

Q₃ Define Zakat literally and technically. Highlight its importance and explain its impacts on an individual. Also enumerate its socio-economic impacts:

Introduction:

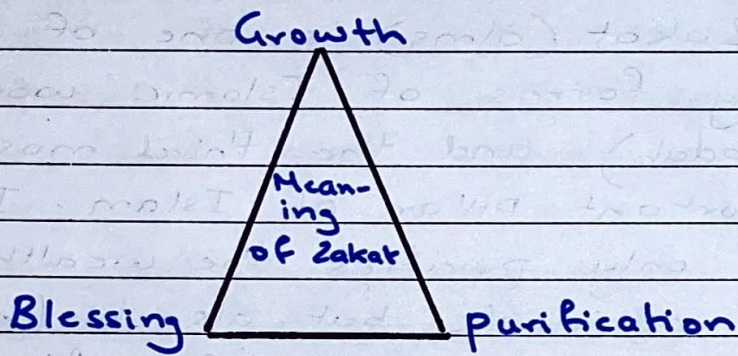
Zakat (alms) is one of the many forms of Islamic worship (ibadah) and the third most important pillar of Islam. It not only purifies the wealth of an individual, but also his/her soul and practical life. At the same time, it helps foster unity and goodwill in society and significantly contributes to economic prosperity. As such, the Glorious Quran makes the performance of this religious duty an obligation for every Muslim who can afford it. Due to its unmatched significance, Allah (SWT), the Most High, asserts in the Noble Quran:

الَّذِينَ لَا يُؤْتُونَ الزَّكَاةَ وَهُمْ بِالْآخِرَةِ هُمْ كٰفِرُونَ

“Those who give not the Zakat and they are disbelievers

in the Hereafter." (Al-Quran, 41: 7)

2) Defining Zakat Literally and Technically:



The word "Zakat" is an Arabic term and literally means growth, blessing, and purification. More broadly or technically, it is a religious duty due on every Muslim who can afford it, levied for the relief of the needy. Moreover, Muslims understand Zakat as a means to purify their wealth from the worldly impure ways of acquisition. This is best captured by Sachiko Murata and William Chittick, who in their book, *Vision of Islam* (1994), provide that:

"Just as ablutions

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purify the body and Salat purifies the soul, so Zakat purifies possessions and makes them pleasing to God."

(Sachiko Murata and William Chittick, Vision of Islam, 1994)

Additionally, the main reason why Muslims pay Zakat is because everything they possess has been given to them by Allah Almighty as an "amanah" (trust). Allah, thus, states:

« ۱۹ نَفِقُوا بِمَا جَعَلْتُمْ مَتْلَفِينَ »

« And donate from what He has entrusted you
(2:187 with 19-1A)

(Al-Quran, 57: 7)

3, The Importance of Zakat:

Zakat, as the third most important pillar of Islam, holds immense significance. It has been mentioned in the Noble Quran more than 30 times, and almost always alongside Salat.

For instance, Surah al-Baqarah provides that:

“واقبوا الصدقة وءاتوا الزكاة”

“Establish prayer, pay alms-tax...”

(Al-Quran, 2: 143)

Apart from this, Islam provides that those who uphold Zakat, uphold Islam, and those who leave Zakat, leave behind Islam:

“And woe to the polytheists - those who do not pay alms-tax and are in denial of the Hereafter.”

(Al-Quran, 41: 6-7)

(Due to the unmatched significance of Zakat, Muslim scholars deem it as an obligation owed not only to Allah (swt) as an act of worship, but also to man as an act of social justice.

4) Impacts of Zakat on Individuals:

Zakat offers an enormous number of benefits to individuals, which are as follows:

4a) Zakat Promotes Righteousness by Enabling Individuals to Overcome their Material Passions:

Zakat enables individuals to overcome their material passions (by giving) up their irrational love of wealth. The Glorious Quran stipulates that:

"You cannot attain righteousness until you give to charity from the possessions you love."

(Al-Quran, 3: 92)

4b) Zakat Purifies the Soul of an Individual:

By emancipating man from his irrational love of wealth, Zakat also purifies his soul from stinginess, sins, and misdeeds. This is best captured by the Holy Quran, which provides that:

“تَذِيْبِ مِنْ اَمْوَالِهِمْ لِرِقَّةٍ تَطْمِئِنُّوْنَ”

“Take Sadagah (Zakat) from their wealth in order to purify them.”

(Al-Quran, 9: 103)

4c) Zakat Makes an Individual Generous:

According to the Holy prophet (PBUH), “Sadagah does not decrease any property” (Sahih Muslim) but rather, enlarges it “as [if] anyone of you brings up his baby horse to the size of the mountain” (Sahih Bukhari). As Zakat increases one's wealth, a believer becomes generous and spends whole-heartedly in the way of Allah (SWT).

4d) Zakat Establishes a Close Connection between an Individual and Allah (SWT):

By obeying Allah by giving Zakat, one gets closer to Him and He in return, cures his problems.

4e) Zakat Saves Man from Hell:

An individual who gives Zakat receives the immense

bounty of Allah, which saves him from hellfire and paves the path of Paradise for him. This is best captured by the following verse of the Holy Quran:

"Those who spend their wealth in charity day and night, secretly and openly - their reward is with their Lord..."

