

The Provision of *Haddul Kifayah* for Shelter the Actual Cost of Shelter for *Asnaf Faqr* and *Miskin*: A Comparative Study

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Abstract. *Haddul kifayah* is a method used by zakat authorities in determining eligibility for *asnaf faqr* and *miskin* to become recipient of *zakat* assistance. Within the *haddul kifayah* there is a component for the provision of shelter that includes cost for accommodation and its associated facilities and features. In the context of the provision of shelter, there has been growing concern that the provision allocated thereto has failed to meet the current cost incurred by *asnaf faqr* and *miskin*. Consequently a study to identify the sub-components for shelter of the *haddul-kifayah* and the monetary allocations corresponding thereto and to examine whether the identified sub-components and their monetary allocations are appropriate and sufficient in meeting the recipients' current basic needs for shelter was carried out. The study adopted a combination of literature review and questionnaire survey. A total of 112 *asnaf faqr* and *miskin* located within the Federal Territory of Kuala Lumpur participated in the survey. The data collected from the survey was analysed using descriptive statistics. Results from the study identified the sub-components for shelter and their corresponding monetary allocations and confirmed the inadequacy in the provision of *haddul kifayah* for shelter both in terms of the amount allocated and the subcomponents thereto. The study is considered significant in two ways: (1) The study highlights the inadequacies on the provision of *haddul kifayah* for shelter, and; (2) The results may serve as an impetus for a comprehensive and national study on the provision of *haddul kifayah* for shelter to be conducted.

1 Introduction

Haddul kifayah refers to the level of income or earning of a household or an individual, adopted by *zakat* authorities, in establishing whether an individual or household fit into the category of *asnaf faqr* or *asnaf miskin*. Consequently, if they fit into any one of the said *asnaf*, the household or individual would be eligible to be given the necessary financial assistance via the *zakat* fund distribution.

Zakat is an obligatory form of worship (*Ibadah*) prescribed by Allah s.w.t. in the Quran (22:78) [1]: "... Therefore, attend to your prayers and pay the alms-tax (*zakat*) and hold fast to Allah..." Hence, those who can afford more than sufficient basic needs should help the needy by donating through *zakat* contribution.

In Malaysia, *Zakat* is administered by the respective Majlis Agama Islam Negeri-negeri or MAIN (State Islamic Religious Councils or SIRC's). However, in 2004 Jabatan Wakaf, Zakat dan Haji (JAWHAR) or the Department of Awqaf, Zakat and Hajj was established by the Federal Government. The purpose of JAWHAR is to coordinate the activities of the respective MAINS and to improve the management of Muslim wealth in the forms of awqaf, zakat, mal and hajj [2].

The zakat monies collected are to be expended to the 8 categories of recipients (*asnaf*) and none others. The Quran (9:60) [1] identified them as the *faqr* (poor), *miskin* (needy), *amil* (*zakat* administrator), *muallaf* (newly muslim converts), *riqab* (slave), *gharimin* (those

in debt), *fisabilillah* (those striving to maintain and increase appreciation of Islam) and *ibnussabil* (the wayfarer). The *asnafs* are given zakat assistances according to schemes provided by SIRC's. The assistance schemes include monthly financial, food, housing, medical and education [2-4].

This paper emphasises on the *asnaf faqr* and *asnaf miskin*. The distribution of *zakat* fund collection to eligible *asnaf faqr* and *asnaf miskin* is based on calculation of *Haddul Kifayah*.

Based on the authors' review of the calculations of *haddul kifayah* in the various states in Malaysia [5-6], the amount allocated is different from one state to another and as per allocated by the respective SIRC's in Malaysia.

Haddul kifayah consists of components that would enable a person to attain a reasonably comfortable standard of living. The key components are: shelter, food, clothing, medical, education and transportation [2-4]. Past studies such as the one by Khairuddin, Sharina and Azila [5] found out that the amount allocated for *haddul kifayah* was neither sufficient nor current. However, studies on the currency and sufficiency of the amount considered for the shelter component of the *haddul kifayah* are lacking.

In a pilot study aimed at comparing and contrasting the allocation of shelter in *haddul kifayah* provided by the SIRC of the Federal Territory of Kuala Lumpur and the actual and current cost incurred by the *asnaf faqr* and *miskin* was conducted in 2016 [6]. Results obtained

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from the pilot study suggested that the amount allocated is insufficient.

