

# THE MECHANISMS AND IMPACT OF ISLAMIC GENEROSITY (*WAQF*) BEHAVIOUR IN ISLAMIC SOCIAL FINANCE INSTITUTION

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## ABSTRACT

Islam is a comprehensive religion that provides guidance for Muslims on how to live in this world while also preparing for the hereafter's eternal life. Islam has established a system of distributing resources via mandatory and voluntary acts of generosity, with the aim of maintaining social stability within the Ummah and simultaneously seeking eternal benefits in the hereafter. This study aims to explore the mechanisms and impact of Islamic generosity, namely via the practice of *Waqf* and other instruments include *Zakat*, *Mandatory Infaq*, *Sadaqah*, *Wasiyyah*, and *Hibah* in Islamic social finance institutions. The ultimate purpose of this contribution is to earn Allah's pleasure. This present study is grounded on a comprehensive examination of previous scholarly investigations pertaining to the phenomenon of Islamic generosity. By examining the historical and contemporary significance of Islamic generosity mechanism, this research seeks to shed light on the ways in which this behaviour contributes to the functioning and development of Islamic social finance institution. Subsequently, this paper also provides suggestions for further investigations pertaining to the phenomenon of Islamic generosity behaviour.

**Keywords:** *Islamic generosity, generosity behaviour*

## 1. INTRODUCTION

Generosity is a ubiquitous notion seen in all civilizations (Fauzia, 2008). Throughout the history of Islam, the concept of charity has evolved into a significant and dynamic mechanism for effectively resolving the socioeconomic issues faced by society. Generosity is a viable strategy for achieving positive outcomes for all individuals. The fundamental concept of generosity is rooted in the principles of fraternity and reciprocal assistance, with the aim of promoting justice and benevolence towards all individuals. Undoubtedly, each religion worldwide advocates for

the cultivation of virtue via various humanitarian endeavours. Acts of generosity have the potential to greatly benefit both personal growth and the economic prosperity of the Ummah. According to the study published by the United Nations High Commissioner for Refugees (2020), the global landscape of generosity encompasses a vast network of over 260,000 foundations, which together own assets worth at an estimated USD1.5 trillion. Furthermore, it is expected that the annual charitable contributions provided by Muslim communities worldwide will vary between USD250 billion and USD1 trillion, as stated by (Alam, 2012).

The vast array of available resources has potential for several sectors, such as economics, healthcare, education, infrastructure, comforts, and necessities, among other fields. This alternate kind of financing has the capacity to alleviate the unsustainable reliance of the aforementioned sector on government resources in emerging nations like as Malaysia, where monetary policies are being tightened. As a result, the redistribution of government funding to other essential sectors has the potential to stimulate economic growth. The purpose of this article is to enlighten readers about the mechanisms of Islamic generosity and the consequential impacts of this behaviour. This article discusses the following subtopics: the methodology utilized in this study, the conceptualization of generosity, the mechanism of generosity within the Islamic framework, and the impact of generosity behaviour from an Islamic view. The article concludes with a conclusion and offers suggestions for future research endeavours.

## **2. METHODOLOGY**

This article is based on a careful examination of existing research on Islamic generosity, with a particular emphasis on domestic and international literature available via internet sources. The search for relevant material began with a keyword selection from online databases. Smith et al. (2011) state that the pertinent literature retrieval strategy began with the identification of appropriate keywords, as Cronin et al. advised (2008). According to Smith et al. (2011), relevant literature will result in a successful systematic review. Thus, various keywords were identified for the purpose of this research, including generosity or philanthropy, generosity behaviour, Islamic generosity, charitable giving, and donating money. To locate supporting materials and resources, several electronic databases were examined, including Scopus, Emerald Insight, Microsoft Academic, Google Scholars, and Research Gate. The analysis incorporated 25 articles culled from more than 100 articles.

### 3. THE CONCEPT OF GENEROSITY BEHAVIOUR

Generosity behaviour is the action and trait of virtuous Muslims. According to Rameli et al., (2014), generosity behaviour is one of the fundamental codes of moral behaviour in Islamic ethics apart from truthfulness, trustworthiness, leniency, commitments, fair, and avoidance of evil practices. In verse 90 of Surah *An-Nahl*, Allah SWT reveals explicitly the commandment to act generously towards humanity.

إِنَّ اللَّهَ يَأْمُرُ بِالْعَدْلِ وَالْإِحْسَانِ وَإِيتَاءِ ذِي الْقُرْبَىٰ وَيَنْهَىٰ عَنِ الْفَحْشَاءِ وَالْمُنْكَرِ وَالْبَغْيِ ۚ يَعِظُكُم لَعَلَّكُمْ تَذَكَّرُونَ  
“Behold, God enjoins justice, and the doing of good, and generosity towards [one's] fellow-and He forbids all that is shameful and all men; as well as envy; that runs counter to reason, [and] He exhorts you [repeatedly] so that you might bear [all this] in mind.”

