

Infaq in the Islamic Economic System

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The institution of Infaq is one of the main pillars of the Islamic economic system and of Islam as a religion/faith and a way of life. Literally, Infaq **إنفاق** is the Arabic word for spending. Conceptually Infaq in the Islamic system means giving away for the betterment of the society and its members including the giver and her/his family. Spending may be in the exchange market against goods and services received or it may be a pure contribution on the part of the economic actor with no material exchange.

In the Qur'an and the Sunnah, the term Infaq and its derivatives are very often used with the suffix 'Fi Sabil Allah' **في سبيل الله** which means giving 'for the sake of God.' Normally when used with this suffix Infaq means giving to for charitable purposes. The only destination of giving 'For the sake of God' is to benefit God's creatures with priority to the children of Adam as the Prophet, pbuh, said: "The creatures are all dependent on God, the most beloved by Him are those who are most beneficial to His dependents." [Reported by Abu Nu'aym in Shu'ab al Iman from the narration of Anas bin Malik].

In addition to Infaq, there are few other terms that are used along with their derivatives in the Qur'an and the Sunnah to indicate the same connotation of meaning with emphasis on different shades of giving. Sadaqah **صدقة** is giving out of a truthful heart and normally used for charitable giving, 'Ata' **عطاء** is handing out, Jihad bi al Mal **جهاد بالمال** is making concerted effort to give funds to support

the cause of God, It'am إطعام is giving food 'Ita' إيتاء is reaching out with the giving, Nahl نحل and Inhal إنحال is giving without compensation, etc. The word Infaq, its synonyms and their derivatives are mentioned in the Qur'an 167 times. That is much more than the famous four practical Pillars of faith put together. In the Traditions of the Prophet Muhammad, pbuh, they appear innumerable times.

From the point of view of the religious significance/standing of this principle, there are several kinds of Infaq. These can be categorized at four: (1) Infaq as a religious absolute personal obligation; (2) Infaq as a religious circumstantial personal obligation; (3) Infaq as a religious community obligation; and (4) Infaq as a religious voluntary contribution.

- 1) Infaq as a religious absolute personal obligation is the kind of spending that is required from every Muslim as a must regardless of the social or community needs for the money. The immediate two examples of this kind of spending are Zakah on property (Zakah al Mal) and Zakah on persons (Zakah al Fitr). Zakah on property is a religious obligation on all Muslims who own properties, cash or otherwise. It is the third pillar of Islam and it must be spent only on the eight categories that are mentioned in the Qur'an [9: 60]. Zakah on persons is obligatory on every Muslim, male and female adult and minor. It is due for giving away by the end of the month of fasting, Ramadan. Fulfillment of spending pledges/oaths (Nuthur, s. Nathr) is another kind of spending as a personal obligation.
- 2) Infaq can be a circumstantial obligation on a person when the obligatory status is a result of certain circumstances and/or relations: a financially able person may be required to spend on the livelihood of those who are close by. Zakah is not the only personal spending obligation. In addition to Zakah, The Islamic Law makes it obligatory on a man to spend on his wife and minor

children including. This obligation is an implication of the marriage and blood relationships; it includes their living needs as well as their Islamic and worldly education. Additionally, spending on needy relatives especially parents is obligatory in the Islamic law on their nearest kin provided he/she is financially able. Infaq on one's guests in the form of hospitality and on needy neighbors is obligatory too. Other forms of circumstantially obligated spending include Infaq in compensation of religious mistakes or shortfalls [known under the name of Kaffarah, p. Kaffarat] and spending in libel, tort and civil liability.

- 3) Infaq can also be a community obligation, i.e., a personal obligation on every Muslim until someone takes charge of fulfilling it, but once it is fulfilled by someone all others are relieved of the personalization of the duty. This kind of obligation covers all the community needs such as spending to build civil and religious infrastructure including roads, public utilities, mosques, cemeteries, etc. It also covers all social community needs such as supporting the poor and needy, if the Zakah proceeds were not sufficient to provide adequate relief, economic development of lagging areas, scientific research and exploration. Community obligation also covers Infaq on the internal and external safety and security of the Muslim society, people and land. From the point of view of the Islamic law this kind of spending is obligatory on every financially capable person in accordance with the person's ability. In the Islamic fiscal system, the community obligation to spend is the foundation of taxation as well as tax progressiveness.
- 4) Religious-based voluntary spending is repeatedly encouraged in the Qur'an and the Sunnah. The traditions of the Prophet, pbuh, distinguish between two kinds of voluntary spending. A running-stream spending and one-shot spending. Regular or one-shot spending is giving to good beneficial causes. Helping the poor and needy, feeding the hungry, and clothing the naked are

themes upheld in high regards in the sources of the Islamic religion. The best expression of obedience to God is to help his creatures, especially the children of Adam. Helping God creatures covers animals, plants and the environment. The Prophet, pbuh, said “there is a reward in helping any living ‘liver’ [reported by Bukhari, Muslim, Malik in al Muwatta’, Ahmad, Ibn Habban and others from the narration of Abu Hurairah]. This can in reference to giving to domestic and wild animals, birds, and fish. Gift giving, entertaining guests and family members and generosity to the rich and poor and to the close and far relatives and neighbors are also under this category; they are mentioned in numerous Sayings of the Prophet, pbuh.

Running-stream Infaq is the spending on establishing Awqaf (trusts/endowments) whose revenues and/or services benefit the targets of Infaq. It is on the basis of Awqaf that the Islamic civilization, throughout the history of Islam, financed education, health care, social services, public utilities, scientific research and to a large extent external defense. There are two kinds of Awqaf properties. 1) Properties that are utilized in economic activities such as rental real estates and productive farms and orchards, the revenues of such properties are spent on the specific benevolent activities as specified by the Awqaf founders; and 2) properties used directly to produce the benevolent services intended by founders. These include hospitals, mosques, schools, orphanages, homes for the elderly, drinking water fountains, rest areas on highway, etc. very often every service Awqaf property is supported by a revenue-generating property to provide for maintenance, administrative and operating expenses.