



## Role of *Zakah* Institution in Governing and Transforming Beneficiary's Living Standard from the Level of *Daruriyyat* (Dire Necessities) to *Hajiyyat* (Comfort Living) in Relation to *Maqasid al Syariah*

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**Abstract** – *Zakah* is an Islamic financial instrument anchored within the Islamic economic system. Its establishment is to reduce inequalities within the Muslim community so that fair and social justice would be attained. In Malaysia, the administration of all religious matters including *zakah* is under the auspice of State Islamic Religious Council (SIRC). There are 14 states in Malaysia, and every state has its SIRC. As a religious and *zakah* agent, the institution is entrusted to govern *zakah* funds so that the beneficiary's living standard could be transformed to a higher level. This paper conceptually reviews the role of *zakah* institution in governing and transforming the beneficiary's living standard from *daruriyyat* (dire necessities) to higher level that is *hajiyyat* (comfort living) in relation to *Maqasid al Syariah*. As to ensure the success of the transformation, *zakah* institution should play proactive roles and be optimistic in formulating and initiating potential programmes that would generate income and make the beneficiary wealthy. Hence, the objective of *Maqasid al Syariah* under *zakah* jurisprudence will be achieved, if *zakah* funds are channelled to productive programs that would transform the beneficiary's living standard and eventually free him/her from the shackles of poverty.

**Keywords:** beneficiary, *daruriyyat*, *hajiyyat*, poverty, transform, *zakah*, *zakah* institution.

### Introduction

Giving *zakah* or alms is one of five pillars in Islam which falls after performing *salat* (prayer). The order of *salat* and *zakah* is always jointly, and cited in the noble al-Quran as both are obligatory forms of worship, which mean purification and cleanliness, in order to get one closer and blessed by the Creator, ALLAH S.W.T. *Zakah* is not a voluntary gift or donation out of contribution of the giver, but it is a spiritual obligation that must be distributed to qualified recipients known as *asnaf*. Indeed, Islam makes it obligatory for every Muslim to pay *zakah* on his excess wealth. The *zakah* fund is ordained to be distributed to the *asnaf* group as prescribed in the Noble Quran [Surah At-Tawbah (9:60)]. The verse is translated as *Zakah* is for the poor or *fuqara* (those whose income does not fully meet their *daruriyyat* need). A needy or *masakeen* (those whose income fulfils their *daruriyyat* need but unable to fulfil other needs), *fisabilillah* (those who fight to uphold Islam and Islamic teaching), *amil* (those who distribute the *zakah* funds), *muallaf* (newly convert Muslims), *gharimin* (those who are heavily burdened with debt and have no means to settle it), *ibn sabil* (those who suffer from depleting funds in their travel for good reasons) and *riqab* (a person who wants to free himself from bondage whether he was a slave in the old times, or a prisoner of war in the recent times). *Zakah* or known as almsgiving is one of the financial mechanisms in Islamic economic system that aims to achieve socio economic justices by reducing inequalities and income gap between the haves to the haves not in the society. Through redistribution of income, *zakah* plays a significant role in poverty alleviation by uplifting and transforming the living standard of *asnaf* especially the poor and needy from the level of *daruriyyat* (dire necessities) to *hajiyyat* (comfort living). Eventually, this system would guarantee every member of society a decent living standard which is respectable and humane. *Zakah* institution is among several

agencies instituted by the government to eradicate poverty and enhance the living standard of the poor and needy specifically in the Muslim society. The public organisation and spiritual welfare agent and the institution cannot avoid from intense public scrutiny. The institution is expected to govern and manage the distribution of *zakah* fund efficiently so that beneficiary's living standard would transform from lower to the higher level and thus pull him from the chain of poverty. If there is no transformation in the beneficiary's living standard; it indicates that there are shortcomings in the governance of *zakah* fund, specifically in the aspects of distribution and monitoring (Abu Bakar & Abd Ghani, 2011). In other words, the objective of the *zakah* distribution under *Maqasid al Syariah* jurisprudence has yet to be materialised. Statistics indicated that as of 2014, the poverty incident in Malaysia stood at 1.7 percent (Department of Statistic, 2016). In terms of ethnic group, *bumiputra* (malay and other indigenous people reside in Malaysia) contributed the highest percentage, that is 0.8 percent, followed by Indian 0.6 percent and Chinese 0.1 percent. Majority of *bumiputras* are Muslims and despite that *zakah* is one of the financial mechanisms to assist the Muslims, the poverty issue pertaining to this ethnic group persists.

