

## Islamic approach for solution of poverty: An analysis

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### Abstract

*The biggest problem facing humanity now is the alleviation of poverty. Currently, nearly 1 billion people worldwide live in absolute poverty. To liberate men, women, and children from the degrading circumstances of extreme poverty, the Millennium Development Goals have been acknowledged as the foundation for action. However, traditional methods fall well short of eliminating poverty in society. According to the fundamental sources of Islam, Islam opposes poverty and offers a framework that is favorable to its alleviation. Three major categories of poverty reduction strategies have been examined in this research. The first is the land-related positive measures. The second is the financial beneficial measures. Preventive action comes in third. The objectives of the Islamic system are: Individual freedom within the framework of societal well-being; universal brotherhood and fairness; equitable income distribution; and economic prosperity within the framework of Islamic moral standards. The issue of poverty may be significantly resolved if these actions are implemented following the objectives.*

**Keywords:** Islam, poverty, Zakah, Ushr, Sadaqah, Policies of poverty alleviation.

### 1. Introduction

The religion and lifestyle of Islam were revealed to humanity by Allah (swt), our creator. It's a pragmatic religion that addresses every facet of our existence. For example, it offers answers to every issue that humanity faces. Nowadays, the vast majority of people on the planet are impoverished. It is obvious that the current global system is based on injustice and cruelty. If this isn't the case, how can we let fewer than 10% of the world's people control more than 90% of its wealth and resources? Until now, many ideologies and institutes are strongly working for poverty alleviation, but they have failed. So, in this situation, only Islam can eradicate poverty from society and ensure the rights of Mankind.

### 1.2 Objectives

This study's primary goal is to determine the best approach to poverty eradication from an Islamic standpoint. The following are the study's specific objectives:

1. To explore the poverty situation;
2. To identify Islam;
3. To know the Islamic view of poverty;
4. To identify the Causes of Poverty from the Islamic perspective;
5. To make recommendations and required suggestions for policy formulations pertaining to eradicating poverty in society.

### 1.3 Prior research

Reducing poverty is a top priority for many international organizations, including the World Bank and the United Nations. In 2008, 1.29 billion people were assessed by the World Bank to be living in absolute poverty. Approximately 400 million people in India and 173 million in China were living in absolute poverty. The most significant incidence rate of absolute

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poverty in 2008 was found in sub-Saharan Africa, which accounted for 47% of the regional population. Approximately 663 million people rose from absolute poverty between 1990 and 2010. Nevertheless, extreme poverty is a worldwide issue that exists in both established and developing nations (The World Bank. 29 February 2012; Poverty data. worldbank.org. 30 March 2012. Retrieved 26 July, 2013). According to a recent UNICEF report, since 2008, 2.6 million children in the wealthiest nations in the world have fallen below the poverty line, increasing the projected number of impoverished children in the developed world to 76.5 million. As of October 28, 2014, UNICEF, the most equitable and straightforward solution to the world's poverty issue, was brought about by Islam, which was revealed to humanity more than 1400 years ago. If Islam were to be adopted globally now, poverty would be eradicated in a short period.

## **2. Methodology**

Both primary and secondary data have been used in the preparation of this research. Secondary data has been gathered from many books and publications that have been published. Islam's primary sources are the Qur'an and the Sunnah. For the most part, I am attempting to reference the Qur'an and the Sunnatic/prophetic texts.

## **3. Analysis and findings**

### **3.1. Definition of Islam**

Islam is an Arabic word that means: peace, purity, submission, and obedience. In the religious sense, the word Islam means submission to the will of Allah and obedience to His Law (Abdalati, 1975). All prophets from Adam to Muhammad (saw) have professed this as the only authentic religion. The last Prophet Muhammad's (saw) teachings are the most thorough. It is Allah's word to humanity in its final form (Ahmad, 1975).

