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TABLE OF CONTENTS

NO.	ARTICLES	PAGE
1	التورق في المالية الإسلامية وتطبيقاته المعاصرة: دراسة تحليلية	1
2	Factors Determining Zakat Payment On Gold Among Working Adults In Federal Territory, Malaysia: An Empirical Investigation	32
3	Zakat And Principles Of Taxation: Equity - A Comparative Analysis With Taxes	45
4	The Awareness Of Education Takaful Among Consumers In Kuching, Sarawak	66
5	Wakaf Ekonomi: Konsep Dan Potensi Pelaksanaannya Di Negeri Kelantan	80
6	Future Analysis: How Philosophical Revamp Shapes Future Of Islamic Economics Towards Sustainability?	97
7	Realizing Social Justice: In Theory And Practice	119
8	Factors Influencing Retirement Confidence Post Covid-19 Among Working Adults In Malaysia	130
9	Islamism And Economism As Historical Contradiction	142
10	The Effect Of The Covid-19 Process On The Digitalization Of Smes: Turkey- Malaysia Comparisons	149
11	Perbandingan Kerangka Tadbir Urus Perbankan Islam Di Antara Indonesia Dan Malaysia	162
12	Maqasid-Shariah and Well-being: A Systematic Literature Review	170
13	Analysis Of Zakat Awareness: A Case Of Bangsamoro People In Southern Philippines	202
14	Assessing The Awareness Of Waqf Of The People Of Bangsamoro In The Philippines	217
15	Initiatives Of Zakat Institution In Malaysia To Aid Sme During The Covid-19 Pandemic	233

التورق في المالية الإسلامية وتطبيقاته المعاصرة: دراسة تحليلية

عائشة خلیلة عبد الستار¹

ملخص البحث

يهدف هذا البحث إلى بيان مفهوم التورق، والفرق بينه وبين التوريق والعينة، وذلك لوجوب الاحتياط في المعاملات المالية، والبعد عن كل ما يخالفها من شبهة الربا كما يجب تخريج وتكييف المعاملات المالية الحديثة بالصورة الفقهية الصحيحة للحكم عليها، وقد استخدمت المنهج الاستقرائي باستعراض أقوال العلماء في ذلك وأدلتهم وتعريفاتهم، ثم المنهج التحليلي لاستنتاج صور التورق، وبيان الفتاوي الصادرة بشأن التورق المنظم للترجيح بينها.

الكلمات المفتاحية: التورق، التوريق، التورق المصرفي، المالية الإسلامية، قضايا معاصرة.

المقدمة:

الحمد لله رب العالمين، والصلاة والسلام على نبيه الأمين محمد صلى الله عليه وسلم.

وبعد

إن السمة الأساسية للمصارف الإسلامية هي تحريمها الربا أخذاً وعطاءً. ونظراً للتطور الكبير لعمل المصارف الإسلامية ظهرت صيغ وأدوات تمويل إسلامية جديدة، كبداية لأدوات التمويل المحرمة. ومن هذه الأدوات ظهر ما يعرف بالتورق، ويتميز التورق بكونه من المعاملات الشرعية التي سيطرت على الساحة المالية الإسلامية في الآونة الأخيرة، حيث بادرت بعض المؤسسات والبنوك الإسلامية بطرح منتج مالي قائم على أساس صيغة التورق انطلاقاً من فتاوى صادرة عن هيئاتها الشرعية. ويهدف هذا المنتج القائم على بيع التورق إلى تمكين عملاء البنوك

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من الحصول على السيولة النقدية، حيث يتسلمون مبلغاً نقدياً حالاً مقابل التزامهم بدفع مبلغ نقدي أكبر في الآجل، وذلك من خلال إبرام عقد شراء سلعة كتمن مؤجلٍ وبيعها لطرف ثالث غير البائع بأقل من الثمن الأول. من هنا تأتي أهمية البحث في موضوع التورق. ويشتمل البحث على العناصر التالية:

المبحث الأول: مفهوم التورق:

المبحث الثاني: الفرق بين التورق والتوريق والعينة:

المبحث الثالث: حكم التورق وأدلة جوازه:

المبحث الرابع: صور التورق:

المبحث الخامس: الفتاوى الصادرة بشأن التورق المنظم:

المبحث الأول: مفهوم التورق:

المطلب الأول: مفهوم التورق في اللغة:

التورق من الورق (بكسر الراء): الفضة المضروبة، وقيل: الفضة مضروبة كانت أو غير مضروبة، ويقال لها: ورق، وورقة. ﴿فَابْعَثُوا أَحَدَكُمْ بِوَرِقِكُمْ هَذِهِ إِلَى الْمَدِينَةِ﴾ [سورة الكهف: 19].

قال ابن منظور: "ورق المال من دراهم، وإبل، وغير ذلك. وقال ابن سيده: الورق المال من الإبل والغنم". وأما في الصحاح: الورق الدراهم المضروبة، وكذلك الرقة والهاء عوض من الواو، وفي الحديث في الزكاة «في الرقة ربع العشر»²، وفي حديث آخر: «عفوت لكم عن

² المَهْلَبُ بنُ أَحْمَدَ بنِ أَبِي صُفْرَةَ أَسِيدِ بنِ عَبْدِ اللَّهِ الْأَسَدِيِّ الْأَنْدَلُسِيِّ، : الْمُخْتَصَرُ النَّصِيحُ فِي تَهْذِيبِ الْكِتَابِ الْجَامِعِ الصَّحِيحِ، تحقيق: أَحْمَدُ بنُ فَارِسِ السَّلُومِ، (الرياض: دار التوحيد، دار أهل السنة، ط1، 1430 هـ / 2009 م)، ج2، ص243

صدقة الخيل والرييق، فهاتوا صدقة الرقة»³ يريد الفضة والدرهم المضروبة منها. وحكي في جمع الرقة رقات. قال ابن سيده: وربما سميت الفضة ورقا، يقال: أعطاه ألف درهم رقة لا يخالطها شيء من المال غيرها، وروي عن النبي ﷺ أنه قال «في الرقة ربع العشر». وقال أبو الهيثم: الورق والرقة الدراهم خاصة، والوراق: الرجل الكثير الورق، والورق المال كله. وقال أبو عبيدة: الورق الفضة كانت مضروبة كدراهم أولا»⁴.

قال الفارابي⁵: "الورق المال من الدراهم، ويقال رجل وراق: كثير الدراهم. وعلى هذا: فالتورق من تورق، أكل الورق (أي الفضة المضروبة) على الغير. وهو: شراء الرجل السلعة بثمن مؤجل، ثم يبيعه إلى آخر بثمن أقل مما اشتراها به، وسميت بمسألة التورق؛ لأن المقصود منها الورق (النقد) لا البيع"⁶.

فأصل التورق طلب النقود من الفضة، ثم تحول المفهوم إلى طلب النقد سواء أكان فضة أم كان ذهباً أم كان عملة ورقية، فبقي أصل اللفظ، وصار التوسع في مدلوله تبعاً للتوسع في مفهوم النقد⁷

والأوراق المصرفية في الاقتصاد: أوراق يصدرها بنك الإصدار مشتملة على التزام بدفع مبلغ معين من النقود لحاملها عند الطلب.⁸

³ أبو عبد الله محمد بن إدريس الشافعي، مسند الإمام الشافعي، (بيروت - لبنان: دار الكتب العلمية، دط، 1370 هـ/1951 م)، ج1، ص 234

⁴ محمد بن مكرم بن منظور، لسان العرب، (دم: مطبعة بولاق، د. ط، 1300 هـ)، ج15، ص 283.

⁵ أبي العباس أحمد بن محمد الفيومي، المصباح المنير في غريب الشرح الكبير، (القاهرة: المطبعة الأميرية، دط، 1926 م)، مادة (ورق).

⁶ انظر: محمد رواس قلعة جي، وحامد قنبي، معجم لغة الفقهاء، (بيروت: دار النفائس ط2، 1408 هـ/1988 م)، ج1، ص 150.

⁷ عبد الله بن سليمان المنيع، حكم التورق كما تجر به المصارف الإسلامية في الوقت الحاضر، (مقدم ضمن البحوث المعدة للدورة السابعة عشرة لجمع الفقه الإسلامي التابع لرابطة العالم الإسلامي في الفترة من 19 - 23 شوال 1424 هـ، الموافق 13 - 17 كانون الأول 2003)، ص 341.

⁸ إبراهيم مصطفى و آخرون، المعجم الوسيط، (دم: دار الدعوة، دط، دت)، ج2، ص 1026.

المطلب الثاني: التورق في إصطلاح الفقهاء:

التورق عند الحنابلة:

الحنابلة هم أول من استعمل مصطلح التورق، يقول ابن مفلح في كتابه الفروع: "ولو احتاج إلى نقد فاشترى ما يساوي مائة بمائتين فلا بأس، نص عليه وفي التورق"⁹.

ويقول صاحب كتاب شرح منتهى الإرادات: "ومن احتاج لنقد فاشترى ما يساوي ألفاً بأجير ليتوسع بثمنه فلا بأس نصاً ويسميه التورق"¹⁰.

هذين التعريفين متوافقان في الصيغة، غير أنه يؤخذ على هذين التعريفين كونهما لم يذكر أطراف العقد وأركانه.

يقول ابن القيم: "فإن عامة العينة إنما تقع من رجل مضطر إلى نفقة يضمن بها عليه الموسر بالقرض حتى يربح عليه في المائة ما أحب، وهذا المضطر إن أعاد السلعة إلى بائعها فيه العينة، وإن باعها لغيره فهو التورق، وإن رجعت إلى ثالث يدخل بينهما فهو محلل الربا، والأقسام الثلاثة يعتمدها المرابون، وأخفها التورق"¹¹.

فابن القيم بيّن في تعريفه الفرق بين التورق وبين العينة بذكر مقصد بيع العينة والتورق، وأركان كل منهما.

التورق عند الحنفية:

⁹ محمد بن مفلح المقدسي، الفروع، تحقيق: أو الزهراء حازم القاضي، (بيروت: دار الكتب العلمية، ط1، 1418هـ/1997م)، ج4/126.

¹⁰ منصور بن يونس بن إدريس التهوتي، شرح منتهى الإرادات، تحقيق: عبد الله بن عبد المحسن التركي، (الرسالة، ط1، 1421هـ-2000)، ج3، 164.

¹¹ محمد بن أبي بكر بن أيوب بن سعد شمس الدين ابن قيم الجوزية، أعلام الموقعين عن رب العالمين، تحقيق: محمد عبد السلام إبراهيم، (بيروت: دار الكتب العلمية، ط1، 1411هـ/1991م)، ج3، 135.

قال صاحب كتاب البحر الرائق: "كذا في الهداية وتعقبه في فتح القدير بأنه غير صحيح هنا؛ إذ ليس المراد من قوله تعيين على حرير اذهب فاستقرض، فإن لم يرض المسؤول أن يقرضك فاشتر منه الحرير بأكثر من قيمته، بل المقصود اذهب فاشترى بثمن أكثر من قيمته؛ لتبعية بأقل من ذلك الثمن لغير البائع، ثم يشتريه البائع من ذلك الغير بالأقل الذي اشتراه به ويدفع ذلك الأقل إلى بائعه، فيدفعه بائعه إلى المشتري المديون، فيسلم الثوب للبائع كما كان، ويستفيد الزيادة على ذلك الأقل"¹².

ويقول صاحب كتاب مجمع الأنهر في شرح ملتقى الأبحر: "وفي العناية: ومن الناس من صور للعينة صورة أخرى وهو أن يجعل المقرض والمستقرض بينهما ثالثاً في الصورة التي ذكرها صاحب الهداية، فيبيع صاحب الثوب الثوب باثنتي عشرة من المستقرض بعشرة، ويأخذ منه عشرة ويدفعه إلى المستقرض، فيندفع حاجته. وإنما توسطاً بثالث احترازاً عن شراء ما باع بأقل مما باع قبل نقد الثمن. ومنهم من صور بغير ذلك، وهو مذموم، اخترعه أكلة"¹³.

التورق عند الملكية:

الملكية لم يذكروا التورق بمسماه وإنما ذكروه ضمن بيوع الآجال. جاء في الشرح الصغير: "(كخذ) أي كقول بائع لمشتري خذ مني (بمائة ما) أي سلعة (بثمانين) قيمة لما فيه من رائحة الربا، ولا سيما إذا قال له المشتري: سلفني ثمانين وأرد لك عنها مائة، فقال المأمور هذا ربا، بل خذ مني بمائة... إلخ"¹⁴.

¹² زين الديق ابن نجيم الحنفي، البحر الرائق شرح كنز الدقائق، (القاهرة: دار الكتاب الاسلامي، ط1، د.ت)، ج6، ص 256.

¹³ عبد الرحمن بن محمد بن سليمان الكلبيولي، مجمع الأنهر في شرح ملتقى لأبحر، (بيروت: دار الكتب العلمية، طذ، 1419هـ - 1998م)، ج3، ص 194.

¹⁴ أحمد الصاوي، بلغة السالك لا قرب المسالك على الشرح الصغير للقطب سيدي أحمد الدردير، ضبطه وصححه: محمد عبد السلام شاهين، (بيروت: دار الكتب العلمية، ط1، 1415هـ - 1995)، ج3، ص 78.

فالمالكية نصوا على الكراهة في صورة التورق، وذلك كونها رائحة الربا في الزيادة في الثمن
لأجل الأجل.¹⁵

التورق عند الشافعية:

إن الشافعية أشاروا إلى صورة التورق في مسألة العينة، يقول الإمام النووي: "ليس من المناهي
بيع العينة (بكسر العين المهملة وبعد الياء نون) وهو أن يبيع غيره شيئاً بثمان مؤجل، ويسلمه
إليه ثم يشتريه قبل قبض الثمن بأقل من ذلك الثمن نقداً، وكذلك يجوز أن يبيع بثمان نقداً
ويشتري بأكثر منه إلى أجل، سواء قبض الثمن الأول أم لا، وسواء صارت العينية عادة له
غالبة في البلد أم لا، هذا هو الصحيح المعروف في كتب الأصحاب، وأفتى الأستاذ أبو إسحاق
الأسفراييني والشيخ أبو محمد بأنه إذا صار عادة له، صار البيع الثاني كالمشروط في الأول
فيبطلان جميعاً"¹⁶.

المطلب الثالث: التعريف المعاصر للتورق:

جاء في الموسوعة الفقهية أن التورق هو: "أن يشتري الرجل سلعة بثمان مؤجل ثم يبيعها
بنقد لغير البائع بأقل مما اشتراها به؛ ليحصل بذلك على النقد"¹⁷.

الدكتور سامي السويلم يعرف التورق بأنه: "أن يشتري سلعة بثمان مؤجل، ثم يبيعها
لغير بائعها بثمان حاضر"¹⁸.

¹⁵ هناء محمد هلال الحنيطي، التورق حقيقته، أنواعه الفقهي المعروف والمصرفي المنظم، (بحث مقدم لمؤتمر مجمع الفقه
الإسلامي الدولي بالإمارات العربية المتحدة (إمارة الشارقة) في الدورة التاسعة عشرة، الفترة 1-5 جمادى الأولى 1430هـ
الموافق 26-30 أبريل 2009، ص 10.

¹⁶ أبوزكريا محيي الدين بن شرف النووي، روضة الطالبين، تحقيق: فؤاد بن سراج عبد الغفار، (القاهرة: المكتبة الوقفية،
د.ط، د.ت)، ج3، 96.

¹⁷ ينظر: الموسوعة الفقهية الكويتية، (الكويت: ت وزارة الأوقاف والشؤون الإسلامية، ط1، 1408هـ - 1988م)،
ج14، ص 147.

¹⁸ سامي بن إبراهيم السويلم، التورق والتورق المنظم دراسة تأصيلية، (منشور في مجلة المجمع الفقهي الإسلامي
برابطة العالم الإسلامي، العدد العشرون 1426هـ/2005م)، ص 207.

ويعرفه الدكتور عبد الله أوزجان: "أن يحتاج إنسان إلى نقد، ولا يجد من يقرضه، ويرد مثل ما اقترضه، لكن يجد من يبيعه ما يساوي مئة بمائة وخمسين إلى أجل معلوم، ثم يبيعها المشتري إلى شخصٍ آخر غير البائع الأول بمائة ريال نقداً"¹⁹.

يتضح لنا من التعريفات السابقة الفرق بين تعريفات المتقدمين والمعاصرين من حيث: "أن تعريفات المعاصرين أكثر قيوداً من تعريفات المتقدمين، وربما لأنهم اكتفوا بذكر صورته عن تعريفه، ولما لم نجد عند كثيرٍ منهم استخدام هذا المصطلح إلا عند الحنابلة، اكتفينا كذلك بما وجدناه عندهم سواءً أوردوه على هيئة التعريف- وقليل ما هو - أو أنهم ذكروه أثناء كلامهم كما هو الملحوظ في التعريفات السابقة، بل حتى الحنابلة الذين نصوا في كتبهم على مصطلح التورق لم يهتموا بذكر القيود التي اهتم بها المعاصرون، كتنقييد المشتري الثاني بالألا يكون نفسه هو البائع الأول"²⁰.

المبحث الثاني: الفرق بين التورق والتوريق والعينة:

المطلب الأول: الفرق بين التورق والتوريق:

يخلط الكثيرون بين مصطلحي التورق والتوريق، فالتورق ما حكينا تعريفه أعلاه. أما التوريق فيعني التسنيد أو التصكيك الذي يعني تحويل الموجودات العينية أو المنافع إلى صكوك قابلة للتداول، ويحتاج إلى بعض القيود والإجراءات لتحقيق الضوابط الشرعية التي تقوم على أساس ملكية المستثمر أصولاً دارةً للدخل الذي يمثل عائد السند، كما أن هناك آلية مقبولة شرعاً من شأنها أن توفر التحوط (الحماية والأمان) للعميل دون الضمان الممنوع شرعاً في المشاركات. وتتنوع الصكوك المشروعة إلى صكوك الإجارة والسلم والمضاربة، وتحكم هذه الصكوك جملة من الضوابط الشرعية. كما أن لعملية التصكيك أطرافاً مختلفة لحماية حملة الصكوك وتيسير تداولها، مع الإشارة إلى أن صكوك الإجارة تتوفر لها قابلية التطبيق الملائم للمدة الطويلة عن

¹⁹ عبد الله أوزجان، الأجل في عقد البيع ، (ط1، بيروت: دار النوادر، 1424-2007م، ص 148.

²⁰ صالح محمد الخضير ، التورق وتطبيقاته المعاصرة في المصارف الإسلامية: مصرف الراجحي ومصرف البلاد في المملكة العربية السعودية نموذجاً. (رسالة دكتوراه، في جامعة ملايا بماليزيا، يناير 2008م)، ص 51.

طريق الأجرة المتغيرة التي تتفق مع الضوابط الشرعية، وتوفر عائداً متغيراً لحامل الصك، والصكوك تحقق للشركات السيولة على وجه مشروع، كما أنها تتيح للبنك توظيف السيولة.²¹

المطلب الثاني: الفرق بين العينة والتورق:

الفرق بين العينة والتورق (على اصطلاح الحنابلة)

عرف الحنابلة العينة بأنها: "أن يبيع سلعة نسيئة، ثم يشتريها البائع نفسه بثمن حال أقل منه. أما التورق فالمشتري فيه ليس البائع نفسه، وإنما يبيع فيه المشتري الأول السلعة إلى طرف ثالث لا علاقة له بالبائع الأول. فالعينة ترجع فيها السلعة إلى البائع الأول، والتورق ليس فيه رجوع السلعة إلى البائع الأول، وإنما هو تصرف المشتري فيما ملكه ببيعه في السوق بثمن حال ليحصل على نقد، غير أن الذين ذكروه في جملة صور العينة، إنما نظروا إلى أنه يشارك العينة في أمور :

الأول : أن البائع الأول يبيع السلعة في كليهما نسيئة بأكثر من الثمن الحال في السوق.

والثاني: أن المقصود فيهما هو الحصول على نقد.

والثالث: أن كلاهما أتخذ حيلةً أو مخرجاً لتفادي الوقوع في الإقراض الربوي.²²

المطلب الثالث: الفرق بين بيع العينة والتورق كما جاء في الموسوعة الفقهية الكويتية:

²¹ إبراهيم فاضل الدبو، التورق حقيقته أنواعه (الفقه المعروق والمصرفي المنظم)، (بحث مقدم لمؤتمر مجمع الفقه الإسلامي الدولي بالإمارات العربية المتحدة (إمارة الشارقة) في الدورة التاسعة عشرة، الفترة 1-5 جمادى الأولى 1430 هـ الموافق 26-30 أبريل 2009م)، ص 2.

²² محمد تقي العثماني، أحكام التورق و تطبيقاته المصرفية، (بحث مقدم لمؤتمر مجمع الفقه الإسلامي الدولي بالإمارات العربية المتحدة (إمارة الشارقة) في الدورة التاسعة عشرة، الفترة 1-5 جمادى الأولى 1430 هـ الموافق 26-30 أبريل 2009م)، ص 1-2.

التورق هو أن يبيع سلعة نسيئة، ثم يشتريها البائع نفسه بثمانٍ حالٍ أقل منه. ولا صلة بين التورق وبين العينة إلا في تحصيل النقد الحال فيهما، وفيما وراءه متباينان؛ لأن العينة لا بد فيها من رجوع السلعة إلى البائع الأول بخلاف التورق، فإنه ليس فيه رجوع العين إلى البائع، إنما هو تصرف المشتري فيما ملكه كيف شاء.²³

وأما بيعها على البائع نفسه بثمانٍ أقل، فهذا هو بيع العينة، وجمهور العلماء على تحريمه. قال ابن قدامة: "وجملة ذلك أن من باع سلعة بثمانٍ مؤجلٍ، ثم اشتراها بأقل منه نقداً، لم يجز في قول أكثر أهل العلم. روي ذلك عن ابن عباس، وعائشة، والحسن، وابن سيرين، والشعبي، والنخعي. وبه قال أبو الزناد، وربيعة، وعبد العزيز بن أبي سلمة، والثوري، والأوزاعي، ومالك، وإسحاق، وأصحاب الرأي. وأجاز الشافعي؛ لأنه ثمن يجوز بيعها به من غير بائعها فجاز من بائعها، كما لو باعها بمثل ثمنها".²⁴

حجتهم:

يقول ابن قدامة في المغني: "ولنا ما روى غندر عن شعبة، عن أبي إسحاق السبيعي، عن امرأته العالية بنت أيفع بن شرحبيل أنها قالت: "دخلت أنا وأم ولد زيد بن أرقم، وامرأته على عائشة رضي الله عنها، فقالت أم ولد زيد بن أرقم: إني بعت غلاماً من زيد بن أرقم بثمانمائة درهم إلى العطاء، ثم اشتريته منه بستمائة درهم فقالت لها: بئس ما شريت، وبئس ما اشتريت، أبلغني زيد بن أرقم: أنه قد أبطل جهاده مع رسول الله ﷺ إلا أن يتوب". رواه الإمام أحمد، وسعيد بن منصور.²⁵

والظاهر أنها لا تقول مثل هذا التغليظ وتقدم عليه، إلا بتوقيفٍ سمعته من رسول الله صلى الله عليه وسلم فجرى مجرى روايتها ذلك عنه؛ ولأن ذلك ذريعةً إلى الربا، فإنه يدخل

²³ التورق، الموسوعة الفقهية، ج 14، ص 147، مرجع سابق.

²⁴ ينظر: أبو محمد موفق الدين عبد الله بن أحمد بن محمد بن قدامة، المغني، (د.م)، مكتبة القاهرة، د.ط، 1388هـ / (1968م)، ج4، ص 174-178.

²⁵ المرجع نفسه.

السلعة، ليستبيع بيع ألف بخمسائة إلى أجلٍ معلومٍ. وكذلك روي عن ابن عباس في مثل هذه المسألة أنه قال: "أرى مائة بخمسين بينهما حريرة. يعني خرقة حرير جعلها في بيعهما"²⁶.

وجاء في شرح مسلم للنووي: "واحتج بهذا الحديث أصحابنا وموافقوهم في أن مسألة العينة ليست بحرام، وهي الحيلة التي يعملها بعض الناس توصلًا إلى مقصود الربا، بأن يريد أن يعطيه مائة درهم بمائتين، فيبيعه ثوبا بمائتين، ثم يشتريه منه بمائة. وموضع الدلالة من هذا الحديث أن النبي صلى الله عليه وسلم قال له: «بيعوا هذا، واشتروا بثمنه من هذا»²⁷. ولم يفرق بين أن يشتري من المشتري أو من غيره. فدل على أنه لا فرق، وهذا كله ليس بحرام عند الشافعي وآخرين. وقال مالك، وأحمد هو حرام»²⁸.

المطلب الرابع: تاريخ التورق:

عرّف المسلمون التورق - وإن لم يسمّ بهذا الاسم - منذ القديم، فقد ورد في الفائق في غريب الحديث للزمخشري: "وفي حديث عائشة رضي الله عنها أنها كانت تأخذ الزرنقة، وعن عبد الله بن المبارك رحمه الله قال: لا بأس بالزرنقة"²⁹.

وفي غريب الحديث للخطابي: "قال أبو سليمان في حديث عليّ أنه قال: لا أدعُ الحجَّ ولو أن أتزرنق. ويُروى عن عائشة أنها كانت تأخذ الزرنقة"³⁰، وعن الأزهري: وروي عن عائشة رضي الله عنها أنها كانت تأخذ من معاوية عطاءها عشرة آلاف درهم، وتأخذ الزرنقة مع

²⁶ المرجع نفسه.

²⁷ محمد بن إسماعيل أبو عبد الله البخاري الجعفي، الجامع المسند الصحيح المختصر من أمور رسول الله صلى الله عليه وسلم وسننه وأيامه، تحقيق: محمد زهير بن ناصر الناصر، (دم: دار طوق النجاة، ط1، 1422هـ)، ج9، باب إذا اجتهد العامل، رقم الحديث: 7350، ص108.

²⁸ أبو زكريا محيي الدين يحيى بن شرف النووي، المنهاج شرح صحيح مسلم بن الحجاج، (بيروت: دار إحياء التراث العرب، ط2، 1392هـ)، ج11، ص21.

²⁹ أبو القاسم محمود بن عمرو بن أحمد الزمخشري جار الله، الفائق في غريب الحديث والأثر، تحقيق: علي محمد البجاوي و محمد أبو الفضل إبراهيم، (لبنان: دار المعرفة، ط2، دت)، ج2، ص108.

³⁰ أبو سليمان حمد بن محمد بن إبراهيم بن الخطاب، غريب الحديث، تحقيق: عبد الكريم الغرباوي، (دمشق: دارالفكر، دط، 1402هـ/1982م)، ج2، ص204.

ذلك، وهي العينة الجائزة³¹، كما نُسب لعمر بن عبدالعزيز رحمه الله كلامٌ في التورق، مما يدلُّ على أنه كان معروفًا في زمنه³².

المبحث الثالث: حكم التورق وأدلة جوازه:

المطلب الأول: حكم التورق³³:

ذهب جمهور الفقهاء من الحنفية والشافعية والمالكية والحنابلة إلى جواز التورق، وحُكي عن ابن المبارك أنه قال: "لا بأس بالزرنقة"، ويُقَل عن إياس بن معاوية أنه رخص في التورق، وذكر أبو منصور الأزهري أنه جائز عند جميع الفقهاء، ثم قال: "وروي عن عائشة رضي الله عنها أنها كانت تأخذ من معاوية عطاءها عشرة آلاف درهم، وتأخذ الزرنقة مع ذلك، وهي العينة الجائزة"³⁴.

وخالف في ذلك ابنُ تيمية، وذهب إلى كراهة التورق، وهي رواية عن أحمد، وحُكي عنه أنه اختار حرمة، وهي رواية عن أحمد أيضًا، وقد ارتضى ابن القيم مذهب شيخه بحظر التورق، وأنه منهي عنه مذموم، وروي عن عمر بن عبدالعزيز أنه قال: "التورق آخية الربا"؛ أي: أصله³⁵. وقد صدر بجوازه قرارٌ مجمع الفقه الإسلامي برابطة العالم الإسلامي في دورته الخامسة عشرة، وبه قال جمهور العلماء؛ لأن الأصل في البيوع الإباحة؛ لقوله تعالى: ﴿وَأَحَلَّ اللَّهُ الْبَيْعَ

³¹ محمد بن أحمد بن الأزهر الأزهري الهروي أبو منصور، الزاهر في غريب ألفاظ الشافعي، تحقيق: محمد جبر الألفي، (كويت: وزارة الأوقاف، ط1، 1399هـ)، ص 216.

³² ينظر: محمد الجندي، التورق وتطبيقاته المصرفية المعاصرة في الفقه الإسلامي، (مقال منشور في موقع ألوكة بتاريخ 2010/11/1/1431 /11/25م) <http://www.alukah.net/culture/0/25457>

³³ ينظر: عبد الله بين سليمان المنيع، التأصيل الفقهي للتورق في ضوء الاحتياجات التمويلية، <http://islamsselect.net/mat/84589>، و ينظر: عبدالله بن سليمان المنيع، حكم التورق كما تجر به المصارف الإسلامية في الوقت الحاضر، ص342-345. مرجع سابق

³⁴ محمد الجندي، التورق وتطبيقاته المصرفية المعاصرة في الفقه الإسلامي، مرجع سابق. و ينظر: عبد الله بين سليمان المنيع، التأصيل الفقهي للتورق في ضوء الاحتياجات التمويلية، <http://islamsselect.net/mat/84589>

³⁵ المرجع نفسه.

وَحَرَّمَ الرَّبَا ﴿البقرة-275﴾، ولم يظهر في هذا البيع ربًا، لا قصدًا، ولا صورةً؛ ولأن الحاجة داعية إلى ذلك؛ لقضاء دين، أو زواج، أو غيره .

وجاء فيه: "جواز هذا البيع مشروطٌ بأنه لا يبيع المشتري السلعةَ بثمنٍ أقلَّ مما اشتراها به على بائعها الأول، لا مباشرة ولا بواسطة، فإن فعل، فقد وقع في بيع العينة المحرم شرعًا؛ لاشتماله على حيلة الربا، فصار عقدًا محرّمًا"³⁶.

وصدرت بجوازه فتوى اللجنة الدائمة للبحوث والإفتاء في المملكة العربية السعودية، وبعد أن ذُكر في الفتوى³⁷ صورة المسألة، جاء فيها ما نصه: "وهذا العمل لا بأس به عند جمهور العلماء".

وجاء في الموسوعة الفقهية الكويتية³⁸ ما نصّه: "جمهور العلماء على إباحته، سواء من سماه تورقًا، وهم الحنابلة، أو لم يسمّه بهذا الاسم، وهم من عدا الحنابلة؛ لعموم قول الله تعالى: ﴿وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا﴾ [البقرة-275]، ولقوله ﷺ لعامله على خبير: « بع الجمع بالدرَاهِمِ، ثُمَّ ابْتَعْ بِالْدَّرَاهِمِ جَنِيئًا »³⁹؛ ولأنه لم يظهر فيه قصد الربا ولا صورته.

المطلب الثاني: أدلة جواز التورق:

واستدل المجيزون بالقرآن والسنة والمعقول:

من القرآن:

³⁶ ينظر: علي محي الدين القره داغي، التورق كما أجازه المجمع (التورق المنضبط) ، والتورق المصرفي المنظم،

(بحث منشور في موقعه الرسمية بتاريخ: 5 كانون الثاني 2010)،

http://www.qaradaghi.com/portal/index.php?option=com_content&view=article&id=873:2010-01-05-08-37-04&catid=125:2009-09-14-12-24-58&Itemid=52

³⁷ فتوى رقم 19297.

³⁸ الموسوعة الكويتية، ج14، ص 147، مرجع سابق.

³⁹ محمد بن إسماعيل أبو عبدالله البخاري الجعفي، الجامع المسند الصحيح المختصر من أمور رسول الله صلى الله عليه وسلم وسننه وأيامه، مرجع سابق، ج3، باب إذا أراد بيع تمر بتمر خير منه، رقم الحديث: 2201، ص78.

قوله تعالى: ﴿وَأَحَلَّ اللَّهُ الْبَيْعَ﴾ [البقرة-275] والتورق يدخل في عموم البيع، فقد توافرت فيه أركان البيع وشروطه، وإن نية حصوله على النقد لا أثر لها في بطلان العقد، وليست نية محرمة من حيث المبدأ.

من السنة:

ما رواه البخاري عن أبي سعيد الخدري، وعن أبي هريرة رضي الله عنهما: أن رسول الله صلى الله عليه وسلم استعمل رجلاً على خيبر، فجاءه بتمر جنيب، فقال رسول الله صلى الله عليه وسلم: «أكل تمر خيبر هكذا؟»، قال: لا والله يا رسول الله إنا لنأخذ الصاع من هذا بالصاعين، والصاعين بالثلاثة، فقال رسول الله صلى الله عليه وسلم: «لا تفعل، بع الجمع بالدرهم، ثم ابتع بالدرهم جنيباً»⁴⁰.

ووجه الاستدلال بالحديث: أن الأصل في العقود هو تحقيق الصورة الشرعية. والاحتمالات الواردة لنية العاقد لا أثر لها، وأن الشيء قد يكون حراماً لعدم تحقيق صورته الشرعية كما في هذه المسألة، وأنه يتحول إلى الحلال إذا غيرت صورته المحرمة مع أن المقصد الأساسي واحد، فالشخص لديه تمر رديء يريد الحصول على تمر جيد، فما الذي يفعل؟ فإذا باع صاعاً منه بنصف صاع فالعقد محرم، وباطل⁴¹. ولكن إذا باعه بدرهم ثم باع بالدرهم نفسه نصف صاع فهذا جائز، وهذا هو أساس سؤال الجاهليين حينما قالوا: ﴿إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا﴾ [البقرة-275]، فرد الله عليهم بإسناد التحليل والتحریم إليه، فقال: ﴿وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا﴾ [البقرة-275].

من المعقول:

⁴⁰ المرجع نفسه.

⁴¹ ينظر: عبد الباري مشعل، التورق كما تجر به المصارف الإسلامية، (بحث منشور في مجلة الإقتصاد الإسلامي

العالمية) <http://www.giem.info/article/details/ID/110#.VXep58-qkko>

يحقق التورق مصالح كثيرة للناس فهناك الكثيرون ليس لديهم نقوداً كافية لأداء ديونهم، ولا لزواجهم ولا لمصالحهم الأخرى، فيستطيع المتورق من خلال عقد البيع لأجل التورق؛ والحصول على حاجاته الأساسية بل على ضروراته⁴².

المطلب الثالث: مناقشة رأي المانعين:

ويستخلص من حجج القائلين بتحريم التورق ما يأتي:

أولاً: إنه مسلك اضطراري لا يأخذ به إلا مكره عليه أو مضطر إليه، وقد نهي رسول الله صلى الله عليه وسلم عن بيع المضطر. فقد قال علي رضي الله عنه: «يَأْتِي عَلَى النَّاسِ زَمَانٌ تُقَدَّمُ الْأَشْرَارُ لَيْسَتْ بِالْأَخْيَارِ وَيُبَايَعُ الْمُضْطَرُّ فَقَدْ نَهَى رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ عَنْ بَيْعِ الْمُضْطَرِّ، وَيَبِيعُ الْعَرْرَ، وَيَبِيعُ الثَّمَرَ قَبْلَ أَنْ تُدْرَكَ»⁴³.

ثانياً: حقيقته وأيلولته إلى الربا، حيث إن غرض طرفي التعامل به الحصول على النقد بنقد زائد مؤجل والسلعة بين النقدين وسيلة لا غاية، فهو منطبق على قول بعض الفقهاء درهم بدرهمين بينهما حريرة.

ثالثاً: إن الغرض من التعامل به الحصول على النقد، والسلعة وسيلة وليست غاية. فهو يشبه العينة التي قال جمهور أهل العلم بتحريمها، حيث إن الغرض والوسيلة إليه فيهما واحدة⁴⁴.

ونوقش بأنه ما دام أن السلعة لم تعد إلى بائعها الأول فلا شبه له بالعينة، وأن طلب

السيولة أمر مشروع ولا غبار عليه، وبصفة عامة الحاجة تقتضيه؛ حيث أن محتاج النقد لا يستطيع تأمين حاجته في الغالب إلا بإحدى طرق ثلاث:

1. أن يفترض قرضاً حسناً وغالباً لا يتيسر ذلك.

⁴² المرجع نفسه

⁴³ أبو بكر البيهقي، السنن الصغير للبيهقي، تحقيق: عبد المعطي أمين قلعي، (باكستان: جامعة الدراسات الإسلامية، كراتشي، ط1، 1410هـ/1989م)، ج2، باب كراهية بيع المضطر، رقم الحديث: 1996، ص281.

⁴⁴ عبدالله بن سليمان المنيع، حكم التورق كما تجر به المصارف الإسلامية في الوقت الحاضر، ص347. المرجع سابق

2. أن يقترض بالربا وهو حرام.

3. أن يحصل عليه بطريق التورق.⁴⁵

المبحث الرابع: صور التورق

المطلب الأول: الصورة الأولى: التورق الفردي غير المنظم مصرفياً⁴⁶:

وهي الصورة العادية للتورق، وتقوم على وجود ثلاثة أطراف، هم:

أ- مالك السلعة الأصلي وهو البائع.

ب- مشتري السلعة بالأجل وهو المستورق.

ج- المشتري النهائي للسلعة بالنقد. وهو طرف ثالث غير مالك السلعة الأصلي.

ويمكن أن تتم هذه الصورة العادية خارج البنوك والمؤسسات المالية الإسلامية، أو من خلالها جزئياً، هو ما قد يستدعي وجود طرفٍ رابعٍ هو المؤسسة المالية (الممول)، وتكون مهمتها شراء السلعة نقداً من مالك السلعة الأصلي، وبيعها بالأجل على المستورق، وبالتالي يكون الأطراف هم:

أ- مالك السلعة الأصلي، وهو البائع على المؤسسة المالية (المورد).

ب- البنك وهو (الممول) الوسيط، يشتري من المالك نقداً ويبيع على المستورق بالأجل.

ج- مشتري السلعة بالأجل وهو المستورق، وهو في هذه الصورة (عميل البنك).

د- المشتري النهائي للسلعة بالنقد. وهو ليس البنك، وإنما قد يكون المالك الأصلي أو غيره.

⁴⁵ عبد الباري مشعل، التورق كما تجرّيه المصارف الإسلامية، مرجع السابق.

⁴⁶ ينظر: علي محي الدين القره داغي، التورق المصرفي بين التورق المنضبط والتورق المنظم دراسة فقهية مقارنة، (بيروت: دار بشائر الإسلامية، ط1، 1432هـ/2011م)، ص243-244.

وغالباً ما تطبق هذه الصورة في التمويل الشخصي المحلي للسلع والسيارات من خلال بيوع المراجعة والمساومة (التقسيط)، بحيث يقوم العميل بعد تسلمه للسيارة أو السلعة التي اشتراها مراجعة أو مساومة من البنك ببيعها لطرف ثالث نقداً، وقد يكون هذا الطرف هو المورد المالك الأصلي للسلعة.

المطلب الثاني: الصورة الثانية: التورق المنظم⁴⁷

التورق المنظم: هو أن يتولى البائع ترتيب الحصول على النقد للمتورق، بأن يبيعه سلعة بأجلٍ ثم يبيعها نيابةً عنه نقداً ويقبض الثمن من المشتري ويسلمه للمتورق.

والتورق المصرفي أو المنظم عرّفته فتوى المجمع الفقهي الإسلامي برابطة العالم الإسلامي في دورته السابعة عشرة المنعقدة بمكة المكرمة، في الفترة من 19-23/10/1424هـ الذي يوافق: 13-17/12/2003م⁴⁸ بأنه: "قيام المصرف بعملٍ نمطيٍّ يتم فيه ترتيب بيع سلعةٍ (ليست من الذهب أو الفضة) من أسواق السلع العالمية أو غيرها، على المستورق بثمان آجلٍ، على أن يلتزم المصرف - إما بشرط في العقد أو بحكم العرف والعادة - بأن ينوب عنه في بيعها على مشترٍ آخر بثمان حاضر، وتسليم ثمنها للمستورق".

وقد لجأت المؤسسات المالية إلى تنظيم التورق من خلالها، للأسباب الآتية:

1. تسريع الإجراءات.
2. تخفيض خسارة العميل.
3. تلبية حاجة فعلية للسيولة لا يمكن تلبيتها عن طريق آخر.

⁴⁷ ينظر: إبراهيم عبد اللطيف إبراهيم العبيدي، حقيقة بيع التورق الفقهي والتورق المصرفي، (دبي: إدارة البحوث،

دائرة الشؤون الإسلامية والعمل الخيري، ط1، 1429هـ/2008م)، ص80-82

⁴⁸ انظر الفتوى من موقع الرسمي لرابطة العالم الإسلامي على الرابط التالي:

<http://www.themwl.org/Fatwa/default.aspx?d=1&ctid=155&l=AR&cid=10>

والجديد في التورق المنظم، هو توكيل العميل للبنك ببيع السلعة في السوق نقداً. ومن ثم تصبح أطراف التورق المنظم على النحو الآتي:

1. مالك السلعة الأصلي، وهو **البائع على المؤسسة المالية** (المورد).
 2. البنك بصفته ممولاً وسيطاً يشتري من المالك نقداً، ويبيع على المستورق بالأجل.
 3. مشتري السلعة بالأجل، وهو المستورق، وهو في هذه الصورة (عميل البنك).
 4. البنك بصفته وكيلاً عن العميل ببيع السلعة نقداً.
 5. المشتري النهائي للسلعة بالنقد. وهو ليس البنك، وقد يكون المالك الأصلي أو غيره.
- وغالباً ما يكون تطبيق هذه الصورة للتورق من خلال مراجعات في سلع مختارة من السلع الدولية، بحيث تتمتع باستقرار نسبي في أسعارها.

إذن فالغاية من التورق المصرفي المنظم، هي توفير السيولة النقدية التي يمكن من خلالها عمل مشروعات، أو سداد ديون أو قضاء حاجيات، هذا من ناحية المستورق. أما من ناحية البنك فيستغل السيولة التي لديه بوفرة في عمليات البيع والشراء ويستفيد من فروق الأسعار.

المطلب الثالث: الفرق بين التورق والتورق المنظم:

والفرق بين التورق والتورق المنظم يتلخص فيما يلي:

1. توسط البائع في بيع السلعة بنقد لمصلحة المتورق، في حين أن البائع في التورق الفردي لا علاقة له ببيع السلعة مطلقاً، ولا علاقة له بالمشتري النهائي.
2. استلام المتورق للنقد من البائع بعدما صار مديناً له بالثمن الآجل، في حين أن الثمن في التورق الفردي يقبضه المتورق من المشتري النهائي مباشرة دون أي تدخل من البائع.

3. التفاهم والتواطؤ المسبق بين الطرفين على أن الشراء بأجل ابتداء إنما هدفه الوصول للنقد من خلال البيع النقدي اللاحق. ولا يلزم حصول التواطؤ في التورق الفردي، بل قد يوجد وقد لا يوجد.⁴⁹

وبعبارة أخرى، أن الفرق بين التورق الفقهي الجائر والتورق المصرفي، هو أن التورق الفقهي يحقق حاجة السيولة النقدية للمتورق، وهي حاجة جائزة، كما ذهب لذلك الأغلبية، ولكن البنك في التورق المصرفي إنما يدخل في تيسير عملية التورق فقط بحاجة تنمية أمواله فهو يريد أن يحقق عوائد على رأسماله وشراؤه للسلعة نقداً؛ لكي يبيعها بالأجل، وإن البنك في عمليات المراجعة إنما يحقق مقصداً شرعياً مقبولاً، وهو التيسير على العملاء للحصول على السلع التي لا يستطيعون دفع ثمنها نقداً، فيشتريها ويبيعها لهم بالمراجعة ويحقق أرباحاً مشروعاً من هذا التداول المفيد للسلع، أما مقصد البنك في عمليات التورق فهو ليس التوسط الاستثماري لمساعدة العملاء في الحصول على السلع، وإنما مقصده الأساسي هو توفير السيولة النقدية لهم وتحقيق المكاسب من خلال ذلك، فشتان بين هذا المقصد وذاك. وعميل البنك المشتري بالمراجعة من حقه أن يبيع السلعة إذا احتاج للنقد، وهذا هو التورق الفقهي أو الفردي المشروع. أما أن يتدخل البنك ليتاجر بحاجة الناس للسيولة ويحقق عوائد له عبر آليات شكلية وهمية، فهذا هو الذي يكون محل نظر عند العلماء.

هذه المعاملة تشبه بيعين:

البيع الأول: بيع المراجعة للأمر بالشراء، في أن الشخص يريد شراء سلعة موصوفة في الذمة، فيذهب البنك ليشتريها له، واعتمد هذا البيع في حله على الإلزام بالوفاء في الوعد الذي قال به بعض المالكية.

⁴⁹ سامي بن إبراهيم السويلم، منتجات التورق المصرفية، (بحث مقدم لمؤتمر مجمع الفقه الإسلامي الدولي بالإمارات العربية المتحدة (إمارة الشارقة) في الدورة التاسعة عشرة، الفترة 1-5 جمادى الأولى 1430هـ الموافق 26-30 أبريل 2009م)، ص 13.

والبيع الثاني: بيع العينة؛ لأن الأمر لا يتوقف عند هذا الأمر ولكنه يتعداه إلى أن يبيع البنك نيابة عن هذا الشخص السلعة بثمن حالٍ، لشخص آخر، بعدما يتفق معه على الثمن مؤجلاً، ويعطي الثمن لصاحب السلعة، أو من ناب عنه فيها. والفارق يدخل لحساب البنك. ونلاحظ أن هذا البيع اشتمل على ما يلي :

1. بيع عينة؛ لأن المتورق لا هم له غير السيولة النقدية وموضوع السلعة هذا كان فقط للتحويل، فالمحصلة بالنسبة للمتورق هنا أنه أخذ من البنك مبلغاً، وهو ثمن السلعة بعد بيعها حالا، وسيرده أكبر من ذلك، ثمن السلعة التي اتفق أن يشتريها من البنك آجلاً، وهذه المحصلة من الربا وهو محرم.
 2. ليس هناك قبضٌ ولا حيازةٌ غالباً، فالسلعة من السوق العالمية للمشتري حالاً.
 3. المعاملة صوريةٌ فالوسيط همّه فارق السعر فقط. أما أن يجوز السلعة أو غيره فلا.
 4. المستورق لا يريد السلعة أصلاً ولكن يريد المال، فالأمر هنا يدور على المال وليس السلعة، ووجود السلعة هو أمرٌ شكليٌ فقط يتحايل به على الربا.
- فواضحٌ من خلال ما ذكرناه، أن التورق ليس مقصوداً لذاته، وإنما مقصودٌ لغيره، فالمستورق لا هم له إلا المال لسد حاجته.

المبحث الخامس: الفتاوى الصادرة بشأن التورق المنظم

المطلب الأول: قرارات مجامع الفقه الإسلامي:

أولاً: قرار مجمع الفقه الدولي المنبثق عن منظمة المؤتمر الإسلامي، وانتهى إلى حرمة التورق المصرفي كذلك وهذا هو نص القرار⁽⁵⁰⁾:

بسم الله الرحمن الرحيم

(50) انظر الفتوى على الرابط التالي: <http://19sh.c-iifa.org/qart-twsyat>

الحمد لله رب العالمين والصلاة والسلام على سيدنا محمد خاتم النبيين وعلى آله وصحبه أجمعين
قرار رقم 179 (5/19) بشأن: التورق: حقيقته، أنواعه (الفقهي المعروف والمصرفي المنظم):

إن مجلس مجمع الفقه الإسلامي الدولي المنبثق عن منظمة المؤتمر الإسلامي المنعقد في دورته التاسعة عشرة في إمارة الشارقة (دولة الإمارات العربية المتحدة) من 1 إلى 5 جمادى الأولى 1430هـ، الموافق 26 - 30 نيسان (إبريل 2009 م). وبعد اطلاعه على البحوث الواردة إلى المجمع بخصوص موضوع التورق: حقيقته، أنواعه (الفقهي المعروف، والمصرفي المنظم)، وبعد استماعه إلى المناقشات التي دارت حوله، وبعد الاطلاع على قرارات المجمع الفقهي الإسلامي التابع لرابطة العالم الإسلامي بمكة المكرمة بهذا الخصوص، قرر ما يلي:

أولاً: أنواع التورق وأحكامها:

1. التورق في اصطلاح الفقهاء: هو شراء شخص (المستورق) سلعةً بثمن مؤجل من أجل أن يبيعها نقداً بثمن أقل غالباً إلى غير من اشترت منه، بقصد الحصول على النقد. وهذا التورق جائز شرعاً، شرط أن يكون مستوفياً لشروط البيع المقررة شرعاً.
2. التورق المنظم في الاصطلاح المعاصر: هو شراء المستورق سلعة من الأسواق المحلية أو الدولية أو ما شابهها بثمن مؤجل يتولى البائع (الممول) رتيب بيعها، إما بنفسه أو بتوكيل غيره أو بتواطؤ المستورق مع البائع على ذلك، وذلك بثمن حال أقل غالباً.
3. التورق العكسي: هو صورة التورق المنظم نفسها مع كون المستورق هو المؤسسة والممول هو العميل.

ثانياً: لا يجوز التورقان (المنظم و العكسي)؛ وذلك لأن فيهما تواطؤاً بين الممول والمستورق، صراحة أو ضمناً أو عرفاً، تحايلاً لتحصيل النقد الحاضر بأكثر منه في الذمة وهو ربا.

ويوصي بما يلي:

- أ- التأكيد على المصارف والمؤسسات المالية الإسلامية باستخدام صيغ الاستثمار والتمويل المشروعة في جميع أعمالها، وتجنب الصيغ المحرمة والمشبوهة التزاماً بالضوابط الشرعية بما يحقق مقاصد الشريعة الغراء، ويجلي فضيلة الاقتصاد الإسلامي للعالم الذي يعاني من التقلبات والكوارث الاقتصادية المرة تلو الأخرى.

ب- تشجيع القرض الحسن لتجنب المحتاجين للجوء للتورق، وإنشاء المؤسسات المالية الإسلامية صناديق للقرض الحسن. والله أعلم.

ثانياً: أما في القرار التالي نجد أن فتوى المجمع الفقهي الإسلامي من موقع الرابطة،⁵¹ حيث حرم التورق المصرفي جاء في الفتوى:

"الحمد لله وحده، والصلاة والسلام على رسول الله، وعلى آله وصحبه. أما بعد: فإن مجلس المجمع الفقهي الإسلامي برابطة العالم الإسلامي في دورته السابعة عشرة المنعقدة بمكة المكرمة، في الفترة من 19-23/10/1424هـ الذي يوافق: 13-17/12/2003م، قد نظر في موضوع: (التورق كما تجر به بعض المصارف في الوقت الحاضر).

وبعد الاستماع إلى الأبحاث المقدمة حول الموضوع، والمناقشات التي دارت حوله، تبين للمجلس أن التورق الذي تجر به بعض المصارف في الوقت الحاضر، هو قيام المصرف بعمل نمطي يتم فيه ترتيب بيع سلعة (ليست من الذهب أو الفضة) من أسواق السلع العالمية، أو غيرها، على المستورق بثمن آجل، على أن يلتزم المصرف -إما بشرط في العقد أو بحكم العرف والعادة- بأن ينوب عنه في بيعها على مشترٍ آخر بثمنٍ حاضرٍ، وتسليم ثمنها للمستورق.

وبعد النظر والدراسة، قرر مجلس المجمع ما يلي:

أولاً: عدم جواز التورق الذي سبق توصيفه في التمهيد؛ للأموال الآتية :

1. أن التزام البائع في عقد التورق بالوكالة في بيع السلعة لمشتري آخر، أو ترتيب من يشتريها يجعلها شبيهةً بالعينة الممنوعة شرعاً، سواء أكان الالتزام مشروطاً صراحةً أم بحكم العرف والعادة المتبعة.

2. أن هذه المعاملة تؤدي في كثير من الحالات إلى الإخلال بشروط القبض الشرعي اللازم لصحة المعاملة.

⁵¹ انظر الفتوى على الرابط التالي:

<http://www.themwl.org/Fatwa/default.aspx?d=1&cid=155&l=AR&cid=10>

3. أن واقع هذه المعاملة يقوم على منح تمويلٍ نقديٍّ بزيادةٍ لما سمي بالمستورق فيها من المصرف في معاملات البيع والشراء التي تجري منه والتي هي صورية في معظم أحوالها، هدف البنك من إجرائها أن تعود عليه بزيادة على ما قدم من تمويل. وهذه المعاملة غير التورق الحقيقي المعروف عند الفقهاء، والذي سبق للمجمع في دورته الخامسة عشرة أن قال بجوازه بمعاملات حقيقية وشروط محددة بينها قراره؛ وذلك لما بينهما من فروق عديدة فصلت القول فيها البحوث المقدمة. فالتورق الحقيقي يقوم على شراء حقيقي لسلمة بئمن أجل تدخل في ملك المشتري ويقبضها قبضاً حقيقياً وتقع في ضمانه، ثم يقوم ببيعها هو بئمن حال حاجته إليه، قد يتمكن من الحصول عليه وقد لا يتمكن، والفرق بين الثمنين الآجل والحال لا يدخل في ملك المصرف الذي طرأ على المعاملة لغرض تسويق الحصول على زيادة لما قدم من تمويل لهذا الشخص بمعاملاتٍ صوريةٍ في معظم أحوالها، وهذا لا يتوافر في المعاملة المبينة التي تجرئها بعض المصارف.

ثانياً: يوصي مجلس المجمع جميع المصارف بتجنب المعاملات المحرمة، امثالاً لأمر الله تعالى. كما أن المجلس إذ يقدر جهود المصارف الإسلامية في إنقاذ الأمة الإسلامية من بلوى الربا، فإنه يوصي بأن تستخدم لذلك المعاملات الحقيقية المشروعة دون اللجوء إلى معاملات صورية تؤول إلى كونها تمويلاً محضاً بزيادة ترجع إلى الممول. والله ولي التوفيق، وصلى الله وسلم على نبينا محمد وآله وصحبه.

ففتوى المجمع فصلت الأمر وأوضحت الحكم بالحرم؛ وذلك لأنها معاملة تفتقد غالباً التقابض، كما أنها صورةٌ لبيع العينة، كما أن المصرف بوضعه هذا أشبه ما يكون بالصورية، أو الشكلية التي تعود عليه بالتربح، ولكن فقط عن طريق إدخال سلعة .

ثالثاً: فتوى موقع الإسلام سؤال وجواب عن تورق البنك السعودي البريطاني⁵². وقد ذكر في الفتوى مفهوم التورق وحكمه وآراء المذاهب فيه، ثم بين صور التورق الذي تتم عن طريق البنوك وحكمها، وله ثلاث صور:

⁵² ينظر: الفتوى على الرابط التالي: <http://www.islam-qa.com/ar/ref/82612>، وانظر للتعرف على حقيقة هذا التورق والأسباب الداعية إلى تحريمه : http://69.20.50.243/shubily/qa/ans.php?qno=46#_ftn2 وكذلك : http://www.almoslim.net/articles/show_article_main.cfm?id=974

الأولى: أن يشتري البنك السلعة شراء حقيقياً، ثم يبيعها على العميل بالأقساط. وإذا ملكها العميل وقبضها باعها -لغير البنك- بثمنٍ حالٍ أقل، وهذه المعاملة جائزة.

الصورة الثانية: ألا يشتري البنك السلعة، وإنما يدفع ثمنها عن العميل، مقابل أخذ ثمن أعلى مقسط، ثم يتولى العميل بيع السلعة أو يوكل البنك في بيعها. وهذه المعاملة محرمة؛ لأنها حيلة على ارتكاب الربا؛ لأن حقيقة المعاملة أن البنك أقرض العميل ثمن السلعة، وأخذ مع زيادة.

الصورة الثالثة: وتسمى التورق المصرفي المنظم، وهي أن يشتري البنك السلعة، ثم يبيعها على العميل بالأقساط، دون أن يقبض البنك السلعة قبل بيعها، ويقوم العميل بتوكيل البنك في بيعها بثمن أقل، والعميل لم يقبض السلعة أيضاً، ولم يرها، وهو غير مهتم بها غالباً، وإنما غرضه النقود، وهذه الصورة محرمة كالتى قبلها، وقد شاع وجودها في هذه الأيام، وتعاملت بها بعض البنوك على أنها صورة مشروعنة من التورق، وقد أفتى عدد من أهل العلم بتحريمها، كما صدر عن مجمع الفقه الإسلامي التابع لرابطة العالم الإسلامي قرار بالتحريم. والله أعلم.

المطلب الثاني: آراء العلماء المعاصرين في حكم التورق المصرفي المنظم:

اختلف العلماء المعاصرون في الحكم الشرعي في التورق المصرفي المنظم تبعاً لاختلافهم في التكييف الفقهي له على قولين، وهما⁵³:

القول الأول: ذهب غالبية العلماء المعاصرين منهم الدكتور علي السالوس، والدكتور سامي السويلم، والدكتور عبد الجبار السبهاني والدكتور أحمد محيي الدين أحمد، والدكتور حسين حامد حسان بعدم جواز التورق، وقد صرح الأخير في مقابلة له في الشرق الأوسط: "بأن فقهاء هذا العصر قرروا بالإجماع قبل أيام عدم مشروعية التورق المصرفي المنظم، وكان ذلك في ندوة البركة

⁵³ ينظر: محمد عثمان شبير، التورق الفقهي وتطبيقاته المصرفية المعاصرة في الفقه الإسلامي، (بمبحث مقدم مؤتمر مجمع الفقه الإسلامي الدولي بالإمارات العربية المتحدة (إمارة الشارقة) في الدورة التاسعة عشرة، الفترة 1-5 جمادى الأولى 1430هـ الموافق 26-30 أبريل 2009م)، ص 27-29

الثامنة والعشرين، والتي ضمت ثلة من فقهاء الصناعة المصرفية.⁵⁴ واستدل أصحاب هذا القول بما يلي:

1. أن التزام البائع في عقد التورق بالوكالة في بيع السلعة لمشتري آخر، أو ترتيب من يشتريها؛ يجعلها شبيهة بالعينة الممنوعة شرعاً، سواءً أكان الالتزام مشروطاً صراحةً، أم بحكم العرف والعادة المتبعة.

2. أن هذه المعاملة تؤدي في كثيرٍ من الحالات إلى الإخلال بشروط القبض الشرعي اللازم لصحة المعاملة.

3. أن واقع هذه المعاملة يقوم على منح تمويلٍ نقديٍّ بزيادةٍ لما سمي بالمستورق فيها من المصرف في معاملات البيع والشراء التي تجري منه، والتي هي صورية في معظم أحوالها. هدف البنك من إجرائها أن تعود عليه بزيادة على ما قدم من تمويل. وهذه المعاملة غير التورق الحقيقي المعروف عند الفقهاء

4. إن ممارسة المصارف الإسلامية للتورق المصرفي المنظم سوف تترتب عليه العديد من السلبيات نذكر منها⁵⁵:

أنه سيؤدي إلى فقدان المصارف الإسلامية لأساس وجودها، وسند مشروعيتها، فهي وجدت لمحاربة الربا، ولرفع شعار: ﴿وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا ۗ﴾ [البقرة-275].

وبدخولها في التورق المصرفي تقترب من العينة التي هي حيلةٌ على الربا ومنها:

⁵⁴ صحيفة الشرق الأوسط، في (21/رمضان/1428هـ - 2007/10/2م)

⁵⁵ يظر: بحث: لمنذر قحف، وعماد بركات، التورق المصرفي في التطبيق المعاصر، (بحث مقدم لمؤتمر المؤسسات المالية الإسلامية: معالم الواقع وآفاق المستقبل، الذي تقيمه جامعة الإمارات العربية المتحدة في مدينة العين بالإمارات العربية المتحدة، 8 - 10 مايو (أيار) 2005)، ص 20-25، وينظر: عز الدين خوجة، التورق صار التمويل مخدوماً بدل أن يكون خادماً، (بحث منشور في موقع مجموعة الرقابة للاستشارات المالية).

<http://www.raqaba.net/%D8%A7%D9%84%D8%AA%D9%88%D8%B1%D9%82-%D8%B5%D8%A7%D8%B1-%D8%A7%D9%84%D8%AA%D9%85%D9%88%D9%8A%D9%84-%D9%85%D8%AE%D8%AF%D9%88%D9%85%D8%A7-%D8%A8%D8%AF%D9%84-%D8%A3%D9%86-%D9%8A%D9%83%D9%88%D9%86-%D8%AE%D8%A7%D8%AF%D9%85%D8%A7-%D9%88%D9%85%D8%AA%D8%A8%D9%88%D8%B9%D8%A7-%D8%A8%D8%AF%D9%84-%D8%A3%D9%86-%D9%8A%D9%83%D9%88%D9%86-%D8%AA%D8%A7%D8%A8%D8%B9%D8%A7>

أ- أنه سوف يبعد هذه المصارف عن تحقيق التنمية الاقتصادية؛ لأن ممارسة المصارف للتورق المصرفي تجعلها تتاجر في سلع وهمية، وهي مجرد أسماء تنتقل في السجلات، وهي في حقيقتها ليست سلعا رأسمالية تسهم في الانتاج، ولا هي سلعا استهلاكية، وإن كانت؛ فهي لا تستخدم من أجل ذلك. ومنها:

ب- أنه سوف يؤدي إلى استغناء المصارف الإسلامية مستقبلاً عن كثير من صيغ العقود والأدوات الأخرى من المضاربة والاستصناع والسلم، وسوف تكون عملية التورق هي العملية السائدة. ومنها:

ج- أنه سيحول المصارف الإسلامية إلى مؤسسات تمويل شخصي تنظر إلى ملائمة الشخص فقط، دون النظر إلى استعمالات النقود المقدمة للعميل.

القول الثاني: ذهب بعض العلماء المعاصرين منهم الشيخ عبد الله المنيع، والشيخ عبد القادر العماري إلى جواز التورق المصرفي المنظم، بناءً على جواز التورق الفقهي لدى جمهور الفقهاء واستدلالاً بأدلة جواز التورق الفقهي التي ذكرناها سابقاً من عموم قوله تعالى: ﴿ وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا ۗ ﴾ [البقرة-275].

وأن الأصل في المعاملات الإباحة. هذا بالإضافة إلى أن التورق المصرفي المنظم يحقق عدة فوائد منها:

أن التورق يعدُّ بديلاً شرعياً للافتراض بفائدة ربوية محرمة، وهو وسيلة للحصول على السيولة والتسهيلات المالية لكل من المؤسسات المالية والأفراد.

وقد سبق أن ناقشت أدلة آراء العلماء في التورق الفقهي، لكن هذا التورق يختلف عن التورق الفقهي الفردي، فلا يأخذ حكمه بحالٍ من الأحوال.

وأما الفوائد والمنافع التي ذكرها أصحاب القول الثاني، فيجاء عنها بأن الربا الذي حرّمه الإسلام لا يخلو من فوائد ومنافع، ولكن نتيجة الموازنة الشرعية بين المنافع والمضار هي المعتبرة في تقرير الحكم. فإذا أجرينا تلك الموازنة بين المنافع والمضار في التورق المصرفي المنظم كانت النتيجة أن المضار أعظم من المنافع التي تترتب عليه، وأما المنافع فهي أقل بكثيرٍ من الأضرار، منها ما ذكرت من سلبيات.

المطلب الثالث: الرأي الراجح:

بعد عرض آراء العلماء وأدلتهم ، ومناقشتها في هذه المسألة المعاصرة يتضح للباحثة أن التورق المصرفي المنظم لا يجوز شرعاً؛ لكونه أقرب إلى بيع العينة من بيع التورق الذي أجازته جمهور الفقهاء، ولمشابهته لصورة الربا؛ ولآثاره السلبية الاقتصادية المتقدمة، ويمكن الاستئناس لذلك بأقوال التابعين رضي الله عنهم في صورٍ شبيهةٍ، فقد روي عن سعيد بن المسيب أنه منع صورة شبيهة لهذا التورق، حيث جاء في مصنف عبد الرزاق، قال: حدثنا سعد بن السائب بن يسار قال: أخبرني عبد الملك داود بن أبي عاصم أن أخته قالت له: إني أريد أن تشتري متاعاً عينة، فاطلبه لي، قال: قلت: فإن عندي طعاماً، فبعته طعاماً بذهبٍ إلى أجلٍ، واستوفته، فقالت: انظر لي من يبتاعه مني، قلت: أنا أبيعك لك، قال: فبعته لها، فوقع في نفسي من ذلك شيء، فسألت سعيد بن المسيب، فقال: انظر أن لا تكون أنت صاحبه، قال: قلت: فإني صاحبه، قال: فذلك الربا محضاً، فخذ رأس مالك، وأردد إليها الفضل.⁵⁶ وكذلك روي عن الحسن البصري أنه منع صورة شبيهة، حيث روي عبد الرزاق قال: أخبرنا ابن التيمي عن أبي كعب قال: قلت للحسن: إني أبيع الحرير، فتبتاع مني المرأة والأعرابي، يقولون: بعه لنا فأنت أعلم بالسوق، فقال الحسن: لا تبعه، ولا تشتريه، ولا ترشده، إلا أن ترشده إلى السوق.⁵⁷

الخاتمة:

بعد هذه الدراسة والعرض السابق لموقف الفقهاء من بيع التورق، فاختم هذا البحث بذكر أهم النتائج التي توصلت إليها الباحثة، وهي:

1. وجوب الاحتياط في المعاملات المالية، والبعد عن كل ما يخالطه شبهة الربا؛ تجنباً من الوقوع فيه.
2. المعاملات المالية الحديثة يجب أن يتم تخريجها، وتكييفها فقهيًا بصورة صحيحة، حتى يمكن الحكم عليها.

⁵⁶ عبد الرزاق، المصنف، (بيروت: المكتب الإسلامي، ط2، 1403هـ)، ج 8، ص295، رقم: (15273)

⁵⁷ المرجع السابق، رقم: (15274).

3. التورق هو شراء سلعة في حوزة البائع وملكه بثمان مؤجل، ثم يبيعها المشتري بنقد لغير البائع للحصول على النقد. وهذه الصورة تختلف عن بيوع العينة التي تعود فيها السلعة لبائعها.

4. يبيع التورق المصري يختلف عن بيع التورق الذي عرفه الفقهاء قديماً.

5. إن اختلاف العلماء في حكم التورق المصري سببه اختلافهم في حكم التورق الفقهي، واختلافهم في المقدمات المنهجية الناظمة لفتاواهم.

6. إن منشأ الخلاف في التورق المصري في إطاره اللغوي والإصطلاحي، اختلافهم في اشتراكه في المعنى الإصطلاحي للعينة.

7. إن المجيزين للتورق المصري اعتمدوا على أدلة كثيرة منها: عموم حل البيع المستند إلى آية حل البيع وحرمة الربا، وقاعدة الأصل في المعاملات، وحديث تمر جنيب، وكذا بعض الأدلة العقلية.

8. إن المانعين للتورق المصري اعتمدوا كذلك على أدلة كثيرة، وربط التورق بالعينة واعتباره صورة لها.

9. تبين من خلال مناقشة لكل من المجيزين والمانعين، أن أدلة المانعين أقوى وحجتهم أظهر، وعليه تم ترجيح تحريم التورق المصري.

والله تعالى نسأل أن يهدينا وسائر المسلمين لأحسن القول والعمل، والحمد لله رب العالمين.

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FACTORS DETERMINING ZAKAT PAYMENT ON GOLD AMONG WORKING ADULTS IN FEDERAL TERRITORY, MALAYSIA: A PRELIMINARY STUDY

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ABSTRACT

This study applying the ASE model which examines the effects of attitude, social influence and self-efficacy towards intention behavior to pay zakat on gold among working adults. As a preliminary study, 50 respondents participated in an online questionnaire survey that was issued in November 2021. This current study was analyzed the data survey using structural equation modelling (SEM) approach. The results reveal that attitude, social influence and self-efficacy have significant relationship on intention behavior of gold zakat payment among working adults in Kuala Lumpur, Selangor, Putrajaya and Labuan. Hence, the results obtained perhaps are relevant to provide Zakat Institutions as new insights into factors determining zakat payment on gold specifically in Federal Territory, Malaysia.

