

The Role of Zakat in Combating Unemployment

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Abstract:

The researcher who carefully examines the obligation of ZAKAT will not only find it to be merely a financial worship, or a rational and ideal social obligation, but will also find it to be an extremely precise economic tool, and an effective and influential means controlling and organizing the course of the economic movement.

Maybe one of the important factors ZAKAT affects, and which has a major role in the prosperity and progress of economic life, is providing work and combating unemployment, which is affected directly or indirectly after the implementation of this obligation, and this is what we will try to clarify hereby.

Key words: ZAKAT, unemployment, employment, economic, money.

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1. INTRODUCTION

Achieving adequate and comfortable living requires work and effort. Unemployment is considered as a very important concern that hinders this endeavor. It needs to be treated and combated by all available ways and means due to the economic, social and political deterioration of society it leads to.

Islam - as a way of life - has shown us the manner to do so through the application of its laws, including ZAKAT. We will try in this paper to research role and effects of ZAKAT on increasing employment and reducing levels of unemployment.

Therefore, the problem at hand is: How does ZAKAT contribute to alleviating and treating the problem of unemployment?

Before answering this question, all we know is that ZAKAT is an amount of money that rich people give to poor. Accordingly, we see and assume that the direct effect of ZAKAT is more about achieving sufficiency for the poor than providing job positions. However, we believe that there are other indirect effects that we will try to define.

2. DEFINITION OF ZAKAT

Before clarifying the role of ZAKAT in treating the problem of unemployment, it is worth to clarify some basic concepts related to the topic.

2.1 Definition of ZAKAT

ZAKAT is “an obligatory right to a specific property for a specific group at a specific time” (Al-jaziri, 2003, p. 456). **It is a right** according to the Almighty’s saying: “and those in whose wealth there is a known right” (Al-Ma'arij, Verse 24), and it is an obligation according to the Qur'an and Sunnah.

In private money, which is the legally estimated quorum, which is what the taxpayer is required to pay ZAKAT, and it varies depending on the money on which ZAKAT is due, and the bottom line in it is: gold is twenty mithqals or dinars (85 grams), and silver is two hundred dirhams (595 grams), or something equivalent in value. Paper or coin money, securities, or trade offers, on which ZAKAT is required at 2.5 percent.

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The first quorum for sheep is forty sheep, camels are five, and cows are thirty.

The quorum for grains and fruits is five wasqs, meaning the equivalent of (647 kg) of average wheat. The amount that must be extracted varies according to the method of irrigation. If it is irrigated at no cost, then it is subject to a tenth, and if it is irrigated at a cost, then half a tenth is due.

For a specific group, meaning the eight types who were mentioned in the verse on spending in the Almighty's saying: "The alms are only for the poor and the needy, for those who work for them, for those whose hearts are reconciled, for freeing slaves and debtors, and for the cause of God and the wayfarer - an obligation from God, and God is All-Knowing, All-Wise" (At-Tawbah, Verse 60).

They are the ones to whom ZAKAT proceeds must be spent, and these expenditures are:

a- The poor: the plural of the poor, which is the one who has no money or a lawful income based on his sufficiency of food, clothing, housing, and what is necessary for his living, according to what suits his situation for him and for those of his dependents and those he is obligated to support.

b- Al-Masakin: The plural of "miskin", which is someone who has money or a decent lawful income that falls in relation to his sufficiency and the sufficiency of those he supports, but it is not fulfilled by sufficiency, such as someone who needs ten and earns only seven or eight.

c- Those working on it: They are the couriers who are sent by the ruler to take ZAKAT from the taxpayers and distribute it to the deserving.

d- Those whose hearts are reconciled: They are the ones whose hearts are intended to be reconciled by inclining to Islam or by making them firm on it, or by stopping their evil from Muslims, or hoping to benefit them by defending them or giving them victory over their enemy, and so on and so forth.

e- Concerning slaves: They are slaves who are freed from ZAKAT money, so the taxpayers are helped to collect it, and the slave is freed.

f- Al-Gharimun (pinching): The plural of “gharim,” which is the debtor who is unable to repay his debt. There are two types: one who is in debt for the benefit of himself and his dependents, such as one who borrows money in a trade and is given ZAKAT if his debt is not due to sin, and a debtor for reconciliation, such as someone who fears strife between two sects or people, so he borrows money and spends it on alleviating that strife.

g- For the sake of God: They are voluntary invaders. They are given from ZAKAT what they use to help them in the battle, such as road expenses, and what they buy weapons with, and everything else that is sufficient for them for their battle.

h- The wayfarer: is the traveler who does not have anything to take back to his country. The wayfarer is given what he takes to his country.