### **3.2. Definition of poverty**

Poverty is a violation of human dignity, which is the inability to obtain chances and choices. It indicates a lack of the fundamental ability to engage in society. It entails not having enough money to support a family, not having access to a doctor or school, not having a job to support oneself or land to grow food, and not having credit. It denotes uncertainty, helplessness, and social, familial, and communal marginalization. It represents vulnerability to violence and frequently denotes living in marginalized or precarious areas without access to sanitary facilities or clean water (United Nations, Retrieved, 27 May 2011).

### **3.3. Islamic View of Poverty**

The standard of life that falls short of a healthy subsistence level is known as poverty. It suggests that a person is in a position where they do not have enough resources to meet their fundamental demands for clothing, food, and shelter—necessary not only for their continuous survival but also for a healthy and fruitful one. The Qur'an clearly refers to such a concept and standard of basic needs when discussing paradise (Zannah). (Al-Qur'an: 20: 118-119)

So poverty, from an Islamic perspective, is the state of the inadequacy of goods, means, or both necessary for human beings' continued physical well-being. That is why the Prophet (saw) sought the refuge of Allah from it: "O Allah, I seek your refuge from poverty, insufficiency, and lowliness". (Baihaqī, 1344 A. H.) This is why Islam focuses on poverty alleviation as priority number one.

### 3.4. Causes of poverty from the Islamic perspective

Investigating the root causes of poverty must be the foundation of any plan to eradicate it. We shall now talk about the reasons for poverty from an Islamic point of view.

1. Groups that experience social, political, or economic oppression—and frequently all three—are the ones that experience poverty.
2. If poor people do not put in enough effort, individual poverty may result from an attitude issue.
3. People frequently deny some groups access to natural resources and limit the use of others, which causes poverty in those groups.
4. The rich do not want to share Allah's bounty. Almighty Allah repeated reminders as well as threats to the wealthy in the Qur'an for this conduct.
5. The transformation of vulnerability to poverty is largely a consequence of human irresponsibility.
6. Unstable circumstances, such as the existence of war or the lack of social harmony, can lead to general poverty.

### 3.5. Islamic approaches for addressing poverty

Islam suggests several beneficial and preventative strategies for reducing poverty. This study discusses three different sets of Islamic strategy to reduce poverty. They are as follows:

**First:** The positive measures which are related to land.

**Second:** The positive measures that are related to money.

**Third:** preventive measures.

### 3.6. First: The positive measures which are related to land.

#### 3.6.1. A wide dispersion of wealth through Inheritance law

Islam offered initiatives to establish a comprehensive legal system by resolving the inheritance laws. The Qur'an generally raised women's status by clearly stating women's inheritance portion. Along with the modifications above, the Qur'an gives Muslims testamentary authority to dispose of their property in their will, or *waṣayyah* (Al-Qur'an 2:180-182, 2:240, 4: 33, 5: 106-107). Muslims are permitted to donate no more than one-third of their assets. If Muslims are present when property is distributed, they are also invited to donate money to the impoverished and orphans.

#### 3.6.2. Ushr (*Zakāt* of land):

The Qur'an and the Sunnah establish the compulsory nature of Ushr. Allah said in the holy Qur'an: "And He it is who causes gardens to grow, (both) trellises and without, and palm trees and crops of different (kinds of) food and olives and pomegranates, similar and dissimilar. Eat of (each of) its fruit when it yields and gives its due (*Zakāh*) on the day of its harvest" (6:141). 'Ushr may survive on any type of crop or agricultural product. The Prophet (saw) had a custom that measured the quantity of 'Ushr. Prophet (saw) said: "You pay as 'Ushr 1/20th of the produce of a land of it is irrigated, 1/10th of the produce if non-irrigated" (Saḥīḥ al-Bukhārī, Book of *Zakāt*)

#### 3.6.3. Waqf property:

While mandatory and voluntary charities mostly use a redistributive method to address the issue of poverty, waqf can be used to increase the impoverished's capacity to participate in their own lives by giving them access to physical facilities, health care, education, and other resources.

*Waqf* property supports the poor segment of society and all activities that are of interest to people at large, such as public utilities for the poor and needy, libraries, scientific research, education, health services, care of animals and environment, lending to small business people, parks, roads, bridges, dams, etc.