JEL classification: Classify your work using the suitable JEL codes. E.g., G12, G14

Keywords: ASE model; Attitude; Federal Territory; Self-efficacy; Social influence; Zakat on
Keywords:

INTRODUCTION

Gold has been a natural currency since immemorial time. The Quran reveals that gold is sought by all of humanity as a currency owing to its intrinsic nature of purchasing power and store value that allows humans to obtain ownership. According to Agha et al. (2015), gold is regarded as a reliable medium for hedging against inflation, storing inherent value, and preserving wealth in addition to provide a high degree of return. Undenied, gold is one of the best long-term savings and investment (Amirah Juisin & Amin, 2020). Moreover, there are two sorts of gold. First, gold that is kept. Second, gold that is worn. Hitherto, there are various platform that allows Malaysian to engage in gold investment to benefit its owners in the future like Public Gold, KAB Gold, HelloGold and to name a few. These gold services providers offer gold products such as gold bar (e.g., 5 grams, 10 grams, etc.) and gold coin (e.g., dinar, Kijang Emas) for the purpose of gold investment. On the same note, the mentioned gold services providers are among shariah compliance companies in terms of products and transaction procedures. Besides, the banking institutions in Malaysia also do provides shariah compliance gold investment such as Bank Muamalat Malaysia Berhad, Al- Rajhi Bank and Kuwait Finance House. Obviously, the Muslims investors should make sure to take up shariah compliancy in their gold investments products.

Concerning to the zakat duty, in the holy Quran it was stated thirty times, twenty-seven of which zakat is linked with prayers (Al-Qardawi, 2000). Although, the determining factors to pay zakat on gold among working adults are focal in current study which extends the ASE model to the context of zakat payment on gold. Extensive research have expanded the ASE to other contexts, emphasising the theory's efficiency in capturing multiple contexts with a high

degree of adaptability (De Vries & Mudde, 1998; Gijbbers et al., 2006; Sandvik et al., 2007; Van Es et al., 2001, 2002; Brug et al., 1995; De Vries et al., 1994). These studies, however, did not discuss zakat specifically in gold zakat. Therefore, this study is able to fill the gap in expanding the outlook and contributing to Islamic finance knowledge. Thus, the objectives of this work are as follows:

1. To examine the effects of attitude, social influence, and self-efficacy towards zakat payment on gold among working adults.
2. To examine the relationship between intention and zakat payment on gold among working adults' behavior.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

1. Attitude

Attitude defined as the degree to which one is positive or negative toward an item (Abu Bakar, Ibrahim, & Md Noh, 2014). It refers to an object's fondness or dislikes. There are several prior studies that investigate the attitude in the origin ASE model. For instance, De Vries and Mudde's (1998) research revealed that three types of proximal cognitive variables are thought to be the most directly determinants of intention and behavior which are attitudes, social influences, and self-efficacy expectations. However, the results of the study are somewhat vague when comes to the attitude variable. The study did not clearly address the role of attitude in ASE theory, instead, emphasizing on the seven differences of ASE with Theory of Planned Behavior (TPB) and stated that more study on the function of these factors is also needed, as the findings do not demonstrate a definite absence of relevance for these variables. Besides, Sandvik et al. (2007) used the ASE framework to show schoolchildren's intentions to eat fruit and their actual fruit consumption in Austria, Norway, and Spain. The paper also investigates if the ASE model produces the same outcomes in three different nations. In the context of attitude variable, Sandvik et al. (2007) found that for two of the three nations that participated in this study, attitude was the biggest predictor of intention to eat fruit every day, which is consistent with prior research among teenagers (Martens et al., 2005). The results however concurred with the work by (Van Es et al., 2002). In the scope of attitude variable, Van Es et al. (2002) find that attitude is one of three best indicators of self-reported moderate degree. Another same result was recorded in a work by Gijbbers et al. (2006) that looks at the relationships between the ASE model factors especially in the scope of attitude with the anticipated period and actual beginning of breastfeeding in mothers who are expecting a baby that is at higher risk for having an allergic illness. However, a work by Van Es et al. (2001) was not on the same page as (De Vries & Mudde, 1998; Gijbbers et al., 2006; Sandvik et al., 2007; Van Es et al., 2002). The work was intended to improve persistence by encouraging a positive attitude, boosting emotions of social influence, and developing self-efficacy on asthma medication but at the end, the intervention programmed appears to have no significant impact. One possible reason for the research results is that, despite the very large programmed, the intervention is not very successful among adolescents. Adolescents prefer to push their bounds by straying from the norm in order to create their individual personality even the participants in this study showed high levels of intention and a favorable attitude in taking medicine at the very start of the trial. This means that, from five prior studies, only one study that recorded negative result. Hence:

H1: Attitude has a positive effect on intention to make zakat payment on gold among working adults.

2. Social influence

According to Van Es et al. (2002), social influence is the process through which people impact the ideas, emotions, and behavior of others. Brug et al. (1995) conducted a study that gives a thorough explanation of the link between social influence and intention. Using discriminant analysis, the study discovers that social influence is strongly linked with salad consumption intention. Likewise, Lechner and De Vries (1995) provides clear evidence on social influence when presents a study of the determinants of starting participation in an employee fitness program. The precontemplation, contemplation, and preparation phases had approximately comparable levels of (little) positive social support, however respondents in the action stage had much higher levels of social support. The reason for this might be that when respondents are actively engaged in the fitness program, their feeling of social support becomes more prominent. In a similar vein, a work done by Sandvik et al. (2007) addressed that social influence was the second largest predictor of fruit eating intention in Norway, while it was modest in Spain and non-significant in Austria. This might be because of social influence was not a one-dimensional notion for these youngsters. Likewise, the bivariate correlations between active parental support, demand and permitted guidelines, and fruit consumption in the Austrian sample were non-significant and near to zero. Thus, future studies are needed to fill the gap of that particular study. On the other hand, a work by De Vries et al. (1994) provides empirical evidence on social influence and smoking intention among vocational school students. The findings show that there is no influence on the prevention of experimental smoking. It is possible that experimental smoking is more difficult to avoid when smoking tendencies exist among a substantial proportion of the pupils, but social influence has a significant relationship smoking behavior of high school students. Work by Van Es et al. (2001) provided no answer whether social influence impact the intention of the participants to take medicine. It is conceivable that participants in the group sessions saw that their colleagues did not take their medicine on a regular basis, and this observation offered them a sense of support in their non-adherence. Hence:

H2: Social influence has a positive effect on intention to make zakat payment on gold among working adults.

3. Self-Efficacy

By definition, self-efficacy is referred to beliefs in one's capabilities to organize and execute the courses of action required to produce given levels of attainment (Bandura, 1998, p. 624). Indeed, the definitions concerns with control over the behavior itself not with control over outcomes or events (Ajzen, 2002). Moreover, perceived self-efficacy influences choice of behavioral settings who people fear and tend to avoid threatening situations they believe exceed their coping skills. Whereas they get involved in activities and behave assuredly when they judge themselves capable of handling situations that would otherwise be intimidating (Bandura, 1978). In current study, self-efficacy is observed as variables in order to predicts the working adults on their capabilities to execute the zakat payment on gold. The zakat payer should have their own control in paying the gold zakat without influenced by other outcomes or events. Such that, they should pay the zakat on gold as obligation or known as mandatory charitable giving (Awang, UM 2015). In fact, zakat is one of the pillars in Islam. Furthermore, self-efficacy proved to be an accurate predictor of performance because subjects were simply

judging their future performance from their past behavior (Bandura, 1978). Meaning, the zakat on gold were seldom people pay for it in the past. However, nowadays many people get to involve in gold investment. For that reasoned, they should pay the zakat as a worship to Allah SWT. Therefore, the previous studies that has used self-efficacy variables in their study was Othman et.al (2021). Their study reveals the significant relationships results on self-efficacy towards compliance behavior on income zakat. Furthermore, Cassar and Friedman on entrepreneurial investment. Zhao et.al (2005) on development of entrepreneurial intentions. Dane and Haberman on teen gendered view of financial knowledge, self-efficacy and behavior. Hence, this study proposed self-efficacy and hypothesized as follows:

H3: Self-efficacy has a positive effect on intention to make zakat payment on gold among working adults.

4. Behavioral Intention

Intention is expected to capture the motivational factors that influence behavior which denotes as finding expression if the person can decide at will to perform or not perform the behavior (Ajzen, 1991). In current study, the working adults is predicting to have motivations to pay zakat on gold. As nowadays, the zakat payment platform has been varying for online and offline approach. This will enhance the motivations of the zakat payer specifically zakat payer on gold to perform. In the same note, the higher the intention of working adults to pay zakat on gold, the higher the possibilities of them to execute the gold zakat payment. Though, several studies had studied in the area of zakat viz Othman et.al (2021), Khalil et.al (2021), Awang (2015), Siraj et.al (no dates). Hence, this study proposed self-efficacy and hypothesized as follows:

H4: Intention has a positive effect on intention to make zakat payment on gold among working adults' behavior.

5. Research Framework

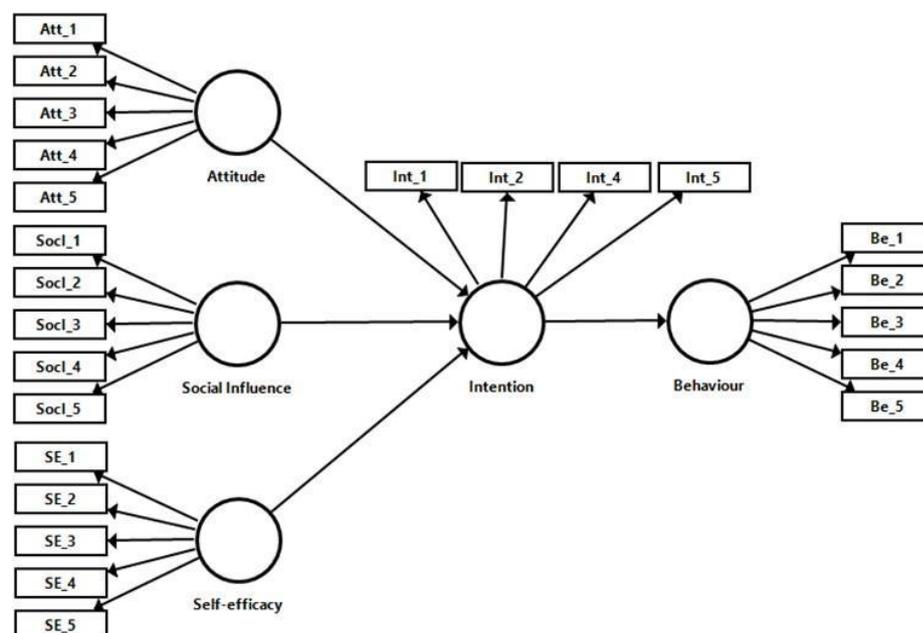


Figure 1: Research Framework

METHODOLOGY

1. Subject

On November 2021, an online questionnaire survey of a preliminary study was conducted and distributed using Google Form. A Google Form was provided to respondents so that they may answer the questionnaire at their leisure and at their own time. For the time being, an online questionnaire survey is the greatest technique for mitigating the Covid-19 pandemic issue in Malaysia. As this survey covers the working adults of Malaysian across three Federal Territory in Malaysia viz Kuala Lumpur, Putrajaya, and Labuan as well as Selangor. In this study, Selangor and Kuala Lumpur are combined since the two states share the same economic area. A total of 50 valid respondents were collected. Likewise, non-probability judgmental sampling was used, which gives four screening questions before respondents begin to answer the survey. The screening questions are as follows:

1. Are you working?
2. Do you interest / invest in gold?
3. Are you Muslim?
4. Are you live in either Kuala Lumpur/Selangor/Putrajaya/Labuan?

Since the purpose of this study was to analyze working individuals, the primary requirement for completing this questionnaire should be that the respondents are already working as well as for those who have interest and investing in gold. Thus, the validity of the respondents would be acceptable. Besides, the current study is on zakat field, so that, Muslims are required to pay zakat as an obligations worship to Allah SWT. As a result, it is critical to determine whether the respondent is a Muslim, at the very least, a Muslim is aware of the responsibility to give zakat, which, in this context, is gold when compared to non-Muslims. The demographic respondents disclose respondents' gender, age, employment, monthly income, level of education, preference for gold investment, and preference for zakat payment.

Table 1
Demographic

Attributes	Demographic distribution					
	Kuala Lumpur / Putrajaya / Selangor		Labuan			
	Frequency	Percentile	Frequency	Percentile	Frequency	Percentile
Gender						
Male	12	48%	2	20%	2	13.33%
Female	13	52%	8	80%	13	86.67%
TOTAL (50)	25	100%	10	100%	15	100%
Age						
20-30	18	72%	9	90%	12	80%
31-40	6	24%	1	10%	3	20%
41-50	0	0%	0	0%	0	0%
> 51	1	4%	0	0%	0	0%
Employment						

Government sector	5	20%	9	90%	8	53.33%
Private sector	17	68%	1	10%	6	40%
Self-employed	3	12%	0	0%	1	6.67%
Monthly income						
< RM1000	2	8%	0	0%	2	13.33%
RM1001 – RM3000	13	52%	7	70%	10	66.67%
RM3001 – RM5000	6	24%	3	30%	2	13.33%
> RM5001	4	16%	0	0%	1	6.67%
Level of education						
Doctor of Philosophy	0	0%	0	0%	0	0%
Master's Degree	3	12%	4	40%	3	20%
Bachelor's Degree	19	76%	6	60%	6	40%
Diploma	2	8%	0	0%	2	13.33%
STPM/STAM/ Matriculation	0	0%	0	0%	2	13.33%
SPM/SPMV	1	4%	0	0%	1	6.67%
PMR/SRP or below	0	0%	0	0%	1	6.67%

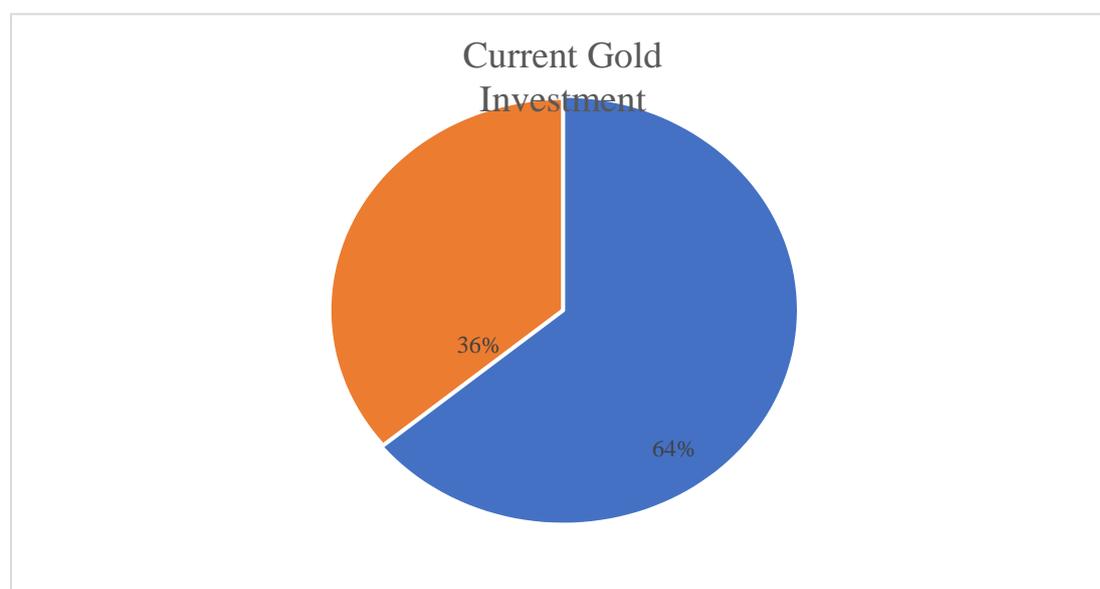


Chart 1: Current Gold Investment

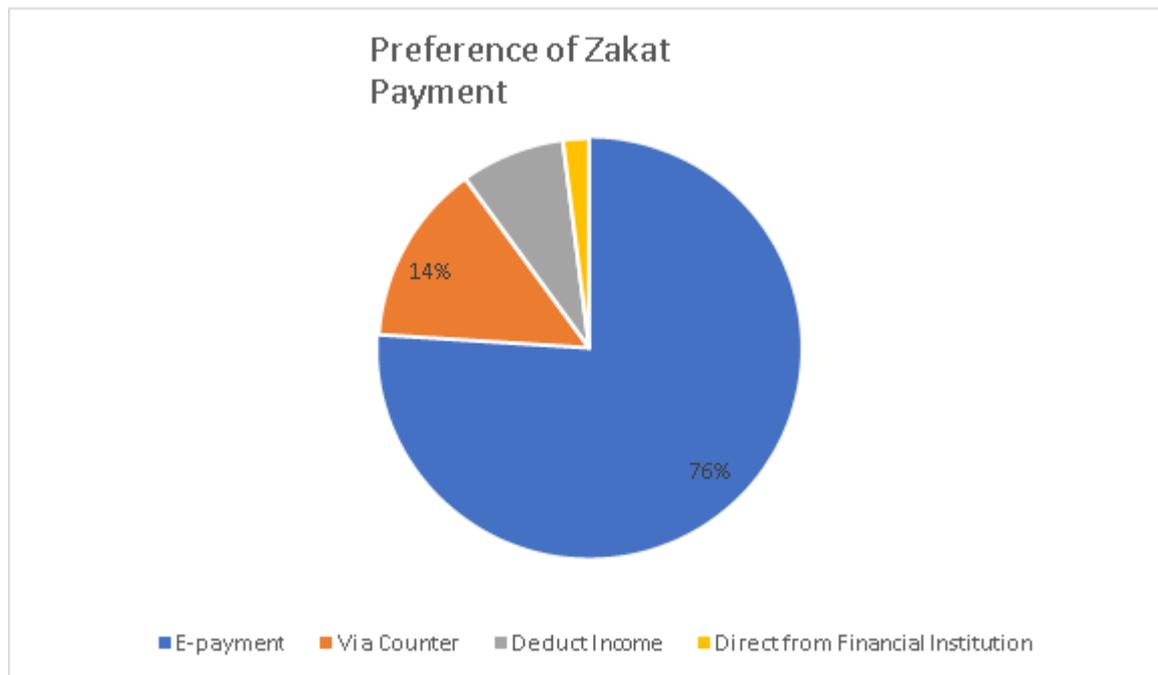


Chart 2: Preference of Zakat Payment

2. Measures

The research questionnaire is divided into two segments. The first segment requires responders to evaluate the overall significance of five variables on a five-point Likert scale ranging from 1-Strongly Disagree to 2-Disagree, 3-Slightly Agree to 4-Agree, and 5-Strongly Agree. The questionnaire items were derived from previous research. Items for attitude are adapted from (Abu Bakar & Rashid, 2010; De Vries & Mudde, 1998; Sandvik et al., 2007). Items for social influence are adapted from three studies by (De Vries & Mudde, 1998; Sandvik et al., 2007; Van Es et al., 2001). Items for self-efficacy are emanated from (Sandvik et al., 2007; Van Es et al., 2001). While items for intention and behavior are adapted from these studies that conducted ASE-model as well in their studies respectively (De Vries & Mudde, 1998; Van Es et al., 2001; Sandvik et al., 2007).

RESULTS AND DISCUSSIONS

The present research used partial least squares (PLS) modeling. The SmartPLS 3.2.8 version (Ringle et al., 2015) was used as the statistical tool to examine the measurement and structural model. Since data was collected using a single source, the first tested was the issue of Common Method Bias by following the suggestions of Kock and Lynn (2012), and Kock (2015). The full collinearity testing had been executed. In this method all the variables will be regressed against a common variable and if the $VIF \leq 5$ then there is no bias from the single source data. The analysis yielded VIF less than 5 thus single source bias is not a serious issue with the data.

Table 2 : Full Collinearity Testing

Att	Be	Int	SE	SocI
2.273	3.216	3.537	2.295	1.417

Note: Att = Attitude, Be = Behavioral, Int = Intention, SE = Self-efficacy, SocI = Social Influence.

Measurement Model

Following, two step approach was tested namely validity and reliability of the instrument's accordance to the guidelines of Hair et al. (2019) and Ramayah et al. (2018). Next, structural model to test the hypothesis developed was examined. For the measurement model, has been assessed the loadings, average variance extracted (AVE) and the composite reliability (CR). The values of loadings should be ≥ 0.5 , the AVE should be ≥ 0.5 and the CR should be ≥ 0.7 . As shown in Table 3, the AVEs are all higher than 0.5 and the CRs are all higher than 0.7. The loadings were also acceptable with only one loading less than 0.708 (Hair et al., 2019).

In step 2, we assessed the discriminant validity using the HTMT criterion suggested by Henseler et al. (2015) and updated by Franke and Sarstedt (2019). The HTMT values should be ≤ 0.85 the stricter criterion and the mode lenient criterion is it should be ≤ 0.90 . As shown in Table 4, the values of HTMT were all lower than the stricter criterion of ≤ 0.85 . Taken together both these validity test has shown that the measurement items are both valid and reliable.

Table 3: Measurement Model

Construct	Item	Loading	CR	AVE	Cronbach's Alpha
Attitude	Att_1	0.848	0.941	0.762	0.922
	Att_2	0.941			
	Att_3	0.847			
	Att_4	0.909			
	Att_5	0.813			
Behavioral	Be_1	0.882	0.867	0.574	0.831
	Be_2	0.862			
	Be_3	0.544			
	Be_4	0.766			
	Be_5	0.681			
Intention	Int_1	0.903	0.912	0.724	0.869
	Int_2	0.917			
	Int_4	0.676			
	Int_5	0.883			
Self-efficacy	SE_1	0.853	0.905	0.659	0.872
	SE_2	0.894			
	SE_3	0.606			
	SE_4	0.825			
	SE_5	0.848			

Social Influence	SocI_1	0.637	0.907	0.669	0.877
	SocI_2	0.613			
	SocI_3	0.936			
	SocI_4	0.925			
	SocI_5	0.912			

Note: Int_3 is deleted due to low loadings

Convergent Validity established when there is a high degree of correlation between two different sources responding to the same measure (Sekaran and Bougie, 2016). According to (Hair et al., 2019), the convergent validity can be assessed by looking at the loading AVE and the reliability assess by observing on composite reliability (CR). The value of AVE must be greater than 0.5 as suggested (Fornell and Larcker, 1981). Meanwhile, the composite reliability must be greater than 0.7 as recommended by (Lee and Kozar, 2008).

Table 4: Discriminant Validity

	1	2	3	4	5
1. Attitude					
2. Behavioral	0.645				
3. Intention	0.750	0.841			
4. Self-efficacy	0.712	0.810	0.742		
5. Social Influence	0.502	0.589	0.492	0.464	

Discriminant validity established when two distinctly different concepts are not correlated to each other (Sekaran and Bougie, 2016). Based on Fornell and Larcker's (1981) recommendations, the values for the square root of the AVE of the constructs are beyond the value of 0.7. Therefore, the results fulfil the discriminant validity test.

Table 5: Structural analysis

Hypothesis	Relationships	Std. Beta	Std. Dev.	t-value	p-value	BCI LL	BCI UL	f²
H1	Intention -> Behavioral	0.802	0.040	20.136	p<.001	0.725	0.851	1.802
H2	Attitude -> Intention	0.386	0.199	1.939	p<.001	0.167	0.771	0.191
H3	Self-efficacy -> Intention	0.376	0.193	1.947	p<.001	0.054	0.647	0.194
H4	Social Influence -> Intention	0.138	0.149	0.929	0.176	-0.093	0.392	0.036

In Table 5, three relationships are found to have t-value ≥ 1.645 , thus significant at 0.05 level of significance. In details, the predictors of Attitude ($\beta = 0.386$ $p < 0.01$), Self-efficacy ($\beta = 0.376$, $p < 0.01$) and social influence ($\beta = 0.138$, $p < 0.01$) are positively related on consumer behaviour. Thus, H2, H3 and H4 are supported. Next, the result of the effect of intention on behavior indicates that intention ($\beta = 0.802$, $p < 0.01$) is also positively related to behavior. This result supports H1 of this study. Furthermore, the effect sizes (f^2) are assessed by Sullivan and Fein (2012), p-value can inform the reader whether an effect exists, the p-value will not reveal the size of effect. Cohen (1988) guideline is used in order to measure the effect size. The values of 0.02, 0.15 and 0.35 represent small, medium and large effect respectively. From the

table 5, it depicts that intention has a large effect in producing the R^2 for behavior. Moreover, the results indicates that attitude (0.191) and self-efficacy (0.194) have medium effect in producing the R^2 for intention. Meanwhile, the effect size of social influence has small effect in producing R^2 for intention (0.036).

CONCLUSION

This investigation has flourished in order to find the factors of zakat payment on gold among working adults in federal territories of Kuala Lumpur, Selangor, Putrajaya and Labuan. As a result, all of the indicators of zakat payment on gold among working adults are found to have a significant relationship in this study. The factors were attitude, social influence, and self-efficacy. This intriguing study clarifies that the environment in which zakat payers reside might influence how they complete their zakat requirement, as in the case of zakat on gold. The following are the study's contributions:

1. This study demonstrates the applicability of the ASE model in the context of zakat payment on gold. The ASE model is a valid theory that extends its applicability to incorporate gold zakat payments. This study reveals that attitude has a significant impact on consumers intention to pay zakat on gold. Thus, support the findings by (Gijbbers et al., 2006; Martens et al., 2005; Sandvik et al., 2007; Van Es et al., 2002).
2. The results of this study also supports the findings from three previous studies, Brug et al. (1995), Lechner and De Vries (1995), and Sandvik et al. (2007) on a significant relationship between social influence and the intention to pay zakat on gold. This study confirms that social influence has a positive relationship towards intention to pay zakat on gold.
3. This study supports research by Awang UM (2015), Bandura (1978), Othman et al (2021), and Zhao et al (2005) that finds a significant relationship between self-efficacy and intention to pay zakat on gold. Therefore, this study broadens the applicability of their findings to zakat payment on gold.
4. The current study documented the influence of intention on behavior, which demonstrates that intention is positively related to behavior. This finding backs up H1 of this study.

The current study, like many other studies in this field, recognizes at least two limitations that will drive future studies in this area. First and foremost, this paper is a preliminary study that only gathered a small sample of 50 respondents. Indeed, it is a challenge to have more respondents, and this might be because many working Malaysians are still unaware of the benefits of investing and having actual gold in hand. Thus, many potential respondents who were approached declined to participate in this study. Second, the current study solely looks at the impacts of attitude, social influence, self-efficacy, and intention on zakat payment on gold among working adults. To rectify this, future research may expand the same study to include more respondents as well as more representative of each age group to broaden the findings. Future research may incorporate *taqwa* or religiosity to compare and contrast the findings. Despite our limits, we at least present fresh viewpoints on zakat compliance intention in Malaysian federal territories where zakat on gold is implemented.

APPENDIX

Table 6: Battery items

No. Measures

Attitude

1. I have positive feelings to pay zakat on gold.
 2. Pay zakat on gold makes me feel good.
 3. Pay zakat on gold is the right thing to do.
 4. Pay zakat on gold is beneficial for me.
 5. The platform for zakat payment on gold is easy to access.
-

Social Influence

1. My friends encourage me to pay zakat on gold.
 2. My friends will pay zakat on gold.
 3. My family encourage me to pay zakat on gold.
 4. My family will pay zakat on gold.
 5. People surrounding me support me to pay zakat on gold.
-

Self-Efficacy

1. I am capable to pay zakat on gold.
 2. I am confident in my ability to pay zakat on gold.
 3. I think I am eligible to pay zakat on gold.
 4. I have knowledge about zakat on gold.
 5. I will pay zakat on gold even though without any assistant from other people.
-

Intention

1. I have intention to pay zakat on gold when reach *nisab* and *haul*.
 2. I will put an effort to pay zakat on gold.
 3. I want to pay zakat on gold regularly.
 4. I try to pay zakat on gold in different platform (e-zakat).
 5. I will pay zakat on gold wherever I stay.
-

Behavior

1. I pay zakat on gold when the *nisab* meets.
 2. I pay zakat on gold when the *haul* meets.
 3. I pay zakat on gold in previous years.
 4. I pay zakat directly to the zakat institutions.
 5. I pay zakat on gold consistently.
-

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ZAKAT AND PRINCIPLES OF TAXATION: EQUITY, A COMPARATIVE ANALYSIS WITH TAXES

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ABSTRACT

Zakat is an efficient mechanism of wealth redistribution allowing the transfer of wealth from those having excess resources to those in need with the aim of achieving social justice. Thus, at least from this perspective, Zakat can be compared to taxes. Considering Zakat as a form of taxation, this paper attempts to apply the principle of equity and the associated criteria, elements and issues to Zakat. The paper demonstrates that the principle of equity, as envisaged in the context of taxation, is relevant for the purposes of Zakat since the latter: (i) accepts the ability to pay as a criterion for equity, (ii) applies horizontal equity and (iii) embeds a mechanism of self-compliance that tackles avoidance and evasion. The paper also demonstrates that Zakat outperforms taxes as regards the implementation of the principle of equity due to its better ability to address the issues that are generally associated with this principle, including determining and measuring equity, addressing avoidance and evasion and catering for inflation.

Keywords: Zakat, Tax, Equity, Fairness, Ability to Pay, Avoidance

1. INTRODUCTION

Zakat has a double nature. It is an act of worshiping in the same way as prayers, fasting and pilgrimage, etc. and, thus, is addressed in Islamic jurisprudence (fiqh) under the chapter of “Ibadat” (acts of worshipping). It is also the key component of the Islamic fiscal and social welfare system (Al Qaradaoui, 2006), and, as such, it is addressed as a financial obligation of Muslims towards the sovereign/state.

Comparing Zakat to tax may lead to different outcomes, depending on the area of focus in the nature of Zakat. If the latter is considered only as an act of worshiping, fundamental differences will appear as a result of its distinctive features that clearly differentiate it from tax. These include notably the source of its rules (viz. divine revelation), the (relative) immutability of its features, its specific uses and its overall objective (that is to purify one’s self and wealth (Al Qaradaoui, 2006)).

On the other hand, if we look beyond the religious character of Zakat and focus on its nature as a fiscal tool in the hands of the Muslim state, we will find that it shares with tax some important features that make them comparable. First, they share the same objective, that is to achieve social justice. Like tax, Zakat allows transferring financial resources from those who have an excess to those who are in need (Kahf, 1989). Also, in a society where Zakat is enforced by public authorities, Zakat would be similar to tax because both will be mandatory levies charged by the State for no specific or direct consideration to achieve certain economic and social objectives (Al Qaradaoui, 2006).

Therefore, at least from this perspective, it may be expected that the principles that govern good taxation would have some relevance for Zakat.

These principles are based on the fundamental work of Adam Smith in his book “An Inquiry into the Nature and Causes of the Wealth of Nations” where he provided, arguably, the most important attempt to conceptualize a framework around the principles of taxation. This work has occupied central stage over the last 200 years, as it has been reproduced in some form or

shape in almost all subsequent attempts to identify the principles or criteria of a good tax system (Du Preez, 2018).

Equity was the first principle (cannon) that Adam Smith identified. It was also highlighted in most of the subsequent works on principles of taxation (Preez and Stiglingh, 2018). As a result, it has also been amongst the principles of taxation that received a great deal of enrichment and development.

The purpose of this paper is to discuss the principle of equity as considered by Adam Smith and enriched by subsequent authors, committees and organizations who were concerned with tax policy, and to explore to what extent it applies to Zakat. To this end, section 2 will provide a literature review of the topic, section 3 will discuss the principle of equity in the tax context, section 4 will provide a brief overview of Zakat and section 5 will address the application of the principle of equity to Zakat. Section 6 will be a concluding one.

2. LITERATURE REVIEW

Various definitions of Zakat were given in classical fiqh. Al Ghofeili (2008) reviewed these definitions and identified their common features as follows: (i) Zakat is chargeable only if *Nisab* (i.e. a specific amount of wealth) is achieved, (ii) Zakat is due only on specific items of wealth, (iii) and Zakat must be spent on specific uses. Based on these elements, Al Ghofeili (2008) defined Zakat as “a share prescribed by Sharia in a specific amount of specific wealth for specific beneficiaries”.

Allami (2015), on the other hand, using “contemporary” tax terminology, defined Zakat as “a compulsory flat levy, which is imposed by the Quran, and its funds must be distributed to the eligible beneficiaries”.

Zakat aims at purifying its payer and his wealth (Al Qaradaoui, 2006) and gives an ownership right in this wealth to the recipient (Powell, 2009)¹. This contrasts with taxes, which are considered as a forced transfer of resources that is akin to theft had not there been the political process that conferred legality to them (Stiglitz, 2015).

The principles of taxation can be traced back to as early as the year 2000 BC in Mesopotamia. Clay tablets dated from this period indicate the existence of a tax-based redistribution system (Mosa, 1995). More sophisticated principles focusing on keeping the subjects’ tax burden bearable (and limited to what is needed) were developed in ancient China around the year 500 BC by Confucius and his disciple Mencius (Du Preez, 2018).

Under the Arabo-Islamic civilization, Ibn Khaldoun’s theory of *Imran* (development), which addresses the causes of rise and decay of states and civilizations, provide very useful insights on the principles of taxation some of which are still applicable even in contemporary context. It highlights the importance of a good tax system in ensuring economic development and stability (Ibn Khaldoun, 1377) and identifies fairness and moderate tax burden as the key characteristics of such a system (Chapra, 2008).

The work of Adam Smith in his book on the wealth of nations remains the most prominent attempt to provide a comprehensive conceptual framework around the principles of taxation. It would be hard to overstate the importance of this work as it has been reproduced in some form or shape almost invariably in subsequent attempts to identify the principles of a good tax system (Du Preez, 2018).

¹ A similar idea is defended by Murphy and Nagel (2002) who argue that, before paying tax, income and wealth should not (morally) be considered the property of their owners.

Adam Smith identified four cannons that should govern the design of any tax. These are equity, certainty, convenience and economy of collection.

Focusing on the first cannon, and using Adam Smith's words, equity can be explained as follows: "[t]he subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state." (Smith, 1776). Smith (1776) introduced here two of the key concepts that are used today to determine what would be an equitable/fair tax. These concepts are the ability to pay and benefit. Per Smith (1776), the contribution of the subjects should be proportional to their ability to pay, which is measured by the revenues they dispose. The higher the revenue, the higher the contribution. This is the key feature of a proportional income tax.

Furthermore, in the discussion of the tax on rents, Smith (1776) accepts that the rich should pay a tax that is more than in proportion of the revenue they earn, introducing thereby progressivity, which expresses vertical equity.

Smith (1776) also alluded to the concept of benefit by linking the contribution of the subjects to the fact that the revenues they derive are earned and enjoyed "*under the protection of the state*". Musgrave (1990) qualified the combination of ability to pay and benefit in Smith's conception of equity as "an uneasy mix", as it combines two approaches that are clearly different.

This first cannon is one of the most important principles of taxation as it is linked to the concept of fairness and justice, which is enshrined in the constitution of many countries in relation to tax obligations. In the US Constitution, this is found in the fourteenth amendment under the Equal Protection Clause. It is also found in the constitutions of many Arab countries, including Egypt, Qatar and Kuwait, etc. which provide that taxes are based on "social justice" and may be levied only by way of law (Abdullatif, 2000).

While Adam Smith's principles of taxation took a central place in the work on tax policy over the past 200 years (Du Preez, 2018) and were referred to in the documents proposing, introducing or assessing tax reforms, they needed to be revisited and enriched over time to keep pace with the changes in business practices (Allen and Bentley, 2005).

Hence, William Newmarch raised the fundamental question of the relationship between equality of tax burden and equality of sacrifice. In other words, would a tax falling equally on all require equal sacrifice from all (Du Preez, 2018)? This is what Mill (1848) argued. He interpreted the equality requirement in Smith's first cannon as an equality of sacrifice, which means that individuals with higher income should pay a higher proportion thereof as tax. This refers to another dimension of the concept of equity, that is vertical equity.

Furthermore, different authors, organizations and committees concerned with tax policy proposed principles of taxation taking the cannons of Adam Smith as a starting point. This is the case of: (i) the American Institute of Certified Public Accountants (AICPA), which published a Tax Policy Concept Statement to propose a set of guiding principles of good tax policy (AICPA, 2017), (ii) the Mirrlees Committee in the UK, who was tasked with reviewing the UK tax system and making proposals to reform it (Mirrlees, 2011), and (iii) the Fiscal Commission Working Group in Scotland, which proposed a set principles to develop a tax system of an independent Scotland (Scottish Government, 2013).

Moreover, the OECD published a report in 1998 addressing the taxation of e-commerce, in which the authors referred to Adam Smith's (1776) maxims and added a number of other principles, one of which is Fairness and Effectiveness (OECD, 1998).

Similarly, as part of its work on the BEPS² project, the OECD published in 2015 the final report on BEPS Action 1 addressing the tax challenges of the digital economy in which the same principles as those in 1998 report were adopted and a specific reference to the principle of Equity was made (OECD, 2015).

Efforts of this nature kept going on, and it will be extremely difficult to identify all the instances where experts or committees tried to identify the principles of taxation using the work of Adam Smith as a starting point. Preez and Stiglingh (2018) counted, on a non-exhaustive basis, as many as 19 of such attempts. The vast majority of these attempts, to which we can add the work of Stiglitz (2015) and Scottish Government (2013), refer to the principle of equity or one of the concepts attached thereto (fairness, tax according to ability, etc.).

3. PRINCIPLE OF EQUITY

Equity takes two forms: (i) “horizontal equity”, which entails that persons in similar circumstances should be treated in a similar way and bear similar tax burden, and (ii) “vertical equity”, which is more of a normative concept suggesting that persons that are in better circumstances should pay a higher tax, more than in proportion of their income (OECD, 2015). A simple way to express these two concepts would be: horizontal equity requires that equal people are treated equally, whereas vertical equity requires that unequal people are treated unequally (James and Nobes, 2017).

This simple formula does not mean that the application of the two concepts is straightforward. There are many issues around the meaning of equality and how it should apply. Does it refer to equal income, equal wealth, benefit, utility or expenditures (James and Nobes, 2017)? Furthermore, the meaning of ‘being treated equally’ is not clear. As highlighted by Stiglitz (2015), the key issue relates to identifying what is being assessed; is it the opportunity set available to the taxed persons or the outcome of their action? To explain this, Stiglitz (2015) gives the example of a tax on ice cream whereby chocolate ice cream is taxed at a higher rate than vanilla one (assuming that both have the same cost). If you take two individuals that are in equal circumstances in relation to all relevant factors, except that one likes chocolate and the other likes vanilla, despite being equal, these two individuals will be treated unequally because of the difference in their taste (the person who likes chocolate will be taxed more heavily than the one who likes vanilla). If we look at the opportunities available to them, they are the same, as they could choose either to buy chocolate or vanilla. So, from this perspective, they are treated equally. However, if we look to their decision, taking into account their taste, they are not treated equally (Stiglitz, 2015).

A similar example would be two individuals that are equal in all relevant circumstances (e.g. earning the same income, etc.), but one is chronically sick, the other is not. Assuming that medical expenses are not deductible for income tax purposes (which is the case in most jurisdictions), the question here is: Are they being equally treated when they are required to pay the same amount of tax (Stiglitz, 2015)?

A further difficulty inherent to vertical equity is to determine the basis of taxation i.e. what determines that the concerned persons are better off and need to pay more? And by how much they need to pay more (Stiglitz, 2015)?

To help addressing these issues and better understand this concept of equity, it will be useful to discuss its criteria i.e. the factors that would justify that one individual has to pay more (or less) than another. These criteria are based on different approaches; namely, the benefit

² Base Erosion and Profit Shifting (BEPS) Project is the international community’s response to tackle the issue of tax avoidance (Gueydi and Abdellatif, 2018).

approach, the ability to pay approach and a number of other utility-based approaches. These will be discussed in turn in the following subsections.

3.1 Benefit Approach

The basic idea underlying this approach, which was discussed by many economists and thinkers, including Smith, Locke, Rousseau and Mill, consists in saying that the burden of the tax should be shared in proportion of the benefits gained from the government expenses that are funded by the collected tax (James and Nobes, 2017).

This approach can work in limited cases, such as a tax on the use of bridges or a toll tax on roads, but in most cases, it will be difficult to implement as the magnitude of benefit by each individual cannot be determined. Also, it can result in distortionary effects because the users of a public service for which they pay a charge may be discouraged to use it (Stiglitz, 2015).

The benefit approach is also used to justify taxes that have negative externalities, such as carbon tax, excise taxes on tobacco and other harmful products, etc. Such taxes are generally imposed to compensate the community for the costs incurred as a result of the activities of the taxpayer (Lang and Englisch, 2006).

Furthermore, there are types of public services that target poor/vulnerable population and operate as an income redistribution mechanism. Applying the benefit approach in this case would result in the absurd situation where low-income people pay for these services whereas higher income groups would be exempted (James and Nobes, 2017).

3.2 Ability to Pay Approach

This concept, introduced by Smith's (1776) first cannon, is generally presented as the "benchmark" for tax equity. It means that every taxable person should contribute to the financing of the community in proportion to their ability to pay, expressed in economic capacity (Koritnink and Podlipnik, 2017).

One of the key difficulties related to this concept is to determine the indicator that should be used to measure the ability to pay? Is it income, wealth or expenditures (James and Nobes, 2017)

3.3 Income

Arguably, income is the most obvious choice to measure the ability to pay (James and Nobes, 2017). However, it raises a number of questions such as what income to consider: is it annual income or life-time income (Stiglitz, 2015)? or what should be included in the definition of income? For example, would capital gains, gifts and gambling wins be included in this definition (James and Nobes, 2017)?

Furthermore, the questions related to understanding and implementing vertical equity remain valid in relation to using income as an indicator of the ability to pay. Hence, should the ability to pay be measured by "the ability to earn" that a person has i.e. the opportunity set he had or by the actual income he earned. Stiglitz (2015) gives the example of two individuals (twin brothers) having equal education and abilities. One decides to work only 6 hours a day as a high school teacher and spend the rest of the time on hobbies, whereas the second decides to work more than 70 hours a week as a consultant. The second will obviously have a much higher income (and pay a much higher tax) than the first. The question that Stiglitz (2015) asks here is the following: is it fair to tax the second person more heavily than the first even though they had exactly the same ability to earn/opportunity set?

Stiglitz (2015) recognizes that using the actual income as basis of taxation is easier than using the ability to earn.

Another criticism of using income as a basis of taxation is that it results in double taxation of saving; first when the saved income is realized and second when the income from saving is

earned. Nevertheless, there might be an argument that the income from saving constitutes an extra ability to pay that warrants extra taxation (James and Nobes, 2017).

3.4 Expenditures

For all the criticisms mentioned above, expenditures (or consumption) are often presented as an alternative indicator of the ability to pay/basis of taxation.

First, using expenditures solves the problem of double taxation of saving (James and Nobes, 2017). Consumption is equal to income minus saving ($C = Y - S$), and by taxing consumption, we tax income only when used, which means that unused income (i.e. saving) is not taxed.

Further, consumption as basis of taxation solves the problem of what to include in the definition of income. Used income, regardless of its origin, will be taxed.

Moreover, as argued by Hobbes (1651), consumption is not beneficial to society. In other words, as income is what a person contributes to the community, whereas consumption is what he takes away from it, it would be fairer to tax that person on what he takes away rather than on what he contributes (Stiglitz, 2015).

A key criticism of using consumption as a basis of taxation is the fact that it is much more difficult to build progressivity into a tax on consumption than in a tax on income/profits (James and Nobes, 2017). Hence, if the state wants to increase the tax burden of the rich, it can simply increase the tax rate on the higher income brackets. This is much more difficult to achieve with a consumption tax.

Finally, on the use of life-time income as opposed to annual income as a tax base, Stiglitz (2015) argues that life-time income should be equal to life-time consumption, as saving is only a delayed consumption. Therefore, a tax on life-time income would address all the criticisms raised in relation to (annual) income as a basis of taxation. However, it will be difficult to implement.

3.5 Wealth

The key distinction between wealth and income is that the former is a stock (of property) whereas the latter is a flow. The main question that needs to be addressed as far as taxation is concerned is whether or not wealth confers an additional ability to pay, which justifies additional taxation.

According to James and Nobes (2017), wealth provides advantages other than of pecuniary nature, including status, security, etc. Wealth can also provide real advantages such as capital gains and implicit income. An example of the latter is the value of the benefit received by a homeowner from occupying his home (James and Nobes, 2017). Had he not been the owner, he would have rented it and paid a rent. The amount of the rent represents a good proxy of the value of this advantage. If nothing else, a person with wealth can sell part of his wealth (dis-save) and convert it into cash.

For all these reasons, there are grounds (based on horizontal equity) to confer to wealth an additional ability to pay that warrants an additional taxation.

3.6 Equity, ability to pay and income

Despite all the criticisms, the ability to pay remains the most useful basis for equity, and income remains the most usual indicator of the ability to pay (James and Nobes, 2017). The question of the relationship between the two remains to be addressed, though. For example, does increasing the income of a person by 10%, for instance, mean increasing his ability to pay by the same percentage? Also, until what level tax should be imposed to achieve equity e.g. until all taxpayers are left equal? have made equal sacrifice? etc. James and Nobes (2017) addressed these questions by distinguishing between three options based on utility.

A first option is that tax is imposed until all income earners have made an equal sacrifice in terms utility. With the assumption that the utility curve slopes downwards, each unit of money lost as a result of paying the tax represents a lesser sacrifice of utility as the income increases. This is achieved by a proportional (flat) income tax.

The second option is that income earners pay tax until they make ‘equi-proportional’ sacrifice of utility. With the assumption that marginal utility curve slopes downwards, this means that higher income brings with it higher sacrifice (i.e. larger portion to be paid as tax), which results in a progressive tax system.

The third option is to minimize the aggregate sacrifice of total utility, which is equivalent to maximizing the aggregate utility of the population. In other words, after paying the tax, the marginal utility of all income earners will be the same, which would result in an identical after-tax income for all (James and Nobes, 2017).

4. ZAKAT: KEY FEATURES AND ISSUES

Zakat is derived from the Arabic verb “Zaka” (زكا، يزكو، زكاء أو زكوا), which means to grow. It has also the meaning of purity and righteousness (Al Ghofeili, 2008). However, the primary meaning seems to be growth, and the meaning of purity and righteousness is a derived one (Al Qaradaoui, 2006).

In Islamic fiqh, classical jurists provided several definitions of Zakat. Taking into account the common features in these definitions as identified by Al Ghofeili (2008)³, and referring to the structural elements of a tax, Zakat can be defined as a compulsory levy imposed by Sharia, under certain conditions, on certain elements of wealth and income⁴, at specific rates and for specific uses.

Zakat is due on every Muslim⁵ in relation to items of wealth and income that meet certain requirements. These are discussed below.

4.1 Zakat Base: Conditions of Chargeability

For an item of wealth or income to be subject to Zakat, the following conditions apply.

4.1.1 Full ownership

The true owner of *Mal* and all things is Allah (SWT), and man can only act as a trustee. However, *Mal* has been attributed to man in several places in Quran, as a way to honor him by Allah (SWT) (Al Qaradaoui, 2006). This is the context in which the meaning of (full) ownership in Sharia should be understood. In simple terms, it means to have a right to appropriate, possess, use and dispose of the property without restriction (Al Qaradaoui, 2006). Accordingly, items of wealth that do not have a specific owner are not subject to Zakat. This is the case, for instance, of assets of public bodies as well as Awqaf when the beneficiaries are not specifically determined (Al Ghofeili, 2008).

³ See section 2.

⁴ Zakat is charged on “*Mal*”, which covers any type of valuable property. Kahf (1989) defines it as “any material things a person earns or possesses”, including “all kinds of wealth and income”. It is, therefore, broader than the term “wealth” used in the tax context and covers elements of both wealth (or capital) and income.

⁵ While Zakat is due on Muslims, nothing prevents the sovereign to charge a tax with similar features as Zakat on non-Muslims (Al Qaradaoui, 2006).

Furthermore, unlike other religious obligations, the conditions of adulthood and sanity do not apply in the case of Zakat. Hence, for the majority of classical jurists, Zakat would apply to the incapacitated (the minor and the insane) if they meet the condition of *Nisab*. Their guardian would be required to pay Zakat for them (Al Qaradaoui, 2006).

In addition, ownership must be “full” such that all of its attributes/rights are fulfilled. Hence, when the asset is not appropriated/possessed by the Zakat payer or the latter is unable to use it or dispose of it, Zakat shall not apply. This is the case, for instance, of assets that are purchased but not yet delivered, assets that are given as a guarantee or a collateral, etc. (Al Qaradaoui, 2006).

The condition of full ownership as envisaged above and some of its applications (e.g. end of benefit allowances which are received only at the end of the employment contract) generally apply in the context of taxes on income. Income tax laws generally require that the taxable income is made available to the taxpayer for the income tax to be charged.

4.1.2 Growth

According to a majority of jurists, Zakatable items must be predisposed to/intended for growth or productivity, whether this growth is actual or potential. This excludes from the Zakat base items for private use as well as those that are not susceptible, by their nature, to growing or generating profits (lost money, doubtful loans, etc.) (Al Qaradaoui, 2006).

However, the concept of growth (whether actual or potential) is not inclusive of all Zakatable items and may result in arbitrary application of Zakat (Kahf, 1989)⁶. Accordingly, there should be a reconsideration of this condition to ensure a just and consistent application of the same. This reconsideration may be based on a classical fiqh opinion according to which the rationale (*Illa*) of imposing Zakat is richness (i.e. ownership itself) and not growth (Kahf, 1989).

With this approach, Zakat would operate similarly to taxes which are generally charged on items of income or capital that are actually earned or owned, regardless of whether or not they grow.

4.1.3 Nisab

Nisab is the minimum level of wealth/income that is needed to trigger Zakat. There is no dispute amongst jurists that this condition applies to all Zakatable items, except for agricultural products, in respect of which the Hanafi school of fiqh deviates from the main stream opinion and does not require *Nisab* (Al Qaradaoui, 2006).

Nisab is determined in Prophet’s (PBUH) Sunna as follows (Al Qaradaoui, 2006):

Item	Nisab
Camels	5
Cows	30
Sheep	40
Other livestock	In value, the equivalent of 5 camels or 40 sheep; and In number, not less than 5
Agricultural products	647 ⁷ Kg
Gold and Silver	85 grams of 24 Karat gold or 595 grams of silver.

Nisab is intended to ensure that Zakat is payable only by those who have a minimum level of wealth. This minimum has been assessed by certain scholars as being equivalent to the needs of a family of three for one year (Al Qaradaoui, 2006).

⁶ Kahf (1989) gives the example of jewelry, which is Zakatable for a number of jurists even though it does not grow.

⁷Al Qaradaoui (2006).

Considering the above, one could argue that *Nisab* is comparable to deductions/allowance under tax laws (Allami, 2015). However, this view is not correct, as *Nisab* is not deductible from the Zakat base. Hence, when *Nisab* is reached, Zakat will apply to the total amount of the Zakat base. *Nisab* operates like a condition to charge Zakat rather than a deduction from its base.

4.1.4 Excess on basic needs

Zakat will not be chargeable, unless the basic needs of the Zakat payer (and those he sustains) are met. Needs have been defined in a fairly accurate manner by the Hanafi jurists to include “anything that prevents perishing/perdition whether materially or immaterially”. Hence, all basic needs for human life such as food, water, shelter, security, health or for wellbeing in general such as education, work, debt repayment, etc. are all covered in this definition (Al Qaradaoui, 2006).

This condition is different from that on *Nisab*, even though both seem to achieve the same objective (that is to ensure that basic needs are covered before Zakat is due). While *Nisab* is specifically determined by the statements of the Prophet (PBUH) and refers, as per the explanations of certain scholars, to the basic needs for food of a family of 3, the excess on basic needs is deduced from various verses and statements of the Prophet (PBUH) and cover anything the lack of which would cause hardship (Al Qaradaoui, 2006).

This approach in dealing with basic needs to determine Zakat chargeability is perfectly suited to the nature of these needs. There is a minimum level that is common to all human beings at all times (food) and another component that varies over time, places and societies. The condition on *Nisab* would cover the former, whereas the condition on the excess over basic needs would cover the latter. With this approach, Zakat properly addresses the impact of individual circumstances on Zakat liability.

4.1.5 Absence of debt

This is related to the previous conditions, as full ownership and excess on basic needs would entail that the items of wealth and income that are subject to Zakat are free from any debt or liability.

In simple terms, this condition means that all debts associated with the items included in the Zakat base must be deducted, provided these debts are actual⁸ (Al Qaradaoui, 2006).

4.1.6 Elapse of a lunar year

This condition requires that the item of wealth that is being subject to Zakat has been owned/held by the Zakat payer for 12 consecutive lunar months. This requirement does not apply to agricultural products, mines, treasures and other resources extracted from the ground (Al Qaradaoui, 2006).

4.2 Zakat Rates

Zakat is generally chargeable at the rate of 2.5% on business assets (after deduction of fixed assets⁹ and qualifying debts), gold, silver, money and other forms of savings (stocks, etc.).

Zakat on agricultural products is charged at the rate of 10% if the products are irrigated by rain, rivers and other free sources of water and 5% in other cases. Zakat on livestock is determined

⁸ There is a debate amongst jurists as to whether or not this condition applies to all items of wealth and income or only to the non-visible part thereof (i.e. money, gold, silver, etc. as opposed to visible items such as agricultural products, cattle, etc.) (Al Qaradaoui, 2006).

⁹ According to the prevailing opinion of jurists.

as per a schedule of rates expressed in terms of number of livestock (which can be of different species than the Zakatable one¹⁰). Mining resources are subject to a 20% rate.

4.3 Administrative aspects of Zakat

Apart from the due date of Zakat and its collection, Sharia rules left the administrative aspects of Zakat to the sovereign to organize.

As a general principle, Zakat is due on the date the Haul (12 lunar months) elapses, except where the condition of Haul does not apply (see section 4.1.6.). Hence, for agricultural products, for instance, Zakat is due immediately after the crops become available. This is based on Verse 141 of Surat Al Ana'am (Chapter 6 – The Cattle): “...and settle its right [i.e. give Zakat] the day of its harvest”.

As to collection, jurists agreed that the sovereign has the right to collect Zakat. However, in relation to the invisible part of the wealth (e.g. gold, money, trade assets, etc.), Zakat (or part thereof) may also be directly paid to the receivers at the discretion of payer (Al Qaradaoui, 2006).

Other aspects of administering Zakat are left to the sovereign, including the mode, date and place of payment.

Jurisdictions who contemplate to implement Zakat may leverage the capacity already available in their tax authorities to efficiently administer Zakat. This is due to the similarities of the requirements to administer Zakat and taxes. The infrastructure, processes and procedures that are available in tax authorities can easily be adapted to cater for Zakat. Processes such as registration (i.e. Zakat payers' identification), filing, payment and compliance follow up are very similar to those under tax laws and regulations. This approach would be much more efficient than mandating another authority to collect Zakat.

Nevertheless, there is one area where Zakat would require specific procedures and processes that have no equivalent in taxes. That is the task to ensure that Zakat proceeds are used for the specific purposes as prescribed by Sharia rules. This area can be assigned to another authority (such as Zakat institutions) (Al Qaradaoui, 2006).

5. ZAKAT AND EQUITY

As mentioned in section, the concept of equity in the context of tax is measured through different criteria and raises challenges in addressing certain issues such as tax avoidance and evasion and catering for inflation. The way these criteria and issues apply to Zakat will be addressed in the ensuing sub-sections.

5.1. Criteria of Equity

Two key criteria were discussed in section 3., namely, Benefit and Ability to Pay.

5.1.1 Benefit

Section 3.1 showed the limits of using the benefit approach to justify the imposition of taxes and to assess their fairness.

These limits are even more marked in the case of Zakat because the latter works essentially like a transfer mechanism between the rich (Zakat payers) and the poor, needy, etc. (Zakat receivers). The benefit approach entails that the concerned tax should be borne by those who benefit the most from the public expenditures associated with the tax (James and Nobes, 2017). As the tax and the public expenditures associated therewith are the same in the case of Zakat, the benefit approach would mean that Zakat should be paid by Zakat receivers (the poor, needy, etc.), which is clearly absurd.

¹⁰ For example, the Zakat due on 5 camels is 1 sheep, etc.

Nevertheless, there may be an argument that Zakat is similar to a wealth tax and, thus, as per Locke's theory of the State being a protector of property, such wealth would benefit from the protection of the State (Vaughn, 1980). Accordingly, there would be a case to tax wealth (through Zakat) in consideration of the protection received. Adam Smith (1776) alluded to this relationship between taxation and the benefit from the protection of the State in his first canon of taxation on equity (see section 2.). However, this argument does not hold in the case of Zakat, as the latter would still remain due even if no protection is provided by the State and even in the absence of a State altogether.

Accordingly, Zakat imposition is not based on benefit, and the latter cannot be used as a criterion to assess the equity of Zakat.

5.1.2 Ability to Pay

Ability to pay refers to the requirement that the contribution to the financing of the community is in proportion to the individual's ability to pay, expressed in economic capacity (Koritnick and Podlipnik, 2017). It is regarded as the most useful basis to assess equity (James and Nobes, 2017).

The first issue that needs to be addressed in relation to the ability to pay is to decide on the indicator/measure that determines it. In section 4.3.1. the indicators of income, expenditures and wealth were discussed and the attributes and shortfalls of each of them were presented. Income was determined to be the most usual (James and Nobes, 2017) and best practical (Schlunk, 2006) measure of ability to pay.

As far as Zakat is concerned, ability to pay as a criterion of imposition does not pose, *prima facie*, any issues. Zakat is meant to achieve social justice by transferring financial resources from those who have excess resources to those who are in need (Kahf, 1989). This is clearly mentioned in Prophet's hadith (PBUH) narrated by Al Bukhari when he sent Moaz (may Allah be pleased with him) to Yemen to preach Islam *"and tell them that Allah [SWT] imposed on them a charity [Zakat] to be taken from their rich and given to their poor"* (Al Qaradaoui, 2006).

Accordingly, it may be argued that the rationale of imposing Zakat is the existence of sufficient resources exceeding the concerned person's needs. The higher these resources, the higher should be the contribution. This is ensured by the proportional nature of Zakat.

Considering the requirements of charging Zakat, and particularly the requirement of the elapse of Haul (12 lunar months), Zakat on individuals (the case of agriculture and livestock apart) is akin to a tax on savings. Therefore, it is safe to say that the ability to pay indicator in the case of Zakat is saving. Let's now examine the issues that were identified with using income, expenditures and wealth as indicators of ability to pay (see section 3.2.) and see to what extent they apply to saving.

5.1.2.1 Income and saving

The issues raised as to using income as an indicator of the ability to pay are as follows:

i. Definition of Income

This relates to determining what to include in the definition of income. Hence, would such items as capital gains, gifts and gains from games, etc. be included in this definition (see section 3.2.1.)?

The use of saving as an indicator of the ability to pay, as in the case of Zakat, solves this issue since Zakat is charged on what remains of the income and gains from all sources¹¹ after consumption.

ii. Opportunity Set or Actual Earning?

A second issue with using income relates to determining whether it is more appropriate to use the ability to earn of an individual or the actual income earned as a basis of determining the ability to pay. In other words, should this ability be assessed on the basis of the opportunity set that were available to the person or the actual income he/she earned as a result of his/her choices.

As mentioned in section 3.2.1., using the opportunity set is difficult to implement (Stiglitz, 2015), that is why the actual income is the best practical (Schlunk, 2006) and most usual indicator of the ability to pay (James and Nobes, 2017).

The same approach is adopted in Zakat. The ability to pay is measured by the actual amount of saving, not by the potential amount that would have been saved taking into account the opportunity set available to the individual. However, the reason for this goes beyond the practical difficulty of using the opportunity set and relates to the fact that Zakat, by design, is triggered only when a person has actually at his/her disposal a certain amount of money that exceeds his/her needs and that remained unused for 1 year (see sections 4.1.4. and 4.1.6.). When this amount is not earned or earned but used for consumption, Zakat is not due. In fact, Sharia rules here recognize that individuals equipped with the same tools (education, skills, experience, etc.) i.e. having, a priori, the same opportunity set, do not necessarily have the same ability to earn. The latter depends on other factors such as personal attributes (will, dynamism, optimism, patience, etc.). Further, Sharia rules take into account the specific circumstances of the individual. When the opportunity set is fully used and the individual's potential to earn is fulfilled, but he/she faces additional expenses that others with similar opportunity set do not face, such that the minimum amount of saving (*Nisab*) is not met, Zakat is not due.

iii. Taking into Account Individual Circumstances

This latter feature of Zakat solves a further issue with using income as an indicator of ability to pay, that is the failure to take into account the particular circumstances of an individual in determining the taxable income. A typical example is when the individual has health issues resulting in additional expenses, which often are not deductible for tax purposes (see section 4.1.4.). Despite the fact that these expenses result in a lower available income, the individual will still be taxed on the same base as someone who earns the same income but does not incur any health expenses.

Another example is having children. If we leave aside the issue of whether or not the decision to have kids should be treated as a consumption decision¹², the tax relief that is granted in relation to a child is generally much lower than the actual costs of raising the child (Stiglitz, 2015). The difference in taxable income, and tax liability, between an individual having kids and another individual earning the same income but does not have kids is not equal or even close to the difference in available income taking into account the actual expenses of raising the kids.

A further example relates to the volatility of taxpayers' income and its distribution throughout their lifetime. Under a regular (progressive) income tax, two taxpayers having the same lifetime

¹¹ Assuming these sources are all sharia compliant.

¹² This is to say that having a child is a similar choice as to buy a house or a car, etc. and, thus, it should not be favored by the tax law (Stiglitz, 2015).

income, but one with a regularly distributed income, whereas the other with a fluctuating one, will end up paying different tax liabilities. The latter would pay a higher tax as than the former a result of the progressive rates (Schlunk, 2006).

Another example (and argument) that supports the case of charging tax on lifetime (rather than annual) income is the fact that the annual income does not take into account the (typical) consumption/expense pattern of taxpayers. In the early years of professional life, an individual faces substantial expenses that generally exceed his/her income (education expenses¹³, buying a house, buying a car, etc.) but that are not (properly) taken into account to determine the tax liability. The outcome is a tax is being due even though the taxpayer's net income is negative, which effectively means that taxpayers borrow to settle their tax liability (Schlunk, 2006).

Zakat, on the other hand, is levied on saving i.e. the remaining income after deducting all expenses. It is charged at a flat rate on the excess resources of the individual that remain unused for 1 year. Accordingly, Zakat solves the issue of income volatility (thanks to its flat rate)¹⁴ as well as the issues of expense pattern and specific circumstances of the taxpayer, since all expenses will be "deductible". As a result, in the early years of the professional life, when the individual is facing substantial expenses, there would be a low or no Zakat liability since there would be no (or little saving). Conversely, towards the end of the professional life, the individual would have higher income (as a result of career progression, investments, etc.) and lower expenses (no children to sustain, no education, housing, etc. expenses). Saving would, thus, be higher and so would be the Zakat liability.

By taking into account more effectively the income volatility, the consumption pattern and the particular circumstances of the individual in determining the tax base and tax liability, it can be safely said that Zakat is more equitable than income tax.

Double Taxation of Saving

A final issue raised in relation to using income as an indicator of the ability to pay is the double taxation of saving. As mentioned in section 3.2.1. double taxation arises because saving is taxed, first, when the income is earned and, second, when the return on the saving is earned. While there is an argument that the return on saving represents an additional ability to pay that should trigger additional taxation (James and Nobes, 2017), the issue of double taxation of saving remains one of the serious criticisms of using income as a measure of the ability to pay. As far as Zakat is concerned, there is no double taxation. Zakat is charged only once on the amount of saving that exceeds the *Nisab* and that remains unused for 1 year. So, here again, from an equity perspective, Zakat performs better than taxes, as the indicator of the ability to pay is taxed only once.

5.1.2.2 Expenditures and saving

As highlighted in section 3.2.2., similarly to Zakat, using expenditures as an indicator of the ability to pay solves the issues on the definition of income and the double taxation of saving, but raises the issue of embedding progressivity in the tax.

However, the merits of using expenditures would not be so evident if the lifetime income is used as an indicator of ability to pay instead of the annual income. The reason being that (the present discounted value of) lifetime income is equal to (the present discounted value of) lifetime expenditures (Stiglitz, 2015)¹⁵. Therefore, there would be no difference in using income or expenditures. This having been said, lifetime income is generally not used because

¹³ These refer to both the taxpayer's own expenses financed by debts, which he/she needs to repay, as well as education expenses of his/her children.

¹⁴ Case of agriculture and livestock apart, regardless of the amount of Zakat base, the rate is always the same (2.5%). Therefore, the distribution of such base over the lifetime of the individual would affect the Zakat liability (if we ignore the effect of inflation).

¹⁵ The assumption here is to ignore inheritances and bequests.

it is difficult to implement (James and Nobes, 2017) and has a strong implication that is generally not validated in reality by tax systems, which is the exemption of interest income (Stiglitz, 2015)¹⁶.

Accordingly, despite the fact that expenditures solve two of the key issues related to using (annual) income, the latter remained the most useful indicator of the ability to pay (James and Nobes, 2017).

In relation to Zakat, while the merits of embedding progressivity will be discussed in section 5.1.3., it is important to note here that Zakat, by using saving to determine the ability to pay, opts for an indicator that is similar in nature to income in the sense that it is a contribution to society and the economy (as opposed to consumption, expressed in terms of expenditures, which is taken away from it (see section 3.2.2.)). It may be argued, therefore, that this indicator would have the same usefulness and acceptability as income. This is supported by the fact that saving is often subject to (specific) taxation under income and wealth tax laws.

Accordingly, saving would combine the benefits of using expenditures and income as indicators of ability to pay without importing their shortfalls.

5.1.2.3 Wealth and saving

Wealth can come from two sources: own savings or other sources such as inheritance, gifts, etc. (James and Nobes, 2017).

In section 3.2.3. we discussed whether or not wealth would confer an additional ability to pay that justifies an additional taxation. This issue is particularly relevant where the wealth comes from own savings, which in turn, come from taxed income.

The fact that Zakat uses saving itself as the indicator of ability to pay removes any relevance the question of whether or not saving confers an additional ability to pay may have and, thus, solves the issue.

Furthermore, by taxing wealth itself (represented by saving), Zakat is a more efficient tool to achieve a wealth/income distribution than taxes on wealth, which are generally imposed at lower rates than Zakat or triggered only upon the transfer of wealth. This seems to be confirmed empirically, as Powell (2009) confirmed the existence of a positive relationship between the institutionalization of Zakat¹⁷ and income equality. He found that only 20% of the countries that institutionalized Zakat are in the low equality group (Powell, 2009).

5.1.3 Horizontal Equity, Vertical Equity and Progressivity

While horizontal equity requires taxing equal people equally, vertical equity represents the other face of the coin and requires taxing unequal people unequally (James and Nobes, 2017). Unequal taxation here refers to a higher tax burden as the income increases (progressive taxation) to seek an equality of sacrifice in financing public expenditures.

As far as Zakat is concerned, horizontal equity does not pose any particular issues. Zakat is charged in the same way on individuals that have the same ability to pay, represented by an amount of saving exceeding the *Nisab* and remaining unused for 1 year. Moreover, unlike taxes, Zakat has no exceptions. No exemptions or even statute of limitation period would apply. Even if the concerned person is legally incapacitated (child, insane, etc.), his guardian or the state, as the case may be would step in and pay the Zakat due (Al Qaradaoui, 2006).

