

Qardul Hasan and Community Empowerment: Lessons can be learned from the two Best Practice Leading Countries, Indonesia and Malaysia

¹Ziaulrahman Mushkalamzai, ²Mohammad Wasim Hanif, ³Azizulrahman
Aziz

¹² Islamic Studies Department, Sharia and Law Faculty of Kandahar University, ³ Islamic
Culture Department, Sharia and Law Faculty of Kandahar University
Alamat Surat

E-mail: ¹ mashkalamzai@gmail.com, ² wasimkhan.hanif@gmail.com,
³ azizulrahmanaziz@gmail.com

Abstract

In Islamic Sharia, Qardul Hasan is a significant tradition of benevolent loans. In the Quran and Sunna, Allah and his messenger Mohammad maintain on giving Qardul Hasan. Some Islamic countries such as Indonesia and Malaysia have worked hard in recent years to use Qardul Hasan based on the principle of benefits to empower the community. To Use it effectively and empower community, it is needed for it to manage and institutionalize. In Afghanistan, Qardul Hasan is still used classically and it has not been used in the principle of benefits for the development and empowerment of society. As a result, the purpose of this article is to propose a new model of Institutionalization Qardul Hasan for using it based on the principle of benefits to empower and alleviate poverty in Afghan society. This article conducted qualitative research that first examines Qardul Hasan from the perspective of Islamic Sharia. Second, for the practice of the theory some institutions from two leading countries such as Indonesia and Malaysia have been studied.

Keywords: Qardul Hasan, Community, Empower, Society, Poverty

Abstrak

Dalam Syariah Islam, Qardul Hasan adalah tradisi pinjaman kebajikan yang signifikan. Dalam Al-Quran dan Sunnah, Allah dan rasul-Nya, Nabi Muhammad SAW, terus mempertahankan Qardul Hasan. Beberapa negara Islam seperti Indonesia dan Malaysia telah bekerja keras dalam beberapa tahun terakhir untuk menggunakan Qardul Hasan berdasarkan prinsip manfaat untuk memberdayakan masyarakat. Agar dapat digunakan secara efektif dan memberdayakan masyarakat, diperlukan pengelolaan dan pelebagaan. Di Afghanistan, Qardul Hasan masih digunakan secara klasik dan belum digunakan dengan prinsip manfaat untuk pengembangan dan pemberdayaan masyarakat. Oleh karena itu, tujuan dari artikel ini adalah untuk mengusulkan model baru pelebagaan Qardul Hasan yang menggunakan prinsip manfaat untuk memberdayakan dan mengentaskan kemiskinan di masyarakat Afghanistan. Untuk menjawab pokok permasalahan digunakan metode analisis data kualitatif terhadap bahan data utama dan pendukung untuk membuktikan efektivitas penggunaan Qardul Hasan bagi kemaslahatan dan pemberdayaan masyarakat, permasalahan tersebut dilihat dari sisi praktis dengan mempelajari dua negara terkemuka, Indonesia dan Malaysia. usulan model konsep Qardul hasan yang sebagai rancangan untuk pola tradisi klasik Qardul hasal di Afghanistan. upaya untuk Afghanistan dapat mengubah tradisi klasik Qardul Hasan menjadi model yang bermanfaat untuk memberdayakan masyarakat dalam mengentaskan kemiskinan.

Artike ini pertama-tama mengkaji Qardul Hasan dari perspektif Syariah Islam. Kedua, bagaimana praktik teori yang terkait dengan Qardul Hasan di beberapa lembaga dari dua negara terkemuka seperti Indonesia dan Malaysia.

Kata Kunci: Qardul Hasan, Masyarakat, Pemberdayaan, Kemasyarakatan, Kemiskinan

Introduction

This article emphasizes the significance of Qardul Hasan in empowering the underprivileged Afghan community. Poverty, as we all know, is not a new phenomenon. It has happened in several societies for a long time.¹ In this regard, the role of Qardul Hasan as an initiative tool of Islamic Microfinance is visible. Qardul Hasan needs to follow the rules that govern Islamic Finance, which is primarily based on Sharia law. The specific rules used to take into consideration are the restrictions of *Riba* (usury) and *Gharar* (uncertainty).² Microfinance has emerged as an important tool for community empowerment in developing countries in recent years. Prof. Mohammad Yunus, the founder of Grameen Bank in Bangladesh and the originator of the microfinance concept, believes that 5% of Grameen Bank's customers exit poverty each year.³