### **3.7. Second: the positive measures which are related to money.**

#### **3.7.1. The obligatory transfer *Zakāt*:**

All Muslims must pay a particular "tax" on their accumulated wealth, known as *Zakāt*. The poor and needy are to get the money raised from this *Zakāt*. The *Zakāt* is to be distributed among people of the following categories, depending on need: Destitute, Poor, Indebted, Stranded Travelers, To Free Slaves, New Muslims, In the Path of Allah, and *Zakāt* Workers (Al-Qur'an, 9:60).

The primary goal of *Zakāt* is to end poverty. *Zakāt*, one of the eight recommended spending categories, is intended to eradicate poverty, including the impoverished, the needy, debtors, enslaved people (to release them from slavery), and needy travelers.

#### **3.7.2. Sadakatul-fitar:**

All Muslims, regardless of gender, age, or status, are obligated to perform Sadakatul-Fitar. Each head of household makes donations on behalf of himself and each of his dependents, including small children or older men and women. It should be given to ensure that all the needy are able to celebrate the happy occasion of Eīdul-Fitar (Al-Jaziri, 2005). Sadakatul-Fitar is vital in strengthening communal ties and eliminating poverty in society.

#### **3.7.3. Cash waqf:**

Historically, waqfs involving structures and land were the most prevalent. Cash waqf has gained popularity recently, mostly because of its flexibility, which allows the poor to benefit from the waqf wherever they are. Cash waqf was first used in Egypt during the Ottoman era.

**3.8. Other sources:** *Fai*, *Kharaj*, *Jizya*, one-fifth of *Ganīmath*, deserted land, etc. Granting ordained ancillary rights to riches, such as supporting the weak, helping the poor, and *Kaffārah* (fine) and *Mannot* (promise).

**3.8.1. Jizyah:** It is a tax imposed on the disbelievers who live in Muslim lands under the protection of the Islamic government. Allah said, "Fight those who do not believe in Allah or in the Last Day and who do not consider unlawful what Allah and His Messenger have made unlawful and who do not adopt the religion of truth from those who were given the Scripture-(fight) until they give the Jizyah willingly while they are humbled." (Al-Qur'an, 9: 29).

**3.8.2. Kharaj:** Kharaj means revenue, tax, rent, etc., received from land. It is an agricultural tax received from the non-Muslim owners of the lands. Kharaj was levied by the early Muslims on the authority of the Qur'an, based on the interpretation of the verses numbering from 7 to 10 of surah 59 called Al-Hashr.

The Prophet's (saw) practice further demonstrates the sanction of the charge of *Kharaj*. On the condition that they provide the Islamic state half of the harvest, Muhammad granted the Jews the seized territory of Khaibar. The system was set up so effectively that, before to Umar's death, the money from *Kharaj* increased to an astounding 12.80 crore dirham in Iraq, 1.20 crore dinar in Egypt, and 1.40 crore dinar in Syria. (Basics of Islamic Economics, Dr. Muhammad Sharif Chauwdhury)

**3.8.3. Fai:** It refers to all wealth that Muslims get from polytheists by peaceful means; this generally occurs when Muslims occupy a land whose people agree to terms of a peaceful

surrender, such that no fighting then takes place. One-fifth of the Fai tax is distributed among the messenger of Allah, the kindred of the messenger, the orphans, the poor, and the wayfarer. (Al-Qur'an, 59: 7)

**3.8.4. Ganīmath:** It refers to all wealth that Muslims acquire by force from the people of Harb, people who are at war with Muslims. This kind of war booty includes the valuables—such as swords and armor—that Muslims take from the battlefield (Al-Qur'an, 8: 41).

**3.8.5. Abandoned property:** The State can use this property for poor and needy people.

**3.8.6. Mannot (promise):** It will be distributed among the poor and needy like *Zakat* recipients.

**3.8.7. Kaffārah (fine):** Islam has an innate propensity to eradicate poverty and improve the economic standing of those who are impoverished. For instance, if a Muslim violates his oath after it has been confirmed, he will be punished by having to feed ten needy people, provide them with clothing, or release a slave. If he is unable to pay the impoverished as required, he may instead fast for three days (Al-Jagiri, 2005).