¹⁶ The equality between lifetime income and lifetime expenditures is based on discounting future income (and future consumption) using an interest rate (r). So, the income of year 2 (Y_2) is equal to the income of year 1 (Y_1) multiplied by $(1+r)$ i.e. $Y_2 = Y_1 (1+r)$ or $Y_1 = Y_2 / (1+r)$. The same applies to consumption (C_1 and C_2). No tax is applied on the additional income resulting from the interest earned ($r*Y_1$).

¹⁷ This refers to the collection of Zakat (whether compulsorily or on voluntary basis) through specialized institutions overseen by the State.

In relation to vertical equity, and in contrast with income tax in many countries, Zakat has no progressive rates¹⁸. It is imposed at a flat rate of 2.5%¹⁹. The reason is that the purpose of Zakat is only to “purify” one’s self and wealth as stated in Verse 103 of Surat *Al Tawba* (9), in which Allah SWT says: “Take, [O, Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allah 's blessings] upon them. Indeed, your invocations are reassurance for them. And Allah is Hearing and Knowing”²⁰. The purpose of Zakat is not to cause hardship to believers or to deprive them from enjoying their wealth²¹.

Accordingly, Sharia rules on Zakat are not concerned with the equality of sacrifice in this life²². They do encourage voluntary charity (almsgiving), but they do not impose on richer individuals to pay higher rates of Zakat. They remain, nonetheless, concerned with the equality of contribution of individuals in the same situation (horizontal equity). Muslim’s money/wealth is protected by Sharia (as his life and honor). Preservation of wealth is one of the global Maqasid (objectives) of Sharia, and according to a number of scholars, the state/sovereign has no right in one’s wealth, except for Zakat²³. Therefore, according to this view, once Zakat is paid, an individual is not required to pay anything else regardless of how well off is he/she.

Based on the above, and looking at the design features of Zakat, achieving vertical equity does not seem to be an objective. However, this does not necessarily mean that Zakat is not progressive. To determine this, we need to look at the population group on whom the Zakat burden would fall.

To this end, let’s take, first, the example of general consumption taxes such as sales tax or VAT. These taxes are generally regressive (Stiglitz, 2015), this is because the share of consumption in the income (propensity to consume) reduces as the income increases. Therefore, high-income people pay a lesser portion of their income on consumption (and, thus, on tax) than people with low or medium income.

Zakat is comparable to a general consumption tax because its base (viz. saving) is nothing else but the opposite side of consumption i.e. it is what is left from income after consumption ($S = Y - C$). It would, however, operate in the opposite direction as a consumption tax (general sales tax or VAT). Since the propensity to consume (c) reduces as the income increases, the propensity to save (s) would increase as income increases ($s = 1 - c$). Accordingly, the higher the income earned, the higher the saving and the higher the Zakat due.

Now let’s consider an income tax with a progressive schedule of rates (i.e. tax rates increase as the income brackets go higher). This tax will charge higher rates on higher income brackets, which would result in a reduction in income disparity due to the resulting transfer from high-income to low and medium-income earners (James and Nobes, 2017). However, higher rates on high-income earners would encourage the latter to work less and spend more time on

¹⁸ There is an argument that the fact that the amount below the Nisab is not subject to Zakat amounts to a certain form of progressivity. It is as if Zakat is charged at the rate of 0% up to Nisab and at 2.5% on amounts above the same (Powell, 2009). This is however not supported by the way Zakat is computed, as the full amount of saving is taxed when the Nisab is reached and no deduction is operated in relation to Nisab (see section 4.1.3.).

¹⁹ Leaving aside the particular cases (see section 4.2.).

²⁰ Translation of Quran. Source: <https://englishquran.app/surah>.

²¹ Allah SWT says in Verse 32, Surat *Al Aaraf* (7): “Say, “Who has forbidden the adornment of Allah which He has produced for His servants and the good [lawful] things of provision?” Say, “They are for those who believe during the worldly life [but] exclusively for them on the Day of Resurrection.” Thus, do We detail the verses for a people who know”.

²² Progressivity and equality of sacrifice is recognized in the hereafter, as demonstrated by the Prophet’s (PBUH) Hadith that a charity of one dirham outperformed that of 100,000 dirhams (narrated by Al Nisaii (Hadith No. 2527)).

²³ There is a different view whereby the sovereign may impose additional charges on people (taxes) if there is a need and Zakat is not sufficient, provided certain requirements are met (Al Qaradaoui, 2006).

leisure²⁴, which would increase the return on labour of high-income earners, which in turn would increase prices for consumers (James and Nobes, 2017). As a result, the burden that was intended to fall on high-income earners is transferred to consumers who may be medium or even low-income earners depending on the market of the consumed goods.

Therefore, despite being charged at a flat rate, Zakat can generally be more progressive than an income tax that is charged at progressive rates.

In relation to agriculture (excluding livestock²⁵), Zakat is generally charged at a flat rate on the output. It is, therefore, comparable to a sales tax on a specific commodity (or an excise tax). The progressivity of such tax will depend on the demand elasticity of the concerned commodity. The more elastic the demand, the higher the portion of the tax to be borne by producers and vice versa (James and Nobes, 2017). In the extreme case of a perfectly elastic demand, the tax will be fully borne by producers, because the tiniest change in the price will reduce the demand to nil (the demand curve is a horizontal line). Conversely, where the demand is perfectly inelastic, the tax will be fully borne by consumers because regardless of how high or low is the price, the demand remains the same (the demand curve is a vertical line).

Therefore, the progressivity of Zakat will depend on the demand elasticity of the concerned produce. If it is mainly consumed by high-income earners, Zakat will be progressive, whereas if it is mainly consumed by low or medium-income earners, Zakat will be regressive.

5.2. Tax Avoidance, Tax Evasion and Zakat

Tax avoidance refers to arranging one's tax affairs in order to reduce the tax liability within the boundaries of the law, whereas tax evasion consists in using illegal means to achieve the same result (James and Nobes, 2017). On the moral front, the immoral character of tax evasion is obvious and generally not disputed, but that of tax avoidance has been subject to controversy and debate (Christians, 2014), at least until the BEPS project was initiated as a response to the Global Financial Crisis with the aim to end tax avoidance opportunities caused by the inconsistency between domestic and international tax rules (Gueydi and Abdullatif, 2018). The immoral character of the ability to avoid tax, particularly by big multinationals, was one of the key drivers of the BEPS project²⁶.

Considering tax avoidance and tax evasion in the context of equity is relevant because they both result in transferring the burden of the tax from those who are able (and willing) to avoid/evade tax to those who are not (i.e. compliant taxpayers). Conversely, where a tax is perceived to be unfair/inequitable, the legitimacy of the tax and its acceptability will be questioned, which will justify and encourage the avoidance/evasion of the tax.

The main causes of tax avoidance and evasion are high tax rates, imprecise laws, insufficient penalties and the inequity of the tax system (James and Nobes, 2017).

As far as Zakat is concerned, avoidance and evasion are expected to be less of an issue than in the case of tax for the following reasons:

First, and most importantly, Zakat is decreed by divine revelation. Its appropriateness and fairness as well as its acceptability would not be questioned by believers. This explains why Muslims are generally keen to correctly determine Zakat and pay it (Rejeb, 2020). Accordingly, the issue of equity in relation to Zakat, if any, would only be raised in relation to the procedures, processes and systems of collection, which are not governed by Sharia and left to the State/sovereign to organize.

Second, the rate of Zakat is low. It is a flat rate of only 2.5% (agriculture aside). In addition, Zakat rules do not seek equality of sacrifice to achieve vertical equity (see section 5.1.3.).

²⁴ As a result of the substitution effect of tax.

²⁵ Zakat on livestock is charged at specific rates depending on the number of cattle (see section 4.2.).

²⁶ See <https://www.oecd.org/about/impact/combatinginternationaltaxavoidance.htm>

Accordingly, regardless of how high is the wealth of an individual, he/she is only required to pay 2.5% of the savings that remain unused for 1 year. Therefore, the incentive to avoid/evade Zakat is low.

Third, in relation to penalties, while generally Sharia rules on Zakat do not contain detailed provisions on penalties similar those that can be found in tax laws to address avoidance/evasion (financial sanction, prison sentences, etc.)²⁷, they do contain a very effective deterrence tool, which triggers a built-in self-compliance mechanism. That is to make acceptance of (and, thus, compliance with) Zakat a matter of faith. Zakat is not just a religious obligation; it is one of the five pillars of Islam. Hence, a Muslim is not a Muslim if he/she questions the legitimacy or the obligation to pay Zakat. This explains why compliance with Zakat is generally very high, even if a significant part of its payment is made directly to beneficiaries and is not captured by official channels (Powell, 2009).

In relation to imprecise rules as a reason of avoidance/evasion, it may be an issue in the case of Zakat. In fact, while the key features are clearly spelled out in Sharia and, more specifically, in the noble Sunna and scholars' *Ijtihad*, the variety of opinions on the *Zakatability*²⁸ of certain items of wealth, in the past and more so now with the continuous developments and innovations in the financial and technology fields, may make Zakat rules imprecise and unclear, even for instructed Muslims.

In addition, the requirement of clarity and precision extends to the rules governing the administration and collection of Zakat, as explained by Smith (1776) in his second canon of taxation on certainty. The lack of such clarity would impact compliance with the ("official") Zakat system, but would not significantly impact the payment of Zakat itself as individuals would still pay it off such a system.

5.3. Zakat and Inflation

The impact of inflation on tax, even though it is an economic issue in nature, is generally addressed under the principle of equity. It looks at the impact of inflation on income brackets, value of assets, returns, etc. This is particularly relevant in the case of income tax, for instances, which generally attempts to achieve vertical equity by charging progressive rates i.e. higher rates on higher income brackets and, vice-versa, lower rates on lower income brackets (including an exemption for the first income bracket to ensure that the amount of income needed for basic needs is not taxed).

In times of inflation, the real value of the amounts of income brackets reduces. Hence, unless their amounts are adjusted, higher tax rates would apply to taxpayers without a corresponding increase in their ability to pay, and higher tax revenues would be collected. Besides the issue of equity, this raises an issue of legitimacy, since the additional tax charged as a result of inflation was not authorized by the legislature (Stiglitz, 2015). The same applies to tax on capital gains or on return from investments. Tax is generally charged on the nominal amounts of the gain or return, but, in real terms, such gain or return is lower or may even not exist. That is why some jurisdictions adjust periodically the income brackets to take into account inflation. In relation to Zakat, there are a number of factors embedded in the design of Zakat itself that would reduce the effect of inflation. Most notably, the trigger of Zakat i.e. the *Nisab* is not determined in monetary terms. Hence, in agriculture, the *Nisab* is either a weight of produce or a number (in the case of cattle). In all other cases, it is determined by a weight of gold or silver. In both cases, the *Nisab* is largely immune from the effects of inflation. This is an additional factor showing that Zakat outperforms income tax in terms of equity.

²⁷ There is a Hadith of the Prophet PBUH which allows the sovereign to take Zakat and half of the *Mal* from Zakat evaders (Al Qaradaoui, 2006).

²⁸ As an equivalent to "taxability" i.e. being subject to Zakat.

Another factor is the base of Zakat. By being charged on saving, Zakat fully takes into account the effect of inflation. Where prices increase, individuals' expenses will increase and their saving will reduce and so will their Zakat liability.

Conclusion

The paper went through the various criteria, elements and issues associated with the concept of tax equity and applied them to Zakat.

Overall, it appears that Zakat and tax share a similar understanding of the concept of equity, as Zakat: (i) accepts the ability to pay as a criterion of equity, (ii) is based on horizontal equity and (iii) embeds a mechanism of self-compliance that tackles avoidance and evasion.

Moreover, it also appears that Zakat is better equipped than tax to address the issues around implementing equity such as catering for inflation or determining and measuring the ability to pay.

More specifically, the table below summarizes the assessment of the various measures of the ability to pay addressed in the paper. The assessment will be based on the issues raised by the use of income²⁹ as a measure of the ability to pay, namely: (i) the definition of the measure, (ii) whether or not the measure causes double taxation of saving, (iii) how effective is the measure as an indicator of fairness, this specifically refers to the ability of the measure to take into account the income volatility, expense pattern and the specific circumstances of the taxed person, (iv) the acceptability of the measure, (v) its economic incidence (progressivity) and (vi) the effect of inflation.

The plus (+) sign indicates that the measure performs reasonably well in addressing the issue, whereas the minus (–) sign indicates the opposite.

Table 1.

²⁹ Income being the best practical measure of the ability to pay (Schlunk, 2006).

Issue Measure of Ability to Pay	Definition	Double Taxation of Saving	Effectiveness as an indicator of fairness	Acceptability	Progressivity (economic incidence)	Effect of Inflation ³⁰
Income	–	–	–	+	–	–
Wealth³¹	–	–	–	+	–	–
Expenditures	+	+	+	–	–	–
Saving (Zakat)	+	+	+	+	+	+

Source: The author.

The table shows that Zakat, by using saving as a measure of the ability to pay, outperforms taxes in terms of implementing equity.

³⁰ Taxation based on income, wealth and expenditures does not take into account the effect of inflation. Without an adjustment, the increase of the amounts of income, wealth and expenditures as a result of inflation triggers additional taxation without a corresponding increase in the ability to pay.

³¹ Wealth as an indicator of ability to pay would share the same characteristics as income, because: (a) the definition of taxable wealth, like the definition of taxable income, can be a challenge, particularly if both income tax and wealth tax apply, (b) Double taxation of saving is an issue particularly if wealth comes from own saving, (c) taxing wealth does not generally take into account the specific circumstances of the taxed person, (d) wealth as an indicator of ability to pay is generally acceptable, as shown by the prevalence of wealth taxes in many countries, (e) taxing wealth would generally involve taxing at least one factor of production (capital), which results in higher return on this factor, which in turn results in higher prices. The final impact would be felt by consumers, which would reduce the progressivity of the tax, and (f) in the absence of adjustment, tax is levied on the nominal value of wealth. In times of inflation, the tax base (and the tax) will increase without a corresponding increase in the ability to pay.

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THE AWARENESS OF EDUCATION TAKAFUL AMONG CONSUMERS IN KUCHING, SARAWAK

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ABSTRACT

Having a perfect education is among the factors that contribute towards developing a happy life and one of the five indispensables protected in maqasid al-Shari'ah. As a result, takaful agencies have produced education plans which help parents save and invest enough money for the future of their children's education. In Malaysia, the understanding on the importance of takaful is still lacking especially about the education takaful. Therefore, this research is to investigate the issues regarding the awareness of education takaful in Kuching, Sarawak. The objective of this study is to explore the awareness of education takaful among the citizens in Kuching, Sarawak towards education takaful. This qualitative study employed semi-structured online interviews with three takaful agents and eight parents who agreed to be interviewed. The results of this study indicated that the level of awareness of education takaful in Kuching, Sarawak is still considered low.

Keywords: Awareness, Education, Education takaful, Kuching

INTRODUCTION

Education is something that is very important for every mankind. In order to achieve success in life, every individual needs to have knowledge and this can be achieved through education. That is why education takaful has been developed to help those who are in need of financial support to further their studies. Higher education is important for any individual and often viewed as a steppingstone to secure better employment in the future. However, the cost of higher education is getting expensive Hadi et al. (2019) and can reach hundreds of thousands of Malaysian Ringgit (Yakob, 2019). The cost of education that keeps increasing year by year indicates that we must be prepared to face the high cost of education. Ironically, although parents realize that having education fund is important for their children's future, not many of them make any savings for their children's tertiary education (Hadi et al., 2019). As a result, takaful operators have introduced various education takaful plans to serve as one of saving mediums (Great Eastern Takaful, 2022; Prudential BSN Takaful, 2022; Takaful Ikhlas, 2022). Nevertheless, takaful is quite new to those who have not been exposed to it and do not know the benefits and protections provided by the takaful and insurance agencies. This seems to be a loss to many parties that do not subscribe to these various types of benefits. In Malaysia,

various literatures have been documented that the lack of awareness is one of the factors that hinders further development of the takaful market in the country (Husin, 2019).

To explain more about takaful, it is focused on mutual cooperation, which can bring society together, inject a harmonious environment, and recognize the needs of society for the insurance operators' long-term success and sustainability. As a result, unfairness and immoral behaviour may be reduced to some degree. Takaful is a good and unique activity in which the surplus is shared among the participants and operators. Takaful payments are structured in such a way that part of the money goes to the risk-sharing fund, which is used to pay claims (Hassan, 2018).

Takaful is a commercial product rather than a religious one. It is appropriate for everyone, regardless of religious affiliation. In the financial sector, it is extremely relevant and meaningful for individuals of every class of age. Takaful, which has more value-added substance than insurance, is the perfect option for those seeking financial security from future misfortune. However, in Malaysia, knowledge of Takaful is not as widespread as it should be (Hassan, 2018). This also includes the education takaful plans promoted by different takaful agencies.

According to Yakob (2019), studies that have been conducted show that only 14.66% Malaysians participated in family takaful plans which also includes education takaful. This achievement does not meet the target set by the Government of Malaysia that wants national life insurance and family takaful penetration rate to breach 75 per cent by the end of 2020 (Sang, Mohidin, & Budin, 2020). This shows that most of Malaysians have yet to understand the importance and capability of takaful products in minimizing financial difficulties arisen from the contingent risks. In particular, this study prioritizes the awareness of education takaful plan as it is not widely subscribed among the Malaysian society. As a result, the aim of this study is to look into the consumers' awareness of education takaful in Kuching, Sarawak.

The structure of this paper is as follows, Section 2 reviews the previous studies; Section 3 explains the research methodology; Section 4 analyses and discusses consumers' awareness of education takaful in Kuching, Sarawak, and Section 5 concludes the paper.

LITERATURE REVIEW

Islamic Financial Service Act 2013 (Bank Negara Malaysia, 2013) described takaful as “an arrangement based on mutual assistance under which takaful participants agree to contribute a common fund providing for mutual financial benefits payable to the takaful participants to help for their beneficiaries on the occurrence of pre-agreed events”. Takaful is an Islamic insurance in which each person pays money to a pool of money to protect themselves from damages caused by unforeseen incidents. Up-front costs are minimised under takaful in which risk is capped and costs are predictable.

Takaful product is free from *riba* and other prohibited elements but have the element of *mudarabah*, *tabarru'* and other Shari'ah-compliance elements. Although both takaful and conventional insurance generate profits for shareholders, takaful is explicitly transparent but conventional insurance is not the case. This is how takaful is designed to be shariah-compliant products (Khan, 2008). Takaful and conventional insurance contracts are quite different because the former is based on risk sharing while the latter is based on the exchange of risk. The policyholders in takaful are helping one another by mutually providing protection in the event if anyone of them has met with misfortune. With this, takaful will be able to promote solidarity and brotherhood among the society as well as practice of mutual and cooperative concept in the community (Hassan, Salman, Kassim, & Majdi, 2018).

Different takaful agencies have different benefits and privileges. According to HSBC Amanah Berhad (2021) takaful education plan, the plan also covers for death and total, permanent

disability and also to protect children from financial hardship in an event of unforeseen circumstances. Financial aid will also be provided for child's education in the future. In this light, Etiqa Education Takaful also protects the children's future in which they will get benefits from the takaful that the clients had chosen for them (Etiqa Family Takaful Berhad, 2020). This is due to the increase of expenses in education from time to time in the future thus parents that subscribe to the education takaful will be well prepared by starting to save at the earliest they can.

On the other hand, according to AmMetLife Takaful Berhad (2021), the total amount of value in the public fund investment will be payable to the client and for their children's education when the certificate matures. This will benefit the children in case of loss of the guardian. In the event of the certificate holder's children is diagnosed with a critical illness, the basic sum of the fee will be covered by takaful. The certificate will remain in force until a claim is made for death, total permanent disability, or the maturity of the certificate, whichever comes first. Among the benefits of subscribing an education takaful plan is the withdrawals of the savings are allowed in cases of unexpected expenses (AmMetLife Takaful Berhad, 2021). In the case of an emergency, the client can claim a certain amount of fund to cover their expenses. This helps protect the clients from certain finance risks. Besides that, according to Etiqa Family Takaful Berhad (2020), the other two benefits of subscribing an educational takaful plan is the cash reward that is prepared for an academic excellence and also maturity benefit.

In Malaysia, awareness of takaful is still low despite their notable vision (Hidayat, 2015). A study was carried out to evaluate the Muslim awareness on the existence of Family Takaful in Malaysia with 220 respondents and only about 51% of them are aware of the Family Takaful existence. This result shows that even among Muslims the awareness of education takaful is considered lacking. Another study conducted by Abdul Rahman (2008) which was a cross-sectional, informative field analysis on Malaysians' knowledge of takaful. It was a national survey with a sample size of 886 people. According to the report, 88.6 percent of respondents are conscious that takaful exists in Malaysia. However, more than half of the respondents was unable to acknowledge anything about the privileges and benefits provided by takaful products which is also including education takaful. This seems to be a let-down to many Malaysians since they are missing out on the advantages of subscribing takaful products.

Undeniably, studies have shown that the level of awareness of education takaful in Malaysia is still considered low and has room for better improvement (Mansor, Masduki, Mohamad, Zulkarnain, & Aziz, 2015). This highlights that there are still many Malaysians who are unaware about the presence of education takaful. Many people in the society have low awareness due to the lack of effort in finding finance instruments which are beneficial for themselves (Fauzi et al., 2016). In addition, the level of awareness of education takaful in the capital cities are considered better than the other cities in a state (Yakob, Hafizuddin-Syah, & Hisham, 2019). This is because the capital cities have better exposure from takaful agencies compared to the other cities in a state (Hassan et al., 2018). Capital cities have a better tendency of opening more branches and offices of a takaful agency.

In this modern era, financial institutions have been evolving with modernization. Despite that, many of these institutions are unknown to many people in the society. This seems to be a loss to those who are missing out on the privileges and benefits promoted by these institutions (Hassan et al., 2018). This includes education insurance and education takaful. Based on the studies made on the lack of awareness of education takaful has showed that there are various factors that has caused this issue to happen.

Among the factors for the lack of awareness of education takaful in Malaysia is the performance of takaful agencies in Malaysia. According to Salman (2014), conventional insurers perform better than takaful companies in terms of profitability and risk measurement but takaful outperform conventional insurance when the ratio of premium to surplus is used.

Based on the statement above, it shows that education insurance has more clients compared to education takaful. This is because education insurance is more aware by others when contrast with education takaful (Matsawali et al., 2012).

Furthermore, the exposure of education takaful in certain areas in Malaysia is still considered very low especially in the rural areas (Hassan et al., 2018). This has caused many of those in the rural areas to be unaware about the presence of education takaful plan which is beneficial for their children. These rural areas seldomly have takaful agencies due to their location which is not suitable to open any branches or offices for certain institutions (Razak, Idris, Yusof, Jaapar, & Ali, 2013).

Lastly, the level of awareness of education takaful is still regarded as low among the parents. Many of the parents nowadays have a late awareness regarding education takaful as they do not have an early exposure during an early stage (Mansor et al., 2015). This is because many takaful agencies do not put enough effort in ensuring that the exposure of education takaful is carried out in a proper way. This leads to the reason why many of the parents with primary school and preschool children being unaware about the presence of education takaful.

RESEARCH METHODOLOGY

In this qualitative study, non-numerical data is gathered and analysed in order to illustrate thoughts, values, or experiences (Silverman, 2020). According to Cristancho, Goldszmidt, Lingard, and Watling (2018), qualitative research is used to examine and understand people's beliefs, experiences, attitudes, behaviour, and interactions. Qualitative research also assists researchers in better understanding and analysing the dynamic reality of current issues. In this study, semi-structured interviews were carried out to obtain data that are beneficial for the study of education takaful awareness among consumers in Kuching, Sarawak. The interviews that were conducted were among takaful agents and Muslim and non-Muslim parents who have children eligible for the education takaful plan in Kuching, Sarawak. The respondents were selected based on their experience and involvement in the takaful industry and parents that have children eligible for the education takaful. This is to ensure that the information and data collected from the interviews were related to the issue of this study. The participants were contacted through emails and telephone calls.

For the main participants of this study were the agents from the takaful agencies that can provide answers and thoughts regarding the lack of awareness in education takaful. Takaful agents are the individuals that face and handle takaful activities on their daily basis. This gives them the capability to experience the happenings in the takaful industry. Due to that, the agents were able to provide the solutions to the issue that was being faced in this study.

Secondly, parents who have children eligible for the education takaful were also selected to be interviewed to gain their perceptions and thoughts about the education insurance and education takaful plan. By interviewing these parents, it was clear that some of the parents' perceptions towards education insurance and takaful were different. Through that, the answers on why the lack of awareness of education takaful was happening in Kuching, Sarawak and the methods of solving the issue were able to be obtained.

To ensure the smoothness of the interviews, a guide of questions was prepared. Proper questions were asked to obtain proper answers and thoughts. All of that was carried out to make certain that the interviews were done in a proper manner. Due to the MCO period, the methods of conducting the interview were carried out by using video conferences through the Google Meet platform. Conducting an interview through Google Meet was very effective as it produced a clear sound and image of the interviews. During the interviews, the interviewees were asked for permission to be audio or video recorded to obtain all the answers from the interviewees. To analyse qualitative data, all the answers recorded and written down were

analysed to obtain the solutions for the issues regarding the lack of awareness in education takaful.

RESULTS AND DISCUSSION

For this study, three takaful agents and eight parents were interviewed using semi structured interviews. Each takaful agent respondent was chosen based on their direct experience of providing Takaful products to customers and their familiarity with current issues regarding Takaful business. The parents that were chosen was based on their awareness regarding education takaful and consists of Muslims and non-Muslims. The researcher interviewed each respondent. Each one of the takaful agent had been working as a Takaful corporate agent for more than 6 months, and they were all familiar with the current issues regarding the lack of awareness of education takaful among the society. Each of the parents all have experience with takaful more than 6 months considering that they have knowledge regarding the current issues of takaful.

Research Participants

As displayed in Table 1, 11 respondents had participated in the interviews for this study. The first respondent was Agent 1 who was an agent from Al Jannah agency from Great Eastern Takaful and has the experience with takaful business more than 2 years. She had chosen to be a takaful agent as a side income during the early phases but ended up in taking the job as a permanent job as she stated that becoming a takaful agent is quite a good career. The second respondent was Agent 2 from the same agency as Agent 1 but has the experience with takaful activities for more than 6 years. His 6 years of experience has given him the clear image of how takaful activities are carried out. Agent 3 was an agent from Hong Leong MSIG Takaful agency with the experience of more than 1 year. He is currently a student at University Malaya studying finance and business for his bachelor of degree.

For the respondents who were parents, Lecturer 1 who is the fourth respondent was a parent who worked as a lecturer at UNIMAS or known as University Malaysia Sarawak. The fifth and sixth respondents who are known as Lecturer 2 and Lecturer 3 were also lecturers from UNIMAS, all of the three lecturers from UNIMAS have the experience with takaful for more than 10 years. The seventh respondent known as Doctor 1 was a parent who is aged 50 and has 7 children. She has the experience with takaful for more than 15 years as she had an early awareness regarding takaful. The eighth respondent was also a doctor known as Doctor 2 has the experience with takaful for more than 10 years. She is a doctor who works at Sarawak General Hospital. The ninth respondent, Lecturer 4, is also a lecturer who has the experience with takaful for more than 15 years. The tenth respondent is a non-Muslim who works as a teacher at St Thomas secondary school having less than 10 years of experience with takaful. The eleventh respondent is also a non-Muslim but has the career of a businessman. This businessman also has less than 10 years of experience with any takaful activities. All the respondents were Muslim except for the tenth and eleventh respondent.

Takaful agents provide Takaful services to all state government departments and agencies, whether corporate, private, or individual. They always promote Takaful products in the Kuching city and to other individuals throughout Malaysia. Malaysians have the right to participate in the Takaful plan provided by these Takaful providers. The respondents that were parents are all aware about takaful and are all purchasing takaful products for their own beneficial reasons.

Table 1: Summary of The Respondents

AGENTS	PARENTS
Al-Jannah Agency Great Eastern Takaful	Lecturer 1
Al-Jannah Agency Great Eastern Takaful	Lecturer 2
Hong Leong MSIG Takaful Agency	Lecturer 3
	Doctor 1
	Doctor 2
	Lecturer 4
	Teacher
	Businessman

Perception of Muslims and Non-Muslims towards Conventional Insurance and Takaful Insurances

Everyone is exposed to many risks in their daily lives, which is a natural phenomenon in any community. According to Matsawali et al. (2012), Islam encourages people to take preventive steps, also known as an effort, to protect themselves from harm. This may be observed in the way Prophet Yousuf AS prepared his country in terms of food storage so that they would have a constant supply during the seven-year drought. To avoid self-harm, Islam states that being prepared for all risks is a crucial requirement.

Insurance has arisen as a risk-mitigation instrument, and it has played a vital role in the development of the financial sector and general economic growth of the world's main economies (Kamil & Nor, 2014). This emphasises that the basic goal of insurance is to maintain shared obligations based on mutual cooperation among the parties involved in protecting an individual against unanticipated risks (Matsawali et al., 2012). Despite their differences, both conventional and takaful insurance have the same goal which is to safeguard their clients from financial risks.

From the interviews that were successfully carried out, it can be stated that all respondents understood about the differences between conventional insurance and takaful insurance. This statement can be supported based on the information obtained from the interviews. Each of the respondents have their own perceptions and knowledge regarding these two different types of insurance. Most of the respondents also know about the differences in element between conventional insurance and takaful insurance.

Nevertheless, all the respondents basically have a good knowledge regarding the issues regarding the takaful business. This is because most of the respondents stated that it is important to know the latest updates about takaful activities. All the respondents also stated that takaful products are more transparent and has better benefits compared to conventional insurance products. The answers from the respondents regarding the perception of Muslims and non-Muslims towards conventional insurance and takaful insurances differ as they all have their own personal thoughts. Based on the statement given by Agent 1, Agent 2, Lecturer 1 and

the Businessman gives a clear perception between conventional insurance and takaful insurance.

Agent 1 had given her clear opinion regarding the comparison of conventional insurance and takaful insurance:

“Education Takaful is a good investment for every parent to subscribe for their children since it provides both protection and savings. We never know what is going to happen in the future so at least we should sign up for takaful in case of any unfortunate event such as death of the parents which could put an end to their child savings and risk their future. However, it is highly recommended for the Muslim to sign up of Takaful since it is Shariah-compliance compared to conventional insurance.” (Agent 1)

According to Agent 2, it is important that Muslims should know that only Takaful products are Shariah compliant, and it is known as the obligatory insurance for Muslims:

“For Muslims, Education takaful is the obligatory insurance that one should subscribe as education insurance has forbidden elements in Islam. In takaful, there is hibah which is halal while in education insurance have gharar, riba and maysir which are haram. Insurance uses the concept of policy while takaful uses the concept of certificate.” (Agent 2)

As a Muslim, it is important to know that subscribing or purchasing Shariah compliant products and services is the only permissible way in Islam. Non-Shariah compliant products and services are considered prohibited in Islam as it has forbidden elements rendering it to become a non-Shariah compliant product or service.

Quoting the response of Lecturer 1:

“For Muslim parents, if there is a possibility to choose an education insurance for their child, it is better to choose a Shariah compliant insurance that is takaful education. With Allah SWT blessings, it will cover both this world and the hereafter.” (Lecturer 1)

The statement given by the Businessman regarding the comparison:

“Takaful education provides a more transparent activity and gives more benefits to its subscriber compared to education insurance.” (Businessman)

Based on the answers from the respondents, all of them preferred takaful insurance products over conventional insurance products. It is clear that both have the same objectives which is to provide protection and also savings but due to the forbidden elements in Islam that are present in conventional insurance, this has caused them not to be eligible to be shariah compliant products (Matsawali et al., 2012).

Nonetheless, when the takaful agents were asked about their experience with clients, most of those who subscribe takaful products stated that they chose takaful insurance over conventional insurance because takaful agencies have more transparency and fairness compared to conventional insurance. Some of the clients also stated that conventional insurance is available everywhere while takaful products are only available in Muslim countries which indicates that

takaful plans must have a special advantage as it is limited and promises better benefits to its consumers.

For the third question in the interview, respondents were asked about why has takaful education plan been developed for. The answers of the respondents give a clear view on what their perceptions are towards the development of education takaful and what are the functions of the following plan. This can be seen based on the answers of Agent 1 and Lecturer 4 as they have given a clear perception on why the development of education takaful plan was carried out.

Agent 1 highlights the objective of the development of education takaful plan:

“It is designed for parents to ensure that their children have enough funds to support their higher education fees and expenditures in the future. If the parent (payor/contributor) died or disabled, the benefit of the Takaful allows the monthly payment of the child education takaful to be waived meaning the takaful plan would still be continued until maturity without any payment from the contributor.” (Agent 1)

Based on the statement given by Agent 1, education takaful plan has been developed to ensure that the client’s children will be given a chance to further their studies in the future with the aid of having funds from the savings and investments from the education takaful plan.

Quoting the statement of Lecturer 4:

“To help children be prepared to further their studies in the future such as entering universities and also other institutions that require funds to enter and is using the Shariah compliant way.” (Lecturer 4)

According to the statement from Lecturer 4, it is clear that with educational takaful plan which is Shariah compliant, children are able to be prepared to enter universities and education institutions which require entry fees and also study fees.

Based on these answers, education takaful plan is voted as the better plan than conventional insurance which contains forbidden elements. For Muslims, it is also clear that we should always ensure that we only purchase Shariah compliant products so that we are always under the protection of Allah SWT and is always blessed by Him for always following the Shariah law.

The Awareness of Education Takaful among the citizens of Kuching, Sarawak

To know more about the awareness of education takaful, the takaful agent respondents were asked about the level of awareness of education takaful generally as they have had more experience regarding this issue. They are also more updated about the takaful activities that are happening nowadays. The answers provided by Agent 2 and Agent 3 gives a clear opinion regarding the level of awareness of education takaful generally in Malaysia.

According to Agent 2:

“Some of them are aware of the existence of Takaful but have little knowledge or exposure to it. Others do not see the benefit of Takaful and are not willing to pay a small amount of contribution maybe due to their financial literacy and management. Plus, some people do not have the budget to allocate for

education takaful for their children even though they are aware about the benefits of takaful. Overall, people need to be educated in financial management and exposed to financial management and literacy such as the function and benefit of each medium such as Takaful.” (Agent 2)

Based on the Agent 2’s statement, some of the people in the society are aware about education takaful but do not have enough knowledge and exposure about it causing some of them not to subscribe to it. Apart from that, some parents are not able to subscribe due to their finance situation.

According to the statement given by Agent 3:

“In general, in Malaysia, the awareness of education takaful is more aware in the peninsular Malaysia compared to Sarawak and Sabah. For clients, most of those who subscribe takaful plans are mostly non-Muslim compared to Muslims.” (Agent 3)

Based on the answer provided by Agent 3, it is clear that his experience in dealing with clients for the takaful business, shows more non-Muslims are aware about the benefits that are provided by takaful. He also stated that non-Muslims are more aware about education takaful plan because they see it as a gift for their child when they are eligible and old enough to further their studies. This shows that some clients see education takaful plan as an asset that they are able to share with their children in the future.

Despite that, among the research that were made, the level of awareness of education takaful in Malaysia is still considered low as there are still many people in certain areas that are unaware about education takaful plan (Hidayat, 2015). Nonetheless, this is why this research has been carried out in Kuching, Sarawak as it is to see the level of awareness of education takaful in the Kuching city. Each and one of the respondents were all asked about the level of awareness of education takaful plan in Kuching, Sarawak. Agent 1, Agent 2, Lecturer 2, and Doctor 1 has given a clear opinion regarding the level of awareness of education takaful in Kuching, Sarawak.

According to Agent 1’s opinion:

“There’s not much awareness going on for education takaful since some of these parents don’t even have personal takaful for themselves. Employers’ Takaful (Group Takaful) which the company they work for provide for their workers, do not provide savings for education. Only personal education takaful does. Organizations should collaborate and allow takaful representatives to educate communities on the benefit of Education takaful.” (Agent 1)

Based on the opinion of Agent 1, the level of awareness of education takaful among parents and workers in Kuching city is still considered low. This is due to the fact that takaful agents are sometimes not permitted to promote takaful products at certain areas due to certain reasons.

Quoting the statement given by Agent 2:

“In Kuching, the awareness of education takaful is still low especially for the natives in the area. Compared to the Chinese society, the natives in Kuching have less awareness. Muslims usually know only a bit of difference between insurance and takaful which causes some of them to choose insurance over

takaful. Most of the clients also usually prefer to subscribe takaful plans with non-Muslim agents.” (Agent 2)

According to Agent 2, the level of awareness of education takaful among the native people in Kuching, Sarawak are considered low to the Chinese society in the city. This is because the native people in the city do not have the right amount of exposure regarding education takaful plan.

According to Lecturer 2:

“I think Kuching needs to catch up with other big cities in Malaysia, I don't think Kuching should be the only state to focus on but also the whole Sarawak should be including those in rural areas because these are the people that usually have financial problems sending their children for tertiary education. Takaful plans have to be made to tailor for those who do not have regular monthly income so that more will willingly subscribe to these education takaful plans.” (Lecturer 2)

According to Doctor 1:

“I don't have a clear answer for this especially on the general public. But by looking around me, my colleagues are aware of education plan and many of them have education insurance for their children. But I am not sure if they signed up for takaful insurance or conventional insurance, but they all have education funds for their children.” (Doctor 1)

Based on the answers given by the respondents, the level of awareness of education takaful among consumers in Kuching, Sarawak is still low compared to the Peninsular Malaysia. As it is today, more people in the Kuching city are starting to be more aware about the presence and benefits of education takaful which is causing a slight increase in the subscription of education takaful plan in Kuching, Sarawak. Despite that, based on the experience of respondent 2 in the takaful business, there are still many citizens in the Kuching city that are unaware about education takaful. According to respondent 1, she stated that there are those in the city that are aware about education takaful but because of their small wages and lack of fund, they are unable to subscribe an education takaful plan.

Ways to Increase the Awareness of Education Takaful in Kuching, Sarawak

In this modern era, takaful insurance and conventional insurance is widely promoted and known all around the world due to the benefits and royalties provided by the plans and products promoted by different insurance agencies. Despite that, there are still those who are unaware about education takaful plan in various areas. This also includes some of the individuals in Kuching, Sarawak. Due to that, there are ways to increase the awareness of education takaful in Kuching city.

When it comes to the plans they promote to its clients, each agency has its own set of agreements and benefits. Despite this, not everyone is aware about the educational takaful plan's advantages. To target the untouched market, takaful operators should strengthen their marketing strategies and simplify product features. Besides that, religion is the most essential aspect that influences a consumer's decision (Hassan et al., 2018).

Takaful agencies should also create an awareness among all Malaysian consumers regarding Takaful products to penetrate the market. Apart from the awareness and knowledge of Takaful, according to Hassan et al. (2018), education plays a role in influencing the decisions of the possible participants. If Takaful operators plan to offer Takaful products, they should focus on the ethicality of the products as well as the education background of the future participants. This is because education is one of the ways to uplift the society's way of thinking. An educated person will know how to use the knowledge rightfully and can decide what is right and what is wrong. With that, more people would be aware about the importance of having an education takaful plan for their children.

To know more about the ways of improving the level of awareness of education takaful among consumers in Kuching, Sarawak, the respondents of the interviews were asked about how to improve the society's level of awareness regarding education takaful in Kuching city. Each of them had different ideas on how to improve the level of awareness despite that some of them were nearly the same. Agent 1, Agent 3, Lecturer 1 and the Teacher gave clear thoughts on how to increase the level of awareness of education takaful in Kuching, Sarawak.

Agent 1 stated her personal thoughts on how the level of awareness of education takaful in Kuching, Sarawak can be increased:

“Collaboration with employers and school (PIBG) to educate the parents on the advantages of education takaful. Other than that, there should be a collaboration with broadcasting media to promote the benefit of education takaful to the public and create awareness. Plus, recruiting more agents to spread more awareness and increase the chances of participation in education takaful is also a very good method.” (Agent 1)

According to Hidayat (2015), if parents have an early awareness regarding education takaful plan, then it there is a high possibility that they would subscribe to it. This is because when the parents who subscribe to an education takaful plan at an early age for their child then the price of the monthly payment will be lower compared to when the child is older.

According to Agent 3:

“For Takaful advisors which meet with the public and different individuals, the concept of the takaful products should be more explained so that they can see and know more about the benefits and specialty of takaful products. With that, more people can be attracted to subscribe takaful products in Kuching.” (Agent 3)

Based on the statement from Agent 3, when the agents are presenting about education takaful plan to the public, they should be more specific in explaining the details so that these individuals will be more attracted to subscribe to the plan.

The solution that was suggested by Lecturer 1:

“This is a very important issue because takaful education really lacks visibility. It can be improved by carrying out strategic marketing for example by having a booth during award giving ceremony in primary schools or preschools rather than secondary schools. This is because the earlier the parents start the takaful education plan, the cheaper the monthly contribution will be. Of course, there is also media to advertise but more people will tend to sign up for a plan if the procedure is made easier for them.” (Lecturer 1)

Lecturer 1 indicates that the takaful agencies should be focusing on spreading the awareness of education takaful to the parents that are having their children at primary schools and preschools instead of secondary schools. Therefore, more parents will be aware about education takaful plan at an early stage where the prices of the plan will not be too high.

According to the suggestion made by the Teacher:

“Advertised through mass and social media. Through these channels of communication, the agencies can carry out talks or seminars to make people more aware of the benefits of takaful/insurance education. In addition, Takaful courses can also be integrated into academic curriculum of higher learning institutions to enhance the level of public awareness.” (Teacher)

It is clear that the social media has a heavy impact on the society nowadays. Many individuals are connected to the social media nowadays which is why advertising through the social media is a brilliant way to spread the awareness of education takaful in Kuching, Sarawak. Furthermore, applying takaful courses in universities should also be considered so that the students will have the awareness regarding education takaful plan for their children in the future.

The answers and ideas given by these respondents are unique and true. It is true that takaful agencies should try to expose more of the primary school and preschool parents about education takaful plans so that they would know about it more early rather than late. Takaful operators should also increase the effort of advertising education takaful plans in social media so that more people would be aware about the benefits and royalties provided by this plan. Lastly, takaful agencies must put more effort into explaining the public about the advantages of having education takaful plan for their children at an early stage. As a human being, we should always be well prepared so that in case of any risks or incidents happen, we could decrease the amount of loss and damages at a high percentage.

CONCLUSION

Based on the the semi-structured interviews, it can be seen that the level of awareness of education takaful in Kuching, Sarawak is still considered low based on the perceptions of the takaful agents. They also stated that despite that some of the society in Kuching city are aware about education takaful plan, there are some of those who cannot afford to subscribe to this plan as they might have the lack of fund or due to small wages. This has also seemed to be an issue in where awareness is not the only problem, but the finance of some individuals causes them not to be able to subscribe to an education takaful plan for their child. Among the recommendations to increase the level of awareness of education takaful in Kuching, Sarawak is that takaful agencies should try to expose more of the primary school and preschool parents about education takaful plans. With an early exposure of education takaful, these parents will be able to subscribe an education takaful plan at an early stage where the price is lower compared to when a child is older causing the price of subscription to also increase. Therefore, it is important for parents with young children to be aware about education takaful at an early stage.

There are a few unavoidable limitations to this study as this research only reviewed the theoretical issues regarding the lack of awareness among consumers in Kuching, Sarawak. This qualitative research was carried out during the Covid-19 pandemic which has caused limitations of movement. Due to that, interviews were carried out using video conferences as the movement control order has restricted the public to move freely during the order. In addition, most of them were reluctant the interview sessions to be recorded. Other than that,

liaising with the respondents being takaful agents and working parents, their schedule was quite tight causing the interviews to be delayed now and then. Despite that, future studies can apply a quantitative methodology in carrying out the research to obtain a more accurate data regarding the level of awareness of education takaful in larger or different areas.

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WAKAF EKONOMI: KONSEP DAN POTENSI PELAKSANAANNYA DI NEGERI KELANTAN

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ABSTRACT

Sektor kewangan sosial Islam termasuk wakaf pada masa ini walaupun berkembang dengan pesat, tetapi masih terlalu kecil berbanding dengan potensinya yang sebenar dan belum diterokai sepenuhnya. Salah satu penyebab utama yang menghalang pertumbuhan ini ialah kurangnya inovasi dalam pengurusan harta wakaf bagi menggarap potensi sebenar harta tersebut agar dapat memberi impak optimum kepada ekonomi ummah. Dalam konteks negeri Kelantan, wujudnya institusi-institusi pondok dan pendidikan Islam di negeri ini telah berjaya melahirkan masyarakat yang memahami ilmu agama dengan baik dan hal ini menjadi modal utama untuk dibangunkan instrumen wakaf di negeri Kelantan secara agresif dengan inovasi-inovasi yang baharu. Sehubungan dengan itu, makalah ini dikemukakan bagi membincangkan konsep wakaf ekonomi dan potensi pelaksanaannya di negeri Kelantan. Kajian berbentuk kualitatif ini digarap secara deskriptif dengan menggunakan metode analisis kandungan dalam proses analisis. Dengan melihat konsep sedia ada yang digunapakai oleh beberapa institusi pentadbiran wakaf di Malaysia, kajian ini mendapati negeri Kelantan memiliki potensi yang besar untuk membangunkan wakaf ekonomi iaitu konsep wakaf yang mana manfaatnya dari aset wakaf digunakan untuk tujuan pembangunan ekonomi sama ada dalam sektor perniagaan, pertanian dan lain-lain.

Kata kunci: Wakaf Ekonomi, Konsep, Potensi, Kelantan

ABSTRACT

The Islamic social finance sector including waqf is currently growing rapidly, but is still too small compared to its true potential and has yet to be fully explored. One of the main reasons that hinder this growth is the lack of innovation in the management of waqf property to work on the real potential of the property in order to provide optimal impact to the economy of the ummah. In the context of the state of Kelantan, the existence of Islamic educational institutions in the state has succeeded in producing a society that understands religious knowledge well and this is the main capital to develop waqf instruments in the state of Kelantan aggressively with new innovations. In relation to that, this paper is presented to discuss the concept of economic endowment and the potential of its implementation in the state of Kelantan. This qualitative study is done descriptively by using content analysis methods in the analysis process. By looking at the existing concept used by several wakaf administrative institutions in Malaysia, this study found that the state of Kelantan has great potential to develop economic wakaf, namely the concept of wakaf that benefits from wakaf assets used for economic development in business, agriculture and other sectors.

Keywords: *Waqf Economic, Concept, Potential, Kelantan*

PENDAHULUAN

Sistem wakaf telah lama wujud dalam kehidupan manusia sebelum kedatangan Islam walaupun tidak dinamakan dengan wakaf. Contohnya seperti jual beli, ijarah, nikah dan aqad-aqad lain telah muncul sebelum kedatangan Islam (Ahmad Ali Mukhaimir, 1959). Sistem Wakaf telah diperkenalkan pada zaman peradaban Roman, Babilon, dan Fir'aun. Semasa kedatangan Islam, konsep seperti wakaf telah wujud lalu Islam meletakkan kepada wakaf. Sistem wakaf dalam Islam bukannya diambil dari system yang lama, namun ianya sudah terdapat dalam al-Quran dan Sunnah (Muasssah al-Risalah, 2004). Malah system wakaf dalam Islam bukan sahaja memberi di tempat beribadah sahaja, malah merangkumi aspek social, ekonomi dan ketenteraan.

Wakaf adalah satu amalan yang terpuji dan sememangnya dituntut dalam Islam. Di dalam (Al-Quran. Ali Imran, ayat 92) firman Allah s.w.t yang bermaksud "*Kamu sekali-kali tidak akan mencapai kebajikan yang sebenarnya sehingga kamu belanjakan sebahagian daripada harta yang paling kamu sayangi dan apa sahaja yang kamu belanjakan daripada sesuatu, maka sesungguhnya Allah Maha Mengetahui*". Ajaran Islam amat menggalakkan umat Islam untuk melakukan amalan kebajikan seperti bersedekah, wakaf, hibah, dan sebagainya. Terdapat beberapa hadis Nabi s.a.w yang menggalakkan umat Islam untuk melakukan amalan kebajikan berwakaf ini. Pada zaman Rasulullah SAW amalan berwakaf sudah menjadi ikutan terutamanya Umat Islam. Sebagai contoh, Uthman bin Affan telah mewakafkan telaga al-Raumah yang merupakan sumber air utama umat Islam ketika itu (Asma Rahman, 2009).

SOROTAN KARYA

Berdasarkan pengamatan yang dibuat, belum ada karya penulisan yang memperkenalkan secara khusus wakaf ekonomi sebagai satu istilah khusus dan model wakaf yang baharu. Beberapa penulisan sedia ada yang memperkenalkan beberapa model wakaf kontemporari seperti Wakaf Produktif seperti yang ditulis oleh Kurniawan dengan tajuk Wakaf Produktif Dan Pemberdayaan Ekonomi Umat (Kurniawan, M., 2013), Wakaf Produktif Dalam Perspektif Ekonomi Islam (Medias, F., 2010).

Terdapat juga artikel yang memperkenalkan konsep Wakaf Tunai seperti yang ditulis oleh Azri Ahmad dengan tajuk Pelaksanaan skim wakaf tunai oleh Yayasan Wakaf Malaysia (Azri, 2008), Sorotan literatur pelaksanaan wakaf tunai di Malaysia (Zakaria, M. S., & Muda, M. Z., 2017), dan konsep Wakaf Tunai (Suganda, A. D., 2014).

Di samping itu juga, terdapat model Wakaf Korporat seperti yang ditulis oleh Mahmood dan Shafiai dengan tajuk Potensi wakaf korporat kepada pemilikan ekuiti muslim: Kajian di Wakaf An-Nur Corporation (Mahmood, N. A., & Shafiai, M. H. M. (2013), dan Pelaksanaan pembangunan wakaf korporat Johor Corporation Berhad (JCorp) (Bin Borham, A. S., 2011).

Terdapat konsep lain iaitu Wakaf Saham seperti yang ditulis oleh Hanna dengan tajuk Wakaf Saham Dalam Perspektif Hukum Islam (Hanna, S., 2018). Yang lebih menarik juga terdapat artikel yang menawarkan konsep Wakafpreneur seperti yang ditulis oleh Anuar dan Shuib dengan topik Model Pengurusan Wakafpreneur Kontemporari: Kajian Kes di Institut Wakafpreneur Indonesia [Management Contemporary of Wakfpreneur Model] (Anuar, M. S., Shuib, M. S., & Azis, I. N. (2021),

Wakaf korporat merujuk kepada suatu aspek pengurusan harta-harta wakaf yang berbentuk harta alih seperti wang tunai, saham syarikat dan dividen saham yang diurus tadbir secara penuh oleh entiti korporat ataupun secara kerjasama di antara syarikat korporat dan pihak berkuasa wakaf (Magda 2013).

Wakaf tunai dapat didefinisikan sebagai pemberian wang tunai kepada entiti pengurusan yang sah untuk dikumpul dan dijadikan modal bagi menukar dana kepada harta kekal atau membiayai aktiviti yang berkaitan dengan wakaf (Azri 2008). Di Indonesia, Komisi Fatwa Majelis Ulama Indonesia telah menetapkan fatwa berkenaan dengan wakaf tunai yang menyatakan bahwa wakaf uang (cash wakaf atau waqf al-Nuqud) adalah wakaf yang dilakukan seseorang, kelompok orang, institusi atau badan hukum dalam bentuk wang tunai, termasuk ke dalam pengertian wang adalah surat-surat berharga. Wakaf wang hukumnya boleh (jawaz), hanya boleh disalurkan dan digunakan untuk hal-hal yang dibolehkan secara syar'i, dan nilai pokok wakaf wang harus dijamin kelestariannya, tidak boleh dijual, dihibahkan dan atau diwariskan (Suganda, A. D. (2014).

Wakaf produktif ialah Wakaf Produktif pada umumnya berupa tanah pertanian atau perkebunan, Gudang-gudang komersial, diuruskan sehingga mendatangkan keuntungan yang sebahagian hasilnya digunakan untuk membiayai pelbagai aktiviti tersebut (Kurniawan, M. (2013). Sehingga dengan demikian harta wakaf benar-benar menjadi sumber dana dari masyarakat untuk masyarakat.

METODOLOGI KAJIAN

Kajian ini hanya menumpukan kepada konsep wakaf ekonomi dan potensi pelaksanaannya di negeri Kelantan sahaja. Kajian ini dibuat bagi memperkenalkan konsep wakaf ekonomi sebagai model baharu wakaf yang bertujuan membangun ekonomi ummah secara mampan. Selain itu, kajian ini dibuat bagi mengenalpasti beberapa bentuk model wakaf ekonomi yang telah berjaya dibangunkan oleh pihak institusi wakaf untuk dijadikan sebagai panduan dalam pembangunan wakaf di Kelantan.

Bagi mencapai tujuan ini, maklumat tentang konsep wakaf ekonomi didapati melalui kitab-kitab fiqah dan artikel jurnal semasa. Manakala maklumat potensi pelaksanaan wakaf ekonomi di negeri Kelantan diperolehi melalui kaedah kualitatif dengan menemubual separa berstruktur dimana responden menjawab berpandukan soalan yang telah diberikan kepada mereka. Temubual ini dilakukan secara online sahaja dengan menggunakan Aplikasi Google Meet disebabkan pandemik Covid-19 dan Perintah Kawalan Penduduk (PKP). Pengkaji juga menggunakan alat perakam suara dan rakaman video semasa sesi temubual tersebut bagi memudahkan pembuatan transkripsi data temubual dan analisa. Terdapat beberapa pihak institusi yang terlibat dalam temubual ini adalah seperti tersebut:

1. Pegawai Bahagian Wakaf Jabatan Wakaf, Zakat dan Haji (JAWHAR).
2. Ketua Pegawai Eksekutif Yayasan Wakaf Malaysia (YWM).
3. Ketua Eksekutif Wakaf An-Nur Corporation Berhad (Wakaf An-Nur).
4. Ketua Pegawai Eksekutif Wakaf Pulau Pinang Sdn. Bhd. (Anak Syarikat Majlis Agama Islam Negeri Pulau Pinang).
5. Ketua Bahagian Wakaf Majlis Agama Islam Negeri Kedah.
6. Pengarah Jabatan Wakaf Majlis Agama Islam Negeri Sembilan dan Ketua Penolong Pengarah Jabatan Wakaf Majlis Agama Islam Negeri Sembilan.
7. Ketua Unit Wakaf Majlis Agama Islam dan Adat Istiadat Melayu Kelantan.

Kaedah temubual separa berstruktur digunakan untuk mengumpul matlumut tentang struktur tadbir urus, penggunaan keuntungan yang diperolehi melalui keuntungan hasil daripada pelaburan wakaf, pelaksanaan undang-undang yang dilaksanakan berkaitan dengan enakmen wakaf serta masalah dan cabaran yang dihadapi oleh setiap institusi tersebut dalam pelaksanaan wakaf di Malaysia. Penyelidik telah mengemukakan 4 tema soalan yang setiap tema mempunyai sub soalan yang berkaitan dengan institusi yang hendak di temubual. Antara skop soalan temubual yang telah dinyatakan adalah seperti berikut:

Jadual 1: Skop Soalan Temubual

Tema	Soalan
1. Cara pelaksanaan/ pengurusan wakaf	1.1 Struktur Tadbir Urus 1.2 Sumber perolehan/ sumber pembiayaan atau pendanaan 1.3 Nilai harta 1.4 Keuntungan diperolehi 1.5 Bil projek/ operasi
2. Penggunaan keuntungan/ pengagihan hasil keuntungan	2.1 Ekonomi 2.2 Kebajikan/ sosial 2.3 Pendidikan
3. Undang-undang yang digunakan	3.1 Undang-undang wakaf 3.2 Fatwa-fatwa yang berkaitan 3.3 Penyelarasan undang-undang negeri dan pusat 3.4 Undang-undang rentas sektor (contoh undang-undang pertanahan)
4. Masalah dan cabaran	4.1 Masalah/ cabaran/ halangan (sebelum dan pasca pandemik covid-19) 4.2 Penyelesaian

DEFINISI WAKAF EKONOMI (WAKAF IKTISAD)

Wakaf dari segi bahasa bermaksud *al-habsu* iaitu menahan (Othman 2008). Manakala dari segi istilah, Mazhab Hanafi, Syafie dan Hanbali mendefinisikan wakaf adalah menahan harta yang bermanfaat dengan mengekalkan aset (*‘ain*) harta tersebut, dengan melepaskan pemilikan daripada pewakaf menjadi milik dan manfaat orang awam dengan niat mendekatkan diri kepada Allah SWT (Ibnu Humam 1970, Al-Midani 2010, Afandi 2000).

Manakala definisi ekonomi dari sudut pandang Islam berbeza dari sudut pandang konvensional (Muslim, M. B. 2012).

Ekonomi dari sudut pandang Islam adalah sains sosial yang menguruskan kehendak manusia yang tidak terhad dengan menggunakan sumber-sumber sedia ada bagi mencapai kebahagiaan dunia dan akhirat. Manakala ekonomi dari sudut pandang konvensional bermaksud sains sosial yang menguruskan kehendak manusia yang tidak terhad dengan menggunakan sumber-sumber yang terhad bagi mencapai kepuasan yang maksimum (Sarimah Hanim, 2010).

Berdasarkan pendefinisan di atas, maka dapat disimpulkan bahawa Wakaf Ekonomi (*Wakaf Iktisad*) ialah wakaf yang mana manfaat daripada aset wakaf digunakan untuk menjana keuntungan material bagi faedah pembangunan ummah melalui pelbagai sektor, seperti sektor pertanian, perniagaan, perhotelan, perumahan, hartanah, pelaburan dan lain-lain.

Perbezaan antara wakaf ekonomi, wakaf produktif, wakaf korporat, wakaf saham dan wakaf tunai adalah sepertimana berikut:

Jadual 2: Perbezaan Wakaf Ekonomi dan wakaf-wakaf lain

No.	Perkara	Wakaf Ekonomi	Wakaf Produktif	Wakaf Korporat	Wakaf Saham	Wakaf Tunai
1	Aset asal	Pelbagai jenis harta yang halal	Harta yang produktif sahaja seperti tanah pertanian atau perkebunan, Gudang-gudang komersial	Wang Tunai, Saham Syarikat Dan Dividen Saham	Saham	Wang tunai
2	Manfaat	Digunakan untuk menjana keuntungan material bagi faedah pembangunan ummah	Diuruskan untuk mendatangkan keuntungan yang sebahagian hasilnya digunakan untuk membiayai pelbagai aktiviti	Bergantung kepada niat pewakaf	Bergantung kepada niat pewakaf	Bergantung kepada niat pewakaf

Wakaf Ekonomi (Wakaf Iktisad) adalah satu narasi baharu dan ianya selaras dengan kehendak syariat Islam yang menginginkan agar harta yang diwakafkan dapat mendapat memberi manfaat yang optimum kepada ummah. Firman Allah SWT dalam surah al-Baqarah ayat 267:

يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ

“Wahai orang-orang yang beriman! Belanjakanlah (pada jalan Allah) sebahagian dari hasil usaha kamu yang baik-baik, dan sebahagian dari apa yang Kami keluarkan dari bumi untuk kamu”.

Wakaf termasuk di dalam maksud ayat ini oleh kerana pada hakikatnya wakaf adalah sedekah dan kebaikan yang amat digalakkan bagi memberi manfaat dan kebaikan kepada orang ramai (Zuhaili, 2008). Perkara asas dalam wakaf ekonomi adalah manfaat dari harta wakaf mampu

dijana untuk mendapat keuntungan material kepada masyarakat.

Hal ini juga disokong dengan hadis Nabi SAW:

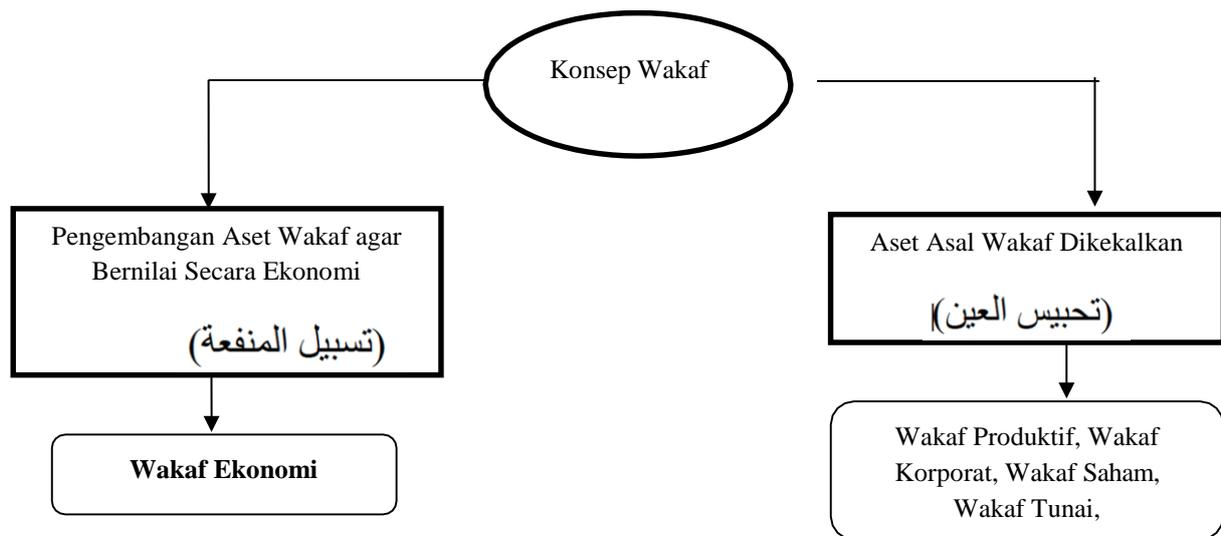
عَنْ ابْنِ عُمَرَ رَضِيَ اللَّهُ عَنْهُمَا قَالَ : أَصَابَ عُمَرُ أَرْضًا بِحَيْبَرَ , فَأَتَى النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ يَسْتَأْمِرُهُ فِيهَا , فَقَالَ : يَا رَسُولَ اللَّهِ , إِنِّي أَصَبْتُ أَرْضًا بِحَيْبَرَ لَمْ أَصِبْ مَالًا قَطُّ هُوَ أَنْفَسُ عِنْدِي مِنْهُ , فَقَالَ : إِنْ شِئْتَ حَبَسْتَ أَصْلَهَا وَتَصَدَّقْتَ بِهَا , قَالَ : فَتَصَدَّقَ بِهَا عُمَرُ , وَأَنَّهُ لَا يُبَاعُ أَصْلُهَا , وَلَا يُبْتَاعُ وَلَا يُورَثُ وَلَا يُوهَبُ قَالَ فَتَصَدَّقَ عُمَرُ فِي الْفُقَرَاءِ وَفِي الْفُرْجَاءِ وَفِي الرِّقَابِ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ وَالضَّيْفِ لَا جُنَاحَ عَلَيَّ مَنْ وَلِيَهَا أَنْ يَأْكُلَ مِنْهَا بِالْمَعْرُوفِ أَوْ يُطْعِمَ صَدِيقًا غَيْرَ مُتَمَوِّلٍ مَالًا

*Daripada Ibnu Umar r.a katanya: Umar telah mendapat sebidang tanah di Khaibar kemudian dia datang menghadap Nabi S.A.W untuk meminta pendapat berkenaan cara menguruskannya, katanya: Wahai Rasulallah! Saya telah mendapat sebidang tanah di Khaibar. Saya belum pernah memperolehi harta yang lebih baik daripada ini. Baginda bersabda: Jika kamu suka, tahanlah tanah itu (wakafkanlah tanah itu) dan kamu **sedekahkan manfaatnya**. Lalu Umar mengeluarkan sedekah hasil tanah itu dengan syarat tanahnya tidak boleh dijual dan dibeli serta diwarisi atau dihadiahkan. Umar mengeluarkan sedekah hasilnya kepada fakir miskin, kaum kerabat dan untuk memerdekakan hamba juga untuk orang yang berjihad di jalan Allah serta untuk bekal orang yang sedang dalam perjalanan dan menjadi hidangan untuk tetamu. Orang yang mengurusnya boleh makan sebahagian hasilnya dengan cara yang baik dan boleh memberi makan kepada temannya dengan sekadarnya.*

Hadis riwayat Bukhari. Lihat al-Bukhari (*Sahih al-Bukhari*, Bab Wakaf, no. Hadis: 2772). Lihat Muslim (*Sahih Muslim*, Bab Wakaf, no. Hadis: 1632).

Melalui hadis ini, dapat difahami bahawa sifat wakaf adalah mengekalkan aset asal wakaf (تسديد الأصل) dan mempelbagaikan manfaat dari aset wakaf tersebut (تحسيس العين). Manfaat adalah faedah yang boleh diperolehi daripada segala sesuatu benda seperti rumah sebagai tempat tinggal, kereta sebagai kenderaan dan lain-lain lagi (Ismail, 2015). Penjanaaan harta wakaf yang memberi keuntungan secara material juga merupakan salah satu bahagian dari manfaat wakaf ekonomi.

Secara umumnya, fokus wakaf ekonomi adalah pada تسديد الأصل iaitu bagaimana aset wakaf dikembangkan agar memberi manfaat secara ekonomi kepada ummah. Fokus wakaf ekonomi adalah seperti rajah berikut:



Rajah 1. Ilustrasi Wakaf Ekonomi

WAKAF AN-NUR CORPORATION BERHAD DAN WAKAF PULAU PINANG SDN BHD SEBAGAI MODEL WAKAF EKONOMI

Hasil kajian yang dibuat oleh para penyelidik dari Kolej Universiti Islam Antarabangsa Sultan Ismail Petra (KIAS), didapati bahawa Wakaf An-Nur Corporation Berhad dan Wakaf Pulau Pinang Sdn Bhd boleh dijadikan model pengurusan wakaf ekonomi yang sesuai dilaksanakan di negeri Kelantan.

Dua institusi ini dipilih oleh kerana mempunyai keunikan dan inovasi tersendiri dalam menguruskan harta sehingga mampu menjana keuntungan material dan memberi manfaat kepada masyarakat. Pengagihan manfaat Dana Kebajikan Am Waqaf An-Nur Corporation Berhad bagi tahun 2020 adalah berjumlah RM2,054,834. Ini tidak termasuk emolumen eksekutif Imam dan Bilal di Rangkaian Masjid An-Nur berjumlah RM1,205,506 yang terkandung di dalam jumlah belanja pentadbiran (Laporan Tahunan Wakaf An-Nur Corporation Berhad Tahun 2020). Aktiviti yang telah dilaksanakan oleh Wakaf an-Nur sepanjang tempoh Januari hingga Disember 2020 adalah sebagaimana berikut:

PERKARA	KATEGORI SUMBANGAN	AGIHAN (RM)
Kebajikan Am & Amal	Kesihatan	225,050
	Mengimarah Masjid An-Nur	-
	Masyarakat Umum, Anak-anak yatim dan lain-lain tanggungjawab korporat	1,320,381
Pembangunan Insan & Modal Insan, Pendidikan dan Keusahawanan	Bantuna Sekolah dan Pertubuhan	159,403
Projek Khas	Projek Khas	350,000

Sumber: Laporan Tahunan Wakaf An-Nur Corporation Berhad Tahun 2020

Manakala Wakaf Pulau Pinang yang ditubuhkan pada tahun 01 April 2018 yang diamanahkan oleh Majlis Agama Islam Negeri Pulau Pinang (MAINPP) untuk menjalankan tanggungjawab membangun dan menguruskan harta wakaf sama ada harta alih atau harta tak alih dan harta yang diserahkan oleh MAINPP termasuk menjalankan pelaburan, penyelidikan dan penguatkuasaan ke atas tanah tersebut. Pembangunan harta wakaf komersial yang dibangunkan oleh WPP menggunakan kaedah kontemporari yang melibatkan perumahan, premis perniagaan dan bangunan pejabat (Abdullah, B., Aziz, A. H. A., & Bahari, Z. (2020). Tanah wakaf Seetee Aishah asalnya sebuah tanah padi yang berkeluasan 9.86 ekar dan dibangunkan secara komersial sebagai taman perumahan (Zakaria Bahari & Fakhruddin Abd Rahman, 2012). Berdasarkan laporan prestasi kutipan tunai tahun 2021 WPP, kutipan tahun 2021 mengalami peningkatan berbanding tahun 2020 dan 2019 (Laporan Tahunan 2021 Wakaf Pulau Pinang). Jumlah kutipan tunai tahun 2019 adalah RM329,725.00, manakala tahun 2020 berjumlah RM1,039,974.78 dan tahun 2021 berjumlah RM2,556,902.81. Manakala untuk agihan kutipan dana wakaf tunai, WPP mempunyai polisi tersendiri. Polisi agihan ini terdiri dari pelaburan 40%, pendidikan 25%, kesihatan 25% dan ekonomi 10%.