Indonesia and Malaysia, two leading countries for the empowering community, have built their economies on Sharia resources such as Qardul Hasan and so on. Indonesia established BMT, Baitul mal wattamwil, in this regard. Baitul Mal and Baitut Tamwil are the two types of activities offered by BMT. BMT's activity as baitut tamwil is to promote saving and productive programs to establish productive businesses. In addition, it offers a variety of financing schemes for a variety of business activities based on Shariah principles and collaboration based on loss and profit sharing. BMT, as baitul mal, provides a social service by assisting in the distribution of social funds such as *Zakat*, *infaq*, and *Sadaqah* to those who are deserving (*mustahiq*).⁴ Malaysia also established a number of institutions, such as Amanah Ekhtiar, TEKUN, and so on. They used the Qardul Hasan concept, which is based on the principle of community empowerment.

However, it is the government's responsibility to work for a better economic situation in society. In this regard, Islam has proposed several approaches and strategies. Qardul Hasan is one of these Islamic Sharia strategies. It is an Islamic Sharia-based system for all types of loans without compensation. The concept of Qardul Hasan is classified in classical *fiqh* literature as a mutual aid contract or *Tabarru'*, which is a non-profit transaction agreement. Indonesia and Malaysia are two countries that have modernized Qardul Hasan through institutionalization and management methods. Afghanistan, on the other hand, adheres to the traditional *fiqh* concept and method of Qardul Hasan. This article wants that how Afghanistan

¹ Di Ajeng Laily Hidayati, *Quranic Perspective on Poverty Alleviation*, Lentera, Vol. IXX, No. 2, December 2015, 129.

² *Ibid.*

³ Mohamoud-Yonis, Abdiqadir, *Islamic Microfinance System and Poverty Alleviation in Somaliland*, MPRA, June 2012, p 2.

⁴ Husni Mubarrak, "Developing BMT as a Loss-Profit Sharing-Based Microfinance: An Indonesian Experience," *Ijtihad: Jurnal Wacana Hukum Islam Dan Kemanusiaan* 18, no. 2 (2018): 137, <https://doi.org/10.18326/ijtihad.v18i2.137-152>.

could change its policy and methods from traditional using to modern methods to empower the Afghan community.

Regarding the Theory of Institutionalization of Qardul Hasan can be discussed that Islam has proposed different strategies and traditions, such as Zakat, Sadaqah, Infaq, and Qardul Hasan, to alleviate poverty in society. If these traditions and strategies are used in the right way and effectively, the result will be positive, and if they are used unproductively, then the result will be negative. One of these strategies is Qardul Hasan. In Islamic Shariah, Qardul Hasan has been considered an important tool for community empowerment as the *Tabarru'* (تبرع), and it is a non-profit transaction. Recently, contemporary scholars, while it is *Tabarru'* used the concept of Qardul Hasan to implement based on the principle of benefits for community empowerment. In this regard, the institutionalization and management of QH is needed. Also, it plays an important role in developing and empowering of the community.

METODE

This study is a kind of qualitative research, and its design started from using the primary data to respond the question, that was needed to observe the issue in classical jurisprudence. Then the issue of its importance is overviewed for the contemporary scholar's opinion regarding the institutionalization of Qardul Hasan and its use based on the principle of the benefit to empower society. To prove the effectiveness of using Qardul Hasan for the benefits and empowerment of society, the issue has been seen from the practical side by studying two leading countries, Indonesia and Malaysia. Lessons learned from them and applied by making a new proposed model of Qardul for Afghanistan. To understand the Qardul Hasan tradition in Afghanistan, data was collected by a questionnaire from the field. The questionnaire had two parts, one describing the practice of Qardul Hasan in Afghanistan, and the second describing how Afghanistan can change Qardul Hasan's classic tradition to a beneficial model to empower the community.

The Problem Discussion

The Concept of Qardul Hasan

Literally, Qardul Hasan comprises of two words. *Qard* and *Hasan*. The first word "*qard*" etymologically is derived from Arabic "*qard*" or "*qirad*" which means "to cut". Thus, in Qardul Hasan the owner cutting from his property by giving loan to the borrower or suggesting that the person extending the loan is giving the borrower of his property.⁵ The second which is *Hasan*, also an Arabic word, which originates from 'ihsan'. *Al Hasan* etymologically means good or handsome the opposed from bad or ugly.⁶ And actually the *Ihsan* means Kindness to others. For example Arab said, *Rajul muhsin*, it means that the person is very good and kindness. Terminologically, the *Qard* is giving the property to the needy people and they will take benefits and repay after some time. So, etymologically Qardul Hasan

⁵ Wahbah Az Zuhaily, *Al fiqh wa adilatuhu*, undate, Dar al Fikr, Syria, 5/3786.

