

ASSESSING THE APPROPRIATENESS AND ADEQUACY OF THE PROVISION FOR HOUSING UNDER THE *HADDUL-KIFAYAH* FOR *ASNAF FAQR* AND *ASNAF MISKIN*

Khairuddin Abdul Rashid, Professor Sr. Dr., Head, Procurement & Project Delivery Systems Research Unit & Lecturer, Department of Quantity Surveying, Kulliyyah of Architecture & Environmental Design, International Islamic University Malaysia, Kuala Lumpur, Malaysia.

Email: khairuddin@iium.edu.my

Sharina Fariyah Hasan, Assistant Professor Dr. & Lecturer, Department of Quantity Surveying, Kulliyyah of Architecture & Environmental Design, International Islamic University Malaysia, Kuala Lumpur, Malaysia.

Email: sfariyah@iium.edu.my

Azila Ahmad Sarkawi, Associate Professor Dr. & Lecturer, Department of Urban & Regional Planning, Kulliyyah of Architecture & Environmental Design, International Islamic University Malaysia, Kuala Lumpur, Malaysia.

Email: azila@iium.edu.my

ABSTRACT

Haddul kifayah can be referred to as a tool applied by administrators of *zakat* in determining if a particular household is considered as either *asnaf faqr* or *asnaf miskin* and subsequently in determining the amount of *zakat* assistance to be provided to the household. There are various components that form the *haddul kifayah* among them is the provision of shelter or housing for the household. *Zakat* administrators employ their own standards in determining the appropriateness and adequacy of the components. This paper reports on a study that focuses on the shelter or housing component of the *haddul kifayah*. The objectives of the study are to (i) identify the sub-components forming the shelter or housing component of the *haddul-kifayah* and their corresponding monetary allocations as applied by selected *zakat* administrator in Malaysia; (ii) assess whether the identified sub-components and their corresponding monetary allocation are appropriate and adequate in meeting the current shelter or housing needs of the *asnaf faqr* or *asnaf miskin* respectively. The study involved reviewing related literature and the carrying out of a convenient sample survey among households that reside in houses deemed appropriate for the provision of shelter or housing for *asnaf faqr* or *asnaf miskin*. The objective of the survey is to determine the appropriateness of the houses, utilities and facilities thereto and the associated monthly costs. The outcome from the survey was then contrasted with the outcome from the literature review. Key findings from the study suggest that the sub-components and their corresponding monetary allocation forming the shelter or housing component of the *haddul kifayah* as currently being applied by the selected *zakat* administrators are neither appropriate nor adequate in meeting the current needs of the *asnaf faqr* or *asnaf miskin* respectively. The paper concludes with a recommendation that *zakat* administrators should consider revising the standards used in determining the appropriateness and adequacy of the sub-components forming the shelter or housing component of the *haddul-kifayah*. To this end a list of the sub-components and their corresponding monetary allocations that are deemed to be more reflective of the current needs of the *asnaf faqr* or *asnaf miskin* respectively are provided for consideration by *zakat* authorities in Malaysia.

Keywords: costs, housing, *haddul-kifayah*, *zakat*

Introduction

Zakat is an obligation on *Muslims* as prescribed by Allah s.w.t.:

“... Therefore, attend to your prayers and pay the alms-tax (*zakat*) and hold fast to Allah...”

(Al-Qur'an 22:78)

In Malaysia, *Zakat* is administered by the respective State Islamic Religious Councils (*Majlis Agama Islam Negeri-negeri* or MAINS). However, for the purpose of coordinating and increasing efficiency of the activities in all States, the Federal Government has established the *Jabatan Wakaf, Zakat dan Haji* (JAWHAR) or the Department of *Awqaf, Zakat and Hajj* with the objectives of improving the management of Muslim wealth in the forms of *awqaf, zakat, mal* and *hajj* (JAWHAR, 2015).

Among others, JAWHAR has published a manual on the management of the distribution of *zakat* fund as guidelines for reference by the *zakat* authority at state level (refer *Manual Pengurusan Agihan Zakat*, 2009).

Zakat are to be paid to eight categories of *asnaf* (recipient) as prescribed in *Al-Qur'an*.

