

The influence of Islamic values in the enhancement of households' wellbeing: a study of poverty alleviation in the Malaysian state of Pulau Pinang

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Poverty is a multi-faceted phenomenon. Many have studied the concept in diverse prisms and employed a variety of theories to understand it. Previous Islamic studies found Islam a viable system of philosophy that can respond to poverty through its socioeconomic, cultural and political mechanisms and principles. These attempts remain marginal as the key interest of these studies relied on the role of Islamic policies and institutions that could eliminate poverty. The role of Islamic values and principles are well documented theoretically but not empirically. This paper will attempt to shed some light on underlying gap between Islamic values and principles that substantially could enhance people's wellbeing and alleviate their vulnerability to poverty. Using a structured socio-economic questionnaire instrument, 100 households randomly selected from state of Pulau Pinang in Malaysia. The results indicated that poverty can be fought with commitment, faith and guided principles based on faith. The self-reliance degree remains indispensable in the development progress of individuals, communities and societies; while dependence on others leads to disappointment and failure. Sadakah and Waqf should be integrated with the financial systems in order to halt the misuse of the financial assistance offered to poor people. While government assistance remains indispensable through providing the necessities of comfort and wellbeing to hardcore poor people such as housing, healthcare's facilities and transfers.

Keywords: Islamic Values; Religious Adherence; Poverty Reduction; Pulau Pinang; Malaysia

1. Introduction

Poverty is a multi-faceted phenomenon. Many have studied the concept in diverse prisms and employed a variety of theories to understand it. As well as, researchers have increasingly relied for their analysis, implication of their ideas, programmes and plans mostly on capitalist system and even the socialist one -before its decline-. Despite the fact that, nowadays, data show that the issue of poverty remains a severe problem- particularly in developing countries- this obviously indicates that the implication of these programs based on capitalist

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and socialist incompetency. Hasibuan (2009) cited that as of its independence, Indonesia's effective adoption of capitalistic policy that undoubtedly led to destruction of societal moral ground and values had broad poverty prevalence in large scale². Akhtar (2000)³ identified interest-oriented economic system as a perpetrator of poverty prevalence in Pakistan and thus, he suggested the Islamic financial system as an effective alternative to curb poverty in the country. Out of realm of capitalist and socialist solutions, this paper will suggest an Islamic system as an alternative in dealing with the issue of poverty.

Poverty's prevalence dates back to the existence of human being. Poverty has occupied foremost place on human development agendas of virtually all countries of the world. However, none of nation other than that of Khalif Omar Bin Abdel Aziz⁴, given history, succeeded in eradicating poverty effectively. It was evident in the time of Abdel Aziz that Islamic economic system and its concerned ideals was an effective instrument for poverty eradication, but the yielding of better outcomes can be possible only in a conducive environment. That is why, in modern times Muslim world does struggle to resume what Omar Bin Abdel Aziz did then. It is a matter of offering an appropriate environment that will promote the implementation of Islamic-based economic principles leading to poverty alleviation.

Today many researchers have shifted their focuses on understanding the complex dynamic of poverty alleviation towards Islamic point of view (Khan, 2010; Hasibuan, 2010; Laila, 2010; Arnez, 2010; Rahman, 2010; Farooq, 2008; Sirageldin, 2000; Akhtar, 2000; Sadeq, 1997)⁵. Islamic studies found Islam a viable system of philosophy that could respond to poverty through its socioeconomic, cultural and political mechanisms and principles. These attempts remain marginal as the key interest of these studies relied on the role of Islamic ideals and institutions that could eliminate poverty. The role of Islamic values and principles are well documented theoretically but not empirically. This paper will attempt to shed some light on

² Hasibuan, S. (2010). Poverty alleviation: An Islamic way. Seventh international conference - the tawhidi epistemology: Zakat and Waqf Economy, Bangi 2010.

³ Akhtar, M. R. (2000). Poverty alleviation on a sustainable basis in the Islamic framework. *The Pakistan Development Review*, 39(4) Part II, 631-647

⁴ When the authorities collected Zakat and there was no poor to be given this Zakat. Therefore Omar Bin Abdel Aziz asked to distribute this money of Zakat to those people who have debt, people who are going to marry and so on.

⁵ Khan, F. (2010). WAQF: An Islamic instrument of poverty alleviation- Bangladesh perspective. Seventh international conference - the tawhidi epistemology: Zakat and Waqf Economy, Bangi 2010.

Hasibuan, S. (2010).

Sirageldin, I. (2000). Elimination of poverty: challenges and Islamic strategies. *Islamic economic strategies*, 8(1), 1-16.

Liala, T. (2010). *Islamic Microfinance for Alleviating Poverty and Sustaining Peace*. Paper presented to world Universities Congress, 20-24 October. CANAKKALE, TURKEY.

Sadeq, A. M. (1997). Poverty Alleviation: an Islamic Perspective. *Humanomics*,13(3), 110-134.

Rahman, M. M. (2010). Islamic micro-finance programme and its impact on rural poverty alleviation. *Banking*, 7(1).