⁶ Al Maany, Word *Hasan*, available at <https://www.almaany.com/en/dict/ar-en/%D8%AD%D8%B3%D9%86/>

means that someone cutting the right of others with kindness.⁷ Thus, the Qardul Hasan can be defined as a loan without any benefits, gratuitous, Reba free and beautiful loans.⁸

According to Hanafi, *Qard* is legal contract as one where a fungible estate is transferred by one party to another, in return for a future payment of an equivalent amount.⁹ The Malikis Defined that the *Qard* is a property which is granted to someone for the *taqarub* of Allah, then used by borrower and returned as the origin or similar of that property.¹⁰ In the meantime, *Qard* is demarcated by the *Shafi'* Ulama as property ownership that will be repaid in the future because the lender cut off a portion of his property to the borrower.¹¹ Some *Ulama* said, According to *Fiqh* the *Qardul Hasan* is considered as a contract that gives the property and the responsibility to one and returns certain assets and liabilities as a type of *Tabarru* and *Taqrrub* to Allah S.W.¹²

In modern economic world, Qardul Hasan is considering benevolent loans; therefore, a loan given on the ground of a mere social duty, in which case the borrower is not obligated to repay anything except loans. Also, the nature of the Qardul Hasan is not financial benefits. M. Umer Chapra, Pakistani- Saudi economist, has given the definition of *Qardul Hasan* as: "*Qardul Hasan* is a loan which is returned at the end of the agreed period without any interest or share in the profit or loss of the business." *Qardul Hasan* is "An interest free loan given mainly for welfare purposes. The borrower is only required to pay back the amount borrowed."¹³ To conclude, Qardul Hasan is a kind of free loan given to the needy and oppressed people of community for a fixed period of time without requiring interests or profit payment. So, Qardul Hasan's receiver is only required to repay the original loan amount.

Qardul Hasan in the view of Quran and Hadith

Islam is not just a religion, but it is a completely way of life. Islam allows loans to help the poor and those in need of financial assistance as form of social service among the rich. Loan in Islam can be obtained in two ways: loan with repayment condition, and free loan without compensation or gift. Islam does not recognize any loan with interest to the debtor's benefit. Islam only gratuitous loans recognized or better known as Qardul Hasan.

⁷ Muhammad Nuruddin Urdunyah, *al Qardh al Hasan Wa Ahkamuhu Fi al Fiqh al Islamy*, 2010, Jamiah an Najah al Wathoniyah, Nablus, Palestine, p.12

⁸ Kindah. Hamid Al tarkawi, *Al Qardul Ahasan*, 2016, <https://www.alukah.net/sharia/0/109152/>. Last visited Nov 11, 2019.

⁹ Ibn Abidin. M Amin, *Raddul Muhtar Ala Durrilmukhtar*, Dar al kutub elmiyah, Berut, 4/171.

¹⁰ Al Qarwany, *Kifayah ath Tholib Ar Rabbani*, Maktabah ats Tsaqafah al Diniyah, al Qahirah, 2/455.

¹¹ Asy Syarbiny. M bin Khateeb, *Mughni al Muhtaj ila Ma'rifah Ma'ani al Alfadz al Minhaj*, Mathba'ah al Baby al Halabi, Egypt, 2/117.

¹² Ibid.

¹³ A Glossary of Islamic Economic Terms, see Dr. Mohammad Omar Farooq, *Qard al-Hasan Applications and Misapplications of Some Concepts in Islamic Banking*, paper was presented at Harvard Islamic Finance Forum, April 19-20, 2008.

Allah and prophet mentioned Qardul Hasan in numerous places in the Quran and Hadith. Allah says: ¹⁴

لِيَه تَرْجَعُونَ مِّنْ ذَا الَّذِي يُقْرِضُ اللَّهُ قَرْضًا حَسَنًا فَيُضْعِفُهُ لَكُمْ أَضْعَافًا كَثِيرَةً وَاللَّهُ يَقْبِضُ وَيَبْسُطُ وَإِ

“Who is it that would loan Allah a goodly loan so He may multiply it for him many times over? And it is Allah who withholds and grants abundance, and to Him you will be returned”.