The alms are surely only for the poor and the needy, and for those employed to administer alms, and for those whose heart have been recently reconciled to the faith, and for captives and those burdened with debts, and (to be spent) for the cause of Allah, and for the wayfarers (stranded on the way). (Such ordinance is) a duty enjoined by Allah. And Allah is All-Knowing, All-Wise.

(*Al-Qur'an* 9:60)

This paper focuses on the *asnaf faqr* and *asnaf miskin*. The disbursement of *zakat* collection to eligible *asnaf faqr* and *asnaf miskin* is based on calculation of *Haddul Kifayah* as allocated by respective states in Malaysia. It is acknowledged that different states have different style of administration and this paper focusses on the Federal Territory of Kuala Lumpur or *Wilayah Persekutuan Kuala Lumpur*.

There are various components that form the *haddul kifayah*, i.e; shelter, food, clothing, medical, education and transportation. However, there appears to be lack of studies conducted to examine on the currency and sufficiency of the amount determined for *haddul kifayah*. Khairuddin, Sharina and Azila (2015) conducted a study on similar topic focusing on the practice in Selangor (a state in Peninsular Malaysia). They highlighted issues related to the currency and sufficiency of the amount for *haddul kifayah* in the state. Based on available literatures, it was found that the current amount used is neither current nor sufficient.

This paper highlights on the provision of shelter or housing for the household. *Zakat* administrators employ their own standards in determining the appropriateness and adequacy of the components. The objectives of the study reported herein are to (i) identify the sub-components forming the shelter or housing component of the *haddul-kifayah* and their corresponding monetary allocations as applied by selected *zakat* administrator in Malaysia; (ii) assess whether the identified sub-components and their corresponding monetary allocation are appropriate and adequate in meeting the current shelter or housing needs of the *asnaf faqr* or *asnaf miskin* respectively.

The methodology used includes desk research, content analysis and the carrying out of a convenient sample survey among households that reside in houses deemed appropriate for the provision of shelter or housing for *asnaf faqr* or *asnaf miskin*.

The paper is structured into 6 parts: After the Introduction, Part 2 discusses *zakat* and *haddul kifayah*, its concept, elements for consideration and schedule of calculations. Part 3, thereafter, deliberates on the *haddul kifayah* for shelter. Subsequently, Part 4 describes the methodology of the study and Part 5 serves as data analysis and discusses the findings. Lastly, part 6, concludes the paper with recommendations for improvement.

Administration of *Zakat* in Federal Territory of Kuala Lumpur

In Kuala Lumpur, the collection and distribution of *zakat* fund are administered by *Pusat Pungutan Zakat* (PPZ) or Zakat Collection Center and the *Majlis Agama Islam Wilayah Persekutuan* (MAIWP), respectively. For the purpose of the study, the practices by MAIWP is used and the paper focuses on *haddul kifayah* as detailed by the institution.

Table 1: Collection and Distribution of *Zakat* Fund 2012 & 2013

Year	Collection (RM Million)	Distribution (RM Million)
2012	408.9	272
2013	491.2	328.4

Source: MAIWP (2015a)

Table 2: Distribution of *Zakat* Fund According to *Asnaf* in 2013 & 2012

No.	Asnaf	Distribution (RM Million)	
		2013	2012
1	<i>Faqr</i>	69.8	64.3
2	<i>Miskin</i>	76.3	65.1
3	<i>Muallaf</i>	7.4	6.3
4	<i>Amil</i>	31	25.9
5	<i>Fisabilillah</i>	138.8	107.3
6	<i>Garimin</i>	4.57	2.6
7	<i>Ibnu Sabil</i>	0.4	0.4
8	<i>Riqab</i>	-	-
	Total	328.4	272

Source: MAIWP (2015a)

Table 1 indicates the performance of MAIWP through data on collection and distribution of *zakat* fund in year 2012 and 2013. From the amount collected, the fund was distributed to eligible *asnaf*. Meanwhile, Table 2 illustrates the distribution of *Zakat* Fund to the different types of *asnaf* in 2012 and 2013 with *asnaf faqr* receiving RM69.8 million and RM 64.3 million in 2013 and 2012, respectively; and *asnaf miskin* receiving RM76.3 million and RM65.1 million in 2013 and 2012, respectively.