Akhtar, M. R. (2000). Poverty alleviation on a sustainable basis in the Islamic framework. *The Pakistan Development Review*, 39(4) Part II, 631-647

Farooq, M. O. (2008). The challenge of poverty and poverty of Islamic economies. *Journal of Islamic economies, banking and finance*, 35-58

Arnez, M. (2010). Empowering Women Through Islam: Fatayat NU Between Tradition and Change. *Journal of Islamic Studies*, 21(1), 59-88. Retrieved from <http://jis.oxfordjournals.org/cgi/doi/10.1093/jis/etp025>

underlying gap between Islamic values and principles that substantially could enhance people's wellbeing and alleviate their vulnerability to poverty. It also tries to answer the following questions: (1) How do the Islamic values and principles contribute to improvement of people's wellbeing? And, (2) Do these values and principles serve positively or otherwise in avoiding households into the poverty traps?

2. An overview of Islamic approach to illuminate poverty

One of the most important social problems addressed by Islam is poverty. Poverty is recognised by Islam as a vulnerable phenomenon severely harming human life. Thus, Qur'an and Sunnah both suggest strategies to get rid of poverty from human society. This study will discuss three major different but interrelated areas (figure 1). Islamic approach of combating poverty first begins from individual itself. The Islamic tradition considers that every individual is obligated by their capacities to curb poverty. These capacities could be the ability and sincerity to work, faith-based values and employing effective management and practices in establishing the life. These three components shape an individual's self-responsibility in dealing with his situation to poverty. It is Islamic posture that poverty alleviation can start only with implementation of viable preventive strategies that might secure the person from vulnerable to poverty.

2.1 Self-responsibility

First of all, a Muslim should rely on himself to earn and generate income for his household's subsistence. It is also his duty and responsibility to enhance and develop his skills and talents in order to boost his production capabilities and productivity, therefore enhancing his family livelihood. Islam prohibited begging if the person is not in need and instils in Muslims hate asking people and teaches them about self-esteem. Abu Hurairah (May Allah be pleased with him) reported: The Prophet (Peace be Upon Him) said, "The upper hand is better than the lower one (i.e., the spending hand is better than the receiving hand); and begin (charity) with those who are under your care; and the best charity is that which given out of surplus; and he who asks (Allah) to help him abstain from the unlawful and the forbidden, Allah will fulfill his wish; and he who seeks self-sufficiency will be made self-sufficient by Allah"⁶. Also Prophet Peace Be upon Him said, "Allah has hated three things for you: Vain talks, (useless talk) that you speak too much or unveil others' flaws; the squandering of wealth (by extravagance); and asking too many questions (in controversial religious matters) or asking others for something (except in great need)⁷. The Prophet (peace and blessings of Allah be upon him) also narrated: "Each of you is a shepherd and each of you is responsible for his flock. The ruler is a shepherd and responsible for his flock. A man is the shepherd of his household and responsible for his flock. A woman is the shepherd of her husband's house and children and responsible for her flock. The slave is the shepherd of his master's wealth and responsible for it. Each of you is a shepherd and each of you is responsible for his flock"⁸.

According to these principles, one's responsibility over his household involves his fulfilment of family's basic necessities, thus keeping them happy. The basic principle in Islam is that one must work, increase his production and productivity and use his resources and economic

⁶ Sahih Al-Bukhari

⁷ Sahih Al-Bukhari No. 591

⁸ Sahih Al-Bukhaari (893) and Muslim (1829)

potential; even if it is limited; so that he ensures his household's needs and improve their economic and living conditions (figure 1).

Anas ibn Malik narrated: A man from Ansar came to the Prophet (peace be upon him) and begged him. The Prophet asked: "Have you nothing in your house?" He replied: "Yes, a piece of cloth, a part of which we wear and a part of which we spread (on the ground), and a wooden bowl from which we drink water". He said: Bring them to me. After he brought them, the Prophet took them in his hands and asked: Who will buy these? A man said: I shall buy them for one Dirham. He said twice or thrice: Who will offer more than one Dirham? A man said: I shall buy them for two Dirhams. He gave these to him and took the two Dirhams and, giving them to the Ansari, he said: Buy food with one of them and hand it to your family, and buy an axe and bring it to me. He then brought it to him. The Apostle of Allah (peace be upon him) fixed a handle on it with his own hands and said: Go, gather firewood and sell it, and do not let me see you for a fortnight. The man went away and gathered firewood and sold it. When he had earned ten Dirhams, he came to him and bought a garment with some of them and food with the others. The Apostle of Allah (peace be upon him) then said: This is better for you than that begging should come as a spot on your face on the Day of Judgment. Begging is right only for three people: one who is in grinding poverty, one who is seriously in debt, or one who is responsible for compensation and finds it difficult to pay⁹.

From the Hddith, it is clearly to perceive that Islam refuses unemployment if the person has some financial assets which can be adequately exploited and invested to generate a sustain income. Islam prohibited asking others if the person is in good health and is able to work and be productive.

It is important here to refer that fate is not a reason for those who are poor to justify their poverty. In his book "Poverty and the poor" and to abolish the idea that poor people are poor because it is written for them to be, Ahmad bin Ali Aldalaji¹⁰ presented important evidence that invalidated this ideology. He raised some facts proving that people are responsible for their poverty themselves:

1. The poor are responsible for the state of their poverty themselves
2. Muslim scholars are all agreed that fate and destiny cannot be used as a ploy of justification for poverty
3. The prophet (peace be upon him) told to the Arab; who left his mount untethered arguing that he placed his faith in Allah to keep it safe; tether it then only place your faith in Allah.
4. Allah said "o you believe take your precaution" [3:71]
5. It is not incumbent upon putting one's trust in Allah in certain matters; to ignore it causes; because doing so will amount to committing a forbidden act.