At a specific time, which is the time in which ZAKAT is due, around the time of the year? It is the completion of the year, in livestock, for merchandise and trade goods, and when the grain is intense in grain, and when the fruit begins to ripen for which ZAKAT is due.

2.2 Conditions for ZAKAT

ZAKAT, or this legally duty, is not imposed unless general conditions are met; some of which relate to the person giving the ZAKAT and others relate to the money that is the subject of ZAKAT.

The conditions that must be met by the person on whom ZAKAT is due are: Islam, intention, maturity, reason, and freedom. As for the conditions that must be met for the money subject of ZAKAT, they are: complete ownership, ownership of the quorum, growth and ability to grow, one year has passed, and safety from debt.

As for the conditions that must be met by the beneficiary, they are: not to be rich, to be a Muslim, not to be from the family of Muhammad, may God’s prayers and peace be upon him, not to be among the relatives and wives of the one who pays the ZAKAT, to be an adult, sane and free, not to abandon work out of laziness, according to his saying, may God’s prayers and peace be upon him: “It is not

permissible to give charity to a rich person or to a just person”, and that ZAKAT should not be transferred to another country.

3. Definition of unemployment

Work is the voluntary, conscious human effort that a person makes with his body, his mind, or both, in order to create a benefit, satisfy a desire, or secure a need (al-Sijistani, Sunan Abu Dawood, p. 253).

Islam has encouraged work and learning a trade or profession to be self-sufficient, and has forbidden begging and unemployment. In this regard, the Prophet, may God’s prayers and peace be upon him, says: “For one of you to carry a bundle of firewood on his back is better for him than to ask someone and be given to him or withheld” (Mashhour, 1993, p. 139). And in His saying, Glory be to Him, the Highest, regarding the command to recite the Qur’an (So recite what is easy of the Qur’an, knowing that there will be sick among you, others swarming through the land seeking God’s bounty and others who will be killed in the cause of God, so recite what is easy of it) (Al-Muzzammil, Verse 20). A traveler on the ground means a traveler who travels for trade to dispense with people and be free from them (Al-Saadi, 1999, p. 979).

When Islam called for and encouraged work, it forbade unemployment, which is a man sitting idle from work, because unemployment leads to corruption and disorder in society. When a large number becomes unemployed, whether they were forced to do so or due to laziness on their part, great efforts are wasted on the nation that could have been achieved. It wins and plays its role in advancing production and advancing development. Unemployment is a dangerous economic, social, and humanitarian problem. If an effective treatment is not found, its danger to the individual, the family, and society increases (Radi, 2008, p. 39).

Unemployment is defined according to the international concept as “the situation in which society does not fully and optimally use its labor force.” According to this definition, there are two dimensions to unemployment. The first

dimension is the lack of full use of the labor force, and the second one is the lack of optimal use of it.

We can differentiate between cases of unemployment, namely:

3.1 Involuntary unemployment

The involuntary unemployment is one in which a person has no choice, but is imposed on him, or he is afflicted with it as he is afflicted with all the calamities of time. The reason may be that he did not learn a profession when he was young, or he learned a profession and then closed its market due to the change in the environment, or the development of time, and he may lack the capital despite his knowledge of a particular craft. Maybe he is unable to do any work, due to his illness (Montousse, 2003, p. 64). It is the most dangerous type of unemployment because it means that there are capable people looking for work, but they do not have jobs anywhere within the national economy.

3.2 Voluntary unemployment

The voluntary unemployment is called lazy unemployment, and it is the unemployment of those who are able to work, but they tend to sit and continue to rest, and prefer to live as a dependent on others. Islam rejects these people and works to correct them by forcing them to do useful work.

