

**ASSIGNMENT : 04**

**ISLAMIC STUDIES**

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**SUBMITTED TO : Honorable Sir MUHAMMAD BIN QASIM**

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**INTRODUCTION TO ZAKAT:**

**Zakat is the fourth pillar of Islam. It is the farz Ibaadat.**

**MEANING WITH SPECIAL REFERENCE TO QURAN:**

* ***To be clean* [ chapter 24: verse 21, chapter 23 : verse 4]**
* ***To pay the obligatory charity* [Al-Quran 2:43]**
* ***To be better in purity*  [ Al-Quran 18:81, 19:13]**

**Zakat is the social act that is carried out by the Muslims every year. There is no restriction of time, because there is no specific time to give money to needy. Zakat donator and receiver are fixed according to the teaching of Quran.**

**As Allah Almighty says in Quran:**

***“Indeed, [prescribed] charitable offerings are only [to be given] to the poor and the indigent, and to those who work on [administering] it, and to those whose hearts are to be reconciled, and to [free] those in bondage, and to the debt-ridden, and for the cause of God, and to the wayfarer. [This is] an obligation from God. And God is all-knowing, all-wise. - Al-Tawbah, 9:60.”***

**This is the qur’anic verse about the recipients of zakat, other than these eight kinds of people no one can receive zakat and you must pay Zakat if, firstly, you are an adult Muslim of sound mind, and secondly, you have possessed the minimum amount of wealth (known as Nisab) for one lunar year.**

**There is specific amount of zakat which differs according to the type of different things, for example .The common minimum amount for those who qualify is 2.5%, or 1/40 of a Muslim's total savings and wealth.**

**There are two types of zakat one is zakat maal and zakat fitrah .The one main difference among these two is zakat maal could be paid ever year, month or anytime, while zakat fitrah should be paid in the month of holy Ramazan.**

**The most important thing that Holy Prophet (S.A.W) said is:**

***“The upper hand is better than the lower hand (he who gives is better than him who takes).”***

**THE SOCIO-ECONOMIC EFFECTS OF ZAKAT:**

**Zakat is an act that can purify the prayer from greediness, selfishness and clean the money of prayer and get blessing of Allah Almighty. By giving zakat to the needy people money circulates in the society irrespective of storing only in upper hands. The society grows when both the rich and poor contribute each other and zakat is the best act for this. Zakat provides an equilibrium in the society.**

**EQUALITY IN SOCIETY :**

**Zakat is an act that removes the arrogance in rich people and create spirit of humbleness**

**In them.**

**Through Zakat, the social and economic welfare of society is achieved in a better way. Zakat flourishes Islamic economy as well as Islamic society in the following way:**

**Prophet (PBUH ) said;**

***“Whoever is made wealthy by Allah and does not pay the Zakat of his wealth, then on the Day of Resurrection his wealth will be made like a baldheaded poisonous male snake with two black spots over the eyes. The snake will encircle his neck and bite his cheeks and say, I am your wealth, I am your treasure”.***

***(Sahih al-Bukhari 1403)***

**GROWTH AND DEVELOPMENT:**

**Because of the concept of Zakah, the income of poor people increases and this increase in income causes development in long run. Zakah discourages any type of idle savings and for this reason it is applicable actually on savings. Zakah forces people to invest in the way of Allah and whenever there is investment, there will be employment and this will cause a rise in national income which will ultimately cause development.**

**Allah (swt) says in Quran:**

***“Who believe in the unseen, establish prayer, and spend out of What We have provided for them”***

**In general, when savings comes down then income will also decrease but there is no such effect in the presence of Zakat because,**

* **With Zakah, the poor’s consumption will increase and this will lead to a need for more investment.**
* **The payment of Zakah encourages financing in society at micro level in such a way that by this, many poor people can develop small businesses in society.**

**Thus Zakah cause a rise in investment that leads to development and growth.**

**ECONOMIC DEVELOPMENT:**

**It means there is an increase in utility of all members of that particular society in which this concept is applied. Due to Zakah, there is an economic development in the system. As poor people get Zakah, their income rises which results in an increase in their demand as well as consumption and this will leads to an ultimate increase in the Utility.**

**HEALTHY GROWTH OF COMMUNITY:**

**Zakah is responsible for the healthy growth of community as well as the economy. It increases the circulation of wealth and provides a proper mechanism for the flow of wealth from rich to poor and increase the circulation of wealth in the overall community.**

**Allah (swt) says in Quran;**

***And establish prayer and give zakah, and whatever good you put forward to yourself – you will find it with Allah. Indeed, Allah of what you do, is Seeing.***

***(Surah Al-Baqarah , verse: 110)***

**CONTRIBUTION OF INSTITUTION OF ZAKAT IN ECONOMIC DEVELOPMENT OF A COUNTRY:**

**REDISTRIBUTION OF INCOME:**

**The economic development of the society depends upon the rate of distribution of money in the hands of people. And we call this circulation of money as velocity of money. Zakah being pillar of Islam ensure this distribution and prevent the control of few over the economy of society. Holy Quran stated this rule as:**

***“So that the wealth should not be remained among their rich”.***

**EFFECTS ON WELFARE OF COUNTRY:**

**Zakah also has an effect on the welfare of country because the money collected by the state as Zakah can be used in providing the basic necessaties to poor people like shelter, food and clothes. This money of Zakah can also be used in many other positive aspects like providing basic health facilities, scholarships to the needy people of state.**

**The prophet(PBUH) said;**

***Allah permitted not even a Prophet to ajudge zakah[-worthiness]. Rather, He Himself ruled on it and permitted it in eight cases. Therefore, if you belong to any of these, I shall most surely give you your right.***

***(Abu Daud)***

**SOCIAL SECURITY TO THE PEOPLE OF A STATE:**

**Zakah funds not only covers the poor and disabled persons but also provides social security for the unemployed sector of that country.**

**STABILITY:**

**It means bringing economy back to the level of equilibrium. The payment of Zakah increases the income level in general public and this also increase consumption. And in this way, demand and supply remains at equilibrium level which is otherwise hard to achieve.**

**Thus, for the overall stability of a state the concept of Zakah is applied at the individual level and then spreads towards the whole state.**

**Prophet (PBUH ) said;**

***“Whoever is made wealthy by Allah and does not pay the Zakat of his wealth, then on the Day of Resurrection his wealth will be made like a baldheaded poisonous male snake with two black spots over the eyes. The snake will encircle his neck and bite his cheeks and say, I am your wealth, I am your treasure”.***

***(Sahih al-Bukhari 1403)***

**CONCLUSION:**

**Islam is a perfect religion. It not only organize human life but also organize the whole the system of human life. Zakat being its fourth pillar is not only a purely religious but is also a system that dictate human life. Starting from collection, the collection and to determine, assess and determine who is eligible or not. The proceeds are then distributed accorging to the fixed system.**