In this Ayah Allah equates good deeds and charity gift with loans, and the profit is equated with debt payment so people do better or something to get replacement so that they imitate those who borrow something to get back. ¹⁵

" رَأَيْتُ لَيْلَةَ أُسْرِي بِي عَلَى بَابِ عَنْ أَنَسِ بْنِ مَالِكٍ، قَالَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ الْجَنَّةُ مَكْتُوبًا الصَّدَقَةُ بِعَشْرِ أَمْثَالِهَا وَالْقَرْضُ بِثَمَانِيَةَ عَشَرَ . فَقُلْتُ يَا جِبْرِيْلُ مَا بَالُ الْقَرْضِ أَفْضَلُ مِنَ الصَّدَقَةِ . قَالَ لِأَنَّ السَّائِلَ يَسْأَلُ وَعِنْدَهُ وَالْمُسْتَقْرِضُ لَا يَسْتَقْرِضُ إِلَّا مِنْ حَاجَةٍ " ¹⁶

It was narrated from Anas bin Malik that the Messenger of Allah (ﷺ) said: “On the night on which I was taken on the Night Journey (Isra), I saw written at the gate of Paradise: 'Charity brings a tenfold reward and a loan brings an eighteen-fold reward.' I said: 'O Jibril! Why is a loan better than charity?' He said: 'Because the beggar asks when he has something, but the one who asks for loan does so only because he is in need.'”¹⁷

The above Quranic verses and Hadith of the prophet show and strength the legality and permission of Qardul Hasan in Islam. Also, the verses and Hadith directly and indirectly inspire the Muslims to give Qardul Hasan and which will increase their credits and be multiple by Allah and bring forgiveness for them.

Objectives of Qardul Hasan

Islam has emphasized to make brotherhood between Muslims. Also, it emphasizes in social affairs among the Muslims. So, the main principle of brotherhood particularly in Qardul Hasan is to care about each other and share one another. The Qardul Hasan will help those who are in a very indigent moment and necessarily want his brother assistance. Therefore, in this regard the Qardul Hasan plays a crucial role to bring brotherhood. The objectives of Qardul Hasan can summarize as the follows:

- a. Qardul Hasan is an assistance with indigent fellow people,
- b. It is creating the best relationships between indigent and underprivileged people and rich people.
- c. Mobilizing the wealth and fortune among all people in the society.
- d. Muslim performing a good deed that is stimulated and appreciated by Allah (S.W) and his Prophet Mohammad.
- e. Qardul Hasan is establishing a caring and helpful society.

¹⁴ Quran 2:245

¹⁵ Abdullah Muhammad At Thayyar et.al, *Al Fiqh Al Muyassar*, 2004, Madar al Wathan Li An Nasyr, Riyadh, KSA, p.154

¹⁶ Qazweeni. Ibn Maja Abdullah, *Sunan Ibn Majah*, available at <https://sunnah.com/urn/1325260>.

¹⁷ Ibid.

6 | Ziaulrahman Mushkalamzai, Mohammad Wasim Hanif, and Azizulrahman Aziz

- f. Qardul Hasan is alleviating poverty and employability problems from the society.
- g. Giving of Qardul Hasan to non-Muslims, would be a kind of Da'wa activities and might be attracted by knowing the beauty of the Islam.
- h. Qardul Hasan can eliminate social and economic discrimination and disappointment from the society.

Lastly, by giving Qardul Hasan Allah gives the greatest reward to lender in the Hereafter.¹⁸

Qardul Hasan Condition in Afghanistan

Afghanistan had the best economy decades before, but as it has been suffering of wars and currently became one amongst the underprivileged countries in the world. Thus, the Poverty in both rural and urban areas is widespread. The survey titled "The Living Conditions in Afghanistan" by a joint survey conducted by the Central Statistics Organization (CSO) and ICON International indicates that nearly 54 % of Afghanistan 's population live below the poverty line of more than 16 million people in the country, which is almost half the population. Based on the survey, the number of people who are unable to afford their basic needs is about 15% whereas the unemployment rate is around 24%.¹⁹ Haseebullah Mawahid the CSO technical deputy said in his interview to Tolo news that "According to calculations, if a person spends less than 2,064 Afghani (almost \$30) in a month, then he lives below the poverty line".²⁰