The distribution of *zakat* fund to eligible *asnaf* is implemented through 26 assistance schemes. The schemes are divided into 4 main categories, (i) Social development, (ii) Economic development, (iii) Educational development, and (iv) Welfare & *Dakwah* (MAIWP, 2015a).

The assistances provided for housing are included in the social development category under 5 schemes, namely (MAIWP, 2015b);

- Deposit for House rent
- Monthly house rent
- Construction of new house
- Renovation of dilapidated house
- Housing deposit for low cost house

Eligible *asnaf* for the schemes are *asnaf faqr*, *asnaf miskin* and *asnaf muallaf*. However, *asnaf fisabilillah* also eligible for the housing deposit for low cost house.

From the total distribution of *zakat* fund for 2010 - 2013, the sum approved for the aforementioned schemes are as per Figure 1, 2, 3 and 4 below:

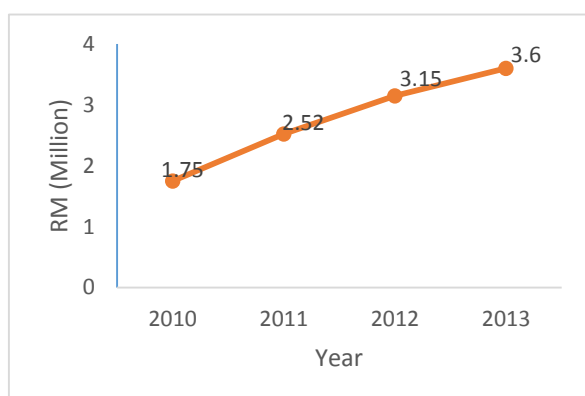


Figure 1: House Rental Assistance

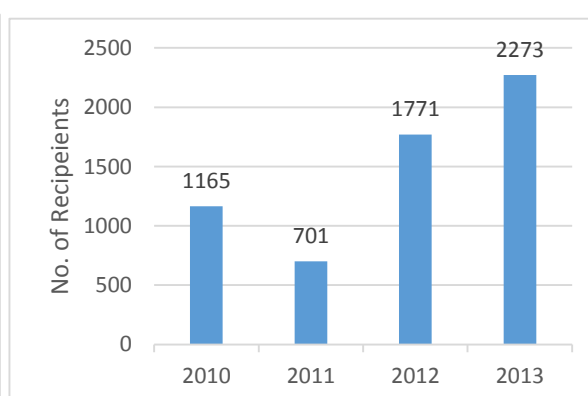


Figure 2: No. of Recipients

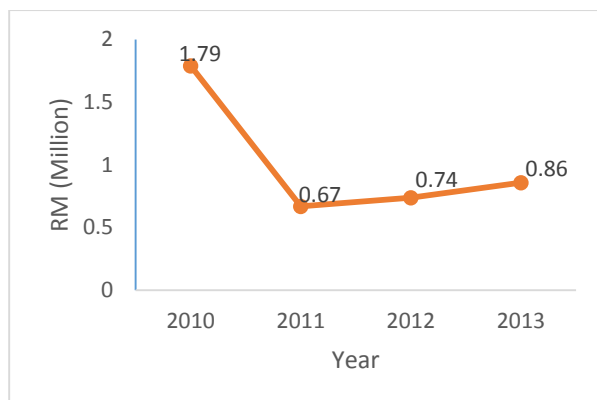


Figure 3: Construction/Renovation/Deposit For Low Cost Housing Assistance Schemes

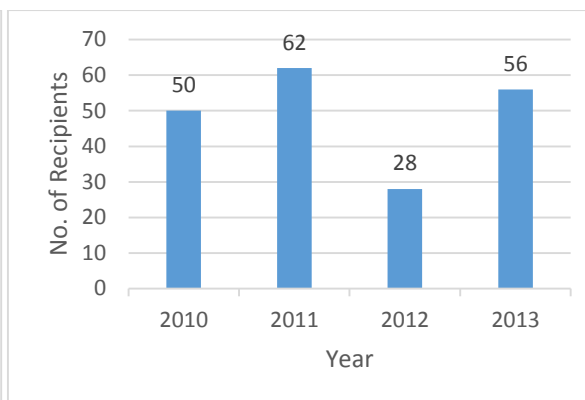


Figure 4: No. of Recipients

Source: MAIWP (2015a)

Haddul kifayah

Haddul kifayah refers to the income of an individual or household, used by *zakat* authorities, in determining whether an individual or household are eligible to be categorized as *asnaf faqr* or *asnaf miskin*. Consequently, if they fit into any one of the said *asnaf*, they would be eligible to be given financial assistance via the *zakat* fund.

