

## POVERTY MEASURES IN ISLAMIC ECONOMY WITH THE APPLICATION IN SULTANATE OF OMAN

Abu Baker Assidiq Abbas Ismail Abumraen\*

**Abstract:** *The researcher define poverty in accordance with Islamic jurisprudence, used quorum of Zakat to determine poverty, whoever does not have a quorum is defined as a Poor, and suggested to use Zakat silver standard for those who has securities (stocks and bonds) and paper money, if (Basic needs costs minus total income is greater than the amount of a quorum, and one year he must pay Zakat and treated as a rich. Definition of poverty in the Islamic economy and how it is calculated and applies to the Omani experience.*

**Keywords:** *poverty, Zakat quorum, Basic needs, Tkaful,*

### INTRODUCTION

Poverty is a complex phenomenon, a consequence of lack of growth and inequality. Effective policies require technical and empirical understanding of poverty that is combined with efficient institutions and a supportive system of social values. Islam encourage spending and charity also urged to work and seek them, Muslim jurists have interested in studying the causes of poverty and combat style heavenly world was down load Zakat program and an interest in a gathering and distribution and preserved, The research contain tow areas first one is definition of poverty in accordance with Islamic jurisprudence and the secondly the use of indicators to measure poverty.

### RESEARCH DATA AND METHODOLOGY

The research uses the exploratory mixed research method that combines both qualitative and quantitative approach the descriptive and analytical, historical and comparative data were collected. Search consists of two the first part consists of an introduction about how the Islamic economy dealt with the problem of poverty, starting from the knowledge of its causes, the definition of poverty, and ways of measuring poverty read up in the back of the texts from the Quran and sayings of the Prophet Muhammad peace be upon him.

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\* College of Commerce and Business Administration, Dhofar University, Department of Accounting and Finance, Salalah p.c211, Box: 2509, Oman, E-mail: aabumraen@du.edu.om

In second part prepared Questionnaire has been designed for 250 cover the province of Dhofar, Sultanate of Oman on the level of satisfaction of the social security program to combat poverty, as the questionnaire were analyzed using SPSS software.

## **IMPORTANCE OF RESEARCH**

Poverty is a global phenomenon, a lot of countries try to combat poverty, but poverty remaining continuous and growing, and here comes the role of Islamic Economics in how to combat poverty, noting that the percentage of high poverty in Islamic societies and here should show the role of Islamic Economics in the fight against poverty.

Will search for a definition based poverty of Islamic Studies, and choose a suitable measure of poverty, to measure the degree of poverty, a poverty line to determine who is poor. It is therefore best suited to be the definition on an individual basis, and not on the basis of family

## **LITERATURE REVIEW**

### **1. ISMAIL SIRAGELDIN, ELIMINATION OF POVERTY**

**CHALLENGES AND ISLAMIC STRATEGIES** The development of effective policies for poverty reduction and the monitoring of their progress and efficacy may not be feasible without a clear definition of Poverty that could be measured with consistency across space and time. However,

There are known difficult problems with defining and measuring poverty.<sup>1</sup>

#### **1.1: Poverty and the poor in the Holy Quran and Sunnah**

1. Stated the term poverty and the poor (13) thirteen times, indicating that the people are needed for God, including orders to give the poorer part of the funds.
2. The term rich and the rich's, it was reported (26) Twenty-six of them passed (21) visits decide that God is rich, and five times and received the status of human beings.
3. The term poor guy individuals and collectively reported (23) twenty-three times and the whole

Order and inciting to spend money on them and feed them and care for them physically and socially.

4. The term asker money mentioned four times and in all of them and urges sit to give them.

5. The term economically vulnerable and received 4 times where exempted from certain obligations or urging them to remove the causes of vulnerability.
6. The term disadvantaged reported twice and the two that have the right to the rich in money.
7. The term Zakat: mentioned (32) Thirty-two times in which the share of the poor.
8. The term charity, which comes synonymous with the sense of Zakat, charity volunteer, again reported (16) sixteen times and all are urged to charity and order them.
9. The term Dutiful towards the needy reported (63) sixty-three times vary between it and the statement of accepting charity benefactors when the Almighty God and his love for them.
10. The term spending for the sake of God reported (70) seventy times. Includes all charitable causes, including the care of the poor and the needy, that the Qur'an addressed poverty and the poor, Zakat and spending in the (235) subject shows how Islam attention to this issue.