The scenario may create negative perceptions and allegations among the stakeholders (mainly *zakah* payers, beneficiaries, Muslims and others) on the role of *zakah* institution in governing and managing *zakah* funds. These perceptions could affect the confidence (trust) of the society specifically the *zakah* payers towards the *zakah* institution. Many maybe doubtful and cynical with the role of the institutions in governing and managing the distribution of *zakah*; despite that *zakah* collection increases, the poverty issue persists. The discussion issue above motivates the authors to conceptually review the role of *zakah* institution in governing and transforming the beneficiary's living standard from the level of *daruriyyat* (dire necessities) to *hajiyyat* (comfort living) in relation to *Maqasid al Syariah*. The following of the paper will review the literature on the topics of interest before offering the conclusion in the last section.

### ***Maqasid al Syariah***

*Maqasid* is known as objectives while *al Syariah* relates to Islamic Laws. The combination of these two words namely *Maqasid al Syariah* means the wisdom behind the ruling of which both promote social charity and preserve one's mind and soul towards the Creator, ALLAH S.W.T. In other words, it encompasses principles that provide good outcomes that the Islamic laws aim to achieve. The *Maqasid al Syariah* divides one's need into three levels namely *daruriyyat* (dire necessities), *hajiyyat* (comfort living) and *tahsaniyyat* (luxuries). The levels are in the hierarchy, overlapping and interrelating to each other of which the higher level serves the level below. An acceptable or decent living standard is when one has transformed from the level of *daruriyyat* to *hajiyyat* in his life or has surpassed the dire necessities needs and attained comfort living satisfaction. Needs and satisfaction are two major elements in one's life with no limit and end. In fact, after a need is achieved, another need arises. One persists and adamants in achieving his endless needs even though he is unable to achieve all his needs (Afzalurahman, 1991). For example, after successfully attaining *daruriyyat* (dire necessities) and securing a more stable income, such as sufficient food, clothing, shelter and transportation, one tempts for nutritious food, good clothes, a comfortable house with complete furniture and transport that would provide him comfort and luxury.

The first level of living standard is *daruriyyat* whose dire necessities is to sustain one's life according to Islam. This need is categorised into five dimensions namely preservation of faith, physical-self, wealth, mind and offspring (Auda, 2008). Preservation of faith states that the ultimate needs in one's life are faith to the Creator, ALLAH S.W.T. Preservation of physical-self is related to the daily needs required by one to maintain his well-being. Preservation of wealth refers to income or assets needed by one to support his daily life. Preservation of mind or knowledge is important for one to socialise, interact and make his living. Finally, preservation of offspring states that one needs a family to love and care. *Daruriyyat* need (dire necessities) is essential matters that enable one to meet his and his dependents self-sufficiency which comprises of food, clothing, shelters and transportation. Failure to attain *daruriyyat* (dire necessities) would jeopardise one's living standard of which his and his dependents life has no quality.

After fulfilling the *daruriyyat* (dire necessities) level, one strives for the second level of living standard that is *hajiyyat* (comfort living). The needs at *hajiyyat* (comfort living) level are less essential in one's life. Examples are marriage, trade, means of transportation, preferable of one kind of food over another and comfortable dwelling. Islam encourages and regulates these needs, but deprivation of these needs is not a matter of life and death, especially on an individual basis. Finally, the third level of living standard is *tahsiniyyat* (luxury). This is the highest level of living standard in one's life which is indicated by the symbol of wealth such as extravagant life style, using luxury items and wearing high branded goods. Islam encourages the one to strive for this living standard, but it takes a lower priority. Ironically, Islam stresses on equilibrium whereby one should manage its wealth wisely and not be a spendthrift or miserliness.

