Poverty, Oxford.
١٨. World Bank. (١٩٩٠). Ibid. p ٦٧.
١٩. Ravallion, M. (١٩٩٦). "How well Can Methods Substitute for Data?: five experiments in poverty analysis", Research Observer, Vol. ١١(٢): ١٩٩-٢٢١, World Bank; Ravallion, M. (١٩٩٢). "Poverty Comparisons: a guide to concept and methods", LSMS Working Paper No. ٨٨, World Bank.
٢٠. Sen, A. K. (١٩٨١). Poverty and Famines: an essay on entitlement and deprivation, Oxford; Sen, A. K. (١٩٧٩). "Poverty: an ordinal approach to measurement", Econometrica, No. ٤٤: ٢١٩-٣١.
٢١. Sen, A. K. Ibid. p ١٣.
٢٢. Foster, J., Greer, J. & Thorbecke, E. (١٩٨٤). "A Class of decomposable Poverty Measures" Econometrica, No. ٥٢: ٧٦١-٦٥.
٢٣. World Bank. Ibid. p ٢٦.
٢٤. Cizakca, M. (١٩٩٨). "Awqaf in History and its Implications for Modern Islamic Economies".
٢٥. Cizakca, M. Ibid. p ٤٣-٧٠.
٢٦. Awad, M. H. (١٩٩٨). "Poverty Eradication in the Islamic and other Economic Systems. Sudan: Ministry of Social Planning.
٢٧. Awad, M. H. Ibid. p ١٣.
٢٨. Nur E. T. M. (١٩٩٦). "Poverty in Sudan and the Role of the Saving and Social Development Bank to Moderate its

Severity", paper presented to the Workshop on: "The Role of the Saving and Social Development Bank in the Realization of Social Peace", Ministry of Social Planning, ٢٥-٢٦<sup>th</sup> Aug., Sharqa Hall, Khartoum.

٢٩. Nur E. T. M. Ibid. p ٤٥.
٣٠. Nur E. T. M. Ibid. p ٤٦.
٣١. Nur E. T. M. Ibid. p ٤٧.
٣٢. Ismail Sirageldin. (٢٠٠٠). Elimination of poverty: challenges and Islamic strategies. Islamic Economic Studies, Vol. ٨, No. ١, p ١٢.
٣٣. Ismail Sirageldin. Ibid. p ١٣.
٣٤. Awad, M. H. Ibid. p ١٦.
٣٥. Awad, M. H. Ibid. p ١٧.