

## CHAPTER 2

### LITERATURE REVIEWS

#### 2.1 Introduction

The research title is syariah approach management model of commission taken from the public donation by non-governmental organizations (NGOs). The inquiry questions are how are the aspects of NGOs in Malaysia in managing the donation fund systematically, how far the provision of existing law assists in the donation management, what are the types of contracts used and the factors affecting the determination of commission rate of public donation by NGOs in Malaysia and how to form a systematic and syariah approach management model of commission taken from the public donation by NGOs in Malaysia. The researcher used more than ten online articles and journals to be reviewed which were taken from the internet.

#### 2.2 Past Research Findings

The past research findings were sorted into three main themes. There are concept of syariah, meaning of commission and non-governmental organizations (NGOs).

### 2.2.1 Concept of Syariah

Syariah is a thing that is prescribed by Allah to His servants in the form of religion. It also something which is command by Him like fasting, prayer, pilgrimage, *zakah* and all other good deeds. According to Al-Fayyumi (n.d.), syariah means what has been prescribed by Allah. Ibn al-Athir (1979) and Al-Qurtubi (1996) also added that syariah is any Islamic matter which has been prescribed by Allah for His servants. Besides, syariah acts in determining the limits of behaviors, words and beliefs of the *mukallaf* (Al-Shatibi, n.d.). Meanwhile, Al-Tahanawi (1998) explains that syariah is what has been prescribed by Allah for his servants from the Islamic ruling which has been brought by a Prophet (ﷺ) from the Prophets (ﷺ) whether it is related to the practice or named as *hukm furu'* and practical law where all the arguments about it are stated in the *fiqh* or it is related to the *aqidah* or named as *usul (al-din)* and *hukm aqidah* where all the arguments about it are stated in theology (*ilmu kalam*).

#### 2.2.1.1 Syariah Contract

*Muamalah* in Islamic contract law is known as '*aqad* or contract which refers to the nominee contracts (Hidayat, 1993). According to Mahmassani (1948), contract in general means an agreement between two parties which can create legal obligations. Al-Jurjani (n.d.) defines a contract as an agreement that binds the contracting parties with offer and acceptance. Al-Zarkashi (n.d.) also gives the meaning of contract as a forceful link between the offer and acceptance. Meanwhile, section 10 of Contract Act 1950 (2006) stated that all agreements are contracts if they are made by the free consent of

parties competent to contract, for a lawful consideration and with a lawful object, and are not hereby expressly declared to be void.

Mahmassani (1948) added that contract can be categorized into five. There are valid contract and void contract, contract implemented immediately and contract terminated for certain reasons, binding contract and non-binding contract, a contract with a reply and a contract without a reply and contract that transfer ownership of goods as well as contract that transfer ownership of benefit only.

#### **2.2.1.2 Syariah Compliant Securities**

Syariah compliant in the context of securities in Malaysia means the products or services offered by any financial institution that meet the requirements of Islamic law from three aspects, namely prohibition on *riba*, uncertainty or ambiguity in the contract (*gharar*), gambling and other activities involving unethical products or services by the Syariah Advisory Council (SAC) (Securities Commission Malaysia [SC], 2018). It also means that any Islamic financial products or services need to comply with the principles of syariah (Hafiz, 2012). According to Faizal, et al (2018), syariah compliant governs two levels which operating in the industry level and institutional level. The regulatory framework, supervision and the control functions need to be reinforced in the Islamic financial institutions.

In identifying the qualified syariah-compliant securities, SC (2018) stated that there are two-tier quantitative criteria that need to be clarified. Firstly, SAC will analyze

the business activity benchmarks. Secondly, SAC will look into the financial ratio benchmarks. Therefore, if the ratios of these two things are within the benchmarks, it can be stated as the syariah-compliant securities.

For the business activity benchmarks, there are two classifications which are the five-per cent benchmarks and the 20-per cent benchmarks (SC, 2018). The businesses or activities that applied under the five-per cent benchmark are conventional banking, conventional insurance, gambling, liquor and liquor-related activities, pork and pork-related activities, non-halal food and beverages, syariah non-compliant entertainment, tobacco and tobacco-related activities, interest income from conventional accounts and instruments (including interest income awarded arising from a court judgment or arbitrator), dividends from syariah non-compliant investments and other activities deemed non-compliant according to syariah. The contribution of syariah non-compliant businesses or activities to the Group revenue or Group profit before taxation of the company must be less than five-per cent (SC, 2018). Meanwhile, the businesses or activities that applied the 20-per cent benchmark are share trading, stockbroking business, rental received from syariah non-compliant activities and other activities deemed non-compliant according to syariah. They must be less than 20-per cent for the contribution of syariah non-compliant to the Group revenue or Group profit before taxation of the company (SC, 2018).

Besides, SAC also will look up into the financial ratio benchmarks which are in terms of cash over total assets and debt over total assets. For the cash over total assets, it only includes the cash placed in conventional accounts and instruments and debt over

total assets includes the interest-bearing debt. It means that Islamic financing or *sukuk* is excluded from the calculation. All the ratios mentioned above must be less than 33 per cent for the evaluation of *riba* and *riba*-based elements under the company's statements of financial position. Other than that, SAC also look up into the qualitative aspect which is public perception and image of the company's activities in the Islamic perspective (SC, 2018).