(Surah *An-Nahl* 16:90)

From the above verse, Allah SWT command man to be justice, to do good and to be generous towards other fellow men. Allah SWT also prohibits are indecency, immorality, and aggression among humans. Generosity behaviour can be attributed to the acts of doing charity for the cause Allah. This argument can be found in interpretation (tafsir) Surah *Al-Layl* verse 5 as below:

فَأَمَّا مَنْ أَعْطَىٰ وَاتَّقَىٰ  
“As for the one who is charitable, mindful of Allah.”  
(Surah *Al-Layl* 92:5)

According to *Maarif-UL-Quran* in Quran.com (1995b), the interpretation of Surah *Al-Layl* verse 5 stated that humanity can be divided into two distinct groups on the premise of their contending efforts. Each of the two groups has three distinct characteristics. The first group is classified as the successful Muslims which possess three characteristics include (i) they give charity for the sake of Allah SWT; (ii) they fear Allah SWT and try to avoid violating Allah's injunctions in every aspect of life; and (iii) they believe in the word of 'iman "there is no God except Allah SWT". The second group is regarded as unsuccessful Muslims for three reasons: (i) they are such misers that for example they fail to pay zakat and other obligatory alms; (ii) they believe themselves to be self-sufficient; and (iii) they deny the word of 'iman. Therefore, Muslims who engage in generosity behaviour such as through giving donation or helping others in need can be classified as a successful Muslim in the sight of Allah SWT. Given that, being generous for charity is one of attribute of good Muslims, all Muslims in this world must strive to acquire this quality and practicing it throughout their lifetimes. According

to Asad (1980), all the revelations in the Quran about the nature of charity among believers and the instructions of Allah SWT for people to do charity are proof of the importance of charity among Muslims to ensure the well-being of life in this world and hereafter. In addition to that, generosity behaviour is one of the most essential qualities a Muslim should exhibit in their daily life. To guide Muslims on this matter, Allah SWT specifically revealed in Surah *Al-Ahzab* verse 35 regarding the qualities that Muslim men and women should strive to acquire.

إِنَّ الْمُسْلِمِينَ وَالْمُسْلِمَاتِ وَالْمُؤْمِنِينَ وَالْمُؤْمِنَاتِ وَالْقَانِتِينَ وَالْقَانِتَاتِ وَالصَّادِقِينَ وَالصَّادِقَاتِ وَالصَّابِرِينَ وَالصَّابِرَاتِ وَالْخَشِيعِينَ وَالْخَشِيعَاتِ وَالْمُتَصَدِّقِينَ وَالْمُتَصَدِّقَاتِ وَالصَّائِمِينَ وَالصَّائِمَاتِ وَالْحَافِظِينَ فُرُوجَهُمْ وَالْحَافِظَاتِ وَالذَّاكِرِينَ اللَّهَ كَثِيرًا وَالذَّاكِرَاتِ أَعَدَّ اللَّهُ لَهُمْ مَغْفِرَةً وَأَجْرًا عَظِيمًا

*“The truthful men and the truthful women, the patient men and the patient women, the humble men and the humble women, the charitable men and the charitable women, the fasting men and the fasting women, the men who guard their chastity and the women who guard their chastity, the men who remember Allah much and the women who remember Allah much - for all these Allah has prepared forgiveness and a great reward”*

(Surah *Al-Ahzab* 33:35)

Based on the above verse, scholars further elaborated the Muslims code of behaviour based on the injunction available in the Holy Quran and the Hadith of Prophet Muhammad (PBUH). Early scholars, under The Lahore Ahmadiyya Movement (1914) outlined thirteen principal qualities a Muslim should display in their live which include truthfulness, sincerity, unselfishness, humility, patience, forgiveness, purity and cleanliness, honesty, goodness and kindness toward others or generosity, consideration and respect for others, courage, moderation and cheerfulness. Since all of which are very much part of the Quran and Hadith of Prophet Muhammad (PBUH), these behaviours can be regarded as a framework of moral values for Muslims and are capable of distinguishing between outrageous and moderate (*wasatiyyah*) Muslims. These behaviours also important for the mankind in order to achieve a moral and economic balance as the caliph of Allah SWT on this earth (Ab Rashid et al., 2020). Moreover, contemporary scholars Witjaksono et al. (2019) emphasize that consumer behaviour in Islam is governed by five fundamental principles, namely the principles of justice, the principle of simplicity, the principle of cleanliness, the principle of morality, and the principle of generosity.