Selain itu faktor inovasi, faktor perundangan yang digunapakai oleh negeri Johor dan Pulau Pinang menjadi sebab kenapa kedua-dua institusi tersebut wajar dijadikan model wakaf ekonomi. Undang-undang yang digunapakai oleh Kelantan, Pulau Pinang dan Johor dalam mengurus harta wakaf adalah Enakmen Pentadbiran Agama Islam Negeri. Ketiga-tiga negeri ini belum memiliki enakmen khusus berkenaan dengan wakaf seperti beberapa buah negeri lain yang telah menggubal dan mengunapakai Enakmen Wakaf bagi mentadbir harta wakaf. Berikut adalah enakmen yang digunapakai oleh ketiga-tiga negeri tersebut:

Bil	Negeri	Enakmen	Bahagian
1	Kelantan	Enakmen Majlis Agama Islam dan Adat Istiadat Melayu (Kelantan) No.4 Tahun 1994 (Seksyen 61 sehingga Seksyen 66)	Bahagian III – Harta Benda – Harta Benda Amanah dan Kewangan Majlis Wakaf dan Nazar
2	Johor	Enakmen Pentadbiran Agama Islam (Negeri Johor) No.16 Tahun 2003 (Seksyen 89 sehingga Seksyen 95)	Bahagian VI – Kewangan Wakaf, Nazr dan Amanah
3	Pulau Pinang	Enakmen Pentadbiran Agama Islam (Negeri Pulau Pinang) No.4 Tahun 2004 {Seksyen 89 sehingga Seksyen 95}	Bahagian VI – Kewangan Wakaf, Nazr, dan Amanah

Jadual 3: Peruntukan Wakaf dalam Enakmen Negeri

Berikut adalah ringkasan perbandingan pengurusan wakaf dan agihan manfaat yang dilakukan oleh MAIK, Wakaf An-Nur dan WPP:

Institusi	Nazir (Struktur Tadbir Urus)	Waqif (Sumber perolehan/ pembiayaan/ pendanaan)	Mauquf/ 'Ain Wakaf (Nilai harta, bil. projek, keuntungan diperolehi)
Majlis Agama Islam dan Adat Istiadat Melayu Kelantan	-MAIK sebagai Nazir Am	-Sumber dana daripada Yayasan wakaf Malaysia dan juga sumber daripada Baitulmal. -Wakaf persendirian.	-Kompleks Islam Jubli Perak Sultan Ismail Petra (KIJP) -Premis Kediaman Pintu Geng, Kota Bharu. -Sekolah Menengah Agama Tengku Amalin A'ishah Putri, Kota Bharu. -Bangunan Perniagaan Di Jalan Che Su, Kota Bharu. -Bangunan Bazar Wakaf Rakyat Kampung Geting, Tumpat. -Bangunan Perniagaan Wakaf, Wakaf Siku, Kota Bharu. -Bangunan Perniagaan Jalan Dato Lundang, Kota Bharu. -Bangunan Perniagaan Wakaf Zurri, Jalan Kelochor, Kota Bharu.
Majlis Agama Islam Pulau Pinang	-Wakaf Pulau Pinang Sdn. Bhd. -Mesyuarat MAINPP Bil. 2/2015 bertarikh 7 April 2015 telah	-Persendirian: 1. Wakaf Tunai. 2. Wakaf Siti & Hajah Norijah Sg. Nibong.	-Pembangunan menara UMNO setinggi 21 tingkat.

	<p>bersetuju menubuhkan Syarikat Wakaf Pulau Pinang Sdn. Bhd. Pengurusan hartanah Wakaf oleh Wakaf Pulau Pinang Sdn. Bhd. ini bekuat kuasa mulai 1 April 2018. Diantara peranan dan tanggungjawab syarikat:</p> <p>i. Menjalankan tanggungjawab membangun dan menguruskan harta wakaf sama ada harta alih atau harta tak alih dan harta yang diserahkan oleh MAINPP termasuk menjalankan pelaburan, penyelidikan dan penguatkuasaan ke atas tanah tersebut</p> <p>ii. Menjalankan kerja-kerja promosi dan publisiti bagi mengumpul dan menambah Dana Wakaf tunai MAINPP dan lain-lain bentuk wakaf.</p> <p>iii. Melaksanakan polisi MAINPP berkaitan pengurusan wakaf dan hartanah dan mencadangkan polisi dan inovasi baru berkaitan pembangunan wakaf dan hartanah.</p> <p>Tadbir urus WPP diketuai oleh seorang Ketua Pegawai Eksekutif iaitu Hj. Rosidi bin Hussain.</p>	<p>3. Wakaf Mohamed Hashim.</p> <p>-Kerajaan: 1. Wakaf Irsod, Pangsapuri Wakaf An-Nur, Teluk Air Tawar.</p>	<p>-Pembangunan premis-premis komersial.</p> <p>-Pembangunan rumah pangsa dan teres 2 tingkat kos sederhana.</p>
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Majlis Agama Islam Negeri Johor	-Wakaf An-Nur	-J-Corp, institusi dan persendirian, syarikat atau badan dan organisasi.	-Saham, Hartanah, tunai
		-Syarikat pemegang pelaburan.	

Institusi	Ekonomi	Kebajikan/ Sosial	Pendidikan
Majlis Agama Islam dan Adat Istiadat Melayu Kelantan	<p>1.Sektor Perniagaan - Pembinaan Bazaar Wakaf Rakyat</p> <p>2.Sektor Pertanian -Sewaan tanah untuk aktiviti pertanian -Tanaman kelapa -Tanaman Tembikai</p>	<p>1. Penubuhan Muallaf centra</p> <p>2. Sumbangan hasil wakaf berjumlah RM76,000.00 ini diagih dan disalurkan kepada 38 buah masjid mukim terpilih di seluruh jajahan Negeri Kelantan.</p> <p>3. Penyerahan peralatan wakaf kesihatan menerusi dana Waqaf Kesihatan dan Am, yang bernilai RM100,000, iaitu berupa mesin ultrasound, mesin kardiokografi, mesin pemeriksaan tanda vital bagi pesakit <i>neonate</i>, katil pesakit, mesin penyedut mukus, kerusi roda, dan kerusi menunggu pesakit.</p>	SMU(A) Bunot Payong

<p>Majlis Agama Islam Pulau Pinang/ Wakaf Pulau Pinang Sdn Bhd</p>	<p>Perumahan: Keperluan umat Islann Pulau Pinang kepada sistem perumahan di bawah konsep wakaf amat mendesak sekali samada premis komersial atau kediaman didahului dengan Projek Wakaf Seetee Aishah Seberang Jaya, Pangsapuri Wakaf An Nur, Telok Air Tawar, Pangsapuri Wakaf Mohamad Hashim, Seberang Jaya, Pangsapuri Siti dan Hajjah Norijah ,Sg Nibong Pulau Pinang.</p> <p>Pertanian Kontan: Pengembangan harta waqaf di Pulau Pinang tidak dapat dinafikan . Tanah kosong perlu dibangunkan daripada</p>	<p>Kesihatan: Klinik Wakaf An-Nur telah pun dibina di perkarangan Masjid Jamek Seberang jaya.</p> <p>Al-Quran: Yayasan Restu antaranya diusahakan oleh anak Pulau Pinang berteraskan Mashaf Al-Malizi, Al-Quran akan terus dicetak dan diwartakan untuk umat Islam dalam dan luar negara. Wakaf Pulau Pinang juga telah membuat kutipan Al-Quran lusuh dari rumah ke rumah. Al-Quran lusuh diganti dengan quran baru yang telah diwakafkan.</p>	<p>Pendidikan Tinggi (KITAB): Universiti Islam Pulau Pinang dibina melalui konsep wakaf telah diluluskan secara asasnya oleh MAINPP. Perancangan 5- 10 tahun ini dengan mengambil panduan dari Universiti di Turki dan Mesir akan menjadikan Pulau Pinang hub pendidikan berteraskan wakaf di Malaysia.</p> <p>Pendidikan: Institusi Pendidikan berteraskan wakaf telah wujud di Pulau Pinang sejak</p>
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	<p>terus terbiar, terbengkalai atau dibiarkan tidak diusahakan. Projek tanaman nanas di tanah waqaf Al Masriyah seluas 12 ekar dengan lebih 200 pokok menjadi projek sulung wakaf hybrid usahasama MAINPP, Zakat Pulau Pinang, Wakaf Pulau Pinang dan Lembaga Perindustrian Nanas Malaysia.</p> <p>As-Siyadah (penyelenggaraan): Penyelenggaraan aset dan premis wakaf sedia ada adalah satu kewajipan untuk meneruskan maksud dokumen pewakaf. Harta wakaf antara yang tertinggi di Malaysia bernilai lebih daripada RM 2Billion perlu diselenggara dengan efisien.</p> <p>Strategik: Wakaf Strategik adalah projek usahasama pintar dengan pihak pewakaf, badan korporat dan individu yang berminat.</p>	<p>Kesemua Al-Quran lusuh yang dikutip akan dihantar ke pusat pelupusan Al-Quran di NibongTebal.</p> <p>Kitab Agama: Kitab agama adalah instrument penting yang perlu berada di Perpustakaan Negeri, secara digital ebook dan juga di rumah.</p> <p>Al-Khadamat (Pengurusan & Pentadbiran Wakaf): Kewujudan wakaf Masjid Kapitan Keling, Masjid Melayu Lebu Aceh, Wakaf Setee Aisah, Wakaf Siti dan Hajah Norijah dan lain-lain memerlukan pengurusan dan perkhidmatan agensi wakaf di Pulau Pinang yang berdaya saing.</p>	<p>berdekad yang lalu. Madrasah Al-Mashoor adalah contoh terbaik. Pendidikan menyerlahkan kelebihan anak muda Islam Pulau Pinang dalam membudayakan persaingan sihat. Kewujudan Wakaf Al-Mashoor telahpun melebihi 100 tahun. Wakaf AlMashoor bermula sebagai sebuah madrasah yang dikenali sebagai Madrasah al-Quran pada tahun 1916 di Kampung Tuan Guru (atau nama asal Kampung Che Long) yang bersempadankan Lebu Armenia, Lebu Cannon dan Lebu Aceh berhampiran Masjid Melayu Lebu Aceh (Husin, 2016).</p>
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<p>Majlis Agama Islam Negeri Johor/ Wakaf An-Nur</p>	<p>1.Sektor Perniagaan -Pembiayaan dana niaga melalui lesen kredit komuniti -Kontrak pembiayaan yang ditawarkan dalam bentuk patuh syariah 2.Program pembangunan usahawanan micro -Bazaar Rakyat di Larkin Centra</p>	<p>Bantuan dari aspek bencana alam seperti isu pandemic covid bantuan peralatan hospital, PPE, bakul makanan kepada yang terjejas. Pemberian debit kepada mereka yang terjejas dalam perniagaan.</p>	<p>1. Klinik Waqaf An-Nur, Pasir Gudang, Johor 2. Klinik Waqaf An-Nur, Taman Bukit Tiram, Ulu Tiram, Johor 3. Klinik Waqaf An-Nur Galleria @ Kotaraya, Johor 4. Klinik Waqaf An-Nur Senawang, Seremban, Negeri Sembilan 5. Klinik Waqaf An-Nur Ijok, Selangor 6. Klinik Waqaf An-Nur Perdana, Kota Bharu, Kelantan 7. Klinik Waqaf An-Nur Sg. Buloh, Selangor 8. KWAN Masjid Bandar Baru Sultan Sulaiman, Klang</p>
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POTENSI PELAKSANAAN WAKAF EKONOMI DI KELANTAN

Negeri Kelantan yang terkenal dengan gelaran “Serambi Mekah” merupakan sebuah negeri yang rakyat negerinya kaya dengan ilmu pengetahuan agama. Kajian Indeks Sosio Taqwa Negeri Kelantan pada 2018 oleh penyelidik dari Universiti Teknologi Petronas (UTP) terhadap penghayatan dan pengamalan nilai-nilai yang selari dengan dasar Membangun Bersama Islam pada tahap Baik dengan nilai 6.25 (UPKN: 2021). Oleh kerana itu, negeri Kelantan memiliki potensi yang besar untuk membangunkan wakaf ekonomi iaitu konsep wakaf yang manfaat dari aset wakaf digunakan untuk tujuan pembangunan ekonomi sama ada dalam sektor perniagaan, pertanian dan lain-lain. Berikut adalah beberapa sebab kenapa negeri Kelantan dipilih sebagai negeri yang memiliki potensi besar untuk dikembangkan wakaf ekonomi:

Kualiti Tahap Kefahaman Islam Masyarakat

Rakyat negeri Kelantan memiliki tahap penghayatan dan pengamalan yang baik terhadap nilai-nilai Islam (UPKN: 2021). Kajian yang dibuat yang diantaranya terdapat 254 responden dari negeri Kelantan (50.8%) mendapati bahawa mereka memiliki kefahaman yang tinggi tentang wakaf ekonomi iaitu dengan min 4.22 dan mereka sangat percaya bahawa wakaf ekonomi boleh memberi peluang pekerjaan kepada umat Islam dan boleh mengurangkan jumlah golongan asnaf fakir miskin (Nurul Akma: 2021).

Keutuhan Institusi Pondok

Antara potensi yang ada di negeri Kelantan untuk pengembangan wakaf ekonomi adalah dengan menjadikan institusi pondok sebagai Pusat Pengembangan Wakaf Ekonomi Negeri Kelantan (PPWENK). PPWENK boleh diadopsi dengan konsep pengintegrasian antara Wakaf Ekonomi, Institusi Pondok dan Keusahawan Islam (WEPKI). Beberapa institusi berkaitan perlu berkolaborasi bagi menjayakan perkara ini, antaranya MAIK, Yayasan Wakaf Malaysia, Pusat

Pembangunan Pondok Berhad (PPPB) dan Institusi Perbankan Islam. Berikut adalah beberapa sebab kenapa institusi pondok wajar diberikan perhatian:

Kelantan adalah negeri yang paling banyak pondok berbanding negeri yang lain.

Kepercayaan masyarakat sekeliling kepada sistem pondok sangat tinggi (kene buktikan dengan kajian lepas).

Orang-orang pondok sudah Ilmu yang mampan dalam Fiqh Muamalat, Cuma perlu direalisasikan dalam bentuk pelaksanaan. Dan mereka boleh diberikan pelatihan dengan Kerjasama beberapa pihak yang ada pengalaman memajukan wakaf.

Kemakmuran Institusi Masjid

Institusi masjid bukan sahaja tertumpu kepada tempat peribadatan semata-mata namun perlu juga dijadikan sebagai pusat tumpuan komuniti bagi sebuah masyarakat (Majid, M.A. (2021). Terdapat 17 masjid bandar dan jajahan serta 35 masjid mukim kategori A di negeri Kelantan (MAIK: 2022). Jumlah ini sangat besar dan sangat berpotensi untuk dijadikan sebagai salah satu pusat untuk dikembangkan wakaf ekonomi di negeri ini.

PPWENK boleh juga dijayakan dengan konsep pengintegrasian antara Wakaf Ekonomi, Institusi Masjid dan Keusahawan Islam (**WEMKI**).

Dasar Merakyatkan Membangun Bersama Islam (MMBI)

Dasar MMBI telah berjaya melahirkan banyak produk pentadbiran Islam dalam dimensi baru yang dapat memenuhi kehendak dan citarasa masyarakat zaman sekarang (Bin Mohamad, S. 2008). Oleh kerana itu, dasar ini dilihat mampu menjadi asas penting agar Kelantan menjadi peneraju kepada pelaksanaan wakaf ekonomi.

KESIMPULAN

Wakaf Ekonomi merupakan satu istilah baru berkonsepkan bahawa manfaat dari harta wakaf akan digunakan bagi pembangunan ekonomi ummah. Berdasarkan praktik pengurusan wakaf oleh beberapa institusi pentadbiran wakaf di Malaysia, kajian ini mendapati negeri Kelantan memiliki potensi yang besar untuk membangunkan wakaf ekonomi iaitu konsep wakaf yang mana manfaatnya dari aset wakaf digunakan untuk tujuan pembangunan ekonomi sama ada dalam sektor perniagaan, pertanian dan lain-lain. Kualiti tahap kefahaman masyarakat kelantan, keutuhan institusi pondok, kemakmuran insituti masjid dan dasar MMBI dilihat sebagai faktor penting menjadikan negeri sebagai peneraju pelaksanaan wakaf ekonomi.

PENGHARGAAN

Kajian ini adalah geran daripada Jabatan Hal Ehwal Agama Islam Kelantan (JAHEAIK) dan sebahagian usaha sama Kolej Universiti Islam Antarabangsa Sultan Ismail Petra (KIAS) bersama JAHEAIK di bawah rangka penyelidikan memperkasa pengurusan wakaf di Negeri Kelantan

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Temuramah

- Temuramah, Haji Bukhari bin Abd Rahman, Ketua Eksekutif Wakaf An-Nur Secara Atas Talian pada 1 Julai 2021 jam 2.30 petang.
- Temuramah, Ustaz Rosidi bin Hussein, Ketua Eksekutif Wakaf Pulau Pinang Sdn Bhd Secara Atas Talian pada 14 Jun 2021 jam 10.00 pagi.

FUTURE ANALYSIS: HOW PHILOSOPHICAL REVAMP SHAPES FUTURE OF ISLAMIC ECONOMICS TOWARDS SUSTAINABILITY?

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ABSTRACT

Almost all Islamic economists agree that Islamic Economic (IE) study is supposed to be derived holistically from Shari'ah that portrays all good values and undoubtedly leading towards sustainability. However, quite a number of Islamic Economists believe that such presupposed, deep connections between the existing IE models and sustainability values do not stand out until today due to many problems and challenges. This paper hypothesizes that the main challenge or problem is because of the improper development of its philosophical foundations. Hence, it first adopts short survey of literature review technique from the vast web researches coming from Dimensions and Scopus platforms to confirm the hypothesis. Later, the paper utilizes future study analysis to analyse the desired future which is to establish IE model consisting of strong connection with sustainability axiological values from Shari'ah and its necessary steps to be taken by the researchers of this discipline to achieve it.

Keywords: Islamic Economics/Futures Studies/ Islamic Economic Philosophies
JEL CLASSIFICATIONS: B41, B49, B59, Z12

INTRODUCTION:

The rising of the discussions of sustainability issues are undoubtedly taking over many discourses ranging from academia to the practitioner and eventually to the national policy levels across the globe. In anywhere, one can see how huge its influences are that even United Nations (UN) has come up with its infamous model of sustainability called as Sustainable Development Goals (SDGs) since in the beginning of the year 2015. Such noble initiative comprising of 17 goals derived from a wide range of sectors from the basic issues of poverty, to the education, healthy lifestyle, gender discrimination, sustainable cities, climate action and as large as the issue of the world peace now are without hesitant, largely welcomed by the academia including in Islamic discipline like Islamic Economics. In many Islamic universities as well as at the governmental level in Muslim countries, numerous of them see the initiative positively. Generally, the reasons why it is accepted are miscellaneous in essences, however,

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two obvious reasons are, firstly, it able to deviate away from the past self-eccentric policies that only concern to man's self-selfish needs that excludes other beings like nature. In other words, the proposal by SDG is more of a commendable, multi-dimensional in nature.

Secondly, it directly emphasizes on the needs to inculcate various ethical values which are previously being much neglected (Ismail & Shaikh, 2017). As one can see, both two main characteristics of SDGs above or any goals developed under the discussions of sustainability have been all discussed by many of Islamic economists in their researches since in the beginning urging them to be incorporated inclusively in various Islamic Economics frameworks. It has been proven in many writings of scholars in IE that are available everywhere. However, up until today, Islamic economists believe that they fail to develop IE into a more sustainable economic model as what has been developed by the United Nations, what more in making it closely resembles the concept of an Islamic concept of sustainability (Haneef & Furqani, 2011; Khan, 2016). Thus, rather than such sustainability model to be derived and hailed as part of IE motives, the world referred more towards the model of secular economics as being proposed by the UN. Hence, what has been halting the IE from championing the sustainability issues, or perhaps any other noble motives that are beyond that like the issues of spiritual crisis, in their own model?

According to many scholars, among the biggest reason which leads to this issue is because of the lack understanding of proper Islamic Economic philosophies which needs to be developed first and understood properly. This is proven by the findings of our analysis below from the survey of literature review method which has collected hundreds up-to-date writings about the challenges faced by various of IE studies. The discussions on philosophies are broad in nature, however, those areas which are supposed to be discussed are mainly of those related to the construction of right worldview, knowledge and actions, that later to be developed into a model which does not only comprise of the physical matters but also the spiritual matters (al-Attas, 1995). Hence, this paper develops it as its main problem statement that constructs the basis of our main issue before developing it further using futures analysis.

This paper would like to identify the issues and challenges that have been halting the progress of IE towards reaching to sustainability using literature review analysis. After that, using the application of futures analysis methods, the paper would like to develop the desired future development of IE towards sustainability using futures analysis techniques which can massively assist the researchers in Islamic economists to chart out the progresses that are necessary to be completed.

Futures studies can be defined as a "systematic study of possible, probable and preferable futures including the worldviews and myths that underlie each future" (p. 6, Inayatullah, 2012). It is used to study the future and help the researchers, planners or policy makers to develop a framework to achieve the desired goal in future. Despite being one of the emerging studies, its popularity and usability have transcended to diverse countries across the world. To name a few, Hérault (2006) listed out 7 countries that have used futures studies to help developing their national policies which are in Austria, Belgium, Denmark, France, Germany, Ireland, Japan, The Netherlands, Canada, Sweden, and the United Kingdom (UK). In fact, it also becomes a new trend of research methods in Malaysia and many other countries like Nigeria and Turkey to study about the future (Ithnin et al., 2018 & Jandaghi et al., 2019). As for the academia, many journals based on futures study are already set up like Journal are The World Future Review, Foresight (Scopus) and Journal of Futures Studies.

The reasons why its popularity have gained numerous acceptances among researches are many. However, few of the distinguished reasons can be listed here. The most notable one is its capabilities to provide tools to study about the future in a dynamic and comprehensive ways (Molitor, 2003). Since futures study is a specialized study that are designed to study about future, it provides many unique and different techniques to study wide-array of perspectives

about future, derive the necessary factor and aim make a plan to reach the desired future. Thus the techniques like mapping, futures triangle, causal layered analysis (CLA), backcasting and numerous more are very helpful to the researchers in future-related study. Figure 1 below shows the relationship between the current position and the desired future that can be studied and achieved using futures studies tools and techniques.

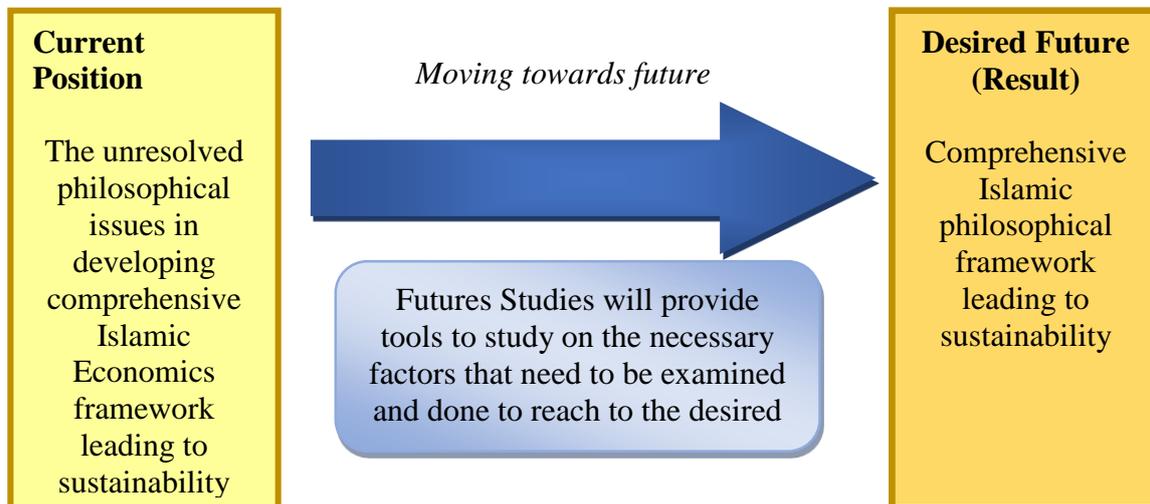


Figure 1 shows the relationship between the current position and the desired future that this paper intended to achieve. The Futures Study will assist on how a researcher can identify what progresses need to be completed first before achieving the desired goal in the future

Apart from that, all in all, the aims of this study are as per follow:

- a) To show the need of philosophical revamp in developing a comprehensive IE framework which can portray to sustainability axiological values
- b) To identify philosophical issues which halting the path of Islamic Economics towards sustainability
- c) To apply futures analysis tools in charting out the desired future of framework of Islamic Economics study towards sustainability

LITERATURE REVIEW

According to (Rudisill, 2011), one who desires to become a good scholar in utilizing philosophical analysis must have some certain set of skills which are on (1) interpretation and analysis; (2) critical assessments in delivering arguments, thoughts and presuppositions; (3) fluent application of the philosophical concepts, differences and methods to address a philosophical problem and lastly; (4) creatively developing and pursuing a novel approach to any of a certain puzzling issues through means of effective written and oral communications. In addition, he also added that, the person must be able to reach to a greater clarity with respect to a broad range of issues that sometimes involve the metaphysical implications. This will include the pursuit of finding answers in ontological and epistemological questions regarding the nature of value or our access to it either through cognitive or other with strong ground of justified belief.

For Al-Attas (2005), the purpose of addressing those theory of knowledge is as part of effort in Islamization of Knowledge (IoK) mission in order to de-secularize it to develop a correct worldview which is free from the ailment of loss of *adab*. To him, *adab* means putting things and knowledge to their proper places in every aspect of lives which follows the teaching of Shariah (referring to broader concept of Islamic Shariah that includes laws, values and ethics). Without knowing the *adab* or without putting things (in this case, the knowledge) into its proper places, it will create chaos in the development of a study which later leads to the failure of the subject to show its greater purpose in serving mankind to realize their roles as a servant and a caliphate of God on Earth. This is believed so since, in true Islamic teaching, mankind is not supposed to neglect the obligations to preserve the rights of other humans who are in the state of unfortunate, whether in term of physical and spiritual aspects as well as the rights of animals or planets (al-Attas, 1995; Qadir & Zaman, 2019). All of these are necessary philosophical foundations that are highly important to develop a concept of sustainability in Islamic Economics (Ismail & Shaikh, 2017).

The role of philosophy in shaping any discourses, knowledge and studies are unavoidable since all of them are, in essence, part of philosophy whether one realizes it or otherwise. According to Seyyed Hossein Nasr (1973) who is a prominent scholar in Islamic philosophy, it is an area of study which seeks for a wisdom of truth and the Muslim world has adopted it and came out with the term *al-falsafah* (الفلسفة). The term philosophy is derived from the Greek which means 'looking for wisdom' and embedded in any studies, especially in social sciences and natural sciences disciplines (Bakar, 2010; Nasr, 1973). Thus, it is obvious that one cannot escape from the philosophical discussions when constructing any knowledge related to these two sciences since such discussions become the core basis. In fact, according to Syed Hossein Nasr (1973) again, the coming of the philosophy in the 8th century to the Arabia has led to the birth of many modern sciences in Islamic world like medicine, biology, mathematics, astronomy, physics and sociology that without which, the Muslim civilisations will find hard to develop all these knowledges including Islamizing them closer to Islamic teachings.

While the importance of *fiqh* and *usul fiqh* are undeniably manage to give crucial frameworks to develop these studies, however relying only to them are not enough since the Shariah teachings comprise more than simply these two areas of knowledge when Islamising a study, including economics (al-Attas, 1995; Haneef & Furqani, 2011; Kamali, 2017). Thus, if one does not realize on this mistaken understanding, then he/she will only be satisfied by developing a study only from legal jurisprudence (*fiqh*) structure that basically only comply to legal framework. This will exclude miscellaneous axiological values of Shariah teachings that also need to be considered. The results are, many of the current IE proposed models are just copying the fundamental structure of secular values (Asad Zaman, 2019). If a study fails to solve its basic philosophical framework, thus it will fail to incorporate a comprehensive Islamic values including the sustainability axiological values (Ismail & Shaikh, 2017; Qadir & Zaman, 2019).

Also, if one scrutinizes the past history of modern economics which are essentially secular in nature, one can vividly observe that the flow of its development of study started with the sophisticated philosophical debates in the early of 18th century. In fact, according to Sandford University in one of its article, 'Philosophy of Economics' (2003) it charted out the chronological and continuous orders on how modern economics has slowly evolved from a branch of philosophical study by Adam Smith to its current modern state of economics. The article which is written by the renowned university argued that, by solving a philosophical issue, a study then can be developed further that it eventually becomes the most 'respected' social science study in today's world that now is the only study in the area that Nobel prizes are awarded. In fact, if one can observe its methodological framework chronologically, it is already transformed slowly and philosophically through time where at first, it started with the

deductive method by Adam Smith and then continued to Alfred Marshall and now, is developed by Milton Friedman through its forecasting method. These philosophical evolutions (in this case, the evolution of its methodology) has tremendously helped the discipline to move forward nowadays.

Moving on to the futures studies, it is a study which is very helpful to map a desired goal and future, from today's time, that need to be achieved in the future. Interestingly, this study is universal in nature that it can be applied in any disciplines. The application of futures study with its various tools are gaining more attentions of many researchers and policy makers alike since it is very helpful to organize the related parties, living in current time, to start preparing themselves and directing their works to the intended goal (Inayatullah, 2012; Molitor, 2003). As an example, Jandaghi et al. (2019) utilized the futures method to study the different plausible future scenarios of Turkey's tourism sector and to choose the desired one. Pound (2000) applied the futures analysis tools to study the future of the state's future legislature in the USA. Lybæk et al. (2013) used it to study on how the Danish biogas sector can achieve the political goals set out by the Danish government, in order to turn around the currently weak implementation of the technology in such sector. Finally, Ithnin et al. (2018) had led a group of researchers to study the desired possible scenarios in its educational structure in different Malaysian higher institutions. However, the study on application of futures study in any of Islamic Economics paper to reach sustainability is still absent based on our finding. Hence, this paper will become the first to do so.

RESEARCH METHOD

The methodology used in this research is first to identify what are the main challenges that forms the barrier of sustainability elements from properly merging with Islamic Economics (IE) study. Based on the above listed objectives, this paper has intentions to find out the recent challenges or problems, in relation to IE discipline that need to be solved in order to develop a cohesive philosophical framework of IE that contains sustainability axiological values (or perhaps beyond that).

Thus, the proposed research method is firstly by using literature surveys from Dimension and Scopus website searches to get all the literatures which identify the main challenges that still entrapped the growth of Islamic Economics in reaching sustainability. These two websites are used since while the former is the arguably the world's largest linked research information dataset³ with 120 million publications that comprises all kinds of journals available outside globally, the latter consists only the high quality of journals in the top-tier of ranking. The utilization of both web searches is necessary since not all top-tier journals listed in Scopus are familiar with the method and body of research used in Islamic Economics for them to consider it within JEL classifications and some of the methods are not able to please the interest of those top tier journal editors who mainly follow the heart of modern (secular) economics. Hence, it would not be comprehensive in getting the result from the compilation of the literatures if either one of the websites is unutilized.

To look for the literatures, the key words used are two which are (a) "Islamic Economics" AND "challenges", and (b) "Islamic Economics" AND "Problems" while the year is set between the year 2000 until 2021 since the intention of this paper is to get the recent challenges or problems faced by Islamic Economic (IE) studies. The two key words are used to get the results about the challenges or problems faced in Islamic Economics studies mentioned at their topics and abstracts. Later, they are screened out again by reading the abstract and contents and only those which focus the challenges and problems in regard to the developmental studies of Islamic

³ As has been argued by the website. It can be accessed at <https://www.dimensions.ai/>

Economics will only be taken. If the paper is related to the any philosophical issues directly, they will be listed in and will be classified whether they fall on the issues of ‘general philosophy’, ‘axiology’, ‘meaning of the term’, ‘methodology’ or epistemology’. All of these classifications are based on the cited classifications of a study from the philosophical point of view as written by Syed Muhammad Naquib al-Attas (2005), Osman Bakar (2010) and Hafas Furqani & Mohamed Aslam Haneef (2020).

In addition to that, if the paper mentions the challenges faced by Islamic Economics (IE) study but indirectly refers to the issues of philosophy and its branches, it will also be listed in. The rational reason is that, one does not have to mention any philosophical term or its branches to realize that the issues that it discusses falls under the category of philosophical issues, but it can involve many other ways to indicate that like by mentioning the need to address the new method to tackle the stated issues (methodology), urging the need to review the broadness of a term (epistemology), proposing the readers to widen the coverage of discipline (general philosophy or worldview), reasserting the needs to originally follow the authentic Islamic teaching (general philosophy and methodology) and many more ways.

Finally, the paper utilizes four selected methods of futures studies as developed by (Inayatullah, 2008, 2012 & Molitor, 2003) to identify the problem, moulding the favourable future and paving the path to it. Those 4 methods are pillars are mapping, anticipation, timing, deepening, creating alternatives and transforming. All of them have their own futures tools which will be explained further in the following section.

RESULTS AND ANALYSIS

Finding from the literature survey found out the main problem and challenges faced by IE in any of recent writings. Using Dimensions platform which is the largest of data analytics and journals store comprising of vast number of journals, as well as the two key words mentioned above, the search result shows that there are around 85 results that mentions the challenges faced by current Islamic Economics study in its abstracts and topics from the year 2000 onwards up until 2021. For the Scopus web search, the result exhibits that there are 42 findings for the same period setup, after deducting the redundancy with the results from Dimensions platform. Hence, the total number of papers found are 127. Out of these amounts, 47 or more than one third (37%) involve on the discussions on philosophical issues, either directly or indirectly that need to be addressed to tackle the problems and challenges. Table 1 below shows the summary of our findings.

Table 1 exhibits the total results of papers which mention the current challenges and problems faced by IE researchers that need to be addressed as suggested by the authors accordingly in their abstracts and topics

No.	Sources	Direct	Indirect
1.	Dimensions	20	8
2.	Scopus	12	7
TOTAL NO. OF PAPERS TAKEN		32	15

TOTAL NO. OF PAPERS FALL UNDER PHILOSOPHICAL ISSUES AS CHALLENGES	47
TOTAL NO. OF WEB SEARCH RESULTS FOUND	127
PERCENTAGE OF PAPERS LISTED OUT OF THE TOTAL RESULTS	37%

The table above summarizes our findings for this literature survey. From the Dimensions web search, from the period of 2000 – 2021, there are 20 papers directly mention about the philosophical issues which are encouraged to be solved and 8 other papers mention on philosophical issues indirectly. Meanwhile, the Scopus web search exhibits 12 results under direct mentioning on philosophical issues and 7 indirectly. The total numbers are 47 in total. The rest of 127 papers also discuss about the challenges faced by IE study that are encouraged to be solved too, but they do not fall under the category of philosophical issues either directly or indirectly. Hence, the percentage number of papers that address the challenges and problems need to be faced in IE study that relates to philosophical issues are more than one third or 37% of the total challenges and problems faced in current IE discipline, from the recent years of 2000 - 2021.

Table 2 shows the categories of philosophical issues being addressed by the selected papers.

No.	Categories of Philosophical Issues	Total number of papers
1.	General Philosophy	27
2.	Methodology and Epistemology	19
3.	Axiology	1
	TOTAL	47

To scrutinize the result further, Table 2 above exhibits the more detailed analysis on how these papers issue the problems and challenges related to IE discipline between the year 2000-2021 in their topics and abstracts. As one can see, the mention on general philosophical issues is the highest and followed by methodology and epistemology. Only 1 paper mentions on the axiological issues based on the result from Dimensions and Scopus web searches. All of these authors of these 47 papers admit the need to relook and address the philosophical parts of IE study, either directly or indirectly, which now form the challenges and problems faced by current IE researchers.

Taking from one example of the first paper that are taken in our collection, the author, Jefri Putri Nugraha in 2016 addressed the issue on axiology directly by lamenting that there is lack on inculcation of ethics in recent IE model and practices in which, otherwise, would be helpful to this discipline to face the globalization challenge. Another example on the second paper, the author, Frédéric Coste in 2018 urged that the IE discipline needs to be updated with modern structure to adapt with the current world. Hence, he advocated for the relook of the IE discipline

in their general philosophical structure which, according to him, is failed to be at par with modern needs. The same thing can be seen from the third paper where the author, Muhammad Akram Khan, a renowned scholar in IE discipline also recently in 2016 lamented the incapability of IE study to have its own distinct philosophical structure and what is worse, is full with conventional economics jargons. Thus, he highlighted that there is urgent need for IE researchers to seriously note the problem and rectify it in future so the study can move forward. This interesting result indicates to us that many concerns raised now still touch on the problem issues in philosophical complexions and its branches as the main challenges which involve the issues on ontology (the study of relationship between man, nature and Supreme being) epistemology (the study on sources of knowledge), methodology (the studies of theory of the theory of the framework of the knowledge) and axiology (the study of values to be incorporated in). These are all only four main categories of philosophies that need to be addressed, which however are only basis of the problems. The analysis in most of papers that have attempted to solve the challenges or problems however do not yet touch on further development of developing it into forming a proper study.

Instead, most of them still touch on the core of discussions of ‘forming the fundamentals of understanding or knowledge and its proposed methods’ at the early stage and rarely touches on the specific issue of establishing a proper subject in Islamic Economics that can solve the issues that it faces. Up until today, the philosophical questions and its contradictions in principles related to Islamic Economics as a subject is not properly addressed in many issues like the issues between the normative and positive methods, *homo Islamicus* versus *homo economicus*, the various definition of *Riba* and how to choose the proper one to be used in Islamic Economics, the issue of scarcity and the issue of the focus on the subject-matter of Islamic Economic studies. All of these rising issues are successfully have been compiled by Mohamad Akram Khan in his book, *What’s Wrong in Islamic Economics?* (2013), and by many more various scholars. However, the solutions offered are not much.

To elaborate further on why the philosophical issues addressed are still not resolved, let us pick one example like the issue on normative versus positive method in Islamic Economics. There are still prevalent unresolved issues regard to this topic on the contradiction between both of the methods in developing an economic model, the hierarchy and position of knowledge derived from these two methods in constructing the framework of Islamic Economics as well as the methods to be used to explain the relationships. In contrast, the majority of these questions all have been resolved in the modern economics before since in the 18th century that it now able to bloom further nowadays. If these issues are not yet resolved, one cannot construct a proper philosophical framework of IE that can portray sustainability axiological values since the sustainability is at the end product of IE studies while the core must be the clear, fully resolved ontological, epistemological, methodological and axiological of Islamic Economics framework. Figure 2 below perhaps can better explain the relationship between the roles of philosophical discussions in any studies to produce a desired output. Since in any Islamic studies the worldview is to use the application of Shari’ah as the basis of knowledge derived from *Thurath* to answer and develop all the philosophical frameworks, hence, the output that will be produced is an Islamic study (in this case, IE study), which will be able to concern on sustainability axiological values.

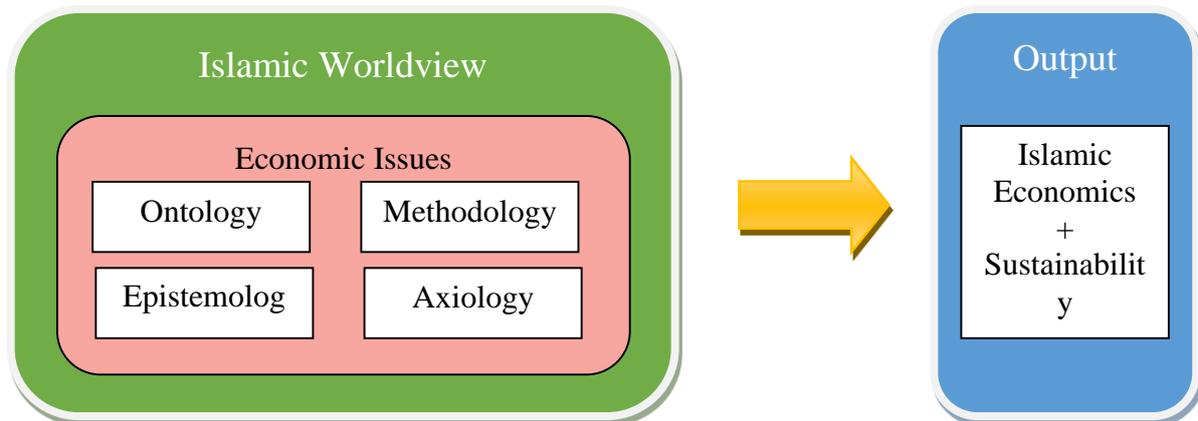


Figure 2 shows the relationship between philosophical studies and its branches with the outputs that it capable to produce

FUTURES METHODS AND ANALYSIS

As has been mentioned above, there are 4 selected futures pillars of studies that are chosen among across the vast pools of tools of futures methods. Those chosen 4 pillars are Mapping, Timing the Future, Deepening the Future and Transformation as proposed by the scholars of futures studies like Dr Sohail Inayatullah and Graham Molitor (Galtung & Inayatullah, 1997; Inayatullah, 2008, 2012; Molitor, 2003). Those 4 pillars and each method in it will become the basis of the next section of this paper, in understanding the needs and methods to resolve the philosophical issues in IE and to form the desired future of IE towards sustainability. In other words, those 4 pillars can help to develop the philosophical framework of IE in future that grows with the incorporation of the element of sustainability axiological values.

Mapping

According to Inayatullah (2008), mapping is the first pillar in futures study. The purpose of it is to identify the current problem and arising issues that the community of the subject of study (in this case the researchers in Islamic Economics) has to face. Using the literature review study above, it is clear that the issue that the researchers are now facing is about the unresolved, incomplete and need-to-redevelop the philosophical parts of the study in order to unlock its full potential in reaching sustainability. Hence, this will become the main challenge that this paper would like to solve to reach our desirable future – an Islamic Economic framework which has the sustainable elements not only as encouraged by those 17 goals in SDG but even wider than that comprising the metaphysical aspects and many more aspects not in the model of SDG.

The tool which is used is Futures Triangle.

There are three vital elements which are the (1) PUSH OF THE PRESENT, (2) PULL OF THE FUTURE and (3) WEIGHT OF HISTORY.

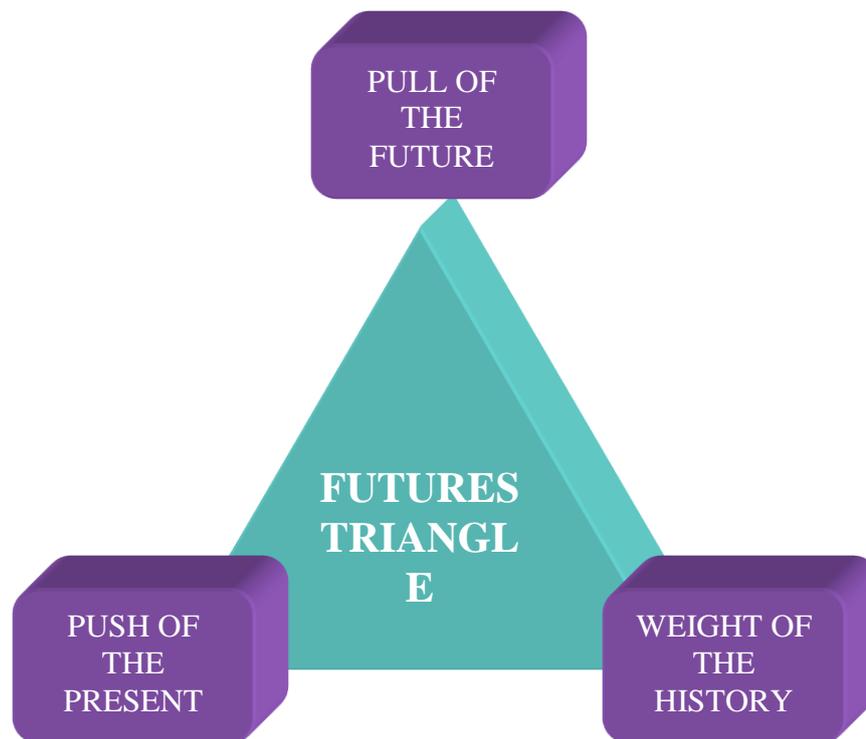


Figure 3 above shows the futures triangle

No.	Elements
1.	PUSH OF THE PRESENT
2.	PULL OF FUTURE
3.	WEIGHT OF HISTORY

Based on the Figure 3 above, the PUSH OF THE PRESENT is the identified factors in the current time that will push the desirability of reaching the desired future, while the PULL OF THE FUTURE is the possible forces that may exist in the future that can help the likeliness of getting towards the desired aim. The WEIGHT OF HISTORY on the other hand, is the challenge that can deter the researchers from getting towards the desired future.

As has been mentioned above, the current situation and the problem that are faced by many of Islamic Economics researchers are the issues on unresolved philosophical challenges either in term of their ontological, methodological, epistemological and axiological challenges. Thus, the aim in the future is to develop a comprehensive philosophical framework of IE that will portray the axiological values of sustainability, which are not properly shown in the current framework of IE.

For the PUSH OF THE PRESENT, several factors can be identified based on the vast literature surveys of academic writings that is pushing the progress of the current academia to reach the to the desired target. One of them is the emerging numbers of critics over the ‘patchwork’ issues of the current IE framework which are strongly advised to be solved sooner by

developing from the correct philosophical foundations (Haneef & Furqani, 2011; Nienhaus, 2013; Akram Khan, 2013). The issue, which has been mentioned above, will be the pushing factor that drive the likeliness of the academia world to reach to the desired aim. Apart from that, the issue of the failure of the current IE framework to portray the sustainability values are also need to be addressed too. This will drive the motivation of the study to go back and re-do the philosophical foundations of IE so that, it will not only able to portray the sustainability values as strong as what SDGs are having, but also beyond that.

The voice that urges the IE researchers to go back and revisit their philosophical foundational frameworks is continuously rising and nowadays has become more prevalent. Looking from the author's experience himself and through the findings from the literature surveys, such urgency emanates not only from within the groups of Islamic economists (the internal critics) but also from other group of experts (the external critics) like Timur Kuran⁴, Rodney Wilson⁵ and Volker Nienhaus⁶. Timur Kuran especially, has written tremendous number of volumes criticizing the inability of IE to set aside itself from the practice of modern neoclassical economics to the extent of even questioning its existence as necessary. Aside from that, the higher number of critics are the internal critics including scholars like Muhammad Nejatullah Siddiqi, Asad Zaman, Mohamed Aslam Haneef, Muhammad Akram Khan and many more others. Mahomedy (2013) further listed out a long list of 16 articles from as much as ten IE scholars who are not satisfied with the proper foundational development of IE framework in his article, 'Islamic economics: still in search of an identity'.⁷ These writings proffered various explanations to where Siddiqi (2008, p.1, as cited by Mahomedy, 2003) called as "the collapse of the grand Islamic agenda". The number of internal critics continuously rises up until today with the presence of younger scholars of IE. In fact, recently, the well-known IE scholar working in neoclassical framework in his past researches from the IMF organization, Dr. Abbas Mirakhor also has admitted publicly that IE study urgently need as breakthrough philosophical revamp.⁸ All of these, if one looks from it positively, will become a motivation (push factor) for all of the IE researchers to start working from the philosophical foundations of the study and solve the issues so it can move forward in future in a more confidence manner.

Moving on to the next element which is the PULL OF THE FUTURE, first and foremost, it is well-known that the current model of secular economics dominated by neoclassical school have been criticized heavily for its failures to protect those necessary goals that sustainability model is promoting. The issues of poverty, gender discrimination, income inequality, unfair access to education, climate action, decent work and payment, unsustainable cities, irresponsible consumption and production as well as many more are failed to be incorporated by the neoclassical model of economics. Thus, in future, it is well understood that the world is looking for the new model of economics that may able to replace the emptiness that this neoclassical school of economics is leaving (Membiela-Pollán et al., 2019;). In fact, in a 2019 report by Organisation for Economic Cooperation and Development (OECD), the institution has produced a suggestion to amend the domination of neoclassical-based model, defined by them as an "orthodox version of neoclassical theory" (p. 4), through having more government intervention in addressing the rising concerns above (OECD, 2019) and consider more of those non-economic elements in the model. Indirectly, it tells the future motivation (pull of the

⁴ His vast number of writings criticizing about IE can be found in many resources. The most infamous one is his book, *The Long Divergence: How Islamic Law Held Back the Middle East*

⁵ An example is his book 'Islam and Economic Policy: An Introduction' Edinburgh University Press

⁶ An example is the article 'Method and Substance of Islamic Economics: Moving Where?' (2013), *Juornal of King Abdul Aziz University (JKAU)*

⁷ Those long lists involved Nasr, 1986, 1989; Hosseini, 1988; Ali, 1990-1991; Metwally, 1997; Choudhury, 1999, 2006a, b; Akhtar, 2000; Chapra, 2000; Siddiqi, 2004, 2008; Kahf, 2004, Haneef, 2005a, 2007, 2009; Salleh, 2011).

⁸ Watch his two recent lecturers in KENMS IIUM and with Dr. Mehmet Asutay, Durham University

future) that the researchers of IE should grab for to propose their IE model. IE, if it is well developed and represented, will be able to place itself among the proposed solutions that the future economic model is looking. Such an opportunity should not be wasted by the IE researchers to bring it to the international level of economic forums on what it can offer to solve the aforementioned problems.

On the issues of the WEIGHT OF THE HISTORY Siddiqi (2008), Haneef (2011) and Khan (2016) have nicely compiled out several noticeable challenges that will be faced by a researcher on his effort to develop a comprehensive philosophical foundations of IE framework towards sustainability. According to them, they explained that while the realization on the need to solve these philosophical issues under the correct philosophical framework of Islamic worldview had long been overwhelmingly acknowledged since the official establishment of IE as scientific study during the Mecca's Conference in 1976, it however up until today was not being solved yet mainly for the following reasons:

The lack of expertise among researchers to address the issues

The lack of having capable scholars to solve the issues

The lack of consensus among the scholars when dealing with all of those philosophical issues

The lack of collaborations among the scholars to solve these issues

The lack of fundings to support the kinds of researches and projects

Timing the Future

In the discussion of the third pillar, the aim is to identify the patterns, the stages and the mechanisms of long-term change. In other words, it urges the need to identify the possible pattern of the changes that will likely occur in order to reach to the planned future. Galtung & Inayatullah (1997) urge the need to study the pattern so we can understand the path of the changes towards the future that we are heading. Thus, we can act accordingly and understand the nature of its progresses. There are three major kinds of patterns which are linear, cyclical and the combination of both called as spiral.

The linear pattern assumes that once one solves the challenges and issues which have been identified before in the first pillar of mapping, the path towards the future is linear and direct. This kind of pattern are assumed by the findings of Auguste Comte (1974) and Herbert Spencer (1973) (as cited by Inayatullah, 2012). Meanwhile, the cyclical pattern assumes that there are ups and downs as where those once in the top, will eventually come down in future, perhaps the inability to adapt with the changes. This kind of pattern is the same as being identified by Ibnu Khaldun on his study on the civilizational process while he realized, a civilization will undergo a cyclical process across a long-term period of history. For the spiral pattern of trend, it usually happens in studies related to management and leadership, where the path towards the future heavily depends on the qualities of the leaders that a management has (Inayatullah, 2008).

In this study, our desired future is the complete foundational philosophical framework of IE that contains comprehensive sustainability axiological values. The current pushing factor and the future pulling factor are all have been identified and positive towards the desired future (refer Figure 3). The challenges to be faced before reaching towards the desired future also have been recognized. However, what is the trend of the path going towards the future? If one able to solve the problem and come out with the desired philosophical framework, what could be the possible trend of growth after that?

After scrutinizing some of other cases similar to this issue which is about solving the philosophical, incomplete framework, this paper assumes that the path towards the future is more inclined towards spiral shape which is the combination of linear and circular. This kind of finding is the same as being studied by Aguste Comte (1875) who found that the progress of a study, in his case the study on the reformation in positive philosophy if has been resolved

will lead at first, towards linear progress in the future (as cited by Inayatullah (2012)). The situation is almost the same with our case that since our subject matter of analysis is the development and progress of a study (Islamic Economics), a philosophical resolve and reformation for sure leads to a linear progress towards the development of the subject in future in order to reach the sustainability goal in future for a while. This is also the case that has happened in the study of modern economics where at the beginning, Adam Smith laid out the concrete for the philosophical foundations of modern economics framework. Since then, through times the study of modern economics has flourished and gives birth to new frameworks.

However, secondly across some time, there will be a period where the past changes which have been applied will reach its limit where a new method and another philosophical revamp need to be done. This, interestingly can be identified by looking at the history of modern economic philosophy as an example. Stanford Encyclopaedia of Philosophy has revealed that the philosophical foundations of modern economics have been contentiously reviewed and reformed. The older philosophical framework, while was once hailed as a breakthrough and bring the development of the study forward in a linear progress, partly will be reformed again and again. That is why the path of modern economic methodology is seen changing and moving from normative to positive through times. While normative method is once hailed as a breakthrough in the past through the writings of Pigou, Hicks, Kaldor, Samuelson and Arrow, its domination is seriously reduced by many of the current modern economists and now has undergone changes (Stanford Encyclopaedia of Philosophy, 2003).

Deepening the Future

For this part of analysis, as per what has been mentioned in the name, intends to further evaluate the desired future that this study is heading so it can be understood better in different level of depths. The analysis is simply by using Causal Layered Analysis (CLA). CLA method is a technique that encourages us to divide our understanding of the desired image of the future in different depths associated with their problems. The CLA method has 4 layers or levels and each of them have different level of depths when putting image of the desired future. Those 4 layers or levels according to their hierarchy of depths are litany, systematic cause, culture or worldview and lastly metaphor. All of the levels are considered true by themselves and eventually, need to be solved according to their level of depths. Explanations of these 4 levels are as per below in Table 3:

i) Litany

It is also understood as day-to-day image or simply on the surface image of future together with the problem that haunts it. When we look at the future at this level, it is simply about what are the obvious issue prevalent in the normal eyes and way to solve it. At this level too, we can prepare the solution instantly using a short-term solution. As an example, in this paper at the litany level, the desired future is to have a true IE study which shapes philosophical foundations correctly from its Islamic worldview towards its economic agents that eventually can give sustainability impacts like the model of SGDs from UN. Unfortunately, far from being able to show the sustainability values, the current model of IE is still following closely the neoclassical rotten values which is contradict to its *Shari'ah* teachings.

Solution: For this level, since it looks for a short-term solution, this paper proposes to simply solve the issue by adopting any current economic models which have the

abilities to address the sustainability issues successfully like the models from developmental economics and institutional economics. Then, Islamisation process can be done by simply eliminating the non-Islamic elements in it so it can become an 'Islamic Economics' at the basic and surface level and afterwards, putting in the sustainable values. However, it is vital to note that this solution is not addressing the deeper issues like the philosophical issues yet, which will be discussed on the next layer.

ii) Systemic causes

The second level at the systemic causes intends to seek a deeper level to identify factors that lead to the halted development in IE from its comprehensiveness teaching of Shariah in portraying sustainability. After a thorough review from the academic literatures, the systemic factor is because of the lack of strong philosophical foundations to form its basis. The current philosophical basis of IE model mostly borrows, whether through consciously or unconsciously, the foreign Western philosophical pillars. Thus, IE study simply cannot unleash its true form including incorporating the element of sustainability axiological elements, and in fact, is not even close to rival the proposed model brought by UN through its SDGs model. Because of the lack of its solid foundations, many of the current IE models are simply the 'patchwork' of product from conventional economics (Haneef & Furqani, 2011).

Solution: For this level, the solution proposed is to start to work on solving the philosophical issues and revamp the framework especially that relates to the ontological, epistemological, methodological and axiological issues. If these are not resolved yet, one for sure cannot imagine to enjoy the changes in IE model construction that can comprehensively portray the sustainability values in the future. The world will prefer to utilize the UN model of SDGs rather than the IE model which supposed to show that it is better.

iii) Worldview

In the purview of the wider discussion at the worldview level, it is largely noticed that some researchers in IE are stuck within the thinking that developing an Islamic-based study derived from comprehensiveness values of Shariah is only by simply mastering the Fiqh and Usul Fiqh areas. This conception of worldview is entirely incorrect since it has been proven in the past that each study is different in term of its purposes and capabilities. While the issues of *Ibadah* can be solved using only these two knowledges, one should realize Fiqh and Usul Fiqh can only provide limited guidance in *mu'amalah* or sciences like medics, mathematics, astronomy, politics and economy. This will neglect other crucial kinds of knowledge like philosophies that are inherently needed to Islamize these knowledge properly as has been suggested by renowned Islamic philosophers like Syed Muhammad Naquib al-Attas, Syed Hossein Nasr and Osman Bakar. In fact, in the early part of this paper, it has already argued that only with the utilization of philosophical knowledge that these sciences able to prosper in the past Muslim civilisations like during the coming of Greek philosophies to the past Muslim world in the 8th and 9th century (Syed Hossein Nasr, 2010).

Solution: In order to solve this, we propose the solution to have constant debates with them to expand the comprehensive understanding of sources of knowledge in Islam

from *Thurath* that is not supposed to only be from the eyes of jurisprudence. Many academic discussions must also be established between these two groups to establish the fact that Jurisprudence knowledge alone, while is necessary, is never enough to develop a comprehensive philosophical framework of IE. A new worldview hence, must be strived to be created that promotes the correct understanding of *fiqh*, that refers to the deep understanding of His vast knowledge (*Shari'ah* knowledge) and not only mean to jurisprudence knowledge (al-Attas, 2019; Kamali, 2017).⁹

IV. Metaphor/Myth

One of the metaphor or myth that needs to be resolved is the misconceptions that “Philosophy is discouraged in Islam” or “Philosophy is not important in Islam”. These misleading conceptions happen since they mixed between the misuse of philosophies in different disciplines ranging from Islamic religious sciences, social sciences and natural sciences. One should understand that the roles and positions of philosophies are different across these studies as has been commented by Imam al-Ghazzali and several other scholars in the 12th century. In fact, all of this three knowledge need different tools of philosophies and thus, while once can object the use of philosophical knowledge in a pure religious science like in Tawhid, it does not mean the other two groups of knowledge will not need it Hence, following the guidance of Imam al-Ghazzali is indeed crucial to avoid these misconceptions.

Solution: The solution for this level must aim at changing the worldview or perception. This paper proposed the researchers to follow the true advices from Imam al-Ghazzali who only prohibits a small portion out of the vast philosophical area or in specific, only 20 pillars of philosophies in which 3 of them are considered as kufr and the other 17 are considered as bida'ah.¹⁰ and learn from many of other philosophical Muslim scholars too like Ibnu Khaldun. Also, many historians and Muslim scholars have proved that the coming of philosophy in the 8th and 9th century had allowed the flourish of other crucial studies like pure sciences, mathematics and social studies to flourish within Muslim communities. In fact, it even gives birth to the study of Kalam and Usul ad-Din in Islamic studies. (S. V. R. Nasr, 1987)

No.	CLA Level	Problems and Solutions
1.	Litany	i. The current model of IE does not able to portray the sustainability axiological values at all

⁹ Prof.Dr. Syed Muhammad Naquib al-Attas explained that such huge misconceptions exists because of the impact of secularism since in the 16th century where the religious knowledge is narrowed to only refer to the legal jurisprudence of technicalities. While actually, the term *fiqh* refers to the broader understanding of His knowledge as in surah Tawbah,(9): 122 that is referring to the term *li yatafaqqahu li ad-din*.

¹⁰ Imam al-Ghazali in his book,

Solution: Adopting the current modern economic model that has able to address sustainability issues and remove the non-Islamic elements from it

- | | | |
|----|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | Systemic Causes | <ul style="list-style-type: none"> i. Apparent imitation of modern economic model which leads to the issue of ‘patchwork’ ii. The philosophical issues are halting the proper growth of Islamic Economics to unleash its true potential in addressing the sustainability issues. There are too many ‘Islamic Economics’ model which is simply a patchwork product from conventional economics |
|----|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Solution: Start to work on solving the philosophical issues and revamp the framework especially that relates to the ontological, epistemological, methodological and axiological issues.

- | | | |
|----|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Worldview | The wrong believe that one is enough to learn the <i>Thurath</i> knowledge by only focusing on Fiqh and <i>Usul</i> al-Fiqh (jurisprudence) knowledge to develop a truly Islamic Economics study that shows it comprehensive sustainability values |
|----|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Solution: Have constant debates with them to expand the comprehensive understanding of sources of knowledge in Islam from *Thurath* is not only from the eyes of jurisprudence (Fiqh and *Usul* al-Fiqh) (Furqani & Haneef, 2020; Haneef, 2011)

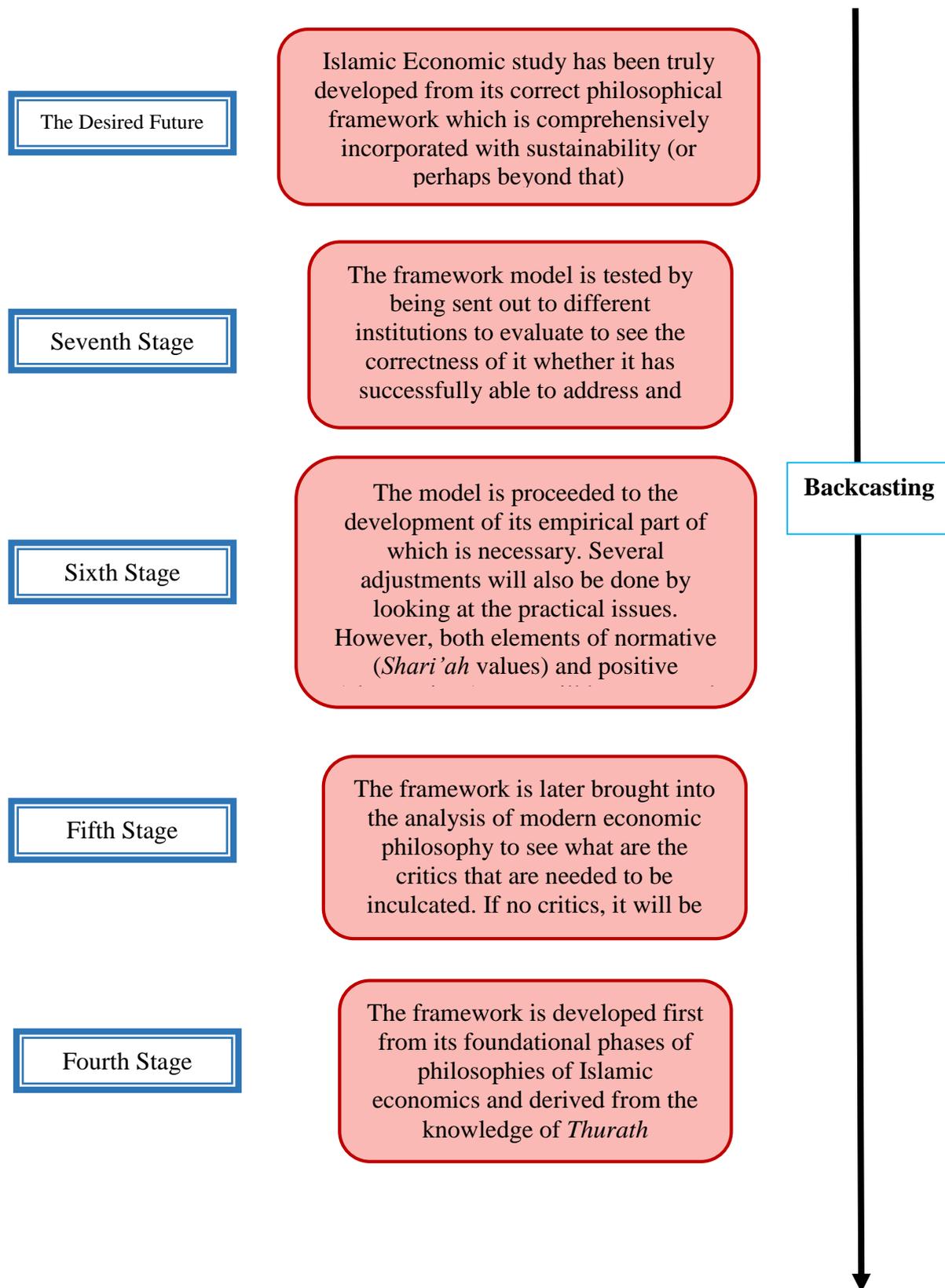
- | | | |
|----|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | Metaphor/Myth | <p>“Philosophy is discouraged in Islam”
 “Philosophy is not important in Islam”</p> <p>Solution: Follow the true advices from Imam al-Ghazzali and many of other Muslim scholars. Also, many historians and Muslim scholars have proved that the coming of philosophy in the 9th century had allowed the flourish of other crucial studies like pure sciences, mathematics and social studies to flourish within Muslim communities. In fact, it even gives birth to the study of <i>Kalam</i> and <i>Usul ad-Din</i> in Islamic studies (Seyyed Hossein Nasr, 1973)</p> |
|----|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

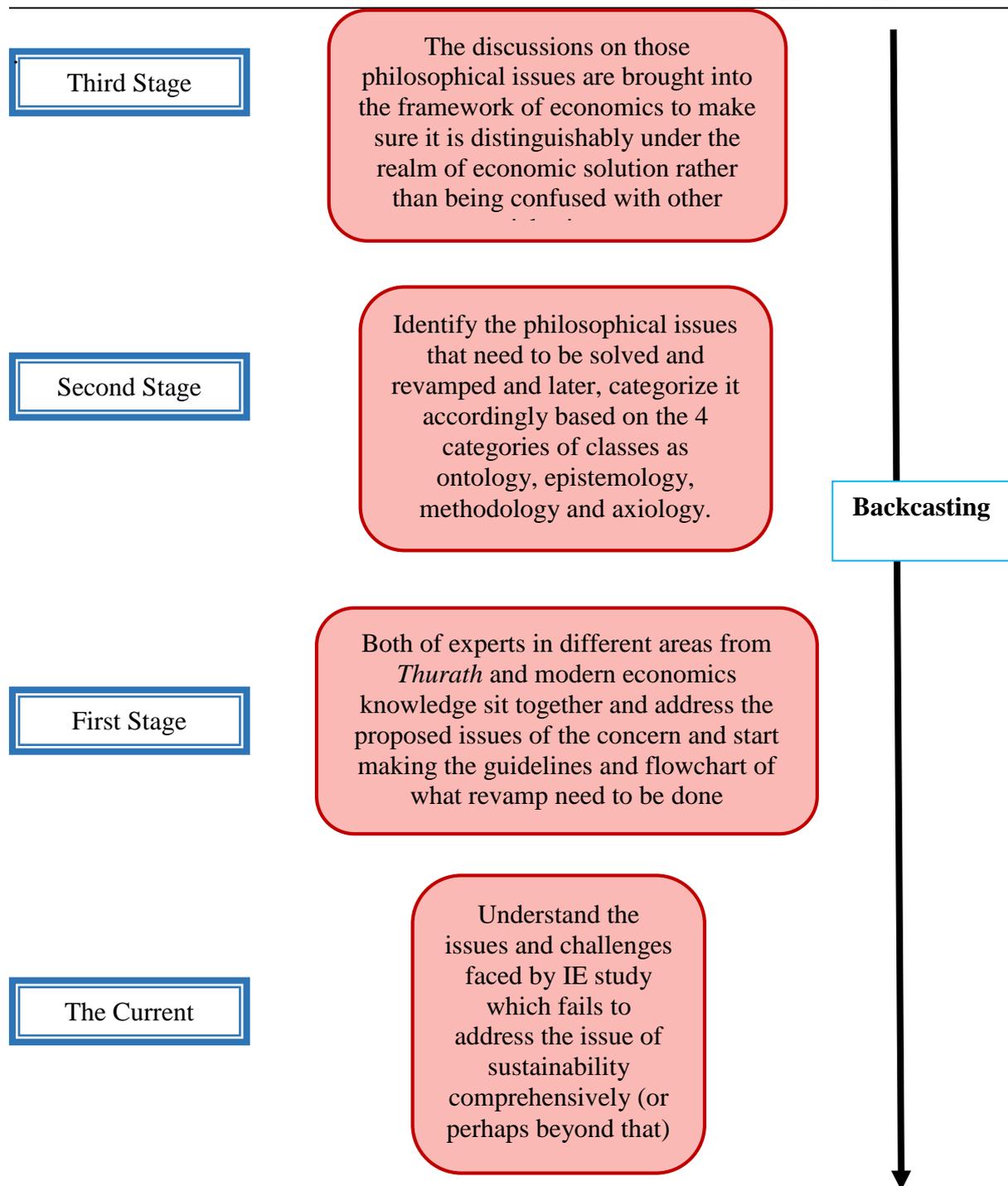
Table 3 exhibits the Causal Layered Analysis (CLA) used in the fourth pillar

i) Transformation

This final pillar as the sixth pillar is about doing backcasting analysis. As opposed to forecasting which is wildly used by in economics study, futures study promotes the idea of backcasting that starts at the desired future first and forecasted it backward until to the current period. The method which is developed by Boulding and Boulding (1995, as cited by

Inayatullah, 2012) aims is to make sure that our desired future is strictly believed able to be achieved after thorough analysis from those 3 pillars mentioned above. Hence, by starting from the future and going backward, it will incite the researchers to ask some pertinent questions in order to make sure the future is realized. Such vital questions that are involved are like what factors and trends need to be available before the future is realized, how the future can be realized, what event must happen first in several specific years before the future can be achieved and who is supposed to be involved to makes sure the desired future will be there. Doing backcasting, we propose such timeline below which can address all of the needed factors, trends, events and people to be available and done before arriving towards the planned and desired future.





