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## Implication of Social Business in Islam: Solving the Problem of Begging

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### **Abstract:**

*In a country like Bangladesh poverty is the main reason for begging. In this research our attempt is to give a solution for begging using economic instruments in Islam and social business formulated by Dr. Mohammad Yunus. We have used primary data from a social business and secondary data through literature review regarding begging, social business and different instruments in Islam such as Waqf, Zakat and Sadaqa. The model suggested in the paper will not only target the beggars individually but also their family members. The welfare of the families will act as a motivation for them to quit begging and involve themselves in work.*

**Keywords:** Social Business, Waqf, Begging, Model

### **1. Introduction**

Begging is a social problem prevalent in many countries specially developing countries like Bangladesh. It is a feature of the society which is condemned in Islam. Government and many private organizations have planned and executed different projects to curb begging but they have all been ineffectual. The failure of these efforts shows that the solution to this problem requires a multi-dimensional approach. In this study we have built a model that will not only provide employment to the people who were involved in begging but also provide them with incentives that would induce them to choose work over begging.

### **2. Objective**

The objective of our study is to use social business formulated by Dr. Yunus in an Islamic approach to eliminate begging. We have integrated social business with Islamic economic instruments like Waqf, Zakat Sadaqa and interest free loan to build a model. The framework of the model is built on Waqf – an Islamic economic institution that if used effectively has the potential to eliminate poverty and begging.

### **3. Methodology**

This paper is a qualitative study to find a sustainable solution to begging. Both primary and secondary data are used in the study. Primary data are collected from the business experts in the field of poultry, fishing, handicrafts, rehabilitation etc. through in-depth interview. Secondary data was gathered from literature review. The collected information was then framed into a model that encompasses social business, Waqf, Zakat and Sadaqa. A tentative cash inflow has also been projected justifying the feasibility of the model.

### **4. Begging and its Classification**

According to the Oxford dictionary begging means to ask someone earnestly or humbly for something. People ask for money, food or some other help in times of need. However there are some people who beg all the time even when they can earn their living. Begging is a social problem in many countries and is looked down upon by every human.

When exactly begging began is very difficult to establish but it can be said with confidence that it is one of the age long practices. In the magnificent Qur'an, in Surah al-Duha Allah (SAW) said, "...nor repulse the petitioner (beggar)" which suggests that there were some people who used to beg even before the arrival of Islam (Omotosho, 2001).

Begging can be identified into two classes: beggars of necessity and beggars of choice. Beggars of necessity are those who are victims of circumstances that are beyond their control and require the intervention of other people or government for survival, out of their necessity. The circumstance could be urgent, on a large scale, mostly an emergency that engulfed a nation or a town, like war, flood, famine, fire, epidemic, etc. (Tilde, no date). There are also some elderly people who are unable to earn a living for themselves and their children do not support them and they rely on begging. A major portion of beggars in our country are disabled people who have lost limbs in road accidents or work place accidents and beg to earn a living. On the other hand begging by choice indicates engaging in begging as it is an easy means of earning livelihood without working hard. In our country many slum dwellers are connected with

such begging. In our model we seek to provide employment to the group of beggars who are able to work but are not working due to lack of skill, finding no work or are partially disabled.