### **1.2: Causes of poverty in the Islamic world**

1. Do not work, or the inability to work, lack of skills,
2. Non-compliance with the directives of Islam in keeping grace, and moderation in spending is excessive or negligence.
3. Lack of education and lack of expertise in many of the countries with the lack of development and seeking to improve productivity.
4. Wars led to displacement and insecurity, and the movement of an in other countries, displaced from Chad, Uganda, Somalia and Arterial and Afghanistan, Iraq, Syria, Libya, the Philippines and Palestine.
5. The loss of economic cooperation among Islamic countries, since each country alone cannot provide the resources necessary for development, land, raw materials and labor force and expertise of local and broad market has to be taking full integration among these countries.
6. Some Islamic countries Try reform their troubled application of socialist or capitalist economic systems,

### **1.3: How to apply the Islamic approach to cure the problem of poverty in the present**

1. Develop a comprehensive strategy.
2. Focus on the collection of Zakat.

3. Encourage and revive charitable work within the framework of the Islamic cessation (waqf) system.
4. Coordination between charitable associations working institutions, and combine their efforts.
5. The government in its programs of economic and financial policy, taking into account that serves the poor in the community.
6. Control overworks processes until they are sure of the arrival of the beneficiaries of the poor care resources.

#### **1.4: Definitions of basic needs**

The poverty measurement employed is based on the Necessities needed by the household to fulfill the basic needs in term of food and non-food requirements to ensure each household lead an active, healthy and proactive life, it's things needed by the human physically and psychologically, which supplies to be made available to him to stay on life (such as food, drink, clothing, housing and medicine, security and education.).

Ensuring basic needs and made available of food, drink, clothing, housing, medicine, education and security is to been soured for each member of the Islamic state, whatever his religion and color. This guarantee includes staying on the land of the Islamic State permanent residence, such as the Muslims and, Jews and Christians, and also includes the establishment of a temporary resident on the land. Perhaps (Khalifa Omar Al- Khattab realized that he decided the minimum for the first time in human history. Abu Obeid stated in AL-AMWAL) that Omar wanted to know the experience enough man's food in the month, came thirty men for lunch and dinner and the consider that found him (Gribben<sup>2</sup>), said enough human Gribben of wheat every month, and added to them for each every on vinegar<sup>3</sup>(1).

#### **2.1: Islamic definition of Poor**

Islamic jurisprudence congregation in Sudan that defines is applying at the Diwan of Zakat in Sudan<sup>4</sup>.

The poor: (Meskien): He who does not have their daily bread, and that includes the owners of disabilities and incapable to work, and the patient who cannot pay for medical expenses and disaster victims.

Poorer (Faqeer) who does not have the food of the year or the head of the family who does not have enough source of income.

##### **2:1:1. Components Islamic poverty line**

Islamic of the poverty line: is to provide the basic needs (necessities) based on a minimum cost of consumer spending. (Include housing, transportation, treatment,

food and clothing) and added to a quorum of Zakat. Which is what counts in Islamic jurisprudence?

In other words, the poor in Islamic jurisprudence does not have a quorum Zakat quorum > (the cost of basic needs - Income) = poor

Poor = Zakat quorum < (the cost of basic needs - Income) (1)

$$p = (I - N) < Z \quad (1)$$

P = Poor

I = Income

Z = Zakat quorum

N = Basic needs

R = Rich

If income - basic spending > quorum after one year. (Be Rich)..... 2

$$R = (I - N) > Z \quad 2$$

### **Measuring poverty line, according to the Quorum of the Zakat**

At present, the poverty level is normally expressed level in term expressed in terms of a certain minimum of money income or expenditure and not in terms of savings.

1. Determine the minimum physical quantities (i.e., how much) of the cereals, Pulses, milk, sugar, oil, etc., which are necessary for bare subsistence for an Individual for a day;
2. Know the market price of these commodities; Convert the physical quantities into money terms by using the price system.

This is the minimum consumption expenditure needed by a person, per day. From this we calculate expenditure per person per month or per year. This also provides an Explanation of the poverty-line. It is measured based on the cost of basic needs at a minimum to spend, (and include accommodation, transport, treatment, food and clothing), which is counts in Islamic jurisprudence.

Poor are those who doesn't have quorum of Zakat,

Poor = (income- basic needs cost) < quorumZakat:

1. A quorum for shepherds: Anyone who does not have a quorum and didn't one year passed, and the quorum is five camels, and thirty head of cow, sheep and goats forty goats.
2. Quorum crops: Poor both produced planted less than five (Wasqs) in volume and either a quorum in non-volumes, average value of the cash.