#### **4. ISLAMIC GENEROSITY MECHANISMS**

Islam is a comprehensive religion that guides humans on how to lead their lives in the present world, while also emphasizing the need to prepare for the eternal life that awaits them in the

hereafter. Among the important responsibility set forth by Islam is spending wealth for the charitable giving. Charitable giving is the simplest way for a Muslim to assist a fellow Muslim in hardship. The objective of the charitable giving is not just wealth and spiritual purification, the ultimate objective is seeking for Allah’s SWT *mardhatillah* (the pleasure of Allah SWT). Muslims are encouraged to give generously and engage in acts of charity, including both obligatory and voluntary giving. The Quran and Hadith strongly recommend and emphasize charitable giving as the most honourable way to spend wealth. There are numerous Quranic verses that reflect the compulsory nature of charitable behaviour. Allah SWT states in the Holy Quran:

وَفِي أَمْوَالِهِمْ حَقٌّ لِّلسَّائِلِ وَالْمَحْرُومِ

“*And in their wealth, there was a right for one who asks and for one who is deprived.*”  
(Surah Al-Dhariyat, 51:19)

The above verse indicates that there is a right for the needy on every wealth given by Allah SWT to his servants. The right of the needy also mentioned in Quran in verse 7 of Surah Al-Hashr. Allah SWT says:

مَا آفَاءَ اللَّهِ عَلَى رَسُولِهِ مِنْ أَهْلِ الْقُرَىٰ فَلِلَّهِ وَلِلرَّسُولِ وَلِذِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسْكِينِ وَابْنِ السَّبِيلِ كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ ۚ وَمَا آتَاكُمُ الرَّسُولُ فَخُذُوهُ وَمَا نَهَاكُمْ عَنْهُ فَانْتَهُوا ۚ وَاتَّقُوا اللَّهَ ۚ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ

“*Whatever fai’ Allah has passed on to His Messenger from the people of the towns is for Allah and for the Messenger, and for the kinsmen and the orphans and the needy and the wayfarer, so that it may not circulate only between the rich among you. And whatever the Messenger gives you, take it, and whatever he forbids you from, abstain (from it). And fear Allah. Indeed Allah is severe in punishment.*”

(Surah Al-Hashr, 59:7)

The verse specifies that Allah SWT commands that the booty must be distributed fairly to Prophet Muhammad (PBUH) and his family, the orphans, the needy, and the wayfarer. This is to ensure equitable circulation of wealth among all parties. The encouragement of voluntary charity in which the practice will be rewarded is also clearly stated in Surah Ali Imran verse 92 as follows:

لَنْ تَنَالُوا الْبِرَّ حَتَّىٰ تُنْفِقُوا مِمَّا تُحِبُّونَ ۚ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ

“*[They] will not attain righteousness till [they] spend in charity of the things [they] love.*”  
(Surah Ali Imran, 3:92)

Another verse containing a command for charity can be found in Surah *At-Taubah*, verse 104. This verse contains Allah SWT's command to perform Sadaqah as a way of purifying oneself specially for those who repent for their sins.

أَلَمْ يَعْلَمُوا أَنَّ اللَّهَ هُوَ يَقْبَلُ التَّوْبَةَ عَنْ عِبَادِهِ وَيَأْخُذُ الصَّدَقَاتِ وَأَنَّ اللَّهَ هُوَ التَّوَّابُ الرَّحِيمُ  
 “Do they not know that it is Allah who accepts repentance from His servants and receives charities and that it is Allah who is the Accepting of repentance, the Merciful?”  
 (Surah *At-Taubah*, 9:104)

In addition to the Quran, a few hadiths also discuss charitable giving on a voluntary basis (Awang et al., 2017). The following hadith discusses various forms of charitable giving, ranging from the emancipation of a slave to the provision of charity to those in need. Nonetheless, this Hadith emphasizes that mandatory charitable giving to family members is highly rewarded and prioritized.

عَنْ أَبِي هُرَيْرَةَ قَالَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ  
 " دِينَارٌ أَنْفَقْتَهُ فِي سَبِيلِ اللَّهِ وَدِينَارٌ أَنْفَقْتَهُ فِي رَقَبَةٍ وَدِينَارٌ تَصَدَّقْتَ بِهِ عَلَى مَسْكِينٍ وَدِينَارٌ أَنْفَقْتَهُ عَلَى أَهْلِكَ أَعْظَمُهَا أَجْرًا  
 الَّذِي أَنْفَقْتَهُ عَلَى أَهْلِكَ "

*Abū Hurayrah reported Allah’s Messenger as saying: “Of the dinar you spend as a contribution in Allah’s path, or to set free a slave, or as a sadaqa given to a needy, or to support your family, the one yielding the greatest reward is that which you spent on your family.”*  
 (Sahih Muslim, 2:91)

Remarkably, generous giving in Hadith is very broad in meaning as according to the Prophet Muhammad (PBUH), every good deed is deemed to be charity.

عَنْ جَابِرِ بْنِ عَبْدِ اللَّهِ - رَضِيَ اللَّهُ عَنْهُمَا - عَنِ النَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ  
 كُلُّ مَعْرُوفٍ صَدَقَةٌ "  
 “Narrated Jābir bin ‘Abd Allah: The Prophet said “Enjoining, all that is good is a Sadaqa”  
 (Sahih Al-Bukhari, 4:107)

The Prophet Muhammad (PBUH) always encourage Muslim to embark on charitable behaviour. In one Hadith, the Prophet Muhammad (PBUH) emphasized the reward that a person will receive after his or her death for performing good deeds during life.