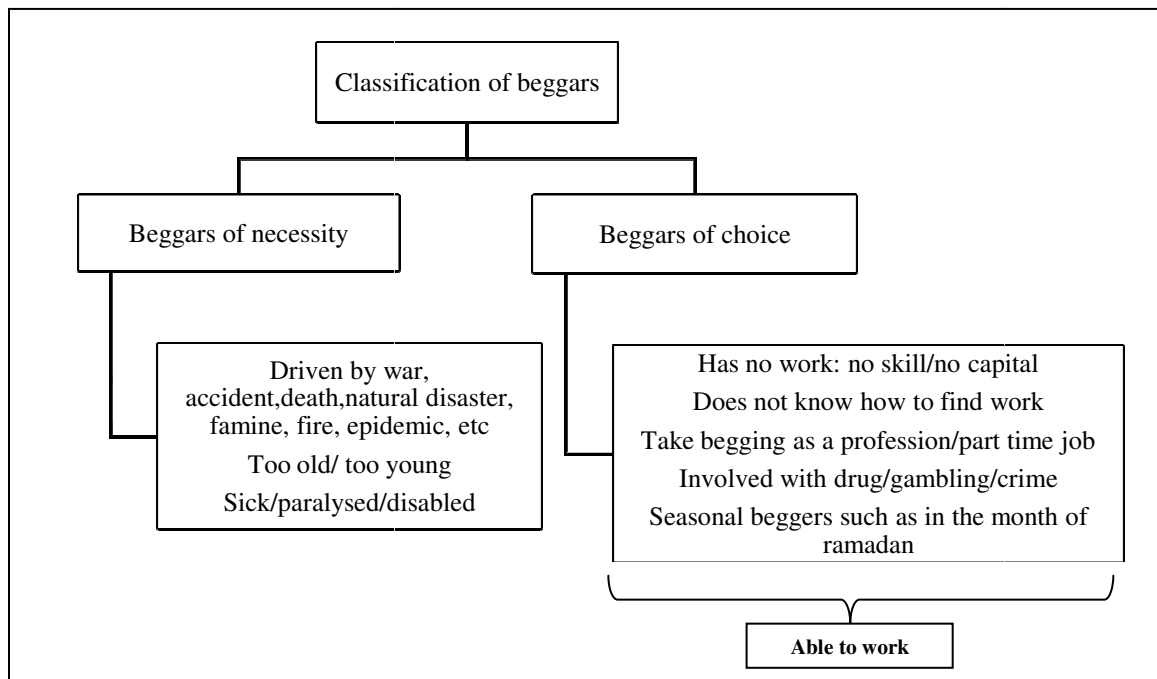


Figure 1: Classification of Beggars

### 5. Status of Begging in Islam

Islam disapproves 'begging' or 'asking others for help'. It is not permissible for anyone to ask people for money when he is not in need or he is able to earn a living. Begging eliminates a person's honor and self-esteem, and his face gets deprived of charm, delight and gleam due to the curse of disgrace and humiliation. It also leads to exploitation of feelings of benevolent people by the ones who are habitual of asking others for help instead of working hard. There are many Hadiths (Book of Zakat, Sahih Bukhari, Vol. 2) mentioning the disapproval and consequences of begging both in this world and the hereafter.

In Hadith No. 1474, The Prophet (SAW) regarded begging which is taken as an occupation as a disgrace. Narrated Abdullah bin Umar (RA): The Prophet (PBUH) said, "A man keeps on asking others for something till he comes on the 'Day of Resurrection' having no flesh on his face."

In Hadith No. 1471, Narrated Az-Zubair bin Al-Awwam (RA): The Prophet (PBUH) said, "It is better for anyone of you to take a rope and bring a bundle of wood over his back and sell it, and Allah will save his face because of that, rather than to ask the people who may or may not give." (Quran and Hadith the Right Path, retrieved on February 9, 2016)

Muslims, who do not work but sit idle, ask others for money, take begging as profession are not deemed as good Muslims. It was narrated that Abu Hurairah (RA) said: Allah's Messenger (PBUH) said, "Whoever begs from the people in order to accumulate wealth, it is as if he is asking for a live coal, so let him ask for a little or a lot." Muslim (1041), (Shaykh Muhammad Saalih al-Munajjid, 2010). This hadith mentions that begging without the need to do so, is not permitted and forbidden and results in punishment in Hell.

However, since Islam is a very pragmatic religion in some occasions asking for money for some people will become permissible. This can be understood from the Hadith of Qabeesahibn Mukhaariq al-Hilaali (may Allah be pleased with him) who said: It was narrated that QabisahibnMukhaariq al-Hilaali said: I incurred a debt (in order to reconcile between two parties) and I came to the Messenger of Allah (blessings and peace of Allah be upon him) to ask him (for help) with it. He said: "Stay with us until the Zakah comes, and we will order that something be given to you." Then he said: "O Qabisah, asking for help is not permissible except in one of three cases:

- A man who has incurred a debt; to pay off the debt if one takes responsibility of paying someone's debt. It is permissible to ask for help until he has paid off, then he should refrain.
- A man who has been stricken by a calamity that has destroyed all his wealth and it is permissible to ask for help until he gets enough to meet his basic needs; and
- A man who is stricken by poverty and three men of wisdom among his people acknowledge that so-and-so has been struck by poverty, and then it becomes permissible for him to ask for help until he gets enough to get by – or he said – to meet his basic needs.

