

**INDEBTEDNESS ISSUE AMONG *AL-GHĀRIMĪN*
IN BRUNEI DARUSSALAM**

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BRUNEI DARUSSALAM**

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بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

**INDEBTEDNESS ISSUE AMONG *AL-GHĀRIMĪN*
IN BRUNEI DARUSSALAM**

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for the degree of
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**Faculty Of Economics and Islamic Finance
Sultan Sharif Ali Islamic University
Brunei Darussalam**

Dhu al-Qa‘edah 1437 / August 2016

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**INDEBTEDNESS ISSUE AMONG *AL-GHĀRIMĪN*
IN BRUNEI DARUSSALAM**

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I hereby declare that the work in this academic exercise is my own except for quotations and summaries which have been duly acknowledged.

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ABSTRACT

INDEBTEDNESS ISSUE AMONG *AL-GHĀRIMĪN* IN BRUNEI DARUSSALAM

This study aims to give the true meaning of “debt” from the perspective of Islam and identify the definitions of *al-Ghārimīn* based on the view of Jurists of the four *madhāhib* and Brunei practice. It also seeks the types of debt owed by *al-Ghārimīn* recipients as well as investigates the main factors and impacts of being in debt that lead to an arising issue on unexpected rising numbers of *al-Ghārimīn* applicants in Brunei Darussalam. This study will only focus on one crucial issue i.e. the indebtedness issue. By identifying the issue beforehand, effective solutions will be recommended to tackle the problem. This study adopts descriptive and survey methods on the data collection. There are seven types of debt found during the survey and the majority are being in debt for government loan schemes, followed by private debts, financing loan and so on. It is found that among the main factors of being in debt are having small amount of monthly income, taking care of a large number of dependants, difficulty in getting job, settling other debts and many more. Thus, the impacts of being indebtedness led to many problems which include family problems, multiple debts occurred, feeling disorders, bankruptcy and many more that caused troubles to *al-Ghārimīn* themselves. Findings from this research are to guide *al-Ghārimīn* Unit and *al-Ghārimīn* themselves to surpass the issue. Hence, some recommendations have been suggested in order to mitigate the indebtedness issue among *al-Ghārimīn* as well as to raise awareness on this issue.

Keywords: indebtedness, *al-Ghārimīn*, Brunei Darussalam.

ABSTRAK

ISU KEBERHUTANGAN DI KALANGAN *AL-GHĀRIMĪN* DI NEGARA BRUNEI DARUSSALAM

Kajian ini bertujuan untuk memberi pengertian sebenar “hutang” dari perspektif Islam dan mengenali pengertian *al-Ghārimīn* berlandaskan pemahaman ulama daripada empat mazhab dan perlaksanaannya di Negara Brunei Darussalam. Kajian ini berusaha mengenal pasti jenis-jenis hutang yang ditanggung oleh *al-Ghārimīn* serta menyelidik faktor-faktor utama dan kesan-kesan berhutang yang mana kenaikan jumlah pemohon-pemohon *al-Ghārimīn* menjadi satu isu di Negara Brunei Darussalam. Kajian ini akan memberi fokus kepada satu isu sahaja iaitu isu keberhutangan. Dengan mengenal pasti isu tersebut, masalah keberhutangan akan dapat ditangani dengan mengajukan beberapa jalan penyelesaian yang berkesan. Untuk pengutipan data, kajian ini dilaksanakan dengan menggunakan kaedah deskriptif dan kaedah kajian lapangan. Kajian ini telah mendapati bahawa terdapat tujuh jenis-jenis hutang dan majoritinya telah berhutang dengan skim pinjaman kerajaan, pinjaman peribadi, pinjaman pembiayaan dan sebagainya. Kajian ini juga telah mendapati faktor utama masalah keberhutangan adalah disebabkan penerimaan kadar pendapatan yang rendah, mempunyai tanggungan ramai, susah mendapat pekerjaan, membayar pinjaman yang lain dan banyak lagi. Oleh itu, kesan-kesan berhutang menimbulkan pelbagai masalah lain seperti masalah kekeluargaan, hutang yang berlipat ganda, gangguan perasaan, muflis dan pelbagai lagi masalah yang menyebabkan kesusahan terhadap diri mereka sendiri. Hasil penemuan kajian ini dijangka dapat membantu Unit *al-Ghārimīn* dan juga diri *al-Ghārimīn* sendiri dalam menangani isu yang melanda. Oleh itu, beberapa cadangan telah dibawakan untuk menangani isu keberhutangan serta meningkatkan kesedaran orang ramai mengenai isu ini.