3. Poverty for those who have the gold and silver: The poor who owns less than 85 grams of gold or less than 612.32 grams of silver.
4. Banknote: Zakat: Poverty at who owns and banknotes (paper money, stocks and bonds) is a quorum of silver for the following reasons:
  - (a) Multiplicity and validity religious texts that define a quorum silver ounce or five hundred dirham's.
  - (b) the lack of texts that define a quorum gold or twenty dinars, and has not been proven that the Prophet Peace be upon him gold in everything, from the point of view ones resource,
  - (c) Qaradawi Mention (the Prophet Peace be upon him has enjoined Zakat explicit enumeration in silver coins, and did not correct for in gold like that, because most of their money was silver, if he ruled defined the rule of gold compared them).<sup>5</sup>
  - (d) Qaradawi said: (The quorum agreed upon silver, and the gold coins (dinars), did not prove quorum talk in the strength of silver sayings of a reputation, and therefore did not accrue quorum gold as silver"<sup>6</sup>.

## **CHAPTER 2: SATISFACTION WITH ANTI-POVERTY PROGRAM IN SULTANATE OF OMAN**

In second part prepared Questionnaire has been designed for measuring satisfaction with the Social Security program in the Sultanate, covers the province of Dhofar, Sultanate of Oman to combat poverty. Due the world bank is defined OMAN As High income<sup>7</sup>S, along with previous studies, there was not the majority of Populations Muslims both jointly and severally.

So the study aimed to know the extent of satisfaction with the Social Security program in Dhofar governorate of Oman, and its impact on the fight against poverty. The study was conducted in as a model, measuring basic needs (educational aid, housing, treatment, kind and cash money. ease of entry into the program, adequacies of cash and in-kind assistance.). To answer this question we used SPSS soft ware program.

### **2:1. Social Welfare**

It is one of the means of social security that guarantees a monthly income for families and individuals to assist them in securing their basic needs to secure a decent life for in the absence or low steady Income or the absence of an obliged and capable relative. Royal Decree No. 87/84 organizes the social welfare.

2:2 Poorer are the owners of the security Because of the difficulty of accurate data on poverty statistics have we considered security holders are poor. And those

designated by Royal Decree 87/84 and focused on the need to provide police officers firstly failure and the presence of high- and second the lack of adequate income for the host and Table 1 illustrates these categories.

**Table 1**  
**Shows the categories of social security**

<b>1. Special Category</b>	Means children in need of care who are taken care of foster families in addition to addiction cases and those incapable of taking care of their families.
<b>2. Orphans</b>	Children whose father died before the reach the age of eighteen. A child whose father or parents are unknown is considered as orphan and also those who are enrolled in regular schools or institutes up to the completion of general education.
<b>3. Widow</b>	Every woman not yet sixty years of age, whose husband has died, remained unmarried and has no sufficient source of income.
<b>4. Divorced</b>	every woman not yet sixty years of age divorced by her husband and remained unmarried and has no supporter capable of supporting her
<b>5. Deserted woman</b>	a married woman Her husband left her for a long time that does not know his place of residence that is, she are still in the infallibility of the husband and not absolute.
<b>6. Unmarried girl</b>	a fatherless girl who is above eighteen but not yet forty years old, never married before, has no enough source of income and not enrolled in formal education up to university level unless she is living with the family of her widowed mother or her orphan brothers eligible for pension in which case she is considered as an orphan, or the girl at the age of forty but not yet sixty, never married before and has no enough source of income, whether her father is dead or alive of income.
<b>7. Old Age</b>	Any male or female who reached the age of sixty and has no obliged relative supporter capable of meeting his/her expenses and has no income.
<b>8. Family of a prisoner</b>	A family whose sponsor has been imprisoned for three month and more and has no enough income source and no committed able sponsor.
<b>9. Disabled</b>	Individuals above eighteen not yet sixty and unable to work and minors who have permanent diseases and disabilities which Impose additional financial burden authenticated by a medical report issued from a government medical institution and a social research and in both cases the non-existence of enough income source or a committed sponsor is conditional supporting her.

*Resource:* Royal Decree No. 87/84.

**Table 2**  
**Estimate the cost of the standard of living for one person in the city of Salalah**

<i>Item</i>	<i>Cost</i>	<i>Cost per year</i>
Rent Apartment	100	<b>ro</b>
Petroleum Per week	4×5	1200
Eating and drinking	100	240
Electric	6	1200
Water	10	72
Other expenses	60	120
Monthly average		720

*Source:* By the researcher, in July 2015.

### **2:3 Calculate minimum wages and Zakat quorum and the poverty line the in Sultanate of Oman**

#### **2:3:1. Minimum wage**

Minimum wage in Sultanate of Oman is 350R.O. monthly

#### **2:3:2. Basic needs cost**

When the Caliph of the Prophet of Allah Omar bin al-Khattab realized that he decided the minimum needs for the first time in human history. Abu Obeid stated in money: that Khalifa Omar wanted to know the experience enough man's food in the month, came thirty men for lunch and dinner and then consider that found him (Gribben), said enough man Gribben of wheat every month, and added to them for each every one quantity oil and quantity vinegar<sup>8</sup>(1).