Apart from these cases asking for help, O Qabisah, is Haram and the one who begs is consuming something Haram. (Shaykh Muhammad Saalih al-Munajjid, 2012, Hadith No. 2404 (1044), Book of Zakat, Sahih Muslim, Vol. 3; Hadith No. 1640, Book of Zakat, Sunan Abu Dawud, Vol. 2).

However we should also remember we are not allowed to scold or raise our voice against a beggar. Because Allah says, "...And repulse not the beggar (or the one who asks you for help)." (Aayah No. 10, Surah Ad-Duha, Chapter No. 93, Holy Qur'an). We should spend whatever we can from our wealth on the one who asks; this is not just a recommendation, rather a requirement for attaining 'Al-Birr' (righteousness, piety) and 'Taqwa'. (Surah Al-Baqarah, Chapter No. 2, Aayah No. 177). We should also offer them advice against begging and help them to quit begging. (Fataawa al-Lajnah ad-Daa'imah, 24/377)

Prophet Muhammad (pbuh) showed hard work as the solution to begging. It is known to us all the story of a person who came to the Prophet (pbuh) for help. Prophet (pbuh) made him cut wood with his axe and said, "Take this (a stick), go and cut some wood, gather it and sell. I should not see you for fifteen days."

The man went away, cut wood, gathered and sold it. When he came to see the Prophet (pbuh), he had made fifteen Dirhams, he bought food and clothes with some of it. Thereupon, The Prophet (SAW) said:

"Instead of coming to the Day of Resurrection as a black point because of begging, this state of yours is better.

It was narrated from Abdullah bin Umar (RA) that Allah's Messenger (SAW) said about charity and refraining from begging, "The upper hand is better than the lower hand, and the upper hand is the one that gives, and the lower hand is the one that receives." (Sahih Muslim, verse. 2253, The Holy Quran, Over 9000 Hadiths, Imam Muslim, translation by Abdul Hamid Siddiqui, Volume: The Book of Zakat (Kitab Al-Zakat), retrieved February 9, 2016).

There are three primary reasons why begging is prohibited. According to My Islam (n.d):

1. Begging will cause the Muslim to lose dependence on Allah alone. The Muslim turns from asking Allah for money and support and turns to asking men for help.
2. The Muslim who begs lowers himself before others and thus loses honor and dignity.
3. The Muslim who begs causes others to go without. Muslims are afraid to anger Allah by not helping the beggar and the person who gives charity and does not have the funds, feels a loss of property for their family.

From Hadith No. 6449, Book of Ar-Riqaq, Sahih Bukhari, Vol. 8, it is reported on authority of Imran bin Hussain that the Prophet (PBUH) said that majority of the dwellers of Paradise are the poor (Al-Miskeen) people. Narrated by Abu Hurairah (RA), Allah's Messenger (PBUH) said, "Al-Miskeen is not the one who goes around the people and asks them for a mouthful or two (of meals) or a date or two, but Al-Miskeen is that who has not enough to satisfy his needs and whose condition is not known to others, that others may give him something in charity, and (yet) who does not beg of people." (Hadith No. 1479, Book of Zakat, Sahih Bukhari, Vol. 2).

## 6. Solution of Begging

In many poorer countries begging has become a major problem as the numbers of beggars are increasing day by day. Surprisingly most of these beggars who are begging for money and food are physically fit and it seems like they are just lazy to work; though some of them have some physical problem and cannot work for their daily living. (Sarosh Expert Column, 2012). People just give them in the sense of sympathy and charity.