Recently, in Afghanistan after entering the International Community, the Government has been trying to stand Afghanistan back on natural sources and economy and make the resources usable. But unfortunately, proxy war the government has run into problems and has not allowed to recover. Therefore, in (2020) after the reelecting Ghani as a president of Afghanistan had appointed Mohammad Yusuf Ghazanfar as his High Representative for Economic Development, Trade, and Poverty Alleviation in his first inauguration decree.²¹ Therefore, the efforts of the Government of Afghanistan to alleviate poverty. Thus, in this regard Islamic Microfinance is the best way to fight poverty. According to my study, all the Islamic countries have made efforts in this regard and have achieved the goal regarding alleviation of poverty, Indonesia and Malaysia are worth to be mentioned. However, in the past decade of war, people have been surfing unpredictable situation. War damaged the country's economic and brought poverty. People complaining increasing unsympathetic situation in Afghanistan. Rich people are not enthusiastic to fully practice Islamic Sharia by

¹⁸ Ismail. Ab Ghafar and Possuma. Bayu Taufiq, *Qardhul Hasan Principles Applied to Micro Finance Facilities*, Paper to be presented at the 2nd International Workshop in Islamic Economics Theory, 8-9 December 2010, Bangi, page 6.

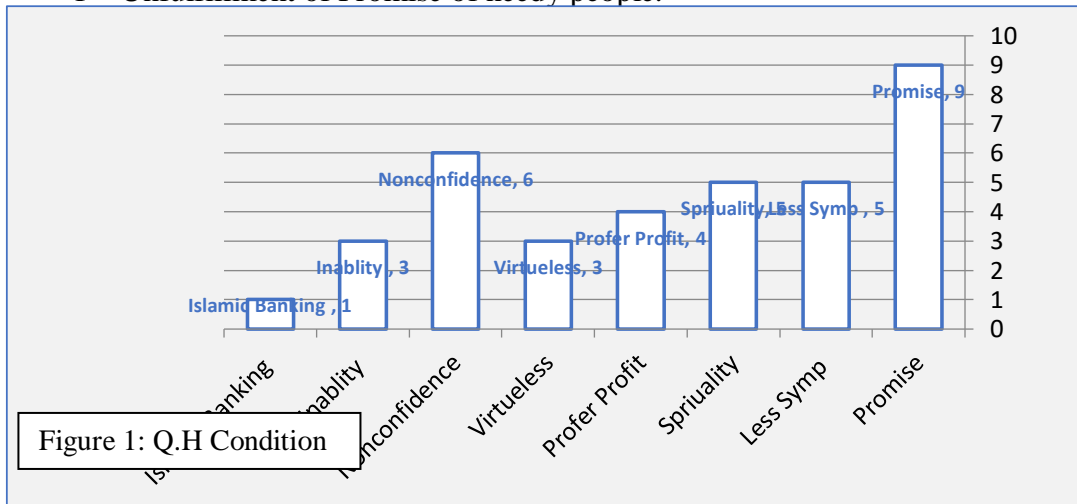
¹⁹ Analysis report of Central Statistics Organization, *Afghanistan Living Condition Survey 2016-17*, <https://washdata.org/sites/default/files/documents/reports/2018-07/Afghanistan%20ALCS%202016-17%20Analysis%20report.pdf>. Last visited July7, 2020.

²⁰ Omid. Sayed Haidar Shah, 54 Percent of Afghans Live Below Poverty Line: Survey (06 May, 2018), <https://tolonews.com/business/54-percent-afghans-live-below-poverty-line-survey>.

²¹ Jomhornews, The Decree of President according Ghazanfar, <http://www.jomhornews.com/fa/news/125797/>. Last visited July 7, 2020.

giving Qardul Hasan to the needy people of society. Nevertheless, before the war in Afghan society was practicing the best relationships and confidence between poor and rich regarding Qardul Hasan. In this regard, based on the survey by questionnaire and also in research directed by The Afghanistan Research and Evaluation Unit (AREU) in the western region of Afghanistan under the title of *Investigating of Affected Livelihood by war in Herat* shows causes of collapsing of Qardul Hasan in Afghanistan. It could be summarized as the follow:

1- Unfulfillment of Promise of needy people.



The chart shows current condition of Qardul Hasan in Afghanistan. It shows that Afghanistan has no institution like Malaysia and Indonesia to use Qardul Hasan based on the benefits of the community empowerment and to provide services as a social duty for the Afghan needy people. The study found that Afghanistan has weak management of Qardul Hasan and has no rules except the Central Bank of Afghanistan has a guide of *Qard* for other Islamic banks and conventional banks, but no further progress has been made.²³ Lastly, the concept of Qardul Hasan in Afghanistan is still classic and has no progress for using it based on the principle of benefits to empower Afghan community.

Discussion Regarding Qardul Hasan in Practice

Malaysia and Indonesia are the leading countries in Southeast Asia in implementing the theory of Qardul Hasan based on the principle of benefits to empower community. Here the study wants to exemplified them by making a proposed model for Afghanistan.