CONCLUSION AND RECOMMENDATIONS

From all of the findings above, it is best to recap that the main issue which halts that capability of Islamic Economics study as well as its model to address the issue of sustainability properly is because of the unresolved philosophical issues involving the ontology, epistemology, methodology and axiology. It has been proven from our finding in the literature survey analysis by looking on the challenges and problems which have been stopping the progress of IE towards sustainability. Because of these unresolved issues, IE as a study cannot unleash its true and good potential to promote its rich values which without doubt, have significant similarities with the sustainability vision and perhaps, beyond that.

Later, this paper utilizes futures study analysis to chart out the desired future, study about it deeper, identify the potential challenges and planned the progress towards achieving it in systematic manner. Using the four methods in the chosen four pillars of Futures Studies which are Mapping, Timing the Future, Deepening the Future and lastly Transformation, this paper discusses thoroughly the desired futures that this paper intends to achieve – having an IE study that comprehensively portrays the sustainability element from Shariah – and identify the necessary steps one by one.

Starting from the first analysis in Mapping, the Futures Triangle method studies the possible motivating or discouraging factors both from the current time (Push of The Present) and the future time (Pulling of The Future) as well as the challenges that may become the barriers towards the desired future. In the second analysis which is Timing the Future, the paper identifies the need for any researchers who intends to achieve the desired future by understanding the pattern of moving towards the changes or the aftermath. The paper suggests that the trend of the path towards the desired future is potentially a spiral shape which is the combination of linear and circular. While a desired philosophical revamp is needed now in redeveloping the basis of IE frameworks and for sure brings a breakthrough progress afterwards, it will not be a popular method anymore due to the new changes that may happen in the future.

For the third analysis in Deepening the Future section, it allows the paper to studies the issues in four different layers of analysis by using Causal layered Analysis (CLA) method. Through it, the author able to learn the issue from four different layers of perspectives and then proposed the solutions to overcome them. Lastly, in Transformation topic, the use of backcasting tool researchers can develop an action plan properly in chronological manners that will help them to perform the analysis in order to reach to the desired aim. Hence, the four Futures Studies tools do not only provide useful analytical tools but also practical tools of planning to encourage the researchers to achieve to the desired future.

In short, this paper has presented meticulous analysis on the need steps to be taken by the current IE researchers in order to achieve the desired goal in future, which is to have a proper IE discipline derived from cohesive philosophical foundations of Shariah that will portray the sustainability axiological values.

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REALIZING SOCIAL JUSTICE: IN THEORY AND PRACTICE

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ABSTRACT

This conceptual paper aims to lay down the broad discourse on the notion of justice (*al-adl*) that is central in ensuring the achievement of the objectives of *Shariah* in an Islamic moral economy. The Holy Quran repeatedly mentions justice alongside the concepts of truth (*al-haqq*) and equity (*al-qist*); highlighting the epistemological imperative for economic agents to practically uphold justice and fairness as a cardinal virtue. To that end, this paper tries to recollect, refine and restore key justice related literatures (in English) as an attempt to bridge the views amongst Islamic scholars to the on-going efforts to establish socio-economic justice in Malaysia. This paper's discussions could motivate attempts that seek to operationalize the teachings of Islam as they shed light on possible ways for Islamic economists to continue the tradition of designing public policies that are inspired by available ideas within the Islamic heritage.

Keywords: Economics, Justice, *Shariah*, Theory, Practice

NOTION OF JUSTICE IN ISLAMIC ECONOMICS

The Islamic discourse on justice starts with the complete acceptance of is Allah as the Supreme Law- Giver and the Qur'an as containing those laws. This is clearly mentioned in His Book:

"And We have sent down to you the Book (this Quran) in truth, confirming the Scripture that came before it and as Mohayminan (trustworthy in highness and a witness) over it (old Scriptures). So judge among them by what Allah has revealed, and follow not their vain desires, diverging away from the truth that has come to you. To each among you, We have prescribed a law and a clear way." (5:48)

Justice, (*adl*) is part of the metaphysical rationale for creation:

"God created the heavens and earth for a purpose: to reward each soul (i.e. provide just recompense) according to its deeds. They will not be wronged." (45: 22)

"Mankind alone is responsible for whatever justice or injustice is in the world." (10: 44)

Divine justice is more than a quid pro quo exchange, at least with regard to merit or desert based principles, for:

“God doubles any good deed and gives a tremendous reward of His own.” (4: 40)

Quranic evidences on command for establishing justice as part of observing the faith of Islam. The starting point for any type of justice is rooted in one’s spiritual quest, as testified below:

“There is no god but He: that is the witness of Allah His angels and those endued with knowledge standing firm on justice. There is no god but He the Exalted in Power the Wise: (3:18)

One’s relationship with Him is expected to manifest in their dealings with the rest of His creation. A verse routinely cited in Friday sermons follows:

“Allah commands justice the doing of good and liberality to kith and kin and He forbids all shameful deeds and injustice and rebellion: He instructs you that ye may receive admonition.” (16:90)

“O ye who believe! stand out firmly for Allah as witnesses to fair dealing and let not the hatred of others to you make you swerve to wrong and depart from justice. Be just: that is next to Piety: and fear Allah for Allah is well-acquainted with all that ye do. (5:8)

Qur’anic justice must be seen in the context of the age of ignorance (*jāhiliyyah*) in which it was first revealed. The Holy Qur’an made pagan Arabs who were prone to violence aware that the essence of morality comes from moral responsibility, not tribal loyalty and preservation,, devoting two hundred verses to admonishing those who are guilty of injustice and oppression. M. Shafi (2000), highlights that justice and equity may be treated as two sides to a coin due to their close reflection of Allah (S.W.T)’s attributes of Al-’Adl (The Just One) and Al-Muqsit (The Upholder of Equity).

According to Ayatollah Muhammad Taqi Misbah Yazdi (1934), truth, justice and equity permeate all aspects in Islam. They appear in the Qur’an are *Al-Haqq* (227 times), *Al-Adl* (15 times) and *Al-Qist* (13 times) respectively. The foremost themes in the Quran refer to secondary terms of justice as *sidq* (truth) and *ihsān* (virtue or beneficence). The antonyms of *adl* is ‘*jawr*’. Expressed in slightly different shades of meaning such as *zulm* (wrongdoing), *tughyan* (tyranny), *mayl* (inclination) and *inhiraf* (deviation). Moreover, the Quranic reference to justice can also be inferred from the fact that mankind is endowed with a universal and objective moral nature or *fitra* (incipient or dispositional moral and spiritual awareness). It is *fitra* that forms the objective basis for the equal treatment of all human beings, linking natural law, human nature, and the divine command to build a just society.

Literally the word *adl*’ is an abstract noun, derived from the verb *adalāh* which means to straighten, amend or modify, run away, depart or defect from one wrong path to the other right path, be equal, alike or match and balance of counter-balance or in a state of equilibrium (Khadduri, 2001). At this point, it is rather useful to expand on the implications of the above forms the term *adl* can assume. Ibn Manzur, a lexicographer, states that the thing that is established in the mind as being straightforward is the meaning of justice. Hence, in the conceptual sense, the notion of *adl* as right is equivalent to the ideas of fairness and equitableness, precisely expressed in the term of *istiqama*.

The idea of justice was of particular interest to Prophet Muhammad (S.A.W), as he found widespread inequality and oppression in the society he grew up. The Prophet himself valued virtues honored by his followers, for instance courage, honor and liberty, epitomized in the word '*muruwwa*' consisting of everything to be taken as praiseworthy. In the Traditions, he sought to explain the meaning of the abstract maxims of justice to indicate what the scale of justice ought to be. Since the Prophet dealt with essentially practical questions, the theologians and scholars found the Traditions precedents on the strength of which they formulated the theories of justice. Islam demands that justice to be upheld in all aspects of our lives, including our economic activities (Khadduri, 2001).

Besides the Holy Qur'an being replete with cues on the utmost importance of establishing justice, evidences from the tradition of the Prophet (PBUH) also affirms the pledge made with some of the clans of Makkah, aimed at protecting anyone regardless of their religious identity. Yet in another tradition, the Prophet (PBUH) related to God's message as saying, "I do not reject the supplications of the oppressed, even if it is from one who rejects faith."¹

Abu Hurairah reported that the Prophet (S.A.W) asked his companions, "Do you know who the bankrupt is?" They answered, "the bankrupt is one with no money." He said, "In my Ummah, the bankrupt is that man who would appear on the day of judgment; he had offered payer; paid zakat; observed fast; but would have abused somebody, he would have falsely accused someone, unlawfully taken someone else's property; murdered someone; hit someone. All his virtues would be given to his victims. If his virtues are finished before his wicked deeds are finished, then the sins of the victims would be given and he would be thrown into Hell." This Hadith unmistakably reflects the importance of being mindful of all our acts towards others. The Prophet (S.A.W) has warned us against injustice by equating an insolvent to one who violates the rights of another.

The following are selective hadith on social justice as shared by Sheikh Omar Suleiman in his lecture on The Gravity of Social Justice:

On the authority of Abu Dharr al-Ghifari (may Allah be pleased with him) from the Prophet (ﷺ) (is that among the sayings he relates from his Lord (may He be glorified) is that He said: O My servants, I have forbidden oppression for Myself and have made it forbidden amongst you, so do not oppress one another.

Umm Salamah said the prophet never left his home except that he looked up to the sky and said, ﷻ "O Allah! I seek refuge in You from leading others astray or being led astray, or against slipping or being caused to slip; or doing injustice or being done injustice to; or doing wrong or having wrong done to me." The Prophet (ﷺ) (feared injustice so much he would make this du'a every time he left the house. He (ﷺ) (used to be so afraid of injustice - where does this leave us?

Regardless of the variation between these scales, justice appear to retain some common elements, and thus broadly speaking, may be classified into two categories. Positive justice is to be found in societies which assume that men are capable of determining their individual or collective interest and know which they need or may aspire. However, a product of interaction between expectations and existing conditions, it is admittedly imperfect and men always endeavor to refine it in a continuing process of social change. On the contrary, Divine or Revelations Justice, presupposes that men are weak, and therefore are incapable of rising above personal failings. In such a society, a superhuman authority is invoked to provide either the sources or basic principles of the public order under which a certain standard of justice is instituted. The idea that fallible human beings can determine what their collective interests are and lay down an impartial common justice is scarcely acceptable. Nevertheless, divine justice coincides with reason and may well fall in the category of natural justice, similar to that of

¹ Sahih Ibn Hibban:No. 361

Aristotle and, later both the Muslim and Christian scholars who focused their primary concern on the concept of justice in relations to God's Will and the destiny of man.

HISTORICAL ACCOUNT AND VIEWS OF MUSLIM SCHOLARS ON JUSTICE

Traditionally, the Islamic legal system did not require any lawyers, as litigants in person who pleaded their own case. Justice Rahman (1998) states: "In disputes between Muslims, the Holy Prophet (S.A.W) administered justice according to the Holy Quran but his decisions also became precedents for the future." However, disagreements centered on which line possessed the capacity to rule justly and which procedures for rule should hold sway. Notwithstanding its claims for continuity, the model of the caliphate does not seem to provide specific guidelines for a theory of just sovereign.

During the brief period in the eight century when the Abbasid favoured, the *Mu'tazilah* argued that divine justice is beyond human grasp but can be best approximated through the exercise of reason and free will. Their emphasis on reason and unity not only brought them into more conflicts with powerful opponents, but also set the terms of debate alive. As Islam spread into new territories and its contacts with classical Western thought increased, Islamic thinkers had to consider the practical applications of justice in law and politics (Rosen, 2000).

All leading jurists throughout Muslim history, held justice to be an indispensable. Abu Yusuf (d.182H/798G) indicated to Caliph Harun al-Rashid (d. 193H/809G) that rendering justice to those wronged and eradicating injustice accelerates development. Al-Mawardi (d.450H/1058G) argued that there is nothing that destroys the world and the conscience of the people faster than injustice."² Abu Bakr al-Turtushi (d. 520H/1127G) considered justice as the very foundation of polity, the "foundation of foundation" in his words, the highest virtue, with which a Ruler must be clothed.

To Ibn Taymiyyah (d.728H/1328G) justice to be an essential outcome of belief in One God (*Tawheed*). Hence, according to him, "justice towards everything and everyone is imperative for everyone and injustice is prohibited to everything and everyone. Injustice is absolutely not permissible irrespective of whether it is to a Muslim or a non-Muslim or even to an unjust person." He asserted that: "God upholds a just State even if it is unbelieving, but does not uphold one that is unjust even if it is believing." He developed the concept of *Siyasah Syariah* as a supplement to the Revelational Law and proposed *maslaha* or public interest. He tried to maintain the realism of induction and sought to serve the general interest of believers, which is the ultimate end of the Law. In short, unless prophetic justice is backed by a feeling of public responsibility to urge rulers to put justice into practice, injustice rather than justice is presumed to likely prevail.

Ibn Khaldun (d.732H/1332G) and his predecessors realized the relevance of justice and fair play in human dealings towards specialization of labor in the long run. He elaborated these ideas in his most celebrated work, *Muqaddimah* (1377). According to Khaldun, it is justice provides for an equitable distribution outcome and an enabling environment for solidarity.

Al-Raghib al-Isfahani (AH502/1108-1109), an eleventh-century Muslim scholar of Qur'anic exegesis and the Arabic language in his work of integrating philosophical knowledge into a Quranic framework, produced a theory of justice as an attempt at *ijtihad*. He defined justice as acting justly with others. In the context of potential, it is an innate human desire for equality, and in the pursuit of justice, man tried to be virtuous. However, outwardly just actions do not necessarily make one a just human being, but rather must be pre-intended.³

Subsequently, Jamal al-Din al-Afghani (1838-1897) and his student Muhammad Abduh (1849-1905) saw no reason to choose between reason and revelation from the exposure to the secular

² The Islamic Vision of Development in the Light of Maqasid l-Shariah (2008) by Umer Chapra

³ Raghib al-Isfahani, *al-Dhari ah ila makarim al-shariah* (Cairo: Darl al-Wafa. 1987), 350

legal system of the French colonial government which generated conflicts among the Muslim scholars who were accustomed to the Islamic justice system. They noted that by adopting western ideas of rational thinking and promoting individual freedom, Muslim societies could regain its strength from the widespread social injustice and corruption among the remaining despotic Muslim rulers and the destructiveness of Western colonialism. From Afghani's point of view, social justice is the fulfillment of the highest quality of being human and requires the adoption of virtues of self-restraint (*al-haya*), trust (*al-amanah*) and truth (*al-siddiq*) that can contribute to righteousness (Keddie, 1972).⁴

Rashid Rida (1865-1935) a political theorist, believed that the purpose of reason is to understand the Quran. He argued for the preservation caliphate as he was convinced of the role of a caliph to modernize the *Shariah* without diluting it. Hassan al-Banna (1906 -1949) was the founder of the most important reform movement of the era, the Muslim Brotherhood (*al-Ikhwān al-Muslimūn*). He was also a respected writer on Islamic Jurisprudence who tried to show the strength of Islamic principles through his writings.

To Sayyid Abul A'la Mawdudi (1903 - 1979) however, justice is the 'only' purpose of Islam. That is to say, the promulgation of Islam and establishment of justice is one and the same. According to him, the proper kind of justice existed when man accept the position that he was not an autonomous being who can do anything he likes or serves his interest. He therefore has to act as trustee and execute the will of Allah. When they have been placed in the position of rulers, they will not impose their own will on the people, or treat them like slaves.

Syed Qutb (1906 – 1966) through his publication, *Al-'adalah al-ijtima'iyah fil 'I-Islam* (1946), later translated to English language by John B. Hardie in 1953 and titled as *Social Justice in Islam*, describes mainly three foundations upon which Islam establishes justice; freedom of conscience, human equality and mutual responsibility. It is both timely and thought provoking to critically review each in terms of its nature and objective. To Qutb's mind, a complete social justice not only cannot be assured or its efficiency and permanence guaranteed, unless it arises from an inner conviction of the spirit. For such to materialize, he maintained, justice must be called for by the society and claimed by the individuals. In other words, there has to be a belief that social justice will serve the highest purposes of mankind. He offered comparative views on the freedom of conscience to enable the readers to better relate to the Islamic views on freedom of human conscience, one that liberates us from servitude to any other than Allah (S.W.T). Once this is filled with the knowledge that it can of itself gain complete access to Allah, it cannot be disturbed by feelings of fear of its livelihood. There is no reason for any man to be oppressed by anxiety about his livelihood, for his provision is clearly in the hands of Allah. Human equality follows as a natural desire by all. The rich and poor strive to safeguard the intrinsic value of equality in Islam without exercising preferential treatment due to differences in gender, class or any other factors resembling superiority of one against another. Similarly, Islam embraces human equality in a broad spectrum, rather than confining it to realms of political rights like the West. The final basis of instituting justice in Islam rests in mutual responsibility in the society. Coincidentally, the next view also coheres with a similar line of reasoning.

Fazlur Rahman (1995) in his discussion on Islam and the Problem of Economic Justice, says that monotheism and social justice are two sides of the same coin, in the Quran. In light of the consideration of the unalterable conduct (sunnah) of God, he goes on to explain why it is more correct to say that Islam is a doctrine centrally concerned with the moral and material well-being of individuals and societies. He refers to the verse below to support his claim that social justice reform thrust constituted the very heart of the Islamic movements.

⁴ Michael J. Austin. *Social Justice and Social Work. Rediscovering the Core Value of the Profession.* SAGE

It is not righteousness that ye turn your faces Towards east or West; but it is righteousness- to believe in Allah and the Last Day, and the Angels, and the Book, and the Messengers; to spend of your substance, out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves; to be steadfast in prayer, and practice regular charity; to fulfill the contracts which ye have made; and to be firm and patient, in pain (or suffering) and adversity, and throughout all periods of panic. Such are the people of truth, the Allah fearing. (2:177)

In his earlier work, titled the Major Themes in Quran (1980), Rahman provides ample Quranic evidences reflecting the relevance of socio-economic justice to the daily lives of every Muslim. He devotes an entire chapter in describing the importance of earning wealth, spending it in the cause of Allah, the notion of *taqwa*, and the ultimate purpose of the *Shariah* to establish an egalitarian social order.

The renowned Islamic economist, Khurshid Ahmad (1979, 1994) clarified that achieving human well-being and justice in all aspects of life is key to economic development.

Khadduri (2001) in his, *The Islamic Conception of Justice*, studies the experiences of Islam with justice and how its' leaders and thinkers grappled with the problem of establishing a standard definition of justice and determining it in accordance with an order of ideals and values that would set the conscience of the public at rest. Essentially a relative concept, whenever a man asserts that which he considers his just claim, were it be valid, it must be relevant to an established public order under which a certain scale of justice is acknowledged. Syukri Salleh (2013) quotes Khurshid's argumentative synthesis (1994:26) as below:

“Development means moral, spiritual and material development of the individual and society leading to maximum socioeconomic well-being with the establishment of a just order resulting in the ultimate good of mankind, here and hereafter.”

Clearly, Khurshid saw justice as an important ingredient to man's role as *khalifah* in Islam. So much so that he related the relevance of justice to the maximization human well-being through the different aspects of societal development. Taha J. Alawany (2005) writes that as a faith and a way of life, Islam includes among its most important objectives, the realization of justice as an Islamic ideal under all circumstances and times. Justice is to be imparted without any fear or favour and also has to be free from any subjective element. What Islam suggests is the impulsive attitude of mind and a just disposal of disputes. It is clear from the discussions above that, in Islam doing justice with God, with His creations, including oneself and imparting justice between litigants is considered to be a noble act of carrying out the trust from Allah (S.W.T); it is in fact an act of worship (*ibadah*). On the contrary, the western idea of imparting all kinds of justice is merely the carrying out of worldly acts, having nothing to do with the hereafter of the man.

The general thematic analysis of justice in Islam leans towards Rawls' proposition of Justice as Fairness. The key similarities are the equality of rights and individual freedom, especially of the needy. M. Zafrullah Khan in his *Islam and Human Rights* (1967/1999) elaborates how rights from the *Shariah* point of view is compatible with human nature and to a large extent that of the Universal Declaration of Human Rights by the United Nations in 1948. M H Kamal (1999) discusses the evidences for the concepts of freedom and justice in the Qur'an and Sunna, in his reviews of the interpretations of the earlier schools of law. He also looked at more recent contributions by Muslim jurists who have advanced fresh interpretations of freedom, equality and justice in the light of the changing realities of contemporary Muslim societies.

In meeting the expenditures of social security and welfare programmes, Islam has made certain institutional provisions such as *zakat* and *waqaf*. Similar to John Rawls' 'difference principle',

Islam considers the natural inequalities of men as natural advantages. One significant difference between the two approaches is that the effectiveness of Western theories is driven by egoistic motives or economic considerations while an Islamic society is required to look beyond such considerations, and actively work for altruistic pleasure as a measure of spiritual advancement. Justice in Islam is neither a hypothetical situation, nor is it confined to mere ideals. Rendering of justice is considered a form of worship (*ibadah*) in Islam which makes it both inviting and indispensable for Muslims.

RECENT WORKS ON SOCIAL JUSTICE

According to Sminov (1996), a devoted Arab Muslim lawyer focussed on the theoretical side of justice, the right (*haqq*) to have equal opportunity, to avoid exploitation, to receive a true evaluation of one's labour, and to satisfy the natural and social needs of each individual in harmony (*fi-al-tidal*) without injury to the rights, public affairs, or common values of others defines social justice. In a similar vein of thought, the author recognizes the idea of justice as a natural concept common to all human beings to which modern-day civilization gives its final exactness.

Ever since men began living in society, thinkers and philosophers aimed at defining the goal of human beings to attain in order to lead a good life. An individual, according to Plato, is insufficient by himself. Such insufficiency can be overcome only when he joins with others to meet mutual needs. Society is thus a relationship of mutual co-operation and exchange (Aristotle, Al-Farabi). In this relationship, everybody expects that 'justice' should be done to ensure one's due. Therefore, justice is the supreme value of the society. A societal condition is said to be just or a good or happy one, where everybody is ensured of his due. On the other hand, an unjust or unhappy society is that where a sense of injustice or 'feeling of deprivation' exists. Thus justice is a guarantee for happiness and injustice becomes the cause of unhappiness. Justice and happiness are, therefore, inextricably interwoven. Good life or happiness, the universal quest of mankind, can only be achieved, said Aristotle, in a society that is based on justice.

Nazir Khan, the President of Yaqeen Canada and the Director of Research Strategy at Yaqeen Institute for Islamic Research, elegantly cites, Harvey (2017) as noting, "If the basic idea of the *khalifa* within the Qur'an is the human steward charged with a duty to live according to the moral scale that God has set within creation, then in the social sphere this implies upholding justice, establishing His law, and rectifying worldly corruption."⁵

Another verse fundamental to social justice and universally accepted by Muslims when dealing with diverse ethnic groups is this:

"O mankind! We created you from a single (pair) of a male and a female and made you into nations and tribes that ye may know each other (not that ye may despise each other). Verily the most honored of you in the sight of Allah is (he who is) the most righteous of you. And Allah has full knowledge and is well acquainted (with all things)"
(49:13)

It is consistent with earlier reminders emphasising its believers to be just to all irrespective of their faith or a lack of it.

"Let there be no compulsion in religion. Truth stands out clear from error; whoever rejects evil and believes in Allah hath grasped the most trustworthy hand-hold that never breaks. And Allah heareth and knoweth all things".
(2:256)

⁵ The Qur'an and the Just Society (Edinburg: Edinburg University Press, 2017), pg. 83

“If it had been the Lord's Will they would all have believed all who are on earth! Wilt thou then compel mankind against their will to believe!”

(10:99)

To bring justice and fairness into the realm of practice, efforts to discuss about public policies must be given utmost attention. Both Mahyudi (2015b) and Mahyudi (2021) are preliminary attempts to connect the agenda of Islamic moral economy with the economic agent operative; ‘universal man’ to be more specific. Apart from introducing a shariah-based public policy to develop the Islamic man as suggested in Mahyudi (2015b), a more piece-meal approach could be seen as being more realistic to be implemented. Applying that piece-meal approach, Mahyudi (2021) shows some basic possibilities on how to use the ‘universal man’ concept in designing public policies that are more suited to the context of the economic problems at hand. With the injection of relevant creativity by the policymakers, justice and fairness could have higher chances to be enjoyed by the whole economy.

Whilst individual actions of charity and kindness are praiseworthy, in order to effect real change, the *ummah* must essentially work collectively on a larger scale to address systemic injustices and institutional policies targeted at rectifying social inequities sustainably.

EPISTEMOLOGICAL IMPERATIVE TO EXERCISE JUSTICE

There is a bright future for Islamic economics science. This could be argued from the development of the science of economics itself. The gap on ethics that is left wide open by mainstream neoclassical economic thought invites other heterodox schools of thought to participate and contribute to the future of economics as a credible knowledge discipline (Stiglitz, 2010; Putnam, 2012; Mirakhor, 2014; and Mahyudi, 2015a). The rising concern on income inequality and the larger issue of distributive justice presents a great opportunity for Islamic economics to engage with present day economic thoughts; both orthodox and heterodox alike.

In order to engage on a more solid footing, the science of Islamic economics must be framed within its contemporary mold. According to Catellan (2018, p.1), contemporary Islamic economics, which has been steadily progressing since 1960s onwards, refers to that “collective enterprise of research achievements whose distinctive object consists in the provision of answers to human economic problems through solutions that are grounded in Islamic religion”. Hence, the epistemological basis of a true science becomes central in the future trajectory of Islamic economics discipline development.

On this epistemological imperative, Bakar (2010, p. 430) avers that “Central to the subject matter of economics is man and his constructed social reality of which economic life is just one though a very important aspect. The conception of man and the conception of human social reality are therefore extremely important to a science of economics especially one that is claiming to be truly well-founded, scientific and all-encompassing”. Interestingly, this critical point coincides with the motivation behind Mahyudi’s (2016) call for a fresh epistemological approach in Islamic economics methodology. Unfortunately, Mahyudi (2016, p. 124) asserts that in coming up with Islamic economics own concept of the economic agent, early Islamic economists have committed honest mistakes; “first, they have given too much focus on the individual person’s positive aspect of his innate being. Second, they have undermined the interplay of social dynamics in influencing actual expressed preferences”. To improve on its epistemological quality, Islamic economics must address these mistakes.

As part of that process of epistemological improvement, Mahyudi and Abdul Aziz (2017) introduces the ‘universal man’ concept. In it, the position of justice and fairness as the economic agent’s cardinal virtue is argued to be superior to *homo economicus*’ rationality and

homo Islamicus' *taqwa* (God-consciousness). Almost all economic operative works and decides under the 'spell' of justice and fairness so much so that societal, cultural, moral and legal measures are taken up when there appear to be alleged cases of unfair treatment by any parties. Even institutions, including economic ones, are built upon the universally embraced principle of justice. Al-Attas (2015, p. 24; emphasis added) summarizes this practical behaviour of man in this insightful view:

“Looking back into their historical past on the debates and deliberations about the origin and nature of justice, modern scholars and thinkers sum up in evidence that *all human institutions*, i.e. the state, its constitution, its laws, its contract under seal, its treatise and agreements, its organization and operations, involve justice. This means, according to them, that justice is something political or *something natural*.”

SUMMARY AND CONCLUSION

There are boundless more past incidences in the Islamic history to demonstrate the all-encompassing nature of social justice, for contemporary Muslims to refer to if and when needed. Islam as the way of life (*Adeen*) provides a complete guideline and is solution oriented belief system suited for all times and space. What remains a challenge is for a proper understanding, recognition, appreciation, internalization and application of social justice in the broadest sense.

Through reflection, human beings are able to discover the laws God has established on the psychological, social and cosmic planes and, having grasped these realities, to legislate the laws needed to order life's affairs, to establish a community devoted to truth and justice, and to construct an enlightened civilization. Our inborn moral awareness leads us to strive for justice, promote human rights and treat one another with integrity and equity, for it is in these ways that human beings' best interests are served. Our God-given moral compass works together with the tools of knowledge to enable us to understand the messages conveyed by the written revelation, which is our source and authoritative point of reference; it also assists us in making practical distinctions between cases of altruism and selfishness, righteousness and evil.

“O ye who believe! stand out firmly for justice as witnesses to Allah even as against yourselves or your parents or your kin and whether it be (against) rich or poor: for Allah can best protect both. Follow not the lusts (of your hearts) lest ye swerve and if ye distort (justice) or decline to do justice verily Allah is well-acquainted with all that ye do.”

(4:135)

There is an urgent need to revitalize the concept of justice as a virtue for the sake of peace and happiness. While Western philosophy defines justice as 'giving to each what is due', Islamic philosophy, acknowledges justice as equality, and views it as an overflowing stream that sweeps away inequities. Islamic justice is not to be conceived in purely legalistic terms but has an ethical spirit that allows for spontaneous acts of kindness from the heart. Islam is fundamentally a faith of activism, rooted on behavior that enjoins good and forbids evil.

“Ye are the best of peoples, evolved for mankind, enjoining what is right, forbidding what is wrong, and believing in Allah. If only the People of the Book had faith, it were best for them: among them are some who have faith, but most of them are perverted transgressors.”

(3:110)

“The Believers, men and women, are protectors one of another: they enjoin what is just, and forbid what is evil: they observe regular prayers, practice regular charity, and obey Allah and His Messenger. On them will Allah pour His mercy: for Allah is Exalted in power, Wise.”

As a functionally operative and effectual rule, social justice envisaged by Islam is capable of managing human relations on a moral and legal level based on compassion, respect leading to societal peace and harmony. In order to study the association between justice and economics, we need to begin at identifying with the manner in which their relationship has been treated in history. Prior to the 15th century, economics was normally discussed as a branch of ethics whereby the philosopher or theologian generally functioned as an economist because this was required to explicate the moral law. So we can call this period ‘the preacher as an economist.’ In the 19th century, the emphasis was between distributive and corrective justice, with the Utilitarian theories dominating, and calling for the complete divorce of ethics from economics and more importantly for a scientific basis. In essence, while Utilitarianism failed to fully appreciate the distinctiveness of persons, whereas the Libertarianism failed to recognize the interconnectedness of persons engaged in a common social life.

Today, the concept of justice remains a comprehensive theme central to the Islamic ideology, short of conviction to emerge as a collection of principles in Islam. This now becomes our duty and commitment to educate, remind and establish social justice in all spheres of life for everyone to receive their dues as commanded by the sources of revealed knowledge in Islam.

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FACTORS INFLUENCING RETIREMENT CONFIDENCE POST- COVID-19 AMONG WORKING ADULTS IN KLANG VALLEY, MALAYSIA

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ABSTRACT

The COVID-19 pandemic has had a devastating impact on employees' retirement plans. The pain is most acute for those who have lost their jobs or taken substantial pay cuts limiting their ability to contribute to retirement plans such as Employee Provident Fund (EPF). Realizing this issue impacts the economic growth in Malaysian society, the Government is committed to helping its citizen by introducing the National Economic Recovery Plan as part of the holistic approach to Malaysia's economic recovery. Hence, this study aims to review and discuss the impact of the COVID-19 pandemic on retirement plans among the working population in Malaysia. This paper highlights the discussion on several factors, including financial literacy, goal clarity and attitude towards retirement on the retirement confidence during COVID 19 among the working population in the Klang Valley area. Based on the data collected from a survey of 225 working adults aged between 24-60 years, we found that retirement confidence was associated with the retirement goal clarity of individuals. The hypotheses are analyzed using Smart PLS 3.0. Planners and benefit providers can better serve their clients by understanding retirement confidence. The findings suggest theoretical contributions for the financial planning conceptual framework and provide policy implications

Keywords: Retirement confidence, retirement goal clarity, financial planning, financial literacy, COVID-19

1. INTRODUCTION

According to Feldman (1994), retirement is described as the exit from a long-term organisational position or professional path by people after they reach middle age, with the goal of reducing their psychological commitment to work. In some ways, the reality of retirement in today's world is complicated. As can be seen in Malaysia, the usual retirement age is 60 years old, yet many people in their working years are concerned about how they would pay their retirement years. As a result of the poor saving rate, rising healthcare, and living costs, many of these people are still working to support their daily lives.

Somehow, when the COVID-19 impacts continue to unfold since 2020, as well as natural disasters such as floods that hit almost 70,000 people recently, most aspects of Malaysian have been substantially altered. Many of them, especially those who are in bottom 40 per cent (B40) population affected are still struggling to survive these impacts, describing their vulnerability to economic shocks, a rise in the cost of living, and mounting financial obligations. Thus, the

government has taken their initiatives to help ease the city's financial burden, by introducing the the i-Lestari Account 2 Withdrawal Scheme in March 2020. The scheme allows EPF members aged 55 and below to withdraw between RM 50 to RM 500 a month for 12 months through March 31, 2021, subject to available funds in the members' own EPF Account 2. Somehow, it doesn't end there as the Government announcing another three other special EPF withdrawal schemes under i-Sinar, i-Citra and i-Sayang as the financial solution to the citizen's challenges.

Consequently, many individuals opted to withdraw their retirement savings to make ends meet. The withdrawals may have helped solve their current predicament but it was only a short-term and temporary measure. Many agreed on the EPF withdrawal not the solution to tough situations as study shows that it has resulted in 6.1 million members having less than RM 10,000 in their savings, with a staggering 79 percent having less than RM1,000 remaining as a result. In fact, many Malaysian who rely on the little nest egg built up through this mandatory contribution to their EPF may cause more significant problems in the future particularly post-retirement. While this is not a new phenomenon, considering that 28% of people had critically low EPF savings prior to the outbreak, the pandemic has simply aggravated the problem.

Somehow, the retirement issues in Malaysia did not begin with the coronavirus. In many cases, this COVID-19 pandemic exacerbates workers' retirement savings vulnerabilities. The previous study has proved that many felt unprepared for retirement before the pandemic, and many now feel that way. Many who suddenly stop working or retire cannot afford the lifestyle they want because their pension savings have not delivered the promised income levels. Those who do not have enough savings in their EPF accounts for retirement could expose them to living below the poverty line.

A more worrying fact is that by 2044, there may be 14 per cent of the population in this age group, making Malaysia an ageing society. This will increase the financial burden to the Government if the retirement system continues to rely on public funding. But as an ageing society, those in the workforce, particularly those struck by Covid-19 restrictions, have a daunting responsibility of saving up for their retirement for a financially independent life post-retirement and medical purposes. According to Department of Statistics Malaysia data, those aged 65 years or older are expected to make up more than seven per cent of the population this year.

Hence, the retirement confidence among the working population in Malaysia should be highlighted as an essential issue. Since many retirees depend entirely on their retirement benefits to survive and sustain their daily life after retirement, retirement planning becomes a crucial topic in the employee's life. Intending to review and discuss the issue of retirement concern among 225 working adults in Malaysia, this study hopes to identify the factors that affected their retirement plans during this crucial period. It also intends to provide essential inputs relevant for the policymakers and related agencies to plan and strategies accordingly to support the citizens in developing a better environment in their afterlife of retirement. Therefore, research on awareness and attitude among working adults both in the Government and private sector in Malaysia is needed to investigate further the factors that contribute to retirement confidence.

2. LITERATURE REVIEW

Previous research on retirement studies established that many worldwide had little or no retirement preparation. As a growing nation, Malaysia is presently facing a similar scenario, with most Malaysians being unprepared for retirement, which would eventually affect their retirement confidence. A review of previous research revealed that numerous factors contribute to retirement confidence, including sociodemographic factors, expected retirement age, attitude

toward retirement, retirement goal clarity, financial literacy, financial practises, financial socialization, and insurance planning. This study suggested that the attitude toward retirement, retirement goal clarity, and financial literacy be included in the proposed study framework.

2.1 Retirement Confidence

Retirement confidence is described as the state of being prepared and confident before making a move to a retirement or throughout the retirement experience. Helman et al. (2013) also define retirement confidence as the belief that one will have enough money to live well throughout retirement. This further suggests that those who prepare ahead for retirement would have a greater sense of security in their retirement years. This is because their retirement savings have been built to the point where they can pay any expenditures incurred during retirement. By comparison, those with low retirement confidence would feel uneasy and will have doubts about the sufficiency of their acquired retirement money.

Numerous studies have examined the factors that can influence retirement confidence. For instance, Juen & Sabri (2016) explore the factors that can influence retirement confidence among women in peninsular Malaysia among the government workers found that saving motives is the strongest factor that can influence their retirement confidence. Thus, they recommended and proposed that these women employees create a saving account that may be solely devoted to retirement funds. They also further explain that those who are financially literate and able to apply a healthy financial habit will have greater confidence in securing their retirement life.

Shanmugam et al. (2017), studied issues in retirement confidence among working adults in Malaysia. They discovered that individuals would only have retirement confidence if they had properly prepared for retirement from the beginning of their working careers. Meanwhile, Angrisani & Casanova (2021) noted that overconfident people perform no better than others with similarly low levels of objective financial knowledge regarding retirement readiness. They are less motivated to develop their knowledge. Individuals who are less confident in their financial abilities have poorer economic outcomes than those with equivalent financial knowledge but are interested in learning more about retirement. In another market context, Liu et al. (2021) investigated retirement confidence among the Chinese older adults in Hong Kong and found that retirement planning in the financial domain was not correlated with retirement confidence but could directly benefit life satisfaction in retirement. Thus, it can be concluded that people who had higher retirement confidence felt more competent due to engaging in planning activities and would take further actions to produce more favourable retirement outcomes.

2.2 Attitude towards Retirement in Malaysia

Attitude can be defined as an individual act reflected as either positive or negative in evaluating a particular behaviour. From the perspective of retirement confidence, attitude is an essential factor influencing individuals' behaviour in facing their retirement.

Wata et al. (2015) investigate the attitude towards retirement among the employees in the energy sector in Kenya. Using the questionnaire of 500 respondents, they argue that occupation, economic background, social and environmental factors were found to have a major influence on employees' attitudes towards retirement.

Another study by Treger (2021) has been done among 1,311 young adults regarding retirement preparation. The purpose of the study was to explore whether young adults talk about retirements and correlates between talking and retirement preparation. He found that the attitude towards retirement preparation among young adults was largely positive. They recognized the value of learning about retirement and reported that when thinking about

retirement, they felt more pleasant than negative emotions. Behavioural measures of retirement planning had no effect, indicating a possible disconnect between young persons' retirement planning views and behaviours. This is almost consistent with a study by Curtis (2017), who discovered that young individuals could begin planning for retirement while they are young since they have their entire lives ahead of them and plenty of time to plan their retirement intelligently. The positive attitude of working people towards retirement planning is also one factor that influences them to have good planning for their retirement.

Zandi et al. (2021) study the role of certain behavioural traits and psychological biases in influencing the intention of Generation Y to invest for retirement among 240 students and workers around 20-39 years old in the Klang Valley area. The result also shows the least impact of trust towards online financial services on the intention of Generation Y to invest for retirement. However, there are also some findings regarding the attitude towards retirement in the context of German. A recent study by Hess et al. (2021) found that about half of the respondents plan to work and receive a pension; however, the share is higher amongst men and those with higher levels of education. Whilst highly educated men want to work as self-employed, women and those with lower qualifications want to stay in their old jobs.

2.3 Financial Literacy

The Commission for Financial Literacy and Retirement Income, New Zealand defines financial literacy as 'the ability to make informed judgments and make effective decisions regarding the use and management of money. It is about having financial knowledge and understanding, confidence and motivation to make financial judgments and decisions. Consequently, financial literacy is highly important for effective retirement planning, even young.

Financial literacy is confirmed to directly impact retirement planning activity (Larisa et al., 2021). It also appears to be an important mediator of demographical parameters, especially among the female workers in Indonesia who generally have no retirement funds and need to be educated on financial literacy. Meanwhile, the study by Angrisani & Casanova (2021) noted that financial literacy campaigns accompanied by initiatives that raise awareness of one's actual knowledge might be an effective lever for encouraging the overconfident to improve their financial competence and demonstrating to the underconfident that they have the necessary skills to begin planning their financial future. The findings are consistent with Kalmi et al. (2019) who studied financial literacy and retirement planning in Finland and found a statistically significant difference between retirement planning and broader financial literacy measures. Moreover, they also found that the positive correlation between these two variables only exists among women and not men when they split the sample by gender.

This contradicts findings from a study done by Tan & Singaravelloo (2020), where they argued that financial literacy does not correlate. They also agreed that the age and gender of the respondents from the financial literacy and retirement planning among the government officers in Malaysia studies do not influence financial literacy. This is similar to another study also done in Malaysia by Selvadurai et al. (2018), who explore the financial literacy education of older adults and the influence on financial retirement planning. The findings indicate that financial literacy education does not necessarily result in successful retirement planning but somehow the attitude that matters the most.

2.4 Retirement Goal Clarity

Clarifying retirement goals involves assessing expectations regarding one's quality of life after retirement. Two important determinants of retirement goal clarity are age and time perspective. According to a study done by Zhu & Chou (2018), residents should be educated about retirement goal clarity. By using 958 completed questionnaires among the Hong workers aged

25-64 years by focusing on the mediating role between retirement goal clarity and the amount of private retirement savings, they found that we found that the retirement saving needs estimation was associated with the savings of individuals over 44 years old.

Meanwhile, Hoffmann & Plotkina (2021) investigated the personal resources to manage one's finances and increases consumers' retirement self-efficacy in improving retirement goal clarity and found that retirement goal clarity is positively associated with consumers' actual retirement planning activity level. Other than that, a study done by Tomar et al. (2021) on retirement goal clarity found one significant correlation with retirement planning behaviour moderated by financial literacy. This is consistent with Afthanorhan et al. (2020) finding, where goal clarity on the retirement planning construct is significantly and positively associated with retirement planning using structural equation modelling (SEM). Lastly, there was also a study done by Syamlan & Easti, (2020) to investigate the factors towards Islamic retirement planning among Indonesian bankers. Their study concludes that goal clarity, retirement attitudes, and potential conflicts significantly influence bankers' behaviour in retirement planning according to the Islamic perspective.

3. RESEARCH METHODOLOGY

3.1 Framework and Hypothesis Development

The literature hypothesis previously claimed that retirement confidence, attitudes toward retirement, financial literacy, and goal clarity could influence working adults in Malaysia's intention to retire during the COVID-19 pandemic. Figure 1 depicted the research framework, which included statements about the four variables studied.

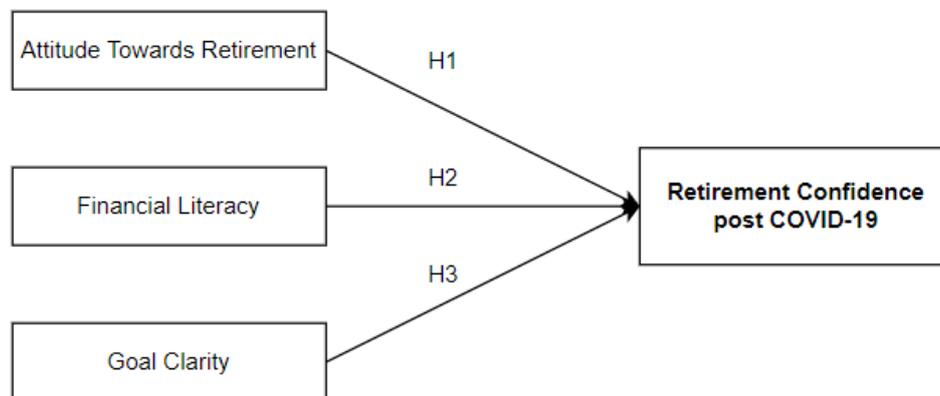


Figure 1. Research Framework

The dependent variable in this study is the retirement confidence post-COVID-19 among the employees in Malaysia. Meanwhile, the independent variables were the attitude towards retirement, financial literacy and goal clarity. Thus, three hypotheses were formulated to direct the research problem and aims of the survey.

Hypothesis 1: Attitude towards retirement positively influence retirement confidence post-COVID-19.

Hypothesis 2: Financial literacy positively influences retirement confidence post-COVID-19.

Hypothesis 3: Goal clarity positively influence retirement confidence post COVID-19

3.2 Research Design and Sampling

Since this study uses a quantitative method, a survey was developed based on the literature reviews to test the hypotheses in the proposed framework. Some of the questionnaires were adapted based on the previous study to obtain the data from the respondents. This paper

employed questionnaire-based surveys to obtain information about three significant aspects: (1) Attitude towards retirement, (2) Goal Clarity, and (3) Financial Literacy as the determinant factors for (4) Retirement confidence post-COVID-19. Each of the questions in this section will be using a five-point Likert scale ranging from 1 (Strongly Disagree) to (Strongly Agree). Most of the questions for each variable were based on the existing literature. However, some items were modified for better understanding.

The questions consist of five sections with 29 questions in total. Section A of the survey questions provides demographic information like gender, age, education background, gross monthly income, and occupation categorized under categorical groups. At the same time, section B until E consists of several open-ended questions, which measured attitude towards retirement, goal clarity, financial literacy and retirement confidence post-COVID-19.

The working adult population of Malaysia's Klang Valley served as the study's sample. The data was collected involved the Millennials (ages 24-38), Gen X (ages 39-54), as well as Boomers (ages 55-60). The targeted respondents were selected to provide a broad range of working adults, mainly from the education, business, management and administrative sectors. The sample will analyze the role of COVID-19 on the retirement plans of these working populations in Malaysia. To ensure that the sample characteristics matched the study's objectives, a non-probability quota sampling technique was used to ensure that the data collected came from a legitimate source.

3.3 Data Collection Method

The survey was conducted online and face-to-face among 226 working people within Malaysia. Before the questionnaire is distributed to the targeted respondents, a detailed consideration of the distribution process and several procedures are conducted. First, the electronic questionnaires were constructed through the questionnaire Google form as it is among the most convenient online platform for everyone. Second, the survey position is decided by the Klang Valley area as it is an urban conglomeration in Malaysia that includes its adjoining cities and towns in Selangor. Third, the non-probability sampling technique was performed.

3.4 Data Analysis and Interpretation

Data collected from the respective respondents were then analyzed using the statistical methods through PLS-SEM 3.0. The statistical tools analyze the relationship between the variables to meet the research objectives in this study. Descriptive statistics such as frequency and percentage were used to present each respondent for the demographic data in Table 1. This study also presents the evaluation of the measurement model in testing the reliability value of Cronbach alpha values, and the structural model assessment was presented to determine the variables' relationship and test the current study hypothesis.

4. RESULT AND ANALYSIS

4.1 Sampling and Respondents Profiles

The results from the respondent's demographic details are examined in Table 1, including gender, age, educational level, gross monthly income, and occupation. With a total of 226 respondents made up of working adults in Malaysia, the majority of respondents (117) were female (52%), and the remaining (108) were male respondents (48%). Most of the respondents are Millennials which between 24-38 years old (50.7%), 43.6% are Gen X (39-54 years old), and the remaining 5.8% are Boomers (55-60 years old).

The most significant proportion of the respondents is degree holders (67.6%), followed by 21.3% having postgraduate qualifications. The other 11.1% are diploma holders. About 42 out

of the respondents earn RM 10,000, and above as their monthly income, 59 earn around RM 5,001-RM 10,000, and the other 57 earn approximately RM3,001-RM5,000. The majority of the respondents, 67 of them, earned below RM3,000. The respondents' profiles in a report, as shown in Table 1.

Table 1. Respondents' Profile

Variable	Frequency	Percentage (%)
<i>Gender</i>		
Male	108	48
Female	117	52
<i>Age</i>		
Millennials (24-38 years old)	114	50.7
Gen X ((39-54 years old)	98	43.6
Boomers (55- 60 years old)	13	5.8
<i>Education Level</i>		
Diploma	25	11.1
Degree	152	67.6
Masters/PhD	48	21.3
<i>Gross monthly income</i>		
Below RM 3,000	67	29.8
RM 3,001- RM 5,000	57	25.3
RM 5,001 –RM 10,00	59	26.2
RM 10,000 & above	42	18.7
<i>Occupation</i>		
Government	67	29.8
Private	134	59.6
Self-employed	11	4.8
No-employed	13	5.8

4.2 Evaluation of Measurement Model

To test the relationships proposed in the framework, partial least squares structural equation modelling (PLS-SEM) was employed (J. F. Hair et al., 2017). All latent variables in the current study were the results of reflective indicators. The PLS-SEM was executed through Smart PLS 3.0, using the bootstrap procedure with 5000 iterations of resampling.

Based on the analysis, attitude towards retirement, financial literacy, and retirement confidence demonstrated reasonable reliability as the values Cronbach's alpha and composite reliability were between 0.7 and 0.95. These statistics for the variables of attitude towards retirement, financial literacy and retirement confidence satisfied the criteria applied in exploratory research (Hair et al., 2019). Table 1 shows the value of Cronbach alpha values.

Table 2: Cronbach Alpha

<i>Variable</i>	<i>Cronbach Alpha</i>	<i>Status</i>
Attitude towards retirement	0.741	Reliable
Goal Clarity	0.654	Reliable
Financial Literacy	0.713	Reliable
Retirement Confidence	0.762	Reliable

Moreover, the construct showed sufficient convergent validity since they explained more than half of their indicators' variance investigated by AVE values. Additionally, the VIF values were below the conservative threshold of signaling collinearity. Table 2 below shows constructs reliability (CR) and convergent validity testing findings. The results validated that the constructs or variables had high internal consistency as, according to Roldan (2012), sufficient average variance was extracted (AVE) to approve the convergent validity.

Table 3. Reflective Measurement Model Assessment

Construct	Item	Loadings	CR	AVE	Convergent Validity (Ave>0.5)
ATT	ATT 2	0.727	0.841	0.639	Yes
	ATT 3	0.864			
	ATT 5	0.801			
FL	FL 1	0.730	0.803	0.673	Yes
	FL 3	0.902			
GC	GC1	1.00	1.00	1.00	Yes
RC	RC 4	0.903	0.910	0.834	Yes
	RC5	0.924			

**Items that are loading Composite Reliability <0.708 were deleted (Hair et al., 2010& Hair et al. 2014)*

The HTMT criterion is a measure of similarity between latent variables. HTMT values that are close to 1 indicates a lack of discriminant validity. HTMT criterion to assess discriminant validity, as shown in Table 3. The result specific that the discriminant validity was well-established at HTMT0.85. All the HTMT coefficients (Henseler et al., 2015) were below 0.85, indicating that all the constructs were distinct. Thus, there was no issue of multi-collinearity between items loaded on different constructs in the outer model. Hence, it was appropriate to proceed to the structural model assessment to test the study's hypotheses. Therefore, it was concluded that the discriminant validity is established for this research.

Table 4. HTMT Criterion

	Attitude towards retirement	Goal Clarity	Financial Literacy	Retirement Confidence
Attitude towards retirement	-			
Goal Clarity	0.315	-		
Financial Literacy	0.273	0.203	-	
Retirement Confidence	0.268	0.194	0.647	-

**Discriminate validity is established at HTMT 0.85/HTMT0.90*

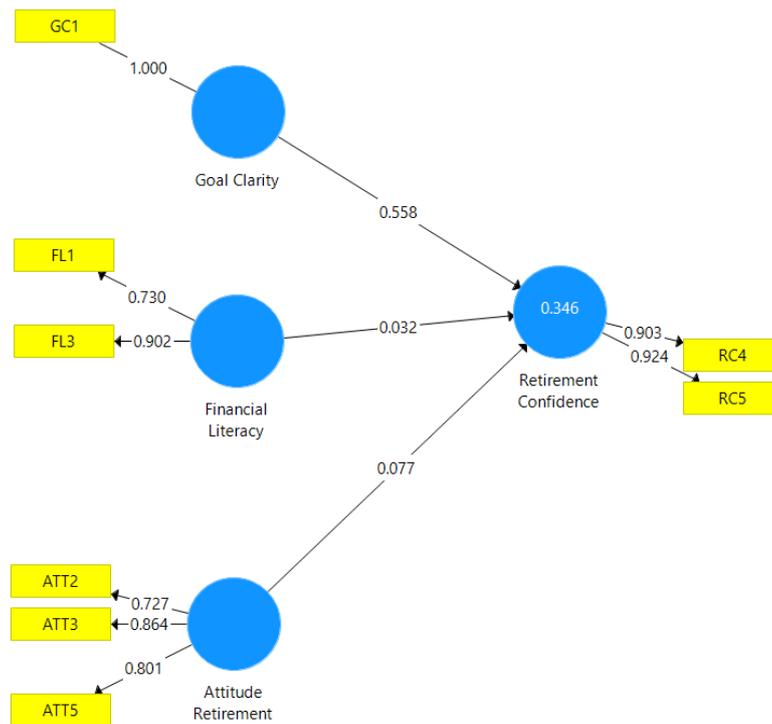


Figure 2. Measurement Model

4.3 Structural Model Assessment

A 5000-bootstrap resampling of data was conducted to assess the study's hypotheses. (29). Table 4 displays the evaluation of path co-efficient, which was represented by Beta values for each path relationship. The result showed that only one out of three hypotheses were supported. Goal clarity was seen to influence the retirement confidence post-COVID-19 among the working adults in Malaysia. On the other hand, attitude towards retirement and financial literacy did not influence retirement confidence in this study. Thus, hypotheses H1 and H2 were not supported. The path coefficient is shown in Table 4.

Table 5. Path Coefficients

Hypothesis	Path	Beta	t-value	p-value	Decision
H1:	ATT -> RC	0.077	1.360	0.174	Not supported
H2:	FL-> RC	0.032	0.520	0.603	Not supported
H3:	GC -> RC	0.558	11.290	0.000	Supported

Path coefficient, 0.01, 0.05 (Hair et al. 2017)

5. CONCLUSION AND RECOMMENDATION

The findings of the current study are discussed in the following paragraph. This study discovered the role of the COVID-19 pandemic on retirement plans among the working population in Malaysia. The significant result from this study has shown that there is a financial impact on the employees' retirement fund due to the COVID-19. The result identified that goal clarity is an important driver for retirement confidence during the post-COVID-19 among the working population in Malaysia. This finding is consistent with prior research by (Stawski et al., 2007), where retirement goal clarity is a significant predictor of retirement planning.

Therefore, there is a coherent message here, especially for the Government and financial industry leader in setting a relevant policy to motivate the working population to clarify retirement goals by guiding them to plan for the future and increase the level of retirement confidence in having a comfortable life during their retirement years. The Government also must be expeditious to ensure that the working population in Malaysia can create stable expectations regarding their future financial situations, especially after retirement. Meanwhile, among the organization itself, the employees should be educated about the importance of having retirement goal clarity by inviting guest speakers to share their successful and unsuccessful retirement experiences concerning retirement goal clarity. This can indirectly help and enlighten the employees to perform their retirement savings and know their needs estimations earlier.

Most of the respondents are aware of the financial impact on their retirement fund and are looking forward to increasing their savings contributions once the COVID 19 pandemic is over. Nevertheless, it is recommended to the Malaysian Government or the policymakers that any stimulus or economic package by the Government must not involve workers being offered an easy way out by allowing them to withdraw from their savings. This will help the B40 workers keep their EPF savings for their old age. Everyone should also participate in promoting the benefits of saving for retirement, hoping that changes can be made in the retirement issues in Malaysia. This study has some limitations that might influence our study outcome and allow future studies. A limitation of the study is that it focuses only on the white-collar employees working in the the Klang Valley areas. While there were valid reasons for this, the study findings may not

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ISLAMISM AND ECONOMISM AS HISTORICAL CONTRADICTION

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ABSTRACT

There are many ways to contemplate an Islamic economics or a program of Islamic assimilation into the global economy. But in doing so it is important to examine some of the less obvious implications of such a combination of ideas. To do this, it is useful to go to the original source of both these terms—Islamic and economic--as they came to be widely used in the same approximate historical context. That is, return to the Roman Empire of two thousand years ago, when it was established as an Imperium, an overarching military regimen in which tribes and kingdoms were allowed to live according to their own inherited custom. That structure began to be replaced around 300AD and more completely by about 550AD when a re-founded empire imposed a uniform legal regulation over all persons in every region. In fact, two empires were established almost exactly simultaneously during this period and on very similar principles. In the east was the Persian (Sassanian) and in the west the Roman (Byzantine). Their strength was not in the martial values of familial and tribal loyalty, but in the aggregation of wealth. Both empires were founded on a highly centralized adjudicative authority backed by equally centralized educative authorities. The latter took the form of two imperial religions, Zoroastrian and Christian. This new method of centralized rule was called in Latin, *Dominium*, and was based on the direct legal oversight of all persons and things. In the Greek language it was called the *Oikoumene* (*Ecumene*). It differed from the original Roman model of military oversight where traditional life was encouraged to exist--from the bottom up. Instead, the ecumenical method imposed judicial regulation over every household--from the top down. Under the new regimes all tribal and traditional custom was suppressed, as the common population of both empires came to comprise two vast peasantries, laboring to increase the aggregations of wealth by which the empires were sustained. This paper will examine how, in historical terms, the rise of Islam can be understood as a revolt against this economic ordering of life. It sought to effectively re-establish armed protection by which local custom and self-sufficiency could once again exist undisturbed.

Keywords: Islam, Economics, Ecumene, Rome

ISLAMISM AND ECONOMISM AS HISTORICAL CONTRADICTION

In the age of globalization when all lands and peoples are being brought under a single regimen of governance, it is not uncommon to talk of an Islamic Economics. That is, in confronting the realities of the global age, there is an attempt to reconcile the historic practices of the Moslem tradition with the requirements of modern finance and trade, technical advance, and the immersive atmosphere of the information age. On an immediate practical level this reconciliation seems possible to accomplish, only requiring willingness among the parties involved and the ingenuity of corporate and political leaders. (Domingo 2013) (Joerges 2005)

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However, a closer look at a convergence of Islamic practices with the values and methods of what is called the global economy raises profound questions, including legal questions. Those questions go far beyond matters of facilitating a commerce in goods and services, of regulating capital flows and currency exchange. In fact, it raises questions concerning the compatibility of two very different ways of living life and two very different mentalities. But to confront these questions in the turmoil and confusion of public politics and international affairs occurring in the world today is difficult. It is more useful to bring these questions into view by examining two traditions at the time of their historical beginning, more than a thousand years ago. (Slobodian 2018)

Remarkably the two terms, Islamic and Economic, are both derived from common usage during the same general period of late antiquity. Viewed in strictly legal terms they referred specifically to two different ways of ordering relations of persons and things across a broad territory. Not only were the underlying methods and purposes of each dramatically different it would not be an exaggeration to say that the phenomenon of Islam came into being as a challenge against economism. One way to understand this is to return to the founding of the original Roman Empire two thousand years ago. Doing so can provide an extra level of insight into some less obvious hazards of assimilating, of attempting to fully integrate the practices Islam, into the economic regimen of the global age. (Amanat 2007)

There are many ways to understand the Roman Empire and, over centuries, like many other large-scale episodes of history, there can be found in it the whole spectrum of human behavior. There was duplicity, cruelty, cowardice, just as there was loyalty, courage, and wisdom. But it can also be viewed in terms of what was basic to its nature. That is, what elements, if removed, would make it no longer characteristically the Roman Empire. Reduced to these most basic elements there would probably be three. First would be the old Roman families, descendants of tribes that from the beginning provided an anchor of stability. As epitomized by the story of Cincinnatus, they were notable for the simplicity of their agrarian existence, their high thinking, and their courage in battle. They were represented in the councils of Empire by their tribal prelates, the Tribunes. (Riggsby 2010)

Coupled with that familial tradition was a second element, the Stoic philosophy that so perfectly suited the Roman temperament. Descended from the teachings of Socrates through Antisthenes and then Zeno. Stoicism was not a philosophy of abstract speculation, but rather a philosophy of practice; it set forth a way of life. From emperor and senator to rustic and slave, to men and women equally, it taught harmony with nature, with the self, and among differing peoples. Stoicism as an ethos for living life could be compared to the wisdom of Chinese Confucianism, Buddhism, or even Islam. To this philosophical aspect of the Roman world could be added a third part. (Inwood 1985)

The Roman Empire, traditionally founded in 27BC, was from the beginning established as an imperium. That is, it was essentially a militaristic structure in which the emperor was primarily commander of the military legions. There was virtually no imperial bureaucracy, only a small revenue office. The purpose of the Empire was to protect the borders from invasion and to maintain peace between the many tribes and peoples within its boundaries. Nor was there an imperial legal system in the modern sense. Although there was an informal law of trade, the *jus gentium*, that operated among merchants across the Mediterranean. it had no official Roman status. (Tellegen-Couperus 1990)

The Romans did have their own traditional law, the *Mos Maiorum*, that all citizens memorized from childhood. Originating in tribal times it required no paid advocates, was conciliatory in nature, and operated with no fixed judicial hierarchy. In a dispute, the parties would agree upon a third private citizen to act as judge. Decisions were based on *sensus communis*, common sense principles, with the intent to right wrongs and restore harmony between families. Decisions generally descended down to the oldest living male of the

household, the pater familias, who resolved the issue on behalf of, or within the family. (Lesaffer 2010)

The Romans also had the famous *jus civile*, a municipal law that applied to all inhabitants within the City of Rome, including non-citizens. This law was established in every major Roman city founded throughout the Empire. One crucial aspect of Roman legal culture was, that because there was no imperial law reaching across the Empire, the tribes and peoples who lived within the provinces—the vast majority of the population--were allowed to live according to their own customs and practices. There was one exception: the infliction of capital punishment was restricted to Roman authorities exclusively. (Riggsby 2010)

However, around 200AD, this imperial system began to be attacked and undermined by a combination of difficulties, including invasions from the North and, especially, the growing influence of commercial interests in the Eastern Mediterranean. Mercenary armies were formed in Syria and Egypt, as the Empire descended into a century of chaos and conflict, a virtual civil war lasting until about 300AD. The breakdown was exacerbated by the fact that the Empire had been governed in two languages, Latin in the West and Greek in the East. After 300AD the Latin West had become so weakened that the actual center of power had gravitated to the East, and a new capital city was founded around 300AD, at Constantinople, (Modern Istanbul.). With this geographic transition the old imperium died and a different form of empire, the dominium, was born. (Chuvin 1990) (Cameron 1993)

Actually, this century of upheaval had affected not only the Roman world but the Persian world as well. That empire was also re-founded in a parallel development as the new imperial leaders thought of their two realms as Two Eyes of the World--in the West, the Roman (Byzantine) Empire, in the East, the Persian (Sassanian) Empire. Each was founded (in the Latin language) as a dominium, which was also called (in the Greek language) an oikumene (Ecumene). The word imperium (related to modern words: impact, impose, impart) had to do with martial power. The word dominium (related to modern words: domestic, domicile) had to do with persons and things, down to the household level. The important difference was that, under the imperium, tribes and kingdoms had been allowed to live by their own custom. But under the Dominate, or Ecumene, the entire population lived under a centralized legal order imposed on every family member. (Fowden 1993)

Most importantly, this legal culture was comprised of two parts, the adjudicative and the educative. Such a judicial system might impose itself temporarily by brute force, in *terrorem*. But to establish a legal order with permanence and stability it was necessary to have the public understand the legal regimen in terms of the benefit it conferred. They needed to be instilled with the habit of compliance. Hence, there was not only a judicial stratum extended across both empires, there was also imposed an imperial religion. In the Roman (Byzantine) Empire it was Christianity. In the Persian (Sassanian) Empire it was Zoroastrianism. It is important to note that both religions, Zoroastrianism and Christianity, were constructed as part of a ruling hierarchy and were far removed from the original teachings of either Zoroaster or Jesus. (Dodgeon 1991) (Jenkins 1995)

In fact, the religion centered on the personage of Jesus, was not the first choice of the imperial priests, several cults and brotherhoods had first been attempted. But there were many followers of Jesus in the Eastern provinces. As a means of quieting popular resistance to imperial authority the attempt was made to adapt that movement as an officially administered cultus. By its ceremony and doctrine it would lend credence to the imperial method of rule. Most of all, when the parallel authorities of universal law and universal religion were imposed, all tribal and traditional custom--including its way of life--would be suppressed. This made possible a completely uniform kind of legal oversight. (Chuvin 2021)(Wilken 2003)

When viewed in terms of its basic nature, the Byzantine Empire was not founded on the martial virtues of loyalty and courage, or a philosophy of wisdom. Instead, the power of

the new empire was built on oratory and wealth. There grew up a ruling class distinguished by highly cultivated manner and speech. For military purposes, both empires could rely on professional soldiers or mercenaries, they could also sponsor surrogate wars among their neighbors. To maintain the inward flow of wealth that was the basis of imperial strength, the entire population of commoners was reduced to a peasantry of servile labor. This was in contrast with the old model Roman system where the vast majority of the population was comprised of traditional peoples who were self-supporting in their way of life. In fact, unlike the original City of Rome, that had never been an important commercial center, Constantinople, became, literally, the most important center of finance and trade in the entire world. (Chitwood 2021)

The importance of commerce as the foundation of the Byzantine structure is related to another aspect, of its composition. The Christianizing of the new Empire is often celebrated by historians as ending the practice of slavery, a practice that was endemic to the former Roman system. However, the abolition of slavery had a particular significance at the time. Most of all, the Romans, like all traditional or tribal peoples had no prisons. Instead, for offenses such as petty crimes, default of debt, and most often with captives of war, an offender, a debtor, a soldier was held in bondage, and lived domestically with a family. In a situation where all members of a household necessarily worked, they worked as well. This practice, that is often erroneously conflated with modern Negro Slavery, for example, was not necessarily cruel or inhuman. There were strict laws about the treatment of slaves and almost always a provision for ransom or emancipation. In the new model empire, the benefits of slavery were irrelevant, especially after prison incarceration became widely used as punishment. Most of all, the entire common population had become legally harnessed in a system of labor for the aggregation of wealth. (Joshel 2010)

It was into this ecumenical world where the two empires came together that the birth of Islam took place. The prophet Mohammed is usually thought of as the founder of the Moslem religion. But he was also a man who lived in a world shaped by tectonic events; it is also possible to understand him as a man representative of his time. The Arabic tribes comprised one of the most distinct and ancient cultural enclaves existing in the world. The land they inhabited, mostly impassable desert and mountain, had long been avoided by imperial armies, because the price of conquest outweighed any material benefit it would offer. But this attitude was changing as both empires looked upon the Arabian Peninsula as being, if not valuable in material ways, extremely valuable for strategic military reasons. To understand Mohammed, it is helpful to understand him in a tribal world located at the strategic point at which two massive empires shared an often-disputed border. (Ayoub 2005)(Dodgeon 1991)

The Arabs are generally portrayed as having been warlike, worshipers of pagan gods, disorganized, and endlessly disputatious among themselves. There is truth to this representation, but it is incomplete. The larger picture is more complex and much more interesting. To understand the character of the Bedouin peoples who inhabited the Arabian Peninsula it is enough to consider them in contrast with the vast population of domesticated laborers who inhabited the imperial world. It is equally useful to compare them with the stratum of nobility who presided in affairs of law and religion across two empires. (Jenkins 1995)(Ong 2003)

The first obvious fact was that the Arab tribesmen were not ruled over. They lived instead, by their own custom. Nor were the Arab peoples reduced to the level of simple believers of an official religion. Neither did their way of life require imposing their own tribal deities and customs on others. Such an idea would have made no sense to them. Instead, as traders and travelers between the great empires of East and West they carried both merchandise and ideas. They were frequently wealthy and nearly always informed in the ways of the larger world. Finally, although they had the nobility natural to humankind, they did not speak with

the cultivated eloquence and manner calculated to charm and persuade the unsophisticated. Instead, they spoke the plain and poetic speech shaped by a topography that was at once terrifying and magnificent. (Cardini 2001)

Mohammed did not preach tribalism, nor did he necessarily teach systems and forms of government, he did not have to. Living among relations connected by family was the natural way of existence. In the Empires the close preservation of hereditary connection only existed within the ruling hierarchy. The common population was divided and scattered to suit the needs of production. But in Islam the fundamental connections remained in place. Similarly, intricate discussions over systems of rule were not necessary. It was assumed that if a people were properly allowed opportunity for cultivation and learning, they could essentially govern themselves. Mechanisms of law and authority would only be necessary as supplement. (Haleem 2005)(Al-Azmeh 2001)

Viewed from a military and strategic perspective the movement led by Mohammed did two important things. First while not disturbing the foundation of tribal existence—the tie of blood relations, the strongest bond in human existence—he set forth obligations that had the effect of universalizing the humane principles that underlay all tribal life. In doing so he overcame the one primary weakness of tribal peoples when confronting an imperial power: their invariably small size that made them easy victims. Along with that, he overcame the single great defect of tribal life, its tendency to insularity and internecine conflict. In fact, it might be said that the first great principle of Islam was knowledge, and the obligation to pursue knowledge. (Rosen 1989)(Griffel 2007)

In short, the phenomenon of Islam represented the antithesis of the ecumenical construction. Maintaining a regimen of judicial authority and religious indoctrination produced a different type of person. The fact that a small circle of believers came to overrun much of two large empires, is not however, merely a testament to the warlike abilities of the tribesmen. In fact, the regions they invaded were populated by many who despised their existence of meaningless toil and what they considered an enforced blasphemy. The Arabs were often welcomed as liberators, and from the beginning, attracted both Christian and Zoroastrian warriors to their ranks. It is not surprising that following on an astonishing conquest, there developed in the Moslem world one of the great outpourings of cultivation and learning in human history. (Abu-Lughod 1989)(Coulson 2003)

In the global project to include all peoples and all regions of the earth in one unified economic realm, there is a great deal of effort being expended, to bring the Moslem people into that system. It is often assumed that the project of globalization represents the new and the future while the tradition of Islam--although appealing in a nostalgic way--must be set aside as representing the old and the past. But whether, or not the project of a global economy is an inevitability, it is useful to step outside these assumptions, and consider the matter in a holistic way. That is, to view both an Islamic realm and a global economy—not as past versus future--but as representing two ways of life that operate on very different principles for very different purposes. (Cutler 2013)

One of the main difficulties in challenging the conventional perspective is not so much an overclose familiarity with the topics, but rather, the sources of understanding. Another difficulty is the vocabulary employed to describe them, and habits by which discussions about them have come to be framed. It is difficult to find in the twenty-first century a perspective from which to evaluate or compare impartially the substance of what these alternatives actually represent. To resolve such questions, a continuous flow of journalistic interpretation may be as misleading as it is illuminating. Even the ambitious academic programs of great prominence and undertaken at great expense are shaped by a very specific technique and professional ethic. Much of their contribution takes place within institutions that are integral to the economic

system and operate according to its requirements of knowledge production and dissemination. (Al-Azmeh 2009)

For these reasons, as well as others, there is value in stepping into the past, to examine the artifacts, as a way to find distance from personal preferences and freedom from habitual patterns of thought. That is, to see two ways of life in their nascent forms, when they were both relatively localized, when their differences were clearly marked by territorial boundary, by language, costume, and nearly every other outward habiliment. By such an approach, it is possible to see at least three fundamental ways in which they were so unlike as to be inimical to one another: One rested on the strongest natural bond in human existence, the tie of biological descent. The other assumed the individuation of persons, determined by law, and based on the needs of material production. One arose, as it were, from the bottom up, relying for its cohesion on the cultivation and learning of its followers. The other required a structure of governance, or rule, from the top down, by which relations of persons and things took place according to an imposed order. Finally, one rested on a unity of knowledge among of its inhabitants and on their collective self-sufficiency. The other relied on a fundamental division of knowledge and on deliberately concentrated wealth to maintain an authority of legal rule. (Slobodian 2018)

The relationship of Islam to the global economy is a vexing topic. There are material incentives to approach the discussion in a conventional way, including the reward of accolades, and respectability. Nonetheless, for the most complete understanding it is important that each way of life be stood to the same holistic test. As a way to forestall or avoid the emotion and tumult of world affairs, it is useful to step into the landscape of the past. There we can more easily examine the elements impartially and discover with clarity the basic nature of each. Beyond even that, such an approach may help explain the wholly improbable and astonishingly rapid spread of Islam through the ecumenical world of late antiquity. (Kennedy 2016)(Ahmed 2007)(Moyn 2018)

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THE EFFECT OF THE COVID-19 PROCESS ON THE DIGITALIZATION OF SMES: TURKEY-MALAYSIA COMPARISON

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ABSTRACT

The aim of this study is to comparatively reveal the effects of the Covid-19 pandemic on the digitalization processes of Small and Medium-Sized Enterprises (SME) in Turkey and Malaysia, which are emerging economies. Although there are various studies that reveal the effects of the pandemic on the digitalization of SMEs in both countries, this study differs from other studies by comparing the SME digitalization data before and after the pandemic. The study was carried out with official and unofficial data on the digitalization activities of SMEs operating in Turkey and Malaysia. The obtained data were analyzed and interpreted with content analysis. As a result, SMEs in both countries think that it is necessary to focus on digitalization, and it can be said that they believe that various strategies and plans should be developed, including the elimination of their problems in this regard.