Many NGO's in Bangladesh have put their hard efforts to eradicate the problem of begging; however none of them got any permanent success; there is no net success and begging has remained a problem. Mostly people believe that beggars will leave begging if they are provided with some good alternative work. But such "alternative good works" do not remain good for the beggars and they go back to their old positions. Among the solutions NGOs have tried to eradicate begging by establishing small scale or cottage industries for them. (Prasad, 2002). They have also tried to rehabilitate them outside the city. During the rule of former president HM Ershad a large number of beggars were sent to rehabilitation centers at Duttapara in Tangi on the outskirts of Dhaka city. But the centers for beggars at Duttapara could not provide proper rehabilitation of the inmates. (Rahman, 2014).

## 7. Poverty Reduction in Islam

We all agree that the root cause behind begging is poverty. Whether it is driven by necessity or choice poverty is the main reason for begging; if there is no poverty, there will be no beggar. For this reason, we have to focus on poverty primarily to remove begging. According to business dictionary, poverty is the condition where people's basic needs for food, clothing, and shelter are not being met. Three distinct sets of measures can be used in poverty reduction; (1) positive measures, (2) preventive measures (they are taken so that wealth is not concentrated in a specific section of population), and (3) corrective measures (Islamic principles establish different modes of wealth transfers so that wealth is not concentrated among the rich) (Hasan, 2010, p.263).

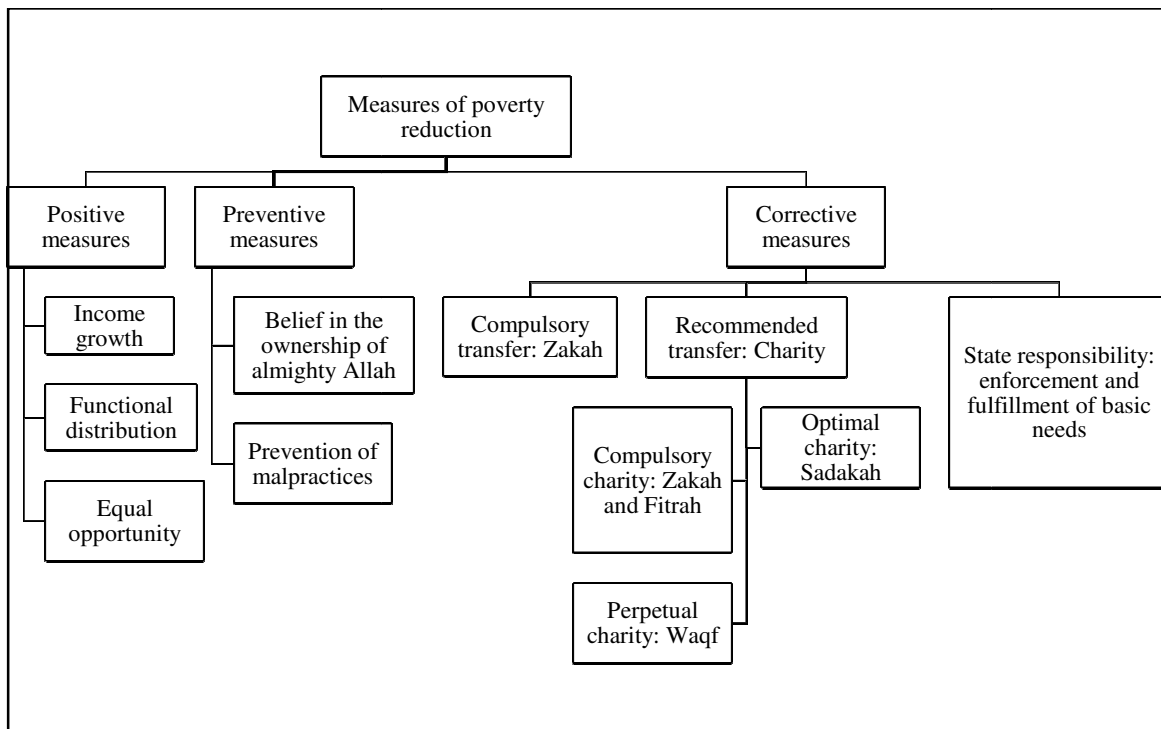


Figure 2: Measures of Poverty Reduction

The compulsory and optional charities deal with the poverty problem by adopting a redistributive approach, while waqf can be used to enhance the capabilities of the poor by providing access to education, health, physical facilities, and so on. Thus, out of three measures of poverty alleviation, the institution of waqf has direct relevance to the second and third measures, mentioned above (Sadeq, 2000).