وعنه قال : قال رسول الله صلى الله عليه وسلم : " إذا مات ابن آدم انقطع عمله إلا من ثلاث : صدقة جارية ، أو علم ينتفع به ، أو ولد صالح يدعو له " ((رواه مسلم)).  
 “When a person dies, his/her acts come to an end, except three: sadaqah jariah (recurring or ongoing charity), useful/beneficial knowledge, or a pious child who prays for the deceased”  
 (Sahih Muslim, 13:4005)

According to the above Hadith, Allah SWT has promised Muslims who engage in charitable giving perpetual rewards even after their death. Charitable giving is a mechanism to purify one’s soul and as well as a tool for wealth sharing and distribution among Muslims. From an economic point of view, charitable giving is an instrument for attaining social reforms and socio-economic sustainability, which improves the well-being of an individual and a society both now and in the hereafter (Yusof, 2017). Charitable giving should therefore be the norm for every Muslim in this world. Mandatory charitable giving and voluntary charitable giving are the two primary types of charitable giving in Islam. *Zakat* and mandatory *Infaq* are examples of mandatory charitable giving, whereas *Sadaqah*, *Wasiyah*, *Hibah*, and *Waqf* are examples of voluntary charitable giving related to material spending of wealth. In addition to material spending of wealth, voluntary charitable giving can also be done in the form of non-material (good deeds), such as doing good towards others, doing good towards oneself, and doing good towards other creatures (Awang et al., 2017). The beneficial effects of both types of charitable giving are similar in terms of eradicating poverty, closing the wealth disparity, and fostering a thriving community. Figure 1 illustrate Islamic mechanisms of generosity.

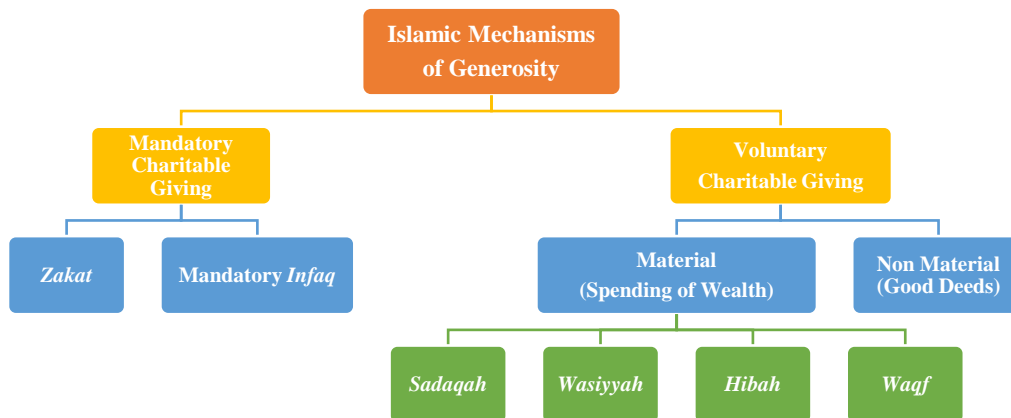


Figure 1  
Islamic Mechanisms of Generosity  
Source: Awang et al. (2017)

*Waqf*, *Zakat*, *Mandatory Infaq*, *Sadaqah*, *Wasiyyah*, and *Hibah* are all forms of Islamic charitable giving. This section highlights these six primary Islamic mechanisms of generosity.

#### 4.1 *Waqf*

*Waqf* is an Arabic term that refers to the giving or contribution of valuable assets to the public usually for religious cause and benefit of others. *Waqf* (religious endowment) is an Arabic words *Waqafa*, *al-habs* or *al-man* that literally means “to

confine”, “to stop”, “to preserve”, or “to hold” (Ibn Manzur, 1990). Technically *Waqf*, refers to the perpetual dedication of assets for charitable purposes or the creation of income for designated beneficiaries such as the donor's family or other individuals. Legality of the charitable giving in the form of *Waqf* is based on the story of Saidina 'Umar al-Khattab found in the following Hadith from Sahih Muslim:

عَنْ ابْنِ عُمَرَ، قَالَ أَصَابَ عُمَرُ أَرْضًا بِخَيْبَرَ فَأَتَى النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ يَسْتَأْمُرُهُ فِيهَا فَقَالَ يَا رَسُولَ اللَّهِ إِنِّي أَصَبْتُ  
 " إِنْ شِئْتَ حَبَسْتُ أَصْلَهَا وَتَصَدَّقْتُ بِهَا " . قَالَ أَرْضًا بِخَيْبَرَ لَمْ أُصِبْ مَالًا قَطُّ هُوَ أَنْفُسُ عِنْدِي مِنْهُ فَمَا تَأْمُرُنِي بِهِ قَالَ  
 فَتَصَدَّقْ بِهَا عُمَرُ أَنَّهُ لَا يُبَاعُ أَصْلُهَا وَلَا يُبْتَاغُ وَلَا يُورَثُ وَلَا يُوهَبُ . قَالَ فَتَصَدَّقْ عُمَرُ فِي الْفُقَرَاءِ وَفِي الْقُرْبَى وَفِي الرِّقَابِ  
 وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ وَالصَّنِيفِ لَا جُنَاحَ عَلَيَّ مَنْ وَلِيَهَا أَنْ يَأْكُلَ مِنْهَا بِالْمَعْرُوفِ أَوْ يُطْعِمَ صَدِيقًا غَيْرَ مُتَمَوِّلٍ فِيهِ . قَالَ  
 فَحَدَّثْتُ بِهِذَا الْحَدِيثَ مُحَمَّدًا فَلَمَّا بَلَغْتُ هَذَا الْمَكَانَ غَيْرَ مُتَمَوِّلٍ فِيهِ . قَالَ مُحَمَّدٌ غَيْرَ مُتَأْتِلٍ مَالًا . قَالَ ابْنُ عَوْنٍ وَأَنْبَاءِي مَنْ قَرَأَ  
 هَذَا الْكِتَابَ أَنْ فِيهِ غَيْرَ مُتَأْتِلٍ مَالًا .

*Ibn Umar reported: Umar acquired a land at Khaibar. He came to Allah's Apostle (ﷺ) and sought his advice in regard to it. He said: "Allah's Messenger, I have acquired land in Khaibar. I have never acquired property more valuable for me than this, so what do you command me to do with it? Thereupon he (Allah's Apostle) said: If you like, you may keep the corpus intact and give its produce as Sadaqa. So 'Umar gave it as Sadaqa declaring that property must not be sold or inherited or given away as gift. And Umar devoted it to the poor, to the nearest kin, and to the emancipation of slaves, aired in the way of Allah and guests. There is no sin for one, who administers it if he eats something from it in a reasonable manner, or if he feeds his friends and does not hoard up goods (for himself). He (the narrator) said: I narrated this hadith to Muhammad, but as I reached the (words)" without hoarding (for himself) out of it." he (Muhammad' said:" without storing the property with a view to becoming rich." Ibn 'Aun said: He who read this book (pertaining to Waqf) informed me that in it (the words are)" without storing the property with a view to becoming rich."*

(Sahih Muslim, 3:83)

The Hadith above clarified that the Prophet Muhammad (PBUH) advised Muslims on how to distribute and use their wealth to please Allah SWT. Thus, the Prophet Muhammad (PBUH) advised his companion to retain the land in Khaibar as *Waqf* so that his companion could use the harvest for the benefit and well-being of all humanity. This charitable behaviour can occur during one's lifetime or be left in one's will, but it cannot surpass one-third of the value of the assets. When the contribution is made, it becomes Allah's property, subject to regulations, and its beneficiaries must remain those designated as the cause, such as the destitute, orphans, students, or people of a specific area. *Waqf* assets can be beneficial to non-Muslims as well. Allah SWT promised to grant perpetuity reward to the *Waqf* donors in return for their kindness, even after their death, for as long as the property continues to benefit others (Yusof, 2017).



## 4.2 Zakat

*Zakat* (alms donation) is one of Islam's five pillars and is a form of worship directed toward Allah SWT. According to Islamic law *zakat* is a defined proportion of a Muslim's gross wealth that must be donated to those who deserve it during a specified period (Ismail, 2019). Muslims can purify their wealth and souls through this philanthropic behaviour. This is clearly revealed in the Holy Quran, where Allah SWT says:

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَمَا تُقَدِّمُوا لِأَنفُسِكُمْ مِنْ خَيْرٍ تَجِدُوهُ عِنْدَ اللَّهِ إِنَّ اللَّهَ بِمَا تَعْمَلُونَ بَصِيرٌ

“And establish prayer and give Zakat, and whatever good you put forward for yourselves – you will find it with Allah.”

(Surah Al-Baqarah, 2:110)

*Zakat* does not impoverish a person; rather, it ensures that a person's property continues to grow in kindness and favour from Allah SWT. *Zakat* is classified into two categories: *Zakat* based on wealth (*Zakat Al-Mal*) and *Zakat* based on need (*Zakat Al-Fitrah*). Muslims are obligated to pay *Zakat Al-Fitrah* during Ramadan or, at a minimum, on the morning of *Eid al-Fitrah*. This requirement is intended to cleanse the soul of sinful behaviour during Ramadan fasting (Fauzia, 2008). Additionally, *Zakat Al-Fitrah* acts as a charitable contribution for the needy and those eligible to charity on *Eid Al-Fitrah*. Interestingly, the need to pay *Zakat Al-Fitr* does not apply only to the wealthy, but to all Muslim, rich or poor, who remains alive after meeting their basic needs. *Zakat* on wealth, which is commonly practised in Malaysia, is composed of the following components: *Zakat* on income, *Zakat* on business, *Zakat* on savings and investments, *Zakat* on gold and silver, and *Zakat* on crops and livestock. *Zakat* on wealth is subject to regulations regarding who should pay, what type of money should be considered *Zakat*, how much and when it should be paid, and who should benefit (Awang, 2017).

