Charity in Islam

Charitable giving is central to the Islamic faith and results in huge generosity by the Muslim community.

Augustus Della-Porta explores the role of charity in Islam and its three main forms

The importance of charitable giving is mentioned throughout the Qur’an (the holy book of Islam) and in many hadiths (sayings of the Prophet). Charity is a central tenet of Islam: everything one has belongs to God and therefore a Muslim is obliged to share wealth with those less fortunate. This is demonstrated in the huge generosity of the Muslim community – it is estimated that British Muslims gave £100 million to charitable causes during Ramadan this year.

There are three main forms of charity in Islam: zakat, sadaqa and waqf.

Sadaqa is voluntary charitable giving and appears several times in the Qur’an. There is no minimum or maximum amount a Muslim is expected to give, but certain factors increase the merit of sadaqa, such as giving a greater proportion of one’s wealth, giving anonymously and giving during the holy month of Ramadan. Sadaqa should be an unconditional and irrevocable gift and a donor of sadaqa may not impose conditions or revoke a donation of sadaqa once made.

Zakat is one of the five core obligations (pillars) of Islam. It requires every Muslim to give a set proportion of his or her wealth to the poor and needy in proportion to their means. Zakat can be translated to mean ‘purification’ or ‘growth’: by paying zakat a person is believed to be cleansing themselves and their remaining wealth and redistributing wealth to restore social equality and promote a more just society.

Zakat must be used for eight defined purposes, which are set out in the Qur’an: the poor, the needy, collectors of zakat, new and needy Muslims (literally ‘those whose hearts are to be reconciled’), captives, those in debt, ‘in the path of God’ and travellers in need. So, in a charity law sense, zakat funds are restricted for use within these purposes. A charity collecting zakat must ensure that its objects are wide enough to encompass these purposes and must specifically restrict the funds to be used for zakat purposes. Having additional unrestricted funding (such as sadaqa) will ensure the charity can build sufficient reserves and assist a wider group of beneficiaries. While many charities collecting zakat advertise no overheads, it is permissible under Islamic law to charge for overheads when collecting zakat within certain limits.

The traditional scholarly consensus that zakat can only be distributed to Muslims has been the subject of recent debate. Some Islamic scholars argue that the ‘poor and needy’ are not specifically limited to Muslim beneficiaries, and that ‘those whose hearts are to be reconciled’ also includes non-Muslims who are sympathetic to Islam, or part of the community in some way. While most zakat is currently paid to mosques or Muslim-led charities, international charities have begun to collect and distribute zakat funds. For example, UNHCR, having obtained fatwas (legal opinions) from leading Islamic scholars, administers a zakat fund to provide support to refugee families from Syria, Yemen and Iraq. Charities considering the establishment of a zakat fund should ensure they take appropriate advice about both charity law and Islamic law aspects.

A third type of charity is waqf, an endowment of property or investment for a charitable purpose, whereby the assets are retained with the profits applied for the charitable purposes. Although not mentioned in the Qur’an, the legal authority for waqf derives from various hadiths. Waqf is a fast-developing area of charitable giving. For example, Islamic Relief recently set up a separate charity allowing donors to invest in Shariah-compliant ‘waqf shares’, where donations are invested in property and profits used to fund projects such as hospitals.

Find out more
The Charity Commission blogged in the summer about the scale of charitable giving during Ramadan, and looked at some case studies on how charities are turning donations into practical action: https://charitycommission.blog.gov.uk/2016/07/14/ramadan-making-a-real-difference/