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Islamic Perspectives on Poverty & Debt

Can we work together to make things better?

By **Muhammad Imran**, Development Education Officer, Islamic Relief

If the debtor is in a difficulty, grant him time till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if ye only knew. (Qur'ān: 2.280)

With one fifth of the world's population living on less than a \$1 a day, something is clearly wrong. Poverty and debt are so often "partners" in a destructive edance that is condemning families and nations, our fellow global village neighbors, to a downward spiral into ruin and misery.

To work for solutions requires working in partnership between all those who campaign for social justice. And partnership requires understanding and trust between partners. Sadly, lack of interaction, ignorance, prejudice and social tensions often hinder partnerships between different communities and faith groups.

In an effort to address ignorance, I shall briefly explore the starting points of Muslims and their perspectives on poverty and debt, and in so doing will hopefully illustrate why partnership should be both a natural and essential step for all to take.

Why should Muslims be called on to play a part?

The undeniable fact is the global Muslim community has an essential role to play in addressing the injustice of global poverty: Firstly, Muslims constitute over a fifth of humanity, and so have tremendous capacity to bring to bear, and secondly, millions of those who suffer from poverty are themselves Muslim. Above all, Islam has historically made a dynamic contribution to civilization, and Muslims believe their faith has much to offer in helping to face the challenges of modernity.

Muslims have been a part of the problem (the role petrodollars had to play in exacerbating the debt crisis is not to be underestimated); Muslims are suffering from the crisis, and so Muslims should be at the forefront in campaigning and providing the solution.

How then does Islam as a faith, and Muslims as potential activists, approach these issues of social injustice?

- First, a Muslim maintains that overall sovereignty of creation lies with God ñ the God of all the prophets. sent to Mankind including Adam, Noah, Abraham,

Moses, Jesus and Muhammad (peace be upon them all)

- God has appointed human beings as His stewards, duty bound to struggle to maintain the balance in the Universe; to establish justice and harmony within themselves, and between all humans and the rest of creation.
- And to reverse discord, and challenge injustice and inequality, each human being has to cultivate and harvest a charitable disposition.
- And so self less charity and a sense of service should be ready to mobilize the Muslim community to respond to those who are suffering the world over.

In responding to the local and global situation, a Muslim is exhorted towards charitable behavior to his or her neighbor, irrespective of that neighbour's color, creed or clan.

"He who sleeps on a full stomach whilst his neighbor goes hungry is not one of us." (Saying of Prophet Muhammad)

Islam, through the actions of **zakah and sadaqah**, emphasizes the duty of charity for the sake of the poor, and the indebted, and also for orphans, travelers in difficulty and for those engaged in the collection and distribution of zakah.

Zakah, which comes from the Arabic verb *to purify*, is one of the five pillars of Islam and requires a person to make an annual alms payment of 2.5% of his / her excess wealth, accumulated over one year. This ensures wealth continues to circulate through society.

A Muslim is constantly encouraged to perform charitable action (**sadaqa**). The Prophet Muhammad* said: "Even a smile is charity."

A special form of charity is **waqf**, a "legacy for good." An asset (ex: a business, houses for rent etc) is bought or donated, and the return on the asset is then used to sustain charitable projects ex: schools, hospitals, social welfare programs etc.

Debt, exacerbated by interest payments, is often central to the difficulties faced by the poor. And the response of a Muslim to the taking or giving of loans is governed by the Islamic prohibition on the taking or paying out of usury or interest (Arabic = *ëribaí*).

Interest is viewed as destabilizing for society as money is made from money, without any productive activity, to be paid **irrespective of the success or failure of the venture**. As poor individuals and nations are trapped into borrowing their way out poverty, the burden of debt can become swollen by interest, resulting in the widening of the gulf between rich and poor.

"Allah will deprive usury of all blessing, but will give increase for deeds of charity." (Qu'ran 2: 276)

In contrast, Islam requires the borrower and the lender **to share equally** the risk of success or failure, and so loans are organized on a profit-share basis. This is crucial in encouraging responsible lending by creditors.

If the debtor meets with "straitened circumstances", relaxing repayment conditions or even the forgiveness of the debt are recommended as gestures that will earn the

creditor spiritual reward.

If the debtor is in a difficulty, grant him time till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if ye only knew. (Qur'an 2: 280)

In essence, Islam seeks to encourage people to reflect upon their individual and global responsibilities, as caring neighbors, in the hope that ethical behavior will result in ethical political and economic systems.

By sharing this vision, advocated by Islam and aspired to by millions of Muslims worldwide, an important, and for some, a startling fact, should emerge: the values of Muslims and of those millions of non-Muslims who work tirelessly for social justice are practically identical on so many issues; there is much more that unites people than divides.

In recognizing this common ground, in confronting ignorance and challenging prejudice, "partnership" between communities surely becomes not just a possibility but also an inevitability born out of necessity, for if the canoe which bears humanity continues its present course, then **it will fall** over the edge of a gushing waterfall.

And when partnership between communities becomes a reality, perhaps then one fifth of the world will have a chance to escape the slavery of debt and poverty.

*Peace be upon Him: a prayer that is read after the name of a prophet is mentioned.

Islamic Relief is a U.K.- based aid agency that seeks to alleviate the poverty and suffering of the world's poorest people. Motivated by the charitable ideals of Islam, Islamic Relief has for the last 18 years, been assisting peoples of all religions and backgrounds through relief and development programs, including non-interest based income generation schemes.

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