## 4.3 Mandatory Infaq

Apart from *Zakat*, another term that found commonly used in the Quran to convey the command of doing mandatory charity is *Infaq*. The word *Infaq* is derived from the Arabic word of *Nafaqa*, which literally means “to spend” (Awang et al., 2017). Technically, *Infaq* is the practice of spending one's wealth

to seek Allah's pleasure and at the same time to benefit the society which also include the donor and their family members. Validity of *Infaq* based on the following Quranic verses:

الَّذِينَ يُؤْمِنُونَ بِالْغَيْبِ وَيُعِيمُونَ الصَّلَاةَ وَمِمَّا رَزَقْنَاهُمْ يُنْفِقُونَ وَالَّذِينَ يُؤْمِنُونَ بِمَا أُنزِلَ إِلَيْكَ وَمَا أُنزِلَ مِنْ فَتَاكَ  
وَبِالْآخِرَةِ هُمْ يُوقِنُونَ

“Who believe in the unseen, establish prayer, and spend out of what We have provided for them, And who believe in what has been revealed to you, [O Muhammad], and what was revealed before you, and of the Hereafter they are certain [in faith].”

(Surah Al-Baqarah, 2:3-4)

The word *infaq* in this verse covers both mandatory charitable giving, which is *Zakat*, and *Infaq* to those people most deserving of charity, which include the relatives, the spouse, the servants, and then the rest of the people (Awang, 2017). Mandatory *infaq* based on this verse refers to mandatory spending for the family (*Nafqah*), which is giving from a husband to the wife because it is the foremost spending for sustaining the family. The head of the family should prioritize mandatory charitable giving to the family because Allah SWT highly rewards this good deed (Awang et al., 2017). This is supported based on the Hadith narrated by Sahih Muslim below:

عَنْ أَبِي هُرَيْرَةَ قَالَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ  
" دِينَارٌ أَنْفَقْتَهُ فِي سَبِيلِ اللَّهِ وَدِينَارٌ أَنْفَقْتَهُ فِي رَقَبَةٍ وَدِينَارٌ تَصَدَّقْتَهُ بِهِ عَلَى مَسْكِينٍ وَدِينَارٌ أَنْفَقْتَهُ عَلَى أَهْلِكَ أَعْظَمُهَا أَجْرًا  
الَّذِي أَنْفَقْتَهُ عَلَى أَهْلِكَ " .

*Abū Hurayrah reported Allah's Messenger as saying: "Of the dinar you spend as a contribution in Allah's path, or to set free a slave, or as a sadaqa given to a needy, or to support your family, the one yielding the greatest reward is that which you spent on your family."*

(Sahih Muslim, 2:91)

#### 4.4 Sadaqah

*Sadaqah* (donation) is the act of giving charitable gifts willingly out of kindness or charity with the purpose of benefiting others. In Islam, the term *Sadaqah* is synonymous with the term generosity (Ismail et al., 2013). *Sadaqah* literally translates as any act of kindness, whether it is as basic as offering a stranger a smile or donating precious assets with the goal of alleviating the burden of someone in need (Fauzia, 2008). Legality of the *Sadaqah* can be based on the following Quranic verse:

فَلَمَّا دَخَلُوا عَلَيْهِ قَالُوا يَا أَيُّهَا الْعَزِيزُ مَسَّنَا وَأَهْلَنَا الضُّرُّ وَجِئْنَا بِبِضَاعَةٍ مُرْجِلَةٍ فَأَوْفِ لَنَا الْكَيْلَ وَتَصَدَّقْ عَلَيْنَا إِنَّ اللَّهَ يَجْزِي الْمُتَصَدِّقِينَ

“So when they entered upon Joseph, they said, “O ‘Azeez, adversity has touched us and our family, and we have come with goods poor in quality, but give us full measure and be charitable to us. Indeed, Allah rewards the charitable”.

(Surah Yusuf, 12:88)

From this verse, Allah SWT promised to give rewards to whom practice charitable acts through giving *Sadaqah*. Remarkably, this verse does not link charity to any particular form of giving or material gifts, but rather to the act of being kind, leading to a broader definition of charity. *Sadaqah* is regarded as the most adaptable type of Islamic generosity, as it is not restricted by specific norms or institutions, including the state government. This adaptability enables *Sadaqah* to be extensively practiced as a type of social security across Muslim communities worldwide, from the socioeconomic elite to the exceedingly destitute, and can be tailored to the giver's circumstances (Fauzia, 2008).

#### 4.5 Wasiyyah

Voluntary charitable giving also can be made in the form of *Wasiyyah*. *Wasiyyah*, also known as Islamic wills, it is an important instrument of Islamic estate planning. A will is a written document created by a living person to give or transfer the ownership of assets or anything in his or her possession after his death (Muhammad Daud & Azahari, 2022). The validity of *Wasiyyah* is reported in Sahih Muslim's hadith as below:

عَنْ عَائِشَةَ، أَنَّ رَجُلًا، أَتَى النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ فَقَالَ يَا رَسُولَ اللَّهِ إِنَّ أُمَّيْ افْتُلِيتْ نَفْسَهَا وَلَمْ تُوصِ وَأَطْلُهَا لَوْ تَكَلَّمَتْ تَصَدَّقْتُ أَقْلَهَا أَجْرٌ إِنْ تَصَدَّقْتُ عَنْهَا قَالَ "نَعَمْ".