This paper reports on a study focussing on the provision of shelter under the *haddul kifayah* as adopted by *Majlis Islam Wilayah Persekutuan Kuala Lumpur* (MAIWP). MAIWP was chosen due to its convenient location and accessibility. The objectives set for the study are: (i) to identify the sub-components for the shelter in the *haddul-kifayah* and the monetary allocations corresponding thereto, and; (ii) to examine whether the identified sub-components and the monetary allocations corresponding thereto are appropriate and sufficient in meeting the current basic needs of shelter by the *asnaf faqr* and *asnaf miskin* respectively.

The paper is in 5 parts, Part 1 is the Introduction, and Part 2 describes the concept of *haddul kifayah* and the practice by MAIWP. Part 3 is the methodology adopted for the study, followed by Part 4 whereby results are discussed. The paper is ended by conclusion in Part 5.

2 Haddul Kifayah

MAIWP [3-4] defined *haddul kifayah* as minimum sufficiency line for basic needs of an individual and his dependants based on the current and actual cost of living.

The following *Hadiths* and the *Fiqh-us-sunnah* (the practice of *sahabah*) are some of the sources of reference on matters related to Shariah legitimacy on *haddul kifayah*. 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).

Another relevant hadith is: "...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..." (*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) [7].

The above references concluded that the amount required to cover basic needs varies from a household or an individual to another and that there is no universally established or specific amount for each of *asnaf*, whether they are categorized as *faqr* or *miskin*.

Haddul kifayah is calculated based on various variables such as the number of members in a household and age group of members in the household [2-4]. From the context of *haddul kifayah* [5-6], *asnaf faqr* and *miskin* are defined as follows:

- *Faqr* is an individual or a household who owns or do not own any asset or earns adequate amount of income to cover his/her daily basic needs (food, clothing, shelter, etc.) able to fulfil not more than 50% of his and his dependant's daily basic needs or the amount of *haddul kifayah*.

- *Miskin* is an individual or a household who has assets or income or earning to sustain only some portions of his daily basic needs but not enough for his and his dependants' daily basic needs.

In other words, *faqr* are those who are at less than 50% level, *miskin* are those earning higher than 50% whereas *haddul kifayah* is at 100% level [5-6].

2.1 Components of Haddul Kifayah

MAIWP [3] has listed the components of basic needs considered in the calculation of *haddul kifayah*.

Table 1. Components of *haddul kifayah*

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, etc.

Source: MAIWP [3]

Table 2 below presents the different categories of household members and the monthly rate calculation for *Haddul Kifayah* established by MAIWP. The table indicates that different calculation is applied for the head household. The rate is subjected to the type of housing they are residing. RM610 is allocated if they are paying house rental/servicing housing loan and RM310 if free housing (own or inherited).

Table 2. Categories of household members and the monthly rate calculation for *Haddul Kifayah*

Household Category	Haddul Kifayah (RM)/person	
	Paying rental or home loan	Free housing
Head of Household (Working adult)	610	310
Spouse; unemployed	170	
School (15-18 years old)	264	
School (7-14 years old)	204	
Kindergarten (5 -6 years old)	182	
4 years and below	100	

Source: MAIWP [3]

Table 3 presents the monthly additional rates for *haddul kifayah*. It is calculated based on the different conditions and problems facing the household.

Table 3. The schedule of monthly additional rate calculation for *Haddul Kifayah*

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

Source: MAIWP [3]

2.1.1 Example of Calculation Based On Haddul Kifayah

Example: A family consists of head household (employed), spouse (unemployed) and 4 children age 15 years old, 13 years old, 10 years old and 5 years old and they are living in a rented house. The total household income is RM810.00

Based on Table 4, *haddul kifayah* for the case is amounting to RM1,634.00 = RM610.00 + RM170.00 + RM264.00 + RM408.00 + RM182.00. Therefore, based on the category of *asnaf*, the applicant falls under the category of *asnaf faqr*. This is because their basic need is higher than the income. In addition, the household income (RM810.00) is lower than 50% of the basic needs (RM1,634.00 / 2 = RM817.00).

