This paper examines the contemporary role of Islamic philanthropy in promoting human wellbeing. The term Islamic philanthropy is used here to refer to private goods given in accordance with Islamic ordinances of charitable giving for public purposes. While Islamic philanthropy is used here as an umbrella term to refer to religiously motivated giving, it is important to note that the allocation of resources, their prioritisation, what qualifies for support and what does not are highly debated both by Islamic philanthropic organisations and Muslim jurists.

An understanding of Islamic philanthropy requires a shift from examining the phenomenon through the lens of Western philanthropic trajectories to one recognising the role of philanthropy in a much wider and broader conception of the division of labour and organisation of the Muslim Ummah (nation). Hence, one will find the ideological basis for Islamic philanthropy is bound by a conception of wellbeing that encompasses relations within individuals in a community, the outreach of one Muslim community to another, and the relationship between the individual and God. As succinctly put by Alterman and Hunter (2004),

In Muslim conceptions of faith and community, humans are linked to each other through their obligations to God. A charitable act is therefore not merely an act of faith, nor merely an act of community. It is the building of community through faith, and the building of faith through the deepening of community... in this structure, charity is not so much an act of piety as it is one of obligation.

It is also critically important to bear in mind that whereas when one thinks of Western philanthropy, one thinks of institutionalised and formal channels of giving, much of Islamic philanthropy is given by individuals directly to the receivers and often occurs informally and discreetly.

It is at the level of a relatively new generation of civil society organisations that there have been innovations in combining charity, relief and development in such a way as to reconcile the giver’s religious idea of who qualifies for charitable giving on an individual level with a broader, more holistic perspective on promoting community-level, longer-term development processes. Such innovative processes have also been interfacing with attempts by Muslim scholars to re-engage with religious text (through *ijtihad*) with a view to broadening the understanding of religious prescripts on who qualifies for religious giving, under what circumstances and in what ways.

The most important sources of financing of Islamic philanthropy include *Zakat* – one of the five pillars of Islam – which is generally calculated at 2.5 per cent of wealth (but varies according to source of wealth) and is paid at the end of the Ramadan fast. There are eight categories which qualify for zakat spending: poor

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1 There are three terms used in this paper. Muslim is used to mean belonging to the Muslim faith, but does not necessarily translate into religious character or action. Islamic here refers to that which assumes a religious character, while Islamist refers to political movements.

people; the needy; the officials responsible for administrating the zakat; recent or potential converts to Islam or those with whom a favourable relationship is in the interests of Islamic Ummah; the freeing of Muslim captives who need to be ransomed; the indebted who are unable to pay their debts; those working for an Islamic cause; and travellers. While there is disagreement over the specifics under each category, in one sense these criteria provide insight into some of the requisites for achieving wellbeing whether on an individual or collective level, and show clear convergences between the political, social and economic in how wellbeing is conceived at the community level.

More recently, there have been vibrant debates regarding whether zakat finances can be used for developmental purposes. Sheikh Yusuf el Qaradawi, one of the most respected scholars worldwide, has argued fervently that it is possible to use zakat funding for supporting the jobless (whose unemployment is involuntary), sustainable income generation for the poor and relief when disasters strike. Generating funding for relief purposes has so far found more support among mainstream jurists and the public than support for developmental goals has, although efforts to change that are being championed by various jurists and organisations examined in this paper.

Sadaqa is a charitable handout (in finance or in kind), normally undertaken on a discretionary basis on a one-off or regular basis.

Awqa are endowments that individuals or families tie up to use for the welfare of others, both individuals and the community. Some of the most important causes for which endowments have been made are mosques, but also schools, fountains and wells, cemeteries, services for the needy and agricultural lands whose produce was to be distributed to the poor. To this day, endowments are a critical source of sustained philanthropic funding because they often comprise assets that generate revenue.

Like other social and political forces, Islamic philanthropy is shaping and being shaped by a number of global trends. For instance, the promotion of civil society organisations from the 1980s onwards also led to the creation of many faith-based organisations, including Islamic and Islamist ones, and the wealth generated from the discovery of oil in the Gulf was partly diverted to the formation of transnational philanthropic organisations. Another factor shaping Islamic philanthropy has been the migration of large numbers of Muslims to the West and the consequent rise of new philanthropic actors within the diaspora.

Accordingly, this paper proposes a typology of Islamic philanthropy based on the origins of philanthropic funds.