### 8. Social Business in Islam

Even though profit maximization (personal gain) is the main motive of any business, now-a-days people are thinking out of the box. Besides profit maximization stakeholders are giving importance on social welfare (gain of others) which have emerged in terms like 'corporate social responsibilities', 'non-profit organization', 'social entrepreneur', 'social business' etc. Among these, social business developed by noble laureate Dr. Muhammad Yunus has become the buzz word to serve humanity. According to him, in a social business an investor aims to help others without making any financial gain for himself. Traditional business model has some inherent shortcomings which can be solved through the social business model (Rahman (2013). According to noble laureate Prof. Yunus (2010), social business is a self-sustaining business. It generates enough income to cover its own costs, creates own investment in expanding the business and a part is kept in reserve to cover uncertainties. Thus, social business might be described as a 'non-loss, non-dividend company', dedicated entirely to achieve social goal.

As a new approach of business, social business has 7 (seven) principles that made it economically and socially sustainable. These principles are:

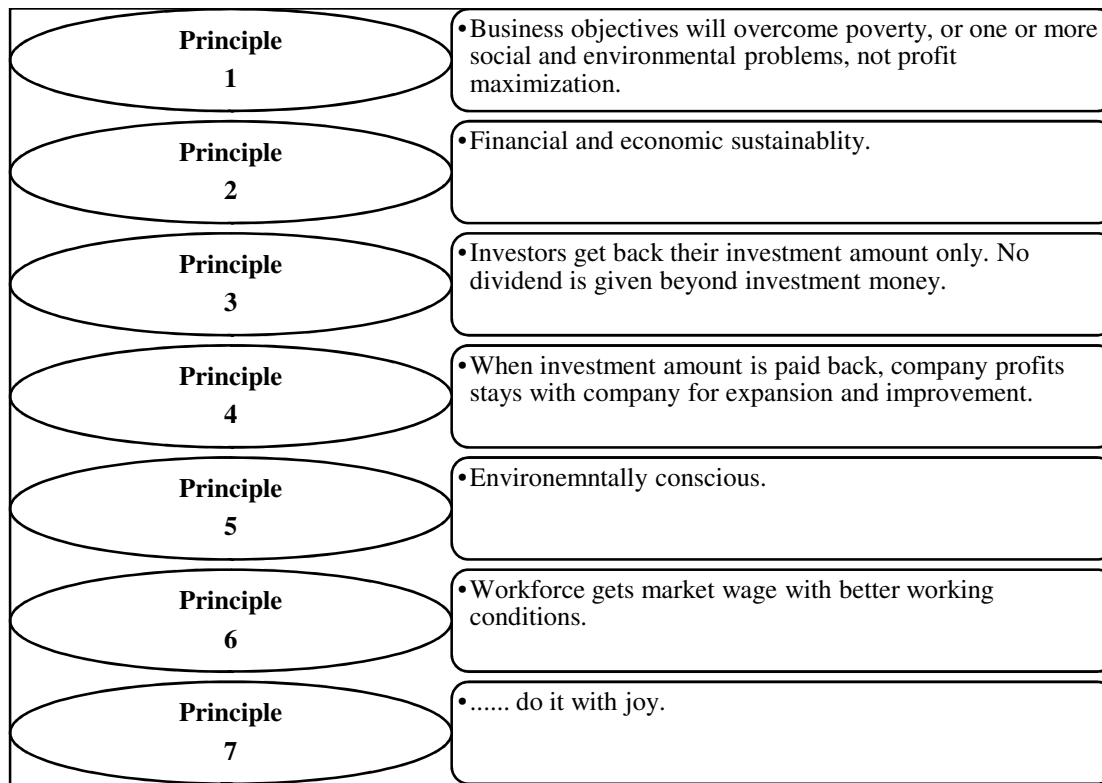


Figure 3: Principles of Social Business

Now the question arises, is social business accepted in Islam? Though there is nothing directly mentioned about social business in Islam, business as a means to earn livelihood is highly encouraged in Islam. Most of the businesses (more specifically trade) are acceptable in Islam except trade of alcohol/drugs/tobacco, pornography, gambling, engage in usury, dealing in pork products and forbidden goods and services. The Prophet (pbuh) urged us to be involved in business as 9 out of 10 sources of income are in business (Ihya). In Islam, benefits to the poor through business have been given utmost importance.