²² TamSha and Ihasanullah Ghafari, *Investigating of Affected Livelihood by war in Herat*, secure livelihoods research consortium, Page 28. <https://areu.org.af/wp-content/uploads/2019/07/1903P-Afghanistan-informal-credit.pdf>. Last visited Dec 13, 2019.

²³ Da Afghanistan Bank (Central Bank of Afghanistan), *Qard Product guide*, <https://dab.gov.af/sites/default/files/2018-12/21QardProductGuide1212016151522432553325325.pdf>, last visited October 10, 2020.

Malaysia

Malaysia is considered a reputed country in implementing the best policy of Qardul Hasan by building institutions. For example, the New Economic Policy, National Vision Program, Amanah Ikhtiar Malaysia, and TEKUN have been established. The key goals of these projects were to reduce poverty, restructure communities and establishing a sustainable economy. Within this programs and policies Malaysia has made success in meeting their aim of lowering total poverty levels in certain places and area. The poverty reduction rate (PRR) varies from 61% to 77%, across urban and rural areas in Malaysia. Amanah Ikhtiar Malaysia (AIM) which emulated the Grameen Bank model, has witnessed progress and development. The AIM has crossed 6,700 villages, including 123 branches with a recovery rate of 99%.²⁴

Indonesia

Indonesia is another the most Muslim papulation country in the Southeast of Asia. Like Malaysia, Indonesia well implemented Qardul Hasan productive institutions policies for poverty alleviation. There are some institutions that works giving Qardul Hasan in Indonesia.

BTM: “Baitul Tamwil Muhamadiyah, comprising about 5% of Islamic cooperatives, guided since 1999 by *Muhamadiyah*, with some 25 million members the second-largest Islamic mass organization in Indonesia. BTM are informally supervised by PPEM.”²⁵ This funding is given to people who are poor and indigent with becoming requirement of criteria of *asnaf*, namely: *Faqeer*, *Maskin* (poor), *gharim*, and *fisabilillah* in order to alleviate their poverty.

Baitul Mal Wa at Tamwil (BMT) Beringharjo, Yogyakarta

This funding is given to people who are poor and indigent with becoming requirement of criteria of *asnaf*, namely: *Faqeer*, *Maskin* (poor), *gharim*, and *fisabilillah*. According to BTM Beringharjo Qardul Hasan is a social payment agreement, which means that if the financial realization is Rp 100,000 (one hundred thousand rupiah), then the return is also Rp 100.000 (one hundred thousand rupiah) with the capacity-based payment amount. The BMT operationalized with Participatory Rural Appraisal approach (PRA):²⁶

To conclude, in my opinion both countries worked hard in this aspect. Their systems are close to each other. But the difference is in the payment or in the borrowers. Malaysia's advantage and amount of money is higher than Indonesia. Malaysia, also considered people with low incomes as well as single mothers who are under worse economic situation. In Indonesia, the NU and the Muhammadiyah, which are huge religious groups, have worked hard as well, but I think the Muhammadiyah work, and activities are more than the NU because it has more funding. The other best choice in Indonesia is that Muhammadiyah considered all *asnafs* and classes which designated by Shari'ah for giving Zakat and Qardul Hasan well as orphans.

²⁴ Imad, *Islamic Microfinance in Malaysia*, Nuqta.com (March 23, 2107)

<http://www.nuqhta.com/2017/03/23/islamic-microfinance-in-malaysia/>. Last visited July 22, 2020.