“Aisha said that a person came to the Messenger of Allah and said: “My mother died suddenly without having made any will. I think she would have definitely given *Sadaqa* if she had been able to speak. Would she have a reward if I gave *Sadaqa* on her behalf? He (the Holy Prophet) said: Yes.”

(Sahih Muslim, 2:94)

According to *Shariah* law of Islamic estate planning, originally a person is only eligible for an inheritance if they have a blood relationship and a marital relationship with the deceased. However, through the testator's Islamic will, a non-legal heir may also be entitled to an inheritance. Other than these three groups of people, an individual cannot inherit any wealth from the deceased (Moechthar et al., 2022). The wisdom behind Islamic will allow the testator to

make a bequest while they are still alive. This bequest can be made to either family members or non-family members. Therefore, if a person desires something to be done with his property or other possessions after his death, he can create a will. However, upon their demise, their property transfers are immediately subject to *Faraid* law (Abd Wahab et al., 2019).

#### 4.6 Hibah

*Hibah* is an essential instrument for Islamic estate planning. Through *Hibah*, the provider or donor is able to share his wealth with those in need. According to Muda (2008) and Bakar et al. (2020), *Hibah* is defined as a voluntary gift of tangible or intangible assets during the lifetime of the donor without any retribution. There are four pillars of *Hibah* that must be met to assure the validity of the *Hibah* contract. The pillars of *Hibah* are the *Hibah* provider, the *Hibah* recipient, the *Hibah* property, and the offer (*Ijab*) and acceptance (*Qabul*) of *Hibah*. The practice of *Hibah* is recommended (*Sunat*), particularly to the close family or their loved ones based on the rule of Islamic law either revealed in Quran and Hadith, as well as supported by consensus of *Ulama*. The legitimacy of *Hibah* in the Quran is based on the verse below:

وَأَتُوا النِّسَاءَ صَدَقَاتِهِنَّ نِحْلَةً فَإِنْ طِبْنَ لَكُمْ عَنْ شَيْءٍ مِنْهُ نَفْسًا فَكُلُوهُ هَنِيئًا مَرِيئًا

“And give the women [upon marriage] their [bridal] gifts graciously. But if they give up willingly to you anything of it, then take it in satisfaction and ease.”

(Surah An-Nisa, 4:4)

The above verse discloses the obligatory for the groom (men) to give wedding gift to the bride (women). However, the women can share a portion from the wedding gift to the men. This act of giving is called as *Hibah*. The encouragement of the practice of *Hibah* also stated in Surah *Al-Baqarah* verse 177.

لَيْسَ الْبِرَّ أَنْ تُوَلُّوا وُجُوهَكُمْ قِبَلَ الْمَشْرِقِ وَالْمَغْرِبِ وَلَكِنَّ الْبِرَّ مَنْ ءَامَنَ بِاللَّهِ وَالْيَوْمِ الْآخِرِ وَالْمَلَائِكَةِ وَالْكِتَابِ وَالنَّبِيِّينَ وَءَاتَى الْمَالَ عَلَى حُبِّهِ ذَوِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسْكِينِ وَأَبْنَ السَّبِيلِ وَالسَّائِلِينَ وَفِي الرِّقَابِ وَأَقَامَ الصَّلَاةَ وَءَاتَى الزَّكَاةَ وَالْمُؤْفُونَ بَعْدَهُمْ إِذَا عَاهَدُوا وَالصَّادِقِينَ فِي الْبَأْسَاءِ وَالضَّرَّاءِ وَحِينَ الْبَأْسِ أُولَئِكَ الَّذِينَ صَدَقُوا وَأُولَئِكَ هُمُ الْمُتَّقُونَ

“Righteousness is not in turning your faces towards the east or the west. Rather, the righteous are those who believe in Allah, the Last Day, the angels, the Books, and the prophets; who give charity out of their cherished wealth to relatives, orphans, the poor, needy, travellers, beggars, and for freeing captives; who establish prayer, pay alms-tax, and keep the pledges they make; and who are patient in times of suffering,

*adversity, and in the heat of battle. It is they who are true in faith, and it is they who are mindful of Allah.”*

(Surah Al-Baqarah, 2:177)

Through this verse, Allah SWT emphasizes on the most valuable gift ever. That is giving charity even if we love that property. This verse also recommends the priority of giving to family members first, followed by orphans, the needy, traveller, and others.

