

Testimony

Joint Hearing
Committee on Financial Services
Subcommittee on Oversight and Investigations
and
Committee on International Relations
Subcommittee on International Terrorism and Nonproliferation
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Hearing entitled: "Starving Terrorists of Money: The Role of Middle Eastern Financial Institutions"

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Chairman Kelley, Chairman Royce and distinguished members of both the subcommittees. Thank you for giving me this opportunity to state the significance of Zakah in everyday Muslim life and also to express the concerns of the American Muslim community on the efforts of starving terrorists of money. I was asked to address three specific questions and I will do it one by one.

1. *What role does the Islamic charitable obligation, or "zakah," play in everyday Muslim life?*

Charity is an integral part of all religions. It is also a fundamental obligation of all Muslims to share their wealth with the poor and needy members of the society. Zakah (calculated at 2.5% of total savings/assets per year in the Sunni tradition) is one of the five pillars prescribed in Islam. The emphasis in Islam is not only on faith, but also on practice. Belief in God is not acceptable if one does not give charity to the poor or hungry people.

It is strongly recommended that Muslims should give as charity more than the obligatory Zakah. It is called Sadaqah. The difference between Zakah and Sadaqah is the nature of the giving. Sadaqah is a voluntary form of charity and can consist of anything from monetary gifts to acts of kindness, even a smile. The Islamic tradition discouraged to publicize the act of generosity. For that reason, Muslims give zakah and other sadaqat without any fanfare and only for their own salvation on the Day of Judgment.

As a spiritual and philosophical matter, the ownership does not exist in Islam. All wealth and properties belong to God. A person is a trustee of his/her wealth and property, and has the responsibility to spend/manage it well. In that sense, the poor have a right to part of it. On the Day of Judgment, each person will be asked about his/her acts of charity, including visits to the sick and responsibility to one's neighbors.

Among the Muslim communities all over the world, the Zakat has always been an effective tool for alleviating poverty, redistributing the wealth and resources among all sectors of the society, and establishing the system of social justice. The Islamic law has described a detailed set of rules and regulations for the collection and management of the Zakah money. It has been managed by the governments as well as local and national communities in various parts of the Muslim world. Historically, the *Auqaf* (endowments or foundations), established by the Muslim philanthropists, have provided the majority of funding for the development of public good, activities such as schools, universities, libraries and hospitals.

According to the Quran (9:60), there are eight specific categories where the Zakah money could be spent:

1. For the Poor (*Fuqrah*): those visibly without the basics
2. For the Needy (*Miskeen*): those that are not so poor, but still live near the subsistence level
3. For employees involved in the collection and administration of Zakat
4. For freeing captives
5. For relieving those in debt
6. For those who are traveling
7. For the sake of God (*fi sabilillah*); this is where the public goods, including education, health and infrastructure fall.
8. for winning the hearts and minds of others

In America, the potential of Zakah collection by the Muslim community is estimated by one economist at the Islamic Development Bank as \$1 billion per annum. Zakatul Fitr (charity for the Ramadan Feast or Eid ul Fitr) is also estimated between \$35-40 million each year.

At this point, let me also briefly talk about the American Muslim community. It is the most diverse and influential community in the world. Here we have Muslims from eighty different countries of the world. A small replica of the Muslim World is living in the USA today. We have representation of all religious schools of thought, intellectual trends, political ideologies, and Islamic movements. There are large number of highly qualified professionals, scholars and experts in all fields in the American Muslim community. Comparing with the national average, the community is much younger; more educated and have higher income level.

The American Muslim community is also becoming politically mature. In a national survey conducted in 2004 by the Project MAPS/Zogby, 58% of the Muslim respondents said that they were profiled or discriminated after the September 11, 2001. However, an overwhelming majority (more than 90%) also favored their participation in the American political process, interfaith activities, and giving money to non-Muslim charitable organizations.

2. How have terrorists used this obligation and American-based charities to fund illegal and dangerous activities aimed at the United States? What do you believe the broader Muslim community can do to prevent or at least retard these activities in the future?

I would like to take strong exception that the Muslim community charitable donations have any connection with the terrorist groups. American Muslim charities have performed commendable services in Bosnia, Kosova, several African countries, and for the Afghan refugees, and the victims of communal riots in India. All these services were performed with the collaboration and cooperation of reputed international relief organizations. The American Muslims have also been involved in establishing high standard educational institutions, especially for girls, as well as the most modern hospitals in the various parts of the Muslim world. Unfortunately, instead of any recognition, the important contribution of the American Muslim community has been stigmatized with the banner of terrorist activities.

To the dismay of the Muslim community, several Muslim charities have been shut down by the government after 9/11. Several million dollars of their assets and bank accounts have also been frozen. However, any direct relationship between the Muslim donors and any terrorist activities has yet to be established. The painful situation is that the several million dollars of Zakat money, part of the frozen assets and bank accounts, have been dried out by paying the administrative and legal fees and charges. A plea from the Muslim leadership to spend the frozen Zakah money by a pool of reputed Muslim organizations was also rejected by the administration.

The whole episode has a very negative impact on the Muslim community. The community is fearful and intimidated. We are not only losing the war of public diplomacy all over the Muslim world but also here in America with the Muslim community. This community could become the best buy for the American policy makers to build a bridge with the Muslim World? But then we have to start public diplomacy from our own home.

The dilemma is that the mainstream Muslim community leadership has to fight on two fronts: Against the excessive use of law enforcement agencies and their general perception of everything belong to Muslim charity as terrorism; and, on the other hand, the internal extremism of some sections of the Muslim community who advocate isolationist policies instead of Muslims' full participation in the American Public life.

I would strongly suggest that the present mindset of looking at the Muslim charities with suspicions should be changed with respect and cooperation. The present discriminatory behavior of the administration will have adverse effect on the Muslim community. I would suggest that the appropriate government agencies should establish direct relationship with the Muslim charitable organizations. The relationship should be developed with a sense of cooperation not with a shadow of suspicion.

3. What behavioral changes has terrorist activity stimulated for the charitable traditions of Islam in America?

In response to your third question, I would like to state again that the stimulation of a changed behavior did not come through the terrorist activities rather from the government crackdown on the Muslim charity organizations. Since 9/11, the American Muslims' charitable practices have been improved (instead of changed) in the following three areas:

More transparency and financial responsibility:

Establishment of the National Council of American Muslim Non-Profits

Focus on domestic social services programs:

Domestic programs

Food Drive, Free Medical Clinics, Feeding the Homeless in New York, Temporary housing for battered women, and feast of Abraham,

For the feast that occurs at the end of Hajj (Eid ul Adha), it is tradition that 1/3 of the sacrificed animal's meat is distributed to the needy.

In Houston last year, a project called Feast for Ibrahim was implemented in which 1 ton of meat was distributed to the local homeless shelters.

Training for faith based initiative

Next five to ten years will witness a tremendous growth of Muslims initiatives in the fields of social services and faith based activities in the United States

What should be done?

Visit them, encourage them, involve them, and make them partners in the public diplomacy efforts

White list of Muslim NGOs

Muslim accredited organization for Refugee settlement

Communicating and education the Muslim organization

Tsunami delegation or congressional delegation include Muslim scholars, businessmen or CEOs

Distinguish between criminal activities and terrorist acts.

They should be recognized and appointed at different levels of policy making process.

In the meantime, the US Muslims are learning from the past experiences of other ethno-religious groups and are fighting back to reclaim their rights and dignity, and to build a "kinder" and "gentler" America.