Kata kunci: Keberhutangan, *al-Ghārimīn*, Negara Brunei Darussalam.

ملخص البحث

المديونية بين الغارمين في بروناي دار السلام

تهدف هذه الدراسة إلى تقديم المعنى الصحيح لكلمة "دَّيْن" من المنظور الإسلامي، وتحديد تعريفات كلمة الغارمين بناءً على آراء الفقهاء، وممارستها في بروناي دار السلام. تسعى الدراسة أيضًا إلى معرفة أنواع دَّيْن الغارمين المستلمين، وكذلك بحث العوامل الرئيسية، وآثار الدَّيْن عليهم؛ مما أدَّى إلى ظهور أعداد متزايدة غير متوقَّعة لمقدمي طلبات الغارمين في بروناي دار السلام، تركز هذه الدراسة على موضوع واحد هام جدًا ألا وهو الدَّيْن. ويتحددنا للموضوع الذي بين أيدينا سوف تقدم الدراسة مقترحات لحلول ناجعة لمعالجة المشكلة. وتتخذ هذه الدراسة الطريقة الوصفية، والمسحية لجمع البيانات. وتوصلت الدراسة إلى وجود سبعة أنواع من الديون ومعظمها قروض تقع تحت الخطط الحكومية، ثم الديون الخاصة، والقرض التمويلي، وغيرها. اكتشفت الدراسة أن من بين العوامل الرئيسية للمديونية هي أن يكون الدخل الشهري قليلًا، وإعالة أسرة تتكون من عدد كبير من الأفراد، وصعوبة الحصول على الوظيفة، وقضاء الديون الأخرى، وغير ذلك من العوامل. لذا، أدَّى أثر المديونية إلى مشكلات عديدة؛ منها: المشاكل الأسرية، ووجود ديون متعددة، والشعور بالتخبط، والإفلاس، وغير ذلك؛ مما أدَّى إلى مشاكل للغارمين أنفسهم. توجه نتائج هذه الدراسة وحدة الغارمين، والغارمين أنفسهم لتخطي هذه المسألة؛ لذلك قُدِّمت بعض المقترحات لتخفيف أثر موضوع المديونية بين الغارمين، وبالإضافة إلى رفع مستوى الوعي في هذا الموضوع.

كلمات البحث: المديونية، الغارمون، بروناي دار السلام.

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TRANSLITERATION

TRANSLITERATION	ARABIC
<i>Allāh Subḥānahu wa Ta‘ālā</i>	الله سبحانه وتعالى
<i>al-Qur’ān</i>	القرآن
<i>al-Baqarah</i>	البقرة
<i>al-Birr</i>	البر
<i>al-Ḍarūriyyāt</i>	الضروريات
<i>al-Ghārimīn</i>	الغارمين
<i>al-Ghaṣb</i>	الغصب
<i>al-Ḥājiyyāt</i>	الحاجيات
<i>al-Madyūn</i>	المديون
<i>al-Māidah</i>	المائدة
<i>al-Mustaḥiqqīn</i>	المستحقين
<i>al-Ṣadaqah</i>	الصدقة
<i>al-Salaf</i>	السلف
<i>al-Shāfi‘ī</i>	الشافعي
<i>al-Sunnah</i>	السنة
<i>al-Taḥsīniyyāt</i>	التحسينيات
<i>al-Taqwā</i>	التقوى

TRANSLITERATION

TRANSLITERATION	ARABIC
<i>al-Tawbah</i>	التوبة
<i>Ahli Sunnah wal Jamā'ah</i>	أهل السنة والجماعة
<i>Aṣṅāf</i>	أصناف
<i>'Aqd</i>	عقد
<i>'Āqil</i>	عاقل
<i>Bāligh</i>	بالغ
<i>Bay' al-Dayn</i>	بيع الدين
<i>Bay' Bithaman Ājil</i>	بيع بضمن أجل
<i>Ḍa'īf</i>	ضعيف
<i>Dalīl</i>	دليل
<i>Dayn</i>	دين
<i>Du'ā'</i>	دعاء
<i>Faqīr</i>	فقير
<i>Fiṭrah</i>	فطرة
<i>Fuqarā'</i>	فقراء
<i>Ghaṣb</i>	غصب
<i>Ghanīmah</i>	غنيمة