Table 4. Example calculation of *Haddul Kifayah* for the family

Basic Needs	Head Household	Adult	School (15-18 Years Old)	2 x School (7-14 Years Old)	Kindergarten (5-6 Years Old)
Shelter (RM)	300	-	-	-	-
Food (RM)	120	120	90	120	60
Clothing (RM)	30	30	20	40	20
Medical (RM)	20	20	20	40	20
Education (RM)	-	-	44	88	22
Transportation (RM)	140	-	90	120	60
TOTAL (RM)	610	170	264	408	182

2.1.2 Allocation for shelter in Haddul Kifayah

In the provision of *haddul kifayah*, MAIWP [3] allocated a total of RM310 and RM610 for a head household living in a free house and rented house, respectively. Table 5 shows details on the calculations to develop the amount:

Table 5. Details on the calculations to develop the amount 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 [3]

Table 5 shows that from the amount of RM610 allocated for the head household, the assigned value for shelter/accommodation in *haddul kifayah* is **RM300.00**. The amount represents the allocation for shelter calculated in *haddul kifayah*.

Meanwhile, the Household Expenditure Survey (HES) [8], published by the Department of Statistics (DOS) Malaysia has listed detail components related to shelter. They are: i)Rental, ii)Maintenance or repair, iii)Water, iv)Refuse collection, v)Sewerage collection, vi)Electricity, vii)Gas, viii)Liquid fuels, and ix)Other Fuels.

The corresponding monetary allocations are subjected to the results of survey conducted. However, the amounts allocated are based on the mean monthly household consumption expenditure by states without the segregation of income level of the households. On the contrary, *haddul kifayah* is based on the survey on the cost of living incurred by *asnaf faqr* and *miskin*, conducted by SIRC. Therefore, HES monetary data is unable to be used as basis for comparison in the study.

3 Methodology

The methodology employed for the study began with desk study, i.e; in-depth reviews of literatures on *zakat*, particularly those related to *haddul kifayah*. These include reports and relevant published documents by MAIWP [3-4] and JAWHAR [2]. Based on the literature reviews, questionnaires were designed for the study. The questionnaire was divided into 2 sections; Section A (demographic Data – Background of respondents), and Section B (Household expenditures related to shelter). Afterwards, survey amongst households who reside in houses considered suitable for the provision of shelter or housing for *asnaf faqr* and *asnaf miskin* was conducted. The survey is aimed to establish whether the houses, utilities and facilities thereto and the associated monthly costs are appropriate and sufficient or otherwise.

Based on review of literatures [2-6], [8] the authors developed a detail list of sub-components by considering the basic components of shelter that are related to the cost of living.

Table 6. The list of sub-components related to shelter

No.	Sub-components
1	Rental
2	Housing loan
3	Electricity
4	Water supply

5	Telephone
6	Sewerage water treatment – Indah Water
7	Internet
8	Cable channel – Astro
9	Maintenance
10	Quit rent (Twice a year)
11	Tax (annually)
12	Joint Management Committee fee

The above list forms parts of the questionnaire survey (Section B). The selected respondents were then asked about the corresponding monthly expenses of all the components listed, incurred by them.

3.1 Feedbacks from the survey

The survey was carried out through face to face interviews with 112 head households who reside at three People’s Housing Program (*Projek Perumahan Rakyat* (PPR)) within the federal territory of Kuala Lumpur, i.e; PPR Sg Bonus, PPR Jelatek and PPR Gombak Setia. There are a total of 29 PPR projects listed [9]. The three projects were selected based on its convenient location and the respondents were approached through snowball sampling. The housing projects are considered appropriate since the projects are allocated by the government for those in low income groups, with total monthly household earning amounting below RM3,000.00 [10].

In addition, MAIWP [11] stated that most of PPR residents are among the recipients of *zakat* fund financial assistance. Hence, the residents are deemed as meeting the requirement of suitable respondents for the study. The survey was carried out in May 2017.

Responses collected were analysed by adopting descriptive statistics, whereby the mean of each variable was calculated by using Microsoft Excel.

4 Results and Discussion

4.1 Results

From the 112 respondents, results on demographic data are shown in Table 7.

Table 7. Results on demographic data

No	Item	Result
1	Gender	Male: 78 (70%) Female: 34 (30%)
2	Household members	1-2 members: 13 (12%) 3-4 members: 55 (49%) 5-6 members: 41 (37%) > 6 members: 3 (2%)
3	Employment	Employed: 63 (56%) Unemployed: 36 (32%) Retiree: 13 (12%)
4	Zakat fund recipients	Recipient: 27 (24%) Non-recipient: 85 (76%).
5	Ownership of house	Rent: 96 (86%) Housing loan: 16 (14%)

The results also indicated that the mean value of income is RM1, 410.71 (total), RM1, 064.81 (zakat recipients), RM1, 520.59 (non-zakat recipients).