MAIWP (2015b) defined *haddul kifayah* as minimum sufficiency line for basic needs of an individual and his dependants based on the current cost of living.

Narrated by Abu Huraira

"The poor person is not the one who goes around the people and ask them for a mouthful or two (of meals) or a date or two, but the poor is that who has not enough [money] to satisfy his needs and whose condition is not known to others, that others may give him something in charity, and who he does not beg of people."

Hadith Shahih Bukhari: 2/24 no: 557 and Shahih Muslim: 005/32 no: 2261

Qabisa ibn Mukhariq al-Hilali said: "I was under debt and I came to the Messenger of Allah (may peace be upon him) and begged from him regarding it. He said: Wait till we receive Sadaqa, so that we order that to be given to you. He again said: Qabisah, begging is not permissible but for one of the three (classes) or persons: one who has incurred debt, for him begging is permissible till he pays that off, after which he must stop it; a man whose property has been destroyed by a calamity which has smitten him, for him begging is permissible till he gets what will support life, or will provide him reasonable subsistence; and a person who has been smitten by poverty. The genuineness of which is confirmed by three intelligent members of this peoples for him begging is permissible till he gets what will support him, or will provide him subsistence. Qabisa, besides these three (every other reason) for begging is forbidden, and one who engages in such consumes that what is forbidden.

Shahih Muslim: 005/34 no: 2271

'Umar reported: "If you happen to give (alms), you should give to satisfy one's needs."

Fiqh-us-sunnah 3.60

The above *Al-Hadiths* and the practice of *sahabah* (as reported in the *Fiqh-us-sunnah*) are references on matters related to *Shari'ah* legitimacy on *haddul kifayah*. It can be inferred that the amount required to cover basic needs differs from an individual or a household to another and that there is no specific amount for every *asnaf faqr* or *miskin*.

Wan Mohd. *et. al* (2013) as cited in Ahmad and Muhammad (2014) reiterated that *haddul kifayah* is calculated based on various variables such as the number of members in a household, age group of members, etc.

From the context of *haddul kifayah* (MAIWP, 2015a & 2015b and JAWHAR, 2009), *asnaf faqr* and *miskin* are defined as follows:

- *Faqr* is a person who own or do not own any asset or sufficient income to cover his/her daily needs (meal, clothing, accommodation, etc.), able to fulfil less than 50% of his and his dependant's actual daily needs or the amount of *haddul kifayah*.
- *Miskin* is a person who has asset or income to support only parts of his basic needs but insufficient for his daily needs and his dependants.

To put it into perspective, *faqr* are those at less than 50% level, *miskin* at more than 50% and *haddul kifayah* at 100% (Khairuddin *et. al*, 2015).

Components of Haddul Kifayah

MAIWP (2015b) has listed the components of basic needs taken into consideration in the calculation of *haddul kifayah*. Coincidentally, the list is similar to the list prepared by JAWHAR (2009). Details of the components are as follows:

Table 3: Components of basic needs for *haddul kifayah*

No.	Components	Description
1	Shelter/Accommodation	Covering the costs for providing the accommodation for the household including house rent, utility bills and other basic requirements for a living.
2	Food	Any foods or drinks consumed by the household
3	Clothing	Any types of clothing worn by the household, such as daily clothing, school uniforms, work attire, etc.
4	Medical	All forms of medical and equipment taken by the household, i.e; treatment, pills and medications procured from pharmacies, etc.
5	Education	All relevant expenditure for education, i.e; school/college/university fees, books, etc.
6	Transportation	Expenditures on transportation including fuel, monthly instalment of the vehicle, bus and/or taxi fare, and etc.