Keywords: Covid-19, Digitalization, SME. Malaysia, Turkey

INTRODUCTION

SMEs are of critical importance for national economies in the way of production, employment and exports. The situation is the same for developed, developing or underdeveloped countries. Therefore, countries make separate legal arrangements for SMEs and provide them with economic and bureaucratic support. SMEs are generally defined as businesses with 0-249 employees, disregarding minor definition differences. However, definitions of micro, small and medium-sized enterprises may differ in terms of number of employees and turnover according to countries. For example, while micro enterprises in Turkey are defined as enterprises with 0-9 employees, in Malaysia micro enterprises are considered as enterprises with less than 5 employees.

When SMEs are considered individually, it can be evaluated that their contribution to the economy is low. However, when their effects on the economy are evaluated collectively, it can be said that they have a very significant area of influence (Aykaç et al., 2009: 212). According to the 2019 small and medium-sized enterprises statistics published by the Turkish Statistical Institute (TUIK), SMEs account for 99.8% of the total number of enterprises, 72% of employment, 49.4% of annual turnover and constitutes 42.7% of the production value (TUIK, 2020). These figures are significant in terms of revealing the importance of SMEs in the Turkish economy. In Malaysia, SMEs have an important place in the country's economy. In Malaysia, the ratio of SMEs in total enterprises is 99%, their contribution to GDP is 38.2%, their contribution to employment is 48% and their share in total exports is 13.5% (Department of Statistic Malaysia, 2020).

SMEs are supported by incentives based on their importance for the national economy, and various policies are developed to solve the problems they experience. However, the Covid-19 pandemic, which emerged at the beginning of 2020 and impacted the whole world, deepened the problems experienced by SMEs and added the problem of digitalization to their current problems. Because the consumer behavior's tendency to buy online has transformed digitalization from being optional to a mandatory situation (TheStar, 2021). On the other hand, the majority of SMEs in Turkey and Malaysia were adversely affected by the epidemic. However, the majority of SMEs in Turkey and Malaysia were adversely impacted by the pandemic. Aside from the companies that took a break from their activities, some businesses faced closure in this process.

In this study, the digitalization reactions of SMEs in Turkey and Malaysia during/after the Covid-19 outbreak were tried to be put forward comparatively. Within the scope of the study, data belonging to two countries were collected and analyzed with content analysis.

ITS IMPORTANCE FOR SMES AND COUNTRY ECONOMIES

It is difficult to make a standard definition for SMEs. Because the understanding of the duties of the institutions and organizations that make the definition or the economic conditions of the countries are effective in defining these enterprises (Çelik et al., 2013: 110).

While there are different institutions and organizations that provide support to SMEs in Turkey, there is the Small and Medium Enterprises Development and Support Administration (KOSGEB) whose main field of activity is to support SMEs. This institution provides various supports to SMEs such as entrepreneurship support, R&D and technology support, business development and growth support, laboratory support and consultancy support (KOSGEB 10/28/2021). Apart from KOSGEB, institutions and organizations such as commercial banks (traditional and participation banks), development agencies, professional associations, ministry of agriculture and İŞKUR provide support.

In Malaysia, the supports offered to SMEs are generally provided by the institution called SME Corporation Malaysia. A part from this institution, commercial banks, development finance institutions (DFI), microfinance institutions, private government institutions and the central bank also provide various supports. SME Corporation Malaysia provides support such as access to finance, human capital, market access, innovation and technological infrastructure support in general terms (SME Corp Malaysia 2022).

When the definition of SME is examined in terms of both countries, the official definition has been made with the Regulation on the Definition, Qualifications and Classification of Small and Medium-Sized Enterprises in force in Turkey. This definition includes mostly economic concepts such as number of employees, sales revenue or balance sheet. In Malaysia, the definition of SME is made in terms of annual sales revenue and number of employees in the SME definition made by SME Corporation Malaysia.

Table 1: Official SME Definitions by Turkey and Malaysia

Country/Description Source	Number of Employees	Annual Turnover Amount	Business Size
TURKEY / Regulation on Definition, Qualifications and Classification of Small and Medium-Sized Enterprises	0-9	3 Million TL	Micro
	10-49	24 Million TL	Small
	50-249	125 Million TL	Middle
MALAYSIA / SME Corporation Malaysia	<5	<300 Thousand RM	Micro
	5-75	300 Thousand-15 Million RM	Small/Manufacturing Sector
	5-30	300 Thousand-15 Million RM	Small/Service Sector and Other
	75-200	15-200 Million RM	Medium/Production Sector
	30-75	3-20 Million RM	Medium/Service Sector and Other

As it can be seen in Table 1, while the definition of SME in Turkey is made without sector distinction, in Malaysia, unlike Turkey, the SME definition is differentiated by sector, and the production sector is evaluated as a separate group, the service sector and other sectors as a separate group, and the definitions are made accordingly.

PROBLEMS OF SMES IN TURKEY AND MALAYSIA

When the literature on the problems faced by SMEs in Turkey and Malaysia is examined, it can be said that there are country-specific problems other than common problems such as access to finance, collateral problems and high transaction costs. The literature on the problems faced by SMEs in both countries is summarized below.

Table 2: Problems Encountered by SMEs in Turkey

Problem	Source
Access to finance	Kaya (2007), Aykaç et al. (2009), Celik et al. (2013), Bilen and Solmaz (2014), Zengin and Network (2016), Myrzabekov et al. (2018)
Mortgage and surety issues	Muftuoglu (1989), Kaya (2007)
Lack of qualified personnel	Bilen and Solmaz (2014), Myrzabekov et al. (2018)
Insufficient equity capital, inability to raise funds from the capital market, financial management problems	Rich and Network (2016)
High interest rates	Rock (2007)
Institutionalization	Moon and Talaslı (2007), Bilen and Solmaz (2014)
Production	Ay and Talaslı (2007), Sahin and Ozudogru (2019)
Marketing	Myrzabekov et al. (2018), Sahin and Ozudogru (2019)
Branding	Red (2019)
Currency risk	Moon and Chip (2007)
Sales fluctuations, legislation, competition problems, employee relations, financial losses	Atay (2012)
Administration	Myrzabekov et al. (2018), Red (2019)

Source: The table was created by the authors.

Financing and collateral problems are at the forefront of the problems faced by SMEs in Turkey. Apart from these, the lack of marketing, institutionalization, production, management and qualified personnel can be considered as outstanding problems.

Table 3: Problems of SMEs in Malaysia

Problem	Source
Lack of collateral	Aris (2006), Meza (2012), Muridan and Ibrahim (2018)
Legal status/form of business	Aris (2006), Mesa (2012)
Higher transaction costs	Aris (2006), Meza (2012), Kachkar, Fares and Noordin (2016)
Insufficient documentation, non-availability of financial statements	Aris (2006), Meza (2012), Muridan and Ibrahim (2018)
Longer time taken for approval, rigorous screening procedures	Shamshubaridah and Berma (2009), Kachkar, Fares and Noordin (2016)
Insufficient income	Grave (2012)

According to Table 3, which summarizes the problems experienced by SMEs in Malaysia, it is understood that the problems are concentrated on problems such as lack of collateral, legal situation, high transaction costs, insufficient documents and incomplete financial statements, length of approval periods required for establishment of the business, detailed procedures and insufficient income.

It is possible to add the problem of digitalization to the problems that SMEs experience in Turkey and Malaysia and summarized in the tables above. It can be said that especially the Covid-19 outbreak has made this problem more evident. The existence of businesses that have closed and suspended their activities, and the initiatives of businesses trying to reduce the effects of the pandemic with e-commerce, as will be explained below, can support this situation. However, the problem of digitalization needs to be clarified scientifically with various researches.

LITERATURE SUMMARY

It can be said that digitalization was generally positively affected by the Covid-19 pandemic and increased faster than expected with the effect of the pandemic (Tahiroğlu and Bozkurt, 2021, p.153). In this section, studies on the effects of the said change on SMEs in Turkey and Malaysia, which have different economic characteristics, are summarized.

Reflections of the pandemic on SMEs operating in Turkey vary. In the months of total closures, there have been businesses that have completely stopped their activities, let alone finding solutions with digitalization. According to a study conducted by TUSIAD, 35% of micro enterprises and 24% of small enterprises stopped their activities during the pandemic. According to a study conducted by the Turkish Industrialists' and Businessmen's Association in 2020, some of the SMEs are trying to find solutions to the problems produced by the pandemic through digitalization or e-commerce initiatives. According to a study conducted by Gezici et al. (2021) on the effects of the pandemic on digitalization in food retailing in Istanbul, Turkey's largest city, it is seen that the focus is on reducing the negative effects of the pandemic period with digitalization in large enterprises. However, it has been concluded that local food

retailers, which can be considered as SMEs, do not focus on digitalization in this process. It has been evaluated that the reason for this situation is insufficient capital.

Akaydın (2021) determined that SMEs consider digital or e-commerce measures to be less important than measures such as providing new debt or restructuring old debts, reducing fixed expenses and delaying investments, among the measures to be taken to reduce the effects of the pandemic. Can (2021), in his study examining the effects of the pandemic process on businesses in Turkey, concluded that although there is no distinction in terms of business size, the pandemic makes digitalization efforts mandatory and offers new opportunities. Nakiboğlu and Işık (2021), on the other hand, in their study examining the predictions of SME owners that the transition to the digital economy will occur rapidly with the pandemic, concluded that this prediction is at a high level among SMEs.

It is possible to say that SMEs were adversely affected during the Covid-19 outbreak in Malaysia. According to Tong and Gong (2020), although digitalization offers opportunities to reduce the problems experienced by SMEs in extraordinary situations such as pandemics in Malaysia, SMEs are at risk of falling behind in the digitalization process for various reasons. In order to reduce these risks, both SMEs and the government need to take various measures. In this regard, the results of a webinar held with SMEs during the pandemic are remarkable. Accordingly, it has been evaluated that SMEs should develop new business models to solve the problems caused by the pandemic Covid-19 outbreak and focus on new technologies to increase efficiency. It was also emphasized that the government should improve the legislation and procedures to facilitate the adoption of digitalization by SMEs (Yi, 2020). In a study by Islam et al. (2021), in which he investigated the factors that will enable SMEs to survive in times of crisis such as the pandemic, access to finance was revealed as an important element in adopting digitalization, as well as leadership, seizing opportunities and efficient negotiation. Again, the research conducted by Ratnasingam et al. (2020) on 748 SMEs in Malaysia shows that SMEs accept the importance of technology during the pandemic and think that adopting industry 4.0 will be effective in reducing future uncertainties. According to Tajudin et al. (2021), in order to solve the problems caused by the Covid-19 pandemic for SMEs, the state and non-governmental organizations should provide support to these enterprises.

The studies conducted for Turkey and Malaysia on the impact of the Covid-19 outbreak on the digitalization of SMEs are summarized in Table 4.

Table 4: Literature Summary

Country of Study	Source	Conclusion
Turkey	TUSIAD (2020)	Some of the SMEs tried to solve the negative effects of the pandemic with digitalization.
Turkey	Gezici et al. (2021)	Unlike large enterprises, SMEs could not focus on digitalization due to insufficient capital during the pandemic.
Turkey	Akaydın (2021)	Digital or e-commerce measures are less important than new borrowing, fixed costs, reduction and postponement measures.
Turkey	Can (2021)	The pandemic has made digitalization efforts mandatory and has created new opportunities.
Turkey	Nakiboğlu and the Light (2021)	The prediction that the pandemic will accelerate the transition to the digital economy in SMEs is positive.
Turkey	Tahiroğlu and Bozkurt (2021)	Covid-19 has positively affected digitalization and accelerated the digitalization process.

Malaysia	Tong & Gong (2020)	Digitization has increased efficiency. In addition, SMEs face the risk of falling behind in the digitalization process for various reasons.
Malaysia	Yi (2020)	Due to the pandemic, SMEs need to develop new business models and focus on new technologies to increase efficiency.
Malaysia	Ratnasingam et al. (2020)	SMEs recognize the importance of technology during the pandemic and think that adopting industry 4.0 will be effective in reducing future uncertainties.
Malaysia	Islam et al. (2021)	Digitization is an essential element in the survival of SMEs.
Malaysia	Tajudin et al. (2021)	In order to solve the problems caused by the Covid-19 pandemic, the state and non-governmental organizations should provide support to these businesses.

When Table 4 is examined, the studies carried out in Turkey and Malaysia aimed to determine the attitudes of SMEs towards digitalization and the issues to be focused on due to the Covid-19 pandemic. In this study, unlike the existing studies, a comparison of the digitalization of SMEs in both countries was made and the result was interpreted with content analysis.

SMES IN TURKEY AND THEIR DIGITAL ACTIVITIES IN THE COVID-19 PROCESS

As stated above, SMEs in Turkey are of great importance in terms of their contribution to the economy. This situation is also reflected in the data. As a matter of fact, the share of SMEs in total enterprises in Turkey is 99.8%, their contribution to employment is 72.4% and their contribution to annual turnover is 50.4% (TUIK, 2019). In other words, almost all of the enterprises in Turkey are composed of SMEs. It is seen that SMEs provide most of the employment.

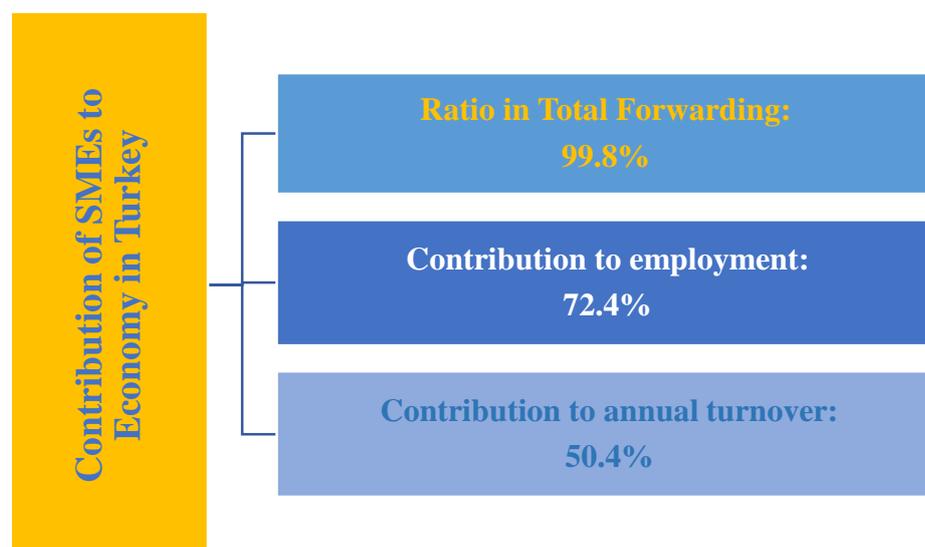


Figure 1: Contribution of SMEs to Turkish Economy

Digitization data of SMEs in Turkey is published by TUIK over the years. These data are summarized below.

Table 5: Internet Access Rates of SMEs in Turkey (%)

Years	Number of Employees	
	10-49	50-249
2019	94.1	98.7
2020	94.2	97.8
2021	94.7	98

Table 4 shows that almost all of the SMEs in Turkey have internet access. It is observed that there is a small increase due to the pandemic. In addition, it is seen that SMEs with 50-249 employees have slightly higher internet access rates than businesses with 10-49 employees.

Table 6: Website Rates of SMEs in Turkey (%)

Years	Number of Employees	
	10-49	50-249
2019	63.9	78.2
2020	49.2	74.1
2021	45.1	67.6

When the website ownership rates are examined, it is seen that there is a decrease compared to the pre-pandemic. This decrease is higher in SMEs with 10-49 employees. As a matter of fact, while 63.9% of enterprises with 10-49 employees had a website in 2019, this rate decreased to 49.2% in 2020 and to 45.1% in 2021. Although the reasons for this decline in website ownership need to be investigated, taking orders from social media accounts or various shopping applications instead of the website may be effective in this. In addition, it can be evaluated that the decrease in sales during the pandemic period may be effective in this.

Table 7: Online Order/Reservation Rates of SMEs in Turkey

Year	Number of Employees	%
2019	10-49	15.5
	50-249	14.2
2020	10-49	11.8
	50-249	11.2
2021	10-49	15.1
	50-249	13.7

SMEs According to Table 6, which summarizes the online order rates, the online order/reservation rates of SMEs decreased compared to the previous year in 2020, when the effects of the pandemic were intense. While the rate for SMEs with 10-49 employees was 11.8% during the pandemic (2020), it was 11.2% for SMEs with 50-249 employees. However, in 2021, the rates increased in both employee number groups and approached the rates in 2019.

Table 8: Rates of SMEs Receiving Orders over Computer Networks in Turkey

Year	Number of Employees	%
2019	10-49	10.5
	50-249	12.9
2020	10-49	9.2
	50-249	10.5
2021	10-49	no data
	50-249	

When the order rates received by SMEs over computer networks are examined, the rates in 2020 covering the initial periods of the pandemic decreased compared to 2019. This may be due to the low level of e-commerce activities of SMEs. In addition, this ratio is higher in SMEs with 50-249 employees compared to SMEs with 10-49 employees.

In addition to the data published by the official statistical institution above, the digitalization processes of SMEs during the pandemic period were examined with some researches. For example ; The research report titled Digitalization and the Impact of Pandemic on Businesses, published by TÜRKONFED in April 2021, is one of them. According to the report prepared with the data obtained from 1000 SMEs through face-to-face interviews, telephone interviews and online surveys, 18.6% of service enterprises are e-commerce investments, 21.5% are website investments and 15% are in the next three years. ,9 of them plan to invest in social media accounts. In industrial enterprises, these rates were 26.1%, 21.3% and 18.9%, respectively. Again, according to the research, the reasons for making digitalization investments since 2017 are 60.9% of SMEs to meet new customer demand, 57.50% of them are worried about the increasing importance of digitalization in the Covid-19 process and 52.20% of them are worried about falling behind in the competition. they replied. 61.80% of SMEs responded to the reasons for making digital investment plans in the next three years as the increasing importance of digitalization during the Covid-19 process, 58.20% to meet new customer demand and 54.60% to worry about falling behind in the competition.

5. SMEs IN MALAYSIA AND THEIR DIGITAL ACTIVITIES IN THE COVID-19 PROCESS

The official statistical institution in Turkey, TUIK, publishes some data on the digitalization activities of SMEs, summarized in tables above. However, the data published on the websites of the official statistics agency and SME Corporation in Malaysia were examined, and no data similar to the data in Turkey were found. However, relevant institutions and some research reports present some digitization data in Malaysia.

In Malaysia, the ratio of SMEs in total enterprises is 99%, their contribution to employment is 66.2% and their contribution to GDP is 38.3% (Tong & Gong, 2020).

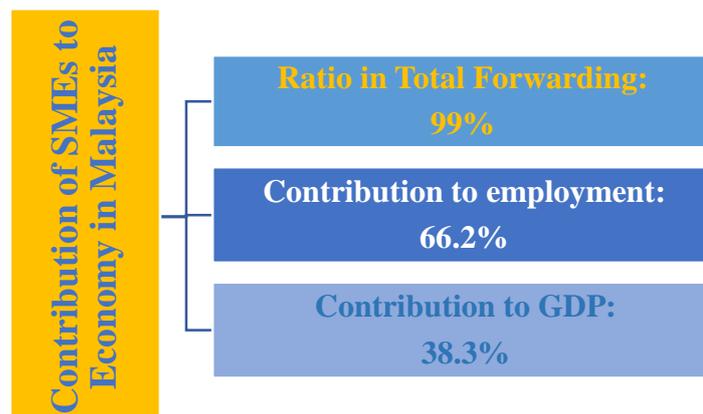


Figure 2: Contribution of SMEs to Malaysian Economy

There are assessments that local businesses in Malaysia are below the global average in terms of digitalization. As a matter of fact, according to a study conducted by the Malaysian SME Association, it has been determined that approximately 43% of SMEs attempt digitalization and one third of these enterprises are unsuccessful in this attempt (Lim, 2021). According to a study by Siemens Malaysia, half of the SMEs in Malaysia are not ready for digitalization in terms of infrastructure and systems during the pandemic (Farah, 2020). E-commerce in Southeast Asia is expected to reach \$102 billion by 2025, and SMEs need to keep up with digitalization for competitive advantage (Kang, 2020). In order to use this potential, it is thought that SMEs should focus on technological areas such as artificial intelligence (AI), blockchain and internet of things (IoT) (TM ONE, 2021). A study conducted in Malaysia in 2018 showed that digitalization has significant contributions to SMEs. According to the research, the use of social media increases the efficiency of SMEs by 26%, while the contribution of e-commerce to productivity is 27%. It has also been estimated that the use of advanced digital technology can increase productivity by 60% (Huawei Technologies, 2018). According to Yusuf (2020), utilizing digital technologies has contributed positively to SMEs both increasing their income and reducing their expenditures.

During the Covid-19 period, non-food shopping increased by 53%, grocery shopping by 144%, and meal deliveries by 61% in businesses providing digital services in Malaysia. On the other hand, it has been determined that 70% of the businesses that do not provide digital services have a 50% decrease in business. Again, the problems experienced in the logistics of agricultural products have been eliminated to a great extent thanks to e-commerce. Finally, during the Covid-19 process, 25% of businesses accelerated their digital transformation plans, while 60% slowed down their activities to realize their plans (Tong & Gong, 2020). According to Tong and Gong, although Covid-19 has the potential to increase digitalization, SMEs are at risk of falling behind in this process. Various supports have been provided to eliminate the negative economic effects of the Covid-19 outbreak in Malaysia. One of them is the grant package called SME Digitalisation Grant offered to SMEs. According to the data of the Malaysian official statistics agency, a total of 150.60 million RM grant support was given to 53,840 SMEs within the scope of this package.¹

¹https://www.dosm.gov.my/v1/index.php?r=column/ctwoByCat&parent_id=436&menu_id=Tm8zcnRjdVRNW WlpWjRlbmtlaDk1UT09

Table 9: SME Digitization Data in Malaysia

<i>Theme</i>	<i>Situation</i>	<i>Source</i>
<i>The use of social media and the effect of e-commerce on productivity</i>	The use of social media positively affected productivity by 26% and e-commerce by 27%. In addition, digitization can increase productivity by 60%.	Huawei Technologies, 2018
<i>The effects of digitization during Covid-19</i>	Non-food shopping increased by 53%, grocery shopping by 144% and meal deliveries by 61%. Jobs fell by 50% in 70% of businesses that do not offer digital services. In addition, 25% of businesses accelerated their digital transformation plans during the Covid-19 process.	Tong & Gong, 2020
<i>Digitization initiative</i>	43% of SMEs have attempted digitalization.	Malaysian SME Association (Lim, 2021)

Above, it can be concluded that businesses that have already adapted to the digital economy can reduce the effects of the pandemic thanks to e-commerce in the pandemic. On the contrary, it can be said that businesses that do not provide digital services are negatively affected by the pandemic. This shows that adaptation to the digital economy can yield positive results in reducing the effects of adverse conditions in case of pandemics or similar shocks.

CONCLUSION

Exceptional circumstances may require radical decisions or new strategies to be developed. The Covid-19 pandemic has also produced important problems in the economic field, such as production, supply chain, urgent financing problems and price increases, as in many areas. This situation necessitated taking radical decisions. If it is accepted that extraordinary situations also produce opportunities, one of the important opportunities produced by the Covid-19 pandemic is the transition to the digital economy. It can be said that businesses accelerate their pre-pandemic digitalization strategies or plans with the pandemic. As in Turkey and Malaysia, which form the scope of this study, SMEs, one of the most important components of economies, also developed digitalization initiatives during the pandemic. However, these initiatives differ from country to country.

In this study, data on digitalization of SMEs before and after the pandemic in Turkey and Malaysia were summarized and interpreted. Accordingly, there was no significant change in the pre-pandemic internet access rate of SMEs in Turkey during the pandemic. Although there is no data available for Malaysia on this subject, it is estimated that nearly half of SMEs have infrastructure and system problems. Considering the web page ownership rate of SMEs, there was a decrease during and after the pandemic in Turkey. One of the reasons for this may be that online sales are made through mobile applications, not the web page. Data on web page ownership rates in Malaysia could not be reached. When we look at the online order rates in Turkey, it is understood that there is no significant change compared to the pre-pandemic.

However, during the pandemic period in Malaysia, significant increases occurred in online sales, especially in businesses that provide services in the digital environment.

As a result, it can be said that SMEs are adversely impacted by the Covid-19 pandemic and they think that digitalization is necessary to reduce these negative effects. In addition, it can be said that they believe that strategies and plans should be developed, including the elimination of financing problems.

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PERBANDINGAN KERANGKA TADBIR URUS PERBANKAN ISLAM DI ANTARA INDONESIA DAN MALAYSIA

COMPARISON OF SHARIAH GOVERNANCE FRAMEWORK IN ISLAMIC BANKING BETWEEN INDONESIA AND MALAYSIA

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ABSTRACT

Perbankan dan kewangan Islam adalah satu industri yang berkembang pesat dan dijadikan sebagai penyumbang utama dalam aset kewangan global. Menurut *Islamic Finance Development Indicator* (IFDI) terdapat lima faktor utama yang memacu perkembangan dalam kewangan Islam di antaranya ialah Pembangunan Kuantitatif, Pengetahuan, Tadbir Urus, Tanggungjawab Sosial Korporat, dan Kesedaran. Malaysia dan Indonesia mengekalkan kedudukan teratas untuk tahun kedua berturut-turut berbanding negara asia yang lain dalam tadbir urus terbaik. Namun begitu, dari aspek tadbir urus syariah kedua-dua negara menunjukkan perbezaan dan peringkat yang ketara. Objektif utama kajian ini ialah untuk membandingkan kerangka tadbir urus Syariah perbankan Islam di Malaysia dan Indonesia. Kajian ini berdasarkan kajian berbentuk kualitatif dimana data-data yang diperolehi sepenuhnya berdasarkan analisis dokumen bagi menghasilkan dapatan berbentuk deskriptif. Kajian mendapati, perbandingan kerangka tadbir urus syariah dari aspek struktur, proses dan fungsi di antara Indonesia dan Malaysia mempunyai persamaan dan perbezaan. Hasil kajian ini diharapkan dapat mengisi jurang pengetahuan dan perkembangan baru tadbir urus syariah di antara Malaysia dan Indonesia sehingga mampu melaksanakan penambahbaikan dari aspek kepatuhan syariah yang lebih baik lagi bagi meningkatkan ekonomi Islam di masa hadapan.

Kata kunci: Tadbir urus Syariah, Institusi Perbankan Islam, Indonesia, Malaysia

ABSTRACT

Islamic banking and finance is a fast-growing industry and has been a major contributor to global financial assets. According to the Islamic Finance Development Indicator (IFDI), there are five main factors driving the development of Islamic finance among them which are Quantitative Development, Knowledge, Governance, Corporate Social Responsibility, and Awareness. Malaysia and Indonesia maintained the top spot for the second year in a row compared to other Asian countries in best shariah governance. However, In terms of Shariah governance the two countries showed significant differences and levels. The main objective of this study is to compare the Shariah governance framework of Islamic banking in Malaysia and Indonesia. This study is based on qualitative studies where data is fully obtained based on document analysis to produce descriptive findings. The study found that the comparison of the Shariah governance framework in terms of structure, processes and functions between Indonesia and Malaysia has similarities and differences. The findings of study are expected to fill the knowledge gap and new developments of governance Shariah between Malaysia and Indonesia so as to implement improvements in the aspect of better Shariah Compliance to boost the Islamic economy in the future.

Keywords: Shariah Governance, Islamic Banking Institutions, Indonesia, Malaysia

PENDAHULUAN

Industri perbankan Islam telah berkembang pesat di seluruh dunia terutama negara-negara Islam. Di antara faktor utama nya ialah aspek keagamaan yang menyumbang kepada permintaan produk yang patuh Syariah terutamanya di negara majoriti Muslim (Ullah & Khanam, 2018., Mansour & Haron, 2020). Di dalam sistem perbankan Islam mahupun perbankan konvensional yang menawarkan sistem Islam (Islamic Windows) memerlukan satu set kerangka tadbir urus Syariah untuk mengatur segala amalan dan operasi yang dijalankan agar selari dengan prinsip Islam. (Mansoor, et al 2020) Objektif tadbir urus Syariah adalah untuk mengatur segala masalah di antara pihak berkepentingan dalam institusi kewangan dan perbankan Islam yang di kawal selia oleh lembaga Syariah setiap negara. Menurut IFSB-10 sistem tadbir urus Syariah merujuk kepada set pengaturan institusi atau mana-mana organisasi yang menawarkan perkhidmatan kewangan Islam yang bertujuan untuk mengawal selia aspek kepatuhan Syariah dalam institusi kewangan Islam. Pengaturan ini ialah merujuk kepada lembaga Syariah dan unit dalaman lainnya seperti jawatankuasa audit dan pengurusan risiko Syariah yang bertanggungjawab dalam mengawal selia operasi institusi perbankan dan kewangan Islam.

PERMASALAHAN KAJIAN

Perkembangan industri perbankan Islam secara global telah membawa kepada tahap kemajuan yang signifikan, sebanyak 70% penyumbang dari keseluruhan aset kewangan Islam global pada tahun 2020 ialah dari sektor perbankan Islam. Pertumbuhan aset perbankan Islam global telah pun meningkat sebanyak 14% dengan jumlah aset sebanyak USD 2.3 pada tahun 2020. Dalam menentukan prestasi kewangan Islam di sebuah negara, salah satu faktor utamanya ialah melaksanakan satu set kerangka tadbir urus Syariah yang komprehensif, dimana pematuhan Syariah adalah sebagai asas utama dalam amalan perbankan Islam (Kausar, et al 2021). Oleh kerana negara Malaysia dan Indonesia termasuk dalam senarai nama negara paling berkembang dalam kewangan Islam berturut-turut selama dua tahun maka, kajian ini perlu di lakukan bagi mengkaji perbandingan tadbir urus perbankan Islam di antara Malaysia dan Indonesia. Walaupun negara Malaysia menduduki pada peringkat pertama dan di ikuti negara Indonesia pada peringkat kedua namun, komponen tadbir urus yang menjadi salah satu faktor utama

mempengaruhi prestasi kewangan Islam mengikut Top Countries by Average FRDI Score 2020 di antara negara Malaysia dan Indonesia adanya jurang perbezaan yang cukup ketara. Kajian terdahulu telah menunjukkan bahawa kerangka tadbir urus Syariah yang lemah dalam institusi kewangan Islam dapat mengakibatkan ketidakcekapan yang akan terdedah kepada risiko ketidakpatuhan Syariah (Hasan 2017., Najwa et al., 2019., Nazmi, et al 2021). Menurut pandangan salah seorang cendekiawan Islam di Malaysia Dr Akram Laldin menyatakan bahawa sekiranya tidak ada kerangka tadbir urus Syariah dalam institusi perbankan Islam yang mantap di sebuah negara maka akan melibatkan kepada reputasi bank dan reputasi kewangan Islam secara keseluruhannya. Menurut (Ali Rama, 2015., Rusni Hassan, et al 2013) perbandingan tadbir urus Syariah menggunakan pendekatan yang merangkumi empat aspek utama di antaranya ialah kerangka tadbir urus Syariah, struktur tadbir urus Syariah, proses tadbir urus Syariah dan fungsi tadbir urus Syariah. Persamaan dan perbezaan kerangka tadbir urus Syariah di Malaysia dan Indonesia akan dikaji dalam empat aspek tersebut.

METODOLOGI

Kajian ini merupakan kajian kualitatif dimana data-data yang diperoleh secara analisis dokumen. Beberapa rujukan terhadap penulisan jurnal, buku dan laporan kewangan dan dokumen undang-undang di negara Malaysia dan Indonesia dirujuk seterusnya di analisis secara kritis dan induktif sebagai satu dapatan dalam bentuk

ANALISIS DATA DAN PERBINCANGAN

Sistem tadbir urus syariah dalam institusi kewangan islam di setiap negara mengamalkan pelaksanaan yang berbeza-beza. dalam kajian ini amalan tadbir urus syariah perbankan islam akan di analisis secara kritikal dari empat aspek utama. pertama ialah rangka kerja tadbir urus syariah, bahagian ini memberi tumpuan kepada undang-undang yang berkaitan dengan tadbir urus syariah di kedua-dua negara. kedua struktur tadbir urus syariah, bahagian ini mengkaji amalan tadbir urus syariah sama ada pengawasan dilaksanakan oleh badan berpusat atau lembaga bebas yang mempunyai bidang kuasa. ketiga, proses tadbir urus syariah berkaitan dengan pelbagai aspek, termasuk pelantikan dan peletakan jawatankuasa syariah, komposisi jawatankuasa syariah, syarat kelayakan jawatankuasa syariah, serta batas jawatankuasa syariah. Keempat, fungsi tadbir urus syariah, aspek ini akan membincangkan tugas dan tanggungjawab jawatankuasa syariah serta keterlibatan unit dalaman seperti shariah review, shariah audit, shariah research dan shariah risk management. kemudian, kajian ini akan membandingkan amalan tadbir urus syariah di kedua-dua negara tersebut untuk mencari ciri keunikan serta kekuatan dan kelemahan di antara negara malaysia dan indonesia.

KERANGKA TADBIR URUS SYARIAH

Sistem tadbir urus Syariah di institusi perbankan Islam di Indonesia di atur dalam UU No 21 Tahun 2008 mengenai perbankan Syariah. Pelaksanaan amalan seterusnya di perincikan dalam bentuk Peraturan Bank Indonesia dan Surat Edaran Bank Indonesia (SEBI) atau Otoritas Jasa Keuangan (OJK) dan Surat Edaran Otoritas Jasa Keuangan (SEOKJ). Peraturan UU No 21 Tahun 2008 juga menetapkan tugas Dewan Pengawas Syariah (DPS) dan tanggungjawab Dewan Syariah Nasional (DSN) yang di bentuk oleh Majlis Ulama Indonesia (MUI). Peraturan berikutnya ialah pelaksanaan “Good Corporate Governance” bagi Bank Umum Syariah (BUS) dan Unit Usaha Syariah (UUS) yang di perincikan dalam PBI No 11/33/PBI/2009. Peraturan Bank Indonesia ini menjelaskan peranan ahli jawatankuasa dan pihak kepentingan lainnya. Sistem tadbir urus perbankan syariah di Malaysia tidak jauh berbeza dengan Indonesia, yang dikawal selia sama dalam bentuk undang-undang dan garis panduan yang dikeluarkan oleh Bank Negara Malaysia (BNM). Pelaksanaan tadbir urus Syariah di Malaysia sebelumnya di atur dalam rangka kerja tadbir urus Syariah bagi institusi perbankan Islam 2010 dan di perkukuh

dengan penubuhan Akta perkhidmatan kewangan Islam 2013. Sehingga kini tadbir urus Syariah di Malaysia telah di perbahruikan dengan peraturan yang lebih komprehensif di kenal sebagai Dokumen Polisi tadbir urus Syariah 2019.

Dapat di simpulkan bahawa tadbir urus Syariah di Malaysia dan Indonesia sama-sama di atur dalam bentuk peraturan Undang-undang atau garis panduan yang terpisah dengan bank konvensional. Perbezaan kerangka tadbir urus Syariah di antara kedua negara ialah Malaysia menggunakan peraturan tadbir urus Syariah bagi institusi perbankan Islam dengan istilah khusus “*Shariah Governance*”. Perbandingan tadbir urus Syariah di Indonesia cenderung menggunakan konsep tadbir urus korporat yang mengasingkan jawatankuasa Syariah di dalam institusi perbankan dan Kewangan Islam. Oleh sebab itu penggunaan istilah “*Good Corporate Governance*” di guna dalam peraturan perundangan di Indonesia.

STRUKTUR TADBIR URUS SYARIAH

Struktur tadbir urus Syariah bagi institusi perbankan dan kewangan Islam di Malaysia dan Indonesia menggunakan dua peringkat pengawasan. Pengawalseliaan institusi perbankan Islam di Malaysia pada peringkat pertama ialah Majlis Penasihat Syariah (MPS) Bank Negara Malaysia, yang terdiri dari ahli Lembaga Pengawas Syari'ah yang berkecualan dan di lantik oleh Bank Negara Malaysia. Majlis penasihat Syariah merupakan kedudukan sebagai pihak berkuasa tertinggi dalam mengeluarkan fatwa dan memutuskan perkara-perkara yang berkaitan dengan perniagaan kewangan Islam serta isu-isu pematuhan Syariah. Seterusnya, pada peringkat kedua ialah jawatankuasa Syariah yang terdiri daripada ahli berkecualan dan dilantik di semua institusi perbankan dan kewangan Islam, di mana peranan utama mereka adalah untuk memastikan pematuhan Syariah diterapkan dengan sewajarnya di dalam institusi tersebut.

Di Indonesia pengawasan institusi perbankan dan kewangan Islam pada peringkat pertama ialah di kawalselia oleh Dewan Syariah Nasional (DSN). Kedudukan Dewan Syariah Nasional ini tidak berada di bawah bidang kuasa Bank Indonesia. Ia merupakan bahagian daripada Majlis Ulama Indonesia (MUI) iaitu sebuah badan bukan kerajaan yang terdiri dari ulama dan ahli-ahli pelbagai organisasi Islam lainnya. Majlis Ulama Indonesia adalah satu-satunya organisasi ulama Islam yang di iktiraf pada peringkat tertinggi oleh pemerintahan di Indonesia. Walaupun Dewan Syariah Nasional diberikan autoriti untuk mengeluarkan keputusan berhubung prinsip-prinsip syariah dalam sistem perbankan Islam, namun keputusan tersebut adalah dalam bentuk fatwa. Oleh yang demikian, fatwa yang tidak memiliki ciri-ciri yang mengikat tersebut tidak boleh dilaksanakan secara langsung. Justeru itu, fatwa tersebut perlu melalui pengawasan pada peringkat kedua iaitu melalui Dewan Pengawas Syariah (DPS) dan diterjemahkan semula sebagai Peraturan Bank Indonesia atau Otoritas Jasa Keuangan (OJK) untuk membolehkannya dikuatkuasakan.

Maka dapat disimpulkan bahawa struktur tadbir urus Syariah institusi perbankan Islam di Malaysia dan Indonesia sama menggunakan dua peringkat pengawasan iaitu peringkat pertama Majlis Penasihat Syariah dan peringkat kedua ialah jawatankuasa Syariah. Perbezaan yang terdapat di antara negara Indonesia ialah kedudukan Dewan Syariah Nasional yang merupakan sebahagian daripada Majlis Ulama Indonesia dan bukan sebuah organisasi kerajaan. Sedangkan di Malaysia, Majlis Penasihat Syariah adalah autoriti kerajaan di bawah kuasa Bank Negara Malaysia

PROSES TADBIR URUS SYARIAH

Proses tadbir urus Syariah untuk institusi perbankan dan kewangan Islam merangkumi 4 aspek iaitu pelantikan dan pemberhentian jawatankuasa Syariah, komposisi jawatankuasa Syariah, Persyaratan dan kelayakan jawatankuasa Syariah, dan batas rangkap jawatankuasa Syariah. Peraturan pelantikan dan pemberhentian jawatankuasa Syariah di Malaysia ialah dilantik atau

di calonkan oleh lembaga pengarah setelah mendapat kelulusan bertulis dari pada Bank Negara Malaysia dan Majlis Penasihat Syariah. Sedangkan pemberhentian jawatankuasa Syariah di jelaskan secara terperinci di dalam SGDP 2019 di antaranya ialah ahli jawatankuasa Syariah bukanlah dari seorang yang mufliis, tidak ada pertuduhan atau kesalahan jenayah yang berkaitan dengan penipuan atau ketidakjujuran di mana-mana negara, atau berkaitan dengan pencegahan jenayah, pengedaran dadah atau kesalahan imigresen. Sedangkan di Indonesia pelantikan dan pemberhentian jawatankuasa Syariah hendaklah melalui proses penyerahan kepada Lembaga Pengarah bank Syariah dan di tentukan oleh Bank Indonesia (BI) atau Otoritas Jasa Keuangan (OJK) setelah mendapat kelulusan daripada Dewan Syariah Nasional. Proses pemberhentian jawatankuasa Syariah di tentukan oleh kuasa BI/OJK dari hasil semakan kelengkapan dokumen dan temuduga yang dijalankan. Oleh itu, pelantikan Dewan Pengawas Syariah adalah hasil daripada ujian yang ditentukan oleh BI/OJK dan DSN. Pemberhentian ahli jawatankuasa Syariah di Indonesia tidak ada penjelasan secara terperinci, jika terjadi pemberhentian institusi kewangan Islam hendaklah merujuk kepada Bank Indonesia.

Aspek yang kedua adalah rangkap jawatankuasa Syariah institusi perbankan Islam di Malaysia tidak boleh merangkap jawatan di mana-mana institusi kewangan Islam yang lain. Sedangkan di Indonesia Rangkap jawatan ahli Dewan Pengawas Syariah dapat merangkap jawatan Dewan Pengawas Syariah paling banyak 4 atau 5 institusi kewangan Islam.

Aspek ketiga ialah penentuan komposisi atau Jumlah jawatankuasa Syariah di institusi perbankan Islam di Malaysia sekurang-kurangnya terdiri dari 5 orang ahli jawatankuasa Syariah. di Indonesia pula komposisi atau Jumlah Dewan Pengawas Syariah sekurang-kurangnya 2 orang atau paling banyak 50% dari jumlah lembaga pengarah.

Terakhir dari aspek Persyaratan ahli jawatankuasa Syariah institusi perbankan Islam di Malaysia Sekurang-kurangnya mempunyai ijazah sarjana muda dalam bidang Syariah merangkumi pengajian usul fiqh dan fiqh muamalat, mempunyai pengetahuan dan pengalaman dalam bidang Syariah di industri kewangan islam, menunjukkan kecekapan dalam penulisan dan lisan bahasa arab dan penguasaan bahasa pilihan Institusi kewangan Islam sama ada Bahasa Malaysia atau bahasa inggris. Di Indonesia persyaratan ahli Dewan Pengawas Syariah sekurang-kurangnya memiliki pengetahuan dan pengalaman di bidang fiqh mumalah, mempunyai akhlak yang baik, mempunyai komitmen dalam mematuhi peraturan perbankan Islam dan undang-undang, mempunyai komitmen terhadap pembangunan bank yang sihat, dan ahli jawatankuasa Syariah yang di calonkan tidak termasuk di dalam senarai gagal dalam kemampuan ujian yang di tetapkan oleh bank Indonesia.

Maka perbandingan proses tadbir urus Syariah dalam institusi perbankan Islam berkaitan dengan jawatankuasa Syariah di antara kedua negara dapat di simpulkan bahawa di Malaysia mempunyai peraturan dan undang-undang yang lebih ketat daripada di Indonesia, terutamanya dari komponen rangkap jawatankuasa Syariah dan komposisi jawatankuasa Syariah. Dari perbezaan yang terdapat di antara kedua negara, tentulah peraturan ini telah di tetapkan oleh setiap institusi perbankan Islam masing masing negara sesuai dengan keperluan dan keunikan sistem perbankan di masing-masing negara tersebut.

FUNGSI TADBIR URUS SYARIAH

Peranan pengawasan institusi perbankan Islam yang di tetapkan dalam aturan tadbir urus Syariah di antara Indonesia dan Malaysia ialah terdapatnya perbezaan, kerana perundang-undangan yang mengatur di antara negara berbeza. Di Malaysia pematuhan Syariah di atur dalam Kerangka tadbir urus Syariah 2010 dan di perbaharui dalam peraturan Dokumen Polisi Tadbir Urus Syariah 2019 sedangkan di Indonesia di atur dalam PBI No 15/13/PBI/2013 dan SEOJK No 03/2019.

Maka dapat di simpulkan bahawa perbandingan fungsi tadbir urus Syariah di antara Indonesia dan Malaysia dengan peraturan perundangan yang di tetapkan maka, terdapat perbezaan di kedua negara. Di Malaysia peranan jawatankuasa Syariah yang terkandung di dalam kerangka tadbir urus Syariah 2010 telah menyenaraikan 4 fungsi dalaman yang terdiri daripada, *Shariah Review*, *Shariah Risk Management (SRM)*, *Shariah Audit*, dan *Shariah Research*. Namun, selepas Bank Negara Malaysia mengeluarkan garis panduan yang baru iaitu Dokumen Polisi Tadbir Urus Syariah 2019, terdapat penambah baikkan yang mana hanya 3 fungsi dalaman (Perenggan 16.3 SGPD). *Shariah Research* tidak lagi diletakkan di bawah fungsi dalaman sebaliknya bergantung kepada institusi perbankan Islam itu sendiri. Seseengah Institusi perbankan Islam meletakkan *Shariah Research* di jabatan Syariah untuk melaksanakan urusan-urusan skretariat kepada jawatankuasa Syariah. Walaubagaimapun, ia masih dikategorikan sebagai pegawai Syariah. Oleh itu, kerangka kerja yang dikeluarkan oleh Bank Negara Malaysia telah menggariskan keperluan untuk mewujudkan sekurang-kurangnya empat unit syariah (Ruzian, 2013) dalam setiap institusi perbankan Islam dan institusi perbankan konvensional yang menawarkan perniagaan Islam. Sedangkan dalam peraturan tadbir urus Syariah di Indonesia pengawasan unit atau fungsi dalaman syariah tidak di tetapkan secara langsung dalam Peraturan Bank Indonesia. Keberadaan Unit atau fungsi dalaman diselaraskan dengan unit atau fungsi pengawasan yang telah wujud dan sedia ada.

KESIMPULAN

Penulisan ini merumuskan bahawa terdapatnya persamaan dan perbezaan tadbir urus Syariah bagi institusi perbankan Islam di Indonesia dan Malaysia mengikut empat aspek utama iaitu kerangka, struktur, proses dan fungsi. Kerangka tadbir urus Syariah di Malaysia dan Indonesia masing-masing dinyatakan dalam bentuk aturan undang-undang dan garis panduan. Perbezaannya ialah di Malaysia rangka kerja lebih komprehensif dengan menggunakan istilah “Shariah governance” yang ditetapkan dalam Dokumen Polisi tadbir urus Syariah 2019 sedangkan di Indonesia lebih menggunakan perspektif “Good Corporate Governance” sebagaimana yang ditetapkan dalam UU No 11/ 3 /PBI/2009.

Seterusnya dari aspek struktur tadbir urus Syariah di Malaysia dan Indonesia sama-sama menggunakan dua tahap penyeliaan Syariah, di peringkat makro terdapat Jawatankuasa Syariah dan di peringkat mikro ada pengawasan yang dilaksanakan oleh Majlis Penasihat Syariah. Perbezaannya ialah kedudukan dalam mengeluarkan fatwa atau resolusi dalam institusi perbankan Islam di kedua negara. Di Malaysia organisasi yang mengeluarkan fatwa di letakkan di bawah Bank Negara Malaysia sebagai organisasi di bawah kerajaan. Sedangkan di Indonesia organisasi dikenali sebagai Dewan Syariah Nasional-Majlis Ulama Indonesia (DSN-MUI) yang merupakan badan bukan kerajaan.

Perbezaan seterusnya ialah dari aspek proses tadbir urus Syariah, pada bahagian batas rangkap jawatan dan komposisi bagi ahli jawatankuasa Syariah, di Malaysia ahli jawatankuasa Syariah tidak boleh merangkap jawatan di mana-mana institusi kewangan Islam yang lain. Sedangkan di Indonesia ahli jawatankuasa Syariah boleh merangkap sekurang-kurangnya 4 ataupun 5 jawatan dalam masa yang sama.

Terakhir dari aspek fungsi tadbir urus Syariah, setiap negara secara am nya tugas dan tanggungjawab jawatankuasa Syariah di institusi kewangan Islam ialah pertama, mengawal selia setiap produk ataupun perkhidmatan yang akan diterbitkan atau dikenal sebagai (ex-ante) dan kedua adalah, mengawal selia selepas produk dan perkhidmatan di tawarkan kepada masyarakat yang dikenali juga sebagai (ex-post) tujuannya adalah agar setiap produk dan perkhidmatan yang dikeluarkan oleh setiap institusi kewangan Islam hendaklah mengikut prinsip Syariah (*Shariah Compliance*). Perbezaan di kedua negara ini adalah terletak pada keberadaan unit dalaman sebagai jawatankuasa yang akan membantu jawatankuasa Syariah dalam institusi perbankan dan kewangan Islam.

Kepelbagaian bentuk persamaan dan perbezaan dari tadbir urus Syariah perbankan Islam di antara Malaysia dan Indonesia hendaklah di respon oleh pihak berwajib untuk mewujudkan penyelarasan dalam peraturan tadbir urus Syariah (Mohammad Ghozali, 2019., Syafii Antoni & Rusydiana, 2010., Rahmat Hakim, 2013., Shahrudin, 2016., Jonathan ercanbrack, 2021., Abdul, et al 2020.) sehingga apabila tadbir urus Syariah di kedua negara dapat di harmonikan dengan cara mengurangkan perbezaan-perbezaan yang ada maka, perkembangan produk dan perkhidmatan dapat ditingkatkan bukan sahaja di peringkat Asia Tenggara akan tetapi di peringkat global dan tentunya akan meningkatkan lagi ekonomi Islam di masa hadapan.

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MAQASID-SHARIAH AND WELL-BEING: A SYSTEMATIC LITERATURE REVIEW

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ABSTRACT

Maqasid-Shariah basically aims to ensure the well-being of man in this world as a means of prosperity in the hereafter. Well-being includes all improvement in human life including material, spiritual and social justice. In addition, well-being also required basic needs to be met and enhanced by conditions that include supportive personal relationships, community empowerment, financial security, rewarding employment, good health, and a healthy and attractive environment. However, previous studies showed some constraints among the selected dimensions and indicators in measuring well-being. The arrangements of the components and indicators do not show hierarchy on which indicator is most crucial towards fulfilling the basic needs of the citizen. Thus, this study is important to review dimensions and components in Maqasid- Shariah which can improve measurement of human well-being. To achieve the objective of this study, Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) was adopted for the review of the current research which utilize two main journal databases, namely Scopus and Web of Science. Accordingly, the searching efforts resulted in a total of 66 articles that can be analyzed systematically. Most importantly, the review managed to formulate nine main themes, namely safeguarding of faith, safeguarding of life/self, safeguarding of intellect, safeguarding of posterity, safeguarding of wealth, safeguarding of honor, safeguarding of human rights, safeguarding of social entity, and safeguarding of environment (ecology). Overall, further analysis of the nine themes resulted in the establishment of a total of 23 sub-themes. Finally, a number of recommendations were presented at the end of this research for the reference of future scholars.

1.0 INTRODUCTION

Shariah is a way of life in Islam and its objective are summarized as the Maqasid Shariah. The general objective of shariah are to preserve the social order of the community and ensure the equality, justice and harmony. Maqasid Shariah are the ultimate objective of the Islamic Law. It considered to be the grand framework that provide guideline and directions for ensuring the realization of benefit (*maslahah*) and harm (*mafsadah*). It should be well understood to ensure it objectives can be achieved. Maqasid-Shariah and its relation to well-being is an important issue that needs special attention by various parties, because Shariah regulates all aspects of life, including belief, worship, politics, culture and economy (Iqbal, 1997; Chong & Liu, 2009; Hearn et al., 2012). Meanwhile, welfare or well-being is the main agenda of policy makers to ensure a better community life (Schleicher et al., 2018).

Several previous researchers tried to define well-being from Shariah perspective. Shahriar et al. (2018) stated that well-being in the shariah perspective is when human needs are fulfilled, including spiritual, social, and material aspects. Rasool et al. (2020) and Kader (2021) define well-being from a shariah perspective with terms that are often used in the Qur'an; Hayatan Tayyibah (the good life) and sa'adah (happiness). Hayatan Tayyibah includes psychic aspects and psychological aspects. Meanwhile, (Kasri & Ahmed (2015), Hasib et al. (2020);

Mohammed & Mansor (2021) use the terms *Maslahah* and *Falah* as two things that cannot be separated from well-being in an Islamic perspective.

From the economic perspective, Islam has an economic vision that can guarantee economic prosperity and social well-being (Nouman et al., 2021). Social well-being and economic prosperity are the core of Maqasid-Shariah. Maqasid-Shariah is considered a realistic and holistic concept as a complete life guide for the welfare of individuals and society. According to Julia & Kassim (2020), economic well-being is a sustainable and balanced improvement in the material and non-material contexts in this world and the hereafter. It involves multidimensional process by reorganizing reorienting the economic and social system following Islamic principles.

The Economic Planning Unit (EPU) defines well-being as a positive physical, social, and mental state which stems from a host of collective goods and relations with people and places. From Islamic perspective, well-being includes all improvement in human life including material, spiritual and social justice (Yusof et al. 2019). In addition, Rosly and Abdul Rashid (2003) highlighted that well-being required basic needs to be met and enhanced by conditions that include supportive personal relationships, community empowerment, financial security, rewarding employment, good health, and a healthy and attractive environment. Most of the previous studies include per capita consumption (Osberg and Sharpe 2002, 2005 and 2011; Mossie et al. 2021), accumulation of stocks, intensity of poverty and income inequality, and economic security including job loss and family break-up (Osberg and Sharpe 2002, 2005 and 2011) as a components or dimensions of economic well-being. In another study such as (Chang et al., 2019; Hong et al., 2019; Kumar et al., 2020; Dan et al., 2021 and Awang et al., 2021) used income as a measurement of economic well-being especially for farmers.

Despite abundance of past traditional research shows various definitions and measurement for well-being, but few of them relate with the Maqasid Shariah. Thus, this study attempts to fill the gap in understanding and explaining dimensions under the Maqasid Shariah in protecting human well-being. Excavation of these dimensions and elements are important to determine the operational-based measures used to achieve prosperity. Then, the responsible authorities can implement holistic and comprehensive policies related to well-being. Several previous studies have been conducted to assess well-being and Maqasid Shariah, their dimensions, and elements. However, no research explicitly examines Maqasid Shariah and well-being using the Systematic Literature Review (SLR). To construct a relevant systematic review, this study was guided by the main research question- what are the dimensions in Maqasid Shariah used to protect human well-being? The main focus of the study on the Maqasid Shariah and well-being. This study is divided into several sections: section 2 describes the methods we use to select and review articles. Section 3 describes the results we found, including characteristics of the studies, the definition of Maqasid Shariah, the concept of well-being in Shariah perspective, the concept of well-being in shariah perspective, dimensions, and elements in Maqasid Shariah used to protect well-being. Section 4 discusses discussions and suggestions for future research, and section 5 explains the study's conclusion.

2.0. METHODOLOGY

2.1. The Review Protocol – PRISMA

This study uses Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA). PRISMA is used to report systematic reviews and Meta-analyses, especially for conducting evaluations and interventions. A systematic review is a technique for reviewing research questions that have been compiled with a systematic method, namely by identifying, selecting, screening (including and excluding), and collecting data (Moher et al., 2009). The author then analyzes the feasibility of the data for review. In this section, the author describes the strategies used to obtain quality articles. Only high-quality and moderate articles are

included in the analysis list. However, the authors can add other documents if considered relevant (Strech & Tilburt 2008). Then the writer explains how to do abstraction and analysis of articles that have been assessed for quality (Azril et al., 2020).

2.2. Formulation of Research Question

This study uses the formulation of the problem based on Problem, Interest, and Context (PICO) (Murdoch University, 2021). PICO is usually used to formulate qualitative research questions. According to Pico, three essential things in this research are well-being (problem), well-being and maqasid sharia (interest), and Maqasid Sharia (context). We use these three points as references in preparing the research questions below:

1. What is the definition of Maqasid- Shariah?
2. What is the definition of well being from shariah perspective?
3. What is the definition of economic well-being from shariah perspective?
4. What are the dimensions in Maqasid-Shariah used to protect well-being?
5. What are the elements in Maqasid Sharia used to protect well-being?

2.3. Systematic Searching Strategy

Three processes need in a systematic searching strategy, namely identification, screening, eligibility.

Identification

Identification is the process of searching for all sources related to research using synonyms, variations in keywords, and terms associated with the main keywords in research, namely well-being, model, and Maqasid Shariah. This method is done to get more previous research for analysis (Azril et al., 2020). The identification stage aims to find papers relevant to the research question (Denyer & Tranfield, 2009; Okoli, 2015). The authors succeeded in multiplying the keywords and creating a complete search string based on boolean operators, truncation, wild cards, and phrase searching) in two primary databases: Scopus and WOS (Appendix 1).

We chose Scopus and WOS because they have a quality database and have many features that make it easy to search articles relevant to the study (Martín-Martin et al., 2019; Gusenbauer & Haddaway, 2020). According to Burnham (2006), Scopus has two search forms, basic and advanced. The search can be limited based on the type of document, date, subject, author, and recent articles. Scopus users can also use Boolean operators to make data screening easier. In addition, we use google scholar as an effort to add reference to articles to be studied using boolean operators AND and OR with a combination of the keywords "Economic well-being", "Economic welfare" "Model", "Maqasid Sharia." We also use a manual search on google with the same boolean operator technique. Based on (Jensenius et al., (2018), the advantages of google scholar are easy to use, open access, consistent in search evaluation, and provide fast results.

Screening

This study obtained 137 articles from scopus, and 73 articles from WoS. Articles appear automatically after a search is done based on the keywords that we compiled. The articles' selection is based on research questions or topic areas (Kitchenham, 2004; Budgen & Brereton, 2006). More in-depth article selection is to get papers that fit the research. We do this method for the convenience of conducting reviews without spending a lot of time because it is almost impossible to review all articles.

We do not screen by year, considering that Maqasid Shariah and well-being are theoretical issues. Higgins & Sally (2011) stated that time limitation is carried out if an event occurs within

a specific time. However, we does not limit the time. As for the place of research, we makes no boundaries.

Eligibility

Eligibility is the process by which we analyze the final article. It is done by reading the articles' title and the abstract; we also read the conclusions and the whole article to increase confidence that it fits the studied topic. This process focuses on articles related to Maqasid Sharia and well-being. In total, we obtained 66 articles for analysis.

Quality Appraisal

In this study, we only reviewed articles that were in the high and moderate categories. We excluded low-quality articles in the analysis. According to Mark & Roberts (2006), articles are categorized into three parts; high, moderate, and low.

Data Abstraction and Analysis

We used integrative review in this study. An integrative review allows the author to review various studies using various methodologies, both empirical and qualitative. The authors read and analyzes 66 articles ranging from titles, abstracts, results, discussions, and conclusions. We grouped the research results based on panel and sub-panel in conducting the analysis. This step is called thematic analysis. This method is to see the trend of the results of the articles.

We try to produce panels from the articles. We find panels (Maqasid Shariah dimension) divided into safeguarding of faith, safeguarding of life, safeguarding of intellect, safeguarding of posterity, safeguarding of wealth, safeguarding of honor, safeguarding of human rights, safeguarding of social entity, and safeguarding of environment (ecology).

3.0. RESULTS

3.1. CHARACTERISTIC OF THE STUDIES

Figure 1: Publication by years

Articles classified by publication years. The table shows the number of articles among 66 articles that we summarize in this systematic review

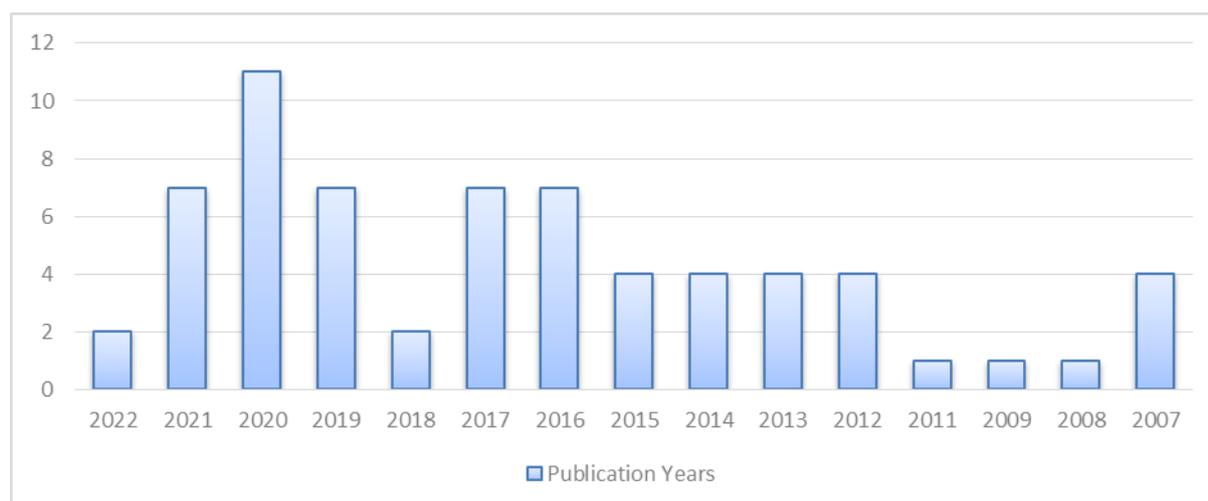


Figure 1 shows the number of articles by year of publication. The total is 66 articles from 2007-2008. Most of publications were in 2020, amounting to 11 (17%) of the total articles. From Figure 1, it can be concluded that the issue of Maqasid Shariah and well-being has long received the attention of many researchers, especially in 2020.