TRANSLITERATION

TRANSLITERATION	ARABIC
<i>Ghārim</i>	غارم
<i>Ḥadīth</i>	حديث
<i>Ḥanafī</i>	حنفي
<i>Ḥanbalī</i>	حنبلي
<i>Ḥarām</i>	حرام
<i>Ḥukm</i>	حكم
<i>Ḥuqūq</i>	حقوق
<i>I'ārah</i>	إعارة
<i>Ījāb</i>	ايجاب
<i>Jāhiliyyah</i>	جاهلية
<i>Jā'iz</i>	جائز
<i>Jumhūr</i>	جمهور
<i>Madīn</i>	مدین
<i>Madhāhib</i>	مذاهب
<i>Madhhab</i>	مذهب
<i>Mālikī</i>	مالكي
<i>Mandūb</i>	مندوب

TRANSLITERATION

TRANSLITERATION	ARABIC
<i>Masākīn</i>	مساكين
<i>Maṣāliḥ</i>	مصالح
<i>Maqāṣid al-Sharī'ah</i>	مقاصد الشريعة
<i>Miskīn</i>	مسكين
<i>Mu'āwaḍāt Mālīyyah</i>	معاوضات مالية
<i>Muflis</i>	مفلس
<i>Murābaḥah</i>	مراجعة
<i>Muṣallā</i>	مصلی
<i>Nasakh</i>	نسخ
<i>Niṣāb</i>	نصاب
<i>Qabūl</i>	قبول
<i>Qarḍ al-Ḥasan</i>	قرض الحسن
<i>Raḍiallāhu 'Anhu</i>	رضي الله عنه
<i>Ribā</i>	ربا
<i>Salam</i>	سلم
<i>Ṣallallāhu 'Alayhi Wasallam</i>	صلى الله عليه وسلم
<i>Ṣīghah</i>	صيغة

TRANSLITERATION

TRANSLITERATION	ARABIC
<i>Shaytān</i>	شيطان
<i>Wājib</i>	واجب
<i>Zakāh</i>	زكاة

ABBREVIATIONS

<i>AMBD</i>	<i>Autoriti Monetari Brunei Darussalam</i> (Monetary Authority Brunei Darussalam)
<i>APTK</i>	<i>Agensi Pekerjaan Tempatan dan Pembangunan Tenaga Kerja</i> (Local Work Agency and Workforce Development).
<i>BAKAZ</i>	<i>Bahagian Kutipan dan Agihan Zakat</i> (Tithe Distribution and Collection Division)
<i>BIBD</i>	<i>Bank Islam Brunei Darussalam</i>
<i>BEDB</i>	Brunei Economic Development Board
<i>BJCE</i>	Brunei Junior Certificate of Education
<i>BND</i>	Brunei Dollar
<i>Ed.</i>	Editor
<i>ed.</i>	edition
<i>et al</i>	<i>et alia</i>
<i>etc</i>	<i>et cetera</i>
<i>FBMS</i>	Faculty of Business and Management Sciences
<i>HDD</i>	Housing Development Department
<i>HSBC</i>	Hongkong and Shanghai Bank Cooperation
<i>ibid</i>	<i>ion beam induced deposition</i>
<i>i.e.</i>	<i>exempli gratia</i>
<i>JAPEM</i>	<i>Jabatan Pembangunan Masyarakat</i>
<i>JMUIB</i>	<i>Jabatan Majlis Ugama Islam Brunei</i> (The Islamic Religious Council Department)
<i>MoF</i>	Ministry of Finance
<i>JPKE</i>	<i>Jabatan Perancangan Kemajuan dan Ekonomi</i> (Department of Economic Planning and Development)
<i>MUIB</i>	<i>Majlis Ugama Islam Brunei</i> (The Islamic Religious Council of Brunei)
<i>NGO</i>	Non-governmental Organization
<i>no.</i>	number
<i>n.d</i>	no date / no year of publications
<i>n.pl</i>	no place of publications
<i>Op.cit</i>	<i>Opus citatum est</i>
<i>p.</i>	page
<i>PCE</i>	Primary Certificate of Education
<i>pp.</i>	pages
<i>Pte. Ltd.</i>	Private Limited
<i>RPN</i>	<i>Rancangan Perumahan Negara</i> (National Housing Plan Scheme)
<i>SCB</i>	Standard Chartered Bank
<i>Sdn. Bhd.</i>	<i>Sendirian Berhad</i>
<i>sq. km</i>	Square kilometre
<i>STKRJ</i>	<i>Skim Tanah Kurnia Rakyat Jati</i>
<i>TDSR</i>	Total Debt Service Ratio
<i>TPOR</i>	<i>Tekad Pemedulian Orang Ramai</i> (Client's Charter)
<i>trans.</i>	translator
<i>Vol.</i>	Volume