Source: MAIWP (2015b) and JAWHAR (2009)

Table 4: Categories of members in a household and the schedule of monthly rate calculation for *Haddul Kifayah*

No.	Household Category	<i>Haddul Kifayah</i> (RM)/person	
		Paying rental or home loan	Free housing
1	Head of Household (Working adult)	610	310
2	Spouse; unemployed	170	
3	Studying at School (15-18 years old)	264	
4	Studying at School (7-14 years old)	204	
5	Kindergarten (5 -6 years old)	182	
6	4 years and below	100	

Source: MAIWP (2015b)

Table 4 above presents the different categories of members in a household and the schedule of monthly rate calculation for *Haddul Kifayah* as determined by MAIWP. For the head household, different calculation applies, subjected to the type of housing, either paying house rental/servicing housing loan (RM610) or free housing (RM310). However, there is no similar segregation for other members in the same household.

Table 5 shows the monthly additional rates for *haddul kifayah*. This is calculated based on the different situations and problems faced by a household.

Table 5: The schedule of monthly additional rate calculation for *Haddul Kifayah*

No.	Description	<i>Haddul Kifayah</i> (RM)/person
1	Critical illness	200
2	Disable	200
3	Single parent	200
4	Studying at IHL	200
5	Problematic family – husband retained in prison, drug addict, HIV, AIDS, etc.	220
6	Child at day care	200

Source: MAIWP (2015b)

Allocation for shelter in *Haddul Kifayah*

As listed in Table 3, shelter or accommodation is one of the main components in the calculation of *haddul kifayah*. This is due to its nature as an important basic needs for any household. From the context of *haddul kifayah*, shelter or accommodation covers the costs for providing the accommodation for the household. The sub-components including house rent, utility bills such as electricity, water supply, sewerage water treatment and other basic requirements for a living.

MAIWP (2015b) has allocated an amount of RM610 and RM310 for a head household living in a rented house and free house, respectively. Detail calculations to derive the said amount are as per Table 6 below:

Table 6: Detail calculations of *haddul kifayah* for head household

Basic Needs	Head Household (RM)	
	Rent	Free House
Shelter/accommodation	300	-
Food	120	120
Clothing	30	30
Medical	20	20
Education	-	-
Transportation	140	140
TOTAL	610	310

Source: MAIWP (2015b)

Based on the information in Table 6, it is apparent that the assigned value for shelter/accommodation in *haddul kifayah* is **RM300.00**. However, published information on the sub-components forming the shelter or housing components of the *haddul kifayah* is quite brief (refer Table 3) and there is no indication of its corresponding monetary allocations.

In addition, MAIWP (2015a) reported that the majority of zakat fund recipients under the *Al-Gharimin* assistance scheme are those with debt related to utility bills and house rent. In 2013, there were 2,003 applications approved, amounting RM4.57 million. Although most of them received the monthly house rental assistances, the amount is only intended for half of the monthly payment, whereby the balance is to be matched by the recipients. Given the current cost of living, it is therefore pertinent to examine whether the assigned value in calculating the *haddul kifayah* for shelter is sufficient and appropriate.

Methodology

The methodology adopted for the study started with in-depth reviews of past literatures on *zakat*, in particular *haddul kifayah*. It was followed by content analysis of reports and relevant documents and the carrying out of a convenient sample survey among households that reside in houses deemed appropriate for the provision of shelter or housing for *asnaffaqr* or *asnaf miskin*. The objective of the survey is to determine the appropriateness of the houses, utilities and facilities thereto and the associated monthly costs.

The available literatures briefly described sub-components forming the shelter or housing component of the *haddul-kifayah* as currently being applied by MAIWP (refer Table 3 herein before). From the brief

description, a detail list was developed by taking into account the basic components that contribute towards cost of living (details are listed in Table 7). The list was used as part of the questionnaire survey. All respondents were asked about their monthly expenses on all the components in the list.

Feedbacks from the survey

The survey was conducted through face to face interviews with 47 head households that resides at People's Housing Program (*Projek Perumahan Rakyat* (PPR)) and *Perumahan Awam* (PPA) within Kuala Lumpur, 80.9% and 19.1%, respectively. These are housing projects provided by the government for low income groups, with total household monthly income of less than RM2,500.00 (Ministry of Urban Wellbeing, Housing and Local Government, 2015). In addition, MAIWP (2015a) reported that the majority of PPR residents are the recipients of *zakat* fund assistance. The residents are therefore deemed appropriate as respondents for the study. The survey was conducted in August 2015.