⁹ Sahih Al-Bukhari

¹⁰ Ahmad bin Ali Aldalaji. (1993). Poverty and the poor. Dar Al-kotob Al-ilmiah. Beirut. Lebanon. ISBN 977-305-596- 5. Written in 886 Hijri.

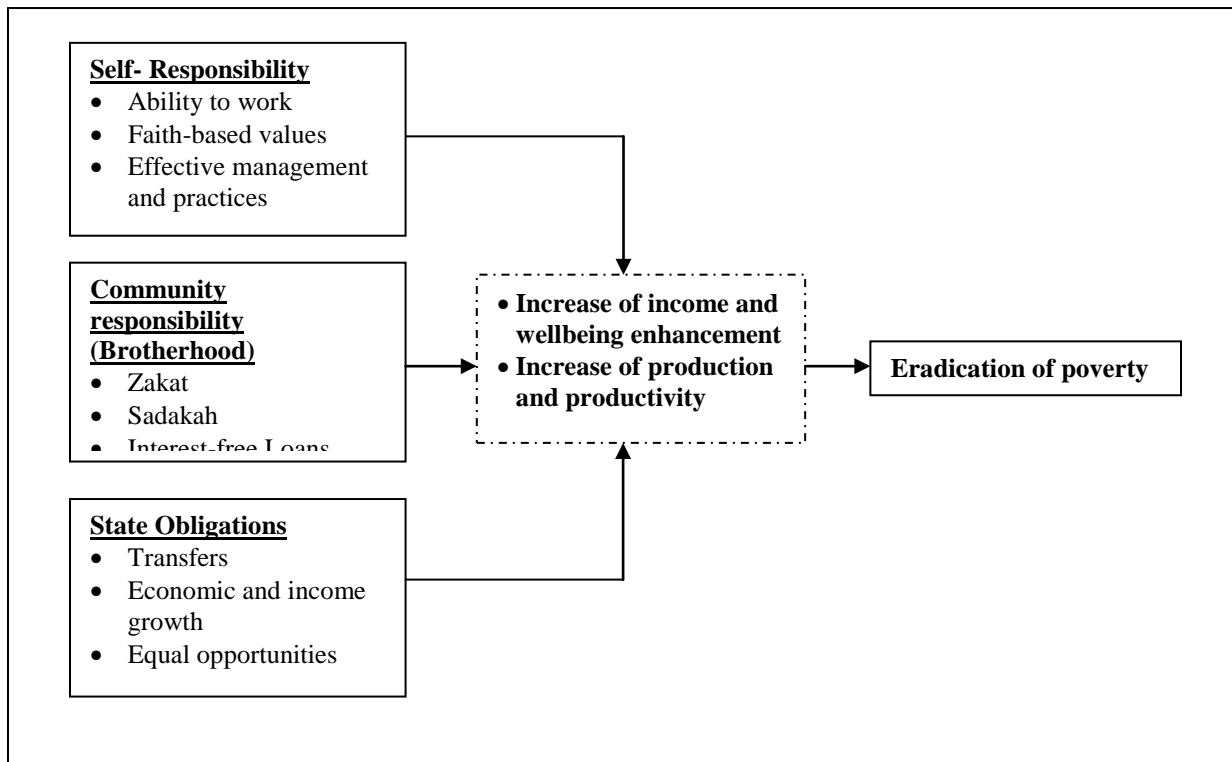


Figure 1: Poverty alleviation in Islamic point of view
Source: Developed by authors based on Quran and Sunnah

But a Muslim must be guided in all his daily activities according to the Islamic values. The responsibility of the breadwinner toward his family does not mean he has the right to do anything that leads him to materialise his duties. A Muslim must avoid all the illegal methods and ways in performing his duties. Allah said in his holy Quran “O you who believe be careful of (your duty to) Allah with the care which is due to him, and do not die unless you are Muslim” [03:102]. So Muslim while dealing with others in business, work for someone or when seeking for his family sustenance, it is his obligations and responsibility to adopt the Islamic principles and values. He must believe that making efforts of submitting trust to Allah leads to secure his blessing and increase possibilities for his livelihood and income opportunities. Allah said in his holy Quran “And give him sustenance from whence he thinks not; and whoever trusts in Allah, He is sufficient for him; surely Allah attains His purpose; Allah indeed has appointed a measure for everything” [65:3]. And also said “There is no moving creature on earth but its sustenance dependeth on God: He knoweth the time and place of its definite abode and its temporary deposit: all is in a clear Record” [11: 06].

These verses of Quran and the above *Haddith* invalidated the idea of the liberalism philosophy that the scarcity is the major border that prevents eradicating poverty. In his book famine and poverty, Amartya Sen¹¹ explained that famines were occurring not because of food inadequacy but because of people’s lack of access to enough food. Therefore the concept of scarcity is no longer valid, and Muslims should believe and trust that by making efforts and praying and appealing to Allah for their subsistence undoubtedly Allah gives them

¹¹ Sen, A. (1981). Poverty and Famines: an Essay on Entitlement and Deprivation. Oxford, Clarendon Press.

without reckoning. “And your Lord says: call upon me, I will answer you, surly those who are too proud for my service shall soon enter hell abased” [40:60]