3.3 Frictional unemployment

The frictional unemployment refers to the presence of unemployed individuals searching for a suitable job at a time when there are jobs that suit them, but they do not join them because they do not know about them or their whereabouts (Atiyah & Ramadan, 2004, p. 135).

3.4 Disguised unemployment

The disguised unemployment refers to the situation in which a number of workers can be withdrawn from the production process without decreasing overall output. In this case, the total output either remains constant or increases.

3.5 Seasonal unemployment

The seasonal unemployment is the unemployment of people who work fewer hours than “usual” daily or weekly, or who work during one period of the year and are unemployed other periods... (Yousry, 2004, pp. 217-218).

3.6 Cyclical unemployment

The cyclical unemployment is unemployment resulting from a deficiency in aggregate demand, where a deficiency in aggregate demand for final products in general leads to a deficiency in demand for the resources that produce these goods. This unemployment occurs if the economy tends to stagnate and is characterized by its inclusion of resources in most sectors of the national economy.

Unemployment has major economic and social impacts on society, including:

- A large part of production is lost, which is the part that could have been achieved if these unemployed people were employed. There is no doubt that this reduces the well-being of society as a whole.

- The gradual loss of skills and experience of workers, especially if the worker is exposed to newer production techniques during his work.

- High unemployment rate, which results in decreased production and increased government spending in the form of transfer payments and subsidies to the unemployed. Which could - in other than unemployment conditions - be used to build development projects.

- Unemployment has social and political effects that are no less bad or dangerous than the economic ones. Rather, social and political effects are then reflected in the form of serious economic effects. People who used to hold jobs and then lost them and became unemployed are exposed, along with their families, to deterioration in their living conditions. Then their social and psychological conditions deteriorate

when they are forced to seek aid, go into debt, and desire to hide the reality of their miserable conditions.

Psychologists and sociologists have noticed an increase in the crime rate among the unemployed in general, which threatens the social stability of society.

4. The role of ZAKAT in treating unemployment

The researcher of the obligation of ZAKAT finds that it has an effective role in eliminating unemployment, especially by providing jobs and alleviating and treating this one's negative effects, in a direct or indirect way, as follows:

1. Islam prohibits giving to those who are able to work and who lazily refrain from making an effort to earn in order to cover his needs. As he, may God's prayers and peace be upon him, said: "It is not permissible to give charity to a rich person or to a straight person" (al-Sijistani, Sunan Abu Dawood, p. 253). Granting ZAKAT to such people increases unemployment, disrupts the productive capabilities of members of society, and limits what the true beneficiaries of ZAKAT can obtain. Therefore, not disbursing to them from the proceeds of ZAKAT is an encouragement for them to exert effort and increase their desire to work in order to achieve sufficient income for themselves that meets their basic needs.

Al-Mawardi says in *Al-Ahkam Al-Sultaniyya*: If someone who is strong-willed and has the strength to work was begging, the guardian will rebuke him and order him to be professional in his work, and if he persists in begging, he will be punished until he gives it up (al-Mawardi, 2003, p. 248).

Giving the poor the amount of ZAKAT that is sufficient for them at the lowest levels of wealth prevents the conversion of ZAKAT into a means of increasing money out of need, because the way to do that is work, developing money and investing it. Accordingly, ZAKAT is a way to meet the needs of the needy, without leading to the elimination of work and production incentives (al-Masri, 2005, p. 21).

2- ZAKAT, as a means of combating the hoarding of money and disrupting it, would motivate capital owners to search for productive investment areas, because ZAKAT is imposed on

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developing capital in law or in deed. Thus, it forces individuals to employ that money and direct it to areas of finance and work instead of disabling it, and protecting it from being eaten up by ZAKAT over the years.

In light of the prohibition of usury and dealing with interest in the Islamic economic system (Al-Rafati, 2005, p. 8), the accumulated savings have no way to grow except by investing in the production process. This creates many job opportunities that would not otherwise be available if this money was not released into investment (Maghazi, 2005, p. 144).