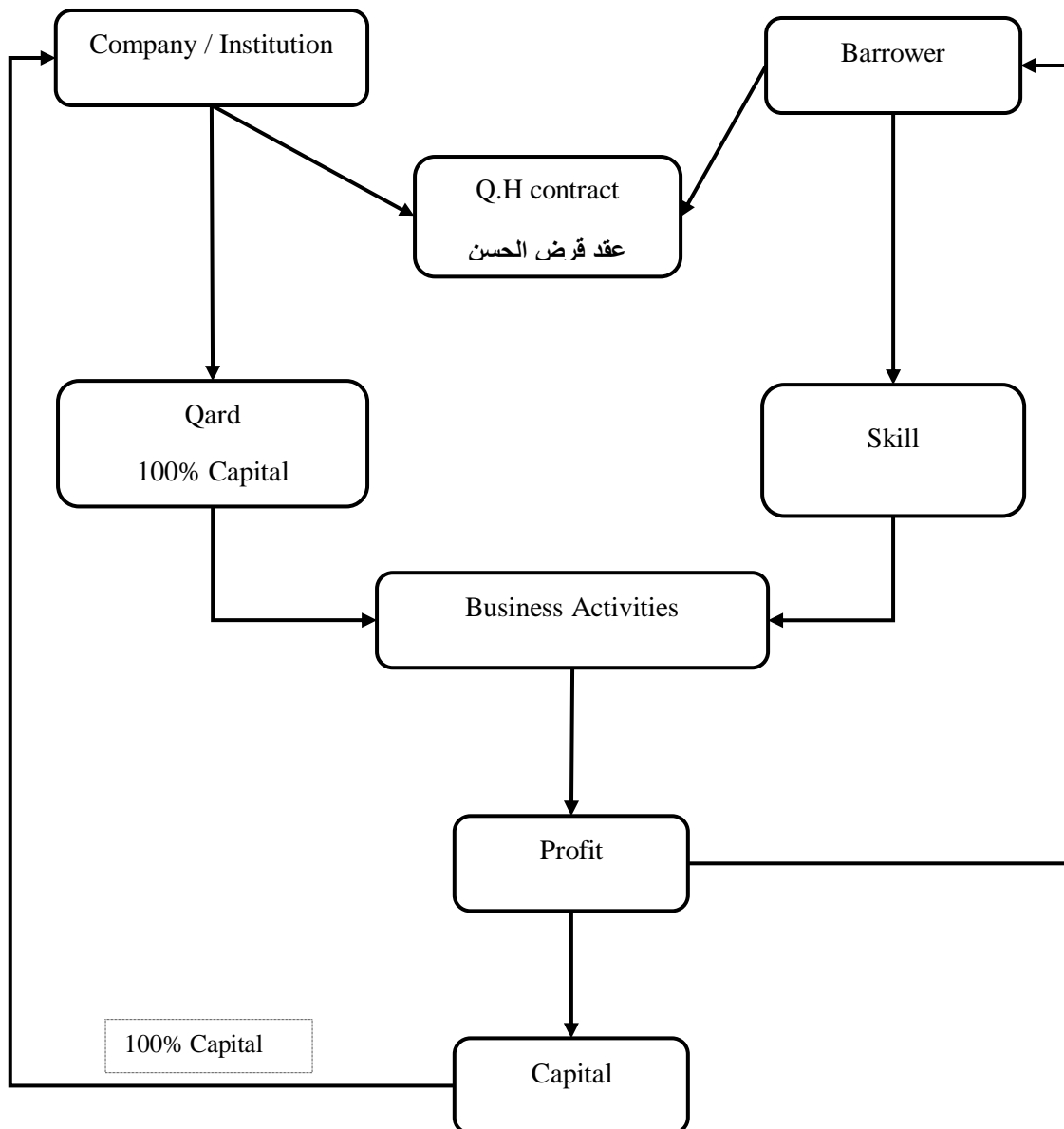
²⁵ *Ibid*, 7

²⁶ BMT. Beringharjo, <https://bmtberingharjo.com/produk/qordul-hasan> last visited Nov30, 2019.

Result and Closing

Model of Q.H in Community Empowerment:

Figure 2: Q. H Proposed Model



Source: The Author own work

The model illustrates Qardul Hasan's proposed Afghanistan model. It demonstrates Qardul Hasan loan processing, which can be used for community empowerment. In this model, a company or institution will make a loan to a poor or needy person, with the capital provided entirely by the Qardul Hasan institution. The borrower or individual must then start working or conducting business. During the borrower's work and business activities, he will support himself while also paying a portion of the loan as specified by the institution. As a result, according to the contract, the borrower can pay the entire capital to the company at the specified time without any interest (riba).

Conclusion

Islam is a religion that values equality and encourages wealthy people to assist the poor and needy. In this regard, Qardul Hasan is regarded as the bridge between rich and poor people, a concept known as *Tabarru'* in Islamic Sharia. To conclude, it is possible that Qardul Hasan tradition exists in Afghanistan. However, it is still operating in its traditional form, which is ineffective in responding to poverty alleviation in Afghanistan. According to the findings of this study, Afghanistan needs to institutionalize and manage Qardul Hasan based on benefit in order to empower the community. To demonstrate this, Indonesia and Malaysia have used Qardul Hasan based on the principle of benefit to empower communities. As a result of this research, a model for managing and utilizing Qardul Hasan for the benefit of society has been developed. The model presents loan processing for the Qardul Hasan financial institution. In this model, a company or institution will make a loan to a poor or needy person, with the capital provided entirely by the Qardul Hasan institution. The borrower must then begin work or business activities. He will support himself while also paying a portion of the loan as specified by the institution without compensation.