Once, the breadwinner obtains his family surviving he has to use this income effectively and efficiently to avoid falling in poverty trap. Islamic ideology does not ignore the importance of the man’s effective management and good practices in his daily life (figure 1). It deals with this issue by providing ways and tools that Muslims must follow and others should not. Many verses in Quran have spoken about monetary and wealth management from all sides. These verses of Quran show the care with which Islam attaches in how to spend money and wealth adequately and rationally and how it should be disposed. The verses that clearly advise Muslims to care for their wealth and money and forbade from waste and extravagance¹² are: “And do not make your hand to be shackled to your neck nor stretch it forth to the utmost (limit) of it stretching forth, lest you should (afterwards) sit down blamed, stripped off” [17:29]. “And give to the near of kin his due and (to) the needy and the wayfarer, and do not squander wastefully. Surely the squanderers are the fellows of the devils, and Satan is ever ungrateful to his Lord” [17: 26- 27]. As well as the Almighty said “And they who when they spend, are neither extravagant nor parsimonious, and (keep) between these the just mean” [25:67].

Also Islam forbade gambling, drinking alcohols and drag. Muslim must spend his money and wealth in what benefit him and his family. Islam forbids any activities that may destroy a household’s livelihood and surviving. Allah said in his holy Quran “O you who believe, intoxicants and games of chance and (sacrificing to) stones set up and (dividing by) arrows are only uncleanness, the Satan’s work; shun it therefore that you may be successful” [5:90]. Nowadays, statistics show the negative effect of gambling on human lives. In 2005 a major study of casino undertaken by Cleveland State University in 2005 made no attempt to hide the frightening reality that opening state-wide casinos in Ohio would result in the serious addiction of at least 109,000 Ohioans¹³. The results of the study indicated that at least 109,000 individuals were unable to control their lives and resist the urge to gamble away everything. More than 109,000 homes where a mom or dad or teenager was at risk of losing everything they owned and destroying their family. 109,000 thousand lives destroyed, families destroyed, households and businesses destroyed, futures destroyed. Gambling addictions were among the most destructive of all addictions. The National Gambling Impact Study, commissioned by the Congress of the United States, revealed gambling addictions lead to increased risks of serious health problems, unemployment, divorce, bankruptcy and jail time¹⁴.

2.2 Community Responsibility

The above strategies are preventive in its nature. But there are some people disabled and cannot afford to work and make efforts. There are some poor people living in prone areas (figure 1). They are vulnerable to major disastrous climate change, natural disasters and calamities. There are some people who really tried their best and worked very hard but

¹² Muslim scholars define the word extravagance as an expenditure of thing in what should be additional to what should be, in the sense that the spending is permitted in the moderate.

¹³ Jun, K. (2005). The Social Costs of Casino Gambling in Ohio: A Review of What is Known and Estimates of Future Expenses. Maxine Goodman Levin College of Urban Affairs. August 8, 2005.

¹⁴ National Gambling Impact Study Commission Final Report. (1999). June 18, 1999. Access on 15 May 2011 from: <http://govinfo.library.unt.edu/ngisc/reports/fullrpt.html>

couldn't address their families' basic needs, therefore they remain poor. Islam does not ignore this group of people. It sets rules and obligations for interests of those vulnerable groups. Here, the Islamic faith has instituted the community-based responsibility (Brotherhoods) for poverty eradication. Zakat¹⁵ and charity (such as Sadakah and Waqf) are part of social security system to ensure social justice. They are practical mechanisms to ensuring social security and establishing the meaning of religion, enhancing the values and instilling the meaning of solidarity and compassion among the members of the Muslim community.

Zakat is a milestone in any Muslim nation's social fabric. It is the duty (obligation) of the rich people to distribute some of their wealth to the poor. Allah said in his book: "And keep up prayer and pay the poor-rate and bow down with those who bow down" [2:43]. "And keep up prayer and pay the poor-rate and obey the Apostle, so that mercy may be shown on you" [24:56].

While Zakat is compulsory, Islam encourages Muslims to do charities (Sadakah and Waqf). Allah also teaches us the way of how to do these charities to the poor so that they do not feel diluted. Allah said: "if you give alms openly, it is well, and if you hide it and give it to the poor, it is better for you; and this will do away with some of your evil deeds; and Allah is aware of what you do" [2:271]. Islamic tradition remains very conscious about the link between the faithful bonds of brotherhood and the cooperation among them in righteousness and piety. The Almighty said "And help one another in goodness and piety, and do not help one another in sin and aggression" [5:2]. Also the Prophet Peace Be Upon Him said, "He who removes from a believer one of his difficulties of this world, Allah will lighten one of his troubles on the Day of Resurrection; and he who finds relief for a hard-pressed person, Allah will make things easy for him on the Day of Resurrection; he who covers up (the faults and sins) of a Muslim, Allah will cover up (his faults and sins) in this world and in the Hereafter"¹⁶. From this Haddith we conclude that it is an act of great merit to relieve a Muslim from his financial difficulties.

It is no wonder that the Islamic system of eradicating poverty is based and designed on the principle of participating and sharing of richness and wealth, and not based on the principle of the imposition of minimum subsistence to the poor. Islam does not leave out this participation of wealth and richness solely based on the idea of charity, which may not be sufficient to meet the needs of the poor. Islam renders Zakat compulsory to all rich people as his Almighty said "and in their property was a portion due to him who begs and to him who is denied (good)" [51:19]. And "and those in whose wealth there is a fixed portion; for him who begs and for him who is denied (good)" [70:24-25]. So the Islamic ideology ensures the minimum living for those who are unable to participate in the production process, to those who lack resources that can be used in the production process, and to those who couldn't get an opportunity to participate in any type of work that generate income¹⁷. Therefore, Islam guarantees; compulsory and not optional; a permanent re-distribution of national income

¹⁵ Zakat is one of the five pillars of Islam. It is a religious obligation of the rich to give and a right of the poor to receive. It is not a voluntary act of charity. Reward for giving is manifold and the punishment for not giving severe: and the both the reward and the punishment are to be expected in this world as well as the hereafter.