### **Zakah and Poverty Alleviation**

*Zakah* is one of the financial instruments in Islam economic system to alleviate poverty by the redistribution of the wealth from the rich to the poor and needy. According to Zakaria (2014), the major thrust of *zakah* is to help the poor and the needy by increasing their income so that they will be pulled out from the chain of poverty. Islam views the issue of poverty as serious that needs to be addressed immediately as poverty may lead one to *kufur* (blasphemy). If the issue it is not managed accordingly, there is a tendency that one may switch to another faith that offers him financial assistances for self-sufficiency. As such, strong effort should be taken by the appropriate institution to ensure that the beneficiary would not only attain *daruriyyat* (dire necessities) living standard but even transform him to a higher level that is *hajiyyat* (comfort living).

### **The Role of Zakah Institutions**

In Malaysia system, the management of *zakah* is under the auspice of every respective state jurisdiction namely State Islamic Religious Council (SIRC). To date, Malaysia has 14 states and every state is empowered to have its enactment or law about *zakah* (Bakar & Rashid, 2010). Malaysian Federal Constitutions indicate that religious affairs are a state matter rather than federal. As *zakah* is imposed on the Muslims based on the religious requirement, its administration comes under the jurisdiction of every state. All states have their SIRC known as *zakah* institution. Additionally, the institution is fully responsible for governing and managing the state *zakah* affairs including the collection and distribution of *zakah* funds. Although the approach in managing *zakah* varies from one state to another, the main objective remains the same that is to alleviate poverty and transform the recipients' living standard from the level of *daruriyyat* (dire necessities) to *hajiyyat* (comfort living).

Apart from SIRC, the federal government has established the Department of Zakah, Waqf and Haj (JAWHAR) with the aims of coordinating and promoting a systematic administration among *zakah* institutions. The establishment of this department is important to integrate *zakah* into the country mainstream Islamic financial system effectively. This department would monitor and standardise the *zakah* accounting practices of SIRC so that all financial reporting about *zakah* is converged and harmonised. Hence, this would facilitate stakeholders that consisted of *zakah* payers, beneficiaries and *zakah* institutions in evaluating the role of *zakah* institution in governing and transforming the beneficiary's living standard.

Being a public organisation, *zakah* institutions are expected to play important roles in promoting good governance when dealing with this public fund. The governance of *zakah* institutions refers to the governance structure and mechanism to ensure the financial and managerial accountability of *zakah* collection and distribution. The fund should not be spent on unproductive programs, channelled to unqualified beneficiaries, for investment, or other activities which are against what is ordained by Islam. A good governance and efficient management would meet the objective of *zakah* that is to alleviate poverty totally by helping the transformation of beneficiary's living standard from the level of *daruriyyat* (dire necessities) to *hajiyyat* (comfort living) (Abu Bakar & Abu Ghani, 2011).

### **Forms of Distribution**

*Zakah* is channelled in many forms of distribution. The usual form is monthly financial assistance for the elderly, children, those with prolonging illness, widows, and those who are physically unable to work. This assistance is to support the beneficiary to sustain his, and her dependents live. There is no definite period in the assistance; the beneficiary is entitled to the *zakah* until he would be able to make his living. According to Zakaria and Abd Malek (2013), the role of *zakah* institution is not only governing *zakah* funds and helping beneficiary to improve his living standard but also making him a productive member of the society. Being a trustee, for managing the collection and distribution of *zakah*, *zakah* institution should play significant roles by strategically formulating productive distribution programs that would transform the beneficiary's living standard from *daruriyyat* (dire necessities) to *hajiyyat* (comfort living). Hence, this is to ensure it would contribute toward a fair and just distribution in the circulation of wealth in the economic system.

*Zakah* distribution does not only cater to a short-term relief, once given, but it is also spent to make one's ends meet. The distribution can also cater for long term assistance such as in the form of living support. This can be given in the form of tools and equipment that can be utilised to generate income to support beneficiary life until he is able to support his own living. Apart from that, *zakah* can be given in the form of capital. This would assist the unemployed, orphans, widows, physically disadvantaged people or other under privileged groups to set up and sustain their business and employment.

### **Transforming beneficiary's living standard from *daruriyyat* (dire necessities) to *hajiyyat* (comfort living)**

A quality in life has been achieved, after favourable well-beings have taken place (Economic Planning Unit, 2011). In the Malaysian context, the changes are inclusive of self-progress, healthy life style, access and freedom to knowledge and living standard. Living standard is the wellbeing or a state of satisfactory condition, characterised by health, happiness, security and comfort in life. One of the requirements of quality of life is a major change in one's living standard, that is from unsatisfactory to a betterment which is in tandem with nation aspiration. Similarly, this is aligned with the objective of *Maqasid al Syariah*, whereby it encourages one to transform his living standard from *daruriyyat* (dire necessities) to *hajiyyat* (comfort living).