The present analysis reveals that a considerable portion of prior scholarly investigations pertaining to Islamic philanthropy has predominantly concentrated on the determinants that influence mandatory acts of charitable giving especially in area of *Zakat*. Conversely, there has been a relatively limited amount of research conducted on voluntary forms of giving, such as cash *waqf* (Awang, 2017; Masrizal et al., 2022). The aforementioned observation aligns with the results of a bibliometric study performed by Uluyol et al. (2021) pertaining to three decades of research on *Waqf*. The insufficiency of the current corpus of foundational research on *Waqf* has been determined by the researchers, limiting the comprehensive exploration of the potential of this Islamic social finance instrument. Therefore, this study proposes that future research should prioritise the examination of voluntary philanthropic contributions, specifically in the context of *Waqf*, in order to foster a social environment that encourages participation in voluntary charitable donations.

## 5. IMPACT OF GENEROSITY BEHAVIOUR FROM ISLAMIC PERSPECTIVE

Generosity is an effective mechanism for the redistribution of resources, which ultimately has a positive impact on social welfare. From Islamic economic perspective, generosity behaviour has a multiplier impact on the wealth of the giver as found in the following Surah in Quran:

مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أَنْبَتَتْ سَبْعَ سَنَابِلٍ فِي كُلِّ سُنْبُلَةٍ مِائَةُ حَبَّةٍ وَاللَّهُ يُضَاعِفُ لِمَنْ يَشَاءُ وَاللَّهُ وَسِيعٌ عَلِيمٌ

*“The example of those who spend their wealth in the cause of Allah is that of a grain that sprouts into seven ears, each bearing one hundred grains. And Allah multiplies ‘the reward even more’ to whoever He wills. For Allah is All-Bountiful, All-Knowing.”*

(Surah Al-Baqarah 2: 261)

In the above verse, Allah SWT declares the consequences of charitable giving like a seed that grows from a small seed into seven spikes, each of which contains one hundred grains (Awang, 2017). In addition to that, based on *Maarif-UL-Quran* in (Quran.com, 1995a) the

interpretation of this verse also indicates that Allah SWT promised to reward those who performed this good deed ten to seven hundred times. This is evidence that acts of generosity have an estimated 700-fold multiplier effect on the giver and eventually the society as a whole. The multiplier impact of charitable giving is also addressed in the verse 265 of the Surah *Al-Baqarah* as follows:

وَمَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ ابْتِغَاءَ مَرْضَاتِ اللَّهِ وَتَنْبِيئًا مِنْ أَنْفُسِهِمْ كَمَثَلِ جَنَّةٍ بِرَبْوَةٍ أَصَابَهَا وَابِلٌ فَاتَتْ أَكْثَاهَا ضِعْفَيْنِ فَإِنْ لَمْ يُصِبْهَا وَابِلٌ فَطَلٌّ وَاللَّهُ بِمَا تَعْمَلُونَ بَصِيرٌ

*“And the example of those who spend their wealth seeking means to the approval of Allah and assuring [reward for] themselves is like a garden on high ground which is hit by a downpour - so it yields its fruits in double. And [even] if it is not hit by a downpour, then a drizzle [is sufficient]. And Allah, of what you do, is Seeing”*

(Surah *Al-Baqarah* 2: 265)

According to *Maarif-UL-Quran* in Quran.com (1995b), through this verse, Allah SWT illustrates the soul of a generous being as a fruitful tree on the highest ground with an abundance of water and sunlight, which continually gives more in good times and whatever it can in bad times. When a philanthropist donates to those in need in the form of charitable giving, the multiplier effect on the Islamic economy can also be described. As recipients utilize the charitable giving fund to meet their needs, the fund will continue to circulate throughout the economy. Since the recipients do not rely on government funding to seek assistance, the government can allocate the funds to other vital economic sectors. Eventually, this will stimulate the economic development of the nation, and it will undoubtedly contribute to a greater availability of government funds to assist society in the future as the nation becomes prosperous. The ultimate positive impact is that the government will share the surplus country's resources for the benefit of society by providing better government services not only to those in need of assistance, but also to donors who are able to reap the benefits.

## 6. CONCLUSION AND RECOMMENDATION FOR FUTURE RESEARCH

In conclusion, the concept of generosity in Islam diverges from the conventional understanding of charity, which primarily focuses on assisting the less fortunate for the sake of humanity. In contrast, generous giving in Islam serves the dual purpose of aiding the poor not only to benefit mankind but also to cultivate a sense of devotion and affection towards Allah SWT. The categorizations of generosity in the context of Islamic teachings may be delineated into two primary divisions: mandatory charitable giving and voluntary charitable giving. The Islamic

generosity mechanisms include a range of practices, including *Waqf*, *Zakat*, *Mandatory Infaq*, *Sadaqah*, *Wasiyyah*, and *Hibah*. Charitable giving has the potential to provide benefits for several stakeholders, including the donor, beneficiary, and the society as a whole. Given the potential universal benefits of generosity, it is imperative for future studies to investigate the underlying factors that might predict Islamic generosity behaviour. Such an investigation would enhance our comprehension of the intricacies surrounding this behaviour, particularly within the context of Muslim donors.

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