¹⁶ Sahih Muslim

¹⁷ Shawki Shahata (1984). Some of the concepts and principals in the Islamic economics. Journal of Islamic Banks. Issue 39

among those who have property and wealth more than what they need¹⁸. Despite an important contribution of Zakat and Sadakah in poverty eradication campaign, most of the Islamic countries have been paying less attention in development and implementation of an Islamic-based economic initiative poverty reduction. Khan (2010)¹⁹ pointed out that although, in Bangladesh context, there were numerous state-run initiatives of poverty alleviation (microcredit schemes, social safety nets and cash transfer), they were all exclusive of Islamic instruments like Zakat and Waqf.

2.3 Government Obligations

As discussed earlier, Islam imposes Zakat, collecting from rich and distributing it to poor who are unable to work, experience economic marginalisation or lack of economic opportunities. At the same time, Islam encourages Muslims to do charities and assist their brethren when they experience difficulties. Additionally, Islamic tradition emphasises on governments to look after all those who are poor and incapable of ensuring access to their livelihoods; or those who are vulnerable to calamities and live in prone areas (figure 1). Although poverty is a serious issue facing Islamic world, only few studies emphasised the Islamic philosophy as practical strategy in alleviating poverty. Sirageldin (2010) found that Islamic ethics is supportive of poverty alleviation strategy based on the principle of promotion of economic growth with productive equity²⁰. He argued that these strategies were more effective if it merged with Zakat institutions and private actions. Ahmed (2009)²¹ argued that poverty could be efficiently fought by implementing economic growth strategy based on Islamic orientation and philosophy. He suggested three components that led to boost the economic growth which were: growth rate, mechanisms of growth and pattern of growth. While other researchers believed that poverty elimination could be achieved by adopting Islamic policies that focused on human development²², development of rural sector, restricting of administrative and political system according to Islamic philosophy²³.

Although the above policies and strategies are focal point in eradicating poverty, they are not examined in the present analysis due to unavailability of data. Therefore, this paper focuses on the analysis of the policies based on transfers designed mainly to increase consumption, production and productivity of alleged poor and those who lack access to assets and entitlements that enhance their livelihoods and productivity.

There are a plenty of evidence from Quran and Sunnah proving that Islam is providing governments with responsibilities to care of its poor citizens. As narrated by Abu Huraira: The Prophet (peace be upon him) said. "There is no believer but me, of all the people; I am

¹⁸ Abdulrahman Yusri. *The Economic and social development in Islam*. Youth Foundation University, Alexandria, p. 53

¹⁹ Khan (2010)

²⁰ Ismail Sirageldin. (2000). *Elimination of poverty: Challenges and Islamic strategies*. *Islamic Economic Studies*, 8(1), 1-16

²¹ Ahmed, Z. (1991), *Islam, Poverty and Income Distribution*. The Islamic Foundation, Leicester, UK.

Chapra, M. Umer, (1993). *Islam and Economic Development*, International Institute of Islamic Thought and Islamic Research Institute, Islamabad.

²² Ahmad, K. (1981). *Studies in Islamic Economics*. The Islamic Foundation, Leicester, UK

²³ Akhtar, M. R. (2000). *Poverty alleviation on a sustainable basis in the Islamic framework*. *The Pakistan Development Review*, 39(4) Part II, 631-647

the closest to him both in this world and in the Hereafter. Recite if you wish: “The Prophet is closer to the believers than their own selves” [33:6]. So if a believer (dies) leaves some property then his relatives will inherit that property; but if he is in debt or he leaves poor children, let those (creditors and children) come to me (that I may pay the debt and provide for the children), for them I am his sponsor (surely)²⁴. And also the prophet peace be upon him said “I am closer to the believers than their selves in this world and in the Hereafter. And if you like, you can read Allah's Statement: "The Prophet is closer to the believers than their own selves" [33:6]. So, if a true believer dies and leaves behind some property, it will be for his inheritors (from the father's side), and if he leaves behind some debt to be paid or needy offspring, then they should come to me as I am the guardian of the deceased”²⁵. So the Islamic ideology linked the legitimacy of the state to the extent of the state’s accomplishment in order to fulfil its citizens’ needs and ensure for them decent living conditions. Shariah obligations is to take initiative for excellence of every destitute who has no guardian or no way to earn, whether he is Muslim or not, if he live in the territory of Islamic state²⁶. As the Islamic state responsible in guarantee the minimum livelihood to the poor, widows, the disabled people and others who cannot afford to enrich their surviving sufficiently. Shariah provides regulations and rules that guide individuals, communities and States in distributing the resources and also organising, establishing, and managing the welfare system.

3. Data and research method

3.1 Data collection

The conceptual framework of this study was designed on the ground of Quran and Sunnah. To answer the study’s research questions and to investigate the impact of the Islamic values and the level of religiosity in determining households’ decision-making, thus reducing their poverty, this study embarked a quantitative method. Data were collected with the use of a structured socio-economic questionnaire containing both open and close-ended items. The questionnaire administration was cross-sectional in nature.