A social business is a profit making company owned by the poor people, either directly or through a trust that is dedicated to a predefined social cause. It works to eliminate social problems-like poverty, homelessness, malnutrition, and meeting the needs for under-privileged children. Social business operates by reinvesting all its profits in expanding and improving the business. Capitalism creates inequality by sucking profits from businesses and social business can be an answer to this inequality. Profits that flow to poor people are alleviating poverty and can also solve inequality in society (Yunus, 2010. pg.2). From these perspectives we can say that social business is also acceptable in Islam.

For a social business a person not only gives his money but also his creativity, networking skills, technological prowess, life experiences, and other resources to create a social business. Investors of a conventional business may divert some of their money from their profit maximizing business to a social business. Government can also invest its money for social welfare in a social business.

**9. A Model: Waqf and Social Business in Eliminating Begging**

A social business can be funded from 3 sources: (a) Grant or charity, (b) Loan, (c) Owner’s equity (Khosru, 2015). Grant is the amount of money/other resources which is non-refundable. Loan is refundable to its owners and in the case of social business the loan provider receives only the principal, not more that. The third source, owner’s equity is where the owner can only claim his/her principal similar to loan. In our model grant/ charity can be sourced by waqf, sadaqa, zakat and the fund from corporate social responsibility (CSR). The model will use the source of grant or charity to make the beggars self-sufficient. Initially we will not concentrate on loan and owner’s equity as it is assumed that the beggars are not solvent enough to manage and maintain these. But later after becoming self-sufficient they can work with loan and equity.

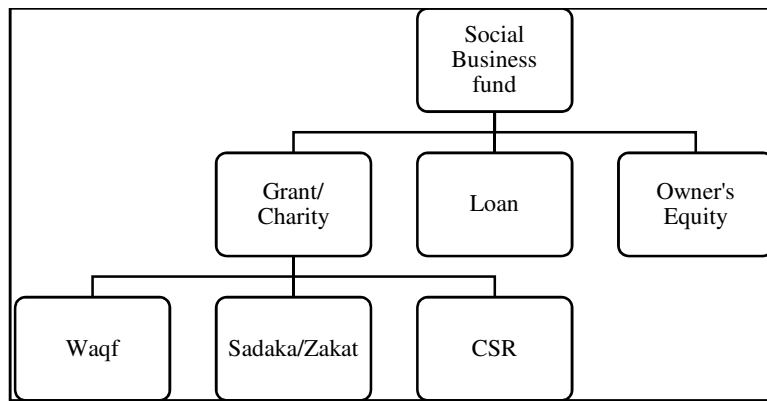


Figure 4: Social Business Fund

There are different reasons for begging, our model deals with the group of beggars who are able to work but are not working due to lack of skill, finding no work or are partially disabled. We will give Islamic knowledge to the beggars on the negatives of begging and the positives of work and how Allah Provides rizq for everyone.

The framework of the model stands on waqf. In a waqf land a residential building will be constructed where the beggars will stay free of cost for one year. After one year they have to pay house rent. The waqf will also provide basic food items like rice and pulses free to every resident for six months only. Gardening financed by the waqf will be done inside the area by the residents to grow vegetables and fruits that would fulfill their own demand. Fish cultivation in pond(s) inside the area will be the source of fish as well as employment for the residents which is financed by CSR. Initially salaries of workers who will work in the garden and in fish cultivation are provided by the waqf. They can sell the surplus fish, vegetables, fruits to the outside market through waqf authority to earn livelihood. But they cannot use profit for personal interest and the profit will be reinvested for the expansion of these businesses. A fund will also be managed from the Yunus Centre to arrange a two months' training program where training will be given on handicraft, basket making and food processing. After the training residents will choose any of the works(handicraft or basket making or poultry) and start working in groups. Yunus Centre will provide investment for the small businesses. After paying back the invested amount the profit will be also reinvested to expand the business.