References

- Al- Quran al Karim
- A Glossary of Islamic Economic Terms, see Dr. Mohammad Omar Farooq, Qard al-Hasan Applications and Misapplications of Some Concepts in Islamic Banking, paper was presented at Harvard Islamic Finance Forum, April 19-20, 2008.
- Abdullah Muhammad At Thayyar et.al, *Al Fiqh Al Muyassar*, 2004, Madar al Wathan Li An Nasyr, Riyadh, KSA.
- Abdullah, *Sunan Ibn Majah*, available at <https://sunnah.com/urn/1325260>.
- Al Qarwany, *Kifayah ath Tholib Ar Rabbani*, Maktabah ats Tsaqafah al Diniyah, al Qahirah, 2/455.
- Analysis report of Central Statistics Organization, *Afghanistan Living Condition Survey 2016-17*, <https://washdata.org/sites/default/files/documents/reports/2018-07/Afghanistan%20ALCS%202016-17%20Analysis%20report.pdf>. Last visited July7, 2020.
- Asy Syarbiny. M bin Khateeb, *Mughni al Muhtaj ila Ma'rifah Ma'ani al Alfadz al Minhaj*, Mathba'ah al Baby al Halabi, Egypt, 2/117.
- Di Ajeng Laily Hidayati, *Quranic Perspective on Poverty Alleviation*, Lentera, Vol. IXX, No. 2, December 2015, 129.
- Ibn Abidin. M Amin, *Raddul Muhtar Ala Durrilmukhtar*, Dar al kutub elmiah, Beirut, 4/171.
- Imad, *Islamic Microfinance in Malaysia*, Nuqtah.com (March 23, 2107) <http://www.nuqhta.com/2017/03/23/islamic-microfinance-in-malaysia/>. Last visited July 22, 2020.
- Ismail. Ab Ghafar and Possuma. Bayu Taufiq, *Qardhul Hasan Principles Applied to Micro Finance Facilities*, Paper to be presented at the 2nd International Workshop in Islamic Economics Theory, 8-9 December 2010, Bangi, page 6.
- Jomhornews, *The Decree of President according Ghazanfar*, <http://www.jomhornews.com/fa/news/125797/>. Last visited July 7, 2020.
- Kindah. Hamid Al tarkawi, *Al Qardul Ahasan*, 2016, <https://www.alukah.net/sharia/0/109152/>. Last visited Nov 11, 2019.
- Mohamoud-Yonis, Abdiqadir, *Islamic Microfinance System and Poverty Alleviation in Somaliland*, MPRA, June 2012, p 2.
- Mubarrak, "Developing BMT as a Loss-Profit Sharing-Based Microfinance: An Indonesian Experience," *Ijtihad : Jurnal Wacana Hukum Islam Dan Kemanusiaan* 18, no. 2 (2018): 137, <https://doi.org/10.18326/ijtihad.v18i2.137-152>.
- Muhammad Nuruddin Urduniyah, *al Qardh al Hasan Wa Ahkamuhu Fi al Fiqh al Islamy*, 2010, Jamiah an Najah al Wathoniyah, Nablus, Palestine, p.12
- Omid. Sayed Haidar Shah, 54 Percent of Afghans Live Below Poverty Line: Survey (06 May, 2018), <https://tolonews.com/business/54-percent-afghans-live-below-poverty-line-survey>.
- Qazweeni. Ibn Maja
- TamSha and Ihasanullah Ghafori, *Investigating of Affected Livelihood by war in Herat*, secure livelihoods research consortium, Page 28.

<https://areu.org.af/wp-content/uploads/2019/07/1903P-Afghanistan-informal-credit.pdf>. Last visited Dec 13, 2019.

Wahbah Az Zuhaily, *Al fiqh wa adilatuhu*, undate, Dar al Fikr, Syria, 5/3786.

Internet Sources

Al Maany, Word Hasan, available at <https://www.almaany.com/en/dict/ar-en/%D8%AD%D8%B3%D9%86/>

BMT. Beringharjo, <https://bmtberingharjo.com/produk/qordul-hasan> last visited Nov30, 2019.

Da Afghanistan Bank (Central Bank of Afghanistan), *Qard Product guide*, <https://dab.gov.af/sites/default/files/2018-12/21QardProductGuide1212016151522432553325325.pdf>, last visited October 10, 2020.