Before conducting the questionnaire a pilot test was carried out to test the validity and reliability of the questionnaire instruments, and to ensure that the questionnaire could be understood and accepted by respondents. The pilot study was conducted on 30 respondents who had received or involved in any type of the Islamic schemes such as Zakat, Sadakah and interest-free loans. First, the researchers contacted the Islamic institutions such as mosques and Surau (Musalah) in Batu Maung in the Malaysian State of Pulau Pinang in order to get the list of people who involved in the Islamic Programs and schemes. After obtaining the details of the targeted group, the researcher and research assistant assumed the responsibility of conducting the questionnaire. In order to get an accurate data and minimize bias, the questionnaire was prepared in indigenous language (*Bahasa Malaysia*), distributed among 100 respondents and completed. To analyse the completed questionnaire, the Statistical Package for Social Sciences (SSPS) for windows version 17 program was employed. In order

²⁴ Sahih Al-Bukhari. Volume 6. Book 60. Number 304

²⁵ Sahih Al-Bukhari. Volume 3. Book 41. Number 584

²⁶ Khan, F. (2010). Waqf: an Islamic instrument of poverty alleviation- Bangladesh perspective. Seventh International Conference. The Tawhidi Epistemology: Zakat and waqf, Bangi.

to examine the impact of Islamic values and principles on households' wellbeing, and to investigate if these values and principle help positively or otherwise in avoiding households into the poverty traps, a post hoc tests were undertaken and analysed.

It is important to indicate that all the respondents were in good health and none of them suffered from any of disabilities that may disallow him from engaging in any activities. Also the respondents were aged between 30-50 years old. Therefore, all the respondents were able to work and involved in diverse activities in order to generate their families subsistence. Also, in Malaysia, women were much active and were participating in most of the economic activities. Most of widows in Malaysia bore the responsibility of their families' survival. Therefore, this study did not try to distinguish men and women in analyzing the collected data.

3.2 Measurement of Variables

To measure the research variables a wide range of measuring scale and strategies was used. The items were adapted, adopted using previous studies. Some items were developed by the researcher. In this study, the dependent variable was households' monthly income. The independent variables were the Self-responsibility, community's responsibility and government obligations.

3.2.1 Households' poverty

Households' poverty measured as those people who do not have the minimum level of income deemed necessary to achieve an adequate standard of living in a peninsular Malaysia. In Malaysia the poverty line income (PLI) is defined separately for each household in the Household Income Survey (HIS) based on its size, demographic composition and its location (state and stratum). In Malaysia a households is considered poor if its income is less that its own PLI, that is, it lacks the resources to meet the basic needs of its individual members (which it is RM763 per month in peninsular Malaysia year 2011). Per capita PLI is RM194 per month in peninsular Malaysia year 2011²⁷.

3.2.2 Self-responsibility

This study defines Self-responsibility as how household (breadwinner) manages and improves his skills and knowledge to increase his productivity, production and earn his family surviving. In this context, self-responsibility represents the breadwinner's ability to work, improve his skills and knowledge, and implement effective management and good practices to make his households' life better. Also Self-responsibility measured as faith-based values that breadwinner practices and follows to make changes in his life that will impact his family's well-being positively. Therefore, when the breadwinner makes these kinds of positive values and principles, he is assuming responsibility to ensure better economic and living conditions for himself and for his family.

²⁷ Economic Planning Unit and Department of Statistics Malaysia 2011, Household Income Survey, 2004 and 2009

3.2.3 Community's responsibility

The community's responsibility was meant as the organizations' (such as mosques) and individual's responsibilities and obligations to act in order to benefit poor people in these communities. It is an effective strategy leading poor people to directly move forward out of poverty. It is measured as Zakat provided by rich people in the community, charities such as Sadakah and Waqf and also helping the poor by giving them interest-free loans.

3.2.4 Government obligations

Government obligations were represented as the policies, schemes and strategies that designed to reduce every possibility of harming its citizens, and to ensure a decent living for all citizens without prejudices. In this study the state responsibility is only measured as the transfers that government is providing the poor, the needed and deprived people, in order to boost their economic conditions and provide for them the minimum resources that enable them to involve and participate in the production process, therefore enhance their families livelihoods.

4 Results

4.1 Demographic profile

A total of 100 poor who have received or involved any type of the Islamic schemes such as Zakat, Sadakah and interest-free loans have completed the questionnaire and these were analysed using Statistical Package for Social Sciences (SSPS) for windows version 17 program. Descriptive statistics (frequencies and percentages) were calculated. 34 % of the respondents were married, 42% divorced, 18% were widow and only 6% were single. 57% of the respondents were male while 43% were female. A large percentage of the subjects were literate as only 4% of the respondents had no formal education, 32% had completed their primary education, and 28% secondary one while 36% had completed higher education.

4.2 The effect of self-responsibility's variables on poor wellbeing

To evaluate the effect of self-responsibility or households' decision making and behaviour on their wellbeing, one way ANOVA test was carried. Using a tukey HSD test, the results in table 1 showed that poor who always ask help from relatives and friends; when they encounter difficulties; have less mean monthly income by RM94 and RM137 respectively from those who do extra work or those who reduce their spending and expenses.