Table 1 shows the quality of articles based on journals. We only reviewed articles in the high and moderate categories of 66 from 45 journals; 37 are in the JCR Index category, from the first quartile to the fourth quartile. Five journals in Q1, ten journals in Q2, 12 journals in Q3, and ten journals in Q4. Based on the SJR index, five journals are in the JCR index category, 17 journals are indexed with Web of Science (ESCI). While the rest of the articles are not indexed by Scopus or WoS, we include them in the moderate articles.

Table 1: Publication by Journals

Source Titles	Record Count	% of 66	2020 SJR Index	2020 JCR Index
Religion, State, & Society	1	1.52%	0.47 (Q1)	-
International Journal of Islamic Economics and Finance Studies	2	3.03%		
Afkar	1	1.52%	0.15 (Q2)	-
Islamic Economic Studies	4	6.06%		
Humanomics	4	6.06%	0.21 (Q3)*	-
ISRA International Journal of Islamic Finance	1	1.52%	0.35 (Q2)	-
International Journal of Ethics and Systems	1	1.52%	0.24 (Q2)	-
International Journal of Social Economics	2	3.03%	0.29 (Q2)	-
Journal of Islamic Accounting and Business Research	2	3.03%	0.30 (Q3)	-
Journal of Islamic Marketing	2	3.03%	0.52 (Q2)	-
International Journal of Development Issues	1	1.52%	0.17 (Q3)	
Arab Gulf Journal of Scientific Research	1	1.52%	0.11 (Q4)	0.04 (Q4)*
Malaysian Journal of Consumer and Family	1	1.52%	0.12 (Q4)	
Indonesian Journal of Islam and Muslim Societies	1	1.52%	0.2 (Q1)	-
International Journal of Innovation, Creativity and Change	2	3.03%	0.22 (Q2)	
Islamic Quarterly	1	1.52%	0.10 (Q4)	
Global Journal Al-Thaqafah	2	3.03%	0.10 (Q4)	-
International Journal of Business and Management Science	1	1.52%	0.12 (Q4)	
Academy of Strategic Management Journal	1	1.52%	0.24 (Q3)	
International Journal of Islamic and Middle Eastern Finance and Management	5	7.58%	0.49 (Q2)	2.28 (Q3)
Al-Shajarah	1	1.52%	0.11 (Q3)	-
Journal of Business and Economics	1	1.52%		
Journal of Economic Cooperation and Development	1	1.52%	0.19 (Q3)	
European Journal of Social Sciences	1	1.52%	0.10 (Q4)*	
Journal of Business Ethics	2	3.03%	2.21 (Q1)	6.43 (Q1)
The American Journal of Islamic Social Sciences	1	1.52%	0.12 (Q3)*	
Business & Economic Review	1	1.52%		
Middle-East Journal of Scientific Research	1	1.52%	0.19 (Q3)*	
International Journal of Economics, Management and Accounting	2	3.03%		-
International Journal of Business and Social Science	1	1.52%		
Scottish Journal of Political Economy	1	1.52%	0.4 (Q2)	1.017 (Q4)
Pertanika Journal of Social Science and Humanities	1	1.52%	0.17 (Q3)	-
Journal of Islamic Thought and Civilization (JITC)	1	1.52%	0.11 (Q3)	
International Business Management	1	1.52%	0.12 (Q4)*	
Humanities and Social Science Review	2	3.03%	0.66 (Q1)*	
Jurnal Pengurusan	2	3.03%	0.17 (Q3)	
Journal of Social Welfare and Family Law	1	1.52%	0.39 (Q2)	-

Sustainability	2	3.03%	0.61 (Q1)	3.25 (Q2)
Systematic Reviews in Pharmacy	1	1.52%	0.42 (Q2)*	
Academy of Entrepreneurship Journal	1	1.52%	0.21 (Q3)	
International Journal of Civil Engineering and Technology	1	1.52%	0.28 (Q2)*	
WSEAS Transactions on Business and Economics	1	1.52%	0.16 (Q4)	
Pacific Business Review International	1	1.52%		-
IIUM Law Journal	1	1.52%		-
Intellectual Discourse	1	1.52%	0.1 (Q4)	-

* Not yet assigned quartile in 2020

- Indexed with Web of Science (ESCI)

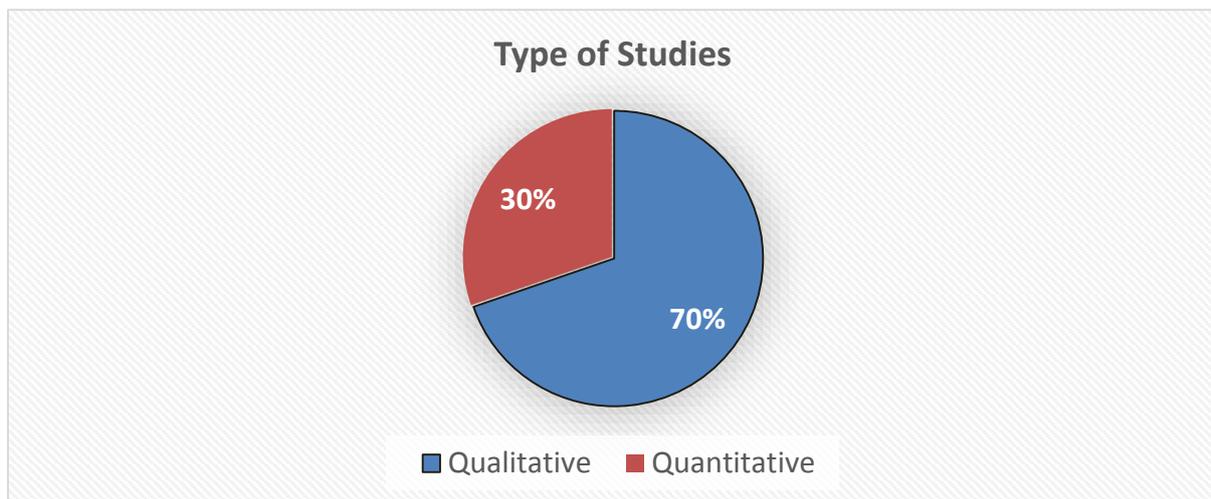
Table 2.

Articles on Maqasid Shariah and well-being based on country and documents. The table below shows 66 articles identified by numeric code, from 1 to 66, following the list shown in (Appendix 1)

Country	Papers	No. of papers
Single-country sample (11 Countries)	7,8,9,10,11,14,15,16,17,20,21,27,28,29,34,38,43,44,45,49,51,52,57,59,60,62,63,66	29
Palestine	7	1
Bahrain	8	1
Nigeria	9,52	2
Malaysia	10,14,20,21,34,38,60,66	8
Bangladesh	11,41	2
Indonesia	15,16,17,28,29,41,44,49,57,62	10
Pakistan	27,45	1
United Arab Emirates	43	1
South Africa	51	1
Kuwait	59	1
India	63	1
Multi-country sample	1,2,5,12,13,25,31,39,40,42,48,53,58	14
Malaysia, Indonesia, Nigeria, Niger, Senegal, Germany, United Kingdom, France	1	1
Malaysia, Indonesia, Pakistan, Turkey, Qatar, United Kingdom	2	1
Indonesia, India, Malaysia, Pakistan	5	1
Senegal, Indonesia, Sudan, Malaysia, Qatarm UAEKuwait, Saudi Arabia	12	1
Arab Region	13	1
Saudi Arabia, Kuwait, UAE, Qatar, Bahrain, Malaysia, Bangladesh, Indonesia, Jordan, Pakistan, Sudan, UK	31	1
Malaysia, Indonesia, Turkey, Saudi Arabia, UAE, Qatar, Bahrain, Pakistan, Others	25	1
Bahrain, Saudi Arabia, Qatar, Kuwait, Oman, United Arab Emirates	39	1
Middle East 700-1500 AD	40	1
Malaysia, Indonesia, Singapore, Philippines, Thailand, Bangladesh, and Brunei	42	1
Bahrain and Malaysia	48	1
Malaysia, Bangladesh, Indonesia	53	1
Iran, Saudi Arabia, Kuwait, UEA, Bahrain, Qatar, Malaysia, Indonesia, Bangladesh, Pakistan, Africa, Sudan, Egypt, Tunis, Gambia, UK, Turkey	58	1

Document Sample	3,4,6,18,19,22,23,24,26,30,32,33,35,36,37,46,47,54,55,56,61,66	23
Various literature about Maqasid and well-being	3,33	1
Classical and contemporary Islamic texts on human well-being and economic ethics	4	1
various literature about Micro Finance Institutions (MFIs)	6	1
Classical and contemporary Maqasid Literature	18,26,37	3
The literature about Waqf and Maqasid	19	1
Literature related to ethical–moral cum economic coalition	22,23	2
combination of an extensive examination of existing literature and critical analysis of the outcomes of several relevant studies	24	1

Figure 2 shows the number of studies based on the research methodology used. 70% (46/66) used a qualitative approach, and 30% (20/66) research used a quantitative approach. Many of the articles we reviewed on the relationship between Maqasid Shariah and well-being were conceptual articles analyzing the previous literature.



3.3. THE CONCEPT OF WELL-BEING IN SHARIAH PERSPECTIVE

Table 3: Well-Being

Well-being in Shariah Perspective	Papers	No. of papers
The Concept of Well-Being	2,3,4,5,6,7,8,9,11,12,15,16,17,18,19,20,22,23,24,25,27,28,29,30,31,32,33,34,35,37,38,39,44,46,50,53,64	36
Regulating all aspects of private life and many aspects of public life.	1	1
<i>Hayatan Tayyibah</i> (peaceful life)	3,4,27	3
<i>Sa'adah</i>	4	1
<i>Maslahah</i>	6,7,15,16,17,18,22,23,25,28,32,33,35,39,44,46	15
<i>Falah</i>	8,9,15,17,23,34,35,39	8

Mutidimensional Development/Sustainable and Inclusive Growth/Equitable Economic Growth/Holistic and integrated development	2,5,11,12,19,20,23,24,25,28,29,33,37,39,50,53,64	16
Poverty Alleviation	5,15,18,38	4
Fulfillment of Necessities (dharuriyah)/Fulfillment of Primary objectives of Shariah (Individual and Social Oriented)	16,30,31	3
Ethico-moral cum economic coalition	22,23	2

3.3.1 Hayatan Tayyibah - Sa'adah

Well-being in the Islamic perspective is the fulfilment of the inner human being to achieve a peaceful and good life (Hayatan Tayyibah). The objectives of Shariah are the development of the world, the preservation of the economic and social system, and the maintenance of goodness through human improvement (Rasool et al., 2020). The hayatan tayyibah is also mentioned by Kader, (2021). He stated that hayatan toyyibah has the same meaning as sa'adah (happiness). Well-being in the Islamic perspective is the integration between the fulfillments of five dimensions of Maqasid Shariah: safeguarding of faith, self, intellect, posterity, and wealth with the concept of sa'adah. Sa'adah is a comprehensive concept that includes beatitude, happiness, prosperity, success, perfection, and blessedness. (Mukhtar, Nihal, Abdul Rauf, et al., 2014) stated that the hayatan tayyibah is the substance of Maqasid Shariah. It is much different from the conventional economic idea of growth and welfare represented by GDP (Gross Domestic Product). GDP has absolutely no relevance to hayatan tayyibah in Shariah.

3.3.2 Maslahah

The objectives of Shariah are to promote the well-being of the society (Maslahah) (Azid & Asutay, 2007; Laluddin et al., 2012; Abdullah & Ismail, 2014; Bennett & Iqbal, 2013; Kusuma & Ryandono, 2016). Meanwhile, (Dusuki & Abdullah, 2007) defines well-being with maslahah as fulfilling benefits and avoiding harm (harm/evil). As-Syatibi divides maslahah into three categories: Dharuriyah (essentials), hajiyah (complementary), and tahsiniyah (embellishment). Two important things in achieving maslahah are removing hardship (raf' al-haraj) and preventing harm (daf' al-dharar). In the context of Islamic banking, Migdad (2017) stated that one of the reasons for the existence of corporate social responsibility (CSR) is the substance of Shariah values in practice, namely bringing maslahah. According to Lamido, (2020), in the maslahah discourse, if you meet two difficulties, the more incredible difficulty must take precedence over the minor problem.

Research conducted by Azid et al. (2008) states that maslahah technically means any action to protect one of the five objectives of Shariah: Safeguarding faith (din), self (nafs), intellect ('aql), posterity (nasl), and wealth (mal). So, there must be harmony between business and faith. The company's goal is to maximize profits, but the company must set reasonable profits, fair prices, wages, and the community's welfare. Dusuki & Abozaid (2007) stated that maslahah in the Shariah discourse, the primary source is not human reason. Maslahah and Mafsadat (evil) must comply with Shariah standards because Allah as the Law-giver is All-Knowing what is good for humans

The objective of Shariah is to protect and ensure the public interest (maslahah) in all aspects of human life (Kusuma & Ryandono, 2016). According to Hasib et al., (2020), the achievement of needs in the context of welfare is called maslahah. Lamido (2020) stated that in maslahah, more significant problems must take precedence to be fulfilled from more minor problems. According to Yusuf et al. (2021), maslahah aims to create well-being and equity, maintaining five essential things. In an economic context, maslahah means a fair distribution of income.

3.3.3. *Falah*

From Islamic perspective well-being refer to Al-Falah, which means the effort to gain social and economic welfare in this world and the love and grace of Allah in the hereafter (Hasib et al.2020 and Mohammed & Mansor 2021). The objective of Shariah is to achieve Falah by promoting *maslahah* and eliminating evil. So, there must be harmony between business and faith. The company's goal is not only to maximize profits, but the company must set reasonable profits, fair prices and wages, and the community's welfare (Azid et al., 2008). Kasri & Ahmed (2015) stated that Falah can be achieved by protecting five essential things so that humans can have a decent life. Dusuki & Abozaid (2007) and Hasib et al. (2020) stated that the ultimate goal of Maqashid Shariah is the achievement of success in this world and the hereafter (*falah*). In the context of Islamic banking, the avoidance of interest-based transactions and unethical business practices are an effort to achieve Falah (well-being). Mohammad & Shahwan, (2013) divided the objectives of Shariah in economics into two: philosophical-based objectives and operational-based objectives. Philosophical-based objectives relate to the inner dimension. Philosophical-based objectives are vertical and represent the word Falah. Meanwhile, operational-based objectives are divided into six: economic-based objectives, social-based objectives, justice-based objectives, self-based (inner-self) objectives, harm elimination objectives, and state participation objectives.

3.3.4. *Multidimensional Development*

Shahriar et al. (2018) stated that welfare in Islam is when human material, spiritual, and social needs are fulfilled. Research conducted by Herianingrum (2014) indicated that well-being in Islam is balanced, holistic welfare that includes fulfilling spiritual and material needs both within the scope of individuals and community groups. People will feel happy if there is a balance between the world's welfare and the hereafter. Meanwhile, Yusof et al. (2019) stated that well-being in an Islamic perspective improves all aspects of human life or increases the quality of human life, including the material-physical and spiritual-religious-ethical dimensions and the enforcement of social justice. Maqasid Sharia is considered a concept that provides a comprehensive framework for holistic welfare based on the five components of Maqasid Shariah, namely the preservation of faith, life, intellect, posterity, and wealth.

According to Asutay & Harningtyas (2015), in Islamic banking, Maqasid Shariah prohibits separating the world and religious matters to create an ethical financial system with an Islamic Moral Economy (IME) approach. IME refers to sustainable development, social justice, and social investing-oriented principles (multidimensional development). Affandi & Astuti (2013) cite Ibn Khaldun's opinion in his book *Muqaddimah* that the concept of well-being in Islam depends on economic variables and moral, psychological, political, social, and demographic factors.

According to Siddiqi et al. (2019), In the Islamic perspective, well-being is human development through fair distribution and social justice and equity, including spiritual and material aspects. Islam wants a balanced society; Islam prohibits the practice of interest and creates a balance between the profit motive and well-being for the good of the whole community in the world and hereafter. According to Nor (2016), the Islamic definition of well-being is very comprehensive, not only on the material aspect but also on the moral-spiritual aspects, which have *tazkiyyah* (growth and development) or self-purification substance.

In the economic context, Adham et al. (2012) stated that Economic well-being in Islam is a balanced and sustained improvement of men's well-being in worldly life and hereafter. Entrepreneurship, innovation, and equitable distribution of wealth in an industry are ways to achieve well-being. Meanwhile, according to Ibrahim et al. (2011), economic well-being in Islam increases the quality of human life balanced and sustainable in material and non-material

aspects. This improvement is the multidimensional process through advancement, reorganization, and reorientation of all aspects of the economy, social system, and social improvement following Islamic teachings and guidelines.

According to (Julia & Kassim, 2020), economic well-being is a sustainable and balanced improvement in the material and non-material contexts in this world and the hereafter from a multidimensional process by reorganizing reorienting the economic and social system following Islamic principles. Furthermore, the economic development index is measured through three principles: growth, equity, and Islamic values. According to Hamid et al. (2020), well-being in Islam can be achieved with equitable economic growth by developing green economics to harmonize economic development with the preservation of the environment.

3.3.5. Poverty Alleviation

Poverty alleviation is vital in achieving community welfare (Affandi & Astuti, 2013). In the context of today's modern world, the most important problems facing Muslim countries in an economic context are underdevelopment and poverty (Kasri & Ahmed, 2015). Thus, reducing poverty and underdevelopment can be considered an essential part of Maqasid Shariah. In other words, poverty alleviation is a measure of well-being. Therefore, increasing welfare by reducing poverty is the definition of well-being in the shariah perspective. Poverty in question is Maqasid based multidimensional poverty/well-being measure. The author proposes three steps to measure well-being:

- Define indicators of poverty/well-being.
- Determine welfare/poverty threshold.
- Determine Maqasid based multidimensional poverty.

Lamido (2020) stated that hardship must be eliminated to bring well-being. Difficulties are not limited to only worship but also all aspects of human life as a whole, both in the short and long term; this can include insecurity, health, economy, and other parts of life. One of the most critical difficulties to eliminate is economic problems, such as poor hunger living, triggered directly by poverty. Economic difficulties can cause many other challenges, so alleviating economic problems is one of the most critical factors in measuring human welfare.

3.3.6. Fulfillment of Dharuriyah (Necessities)

Well-being in the Islamic concept is when the Dharuriyah (necessities) of humans are fulfilled in society. Welfare is one of the central visions in the development of Islamic society. According to Ibrahim et al., (2011), social well-being will be fulfilled when basic human needs (necessities) are interconnected by implementing and realizing human rights such as education, food, housing, health services, and fair income distribution. According to Mergaliyev et al. (2021), well-being can be achieved when the primary objectives of Sharia are fulfilled, both individually oriented and socially oriented.

3.3.7. Ethico-moral cum economic coalition

The integration between ethics and morals with the economy, which is the substance of the Islamic economic system, will enhance the efficiency level of economic and improve human welfare (Azid & Asutay, 2007; and Azid et al.2008). According to Islam, a selfless attitude will improve the community's social welfare. When the economic system is concerned with moral ethics, it will increase cooperation and economic participation in a society where participation and cooperation are the substance of the Islamic economic system. In other words, well-being will be achieved when there is an integration between moral ethics and economics.

3.4. DIMENSIONS AND ELEMENTS IN MAQASID SHARIAH

This section discusses the nine dimensions of Maqasid Shariah from 66 articles, safeguarding of faith, safeguarding of life/self, safeguarding of intellect, safeguarding of posterity, safeguarding of wealth, safeguarding of honor, safeguarding of human rights, safeguarding of social entity, and safeguarding of environment (ecology). Of the 66 articles, the reviewed paper discusses the dimensions and elements of Maqasid Shariah and their relationship to human well-being. Of the 66 articles, only Dzutsati & Warner (2021) conducted found a negative relationship between implementation support for Shariah and human well-being. Research Dzutsati & Warner (2021) does not explicitly discuss Maqasid Shariah but discusses the relationship between support for Shariah and welfare. The author uses the provision of public goods by the government as a measurement of social welfare. The other 65 studies explain the relationship between Maqasid Shariah and well-being.

Safeguarding of Faith

Table 4a: Safeguarding of Faith (Empirical)

Dimensions in Maqasid Shariah	Papers	No. of Papers
Panel A1: Safeguarding of Faith	2,9,11,12,15,16,20,27,29	17
	,	
	31,38,41,42,43,48,52,53	
War Againsts Interest (riba), gambling, and other unethical business	2,9,31,41,42,48,53	7
PLS Product in IBs.	2,31,42,48,53	5
Elimination of harmful elements that breed injustices in IBs.	2,31,42,43	4
Underlying Philosophy and Values within sharia principles in IBs.	2,31	2
Waqf	9	1
Contribute to charity/ Paying Zakat, Infaq, Sedekah (ZIS), and Qardul Hasan	9,12,15,16,20,27,38,48,52	10
Policy formulation and governance	11	1
Nature of Green financing (interest-based or interest-free)	11	1
Hajj (once in a lifetime)	15	1
Five daily prayers and Friday prayer	15,27,29	3
Fasting Ramadan (once a year)	15,29	2
Religious education (General religious knowledge)	15,29,38	3
Seeking knowledge and remembrance (<i>ilm and zikr</i>)	27,29	2
Wearing Hijab (women)	27,29	2
Reciting the Qur'an	27,29	2
Seeking God's forgiveness for wrongdoings (<i>istighfar</i>)	27,29	2
Involvement in preaching activities and other religious movements	27,29	2
Attaining earnings from non-permissible means	27,29	2
Congregational prayer, funeral prayers, Eid prayers	29	1
Whether other things in life are more important than religion	29	1
Believe in the Divine will and decree	29	1
View of morality in the changing world	29	1
Religious beliefs can be compromised to attain self-interest	29	1
Importance of God and religion as a guidance	29	1
Performing religious obligation	38	1

Table 4b: Safeguarding Faith (Qualitative)

Dimensions in Maqasid Shariah	Papers	No. of Papers
Panel A1: Sefeguarding of Faith	3,4,6,8,10,13,17,18,19,23,24,25, 26,28,32,33, 35,36,37,39,49,50,57,58,59,60,6 1,63,64	29
Religious obligations	3	1
Seeking Knowledge	3	1
Charitable institutions; mutual gift-giving	3,4	1
Mousqe Activities	3,17,19	3
Paying and distributing Zakat, Infaq, Sedekah (ZIS)	3,4,6,8,18,23,26,28,32,33,36, 39,50,57,58,59,60,64	18
Testimony of faith and essential religious knowledge/Trust in Allah	3,4	1
Five daily prayers, Friday prayer, other obligatory and Voluntary prayers	4	1
Fasting Ramadhan and Voluntary fasts; fasting of the heart	4	1
Wisdom (hikmah), spiritual refinement (<i>tazkiyah</i>), and virtue (<i>Ihsan</i>)	4	1
Ecotourism and visits to religious sites	4	1
Religious education (General religious knowledge)/proper understanding of religion	4,37	2
Hajj (once in a lifetime) and Voluntary pilgrimage	4,19	2
Rahn and Qardul Hasan	6,8,24,39,50,59,61,63	8
Waqf	6,13,19,59	4
War Againts Interest (riba), gambling, money hoarding, and other unethical business	6,18,23,24,25,26,32,33,34,35, 39,49,50,57,59,61,63	17
Implementation of Al-Tawhidi principles	6,24,64	3
Establishing a Waqf Based-Takaful Model	10	1
Praying in the form of carrying out religion's instructions	17	1
PLS Product	24,25,39,49,50,59,61,63	8
implementing justice as stipulated by Sharia	26	1
Re-establishing the sunnah of the Khulafaur Rashidin	26	1
Underlying Philosophy and Values within sharia principles in IBs.	39	1

According to Rasool et al. (2020), elements in Maqasid Shariah in safeguarding faith are religious obligations, religious education, contributing to charity, seeking knowledge, mosque activities, and trust in Allah. Kasri & Ahmed (2015) divided safeguarding of faith into four elements: prayers and fasting, Islamic/Qur'an studies, Charity (Sadaqah), and Hajj (great pilgrimage). Lamido (2016) stated that Maqasid Shariah wanted a proper understanding of religion. It will minimize conflicts between followers of different religions.

Based on Kader (2021) welfare includes inner dimensions (batin) and outer dimensions (zahir). The external dimension is related to faith, morals, and awareness of the existence of Allah. In comparison, the outer dimensions relate to religious practices such as prayer, zakat, and others. Both of these dimensions must be met for spiritual well-being to arise. Research conducted by Mukhtar et al. (2014) and Yusof et al. (2019) emphasizes the importance of using and promoting hijab (veil) for Muslim women, seeking God's forgiveness for wrongdoings (istighfar), performing religious obligation, attaining earnings from haram means and others for safeguard faith.

Meanwhile, Salleh et al. (2020) suggest the need to establish a waqf-based takaful model to reduce the financial burden of individuals and businesses due to flooding. This effort needs to be made to create community welfare and achieve Maqasid Shariah. Budalamah et al. (2019)

stated that Waqf is a distribution instrument that has historically been successful for community development, social welfare, overcoming economic and environmental crises. Shahriar et al., (2018) stated that Waqf plays an important role in providing well-being for humans in health, social welfare, education, the environment, and other community empowerment programs.

Ahmed et al. (2017) dan Jedidia & Guerbouj (2020) found zakat's importance in achieving economic prosperity. Zakat does reduce not only economic problems but also social security and poverty eradication. So that zakat promotes inclusive growth (economic well-being in sharia perspective). Kusuma & Ryandono (2016) and Lamido (2020) found that zakat is used to measure the level of welfare. In addition, it can be used as a measuring tool to measure religiosity. Herianingrum (2014) used zakat expenditure as a measure of farmer welfare. According to Hamid et al. (2020), zakat does not only provide benefits to the recipient (Mustahiq) but also the giver (Muzakki). Islamic economic system is based on the concept of interest-free and emphasizes the importance of zakat to achieve human welfare (Azid et al., 2008). According to Adham et al. (2012) and Hassan et al. (2017), zakat can impact personality development and make society harmonious and peaceful. Zakat can also improve the community's economic status and increase their welfare in this world and the hereafter.

According to Haniffa & Hudaib (2007); Aliyu et al. (2017); Sodiq et al. (2020); and Mohammed & Mansor (2021), social activities such as the practice of zakat, Waqf, and Qardul Hasan (benevolent loan) are also emphasized in banking practice. They are one of the goals and functions of Islamic banking, namely for the development and social goals. Research on Islamic social banking conducted by (Nor, 2016) also emphasizes the importance of zakat and other charitable activities (Infaq, Sadaqah, and Qardul Hasan) as a social function to develop the community. The idea of an Islamic social bank was initiated to build a strategic and comprehensive social banking system to solve social problems. Siddiqi et al. (2019) also emphasizes the obligation to pay zakat for Islamic banks as their social responsibility. All of these activities contribute to the welfare of society. Cham (2018) said that zakat in Islamic banks is a means of distributing wealth to people in need. Alhammadi (2022) noted that zakat and Qardul Hasan have a significant function in reducing poverty, mitigating inequality, and being a powerful instrument for recovery during COVID-19.

Meanwhile, Abdullah & Ismail (2014) emphasize the importance of implementing the principles of tawhid and distributive justice in all microfinance institution practices. Consequently, microfinance institutions must earnestly implement interest-free transactions, Rahn and Qardul Hasan, as well as Waqf. Ajaz (2013) said that Qardul Hasan is an Islamic mode of finance unique in Islamic banking. Research conducted by (Dusuki & Abozaid, 2007; Ajaz, 2013; Bennett & Iqbal, 2013; Asutay & Harningtyas, 2015; Yuspin et al., 2020; Mergaliyev et al., 2021; Al-Momani, 2021; Tok & Yuse, 2022) emphasize the importance of the uniqueness of Islamic banking, namely the prohibition of interest not only meeting the needs of the Muslim community but also for the development of all communities. (Lebdaoui & Wild, 2016) found that the factor that caused economic growth was PLS-based finance. Hossain (2009) found that interest had a severe adverse impact on society's economy, morals, and welfare. Interest is a corrupt system that has destroyed the fabric of humanity throughout history and civilization. An essential element to note is profit-loss sharing (PLS) products and the percentage of halal income earned by Islamic banks.

Tahir (2015) stated that interest must be abolished because it will cause the loss of barakah. To achieve well-being, Shariah prohibits Islamic banks from financing products that contain speculation and gambling (Dusuki & Abdullah, 2007). According to Rahman et al. (2016), an Islamic bank is an Islamic financial institution considered fairer and built on socio-economic welfare. The substance of Islamic banks is the prohibition of usury and profit-loss sharing (PLS)/profit sharing investment. Researchers reveal the importance of ethical identity disclosure (EEI) in Islamic banks, including zakat, charity, benevolent loans (Qardul Hasan).

According to (Zarrouk et al., 2017), PLS is a product that makes banks more careful in making their loan decisions. PLS (risk-sharing) mode is considered more efficient because it can reduce adverse selection and moral hazards (Othman et al. 2017).

In particular, Julia & Kassim (2020) highlight the green banking performance of Islamic and conventional banks in Bangladesh. There are two elements in the dimension of safeguarding of faith: Policy formulation and governance and Nature of Green financing (interest-based or interest-free). According to Kaye (2012), Islam prohibits money hoarding because it will hamper economic development and hinder socio-economic justice between communities. All forms of transactions that contain interest are unfair. The solution is the implementation of Profit-Loss Sharing (PLS) contracts and the implementation of social agreements such as Qardul Hasan and Rahn. From the Islamic point of view, well-being has a comprehensive definition that not only means growth but is also closely related to tawhid.

Safeguarding of Life/Self

Table 5a: Safeguarding of Life/Self (Empirical)

Dimensions in Maqasid Sharia	Papers	No. of Papers
Panel A2: Safeguarding of Life/Self	2,11,15,20	8
	29,31,38,40	
Investment ratios in vital real sector	2,31	2
Financing Microfinance	2,31	2
Environmental risk management	11	1
In-house environment management	11	1
Awareness of Health	15	1
Consumption of Food and Nutrition (Household Consumption)	15,20	2
Access to Healthcare	15,29,38	3
Healthcare Needs (access to healthcare)	29	2
Having adequate clothing	29	1
House has access to clean water	29	1
Living a moral life	29	1
Having good relations with family and relatives	29	1
Having good relations with neighbors	29	1
Living in peaceful neighborhood	29	1
Basic Shelter	29,38	1
better living standard	40	1

Table 5b: Safeguarding of Life/Self (Qualitative)

Dimensions in Maqasid Sharia	Papers	No. of Papers
Panel A2: Safeguarding of Life/Self	3,4,6,8,14,17,18,19, 25,26,28,30,32,36,37	15
Frequency of Sick	3	1
Body Fluid Weight	3	1
Consumption of Food and Nutrition	3,4,18,28,30,37	6
Access to Healthcare/maintaining health	3,4,18,19,28,30	6
Needed physical infrastructure	4	1
Safe and secure neighbourhood	4	1
Communal Rights	4	1
Ascetic architecture	4	1
Fulfilling the human potential of oneself and others	4	1
Basic individual rights and freedoms	4	1
Basic Shelter	4,18,30,37	4
Right to Life	4,37	2
Peace of mind/safe from insecurity	4,37	2
Earning a living for the individual and his dependents	6	1
Developing Value-Based Banking Products	8	1
Community-Based Investment	8	1
providing facilities in IBs to sustainable projects through loans to individuals and corporates	8	1
Conserving and preserving the environment	8,17	2
SPA products and services	14	1
Preserving humans' quality of life	17	1
equitable access to natural resources	25	1
correcting previous injustices and restoring rights	26	1
avoiding from killing innocent people	30,36	2
Pleasant speech and manner urges gentleness	32	1
Fair dealing	32	1

According to Kasri & Ahmed (2015); Shahriar et al. (2018); Rasool et al. (2020); Lamido (2020), the objective of safeguarding of life is to protect all things that can ensure coverage of basic needs and health, such as consumption of food and nutrition, awareness of health, and access to healthcare. (Alkire & Foster, 2010) states that nutrition is essential. According to Hamid et al. (2020), final household consumption affects the green economy, impacting human welfare and social justice. Herianingrum (2014) uses consuming nutritious food and maintaining health as essential elements to achieve farmers' well-being.

According to Kader (2021), safeguarding life includes spiritual, physical, and psychological aspects. At the basic level, clothing, food, and shelter must be fulfilled. In addition, access to health services and being safe from dangers and threats is also crucial element. On the psychological aspect, political freedom and expression of opinion maintain human dignity. Meanwhile, Rasool & Salleh (2014) used health and shelter/dwelling elements. Yusof et al. (2019) mentioned elements of safeguarding life, including basic shelter, adequate clothing, the house having access to clean water, living a moral life, having good relations with family and relatives, and having good relations with neighbors. Lamido (2016) also explained that providing food, shelter, safety from insecurity, and the right to live is an essential part of Maqasid Sharia.

To achieve well-being, Shariah obliges humans to earn a living for themselves and their families (Abdullah & Ismail, 2014). The rising demand for SPA services is due to an expanding need for physical, mental, and social well-being. Hasib et al. (2020) specifically examine the impact of Mangrove ecotourism on the safeguarding of life. The author stated that conserving and preserving the environment through Mangrove ecotourism is a way to maintain mental health and sustainably improve life. According to Bennett & Iqbal (2013), all communities have equal opportunities to obtain economic rights and self-improvement, such as equitable access to natural resources to achieve economic development.

Research conducted by Tahir (2015) explicitly examines the policies carried out by Umar bin Abdul Aziz to achieve public welfare. One of the essential policies carried out by Umar bin Abdul Aziz was correcting previous injustices and restoring rights. Meanwhile, Ibrahim et al. (2011) and Mohamad et al. (2020) mention that avoiding killing innocent people is a form of safeguarding life. Shariah is also encouraging to speak and act well, be fair, and act fairly (Dusuki & Abdullah, 2007). Shatzmiller (2021) found that better living standards could increase economic growth and welfare in the medieval Middle East.

Asutay & Harningtyas (2015) and Mergaliyev et al. (2021) mention that the elements of safeguarding self in Islamic banking are investment ratio in the real vital sector and financing microfinancing. These two elements are essential because of the characteristics of Islamic banking, which must pay attention to the underlying assets in a transaction, especially in the real vital sector. According to Mohammed & Mansor (2021), Islamic banking must develop Value-Based Islamic banking products by making community-based investments. It can improve standards of living community development, improve social services such as human resource development, environmental protection, poverty alleviation, support for small and medium enterprises, and provide other positive impacts for community development. Julia & Kassim (2020) mentioned two elements under safeguarding life, environmental risk management and In-house environment management. This action is taken so that Islamic bank investors are not involved in investments that damage the environment and increase employee awareness in recycling used resources.

Safeguarding of Intellect

Table 6a: Safeguarding of Intellect (Empirical)

Dimensions in Maqasid Sharia	Papers	No of Papers
A3: Safeguarding of Intellect	2,11,15,29,31,38,40	7
Advancement of Knowledge and improvement	2,31	1
Creating Awareness of Islamic Banking	2,31	1
Skill/Installing new skill	2,31,38	3
Online banking	11	1
Employee training, consumer awareness, and green events	11	1
Innovative products	11	1
Acess to school (education)	15	1
Academic/school achievement	15	1
School Attandance	15	1
Ability to operate a computer and use the internet	29	1
Enjoy learning new things	29	1
Having adequate nutrition during the growing age	29	1
Allocate time for reading	29	1
Keeping abreast with current affairs/information	29	1
Not Referring to shaman/spirit medium	29	1

Improve Knowledge	29	1
Not Consuming alcohol or drugs	29	1
Not Watching pornography/prostitution	29	1
Education Level	38	1
Improvement in human capital	40	1

Table 6b: Safeguarding of Intellect (Qualitative)

Dimensions in Maqasid Sharia	Papers	No of Papers
Panel A3: Safeguarding of Intellect	3,4,17,18,19,21,28	13
	30,32,35,37,57,63	
Motivational Programs	3	1
The literacy level of household	3	1
School Attendance	3	1
Education Level	3	1
Instilling new skill and improvements	3,21,57	3
Advancement/acquiring of Knowledge	3,21,30	3
Primary, Secondary, and tertiary Education	4	1
Existence of the Environmental Education Department	17,37	2
Spending on Education (schools)/educational services	18,19	2
Creating awareness of Islamic Banking	21	1
Allocate expenditures to improve skills in farming	28	1
Freedom of expression	30	1
Not involved in any activities detrimental to mind	30	1
Training program in Islamic Bank	32,57,63	3
Not Consuming alcohol or drugs	32,35	2
Not Watching pornography/prostitution	32,35	2

Elements of safeguarding of intellect that become a measure of welfare achievement include the literacy level of the household, school attendance, skill level, education level, and knowledge improvement. Meanwhile, Kasri & Ahmed (2015) stated that safeguarding of life is a person's ability to access education and increase knowledge, including access to school, school attendance, basic knowledge from schooling, and school achievements. Rasool & Salleh (2014) stated that education and skills are essential factors to increase knowledge.

Research conducted by Yusof et al. (2019) emphasizes the importance of increasing knowledge such as allocating time to read, write and learn new things, the author also emphasizes the importance of avoiding negative influences that can damage the mind such as not consuming alcohol and drugs, and not watching porn. In addition to damaging the mind, consuming alcohol and drugs and watching pornography can also damage human health and behavior (Dusuki & Abdullah, 2007). According to Dusuki & Abozaid (2007), if Shariah prohibits drinking alcohol, there must be wisdom behind the prohibition. Intellectual capacity improvement can be made by providing educational services and other incentives to increase intellect's creativity and effectiveness (Lamido, 2016). According to Ibrahim et al. (2011), Shariah commands to advance knowledge and prohibit everything that can damage it.

Kader (2021) divided education into primary, secondary, and tertiary education. Primary education includes essential religious knowledge, and worldly knowledge; primary education is dharuriyah (necessities)." In Islam, primary education is the right of all human beings and

an individual obligation (fard 'ain). Meanwhile, secondary and tertiary education is at the level of hajjiah (need) and tahsiniyah (embellishment), depending on the knowledge model needed by the community. Lamido (2020) stated that safeguarding intellect through good education or other effective methods is expected to have a significant positive effect on the achievement of Maqasid Shariah. So it is necessary to allocate funds to finance education. (Shahriar et al., 2018) suggested using Waqf to finance education.

Shatzmiller (2021) research on the medieval Middle East found that improvement in human capital can increase economic growth and human welfare. Specifically, in the context of Mangrove ecotourism, Hasib et al. (2020) mention that the existence of the environmental education department in the management of Mangrove ecotourism is a form of safeguarding reason. In the context of agricultural development, allocating costs to improve skills in farming is a form of safeguarding intelligence (Herianingrum, 2014).

In Islamic banking, Julia & Kassim (2020) mention three elements of safeguarding intellect; online banking, Employee training, consumer awareness and green events, and innovative products. Sodiq et al. (2020) said that Islamic banks need to create training programs to improve employee knowledge and skills. Meanwhile, Shamsudin et al. (2018) and Mergaliyev et al. (2021) mentioned three crucial elements to safeguard intellect in Islamic banks, including advancing knowledge, installing new skills, and creating awareness of Islamic banking. A continuous training program at an Islamic bank is one way to educate people and increase their knowledge capacity (Dusuki & Abdullah, 2007). Ajaz (2013) mentioned that it is necessary to research in training and development of people so that they promote Islamic banking

Safeguarding of Posterity

Table 7a: Safeguarding of Posterity (Empirical)

Dimensions in Maqasid Sharia	Papers	No of Papers
A4: Safeguarding of Posterity	2,11,15,29	7
	31,38,40	
Redistribution of Wealth	2,31	1
Environmental conservation	4,29	2
Environmental regeneration	4,29	2
Climate risk fund	11	1
Standard reporting format in Ibs	11	1
Better Future for Family	15	1
Harmony	15	1
Anti-Social Activities	15	1
Participation Community Activities	15	1
Basic, moral, and religious education for the future generation	29,38	1
Having pre-natal care during pregnancy	29	1
Children have the necessary immunization	29	1
Providing adequate attention to children (Monitoring children's behavior and activities)	29	1
Home district is free from pollution	29	1
Marriage	29	1
Children	38	1
Elevated household income	40	1
Birth Control (<i>'Azl</i>)	40	1

Table 7b: Safeguarding of Posterity (Qualitative)

Dimensions in Maqasid Sharia	Papers	No. of Papers
Panel A4: Safeguarding of Posterity	3,4,17,28,36,37,51,66	7
Personal Liberty and Freedom	3	1
Better Future for Family	3	1
Harmony	3	1
Social Activities	3	1
Participation Community Activities	3	1
Children	3	1
Marriage	3,4,36,37,51	5
Fulfilling rights of and duties towards: spouse, family, neighbor, community and nature	4	1
Upbringing needs of children	4	1
Virtuous upbringing and comportment (<i>husn al-tarbiyyah adab</i>)	4	1
Love, peace, and tranquility (<i>husn al- 'ishra</i>)	4	1
Strengthen family ties (silat al-arham)	4	1
Friendliness, care, and concern (husn al-jiwar)	4	1
Community outreach and engagement	4	1
Environmental conservation	4	1
Environmental regeneration	4	1
preserving the quality of the environment and the sustainability of human generation	17	1
Farmers' expenditures to improve the quality of life of their children	28	1
Child care and child education	28,36	2
Prohibition of Pornication and rape	37	1
Muslim personal law	51	1
Family waqf	66	1

According to Kasri & Ahmed (2015) and Rasool et al. (2020), Islam is very concerned about the urgency of maintaining posterity because it is very closely related to household well-being. Islam commands marriage to preserve posterity and prohibits adultery and promiscuity. Among the elements in safeguarding posterity are harmony, a better future for the family, participation in community activities, personal liberty, and others. Kader (2021) stated that caring and maintaining posterity ensures how well today's generation will be responsible for conditions in the future. In this case, marriage is vital because a healthy marriage can produce a strong family and a brilliant generation. According to Chapra (2008a, b), an intelligent generation will lead to dynamic and productive citizens. Apart from marriage, maintaining offspring can also be done by maintaining good relations with relatives, neighbors, community and safeguarding environmental conditions.

According to Lamido (2016), evidence of the safeguarding of posterity is the command to marry and the prohibition of all forms of adultery and anything that causes adultery to occur. Concrete evidence of the importance of marriage in Sharia is the existence of laws governing marriage, family, education of offspring, and the obligation to provide sustenance for the family (Mohamad et al., 2020). According to Yusof et al. (2019), safeguarding posterity has several components: family survival, progeny protection, protection, and guarantee for future generations. Several things need to be done to achieve this component, a) Basic, moral, and religious education for future generations, b) Having pre-natal care during pregnancy, c) Children have the necessary immunization, and others.

Rasool & Salleh (2014) included elements of having children and child education as part of the safeguarding of posterity. Abdullah (2012) stated that the existence of Muslim personal laws such as marriage rules can improve the welfare of Muslim families if implemented and appropriately advocated by the local government. Different things are shown by research conducted by Shatzmiller (2021); there is robust literature evidence that shows that in Islam, birth control ('azl) is legal according to Sharia and has been widely practiced in the Middle East medieval. This practice is often carried out during difficult times, such as when the black death occurs. Couples who do birth control want to avoid difficulties and a better future for their offspring. Researchers found a strong relationship between birth control and economic realities, such as better living standards and higher incomes.

Research conducted by Julia & Kassim (2020) to explore green banking performance provides two elements to protect future generations: climate risk funds and standard reporting formats. Banks should allocate funds to mitigate climate risk; banks should also separate green banking reports from other reports. Meanwhile, Mergaliyev et al. (2021) included redistribution of wealth (wages, tax, shareholders, depositors, ZIS, Waqf) as a form of safeguarding offspring in Islamic banking. Sadique & Ansari (2016) found that a family waqf is a valuable form of investment for the welfare of future generations. In the context of Mangrove ecotourism, the element of safeguarding posterity is preserving the quality of the environment and the sustainability of human generation (Hasib et al., 2020). According to Herianingrum (2014), in agriculture, there are two things that farmers need to do to ensure the good for the generation, namely farmers' expenditures to improve the quality of life of their children and child education.

Safeguarding of Wealth

8a: Safeguarding of Wealth (Empirical)

Dimensions in Maqasid Sharia	Papers	No of Papers
A5: Safeguarding of Wealth	2,9,11,15,20,27,	11
	29,31,38,40,42,	
Earning ability from Permissible sources (halal) and meets subsistence	2,27,31	2
Fair returns	2,31	1
Distress predictability	2,31	1
Implementation of Islamic moral transaction mode (<i>Adl, Ihsan, generosity</i>)	9	1
Green finance and green marketing	11	1
Risk – return analysis	11	1
Skill	15	1
Employability	15	1
Having stable and sufficient income as well as financial investment	15,29,39	3
Savings and investment	15,29,38	3
Purchasing Power	15	2
Green economic growth	20	1
Social Capital	20	1
Protection of property rights	29,40	2
Taking necessary precautions to safeguard property	29	1
Ability to manage own and family finances	29	1
Considered to be a spendthrift	29	1
Giving of charity	29	1
Having home/vehicle insurance	29,38	2

Safe and Secure employment	38,39	2
Financial Deepening	42	1

8b: Safeguarding of Wealth (Qualitative)

Dimensions in Maqasid Sharia	Papers	No of Papers
Panel A5: Safeguarding of Wealth	3,4,6,7,8,17,21,22,24,26,28,30,32,33,37,44	29
	45,47,49,50,54,55,56,57,58,59,61,62,64	
Skill	3	1
Savings	3	1
Purchasing Power	3	1
Earning Income in halal way and meets subsistence	3,4,6,17,24,30,33	7
Sustaining one's dependants	4	1
Fulfilling personal, familial, societal needs	4	1
Fulfilling work; self-esteem and self-actualization; arts and crafts	4	1
Establish sustainable organization, e.g., Waqf, to support virtuous causes	4	1
Safe and Secure employment	4,30	2
Providing microcredit to the poor	6,59	2
Making CSR practices more visible and connected to the community	7	1
Maximizing CSR Practices in Islamic Bank	7,8,32	3
Profitability	21	1
Investment in business and vital real sector and Entrepreneurship	21,24,47,57,59,61,64	7
Redistribution of Income and Wealth	21,37	2
Ethics-moral cum economic coalition	22	1
Trade liberalization and removing tax	26	1
Reforming the economy and utilization of empty land	26	1
Increasing income from agricultural products	28	1
Equitable distribution of Income and Wealth in Ibs	33	1
Halal tourism	44,62	2
Sukuk	45,59	2
Creation of young entrepreneurs	47	1
Innovative product in IBs.	49	1
Promoting ' <i>adl wal Ihsan</i> (justice and beneficence)	50	1
<i>Ta'min</i> (Islamic insurance)	54	1
Islamic Money Market	55	1
<i>Al-Muzara'ah and Al-Mutsaqah</i> in farmer	56	1
Crowdfunding	59	1
Islamic Cooperative	65	1

Ibrahim et al. (2011); Mukhtar, Nihal, & Abdul Rauf (2014); Kasri & Ahmed (2015); Rasool et al. (2020); Hasib et al. (2020) states that safeguarding of wealth is in the form of the ability to earn income for a better life. Assets must be obtained in a lawful (halal) way, avoiding property from damage, theft, and other harmful consequences. In addition, skills to acquire wealth, savings, and purchasing power are essential elements in safeguarding wealth. Wealth in Sharia must bring prosperity equitably and reduce poverty and inequality. Research

conducted Kader (2021) emphasizes the importance of obtaining wealth in a lawful way to meet personal and family needs. The law of providing for oneself and one's family in Sharia is an individual obligation (*fard 'ain*). Suppose a person does not have the ability to fulfill his life and his family. In that case, the community has a collective obligation (*fard kifayah*) to fulfill the obligations of people in need through instruments of distribution of wealth in Islam, such as *zakat*. This is done so that the community is able to meet their needs fairly and equitably so that collective welfare emerges.

According to Yusof et al. (2019), safeguarding wealth has several elements, including managing own and family finances, savings, having stable and sufficient income, having financial investments, etc. Asutay & Harningtyas (2015) and Mergaliyev et al. (2021) emphasize three crucial elements in safeguarding wealth: earning ability, fair return, and distress predictability. Meanwhile, according to (Abdul Rasool & Salleh, 2014), the measure of welfare in the context of property is house ownership, saving and investment, and employment.

Abdullah & Ismail (2014) stated that Islamic microfinance must provide financing to poor people and people with low incomes in the financial institutions' context. Refusal to distribute wealth to the needy is considered a violation of the Shari'a. According to Kayed (2012), investments made in Islamic banking should be productive and permissible (*halal*) businesses. Siddiqi et al. (2019) stated that *halal* business carried out by Islamic banks should not only be profit-oriented. But it must also promote Islamic norms and values so that they can reasonably meet society's needs. This action will lead to the fulfillment of the goals of Islamic economics, namely the equitable distribution of income and social well-being. Meanwhile, Nor (2016) stated that promoting '*adl wal Ihsan* (justice and benevolence) is the substance of an Islamic social bank that will impact well-being.

According to Sodiq et al. (2020), the economic activities carried out by Islamic banking aim to realize economic justice. Aliyu et al. (2017) found that Islamic moral transaction modes that follow *Maqasid Sharia* through the emphasis on the importance of *Adl, Ihsan*, and generosity play a role in moderating the sustainability of the Islamic banking business. This mode will affect the business of Islamic microfinance Bank (IMFBs) and the welfare of the people. Research conducted by Lebdaoui & Wild (2016) found that financial deepening affects the large size of the Islamic banking sector with higher economic development. Alhammadi (2022) stated that Islamic banking is considered capable of reconstructing the economy and achieving sustainable economic development because, in the practice of Islamic banking, there is a *Maqasid sharia* substance, namely protecting assets. The way to gain well-being is with innovative entrepreneurship.

According to Julia & Kassim (2020), the bank's primary function is to channel money from surplus units to unit deficits so that public welfare is achieved. Based on the authors' findings, he recommended that banks prioritize financing renewable energy projects, wastewater treatment plants, biofertilizer factories, etc. Banks need to carry out green finance and green marketing because green the economy and internal conservation strategies can safeguard the wealth. Furthermore, Hamid et al. (2020) found that social capital and green economic growth positively affect human welfare in economic activity in Malaysia. Green economics is important because, often, economic growth is not accompanied by the protection of nature. Green growth is an important instrument for achieving human well-being, sustainable development, and reducing the risk of environmental damage due to economic activities.

Issoufou (2019a) found that creating young entrepreneurs is the most crucial element to increase economic growth and reduce poverty to bring well-being to a country. In the financial context, according to Issoufou (2019b), the Islamic money market can drive savings for investment, so it is helpful for economic development and creates jobs. It will have an impact on the welfare of the community. Adham et al. (2012) emphasized the importance of

technological innovation and entrepreneurship to achieve prosperity. Islam emphasizes the importance of tawhid in every innovation process so that there are always substantial Islamic values in the results. Meanwhile, Hussain & Khalil (2019) found that Sukuk had a positive role in economic growth in Pakistan. In addition, Islamic insurance (ta'min) also plays a vital role in well-being (Kadirov, 2020).

Zulkifli et al. (2019) and Yusuf et al. (2021) found that halal tourism affects economic development in the form of government spending, added value, job opportunities, and income. The author found that halal tourism has a positive effect on economic growth. Halal tourism variables are hospitality, halal food, infrastructure, amenities, human resources, and tourism events. In the context of agriculture, Shafiai & Moi (2015) found that financing agriculture through financial institutions can be used as effective and efficient financing for agriculture. So there needs to be an agricultural finance system based on Islamic contracts such as Al-Muzara'ah and Al-Mutsaqah to improve farm sustainability and reduce poverty. Another study conducted by Issyam et al. (2016) stated that Islamic cooperatives affect well-being.

Safeguarding of Honour

Table 10a: Safeguarding of Honour

Dimensions in Maqasid Sharia	Papers	No. of Papers
Panel A6: Safeguarding of Honour	18, 26, 30	3
Individual privacy rights	30	1
Not doing adultery and false accusation	30	1
Not exposing or accusing others of misbehaviors	30	1

Research conducted by Tahir (2015) includes safeguarding honor ('ird) as a step Umar bin Abdul Aziz took to reform society. Ibrahim et al. (2011) mentioned that two essential elements in safeguarding honor are preserving individual privacy rights and not sharing the disgrace of others. This act is forbidden in Islam because it damages relations between people and damages one's honor. Shihab al-Din al-Qarafi (d. 1285CE) was the first scholar to include the safeguarding of honor in addition to the five dimensions of Maqasid proposed by Al-Ghazali (Hasan & Ali, 2018).

Safeguarding of Human Rights and Stakeholding, Social Entity, and Environment (Ecology)

Table 10a: Safeguarding of Human Rights

Dimensions in Maqasid Sharia	Papers	No. of Papers
Panel A7: Safeguarding of Human Rights	2,31	2
Interest-free and Islamically Acceptable Deals—Product Aspects	2,31	2
Corporate Governance Indicator (Fairness and Transparency)—general aspects	2,31	2
Corporate Governance Indicator (Fairness and Transparency)—BOD aspects	2,31	2
Corporate Governance Indicator (Fairness and Transparency)—executive management aspect	2,31	2
Corporate Governance Indicator (Fairness and Transparency)—Committees aspects	2,31	2
Corporate Governance Indicator (Fairness and Transparency)—Sharia Governance	2,31	2
Corporate Governance Indicator (Fairness and Transparency)—Other Aspects	2,31	2
Ethical behaviour and consumers' rights	2,31	2
Panel A8: Safeguarding Social Entity	2,31	2
Developmental and Social Goals (Zakah, charity, and benevolent loans)	2,31	2
Redistribution of income & wealth	2,31	2
Panel A9: Safeguarding of Environment	2,8,31	3

Asutay & Harningtyas (2015) and Mergaliyev et al. (2021) added three dimensions to the five dimensions mentioned by Ghazali. The three dimensions are safeguarding human rights, safeguarding social entities, and safeguarding of environment (ecology). According to Auda (2007); Asutay & Yilmaz (2018), Al-Ghazali's definition of Maqasid was criticized for its lack of social aspects and more focused on individual-oriented goals. Asutay & Yilmaz (2018) further state that Maqasid Sharia must be free from the limitations of fiqh and must have moral substance so that it can have a wider reach.

Research conducted by Asutay & Harningtyas (2015) and Mergaliyev et al. (2021) examines explicitly Maqasid Sharia performance in Islamic banks using eight dimensions of Maqasid Sharia. The research was conducted by analyzing the annual report of Islamic banks. In safeguarding human rights, they include elements of Good Corporate Governance (GCG), both in BOD Aspects, executive management aspects, committees' aspects, Sharia Governance, and other aspects. They also include interest-free and Islamically Acceptable Deals (Product Aspects), Ethical behavior, and consumers' rights.

In the dimension of safeguarding social entities, the element that becomes the emphasis is social development carried out by Islamic Banks. Social development in Islamic banks is undoubtedly related to allocating social funds by banks such as zakat, charity, and benevolent loans. In the dimension of safeguarding the environment, the element used is the disclosure of environmental information on Islamic banks. Research conducted by Mohammed & Mansor (2021) on value-based Islamic banking also emphasizes the importance of disclosing environmental information. According to Rahman et al. (2016), one of the crucial things in ethical identity disclosure (EEI) in Islamic banks is disclosing environmental issues. Nor (2016) stated that financing projects in an Islamic social bank should not damage the environment. Meanwhile, Tok & Yuse (2022) stated that the concept of value-based banks requires banks to earn profits by investing in projects that do not damage the environment.

4.0. DISCUSSION AND SUGGESTIONS FOR FUTURE RESEARCH

This study defines Maqasid Shariah with two approaches, i) Maqasid Shariah in a general definition and ii) Maqasid Shariah in an economic perspective. Maqasid Shariah cannot be separated from the concepts of *maslahah* (public interest) and *mafsadat* (evil). When meeting two *Maslahah*, the bigger one should take precedence, and when meeting two evils, the bigger one should be avoided by tolerating the smaller one (Azid et al., 2008). In the economic context, well-being is closely related to the fair and equitable distribution of wealth. Money is a tool to “develop the earth” (Kayed, 2012).

Previous studies have only defined Maqasid Shariah from two perspectives; universals and economics. In addition to the general definition, we suggest the need to understand Maqasid Shariah in a more specific definition, such as Maqasid Shariah in an environmental perspective (ecology). Further research is vital to explain the definition of Maqasid Shariah from various perspectives so that interested parties such as policymakers can formulate the most appropriate and comprehensive policies to achieve well-being.

This research also describes the concept of well-being and economic well-being from Shariah perspective. Well-being is closely related to *hayatan tayyibah* (the good life) and *sa'adah* (happiness) (Rasool et al., 2020; Kader, 2021; Mukhtar, Nihal, & Abdul Rauf 2014). While other researchers, such as Shahriar et al. (2018) dan Yusof et al. (2019), define Shariah beyond the economic aspect, namely improving the quality of life, which includes the material-physical spiritual-religious-ethical dimensions and social justice. In the economic context, poverty alleviation can achieve well-being because poverty and hunger are the main problems Muslim

countries face in this era. (Affandi & Astuti, 2013; Kasri & Ahmed, 2015; Kasri & Ahmed, 2015).

We suggest that future research also defines well-being with hasanah (goodness) in addition to hayatan tayyibah, falah, sa'adah, and maslahah. Exploring the concept of hasanah is essential so that we get a more comprehensive concept of well-being from a shariah perspective. The Qur'an uses the word hasanah to represent the goodness obtained by humans 33 times in the singular form and four times in the plural form.

In the context of the dimensions and elements of Maqasid shariah, we found most of the research still focused on the operational-based elaboration (elements) of the five dimensions and Maqasid shariah proposed by Al-Ghazali, namely safeguarding of faith, life, intellect, posterity, and wealth. However, few studies comprehensively address the safeguarding of honor, as for the dimensions of safeguarding human rights, social entity, and the environment, which still only focus on Islamic banks' research. In the future, there needs to be an expansion of the scope of study that does not only focus on aspects of Islamic banking but all aspects, be it spiritual, social, and material aspects. It is because Maqasid Shariah is not limited to economic and financial factors. Interested parties must have a comprehensive picture of the measure of well-being.

5.0. CONCLUSION

Research on Maqasid Shariah and its relationship to well-being is a critical issue to get a comprehensive picture of how Shariah explains well-being and know all the things that measure well-being. This study aims to determine the relationship between Maqasid Shariah and well-being using a systematic literature review (SLR) method from two primary data sources, namely Scopus and Web of Science (WoS). Through a systematic searching strategy, we found 66 articles from 2007 to 2022. We found 46 articles using qualitative methods and 20 articles using quantitative methods.

This research contributes to the definition of Maqasid Shariah, the concept of well-being in Shariah perspective, dimensions, and elements of Maqasid Shariah used to protect well-being. After analyzing 66 articles, we divide the definition of Maqasid Shariah into two parts; Maqasid Shariah in a universal perspective and an economic perspective. We also find seven concepts of well-being from a shariah perspective; Hayatan tayyibah, sa'adah, Falah, Maslahah, multidimensional development, poverty alleviation, fulfillment of dharuriyah, and Ethico-moral cum economic coalition.

We also found nine dimensions of Maqasid Shariah, namely safeguarding of faith, self, intellect, posterity, wealth, honor, human rights, social entity, and environment (ecology). In each dimension, we describe elements as operational-based and measures that can be used to achieve well-being. In safeguarding faith, we found two elements used the most by previous researchers: zakat, infaq, sadaqah, qardul hasan, and war against interest. In safeguarding of self, we found three elements used most frequently by previous researchers; consumption of food and nutrition, access to healthcare, and basic shelter.

Meanwhile, in safeguarding intellect, we found two elements that are most often used as a measure; skills and advancement of knowledge. In safeguarding posterity, we find two elements that are most often used as a measure; marriage and child care/child education. In safeguarding wealth, we find three important elements; earning ability from halal sources, having stable income, savings, and investment. In safeguarding honor, we found three elements; Individual privacy rights, not doing adultery and false accusations, and not exposing or accusing others of misbehavior. In safeguarding human rights, social entities, and the environment, we found that in general, we found four elements; Ethical behavior and consumers' rights, Developmental and Social Goals, Redistribution of income & wealth, and environmental indicators in an Islamic bank.

This study provides several recommendations to further researchers. First, we suggest that further research is vital to explain the definition of Maqasid Shariah from various perspectives, not just a general definition, so that interested parties such as policymakers can formulate the most appropriate and comprehensive policies to achieve well-being. Second, we suggest that further researchers dig deeper into the concept of hasanah (goodness) in the Qur'an and relate it to well-being. The term hasanah is repeated 33 times in the singular and for times in the plural in the Qur'an. Third, we suggest researching and multiplying the safeguarding elements of honor, human rights, social entity, and environment.

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ANALYSIS OF ZAKAT AWARENESS: A CASE OF BANGSAMORO PEOPLE IN SOUTHERN PHILIPPINES

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ABSTRACT

Zakat is one of the five pillars in Islam that is compulsory upon every Muslim who fulfil certain conditions. Every capable Muslim individual should give Zakat on the portion of his wealth to the groups specified and mentioned in the Holy Quran. Despite the important of Zakat in Islam, the awareness among the Muslim community about it is questionable especially in less developed economies. This study aims at assessing Zakat awareness of Bangsamoro in the Philippines. For that, Zakat awareness is divided into the Awareness of Zakat as an Islamic institution, the awareness of the different types of Zakat as well as the awareness of the different beneficiaries of Zakat. In order to achieve the purpose of this study, a survey questionnaire was organized and distributed randomly and using a purposive sampling technique then expanded through the snowball effect. The total number of respondents reached 224. The results show a remarkably high levels of Zakat awareness in the region. This is despite the general poverty and lower education levels. The newly formed government in the BARMM region can build on this high awareness through establishing proper institutions to manage Zakat collection and payment which is expected to bring more benefit to the society at large than individual efforts.

Keywords: Awareness, Zakat, Bangsamoro, Zakatul maal, Zakatul Fitr.

1 INTRODUCTION

Zakat is the act of giving alms to the people mentioned in the Holy Quran. Zakat in literal meaning is to increase and grow (Qardhawi, 2000). It is one of the acts of worship because it is the third pillar of Islam and is mentioned in the Quran along with Salah (second pillar). It is a spiritual duty of the individual that is exclusively for the sake of Allah (S.W.T). Zakat literally means "to cleanse, or "purification". Wealth is purified by fulfilling the religious duty (Al-Nawawi, 1996) Muslims believe that paying Zakat can fulfil the commandments of Allah (S.W. T). It is about practicing self-discipline and freeing oneself from greed, from attachment to the materialistic thing. By paying Zakat, believers learn to behave and control themselves, practice honesty, and place less value on material possessions.

"True piety is this: to believe in God, and the Last Day, the Angels, the Book, and the Prophets, to give of one's substance, however, cherished, to kinsmen, and orphans, the needy, the traveler, beggars, and to ransom the slave, to perform the prayer, to pay the zakah." Surah Baqarah, Ayah 177 (Qur'an 2:177)

The Zakat of maal (wealth) is to pay 2.5% of one's possessions surplus wealth to charity specifically to the poor and needy. It is often compared to an alms and system of tithes and the poor and deprived of Muslims. It serves primarily because the welfare contribution can have a corresponding sharing. It is the duty not only to collect Zakat but to distribute it fairly. Furthermore, Muslims fulfil this religious obligation by giving a percentage of the collection of their surplus wealth (Abubakar, 2018).

Zakat has been paired with such a high sense of righteousness that it is often placed on the identical level of importance as offering prayers (Muslim, n.d, Vol.5). Muslims also consider Zakat as one of the ways of purifying themselves from greed and selfishness and safeguarding the future business. Additionally, Zakat has social benefits to the one who receives it because it saves the beneficiary from the humiliation of begging, and it also prevents him from envying the rich.

Muslim jurists agree that Zakat is obligatory only on those people who fulfil certain conditions. Accordingly, a person required to pay Zakat must be an adult (has reached puberty), sane (mentally stable), and free (not a slave). Additionally, the person must at least own the minimum amount of wealth called Nisab (Gamon, & Tagoranao, 2018). Finally, the person must own the Nisab for one lunar year before Zakat becomes compulsory upon him to pay.

Aside from purifying the wealth, Zakat also can reduce the social gap between the rich people from the needy. Zakat empirically can alleviate poverty and generate prosperity among the ummah. This was experienced during the Golden Age of Umar bin Abdul Azis Caliph. At that period, Zakat was controlled, collected, and disbursed by trustable and professional (amil) Zakat collector officers (Olanipekun, Brimah, & Sanusi, 2015).

That said, there are other forms of Zakat other than the Zakat on wealth mentioned above. An example is an inventory prepared for sale. Zakat on agriculture products has two different calculations depending on whether the land is irrigated manually or by rainwater. For the sake of this paper, the focus shall be only on Zakatul Mall, which is the Zakat on wealth.

Although Zakat is one of the pillars in Islam that every Muslim who is capable should establish, it is noticed that its awareness among the people of Mindanao is questionable. Without proper data or reports, it is hard to assess how deep the issue is. Studies suggest that many Bangsamoro people give Zakat to the individual that they knew without bearing in mind the rules and regulations of Zakat. As such, the Zakat collector usually collects less than the due amount because of that. This is one of the reasons why Zakat might not be improving in the region (Noor & Maruhom, 2020).

One of the reasons Zakat payments are low might be the low awareness of the people of Zakat, its nature, how it is calculated and how it should be distributed. Such awareness needs to be assessed carefully in order to evaluate the current situation and suggest a remedy based on the results.

This study attempts to fill this gap by assessing the awareness of the Bangsamoro people regarding Zakat. One of the main advantages of this paper is that it depends on primary data that is collected personally by the authors using a survey.

This paper is organized as follows: the following section contains the theoretical framework. It contains a generic discussion of Zakat, its recipients and conditions as well as the institution of Zakat in order to understand the purpose of Zakat and its purpose. Next, section three handles the literature review. It includes the review of similar studies that were done to assess Zakat and its awareness in other regions and countries. Further, chapter four handles the methodology and the data which is then followed by the analysis of the results in section five. Finally, section six includes the summary and policy implications.

2 THEORETICAL FRAMEWORK

2.1 The concept of Zakat

Man is the vicegerent of Allah (s.w.t) on Earth. Man has been created with the specific purpose of worshiping his Creator, who has bestowed upon him countless blessings, including wealth that is to be held in trust. Consequently, similar to all his actions during his life, man will also be held accountable on the Day of Judgment for the way he spent the wealth that was entrusted to him:

Then you will be asked about all the pleasures (you enjoyed in the world).

[AtTakathur:8]

Where the attainment of wealth through lawful and permissible (*halal*) means is obligatory upon Muslims, they are also required to dispense their wealth in line with the commandments of Allah (s.w.t). Islam has decreed that the poor and needy are rightful owners of part of the wealth that is entrusted to the privileged individuals in society. Therefore, there shall be a proper transfer of this wealth to its rightful owners. This is a religious financial obligation upon the rich. The ultimate objective is that such transfer of wealth would eventually lead to the alleviation of poverty from society.

Charity thus becomes an essential component of a Muslim's financial plan whereby it is highly encouraged to be given to those in need and if his wealth reaches the nisab, to donate a specified portion of it as Zakat. While no limits are assigned for sadaqah, Zakat has exact amounts that should be calculated carefully and paid in full. Any further amounts paid over and above the required Zakat is then considered as sadaqah.

2.2 The purpose of Zakat

Every command of Allah (s.w.t) is revealed with a strong purpose and meant for the benefit of mankind. The purpose behind voluntary and mandatory charities in Islam can be divided into two main categories. Spiritual purposes and economic purposes.