A decent living standard for a human is when he attains the level of *hajiyyat* (comfort living) in his life. Abu Bakar and Abu Ghani (2011) support that the amount of *zakah* given should able to transform the beneficiary's living standard from *daruriyyat* (dire necessities) to *hajiyyat* (comfort living) which forms the minimum quality of life. Zakaria and Abd Malek (2014) indicate that a decent quality of life must cater to two living standards that are *daruriyyat* (dire necessities) and *hajiyyat* (comfort living). Quality of life concept is closely related to one's feeling of satisfaction towards the changes in his living standard that provides enough satisfaction of necessities in his life. Further, Imam Malik and Imam Nawawi from the Syafie school of thought (Ibn Rusyd, 1966) view that the objective *zakah* is to transform the beneficiary's living standard from poor to wealthy. Shaik Ahmad (2001) articulates that *zakah* given must assist beneficiary to attain *daruriyyat* (dire necessities) and *hajiyyat* (comfort living) for him and his dependents. The distribution must ensure continuity and sustainability of living standard in which the impact of the distribution would lead the beneficiary to to be pulled out from the chain of poverty.

The transformation of the living standard cannot be achieved within a brief period since such action requires careful planning. Specifically, for the distribution aspects, they must be given serious attention by *zakah* institutions in ensuring the disbursement can be made effectively and successfully achieves the objectives. Indeed, poverty cannot be alleviated within a short-term period; it needs a long-term program. According to Abu Bakar and Abd Ghani (2011), *zakah* can be distributed in the form of capital, tools and equipment. This would help able-bodied to operate their means of living so that they will no longer become the *zakah* beneficiary in the future. Embong, Taha and Mohd Nor (1987) add that the amount of *zakah* given to the beneficiary should depend on his business requirement. Regardless of the amount, it must be given if it is able to transform the beneficiary and his dependents living standard from *daruriyyat* (dire necessities) to *hajiyyat* (comfort living). The capital is considered as a

long-term investment that guarantees the continuity of his self-sustenance. Moreover, huge capital helps business to operate at the economy of scale and coupled with close monitoring would ensure the viability and successfulness of the business. Apart from monetary assistance, *zakah* distribution can be in the form of tool, equipment and machine (al Zuhaily, 2005). This is to help those in the industry to speed up the operation and increase the quantity of production as opposed if it is manually produced (Shaik Ahmad, 2001). These modes of *zakah* distribution are expected would transform the beneficiary and his dependents' living standard from *daruriyyat* (dire necessities) to *hajiyyat* (comfort living). Eventually, it is hoped that the beneficiary would secure and sustain or even achieve a better living standard in the future.

### Conclusion

The success of *zakah* distribution is indicated by the transformation of the beneficiary's living standard from the level of *daruriyyat* (dire necessities) to *hajiyyat* (comfort living) and the reduction in the poverty incidence. Although evidence has indicated that there is a gradual reduction in the percentage of poverty yearly, the incidence persists. In relation to this, productive programs should be formulated in the form that would pull out the beneficiary from the chain of poverty. Aids can be in the form of capital, tools, seeds, equipment or any other potential programs that do not only support beneficiary's self-sustainability but also make him rich as well as to achieve a good state of life quality. Failure to attain a decent living standard would impair one's quality of life; thus, it leads him in an unacceptable condition to function as a human well-being. In this context, *zakah* institution should play significant roles and be pro-active in formulating short and long-term programs that can alleviate poverty and enhance *zakah* beneficiary independency by fully utilising the *zakah* fund received. Concerted efforts should be taken by both *zakah* institution and beneficiaries in performing their roles to ensure the *zakah* distribution would transform the living standard of beneficiaries from *daruriyyat* (dire necessities) to *hajiyyat* (comfort living). Eventually, the objective of *Maqasid al Syariah* under *zakah* jurisprudence and the Malaysian aspiration towards becoming a high-income economy with zero-poverty nation would be realised.

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