From table 2, **basic needs cost** is 296.R.

**2:3:3: Zakat quorum:**  $612.32 \text{ SILVER GRAM} \times .3 \text{ R.O} = 185 \text{ R.O}$

#### 1. A quorum of for shepherds:

Anyone who does not have a quorum and did not one year passed, and the quorum is five camels, and thirty head of cow, sheep and goats and forty head.

#### 2. Quorum crops

Poor both produced planted less than five (wasqs) in volume and either a quorum in non-volumes, average value of the cash.

#### 3. Poverty for those who have the gold and silver , poor who owns less than 85 grams of gold or less than (612.32) grams of silver.

#### 4. **Banknote Zakat**

Poverty at who owns and banknotes (paper money, stocks and bonds) is a quorum of silver for the following reasons:



1. Multiplicity and validity religious texts that define a quorum silver ounce or five hundred dirham's. Silver
2. The lack of texts that define quorum gold or twenty dinars, and has not been proven that the Prophet Peace be upon him gold in everything, from the point of view one as resource,
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4. Qaradawi said: (The quorum agreed upon silver, and the gold coins (dinars), did not prove quorum talk in the strength of silver sayings of and reputation, and therefore did not accrue quorum unanimously gold as silver.

Quorum of Zakat=612.32SILVER GRAM×.3R.O= 185 R.O

**Minimum wage-BASIC NEEDS COST =**

350-296= 54 RO /month

50 × 12 = 600 R.O/year

Thereis Surplus Monthly SR 50 × 12 = 600, This is a good indicator of the degree of well-being among employees in the public and private sector.

Conclusion: that citizens in Oman living in range of sufficiency.

The borders of the place: the study was conducted in Dhofar governorate of Oman as a model for the community.

Objective limits: study aimed to know the extent of satisfaction with the Social Security program in Dhofar, and its impact on the fight against poverty. Time limits: October -2015 -20 November 2015.

**Table 3**  
**Satisfaction**

No		Agree & absolute agree%	absolute disagree disagree%	Natural
1	Easy access to participate in the security	14	43	43
2	Government bears the costs of the pilgrimage	33	39.2	27.8
	Exemption from all government fees	60.7	23.1	16.2
	Government subsidies in kind	58.4	16.2	25.4
	The government provides housing for security holders	39.7	32.3	30.0

contd. table 3

No	Agree & absolute agree%	absolute disagree%	Natural
Take advantage of custom commercial and residential land use	37.7	36.9	25.4
State offers a complete financial aid scholarships	42.8	30	26.2
Government bears the pay tuition fees in higher education	46.2	33.8	20
Enjoy of free public education	50.7	38.5	10.8
The availability of treatment and medicines free	48.7	43.1	9.2
Provide health care and treatment	55.5	23.3	22.3
Easy access to the hospital	28.5	35.4	36.2
Drink clean, healthy water and a matching Standards	42.3	39.2	18.5
Eat three meals daily	55.4	19.2	25.4
Owned TV	90	10	
I have extra income from another source	22.3	64.6	13
A sufficient amount of security	14.6	47.7	37.7

**Table 4**  
**Percentage of poverty**

Year	Total securities	Poverty %
2010	51262	2.23%
2011	71172	2.60%
2012	81014	2.95%
2013	83214	3.02%

Source: calculated by researcher

## CONCLUSION

1. Poverty Measurement in the Islamic doctrine on the basis of an individual, (the provision of basic needs for everyone).
2. Banknote: Zakat: (paper money, stocks and bonds) is a quorum of silver 612.32 gram.
3. The researcher came to the formulation of a mathematical equation can be through determine who is poor across the human basic needs and quorum Zakat.

Poor= (income-basic needs cost Zakat quorum

$$p = (I-N) < Z$$

4. Oman is from high-income countries, which are making ability of efforts to combat poverty. The challenge lies in planning for human resources and labor to absorb, especially higher education and skills needed for the training needs

of the labor market. The existence of general acceptance of the efforts made by the state and this was clearly evident in the results of the analysis.

5. The existence of dissatisfaction indicators in adequate amounts of cash, particularly in light of the high rate of inflation.
6. Review retirement salaries that drop off with higher general level of prices, inflation annually. So excludes of retired to the cycle of poverty.
7. I expect that there will be more detailed studies on the phenomenon of poverty

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