Paying Zakat is essentially a purification of wealth, that invites the blessings of Allah and actually leads to growth of the wealth. According to Maududi (1988), wealth is impure (not clean) when an individual does not pay the rights of Allah's slave given by him.

As such, from the spiritual aspect, such charities (particularly Zakat) cleanse away one's sins and the undesirable externalities that are an essential part of the accumulation of wealth, such

as selfishness, greed, egotism and conceit, and the overzealous desire of more wealth. Allah (s.w.t) says:

276. Allah destroys interest and gives increase for charities. And Allah does not like every sinning disbeliever. [Al Baqarah:276]

261. The example of those who spend in the way of Allah is just like a grain that produced seven ears, each ear having a hundred grains, and Allah multiplies (the reward) for whom He wills. Allah is All-Embracing, All-Knowing. [Al Baqarah:261]

From the previous verses, it can be inferred that there is an economic implication for paying charity and Zakat both on the giver and the receiver. From the economic perspective, Zakat plays a vital role in ensuring that each member of society can fulfil their basic needs. It can ensure stability in the economic environment and can generate demand, especially from the lower-income group. With this mechanism, the economy is expected to be more stable because the poor will always be cared for. The rich will be showing their compassion towards the poor while cleansing themselves at the same time. Allah (s.w.t) says:

“Take from their money a charity to cleanse them and purify them” – Qur’an 9:103.

2.3 The recipients of Zakat

Zakat is not only given to the poor. Rather, the Quran perfectly specifies the groups eligible to receive Zakat in surah at-Taubah (9) verse 60:

“The alms are only for the poor and so the needy, and folks who collect them, and folks whose hearts are to be reconciled, and to free the captives and so the debtors, and for the reason for Allah, and (for) the wayfarers; an obligation imposed by Allah. Allah is knower, Wise.” (The Holy Qur’an 9:60).

As such, it can be concluded that the eight types of beneficiaries are: the needy, poor, Zakat administrator, the slaves, the heart are to be inclined (includes Muslim converts who lacks economic support) the debtors (having debts due to real needs), (ibnu sabil) a person who is stranded and has no access to their funds, and for the cause of Allah (fi sabilillah).

It can be seen from the previous discussion that Zakat in its calculation, recipients, and types is not as simple as Sadaqa. Therefore, awareness of its fiqhi rulings is essential in order to fulfil it in the best way. Not understanding its different attributes and aspects would almost certainly result in a Shariah issue. It is, thus, important to assess whether there is a proper awareness among the public about Zakat because identifying the issue is the first step to address it.

3 LITERATURE REVIEW

According to Ismail & Abidin (2020), one of the important instruments of economics of Muslims is zakat. Zakat has a clear rules and regulations as it was a religious obligation of every Muslim ummah. Ismail & Abidin (2020) looked into the Awareness of the obligation of zakat to university students was being studied. The purpose of this was to investigate how independent variable contains religiosity, knowledge, attitude, medium of promotion, influenced awareness towards zakat obligation. Additionally, the study also attempts to determine the relationship between all the variables mentioned. Ismail & Abidin (2020) suggest

that there is a positive and significant relationship between religiosity, knowledge, attitude, moderate promotion, and awareness towards the obligation of zakat. Using Multiple regression analysis, argued that religiosity, knowledge, attitude, moderate promotion is influenced and have their own effect on awareness of the obligation of zakat to university students.

Similarly, Senawi, HarunRahim, Latif & Isa (2021) conducted a self-administered questionnaire to analyze the influence of zakat awareness such as zakat obligation and zakat nisab on its contribution during the COVID-19 pandemic. The result showed that there is no significant relationship between the zakat awareness and zakat contribution. This implies that even during the pandemic most of the payers of zakat was still paying their zakat, as usual.

Khuluqo (2016) argues that the government role is vital to actualize the essential goal of Zakat. However, the objection to the effort to enforce the administration of Zakat can be explained. It has been a long time since Zakat collection seized to be the responsibility of the state. To revert back needs a mend the differences in opinions regarding the matter. Considering that there is much good to be achieved in making zakat as an instrument in the government financial policy can be one of the motives. According to Khuluqo (2016), this would lead to better public confidence in the government.

Furthermore, in their study, Doktoralina, Bahari, Hassan, Ismail & Mardiyah (2020) argued that Zakat is the most powerful instrument of Islam to support the poor people around the globe. Zakat helps to diminish poverty by increasing the level of empowerment of the zakat beneficiaries (mustahiq) economy. The study aimed at examining the role of Zakat hashtags in promoting Zakat supply chain and beneficiaries' economics. moreover, the study also examined the role of Zakat awareness and marketing politics. To achieve the purpose of this study, data was collected from various employees of Zakat collection institutions in Indonesia. Data was then analyzed using partial least square structural equation modeling (PLS-SEM). The study found that Zakat hashtags play a big role in increasing Zakat awareness. It also plays an important role in increasing marketing policy. Awareness of Zakat and marketing politics increases the Zakat supply chain, a mechanism that eventually increases the level of empowerment of beneficiaries' economics.

According to Firdaus, Beik, Irawan, & Juanda (2012), one of the problems faced in collecting Zakat is the lack of awareness of the payers. Awareness is therefore the most important element of Zakat (Doktoralina 2016) because it directly affects the supply chain of Zakat. Firdaus, et, al. (2012) resulted that education, income, and occupation are among the important factor that influences the frequency and choice of the payers when paying zakat and its other types.

It can be inferred from the above brief literature review that although Zakat is a hot topic in the academic arena, studies about its awareness are very scarce. Most of the studies conducted about awareness test how the awareness changes by other factors. To the knowledge of the authors, no studies focused on testing the awareness of Zakat in the region of Bangsamoro, Philippines. This study comes to breach that gap.

4 METHODOLOGY AND DATA

To achieve the purpose of this study, a quantitative method is used. This is composed of a survey questionnaire on the target people in Bangsamoro Autonomous Region in Muslim Mindanao (BARRM). the researchers conducted a survey and gathered data, which was distributed to the Bangsamoro people through Google forms. The first group of respondents were targeted through social media using a purposive sampling technique. Then the sample size grew organically through a snowball effect. The total size of respondents reached 224 responses. The collection of data began in February 2022. It is important to mention that the

survey was conducted in the local language rather than English to have a better representation of the targeted population.

The survey questions are composed to test three aspects of Zakat awareness. The first section of the survey covers the demographic data of the respondents. The second section contains the questions aimed at testing the awareness of Zakat and its types with 8 and 9 questions each, respectively. The third section is to test for the awareness about the beneficiaries of Zakat using 8 questions.

To analyse the data collected, this research adopted descriptive analysis technique. The questions of the survey utilized Likert five-point scale to test for the public awareness. The five options are: strongly agree, agree, neutral, disagree, strongly disagree taking awareness points from 5 to 1, respectively. The total awareness score for each question is then calculated for the sample size. Then, the scores of the questions for each awareness aspect are averaged to get the final awareness scores for each. Using the average of multiple questions with Likert scale data can help in making the scores more parametric, thus giving more reliable results.

In order to judge the awareness, the final score for each aspect is compared with the following table 4.1:

Table 4.1 The benchmark used to judge the awareness level

Likert scale	Category length	Grade
1	0.8-1.79	Very low
2	1.80-2.59	Low
3	2.60-3.39	Medium
4	3.40-4.19	High
5	4.20-5	Very high

Source: Authors own

In order to ensure that the questionnaire is reliable, Cronbach's alpha test was applied. Cronbach's alpha is one of the popular tools to determine the reliability of the surveys that utilize Likert scale (Cronbach's, 1951). This test indicates how well a method, technique, or test measure has been used in the variables. Any value of Cronbach's Alpha above 0.8 is considered good. After conducting the test, the results show that the Cronbach's Alpha is 0.95 which indicates that the variables that have been used were excellent and reliable.

5 RESULT AND ANALYSIS

The objective of this study is to measure the awareness of the people of Bangsamoro, the Philippines in particular in BARMM (Bangsamoro Autonomous Region in Muslim Mindanao). The result is presented as follows;

The profile of the respondents and the hypothesis testing of the researcher.

5.1 Demographic profile of the respondents

In this study, the respondents are categorized into male and female, married, single, mature enough, and have a minimum number of members in families. Most of the respondents had a high level in terms of education.

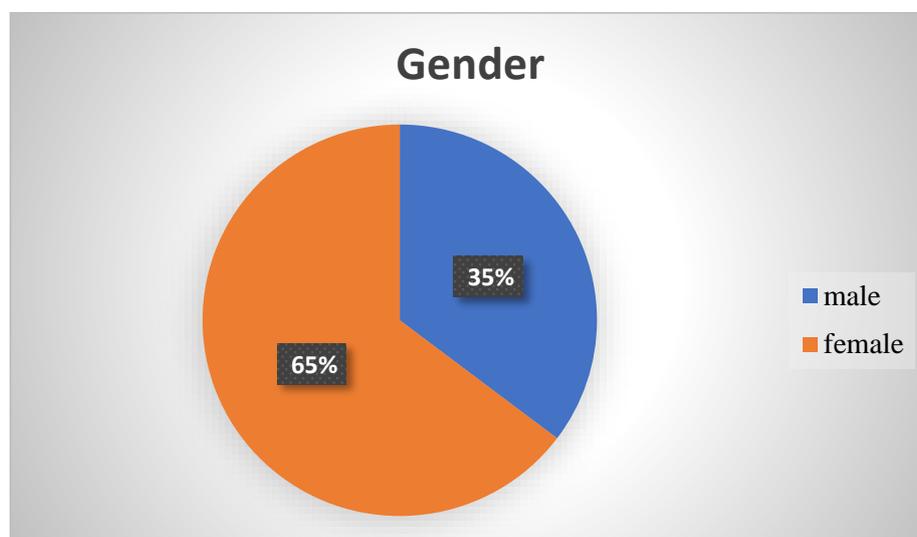
Table 5.1 the distribution of respondents by age, gender, marital status, and family size:

Factor	Category	Number	Percent (%)
Gender	Male	79	35.3
	Female	145	64.7
	Total:	224	100
Age	18- 25	127	56.7
	26-30	41	18.3
	31-35	26	11.6
	36-40	14	6.3
	41-45	6	2.7
	46-50	5	2.2
	51-55	2	0.9
	56-60	1	0.4
	More than 60	2	0.9
	Total:	224	100
Marital Status	Single	147	65.6
	Married	70	31.3
	Widowed	4	1.8
	Divorced	3	1.3
	Total:	224	100
Family Size	Below 5 members	54	24.1
	5-7 members	83	37.1
	8-10 Members	74	33
	More than 10 members	13	5.8
	Total:	224	100

Source: authors' own.

As shown in table 5.1, it seems that 35.3% of respondents are male while 64.7% are female (figure 5.1). The reason for the difference is perhaps it is easier to access women than men since men are mostly occupied with demanding jobs that leave less time for social interactions which is required to happen in order to receive the questionnaire. Additionally, most of the respondents (75%) are between 18- and 30-years old while (17.9%) of them are between 31-40 years of age. Whereas, (7.1%) are between 41 and above 60 years of age. The concentration of the respondents within the younger generation can be attributed to social media and modern communication devices are mostly used by the younger generation. It can also be attributed to the young population in the region. The table above also suggests that most of the respondents are (65.6%) are singles. In terms of family size, the sample is quite distributed with the percentages being 26, 37.1, and 33 for families of 5,7, and 10, respectively.

Figure 5.1: the distribution of the respondent's gender (male and female)



Source: Authors own

In the category of gender, the male has 35% in total whereas the female has 65% of the total. This indicates that most of the respondents are female.

Table 5.2 Distribution of respondents by the level of education and years of schooling

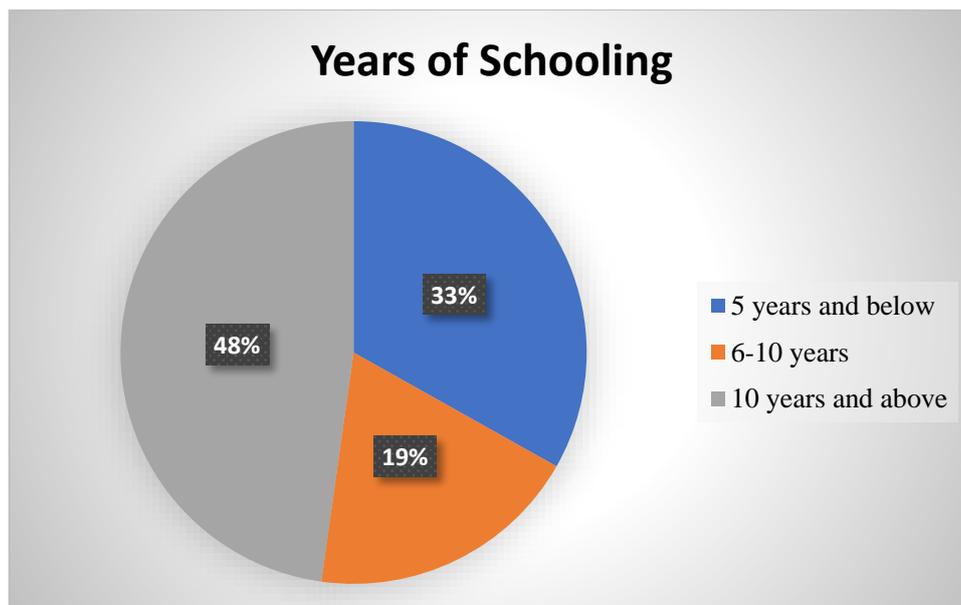
Factor	Category	Number	Percent (%)
Level of Education	Informal Schooling	34	15.2
	Primary School	22	9.8
	Secondary School	25	11.2
	Diploma /College	129	57.6
	Tertiary Institutions	23	10.3
	Madrasah (ibtidah)	32	14.3
	Madrasah(mutawassit)	20	8.9
	Madrasah (Sanawi)	16	7.1
	Madrasah (Kulliyah)	8	3.6
	Total:	224	100
Years of Schooling	5 years and below	75	33.5
	6-10 years	43	19.2
	10 years and above	108	48.2
	Total:	224	100

Source: authors' own.

As shown in table 5.2 the respondents (15.2%) had informal schooling education whereas (9.8%) had primary education and (11.2%) had a secondary education (57.6%) had diploma/college (10.3%) are tertiary institutions or graduated in universities. Whereas in madrasah (14.3%) are in primary level (8.9%) are intermediate level (7.1%) are secondary level (3.6) are those in college level (figure 5.2).

Education is one of the important factors which determine the level of awareness of the respondents on the issues and discussion of the particular case. Education plays an important role in enhancing one's skills to be a more competitive and successful individual in the community. As such, it is conceivable that the level of education would directly influence the awareness of Zakat.

FIGURE 5.2 DISTRIBUTION OF YEARS OF SCHOOLING



Source: Authors own

In the category of years of schooling (33%) of the sample have below five years of schooling (19%) have 6 to 10 years of schooling and (48%) have more than 10 years of schooling. The respondents with higher education and who have more than 10 years of schooling are expected to be aware of Zakat institutions and their types.

5.3 Testing the Zakat awareness

As mentioned earlier, the study utilizes a 5-point Likert scale in order to assess the level of awareness of the Bangsamoro people in the Philippines. The questions were formed in such a way that a high score will mean more awareness. The first awareness aspect handled in this research is the generic awareness of the Zakat as an Islamic institution for the benefit of the Muslim Ummah (nation). Table 5.3 summarizes the scores for the eight questions that cover this aspect.

Table 5.3 The awareness of Zakat as an Islamic institution:

Questions	Score
Q1 Awareness of the existence of zakat in Islam	4.83
Q2 Awareness of the zakat purpose	4.67
Q3 Awareness of zakat obligation on wealth for responsible payers	4.83
Q4 Awareness of fiqhi rulings of zakat calculations	4.34
Q5 Awareness of zakat institutions	4.24
Q6 Awareness of zakat distribution in the region	4.58
Q7 Awareness of other functions of zakat information	4.60
Q8 Awareness of nisab based on income and the value possessions	4.77
Average	4.61

Source: Authors own

Based on the above table, it can be inferred that the general awareness of Zakat as an Islamic institution is quite high in the region of BARMM, Philippines. It reached a score of 4.61 out of 5 which falls within the category of very high awareness. This is understandable considering the religious education in schools which covers Zakat in general. Looking into the table, we find that the lowest score was for the question that tests for the awareness of zakat institutions is in question number five which is the awareness of Zakat institutions with a value of 4.24. The reason can be because there is no actual example of an operational institution in the region at the moment. The second lowest score is for the question about the awareness of Zakat rulings and Zakat calculations which is 4.34. The reason can be because most people are probably not rich enough to pay the Zakat and that the pious rich might ask for the help of religious leaders in calculating the Zakat payable. Nevertheless, even though these two values are the lowest, they still represent a very high level of awareness.

As per the awareness of different types of Zakat, table 5.4 illustrates the results. The table suggests that Zakat awareness of this aspect is also quite high, and it is very close to the score of the previous aspect. Table 5.4 indicates that the lowest score of the related question was for questions number three and four with an equal score of 4.38. The two questions test for the awareness of the existence of Zakatul Maal and its purpose, respectively. Although still very high, perhaps the reason why these two questions have lower scores is perhaps because usually those who pay Zakatul Maal (Zakat on wealth) are lesser than those who pay Zakatul Fitr because of the massive difference in the threshold of their respective nisab. Zakatul Fitr is payable in the end of the month of Ramadan by anyone who owns enough food for one day.

“Abdullah Ibn ‘Umar said that the Holy Prophet (peace be upon him) ordered the people to pay Zakat al Fitr before going to the Eid prayer. (Hadith, Bukhari)”

Based on the income levels of the region, it can be said that most people are required to pay Zakatul Fitr while only a minority may be required to pay Zakatul Maal. Perhaps having to

calculate and pay the Zakat can play a role in further increasing its awareness by the public. This could be further investigated in future studies.

Table 5.4 The awareness of the different types of Zakat:

Questions	Score
Q1 Awareness of existence on zakatul fitr	4.80
Q2 Awareness on the purpose of zakatul fitr	4.65
Q3 Awareness on the existence of zakatul maal	4.38
Q4 Awareness of purpose on zakatul maal	4.38
Q5 Awareness of zakatul fitr on obligatory alms during the special month of Ramadhan	4.79
Q6 Awareness of zakat fitr as a collective insurance Zakatul fitr	4.52
Q7 Awareness of zakat maal as a compulsory charity	4.48
Q8 Awareness of zakatul fitr as purification and means to please the poor	4.75
Q9 Awareness of zakatul maal and zakatul fitr on its wide functions	4.70
Average:	4.60

Source: Authors own

Finally, the awareness level about the beneficiaries of Zakat included in table 5.5 also suggests a very high level of awareness but with a slightly lesser score than the previous two aspects. This suggests that although the level of awareness about Zakat is high, people's understanding about all kinds of possible beneficiaries may be further improved. This might be due to the customary practices in the region of giving the Zakat to the poorest of family members without looking into other possible beneficiaries (Aliman Gamon & Mariam Tagoranao, 2018). The practice is understandable considering the high levels of poverty in the region.

The lowest score in this category is in question number six which is the awareness of debt-ridden as a zakat beneficiary to be followed by question number four which is the awareness of the existence of whose heart is reconciled as one of the zakat beneficiaries. The reason might be due to the absence of institutions and management in the region that were collecting this type of zakat. It is worth mentioning in this regards that the distribution of the zakat to the right recipient was not implemented in the region of BARMM. Most of the people in Bangsamoro might not be aware of the eight beneficiaries which were stated in the Holy Qur'an. Since the institutions and management are not present in the region most of the Bangsamoro usually do their zakat payment as a customary practice.

Table 5.5 The awareness of the recipients of Zakat:

Questions	Score
Q1 Awareness of poor as a zakat beneficiary	4.79
Q2 Awareness of needy as a zakat beneficiary	4.83
Q3 Awareness of zakat administrator (amil) as a zakat beneficiary	4.44
Q4 Awareness of whose hearth is reconciled as a zakat beneficiary	4.33
Q5 Awareness of slaves/ captives as a zakat beneficiary	4.51
Q6 Awareness of debt-ridden as a zakat beneficiary	4.29
Q7 Awareness of work for Allah cause “fi sabilillah” as a zakat beneficiary	4.63
Q8 Awareness of wayfarer as a zakat beneficiary.	4.58
Average:	4.55

Source: Authors own

All in all, the total score for the Zakat awareness of the BARMM (Bangsamoro Autonomous Region in Muslim Mindanao) is 4.59 which is considered very high. Thus, it can be inferred that the low Zakat payments and the wide-spread poverty in the region might not be due to a lack of public awareness of Zakat among the Muslims there.

CONCLUSION AND POLICY RECOMMENDATIONS

This study aimed at assessing the levels of awareness about Zakat, its institutions, types and beneficiaries to the people of the BARMM (Bangsamoro Autonomous Region in Muslim Mindanao) in the Philippines. A total of 224 questionnaires were collected and analysed using a descriptive approach and by resorting to a ranking system built on Likert scale. The results show that there is a considerably high levels of awareness among the sampled population. This includes the awareness of Zakat as an Islamic institution, the awareness of the different types of Zakat and the awareness of the different beneficiaries of Zakat. This came contrary to the initial hypothesis of the researchers which was built with the expectation for Zakat to be low due to the low levels of recorded Zakat payments in the region as well as the widespread poverty.

It is plausible that surprisingly higher levels of Zakat awareness is a side effect of the newly created Muslim government in the region of BARMM. However, arriving to such conclusion requires a comparative study between the awareness now and the awareness before the establishment of the new government. That said, policy makers can further improve the effectiveness of the wealth redistribution function of Zakat through establishing proper Zakat institution that can take the task of collecting Zakat from the eligible population and then redistribute it to its rightful beneficiaries across the region. This might help in lowering the poverty levels and achieving a more harmonious society. As such, future research about Zakat in the region of BARMM can focus on the legal and regulatory requirements needed for the establishment of proper and sound Zakat institutions.

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ASSESSING THE AWARENESS OF WAQF OF THE PEOPLE OF BANGSAMORO IN THE PHILIPPINES

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ABSTRACT

In the Philippines, particularly in the regional center of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), the institution of waqf has historically been used to establish mosques, Islamic schools, and a few social programs for underprivileged Muslims. Waqf has also been used for religious purposes for the Muslim community. However, the development of the institution of waqf in that region has almost stopped for various reasons. As such, the Muslim community's awareness of this institution, its importance, and the way it operates has been declining. On the other hand, the existing waqf institutions still play a role in raising the awareness of the people. Since the awareness of any institution is the first step to developing it, the purpose of this study is to assess the level of awareness of the Bangsamoro people in the Philippines. The analysis focuses on how people are aware of Waqf's existence, how it operates, and how they might use it in their communities. To meet the objective, the study used primary data collected from 204 respondents using a survey questionnaire. The data has been analyzed by (SPSS) statistical package. The findings of the research show that although the basic knowledge of waqf is average, their knowledge and awareness of some specific current practices of waqf are rather low. Additionally, the findings of the study show that there is no statistically significant difference in awareness and knowledge between men and women. The study may help lay the foundation for the application of waqf for poverty alleviation in the Philippines. This will also help policymakers address the main causes of the lack of awareness in that region.

keywords: Waqf, Philippines, Religious Purposes, Bangsamoro People, Barmm

INTRODUCTION

Simultaneously time, it is indeed essential to know that *waqf* as a tool for poverty alleviation is a hot topic at every International Islamic Finance Conference. Though awareness of waqf is still in its early stages in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). One of them is to perform *waqf* [endowment]. Aside from the charitable and public benefits of raising public awareness, these religious endowment practices will bring this same man of action closer to Allah, (Abdul Hamid, and Mohammad Tahir, 2014). In a sense, the *waqf* was already managed and formed into one of Islam's socioeconomic institutions that could help with a variety of activities (Al Arif, 2012).

It argues that the socio-economic institutions of *waqf* can assist various activities and address people's issues such as poverty. Moreover, in a way to attract the most people to take part in this charitable practice, its level of awareness should be raised regularly. (Khalid, Syed 2011). The study of Kamarubahrin and Ahmed Ayedh (2018). The analysis is summarized in four main points. Specifically, the history of *waqf*, current legal and administrative practices, and

waqf management practices in the countries involved. Is it a critical analysis of the *waqf* experience of a non-Muslim country, the Philippines? *waqf* in the Philippines is governed by the Philippine Corporation Law and the Philippine Civil Code. Aside from that, the *waqf* concept is contained in the Muslim Personal Law Code.

Thus study, these are for the establishment of testamentary *waqf*, also known as *waqf* bill Wasiyya. The Marcos administration intended to codify Islamic personal laws after the country's independence. As the result, even though the committee worked on the *waqf* law for a while, their proposals were not included in the draft bill. On February 4, 1977, the code was ratified, although the chapter on *waqf* legislation was absent.

At present, the *waqf* tradition is being developed and practiced by the Muslim community, demonstrating that, as a major part of the Muslim economy, the *waqf* has benefited the socio-economic development of every Muslim community and serves a religious purpose for each individual to put it another way, (Gamon 2017), The statement about *waqf* property in the Philippines is not controlled or managed by Philippine laws that govern the land and *waqf* property. Thus, the *waqf* indicates that there is still no legislation in the country that governs, controls, or develops *waqf* properties.

As such, among the practices and implementation of the *waqf* in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), the city of Marawi has been home to several mosques and Islamic schools. Thus, *waqf* practiced by the Muslim community in the Philippines is not covered by the government's program. This is due to the Philippine government's failure to support the *waqf* institution, (Alizaman Dumangcag Gamon and Tagaranao 2017,). As a matter of fact, the current practices exist solely to benefit the development of the Muslim community in the Philippines.

Even though it has Muslim communities in the Philippines own property that falls under the criteria of *waqf* practices, this sense can be considered they have made important contributions to the field of Islam in the Philippines. This demonstrates how a person's *waqf* practice can be made more widely known through religious channels.

The most recent In Mindanao, Philippines, the *waqf* was used to establish mosques, Islamic schools, and a few social programs for underprivileged Muslims. This kind of *waqf* fund on development of the Southern Philippines, the regional center of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). In several Muslim cities in Mindanao, Philippines, *waqf* is used for religious purposes. The city of Marawi is home to several madaris and masjids. The Jamiatul Philippine al-Islamiyyah (JPI) was erected by a noble family under the family *waqf*, Maahad Marawi Al-Islami, and was supported by the Islamic Development Bank of the Kingdom of Saudi Arabia; others, such as Madrasah *waqf* Qismul Banaat and Masjid Islamic Centre, were in Marawi City's heart. The properties were constructed by a non-profit leader who is a member of a *waqf* family and is backed by a donation from an Asian country. (Alizaman Dumangcag Gamon and Tagaranao 2017,).

The above-mentioned *waqf* practicing in the Bangsamoro Region, what about the other types of *waqf*? what about, this same *waqf* as an Islamic microfinancing institution can support the poor people as well as initiatives to understand the benefits of *waqf*. And the potential of the people of the Bangsamoro region in the Philippines must be aware of this.

To sum up, in general, the Philippines has three divided islands- Luzon, Visayas, and Mindanao. As is well known, Islam was originally introduced to the Philippines, by Muslim traders who migrated in the thirteenth century. (Montiel, Rodil, and de Guzman 2012). Mindanao is home to a numerous population with diverse ethnic, religious, and linguistic heritage. "The Moro Nation is known as the Bangsamoro," and the Muslim minority within the Philippines is formed by a little piece of Islamic law, Bangsamoro consists of various linguistic groups. Around 20% of Mindanao's population are "Moros or Bangsamoros," a recently born

appellation that has grown more generally known among them. In the Philippines, Muslims are largely concentrated on the Mindanao islands in order to highlight the identity of Muslims in the region, The Iranun, Magindanaon, Maranao, Tao-Sug, Sama, Yakan, JamaMapun, Ka'agan, Kalibugan, Sangil, Molbog, Palawani, and Badjao are among the thirteen Muslim tribes in the country. They are also referred to as the “Bangsamoro people”. (Montiel, Rodil, and de Guzman, 2012).

Nevertheless, there is no study done in terms of assessing the awareness of waqf in the Philippines. In this research, the awarenees of the Bangsamoro people particularly in Bangsamoro Authonomous Region and Muslim Mindanao (BARMM). Thus, the existing *waqf* as a microfinancing institution still plays a role in raising the awareness of the Bangsamoro people. Since the awareness of any institution is the first step to developing it. In some ways, a strong awareness of the *waqf* system's importance in Muslim society is required. As a result, awareness is one of the alternative solutions to its consistent increase in Muslim society particularly in the Bangsamoro Region.

However, there is a paucity of literature that empirically evaluates the awareness of the Bangsamoro people about the *waqf* in the Philippines. The current study aims to close this gap. For this reason, this research aims at assessing the awareness of the Bangsamoro people in Mindanao, the Philippines with regards to *waqf*'s existence, how it operates, and how they might use it in their communities. Nevertheless, research in the area seems to be very limited because its development is still relatively new, particularly in the Philippines. As a result, this recommendation contributes to the government or institutions in terms of *waqf*-related policy strategies and more.

This study will indeed lead to the implementation of Islamic principles, as well as increase public awareness of the existence of the *waqf* institution in Mindanao, Philippines. Therefore, the purpose of this study is to assess the level of awareness of *waqf* in the Bangsamoro people's Philippines.

RESEARCH OBJECTIVES:

Awareness and knowledge are interconnected, and they always play a significant role in assessing people's opinions. Since knowledge gives comprehensive information about particular areas, it is faster for a policymaker to evaluate and make a decision based on that kind of comprehensive information. for example, a Simple understanding regarding waqf mechanisms and some incentives for waqf establishment may exist in the setting of a waqf institution, and this knowledge is necessary to formulate the study's overall objectives.

As a result, the study's main objective is to:

- To assess the level of awareness of Bangsamoro people in the Philippines about waqf
- To assess the level of knowledge of Bangsamoro people in the Philippines about waqf
- To analyze the differences in assessing the awareness of waqf between men and women among the Bangsamoro people in the Philippines.

To summarize, the primary goal is to know the level of awareness of the Bangsamoro people in Mindanao, Philippines. It is fine if people have enough knowledge about the waqf.

RESEARCH QUESTIONS:

- What is the level of awareness of the Bangsamoro people in the Philippines about Waqf?
- What is the level of knowledge of the Bangsamoro people in the Philippines about Waqf?
- Is there a significant difference in assessing the awareness between the men and the women among the Bangsamoro people of the Philippines about waqf?

RESEARCH PROBLEM:

Waqf is highly effective in improving the lives of individuals, particularly in the Muslim community. It has been done since the prophet Muhammad's time (peace be upon him). One of the earliest references to *waqf*, for example, occurs when Uthman bin Affan bought water that was being sold for public use. This is similar to what the *waqf* does now. It is seen as a means of advancing the country's socio-economic development. "even throughout the Ottoman empire, cash *waqf* was practiced."

In the Philippines, the *waqf* system remains the most effective mechanism for benefactors to provide [endowments] or earnings from assets exclusively for the benefit of the Bangsamoro people. They consider this sort of *waqf* philanthropic and use it to build mosques, madrasahs, and orphanages.

Several studies have been completed, and it is now widely accepted that *waqf* is a perpetual donation made primarily through land and property. In the Philippines, on the other hand, *waqf* has been unable to develop. The level of awareness and the level of knowledge has a significant link. Much research has revealed that people have a weak understanding of *waqf*. People still have misconceptions regarding *waqf*, which could have a big impact on *waqf* activities. Furthermore, Islam inspires people to support charity in a variety of methods that benefit the needy. Aside from such motive, raising awareness about the *waqf* can be an effective strategy to entice individuals to contribute to its upkeep. In the Philippines, no research has been done on *waqf* awareness.

Several investigations have been out, and it is widely accepted that *waqf* is an everlasting bequest. That might bring solutions and be valuable to the Philippines. The focus of this research is to assess the level of *waqf* awareness and knowledge of the Bangsamoro people in the Philippines.

SIGNIFICANCE OF THE STUDY:

Even though *waqf* and Islamic microfinance institutions have not yet been formed in the Philippines, and despite a lack of experience, particularly in *waqf* institutions, this study can benefit the people of Bangsamoro in the Philippines. They can also assist to raise awareness and knowledge about *waqf* as a tool for poverty alleviation.

As a result, this study is unique in that it will concentrate on the level of *waqf* awareness among the Philippines' Bangsamoro people. Given the global history of *waqf* development, particularly in the Philippines, it is critical to assess the Bangsamoro people's awareness of current practice and knowledge of *waqf*. Furthermore, such an approach will serve to highlight the key challenges associated with the practice in the Philippines, which will benefit regulators when designing remedies based on the study's findings.

LITERATURE REVIEW

An overview of waqf

This takes into account the Shariah compliance (shariah perspective) that is being discussed. These are the highlights according to Monzer Kahf's (2004) chapter from book 2- "*ISLAMIC ECONOMICS: THE CHARITABLE SECTOR*".

Chapter seven of his book- Kahf, M. (2014). This section will present the fundamental Shariah ruling on the establishment of the Awqaf. This section discusses the text of the Quran and Sunnah which is closely linked to awqaf.

Whereas the word "waqf" is not described in the Holy Qur'an specifically, what exactly is in Allah's Book? the Quranic terms "sadaqah" and "Infāq" Cover the *awqaf*, in other words. In the Sunnah, however, waqf is referred to as "sadaqah jariyah." Awqaf is a distinct method of distributing charity; it unquestionably falls under the inclusive definitions of sadaqah and Infāq.

Allah decreed: "O you who have believed, bow and prostrate and worship your Lord and do good that you may succeed." (Al-Haj 17:77) "Never will you attain the good [reward] until you spend [in the way of Allah] from that which you love. And whatever you spend - indeed, Allah is Knowing of it." (Al-Imran 4:92)

It has its origins in the Islamic religion. However, there is no clarity in the Qur'an command about the *waqf*, the definition of the *waqf* has been based upon several hadiths in Islamic countries.

The Prophet Muhammad, peace be upon him, famously said: "When a human being dies, all one's deeds immediately stop, except three: Sadaqah Jariyah, [religious] knowledge [one leaves behind] from which others benefit, and a righteous child who prays for one," [Muslim the book of bequests al-kitaab al-wassayah, 14]

Hence, the *waqf* covered in the Sunnah of the prophet Muhammad (ﷺ) and also the "Sadaqa has been mentioned in the Quran text with several times some 17 times and Infāq some 64 times". Thus *waqf* has been practiced during the time of the Prophet Muhammad (ﷺ) and his companions. There are several examples *waqf* were established by some companions at the time of the prophet Muhammad (ﷺ). According to this hadith, there are "no single able companions who did not make *waqf*." Through making comments on the saying, Ibn Qudamah mentions Jabir bin Abdullah's narrations. (Ibn Qudamah 1994).

Thus, *waqf* was developed before by the time of Prophet Muhamad (ﷺ). That was the very first *waqf* was the Masjid Kaaba, a city has 400 km north of Mecca. That was formed upon the approaching of Prophet Mohamad to the town of Mecca after Allah Subhanahu Wataala (s.w.t) sent him down to maneuver another place in Medina.

Even though it was a well-known *waqf*, the *waqf* of Umar bin Al-Khattab was not the first civil *waqf* established in Madinah. On the prophet's recommendation, a *waqf* for drinking water was established in Madinah. The *waqf* which was used for drinking was made available to all. Before this *waqf* for drinking water was made by Umar ibn Al-Khattab. Also mentioned was, the hadith in which Uthman bin Affan brought the Rumah well and managed to make it free for everyone, as the prophet Muhammad wished to "keep it free for drinkable purposes for all Muslim community." The hadith mentioned above-reported by Tirmidhi and Nasa'i.

“As a result, many other awqaf, particularly land and trees, were produced by the prophet Muhammad's companions. the hadith reported in the Saheeh Muslim. “

Throughout Islamic history and wherever Muslims set their feet, the presence of the waqf is significant. (Mujani et al. 2018) A general overview was discussed. This literature, which explains the socio-economic activities with the *waqf* is rapidly and many studies, this same historical record of *waqf* is rich, with important milestones in serving the poor in particular and services for the benefit of the Islamic community in general.

The first *waqf* grew by leaps and bounds in this generation of Muslims, and it is [endowment] became a pillar in the religious, social, cultural, and political realms. The scientific, economic, and political life of Islamic society from to the extent that for every conceivable enterprise of social benefit, there was a *waqf*. (Ali, 2009).

Waqf: What Does It Mean?

The definition of *Waqf* [endowment] in shariah means holding some specific property and keeping safe of it for the development of Muslim people and to use for specific objectives, same as Kahf (2004) defines “A *waqf* is a permanent or temporary ownership of an (asset or usufruct) one which provides relevant products or services for public or private righteousness.”

Thus, the brief definition of the *waqf*, as part of this basic awareness, has created awareness in every single person in the sense that it provides basic, specific information that will be enough for everyone. This same meaning is defined in a variety by the fuqaha to represent the constraints and categorization of their respective schools of fiqh. Kahf (2004) emphasizes fuqaha's term indifference definitions of *waqf*.

To sum up, The Maliki school of fiqh holds that the founder retains ownership of the *waqf*, defining "habs" as a binding grant of the benefit or usufruct of an asset while the founder retains ownership. The Hanbali and Shafi'i, who argue against Abu Hanifah's view that the founder has the right to retract her/his *waqf*, add "with the termination of the founder's disposition authority" to the description of a phase. To present Abu Hanifa's point of view, Ibn 'Abidin prefers to define *waqf* as "holding the asset and preventing others from disposing of it while it remains owned by the founder."

Al-Sawi, a Maliki, may have provided the most comprehensive definition because it includes usufruct, revenues, or output, as well as perpetual and temporary *waqf*. "Habs is assigning the usufruct (benefit) of the property or its revenue to a deserving objective for the period determined by the founder".

“These are the most important characteristics of waqf that related to its objective- the idea of birr- [literally doing charity out of goodness along with the meaning of doing good- kind- benevolent things to others].”

“This implies that a waqf for bad or immoral objective- [e.g., to spend on drinking parties, to teach magic, to spread pornographic literature] this is not recognized.”

Waqf Is a Religious Belief

Waqf is an essential topic. In Islam, natural endowment entails holding assets. It has also been successful in serving the underprivileged by increasing societal welfare. *waqf* makes significant contributions in the areas of public utilities, education, health, and research (Khan & Jareen,

2015). For example, is Educational *waqf*, is assigned to research activities. It also makes a significant contribution to healthcare.

Another, in the *waqf* sector, which includes organizations, *waqf* has been widely used to acquire land for religious and charitable purposes. Sadaqah Jaria (running charity) is another name for it. It ensures benefits through its voluntary operations in the areas supported.

However, in today's world, *waqf* is commonly known as a type of endowment that is important in Muslim and other countries. A *waqf*, in its various definitions, is indeed a prospective asset being used to earn revenue in an efficient runway. *waqf* has been regarded and implemented in the Islamic concept as a prospective and perpetual charitable causes way of measuring that has a huge impact and bigger effect on people, institutions, and society by generating regular income in the long run. *waqf* [endowment], for example, has been used effectively in educational institutions that have existed in society for a long time (Muhsin, 2009). Throughout Islamic history, *waqf* has held great significance in the process of institutional reforms. (Rana et al. 2020),

Waqf-based Microfinance's Economic Influences

Rana *et al.*, (2020) presented a model of the Role of *waqf* in Economic Development, they claim that the Role of *waqf* in Economic Development consists of such opportunity components as this risky economic scenario has the potential to be drastically altered and developed. Through the establishment of a *waqf* and its proper administration. Furthermore, these aspects are impacted by – Reducing government expenditure, Enhancing Economic Progress, eradicating poverty, Restoring distribution of income, and Preventing deficit financing.

When applied in combination with microfinance services, *waqf* also could help poor people become business owners by providing funding and organizing training and capacity-building schemes. All of these selfless acts performed for the benefit of humanity are regarded as *waqf*, which aids in the abolition of poverty in the community (Obaidullah & Khan, 2008).

Awareness of the importance of waqf

Kotler (2003), defines awareness as the first stage that must be established for business organizations to achieve their goals- a lack of it has resulted in differing opinions on the products and services offered by the organization consumers must go through the process of knowledge, persuasion, decision, and confirmation before they are ready to adapt to a product or service. In simple terms, strategic awareness is the combination of decision-making and self-awareness. Amankwa (2015) defines awareness and training programs as having to be designed with the organization's mission in mind.

Finally taking into consideration that this awareness will cover- how much information would have to be provided, to provide knowledge and potential to the awareness of the Bangsamoro people in the Mindanao, Philippines, as well as updated information and practice about *waqf* as a tool for poverty alleviation. There seems to be a gap in the works of literature done in the Philippines since it does not address the public's awareness.

The study has been done before awareness of the said practice of *waqf* can be raised- across [promotions] and [willingness] (Nour Aldeen, Ratih, and Sari Pertiwi 2021) This same *waqf* institution can conduct [promotions] as well as initiatives to understand the benefits of *waqf*. And the potential of the people of the Bangsamoro region in the Philippines must be aware of this. Thus, according to Norazlina and Abdul Rahim (2011) and Wan Ariffin MohdSyahiran and Hasan (2008), these campaigns and [promotional] offers must be organized not just in the region but also in some other countries. This level of *waqf* awareness can always be raised, increasing earnings for *waqf* development in the Bangsamoro Region.

The concept of *waqf* highlights, both ideas and the purpose of the *waqf* that covers the history of the literature about *waqf* and finally taking with considerations that this awareness will cover- how much information would have to be provided, to provide knowledge and potential to the awareness of the Bangsamoro people in the Mindanao, Philippines, as well as updated information and practice about *waqf* awareness. Therefore, the purpose of this study is to assess the awareness of the *waqf* and how it operates in the Bangsamoro community in the center of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), Philippines.

Research Methodology

To meet the objectives of this research, this study used primary data collected using a survey questionnaire. The questions included in the survey are close-ended. The target audience of this survey is the Bangsamoro people in the Philippines. The survey's purpose is to test the awareness of *waqf* the level of participants of the people of Bangsamoro in the Philippines.

There is a way to mitigate this. A questionnaire was developed and translated into Filipino, the national language of the Philippines, so that the respondents could easily understand and respond to the questions. An online and offline survey will be distributed. The snowball sampling method and the convenience sampling method will be used for online surveys. The snowball sampling method is used when the first participants complete the survey and pass it to another friend, who then refers other people or family members, and the process continues. Convenience sampling is the method of selecting individuals from a population-based on their ease of access. For instance, fellow workers, and classmates. (Reserved, Url, and Uri 2020) .

The offline survey will be distributed using an accidental sampling method. Respondents in this sampling are chosen by chance. Such that you meet someone by chance who meets the requirements for completing the survey, and that person becomes a participant by completing the survey. The survey data will be analyzed using descriptive data (qualitative analysis). The sample size is 204 participants.

RESULTS AND DISCUSSIONS

Profile Respondents

Table 1. Statistics

		Gender	Age	Marital_Status	Family_Size	Level_Education
N	Valid	204	204	204	204	204
	Missing	0	0	0	0	0

Source: Author's own.

To sum up, the respondents in this study are the Bangsamoro people, the center of the Bangsamoro Region in Muslim Mindanao (BARMM), with a total of 204 agreed responses. The profiles of respondents by sex, age, marital status, family size, educational qualification, year of schooling. The information below shows the average of the respondent.

Table 2: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	122	59.8	59.8	59.8
	female	82	40.2	40.2	100.0
	Total	204	100.0	100.0	

Source: Author's own.

Males respondents outperform females with a 59.8 percent to 40.2 indicating that male participants outnumber females.

Table 3: Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15-29	80	39.2	39.2	39.2
	30-44	75	36.8	36.8	76.0
	60-64	44	21.6	21.6	97.5
	60-64	4	2.0	2.0	99.5
	65- above	1	.5	.5	100.0
	Total	204	100.0	100.0	

Source: Author's own.

Thus, the average age difference between each respondent's age group of 15–29 is 39.2 percent, whereas 60–64 is a low average.

Table 4: Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	68	33.3	33.3	33.3
	Married	123	60.3	60.3	93.6
	Widowed	7	3.4	3.4	97.1
	Divorced	3	1.5	1.5	98.5
	Single Parent	3	1.5	1.5	100.0
	Total	204	100.0	100.0	

Source: Author's own.

The respondents have reached the high percentile in marital status; those who have an average of 60.3 percent are married.

Table 5: Family size

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 5	77	37.7	37.7	37.7
	5-7	87	42.6	42.6	80.4
	8-10	35	17.2	17.2	97.5
	above-10	5	2.5	2.5	100.0
	Total	204	100.0	100.0	

Source: Author's own. Whereas all the above results show that Bangsamoro people calculated family sizes to be almost closer to the average percent, and the high average is 42.6 percent, which means 5 and 7, the large number of family members.

Table 6: Level of education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Informal education (□ Home □ NGOs □ Local Community)	4	2.0	2.0	2.0
	Islamic Madrasa	103	50.5	50.5	52.5
	Primary school	24	11.8	11.8	64.2
	Secondary school	73	35.8	35.8	100.0
	Total	204	100.0	100.0	

Source: Author's own

To emphasize, the respondent percent with 50.3 is in the field of Islamic education, indicating that respondents' interest is higher than in secular schooling, which has a low percent.

In this section, the respondents indicate how agreeable they are with the following statements on a scale. *1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, and 5-Strongly Agree.*

Table 7: Q.1 I am aware of the existence of the institution waqf

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.4	3.6	3.6
	Disagree	26	12.7	13.2	16.8
	Neutral	79	38.7	40.1	56.9
	Agree	24	11.8	12.2	69.0
	Strongly agree	61	29.9	31.0	100.0
	Total	197	96.6	100.0	
Missing	System	7	3.4		
Total		204	100.0		

Source: Author's own

Table 8: Q.2 I don't know the purpose of waqf in Islam

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	12.7	13.3	13.3
	Disagree	33	16.2	16.8	30.1
	Neutral	83	40.7	42.3	72.4
	Agree	33	16.2	16.8	89.3
	Strongly agree	21	10.3	10.7	100.0
	Total	196	96.1	100.0	
Missing	System	8	3.9		
Total		204	100.0		

Source: Author's own

Table 9: Q.3 I know waqf is mainly used for graveyard, mosque, and madrasah

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	4.9	5.1	5.1
	Disagree	11	5.4	5.6	10.7
	Neutral	80	39.2	40.8	51.5
	Agree	34	16.7	17.3	68.9
	Strongly agree	61	29.9	31.1	100.0
	Total	196	96.1	100.0	
	Missing	System	8	3.9	
Total		204	100.0		

Source: Author's own

Table 10: Q. 4 I know the role of waqf in poverty alleviation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	4.4	4.6	4.6
	Disagree	15	7.4	7.6	12.2
	Neutral	78	38.2	39.6	51.8
	Agree	38	18.6	19.3	71.1
	Strongly agree	57	27.9	28.9	100.0
	Total	197	96.6	100.0	
Missing	System	7	3.4		
Total		204	100.0		

Source: Author's own

Table 11: Q.5 I need more explanation about the function of waqf

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.4	3.5	3.5
	Disagree	7	3.4	3.5	7.0
	Neutral	62	30.4	31.2	38.2
	Agree	50	24.5	25.1	63.3

	Strongly agree	73	35.8	36.7	100.0
	Total	199	97.5	100.0	
Missing	System	5	2.5		
	Total	204	100.0		

Source: Author's own

In sections responses to survey results about waqf awareness from table 7 and table 11, respondents have a total number of 199 since it has 5 missing systems. If we look at the responses of awareness of the people the tables show. This shows the majority of respondents that although their basic knowledge of *waqf* is average, their knowledge and awareness of some specific current practices in *waqf* are rather low. The Bangsamoro people still have no idea and do not fully comprehend the concept of *waqf* because of the still-new stages in the region. This could be due to the fact that not all Bangsamoro people understand the concept of *waqf* and that the only *waqf* in this region is for Islamic schools and mosques, which is limited.

Table 12: Descriptive

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Q1; I am aware of the existence of the institution waqf	male	118	3.4915	1.18931	.10948	3.2747	3.7084	1.00	5.00
	female	79	3.6076	1.12566	.12665	3.3555	3.8597	1.00	5.00
	Total	197	3.5381	1.16269	.08284	3.3747	3.7014	1.00	5.00
Q2; I don't know the purpose of waqf in Islam	male	116	3.0690	1.06913	.09927	2.8723	3.2656	1.00	5.00
	female	80	2.7750	1.22190	.13661	2.5031	3.0469	1.00	5.00
	Total	196	2.9490	1.14015	.08144	2.7884	3.1096	1.00	5.00
Q3; I know waqf is mainly used for graveyard, mosque, and madrasah	male	116	3.6293	1.13083	.10500	3.4213	3.8373	1.00	5.00
	female	80	3.6500	1.13740	.12716	3.3969	3.9031	1.00	5.00
	Total	196	3.6378	1.13065	.08076	3.4785	3.7970	1.00	5.00
Q4; I know the role of waqf in poverty alleviation	male	117	3.5641	1.14006	.10540	3.3553	3.7729	1.00	5.00
	female	80	3.6625	1.09016	.12188	3.4199	3.9051	1.00	5.00
	Total	197	3.6041	1.11830	.07968	3.4469	3.7612	1.00	5.00
Q5; I need more explanation about the function of	male	119	3.7311	1.05523	.09673	3.5395	3.9227	1.00	5.00
	female	80	4.1000	1.03850	.11611	3.8689	4.3311	1.00	5.00
	Total	199	3.8794	1.06151	.07525	3.7310	4.0278	1.00	5.00

waqf						
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Source: Author's own

Table 12 shows that although the average respondent is male.

Table 14. One -Way ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Q1; I am aware of the existence of the institution of waqf	Between Groups	.637	1	.637	.470	.494
	Within Groups	264.327	195	1.356		
	Total	264.964	196			
Q2; I don't know the purpose of waqf in Islam	Between Groups	4.092	1	4.092	3.183	.076
	Within Groups	249.398	194	1.286		
	Total	253.490	195			
Q3; I know waqf is mainly used for graveyards, mosques, and madrasah	Between Groups	.020	1	.020	.016	.900
	Within Groups	249.260	194	1.285		
	Total	249.281	195			
Q4; I know the role of waqf in poverty alleviation	Between Groups	.460	1	.460	.367	.546
	Within Groups	244.657	195	1.255		
	Total	245.117	196			
Q5; I need more explanation about the function of the waqf	Between Groups	6.511	1	6.511	5.922	.016
	Within Groups	216.595	197	1.099		
	Total	223.106	198			

Source: Author's own

This section will cover the results of a simple data analysis. While this is a specific study, the awareness of the Bangsamoro people concerning waqf, the result analysis will cover all aspects of descriptive, ANOVA, and correlation results.

The respondents- How should the preceding be explained? Respondent results: the specific results do not appear in the specific calculations, but they do show how to analyze the results. There is also a specific understanding of the typical output of the particular group and how to interpret what is going on. However, as a result, there is no statistically significant difference between the outcomes.

CONCLUSION AND RECOMMENDATIONS

A greater willingness among the Bangsamoro people provides an excellent opportunity for waqf institutions to grow. In future developments by investigating Muslim awareness,

perception, and willingness in the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM), awareness-raising is a process that seeks to educate the Bangsamoro people about waqf, which most of them are only vaguely aware of. The current study fills an important research gap, enriching the literature on waqf, particularly the existing *waqf*. Furthermore, This study may aid the *waqf* in Bangsamoro Region Agency in developing appropriate socialization strategies to build and develop the *waqf*.

The potential for waqf in the Philippines is enormous. There are several limitations to this study. First, only a small amount of data is used in this study. of respondent information, Future research could broaden the sample area's scope. As well as the number of respondents and contrast waqf awareness, perception, and willingness to use it. The scope of this paper is limited to the More research can be done from the perspective of the Muslim community as a donor/waqf. We will look deeper into the perspectives of waqf service users [small business owners] to gain a better understanding of the mechanisms. As well as the advantages of the Muslim community.

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INITIATIVES OF ZAKAT INSTITUTION IN MALAYSIA TO AID SME DURING THE COVID-19 PANDEMIC

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ABSTRACT

This article describes how zakat institutions are assisting asnaf who have small enterprises that have been impacted by the COVID-19 outbreak in Malaysia. During the research, qualitative research methods and comparative analysis were applied. According to studies, zakat institutions in Malaysia seek to provide various sorts of help to asnaf entrepreneurs. Cooperation with government agencies, the delivery of financial aid, and the provision of training are only a few of them. The zakat institution's initiative demonstrates that it is capable of upholding trust and is concerned about the difficulties faced by Malaysia's Muslim population.

Keywords: Zakat institutions, initiatives, SME.

INTRODUCTION

After two years of recovery from the COVID-19 accident, the country faces numerous obstacles. In 2020, the COVID-19 epidemic began to spread rapidly. The country was forced to establish the Movement Control Order (MCO) to limit and curb the spread of the hazardous epidemic, which threatened thousands of lives at the time (Periasamy, 2020).

While the community's safety can be protected and conserved, it must also shoulder additional burdens. Due to the MCO declaration, many areas of the economy were temporarily shut down, and businesses and factories were unable to operate. The country's tourism industry, which contributes to the economy, was severely impacted. Many people lose their jobs and their source of income as a result of layoffs. Some people who work earn a low wage because their employer has to reduce their pay to offset other expenses (Aw et al, 2021).

For each phase of the MCO, the government has relaxed some rules to allow people to re-employ and make money through business activities. Despite the flexibility provided, SMEs are forced to restart their operations with such difficulty. The Small and Medium Enterprises Sector (SMEs) is well known as one of the sectors that has contributed to the country's economy through the Gross Domestic Product (GDP), exports and employment. Finance Minister,

Tengku Datuk Seri Zafrul Tengku Abdul Aziz, said the SMEs sector is also the biggest contributor in providing employment opportunities in the country with 70 per cent of the workforce in the sector. (Awang 2021).

Nonetheless, the COVID-19 epidemic has already had an impact on Malaysia's economy, particularly the Small and Medium Enterprises Sector (SMEs). By 2020, SMEs' GDP will have fallen faster than Malaysia's GDP, which has slumped. (Mohamad H.F, 2021).

METHODOLOGY

This is a qualitative study. Data is gathered through the examination of documents, such as books, journal papers, news plans, and articles from the institutes participating in the research. Document analysis can be used to collect data that is relevant to the issues and problems being investigated. After explaining the situation of the impact of the COVID-19 disaster, as well as the interests of SMEs and zakat institutions in the country's economy, the concept of study is explained with a description of zakat and asnaf zakat. Then the study identified the initiatives of government agencies, corporate companies and NGOs in assisting SMEs.

This study also focuses on the initiative of zakat institutions in Malaysia to help SMEs from the asnaf group from the beginning of the COVID-19 pandemic until early 2022. Once the data is obtained, it will be analyzed using the content analysis method by identifying, filtering, interpreting, and dividing the data into categories of asnaf entrepreneurs who are eligible for the assistance of the zakat institution (Broad, O. 2018).

ROLE OF THE INSTITUTION OF ZAKAT MALAYSIA

Zakat is an Arabic word which is a derivative word (maṣḍar) from the origin of the word zakā – yazkū – zakātan which means growing, yield and surplus. As Saidina 'Alī RA said: -

المال تنقصه النفقة والعلم يزكو على الإنفاق

"The treasure will be reduced if spent while the knowledge will also grow by being delivered" (Ibn Manzūr, 1990)

Furthermore, zakat is also the meaning of purification, as used in Surah al-Kahfi verse 81: -

فَأَرَدْنَا أَنْ يُبَدِّلَهُمَا رَبُّهُمَا خَيْرًا مِنْهُ زَكَاةً وَأَقْرَبَ رُحْمًا

"so, we wished that their Lord might replace for them a son better than him of the cleanliness of the soul, and more merciful," (Basmeih, 2000)

Therefore, property zakat can be said to be the purification of property for cleaning it with the right to be issued.

Zakat is an obligation on everyone who has the conditions. It becomes the third pillar of Islam that needs to be fulfilled as a Muslim. The Islamic law of the Quran, al-Sunnah and Ijma' has affirmed the sanctioning of zakat. In the Quran, the obligation of it is in line with the obligation that Allah has commanded to perform the prayer as well in Surah al-Nur verse 56: -

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَأَطِيعُوا الرَّسُولَ لَعَلَّكُمْ تُرْحَمُونَ

"And perform the prayer and pay the zakat; and obey the Messenger of Allah; so that you may receive mercy (Basmeih, 2000).

There are also many hadiths from the Prophet PBUH which indicate the obligation to pay zakat, among them is a hadith narrated by Ibn 'Umar that the Prophet PBUH said: -

بُنِيَ الْإِسْلَامُ عَلَى خَمْسٍ: شَهَادَةِ أَنْ لَا إِلَهَ إِلَّا اللَّهُ وَأَنَّ مُحَمَّدًا رَسُولُ اللَّهِ، وَإِقَامِ الصَّلَاةِ، وَإِيتَاءِ الزَّكَاةِ،
وَالْحَجِّ، وَصَوْمِ رَمَضَانَ

“Islam is built on five things: Testify that there is no god but Allah and testify that Muhammad is the messenger of Allah, perform prayers, pay zakat, perform hajj and fast in the month of Ramadan” (Al-Bukhārī, M. I., 2001).

The Islamic Religious Council of the States (MAIN) is a responsible and powerful institution for managing zakat. The affairs of zakat under the act or enactment in their respective states or placed under a specific enactment on zakat. This Act or enactment provides power to MAIN or the company it appoints to collect zakat from the owner of the property and everyone who violates the act or enactment may be punished. The management of the zakat distribution is carried out either by MAIN directly or by the appointed representatives and distributed according to the asnaf division available in their respective states (Suhaimi, 2020).

Asnaf zakat has been explained in the Quran, surah at-Taubah verse 60.

أَتَمَّا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي سَبِيلِ
اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ

"The zakat is only for faqir, the poor (miskin), the managers of the zakat, the muallaf are persuaded, to set themselves free, those who are in debt, for the cause of Allah and those who are on the way, as a decree which Allah has decreed; and Allah is All-Knowing, All-Wise" (Basmeih, 2000).

SMEs entrepreneurs that were harmed to the point of poverty as a result of the COVID-19 disaster, which was intended in this study, were categorized from asnaf faqir or asnaf miskin. Asnaf faqir is a Muslim who has no property or income, or has no property or income but does not reach 50 percent of the kifayah limit of himself and his dependents. While the asnaf miskin is a Muslim who has a property or income that can only cover more than 50 percent of his needs and dependents but still not enough kifayah limit.

In response to the crises that has afflicted the community, particularly asnaf entrepreneurs, Malaysian zakat institutions have taken a proactive approach to finding measures to alleviate their load. This is why the zakat institution was founded. The institution of zakat in early history of Islam is located under the authority of the Bayt al Mal. Bayt al Mal is an effective economic management system created by Islamic civilization. This institution is a bulwark to the country's economy in times of disaster, severe drought and the existence of killer plagues.

The study found that the system of zakat institution existed during the time of the Prophet PBUH when he commanded some of the Companions to collect zakat, jizyah, ghanimah and kharaj. For example, Muaz bin Jabal was sent to Yemen to collect zakat and Abu Ubaidah to Bahrain to collect jizyah (Ar-Sirjani, 2010). This effort was further streamlined during the reign of Umar al-Khattab when it created Bayt al Mal to launch the management of the property of the Muslims. Allah swt said in surah Al-Ḥashr verse 7:

يَكُونُ لَا كَيْ السَّبِيلِ وَأَبْنِ وَالْمَسْكِينِ وَالْيَتَامَى الْقُرْبَىٰ وَلِذِي وَلِلرَّسُولِ فَلِلَّهِ الْقُرْبَىٰ أَهْلٌ مِّن رَّسُولِهِ عَلَى اللَّهِ أَفَاءٌ مَّا
مِنْكُمْ الْأَغْنِيَاءَ بَيْنَ دَوْلَةٍ

What Allah has given to His Messenger (Muhammad SAW) of the property of the people of the land, the town or the village, is for Allah, and to the Messenger, and to the relatives, and the orphans, and the needy, and the traveller. that it may not circulate among the rich among you (Basmeh, 2000).

This verse demonstrates the significance of establishing a zakat agency tasked with managing Muslim property and distributing it to the rightful owners.. Zakat institutions are also a prospective source of funding for social goals, and they deserve more attention for this reason (Qistina & Sim, 2021).

INITIATIVE OF ZAKAT INSTITUTION TO SME

Various parties have paid attention to the difficulties and losses suffered by small business owners. Before analysing zakat institution initiatives, this study will mention the initiatives by government agencies, corporations, and non-governmental organization (NGO). It can be seen how these many institutions complement one another.

The government's concern for SMEs issues can be seen through the assistance provided under the Malaysian Small and Medium Enterprise Corporation. (SME Corp. Malaysia). The government has proactively introduced several initiatives such as bantuan Geran Khas Prihatin (GKP), micro entrepreneurs receives a one-off of RM3,000 per person and it continues with a giveaway GKP 2.0. Besides that, the Government also provides facilities Bantuan dan Pemulihan Bersasar a total of RM8 billion to help PKS in the service sector to obtain loans for working capital purposes, with a benefit rate of 3.5%. Skim Pembiayaan PKS PENJANA (PSF) a total of RM2 billion is also offered based on terms and conditions (SMEinfo).

In addition, the Government also announced other aid packages such as Pelan Jana Semula Ekonomi Negara (PENJANA), Pakej Bantuan Perlindungan Ekonomi & Rakyat Malaysia (PERMAI), Program Strategik Memperkasa Rakyat & Ekonomi (PEMERKASA), Program Strategik Memperkasa Rakyat & Ekonomi Tambahan (PEMERKASA PLUS) and Pakej Perlindungan Rakyat & Pemulihan Ekonomi (PEMULIH) aimed at reducing the impact of COVID-19 and redeveloping the country's economic growth(SMEinfo).

Several large companies have also made efforts to assist SMEs in increasing their business sales. Axiata Group is one of them, offering financial help to SMEs. The COVID-19 initiative, worth RM150 million, has been announced by the Axiata Group and its subsidiaries to assist micro-SMEs in financial difficulties as a result of the unprecedented coronavirus outbreak. (Yeng & Yap, 2020).

Digi Business is committed to assisting small and micro business owners in Malaysia with digital solutions and mobile plans worth more than RM150,000 in the face of today's challenging situation. Digi Business has joined hands with Astro Radio in #KamiCareMbiz programme. The initiative aims to increase business activities by publicising the products and services of the business through Astro radio's multilingual channels. (Hussin, 2021).

TheStar is assisting with the organisation of the Outstanding Business Star Awards (SOBA) 2021 #SOS: Save Our SMEs Webinar, which will explain how businesses can best exploit the 2022 Budget to help them expand. (TheStar, 2021).

The study also found that there are some non-governmental organisations (NGO) providing services to small and medium-sized businesses to develop businesses, such as a group of young people from Pertubuhan Anak Watan Nasional provide free assistance of advertising materials

(Kasim, 2021). Moreover, Pertubuhan Kebajikan Ihsan Muda Pulau Pinang have allocated RM10,000 as an initiative to purchase their goods for distribution to the public (Malik, 2021). The charity project described demonstrates the Malaysian people's innovation and spirit in helping Pakistanis, and indirectly, this effort serves to enhance the country's economy.

The zakat institution plays a crucial role in the management of Muslims' zakat assets. The zakat system also contributes significantly to the country's economic development. When the country was hit by the COVID-19 pandemic, the zakat institution was hit as well, with a lower collection than the year before. Nonetheless, attempts to assist asnaf are continuing as usual. Various measures are being taken to guarantee that asnaf's rights are protected. This research focuses on zakat institutions' initiative in aiding asnaf entrepreneurs in the SME sector.

This study has taken the example of initiatives from several zakat institutions looking at the form of initiatives implemented during the COVID-19 pandemic in the country. There are three primary sorts of initiatives done by the zakat institution:

1. Financial assistance in terms of capital and one-off cash payment.
2. Provision of comprehensive training by state zakat institutions or the result of cooperation with other bodies.
3. Provision of business platform including exemption of term premises rental fee

Throughout the COVID-19 pandemic, various initiatives of zakat institutions helping SMEs from the asnaf group can be clearly seen in table 1.

Table 1: Initiatives of Zakat Institutions

No	Institution of Zakat	Initiative
1.	Lembaga Zakat Selangor (LZS)	<ol style="list-style-type: none"> 1. RM 12.1 million COVID-19 assistance to B40 hawkers/traders & workers affected by income • Program Pemeraksanaan Usahawan dan Transformasi Pembangunan Inovatif for Asnaf Entrepreneurs Lembaga Zakat Selangor (LZS)
2.	Pusat Pungutan Zakat - Majlis Agama Islam Wilayah Persekutuan (PPZ-MAIWP)	<ul style="list-style-type: none"> • An allocation of RM15 million for the new aid, Musa'adah Tijariyyah which targets 5,000 recipients • SME Corporation Malaysia (SME Corp) collaboration organises Programme Tunas Usahawan Baitulmal (TUB). • Majlis Agama Islam Wilayah Persekutuan (MAIWP) dan Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM) allocated RM3 million to assist entrepreneurs from the asnaf group to cope with the challenges of the COVID-19 pandemic.

3.	Majlis Agama Islam dan Adat Melayu Perak (MAIPk).	<ol style="list-style-type: none"> 1. Special Assistance of Small Entrepreneurs Revolving Capital of RM2 million. 1. Implement the Asnaf Capital Assistance Scheme (ABaM). <ul style="list-style-type: none"> • Organizing Bengkel Pembentukan Model Perniagaan Usahawan Asnaf dan Kajian Keberkesanan Program Pemerkasaan Ekonomi Asnaf (Proper A).
4.	Zakat Pulau Pinang (ZPP)	<ul style="list-style-type: none"> • Special assistance for Zakat Pulau Pinang to small traders and hawkers affected by the spread of the COVID-19 pandemic on 23-28 march 2020. 1. Skim Bantuan Khas COVID-19 (SKBC19) to 672-night market hawkers/farmers market/small entrepreneurs amounting to RM336,000, in 2021. • Kursus Transformasi Minda Usahawan organized by Zakat Pulau Pinang
5.	Lembaga Zakat Negeri Kedah Darul Aman (LZNK)	<ul style="list-style-type: none"> • Distribution of Skim Bantuan Perniagaan/Jayadiri RM1.8 million in 2021 and RM1.4 million in the year 2020.
6.	Majlis Agama Islam dan Adat Istiadat Melayu Perlis (MAIPs)	<ul style="list-style-type: none"> • Bantuan Khas Rangsangan Asnaf in the form of exemption for rental of houses, shops and bazaars for a period of 3 months' worth RM 343,317.
7.	Majlis Agama Islam dan Adat Istiadat Melayu Kelantan (MAIK)	<ul style="list-style-type: none"> • Financial assistance ranging from RM300 to RM500 to 19,000 traders affected by COVID-19
8.	Pusat Kutipan Zakat Majlis Ugama Islam Pahang	<ul style="list-style-type: none"> • Established the BizZakat Portal sebagai medium perniagaan.

		<ul style="list-style-type: none"> • A donation of RM1,000 to each asnaf entrepreneur.
9.	Majlis Agama Islam Negeri Johor (MAINJ)	<ul style="list-style-type: none"> • Provide training to run a business including hair trimming. • Online marketing in collaboration with Johor Bizz Digital.

CONCLUSION

The zakat institution's responsibility in supporting the masyarakat is not limited to catastrophe relief; in fact, zakat money are disbursed equally and effectively throughout the year. The zakat institution is always committed to assisting the asnaf. The COVID-19 epidemic has had an impact on entrepreneurs income, particularly among SMEs, according to the study's findings. Although financial aid has a low value, when combined with training, it can have a significant impact. According to entrepreneur success tales, the most of them start with knowledge and small capital. Based on the findings of the study, zakat institutions have managed to provide assistance in various forms. In addition to creative initiatives such as the provision of sales platforms, skills training and financial assistance among the ideal assistance to be channeled to SMEs from the asnaf group. These efforts have been made to some extent to mitigate the impact of the COVID-19 pandemic.

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