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CHAPTER I

INTRODUCTION

Debt has been rising for decades and it is known as a two-edged sword which can improve welfare and enhance growth, but high levels of debt can be damaging and form a disaster.¹ For Muslims, debt is not an estimable practice. Thus, Islam encourages its followers to work hard, depend on their own and to be independent.² Allāh *Subḥānahu wa Ta'ālā* clearly says:

﴿وَقُلْ اَعْمَلُوا فَسَيَرَى اللّٰهُ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ وَسَتُرَدُّونَ اِلَىٰ عَالَمِ الْغَيْبِ وَالشَّهَادَةِ فَيَسْئَلُكُمْ بِمَا كُنْتُمْ تَعْمَلُونَ﴾

Means: “*And say (O Muḥammad Peace be Upon Him) Do deeds! Allāh will see your deeds, and (so will) His Messenger and the believers. And you will be brought back to the All-Knower of the unseen and the seen. Then He will inform you of what you used to do.*”³

In Brunei Darussalam, the phenomenon of people in debt was highlighted in a local newspaper in year 2000, where many are so indebted to the banks. The fact that many people are spending beyond their capabilities have left them with a heavy burden.⁴ *Al-Qur'ān* clearly mentioned regarding on spending of the good things, where Allāh says:

﴿يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ
وَأَنْتُمْ بِآخِذِيهِ إِلَّا أَنْ تُغِصُّوهُ فِيهِ وَعَلِّمُوا أَنَّ اللَّهَ عَزِيزٌ حَمِيدٌ﴾

Means: “*O you who believe! Spend of the good things which you have (legally) earned, and of that which We have produced from the earth for you, and do not aim at that which*

¹ Stephen G Cecchetti, M S Mohanty, and Fabrizio Zampolli. (2011). *The Real Effects of Debt*. n.pl: Bank for International Settlements. p.2.

² Benaouda Bensaid, *et.al.* “Enduring Financial Debt: An Islamic Perspective”. *Journal of Scientific Research 13 (2)*. Middle-East: IDOSI Publication. 2013. p.162.

³ *Al-Tawbah*. 9:105. (All Qur'ānic translation in this writing based on: Muhammad Taqī-ud-Dīn Al-Hilālī & Muhammad Muhsin Khān. (2006). *Translation of meanings of The Noble Qur'ān in the English Language*. Madinah, Saudi Arabia: King Fahd Complex).

⁴ Lance Thoo. “Brunei Families Going Bankrupt”. *Borneo Bulletin*. Brunei Darussalam: Press Sdn. Bhd. (No.203). December 2000. p.4.

is bad to spend form it, (though) you would not accpet it save if you close your eyes and tolerate therein. And know that Allāh is Rich (Free of all needs), and Worthy of all praise."⁵

The indebtedness issue continuously spreading until year 2009, where His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam speaking in a *titah* (speech) during a meeting held by the Brunei Islamic Religious Council (*MUIB*), raised concern over the state of *zakāh* affairs in the country, asking regarding *al-Ghārimīn* in Brunei Darussalam.⁶ After the *titah*, *MUIB* was flooding with people applying for up to more than 800 registrations in order to receive help under the *zakāh al-Ghārimīn*.⁷ Thus, this study will focus on the indebtedness issue among *al-Ghārimīn* in Brunei Darussalam.