(Al-Quran, 2: 274)

S) Socio-economic Impacts of Zakat:

Zakat has a plethora of socio-economic benefits, as elucidated below:

Say Zakat: Stabilises Inflation Rate:

Zakat helps reduce the burden of mounting inflation on the needy and allows them to fulfil their needs, such as water, food, etc. This is especially important in light of the United Nations' Development Programme's 2023/24 Human Development Index Report, which ranked Pakistan 164 out of a total of 193 countries in terms

of human development.

Sb) Ensures an Equitable Distribution of Wealth in Society:

By making the payment of Zakat obligatory, Islam ensures fair distribution of wealth in society. The World Bank reports that currently in Pakistan, 10% of the wealthy households hold more wealth than 50% of the poor households. This reflects a stark difference between the classes, but one which can be bridged by the effective utilisation of Zakat (discussed later under solutions).

Sc) Zakat Supports Small and Medium Enterprises (SMEs):

Although SMEs are the backbone of an economy, they often find it difficult to secure funds to run their operations smoothly. However, Zakat can provide them great relief if the owner falls under the categories of Zakat.

Sd) Zakat Creates Job Opportunities:

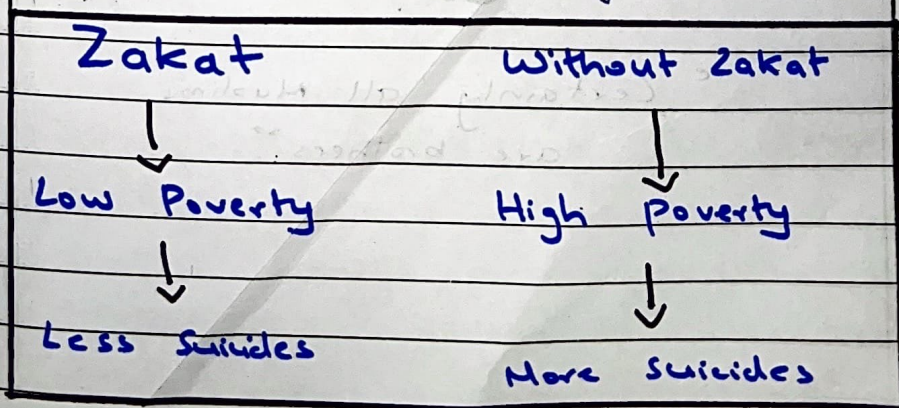
By promoting businesses and reducing inequality and inequity, Zakat

Creates more job opportunities. → 2
 A 2022 study by the Pakistani Institute of Development Economics revealed that 1/3rd of the Pakistani youth is unemployed. In this context, effective administration of Zakat can provide great relief (discussed later under solutions).

Scj Zakat Alleviates Poverty:

In 2023, as many as 95 million Pakistanis were reported to be living in poverty (World Bank, Poverty and Equity in Brief: South Asia, Pakistan, 2023).

Due to this, cases of suicide amongst the poor are also on the rise. But, Zakat, by ensuring the equitable distribution of wealth, can help alleviate poverty and cut down suicide rates. This will also allow the poor to utilise their Zakat in productive activities, which in turn, would boost the economy.



Sf) Zakat Curbs Crime Rates in Society :

By reducing inequality and eliminating or dwindling hunger and poverty rates - the root causes of crime - Zakat works to curb crime rates. This is best illustrated by the too 2023 wave of looting by gangs in Argentina amid a 110% rise in inflation. The situation is no different in Pakistan during the economic crisis, which suggests Zakat must be utilised effectively to address this issue.

Sg) Zakat Ensures Unity and Brotherhood :

Zakat unites Muslims and induces in them feelings of brotherhood by bridging the wealth-gap between the rich and the poor. Allah testifies this by stating:

« المؤمنون ائمة »

Certainly all Muslims are brothers

High Poverty
↓
More Crimes

Low Poverty
↓
Less Crimes

6) **Challenges: The Reasons Why Zakat Has Not Been Successfully Utilised to Address Socio-economic Issues:**

6a) **Low Collection of Zakat:**

Although Zakat is obligatory on all Muslims who can afford it, many nonetheless neglect this duty. The Islamic Training Research and Training Institute provides that only US \$ 5.5 - 6 billion are raised every year against the potential of US \$ 550 - 600 billion.

6b) **Trust Deficit Between Individuals and Zakat Fund Institutions:**

A trust deficit exists between Zakat fund institutions and individuals, due to which many people prefer to pay their Zakat individually. Although this makes a difference, but not as much as a regulated Zakat fund would by injecting the funds where they are really needed.

7) **Solutions: Addressing the Zakat-Crisis**

→ Increase public awareness in relation to the importance of

Zakat to raise more funds.

→ Bridge the trust deficit by ensuring transparency and strict accountability.

→ To distribute Zakat not only in the form of money, but also in the form of facilities and infrastructure to support economic growth.

→ Lastly, in Pakistan, a zakat fund must be established by following the example of Akhuwat and the Government of Malaysia.

8, Conclusion:

In conclusion, Zakat as the third most important pillar of Islam is vital for Muslims to purify themselves and their wealth. Moreover, it has immense benefits on the economy and if it is effectively administered. Therefore, the importance of Zakat must be acknowledged and every Muslim who can afford it, must whole-heartedly and dedicatedly spend money in the way of Allah (SWT), the Most High.