Household who enhanced their skills had no difference in the mean monthly income from those who never did. The results also revealed that people who believed that shortage of resources in the community would be key obstacle hampering them from getting a job or work; even if they were skilled; had less Mean monthly income by RM104 from those who disbelieved that. Those who saved the surplus of their income; in order to use it when facing financial difficulties; had less Mean monthly income by RM150 from those who invested the surplus of their income and buy productive assets.

Also the results showed that those who prayed to Allah then invested their abilities to alleviate any financial difficulties had much higher mean monthly income from those who only prayed to Allah and those who neither prayed nor invested their abilities by RM84 and RM100 respectively. Also the results indicated that those who made no effort to ease any

financial hardship as they strongly believed it was just their fate had less mean monthly income by RM72 from those who disbelieved of that statement.

Table 1: results of Post Hoc Tests for self-responsibility variables

Variables	Scale		Mean	std. error	sig.
If I encounter financial difficulties	I seek help from others	I do extra work	-94.23**	39.454	.086
		I borrow from third party without interest	55.978	85.600	.914
		I reduce my spending and expenses	-137.47*	48.310	.027
I enhance my skills to earn and generate more income	All the time when there are programs	Most of the time when there are programs	-12.083	99.497	1.000
		Sometime when there are programs	-6.111	102.76	1.000
		Seldom when there are programs	-13.333	98.72	1.000
		Never even there are programs	-87.083	111.55	.936
shortage of resources in the community will be key obstacle hampering me from getting a job or work even if I am skilled	I agree	I disagree	-104.68*	43.306	.046
		I do not know	50.000	45.627	.519
I allocate from my salary for	Saving to use when facing financial difficulty	Invest and buy some productive assets to generate more income	-156.40*	62.464	.037
		Allocating a portion for charity to assist those in need	-59.023	.654	
When I experience any financial difficulties	I pray to Allah then invest my ability to settle my problem	I only pray to Allah to assist me	84.85**	60.171	.040
		I neither pray to Allah nor invest my ability to settle my problem	100.27**	68.736	.088
I make no effort to ease my financial hardship as I strongly believe it is just my fate	I strongly agree	I disagree	-72.25*	59.804	.045
		I do not know	36.211	40.114	.640

(*), (**) denotes that the mean difference is significant at 5% and 10% level respectively.

4.3 The effect of communities' responsibility variables on poor wellbeing

Table 2 showed the results of the tukey HSD test. The results indicated that households who sought Zakat invariably had less mean monthly income by RM25 and RM22 respectively from those who never or seldom required. Also people who never sought Sadakah had much higher mean monthly income by RM67 from those who sometimes sought Sadakah. People who most times required interest-free loan had much higher mean monthly income by RM34 and RM33 respectively from those who seldom or never sought.

The results of the study also indicated that poor people who used the assistance means from Zakat, Sadakah and interest free loan in investment and saving had much higher mean

monthly income by RM150 and RM123 respectively from those who spent all the assistance means.

Table 2: results of Post Hoc Tests for communities' responsibility variables

Variables	Scale		Mean	std. error	sig.
I seek "Zakat" assistance when I am in acute need	All the time	Most of the time	69.643	102.851	.961
		Sometimes	20.714	69.342	.998
		Seldom	-25.40*	66.141	.039
		Never	-22.85*	80.866	.045
I seek "Sadakah" assistance when I am in acute need	Never	Sometimes	67.73*	84.449	.049
		Seldom	48.720	85.421	.936
I seek interest-free loan assistance when I am in acute need	Most of the time	Sometimes	109.58	110.007	.752
		Seldom	34.53**	99.284	.085
		Never	33.33*	95.988	.030
I use the assistance means of this type (Zakat, Sadakah and loans) to	Purchase what I need and then spend it all	Purchase what I need and then save some	-123.22*	34.526	.032
		Purchase what I need and then invest some	-150.62*	67.442	.046

(*), (**) denotes that the mean difference is significant at 5% and 10% level respectively.

4.4 The effect of government obligation variables on poor wellbeing

Table 3 depicted the results of post hoc test for government's obligations towards poor people. The results indicated that those who utterly benefitted from any kind of state-sponsored public health had much higher mean monthly income by RM18 and RM22 respectively from those who benefitted from this assistance partially or never benefitted.

Also those who acquired dwelling from government without rental had much higher mean monthly income by RM73 and RM150 respectively from those who acquired it with low cost rent or they rented from private. Poor who were assisted by government when they were in need with essential commodities had much higher mean monthly income from those who had never been assisted. Also the results revealed that poor who obtained loan with interest from government during financial endurance had less mean monthly income by RM236 and RM 146 respectively from those who obtained interest-free loan or never obtained loan.

Table 3: results of Post Hoc Tests for government's obligations variables

Variables	Scale		Mean	std. error	sig.
Do you benefit from any kind of state-sponsored public health care?	Yes, completely	Yes partially	18.644*	97.229	.026
		No	22.895*	98.521	.031
Do you acquire dwelling from government?	Yes without renting	Yes with low price renting from government	73.607**	58.534	.071
		No, I rent from privates	150.00*	62.301	.019
When you are in need, are you assisted by government with essential commodities?	sometimes	Seldom	75.000	61.201	.441
		Never	23.939*	55.177	.020
Have you obtained any loan from government during your financial endurance	Yes, loan with interest	Yes, interest-free loans	-236.66**	102.906	.061
		No	-146.43**	93.652	.066

(*), (**) denotes that the mean difference is significant at 5% and 10% level respectively.