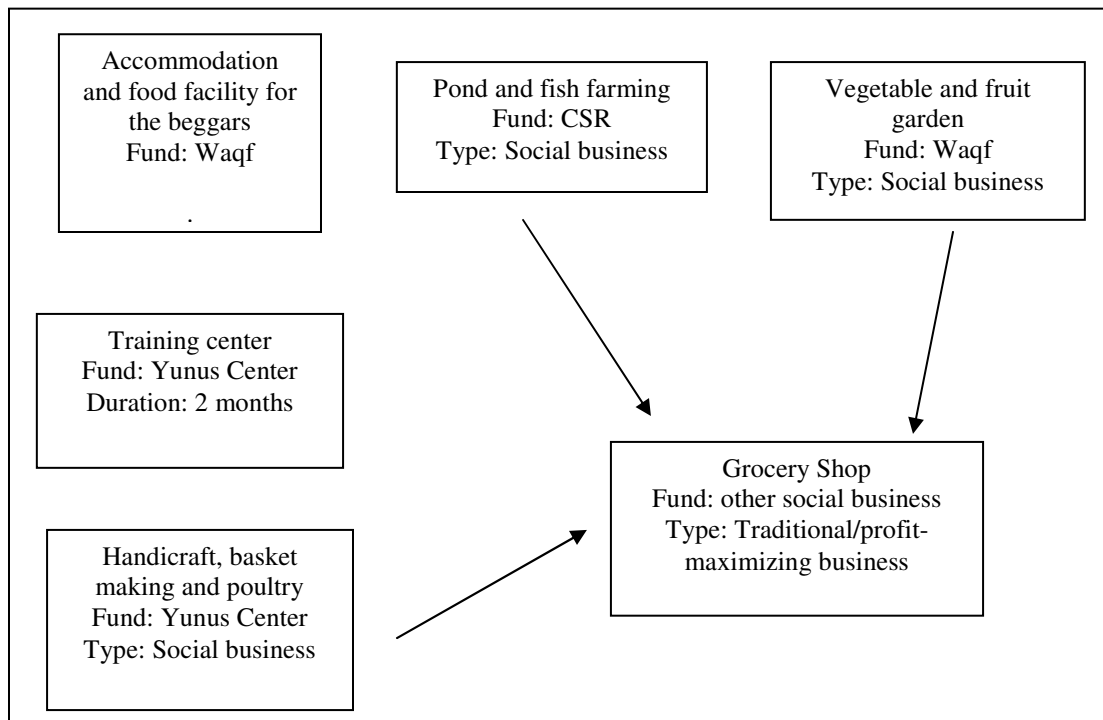


Figure 5: Various activities in eliminating begging

The residents who are engaged in these (previously mentioned) activities are also encouraged to make savings of their own so that they establish a grocery shop in a cooperative manner. It is not a social business and members have no restrictions to earn profit. Once the residents become self-sufficient they can leave their resident and start business independently. Schooling and free medical facility for every resident will also be developed with the availability of funds.

The people who are disabled and can find no work will be given treatment and provided with prosthetic limb. The financing of these will be done by Zakat and Sadaqa. The elderly who beg and can do no work will be accommodated separately by the same source. The uniqueness of this model is it will compile many of the sources of social business fund under a single umbrella to solve a social problem; begging. The model also will include a traditional business to earn maximum profit which also has further uses. The primary challenge of this model will be to manage a huge amount of Waqf and CSR fund.

### 9.1. Tentative Income Analysis

A tentative income analysis has done of the above mentioned projects to show its viability.