- Civil society organisations, including non-governmental organisations and foundations established for the purpose of collecting and disbursing charitable giving on a local or national level. These exist in large numbers in most Muslim-majority contexts and exist within the wide CSO sector.
- Islamist movements and groups that have a social welfare division founded on the principles of Islamic philanthropy closely aligned with the political agendas of their movements. These would include the Muslim Brotherhood in Egypt and Hizbollah in Lebanon.
- Transnational organisations and networks founded in the diaspora to raise and administer funds and for charitable, relief and developmental purposes such as Muslim AID UK and the Muslim Congress of Philanthropy, US.
- Islamic philanthropic organisations founded in the Gulf for the disbursement of funds for relief or jihad. Many of these foundations have played a significant role in conflict-striken contexts such as Afghanistan and Bosnia-Herzegovina.

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It is important to note that the way in which the Islamic character manifests itself in philanthropy is often influenced by local cultural adaptations of religion. Moreover, many organisations, in particular civil society organisations and transnational organisations founded in the West, rely on multiple sources of funding that are not restricted to religion-inspired sources. Further, it is noteworthy that many organisations, whether local, national or transnational, combine charity, development and profit-generating activities. It should also not be assumed that all of the above forms of Islamic philanthropy engage necessarily in a formal way; some of the acts of giving are performed informally.

It is beyond the purpose of this paper to provide a detailed scoping of all the actors, agendas and programmes. Rather, what is presented here are three paradigmatic case studies which shed light on organisational identity, programmatic activity and approaches to wellbeing. One is transnational – Islamic Relief Worldwide UK, and two are national – Misr el Kheir and Resala in Egypt. Islamic Relief Worldwide UK was established by a migrant and founded as an Awqaf establishment. It is one of the leading actors in providing humanitarian assistance in disaster-stricken contexts and has country offices active in a variety of charity and developmental interventions worldwide. It has sought to address issues of social justice and inclusive development in ways that have broken with conventional Islamic philanthropic practice. Misr el Kheir is a foundation established by the Grand Mufti of Al Azhar which has championed the idea of expanding the use of zakat to go beyond charity. It funds the production of knowledge, investment in long-term projects and income-generating activities. Resala was established by young men and women of middle class origins in Egypt to use their repertoire of social capital to serve poor people in rural and urban areas through a development-oriented agenda. It has had mass appeal in recruiting youth as volunteers and has come to represent a different model of Islamic philanthropy in a context where political forces such as the Muslim Brothers and the Salafis have assumed a dominant position in mobilising and channelling funds for welfare.

Islamic philanthropy plays a highly influential role in funding interventions worldwide, especially areas of conflict, fragility or natural disasters where significant Muslim populations reside. Islamic philanthropic organisations’ ability to play a critical role emanates from sustainability of the funding base, effective outreach and strong linkages between the local, national and transnational levels. The sustainability of funds derives from the fact that believers have been giving and will continue to give funds, driven by a sense of obligation towards living their faith. Moreover, the role of endowments in Islamic philanthropy has further increased the sustainability of the funds. The ability of Islamic philanthropists to have effective outreach, particularly in Muslim-majority contexts, is one that is shared by all faith-based initiatives: namely, the adherence to a universal religion creates a common identity that cuts across differences in nationality, background or culture. Finally, the strong linkages between the local, national and international levels rely on the vast social capital existing in networks that are sustained by common purpose – identity and membership in the community of the faithful.

However, Islamic philanthropy is also facing a number of conundrums in relation to promoting wellbeing. The first conundrum is how to broaden the ways of supporting wellbeing beyond charity without losing its core constituency of givers. This has proven to be a major challenge because givers often request that the funding be earmarked for specific groups or purposes, for example the sponsorship of orphans or the establishment of a mosque. There has been a movement led by Muslim thinkers and field practitioners to try to promote ideas of long-term wellbeing and sustainability and holistic approaches to eliciting change; however, by and large, givers still show a preference for charity.

The second conundrum is how to broaden the outreach to be more inclusive of persons of other religions while finding sufficient support for this within Islamic jurisprudence. Many Islamic philanthropic organisations and individuals tend to follow the mainstream Islamic jurists’ position that zakat should be directed to supporting Muslims exclusively.
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The third conundrum is how to create a system of checks and balances on Islamic giving that is channelled to jihadist and political purposes. This is perhaps one of the greatest challenges to transforming philanthropy because much of this aid tends to be informal, transnational, and sometimes mediated by individuals rather than organisations. However, this is a priority because in some cases funding is going towards supporting highly reactionary militant or political forces whose agenda is anathema to supporting progressive social change and is motivated by opaque political aims.

The paper suggests that it is at the level of local or national civil society organisations that innovations are most likely to emerge in relation to the role of Islamic philanthropy in promoting wellbeing. Such innovations will emerge out of the pressures on these organisations to be responsive to local challenges in unconventional ways. Transnational organisations established in the diaspora such as the Agha Khan Foundation offer the greatest possibilities for collaborative work with other philanthropies, whether of a secular or religious nature.

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