One must add here that ZAKAT does not only eat away idle money or saved wealth, but it goes beyond that to erode the means of production that are left without actual use in the production process. Therefore, ZAKAT does not address the issue of hoarding alone, but rather addresses the issue of lurking resources. Because the longer these resources wait for opportunities, the less their ability to compensate for the shortfall resulting from paying ZAKAT, on the one hand, and their purchasing power, on the other hand, due to the decrease in wealth through ZAKAT. This, in turn, leads to the expected resources being pushed back into the economic circle, either in the field of production or in the field of consumption, more quickly than in the case of the absence of ZAKAT (Qahf, 1979, p. 120).

3. What encourages action is that the exempted portion from ZAKAT is not a large portion and is the legal quorum. This means that whoever owns more than the quorum in addition to his necessary needs, passed one year, as an investment opportunity, and the rest of the conditions previously mentioned were met, this leads to pressure on him to invest. Consequently, the participation of a large number in work and in the process of production, investment, and comprehensive economic and social development (Youssef, 1990, p. 129). On the other hand, exempting less than the quorum from ZAKAT provides the opportunity for those with limited income to continue their work and increase their production as long as

they are exempted from ZAKAT, which, if imposed on them despite their lack of money would hinder them from working and producing, and it is no secret that this exemption encourages work (Al-Damhoui, p. 42).

4. ZAKAT affects the motivation to work. The individual usually balances the return and costs of leisure time. Based on that balance, he distributes the limited hours of his day (24 hours) between work and rest. Income is the return from work, and sacrifice of hours of one's free time. The return of leisure time is the value of the benefits that accrue to him as a result of his enjoyment of leisure time. It is a subjective value that is subject to the assessment of the financier himself and varies from one person to another. As for the costs of leisure time, it is the value of the income that could have been achieved if he had not preferred leisure.

Accordingly, the deduction that leads to a decrease in the income available to the taxpayer may upset the individual's previous balance, because it affects the relative returns and costs of both work and leisure.

If the duty is multiplied by work income by 50%, this means that the return from work and the cost of leisure have been reduced by half, and therefore leisure time is more attractive to him. This prompts him to reduce working hours and increase leisure time, and this exchange process between Work and leisure is called the **substitution effect of income tax**. On the other hand, deducting the tax for half of the income of the supplier - the worker - can lead to an increase in his working hours in order to compensate for what the tax deducted and maintain his previous level of income before the tax was imposed, and this effect is called the **income effect of the income tax**. If the substitution effect is stronger than the income effect, the supply of working hours will decrease and vice versa. When both of them are equal in strength, the job offer does not change.

Considering the impact of collecting ZAKAT on the incentive of taxpayers to work, it is noted that work income is exempt from ZAKAT until it reaches a quorum and one-year

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passes, and it is in excess of the original needs and free of debt. Thus, ZAKAT does not have any substitutionary effect on the supply of work. Even if ZAKAT is taken from him because the conditions are met, or assuming that the taxpayer pays some of the ZAKAT on his other funds from his work income, it is expected, however, that psychological factors will cancel out any substitution effect that collecting ZAKAT could have in this case. Therefore, ZAKAT is not expected to adversely affect the worker's work incentives (Al-Suhaibani, 1990, p. 220).

5. ZAKAT increases the supply of working hours for poor professionals who do not find a suitable job opportunity for them (i.e. the forced unemployed poor), by financing them with the capital necessary to start their work, or by training them in some of the trades required in the labor market (Martan, 2002, p. 186).

Also, the incomes that individuals achieve from practicing their crafts and businesses create additional demand, that is, an increase in production through the multiplier, and an increase in investment through the accelerator, which results in a reduction in prices, and then the absence of what is called inflation and its suppression.

As for frictional and compulsory unemployment, which is due to the low level of actual demand, the application of ZAKAT and the consequent availability of a greater number of investments works to bridge the gap between consumer spending and the income necessary to achieve full employment, facilitates the task of achieving the level of complete employment terms of economy.

6. A socially and politically stable environment provides a stimulating situation for investment and work. It reduces the degree of risks to which investments are exposed. ZAKAT works to provide this stable environment because one of its major goals is to unite the hearts of the members of society and defend the Islamic nation.