| <b>Building for Rehabilitation</b>   |   |
|--|---|
| No of room   | 5   |
| Size of room   | 12 × 12 feet  |
| Member in a room   | 4   |
| Expenditure on construction  | Tk. 2,40,000 [tk. 48,000 per room]                          |
| Electronic appliances (fan & light)  | Tk. 8000  |
| Total expenditure  | Tk. 2,48,000  |
| Note:  |   |
| 1. Financed by Waqf.   |   |
| <b>Poultry firm</b>  |   |
| No. of chicken   | Cock = 5 and hen = 15                                       |
| Expenditure on poultry feed for 3 months   | Tk. 27000 [Tk. 300 per day for 20 chicken]                  |
| Expenditure on a room for poultry firm   | Tk. 48,000  |
| Expenditure on case for chicken  | Tk. 20,000  |
| Total expenditure  | Tk. 95,300  |
| Income from egg after 3 years  | Tk. 64,800 [tk. 8 per egg and a hen lays 15 eggs per month] |
| Income from meat after 3 years   | Tk. 3600 [tk. 200 per broiler when death rate is 10%]       |
| Total income after 3 years from egg and meat   | Tk. 68,400  |
| Note:  |   |
| 1. Funded by Yunus Centre.   |   |
| <b>Pond and fish cultivation</b>   |   |
| Area of pond   | 15,000 sq feet  |
| Depth of pond  | 4 feet  |
| Cost of pond construction  | Tk. 3,60,000 [tk. 6 per foot]                               |
| Cost on pona fish  | Tk. 500 [tk. 1 per pona]                                    |
| Cost on fish feed  | Tk. 50,000 [tk. 50 2 kg. per year]                          |
| Total expenditure on pond and pona   | Tk. 4,10,500  |
| Available fish after 1 year  | 425 [keeping 15% wastage]                                   |
| Income from sale of fish   | Tk. 63,750 [tk. 150 @ per kg. fish]                         |
| Note:  |   |
| 1. Cost on pond preparation will be reduced if we involve local beggars in the activity. |   |
| 2. It is financed by CSR fund.   |   |
| <b>Basket making</b>   |   |
| Quantity of bamboo   | 20  |
| Expenditure on bamboo  | Tk. 2,000 [tk. 100 per bamboo]                              |
| Quantity of basket   | 100 [5 baskets from a bamboo]                               |
| Income from sale of basket   | Tk. 6,000 [tk. 60 per small size basket]                    |
| Note:  |   |
| 1. Funded by Yunus Centre.   |   |
| <b>Handicraft (Tupi making)</b>  |   |
| Cost on sewing machine   | Tk. 30,000 [tk. 6000 per 1 machine]                         |
| Salary of trainer/supervisor   | Tk. 10,000  |
| Cost on raw materials (fabric and yarn) for 1 month                                      | Tk. 3,60,000 [tk. 1,200 per day]                            |
| Total cost initially   | Tk. 4,00,000  |
| Quantity of tupi (cap) made  | 10 per day  |
| Income from tupi (cap) after 1 month   | Tk. 3,00,000 [tk 10,000 ,10tupi a day]                      |
| Note:  |   |
| 1. Funded by Yunus Centre. This will be an export oriented business.                     |   |
| <b>Grocery Shop</b>  |   |
| Cost of area   | Tk. 24,000  |
| Price of products  | Tk. 20,000  |
| Note:  |   |
| 1. Undertaken cooperatively.   |   |

Table 1: Tentative Income Analysis

## 10. Conclusion

There is no other religion or moral system which teaches humans the ways to preserve their integrity, morality and honour as much as Islam does. In Islam, the future of the community and its honour and integrity are important; similarly the honour of one's self is important and must be absolutely preserved. Each Muslim is responsible to preserve that valuable trust. Abstaining from 'begging' and not 'asking others for help' is one step in that direction. Allah Has given us the means to earn a legal and respectful livelihood. The beggars should be given the knowledge of rizq and the harmful effect of begging. They should realise that depending on others and capitalising on the benevolence of the people is causing them more harm than good. Along with the knowledge actions such as rehabilitation programs have to be taken by the members of the society. This is where Muslims have to come forward. Waqf is a dynamic institution which has been not been used to its full potential in the recent past. It has a proven record of success in providing welfare to the people. It is time to revive waqf as an institution that will not only help attain success to the Muslims in the hereafter but also give a sustainable solution to the problem of begging.

However, awareness has to be created about the benefits of waqf and social business. Government has to reduce the formalities regarding the creation of waqf. Number of zakat collecting firms should be increased so that zakat collection becomes more widespread. Last, but not least, a model like ours needs to be executed in a pilot project. Once it becomes a reality the limitations can be sorted out. The successful implementation of such a project will encourage others to replicate it and come forward to contribute in it.

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