5 Discussion

In order to examine the effects of Islamic values on poor people's wellbeing, the one way ANOVA tests were conducted and calculated. Using the tukey post hoc tests, the differences in perceptions and behaviours of poor people was investigated. The results suggested that the person's self-responsibility was a fundamental key in eradicating his own poverty. Individuals who made efforts and struggled for their families' subsistence were more likely to escape poverty trap. Therefore, individual wealth is supreme subjected to self-responsibility. This signifies that households' understanding to their responsibilities and giving the right understanding to the Islamic values obtain the right decisions and strategies in combating poverty. Thus increase individuals' capabilities and opportunities in generating their income.

Disbelieving that they were poor as a result of their destiny and believing that shortage of resources in community was not a key obstacle hampering people from getting their living, and praying to Allah then devoting their abilities, increased the opportunity of getting employment. Doing extra work and spending adequately gave households an opportunity of saving money that could be invested in productive assets. These increased individuals' productivity and productions boosted their economic capabilities and developed their families' welfare. Accordingly, by admitting that societies and communities were committed to provide the appropriate environment for the equitable access to capabilities and opportunities, the burden of utilization these resources were on the individuals²⁸.

Seeking Zakat and Sadakah found to be obstacles in enhancing households' wellbeing. Households who always sought Zakat and Sadakah were poorer than those who seldom sought them. By seeking these types of aid, households become lazy and prefer to neither work nor make efforts as they prefer to rely on others. Consequently, self-reliance is one of the important factors that lead individuals and groups to succeed. The self-reliance degree

²⁸ Ismail Sirageldin. (2000). Elimination of poverty: Challenges and Islamic strategies. Islamic Economic Studies, 8(1), 1-16

remains indispensable in the development progress of individuals, communities and societies; while dependence on others leads to disappointment and failure. Therefore, policies based on transfers that do not shift the poor from their dependency status should not be adopted except in cases where such shift is not feasible²⁹. Undoubtedly the role of Zakat and Sadakah in combating poverty is indispensable (Khan, 2010), but these types of assistance should go to the people who really are in need, and they cannot work to generate their survival such as old people, disabled, people living in hardcore poverty and have no assets to transfer them to investment or liquidity.

People who seek for interest-free loans have much higher mean monthly income from those who never seek for this type of assistance. The person seeking interest-free loan has the responsibility to pay back the loan within period stipulated in his agreement with provider. Therefore, he/she works very hard and invests that loan by buying productive assets in order to generate more income. Opposite to those who seek for Zakat and Sadakah, they have no duties to return back the assistance provided to them. Consequently they do not heed in how they spend this assistance, thus their strategies of spending are mostly inadequate. This is confirmed as the results in table 2 indicated that those who spent the means assistances provided to them inadequately were poorer than those who spent the assistance adequately then save or invest the rest of amount of the assistance to generate income.

The transfers provided by government also had strong effect on eradicating poverty. People who benefited from public health care, housing and essential commodities had much higher mean monthly income from those who lacked access to these types of assistance. Therefore, eradicating poverty is a responsibility of the government through ensuring equal distribution of the resources and ensuring the full access to these resources to people who are in need and lack or even have no assets and entitlement at all. Obtaining loan with interest is an obstacle towards eradicating poverty. It exacerbated people poverty and leading them to fall in chronic poverty. The results of table 3 indicated that those who benefited from loan with interest had less monthly income by RM 236 from those who benefited from loan with interest. Loans with interest caused impoverishment to poor people in servicing their debt. Therefore, government agencies partnerships and policy makers have to design and develop financial system that might enable poor people to access credit with interest-free basis.

6 Conclusion

Poverty can be fought with commitment, faith and guided principles based on faith. Going through the religious laws of Islam one finds self-responsibility has been given prime importance in the fighting against poverty. Enhancing production and productivity is the fundamental key in Islamic way of poverty alleviation. The self-reliance degree remains indispensable in the development progress of individuals, communities and societies; while dependence on others leads to disappointment and failure. Therefore, motivating poor people who are able to work is a fundamental key in enhancing their livelihood. For that reason, Muslims scholars, Imams of mosques and religious institutions must provide speeches; programs and schemes that inspire and stimulate this group of people toward successfully improve and boost their income relying on themselves by increasing their production and productivity.

²⁹ Ismail Sirageldin. (2000). Elimination of poverty: Challenges and Islamic strategies. *Islamic Economic Studies*, 8(1), 1-16

The integration of Sadakah and waqf with Islamic finance system could be a robust vehicle for poverty eradication as the borrowers (who are able to work and generate income) in this case are obliged to return back the loan and not just spend it. In such way, government agencies and partnerships can monitor the borrowers from the misuse of the credit for personal consumption³⁰. These loans must be given to poor people who are healthy enough and are able to work in order to invest or/and transfer these loans to productive assets that undoubtedly boost and increase their productivity, thus push them out of poverty.

While government assistance remains indispensable through providing the necessities of comfort and wellbeing to hardcore poor people such as housing, healthcare's facilities and transfers, there is a need of facilitating accesses to financial Islamic products such as interest-free loans. Developing Islamic financial system that serve, deliver and seek to prevent the marginalized, deprived and poor or those vulnerable to shocks, from falling below a certain poverty level have potential results.

³⁰ Liiala, T. (2010). Islamic Microfinance for Alleviating Poverty and Sustaining Peace. Paper presented to world Universities Congress, 20-24 October. CANAKKALE, TURKEY.