The first goal is mainly achieved through spending on the poor and needy, and this spending fights the scourge of envy

and hatred between the poor and the rich. In addition, spending on those in debt for the benefit of others achieves this goal, because it fights the scourge of quarreling and corruption between people.

The second goal is achieved through spending on money (for the sake of God) and (for those whose hearts will be reconciled). Because spending on Jihad (holy war) helps protect the Islamic community from external aggression, and spending on reconciling their hearts - in the event that it is paid to the one who hopes to be given to stop their evil - leads to repelling their potential evil on society.

7. The ZAKAT share of those working on it opens the door to job opportunities, through their work in collecting ZAKAT. Their salaries are then funded by a real resource that funds such jobs.

8. ZAKAT contributes in maintaining the level of workers in the national economy through the pinching Bank. This one compensates owners of various crafts for their losses in their work (under certain conditions), which gives them the opportunity to continue their work and return again to the field of production, instead of becoming captive to lawsuits and judgments. Needy traveler, as well, whenever obtaining a share of the ZAKAT proceeds. All these productive elements will return to their work sites, after were cut off from, which will result in preserving the amount of work available in society.

9. The Muslim's eagerness for reward and compensation through paying ZAKAT is in itself one of the motivations that make him strive and work hard to increase wealth so that the proceeds of the ZAKAT that he pays are plentiful and he obtains a great reward and great compensation. This is the approach that Islam adopts in mobilizing the feeling of faith among Muslims that ZAKAT is gain, not burden, is one of the finest and most effective methods. Rather, this approach is perhaps the finest, as it relies on educating individuals and strengthening the religious motive that inspires them and personally commits them to the commands of the Sharia, based on faith principle (Qarawi & Mohamed Shaker, 2004, p. 23).

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10. Islam has added an important psychological factor that motivates individuals to work and encourages them to make an effort, which is that taking ZAKAT is only permissible for those who deserve it. One must be careful not to take it, and not abstain from it as much as possible, by making the necessary effort to earn money. This is what the Messenger of God, may God bless him and grant him peace, indicated: “The upper hand is better than the lower hand, for the upper hand is the one who spends and the lower hand is the beggar” (al-Nawawi, Book of Zakat, Hadith N° 1033, p. 144). That is, the one who gives charity is better than the one who takes it. It results that ZAKAT increases the desire to work, and encourages productive effort in order to achieve the gain that enables the Muslim to be an almsgiving person.

11. This amount of work depends on the level of physical energy inherent in individuals who are able to work. It is in turn closely linked to the level of health and the appropriate amounts of calories consumed and the treatment and prevention of diseases for these individuals.

ZAKAT plays a positive role in increasing the amount of work through what is allocated from its proceeds to the poor and needy, because the income of these classes does not sufficient to provide all their basic needs, including the necessary food and calories that motivate them to work and treat diseases. Therefore, the share of ZAKAT allocated to them will make them able to maintain the amount of work they would do, which is always threatened by decrease and interruption as a result of lack of sufficient food and their exposure to diseases (Salah, 2004, p. 3).

5. CONCLUSION

After researching the role that ZAKAT can play in addressing the problem of unemployment and alleviating its effects, we found that it has a positive role in achieving this objective, and this is through: Improving the standard of living of the poor, which provides them with physical energy, as well as providing the capital necessary to engage in work, would have a very important effect on work and reduce

unemployment. What increases the efficiency of this effect is that ZAKAT is not given to the unemployed out of laziness, as it pushes them to work until they achieve their sufficiency. ZAKAT encourages owners of capital, even small ones, that exceed the quorum, to invest it so that it does not decrease due to the ZAKAT. What encourages them to do this is the small percentage of ZAKAT imposed on the money, which does not affect or harm in the event of a decrease in profits. Compensating the ZAKAT producers in the event of forced bankruptcy with the shares of the debtors, which gives them a guarantee to survive and continue working instead of stopping them and keeping them trapped in lawsuits. It also provides a stable security and political environment through the arrow of reconciliation of hearts and for the sake of God, which removes fears of investment risks and encourages interest in investment and work. From the above, it becomes clear to us that our assumptions about the contribution of ZAKAT in combating unemployment are correct, through the direct role and the indirect role that was reached through the results of the study.

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