1.1 DEFINITIONS OF TERMS

1.1.1 Indebtedness

The term indebtedness means owing money. This noun is originally comes from a word debt which defines as a sum of money that somebody owes. A person who are in debt is called a debtor.⁸ In order to understand the indebtedness in Islamic perspective, one must first draw on the semantics of the word. The word *dayn* (debt) in the Arabic language implies submission and humiliation. The *madīn* (debtor) is akin to being a detained person or a prisoner. Islam also uses the term *ghārim* as a meaning to the debtor, to describe any indebted person failing to repay his debt.⁹

1.1.2 Issue

In general meaning, issue is an important topic that people are discussing or arguing about¹⁰. It is informally known as a problem according to most dictionaries. According to the free online dictionary, Wiktionary, defines issue as the act of passing or flowing out or a moving out from any enclosed place, or the act of sending out as for example the

⁵ *Al-Baqarah*. 2:267.

⁶ Azaraimy HH. "Run on Zakat Millions". *Borneo Bulletin*. Brunei Darussalam: Brunei Press Sdn. Bhd. (No.365). January 2009. pp.1 and 4.

⁷ Junaidi Bahrain. "People Throng Stadium to Collect Zakat Forms". *The Brunei Times*. Brunei Darussalam: Brunei Times Sdn. Bhd. (No.199). January 2009. p.1.

⁸ A S Hornby. (2000). *Oxford Advanced Learner's Dictionary*. 6th ed. United Kingdom: Oxford University Press. p.300 and p.607.

⁹ Benaouda Bensaid, *et.al.* "Enduring Financial Debt". *Op.cit.* 2013. p.162.

¹⁰ A S Hornby. (2000). *Oxford Advanced Learner's Dictionary*. *Op.cit.* p.636.

issue of money from a treasury.¹¹ So issue in the context of this study mean problems and matters related to *al-Ghārimīn* who are in debt.

1.1.3 *Al-Ghārimīn*

Al-Ghārimīn is a plural Arabic noun which comes from a singular of *al-Ghārim*. The use of “*al-Ghārimīn*” is to show that people (Muslims) who are in debt for valid purposes which include those who do not own *niṣāb* above what is needed to pay their debt. For example, a Muslim man is considered as *al-Ghārim* if he spend a huge sum of money to build a mosque but he ends up in debt with other people for such noble reason. He is then eligible to receive the *zakāh* and this is agreed among the *Jumhūr*.¹² According to the local newspaper, *al-Ghārimīn* group is made up of those who have run into debt on building projects for the public such as the construction of mosques or schools.¹³

1.1.4 Brunei Darussalam National Context

Brunei Darussalam is commonly known as Heart of Borneo as it is located on the north-west of the Island of Borneo, between east longitude 114 0 04’ and 11 0 23’ and north latitudes of 4 0 00’ and 5 0 05’. It has a total land area of 5,765 sq. km with a coast line of about 161 km along the South China Sea. It is bounded by the South China Sea in the north and all other sides are surrounded by the Malaysian State of Sarawak which divides Brunei Darussalam into two parts i.e. the eastern part which is the Temburong District and the western part which consists of Brunei Muara, Tutong and Belait Districts. Bandar Seri Begawan is the capital of Brunei Darussalam with an area of about 100.36 sq km, which is situated at Brunei Muara District. The actual number and latest total population up until year 2015 is 406,200 i.e. 8,124 in Temburong, 292,464 in Brunei Muara, 44,682 in Tutong, and 60,930 in Belait. The population consists mainly of 66% of Malays who form the largest ethnic group followed by 10% of Chinese while the rests are 24% of other races¹⁴.

Based on the definitions above this research is aimed at studying on the owing money problems and matters among the Muslim debtors (*al-Ghārimīn* according to the

¹¹ A Multilingual Free Encyclopedia. 2014. “Wiktionary”. *Issue*. Retrieve from <http://en.wiktionary.org/wiki/issue>. 10/05/2014.

¹² Mahyuddin Haji Abu Bakar. (2011). *Towards Achieving the Quality of Life in the Management of Zakat Distribution to the Rightful Recipients*. Malaysia: Universiti Utara Malaysia. p.238.

¹³ Junaidi Bahrain. “People Throng Stadium to Collect Zakat Forms”. *Op.cit.* (No.199). January 2009. p.1.

¹⁴ See: Brunei Press Commercial Printing Services. (2015). *Borneo Bulletin YearBook 2015*. Brunei Darussalam. pp.46-61.

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