**3.8.9. Optional charity:** Charity is always encouraged in Islam. For instance, those unable to fast during Ramadan must provide food for a few underprivileged people daily that they cannot fast (Al-Jagiri, 2005). And the examples are numerous. In the holy Qur'an, Almighty Allah repeatedly exhorts Muslims to contribute more charity (Al-Qur'an, 63:10-11; 2:195, 254, 261-262, 272; 14:31; 8:36; 3:92, 134, 9: 121). Muslims were motivated to give more to charity by these Qur'anic passages.

**3.8.10. Skin of the sacrificed (Qurbani) animal:** All over the Muslim world a massive number of animals were sacrificed in the three days of Eīd al-Aḏḥā. If the price of sacrificed animal skin is used for poverty alleviation by planning, then the poor and needy people would benefit, and the problem of poverty would be solved.

### **3.9. Third: preventive measures**

#### **3.9.1. Establish Justice and 'Ihsān (beneficence) in the state**

Establishing justice and 'Ihsān (beneficence) in the state is compulsory to eradicate poverty. Side by side it's also important to execute the rule of 'amr bil maruf nahi anil munkar' (enjoin the right and forbid wrong). All Islamic jurisprudence agreed that the government is essential in establishing socio-economic justice. As Allah said in the holy Qur'an: "(They are) those who if We establish them in the land, establish regular prayer and give *Zakāt*, enjoin the right and forbid wrong" (22:41).

So, Islamic scholars suggest that the government take preventive measures to eradicate poverty. Types of preventive measures that Islam allows are given below:

- To decrease the freedom of some people;
- To control the business system and activities by Islamic rules and regulations;
- To tax the wealthy if *Zakāh* and other funds are insufficient to alleviate poverty;
- To impose the proper conditions for buying, selling, and rent by the light of the Qur'an and Sunnah;
- To take the initiative to nationalize some wealth and industry fully or partly (Habibur Rahman, 1996)

**3.9.2. Control of ownership:** Allah is the real owner of wealth in the Islamic view. As a khalif of Allah, man is His representative of wealth in this worldly life. So, his earnings, expenditures, and dealings will be controlled by the law of Allah (Rahman, 1995).

**3.9.3. The prohibition of interest:** Interest dependency keeps people from working to make money since those who have money can use it to gain more money later on or in advance without having to work for it. As a result, he will view employment as having less value and won't bother to risk his money in commerce or industry or deal with the hassle of managing a business. As a result, people will be denied benefits, and without industries, trade, commerce, building, and construction—all of which require risky capital—business cannot continue on a global scale (Ar-razi, 2000).

**3.9.4. The prohibition of earning and expenditure by haram means:** Islam has restrictions that govern how much money can be earned and spent. Muslims are prohibited from making and spending money however they like. They have to abide by the Sunnah and the Qur'an's laws.

- Any earning from the production, sale, and distribution of alcoholic drinks is unlawful, as are earnings from gambling and lotteries (Al-Qur'an, 5:90-91, 2:275).
- Earning by falsehood, deceit, fraud, theft, robbery, and burglary are unlawful. Deceitful acquisition of orphan's property has been particularly banned (Al-Qur'an, 2:188, 4:2, 6:152, 7:85, 83: 1-5).
- Food hoarding, smuggling, and creating artificial shortages are all illegal (3:180, 9:34-35).
- It is likewise illegal to make money from brothels and other socially detrimental activities (Al-Qur'an, 24:23).
- In Islam, unlawful spending is likewise prohibited. It is highly discouraged to be extravagant or wasteful (Al-Qur'an, 7:31, 17: 26, 19: 27-31, 25: 68).

Islam addresses the underlying causes of evil and seeks to create a just and equitable society, which is essential for ending poverty.

