Islamic approach to poverty alleviation

Submitted by: Islamic Research and Information Artistic & Cultural Institute (IRIACI)
NGO in Special Consultative Status with ECOSOC of the United Nations

While the world on the whole has become more prosperous in recent years, inequality has increased both within and between countries. Extreme poverty is globally the greatest single human rights issue.

Poverty is one of the most crucial and biggest social problem of the modern age. Unfortunately, the number of people living below poverty line is increasing day by day at an alarming rate. Poverty is a social problem that further gives raise to more distressing problems, like, unemployment, crime, depression, etc. Sincere efforts are being made to find a solution to this issue. However, poverty continues to afflict us by growing at an ever-increasing rate. Different measures have been taken to cope with poverty, but the results have seldom been positive. It is the dream of every society to get rid of poverty and its accompanying crisis, but the question that torments us is “How can this goal be achieved?” Poverty and economic deprivation are the causes of anarchy and instability in many countries of the world.

Poverty is a complex phenomenon, a consequence of lack of growth and inequality. Effective policies require technical and empirical understanding of poverty that is combined with efficient institutions and a supportive system of social values.

Poverty is a multidimensional economic phenomenon that has both political and social ramifications. It exists throughout generations and societies irrespective of cultural affiliations and geographical boundaries. Although the nature of poverty may vary from community to community, culture to culture and time to time, poverty persists in both rural and urban areas alike; and also in both developed and developing economies.

The goal of any development policy is the eradication of poverty and inequality and the promotion of sustainable development. Development policy also facilitates finding solutions to other global challenges, such as poverty.

The aim of all policies should be focused to strengthen developing countries’ own resources to allow them to be less dependent on development aid. Achieving sustainable results is only possible through economically, socially and environmentally sustainable development.

The policies should consist on the growth of developing countries’ economies to generate more jobs and livelihoods, democracy and respect for human rights, sustainable use of natural resources.

We think that Islam as a system of ethics and treat the Islamic ethos as an ideal through which socioeconomic policies dealing with poverty reduction/prevention are assessed.

These ethical tenants indicate that policies should not develop ‘dependency’ or amoral activities. Policies should not lead to the institutionalization of poverty. Policies based on transfers that do not lift the poor from their dependency status should not be adopted except in cases where such shift is not feasible.
Poverty is a multidimensional concept. A quantitative money-metric consumption (or income)-based approach is not sufficient. It needs to be expanded to measure sociopolitical externalities, both a result of the presence of poverty and of the introduction of policies to alleviate it.

The Islamic approach involves three distinct sets of measures in alleviating poverty: (1) positive measures, (2) preventive measures, and (3) corrective measures.

Positive measures: Islam engages different positive measures in alleviating poverty: (a) income growth, (b) functional distribution of income, and (c) equal opportunity.

Preventive measures: Islamic economy also ensures preventive measures be taken so that wealth is not concentrated in a specific section of a population; such as: (a) control over ownership, and (b) prevention of malpractices.

Corrective measures of poverty eradication: The third set of anti-poverty measures: the "corrective measures" fosters wealth transfers so that wealth is not concentrated among the wealthy through; (a) compulsory transfers (Zakat), (b) recommended transfers (charity), (c) state responsibility (enforcement and basic needs).

Allah Almighty, in the Holy Qur’an, praises the faithful followers by saying that they, for love of God, give their food to the needy, orphans, and captives. (86:8)

Allah is here explaining the characteristic feature of the believers. The sincere and devout followers offer help and assistance to the deprived members of the society. “Sadqa” is the term used for giving charity in the way of God to help fellow human beings. The Prophet (SAW) has explained the advantages and benefits of Sadqa. Likewise, Allah, in many places in the Holy Qur’aan has instructed the financially capable to give “Sadqa”.

In Surah Ba’qara, Allah says, “O believers, whatever you have been given by God, spend from it.”

(2:254)

In the same Surah, He further says, “Those people who spend money in the way of God in a hidden or explicit manner will receiver great reward from their Creator.” (2:247)

In the light of the above mentioned Qur’aanic verses and the words of the Prophet (SAW), it is clear that Islam aims and aspires to create a certain ideology which dictates that a person should not just live focusing only on his own needs and wants. On the contrary, a person should think as a member of a society where many needy, homeless, and poor people may require his/her help. In this way Islam promotes feelings of brotherhood and societal collective thinking.

The basic ideology of Islam is that Allah Almighty is the real owner of the wealth that He has given to humankind. We must spend wealth in accordance with Allah Almighty’s commands and instructions. It is obligatory to spend money in the way of Allah and refrain from spending wealth on things from which Allah has stopped us. In this way, Islam establishes a system for the financial assistance of the destitute and the needy. Out of sheer kindness and generosity, helping fellow human beings will help eradicate poverty to a great degree. On the other hand, Islam also orders the needy to struggle and work hard in order to get a living instead of solely relying on the economically wealthy class. Therefore, this system has a balance where no class of a society is exploited.