Data analysis

Data collected from the survey were analysed using statistical method and simple percentage. Demographic data were analysed using simple percentage whereas the data on income and expenses were analysed through statistical method by calculating the mean of each variables. The outcome from the survey was then contrasted with the outcome from the literature review.

Results and discussion

Results

The result of the survey on demographic data regarding the employment status shows that 19 (40.5%) respondents are employed, 19 (40.5%) unemployed, 8 (17%) retiree and 1 (2%) did not answer the question. Meanwhile, results on no. of family members in the households are 31 (66%) have between 1-5 members, 15 (31.9%) with 6-10 members and 1 (2.1%) with 11-15 members.

From the 47 respondents, 27 (57.4%) are *zakat* fund assistance recipients and 20 (42.6%) are non-recipients. The results also indicated that the mean value of income is RM1,161.40 and the expenses related to shelter/accommodation is **RM370.54**. However, the results on expenses for sub-components forming the shelter/accommodation are as follows:

Table 7: Results on the expenses of sub-components related to shelter/accommodation

No.	Sub-components	Validity	Mean (RM)
1	Rental	33	126.76
2	Housing loan	9	315.11
3	Electricity	47	85.60
4	Water supply	46	40.68
5	Telephone	28	46.25
6	Sewerage water treatment – Indah Water	4	20.75
7	Internet	10	120.90
8	Cable channel – Astro	20	70.95
9	Maintenance	6	44.17
10	Quit rent (Twice a year)	8	38
11	Tax (annually)	1	20
12	Joint Management Committee fee	3	52.67

Discussion

The findings from the survey indicate that the mean value for total expenses related to shelter or accommodation or housing is RM370.54. This is derived from the total expenditure stated by all respondents. However, there appears to be inconsistencies in the no. of respondents for each variables of sub-components listed. This is due to the inconsistent no of respondents providing inputs on each variable. Given the above, RM370.54 is considered as the mean value of total expenses, denoting the cost of living related to shelter/accommodation. If it is to be compared with the amount in *haddul kifayah*, i.e; RM300.00, it is obvious that the amount in *haddul kifayah* is lower.

Nevertheless, the study unable to contrast the results of the survey on the monetary allocations for each sub-components with the current allocations used by MAIWP. This is due to unavailability of published literature on the detail calculations. It is not known how the allocation of sub-components forming the total amount of RM300.00 for housing is derived.

Conclusion and recommendations

This paper reported on a study that focuses on the shelter or housing component of the *haddul-kifayah*. Key objectives of the study are:

- (i) To identify the sub-components forming the shelter or housing component of the *haddul-kifayah* and their corresponding monetary allocations as applied by selected *zakat* administrators in Malaysia;
- (ii) To assess whether the identified sub-components and their corresponding monetary allocation are appropriate and adequate in meeting the current shelter or housing needs of the *asnaf faqr* or *asnaf miskin* respectively.

Through reviewing available literatures and the survey conducted, this paper presented a list of sub-components (Table 7) considered appropriate in forming the shelter or housing components of the *haddul kifayah*. However, there appears to be lacking of published literatures on its monetary allocations.

Key findings from the study suggested that the total sub-components and their corresponding monetary allocation forming the shelter or housing component of the *haddul kifayah* as currently being applied by MAIWP are neither appropriate nor adequate in meeting the current needs of the *asnaf faqr* or *asnaf miskin* respectively.

As a result of the above, it is therefore deemed beneficial to recommend that *zakat* administrators should consider revising the standards used in determining the appropriateness and adequacy of the sub-components forming the shelter or housing component of the *haddul-kifayah*. To this end a list of the sub-components and their corresponding monetary allocations (as per Table 7) that are deemed to be more reflective of the current needs of the *asnaf faqr* or *asnaf miskin* respectively are provided for consideration by *zakat* authorities in Malaysia.

The study is not without limitations, particularly on the methodology adopted. Further and in-depth study is required and on-going.

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