Table 8. Results on the expenses of sub-components related to shelter/accommodation

No.	Sub-components	Mean (RM)		
		Total	Rent	Loan
1	Rental	124.00	124.00	-
2	Housing loan	331.88	-	331.88
3	Electricity	87.67	86.14	96.88
4	Water supply	32.54	31.21	40.50
5	Telephone	47.84	46.63	56.40
6	Sewerage water treatment – Indah Water	45.00	45.00	-
7	Internet	87.65	88.78	80.00
8	Cable channel – Astro	69.84	70.03	68.85
9	Maintenance	45.00	45.00	45.00
	Total	396.67	363.58	603.00

Table 8 shows the mean value for each of the expenses of the identified sub-components of shelter. Apart from mean value of the total survey, results are also segregated between the mean value of expenses incurred by those renting the house and those paying housing loan.

It has to be noted here that the number of respondents for every component is different. This is due to the fact that not all respondents answer all the questions related to their expenditures on sub-components related to shelter as listed in the questionnaire. Hence, the outcome of the survey should be evaluated accordingly.

4.2 Discussion

Table 9. Comparison between allocation for shelter in *haddul kifayah* and results from the survey

Haddul kifayah	Results of the survey		
	Total	Rental	Housing loan
RM300.00	RM396.67 (32%)	RM363.58 (21%)	RM603.00 (101%)

Results from the survey in Table 9 suggested that the amount allocated under the *haddul kifayah* for shelter by MAIWP is lower; the actual total cost is at 32% higher. Differences in the cost of shelter are apparent between those who are paying rental cost and those who are paying/servicing housing loan, 21% and 101%, respectively, higher than the amount in *haddul kifayah*.

From the total cost of shelter, other than the rental or loan, electricity consumption contributes towards the highest proportion of the total cost, followed by internet, cable channel, telephone bill, sewerage water treatment and maintenance.

None of the respondents provide input on the cost for assessment tax, quit rent and joint management committee fee, indicating that those sub-components identified are not relevant to them, given that they are residing in the multi-storey PPR housing. However, the

cost such as assessment tax and quit rent are relevant to those who are living on landed low cost housing.

The authors are unable to compare the findings from the survey on the monetary allocations for each sub-component with the current allocations adopted by MAIWP. This is because it seems that published literature on the detail calculations is lacking. Thus, it is not clear how the total amount of RM300.00 allocated for the sub-components forming the housing component is established.

5 Conclusion

This paper reported on a study focusing on the shelter in the *haddul-kifayah*. The objectives are:

- i) To identify the sub-components for the shelter in the *haddul-kifayah* and the monetary allocations corresponding thereto, and;
- ii) To examine whether the identified sub-components and the monetary allocations corresponding thereto are appropriate and sufficient in meeting the current basic needs of shelter by the *asnaf faqr* and *asnaf miskin* respectively.

From the desk study and the questionnaire survey conducted, this paper identified a list of sub-components that are deemed appropriate in forming the shelter components of the *haddul kifayah*.

In addition, the study indicated that the sub-components forming the shelter in the *haddul kifayah* and the monetary allocations corresponding thereto as currently being adopted by MAIWP are neither appropriate nor sufficient in meeting the current needs of the *asnaf faqr* or *asnaf miskin*, respectively.

Consequently, it is deemed appropriate to propose for *zakat* authorities to cogitate in revising the standards applied in determining the appropriateness and sufficiency of the sub-components forming the shelter in the *haddul-kifayah*. The result from the study can serve as an impetus for a comprehensive and national study on the provision of *haddul kifayah* for shelter to be conducted.

The study has been able to emphasize the significance of multi-disciplinary approach in conducting research. As in this case, the study involved issues related to socio-economy within the context of Islam. Past studies were mostly conducted from the perspective of Islam only, i.e; focussing on *zakat* with very limited exposure on issues related to social and economy of the Muslim communities and others.

In addition, the fact that the study concerns issues about the provision of shelter and its affordability as viewed from the perspective of *zakat* would therefore be useful to be further explored from the perspective of the construction industry. This is due to the fact that the provision of shelter is the domain of the construction industry. Hence, the outcome of the current study should be viewed with importance by researchers, practitioners and policy makers of the construction industry.

The study is not without limitation and the idea presented herein is still at its infancy. Hence, further and in-depth study is required and on-going.

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