#### **4. Some policies for poverty alleviation**

According to Islam, these measures for poverty alleviation will be fruitful and successful when some policies and formulations are included and applied in the state. Those policies are as follows:

##### **4.1. To increase Gross National Product (GNP) with a pragmatic and effective economic development plan**

The system encourages mobilizing savings and their efficient utilization, leading to capital formation and economic development. Islam said,

- A person gets what he/she strives for (Al-Qur'an, 53:39-41).
- Earning a halal living is *Farz* (obligatory) after obligatory (Al-Qur'an, 62:10).
- Do not tie your hand to your neck, nor stretch it forth to its utmost reach, so you become blameworthy and destitute (Al-Qur'an, 17:29).
- If the day of the resurrection has approached and any of you is holding a seedling in his hand, he must plant it before he stands up. (Ahmad ibn hambal, 1999)

The system promotes the mobilization of savings and their effective use, which creates capital and economic development. According to Islam, one achieves what they set out to do (Al-Qur'an, 53:39-41).

- After mandatory, earning a halal living is *Farz* (obligatory) (Al-Qur'an, 62:10).
- To avoid being blameworthy and impoverished, do not tie your hand to your neck or extend it to its maximum length (Al-Qur'an, 17:29).

- If any of you are holding a seedling in your hands on the day of the resurrection, you should plant it as soon as you can, preferably before you get up. (Ibn Hambal, Ahmad, 1999)

#### **4.2. To attain fairness in income distribution**

Justice and equity are the cornerstones of the Islamic factor pricing concept. Al-Quran, 83:1-3; 16:90). Beyond justice, the principle of pricing labor—the human dimension of production—also has a human component. The Prophet (saw) has said: "Whose over Allah has made under one he should give him such food what he eats and such clothes which he wears" (Bukhārī, Book of Adab, Chapter, Ma Yanha Anis Sabbabe Wal-l'an, Hadith number: 2407).

#### **4.3. Giving everyone in society equal chances to improve the economic circumstances of those who are less fortunate**

Islam stands for social justice, which requires ensuring equal opportunities to all. The second caliph of Islam Umar (RA) said in one of His public addresses: "Everyone had an equal right in the wealth of the community, that no one, not even He himself, enjoyed a greater right in it than anyone else, and that if he were to live longer, he would see to it that even a shepherd on the mountain Sana received his share from his wealth." (Haykal, 1964), (Umar Chapra, 1971, cited from Islam it's meaning and message).

#### **4.4. To deal with the particular situation of the individual's problems**

The Caliph Ali (RA) said: "God has made it obligatory on the rich to provide the poor with what is adequately for them; if the poor or hungry or naked or troubled it is because the rich have deprived them (of their right), and it will be proper for God to account them for it and to punish them." (Abu Ubayd, 1353)

#### **5. Some recommendations for poverty alleviation**

- To insist upon the implementation of divine law in societal affairs;
- Corruption should be eliminated from all sectors.
- *Zakāt* administration should be made compulsory in the state for collection and distribution.
- Economic inequalities based on race and geography ought to be lessened.
- Waqf fund should be developed by the rich to support the poor.
- The labor-abundant low-income country should adopt labor-intensive technology to increase employment.
- To establish the standard of minimum wages for all to ensure an acceptable standard of living for the poor.
- It is necessary to regulate all unfair and exploitative corporate practices.
- Vocational training with some credit facilities should generate income for the people concerned.
- The focus of the Islamic Development Bank's efforts should be the least-developed Muslim nations.
- Internationally, the Muslim Countries should co-operate with each other to eradicate poverty.

## 6. Conclusion

Islam attacks the root causes of poverty. It does not accept poverty as permissible to civilized life, not for any number of people or for any length of time. That is why it affirms the treatment of symptoms. Its long-run view is that supremely, there should be no such underclass as the permanent poor; only when someone temporarily falls below the poverty line should he/she be restored to the adequacy level. Additionally, Islam advocates for establishing an institutional, legal, and operational framework that will guarantee the elimination of poverty and support growth fairly and equitably. At the same time, Islam emphasizes the moral dimension of human responsibility.

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