### **2.2.1.3 Syariah Compliant *Takaful***

Islamic Financial Services Act [IFSA] (2013) defines *takaful* as an arrangement based on mutual assistance under which *takaful* participants agree to contribute to a common fund providing for mutual financial benefits payable to the *takaful* participants or their beneficiaries on the occurrence of a pre-agreed events. Syariah compliant *takaful* according to Mahmoud (2008) means that it is based on the principles of mutual cooperation (*ta'awun*) and donation (*tabarru'*). It means that a group of participants volunteer to share the risk collectively. It was supported by Redzuan, Ahmad and Aidid (2009). Jching (2008) also stated that syariah compliant of *takaful* is based on the principle of mutual cooperation. Meanwhile, according to Asif (2011), the essence of syariah compliant *takaful* is policyholders cooperate among themselves for their common good and they help those in needs the aid by paying their subscription. Besides, losses are divided and liabilities are spreaded according to the community pooling. Uncertainty is also eliminated and no advantage can be derived at the cost of others. Suhail, Jumadil and Azura (2015) added that the contract of *al-mudharabah* is used in *takaful* to eliminate the

elements of *riba*, *gharar* and *maysir* as to ensure the sense of mutual cooperation, solidarities and brotherhood among participants are protected.

#### **2.2.1.4 Syariah Compliant Hotel**

In terms of syariah compliant hotel, Wan Sahida et al (2011) and Fatma and Rosmawati (2015) define it as a hotel which provides service in accordance with the principle of syariah. Wan Sahida et al (2011) added that it is not only serving halal food and drinks but the operation of the hotel should be managed according to syariah principles. Hesham et al (2014) defined syaria compliant hotel as a hotel that does not consume alcohol or pork, required a gender segregation and serving halal food products. Meanwhile, Henderson (2010) stated that syariah compliant hotel is more to the strict rules in terms of segregation of gender at the cafés and restaurants, serving the guest with same gender's staff and prohibiting the non-halal couple from staying in the same room. Other than that, it must avoid art depicting the human form being displayed and also should host seminars or preaching session while the donation is done throughout the seminars to give the charities to help the Muslim communities.

All these past researches are only focused about the concept of syariah in terms of contract, securities, *takaful* and hotel. However, there is still no research stated about the syariah approach management model of the commission taken from the public donations.

### 2.2.2 Meaning of Commission

Commission based on the online Cambridge Dictionary means a payment to someone who sells goods that is directly related to the amount sold, or a system that uses such payment (Commission, n.d.). It also means a fee paid to an agent or employee for transacting a piece of business or performing a service (Commission, n.d.). According to the Dewan Bahasa & Pustaka (n.d), commission means a wage paid to a representative or agent for selling goods or also referred as *dalal*. Commission is not clearly mentioned in the Employment Act 1955 (2012). However, under Section 2, it can be said that commission is a second component under wage which is included in all other payments with cash paid to an employee for the work done relating to the service contract.

In Islam, taking commission is permissible. It is based on the hadith states that:

وَلَمْ يَرَ ابْنُ سِيرِينَ وَعَطَاءٌ وَإِبْرَاهِيمُ وَالْحَسَنُ بِأَجْرِ السَّمْسَارِ بَأْسًا. وَقَالَ ابْنُ عَبَّاسٍ: لَا بَأْسَ  
أَنْ يَقُولَ بَعْ هَذَا الثَّوْبِ فَمَا زَادَ عَلَى كَذَا وَكَذَا فَهُوَ لَكَ. وَقَالَ ابْنُ سِيرِينَ: إِذَا قَالَ: بَعُهُ  
بِكَذَا فَمَا كَانَ مِنْ رِبْحٍ فَهُوَ لَكَ، أَوْ بَيْنِي وَبَيْنَكَ، فَلَا بَأْسَ بِهِ. وَقَالَ النَّبِيُّ ﷺ:  
(الْمُسْلِمُونَ عِنْدَ شُرُوطِهِمْ).

Ibn Sirin, 'Ata', Ibrahim and Al-Hasan did not see any harm in them. Ibn 'Abbas said, "There is no harm if one says (to a broker), "Sell this garment for such a price and whatever more you get, is for you." Ibn Sirin said, if one says to a broker, "Sell it for such a price and if you get more, the profit

will be for you or divided between us, there is no harm in it." The Prophet (ﷺ) said, "Muslims should abide by their conditions."

(Hadith. Al-Bukhari. Book of Hiring: Chapter Wage of a Broker: Vol 3#2274)

### 2.2.2.1 Wage as a Commission

Besides, wage also has a similar meaning to the commission. Based on the Section 2 of the Payment of Wages Act 1936, wages mean all remuneration (whether by way of salary allowances or otherwise) expressed in terms of money or capable of being so expressed which would if the terms of employment express or implied were fulfilled by payable to a person employed in respect of his employment or of work done in such employment. (Payment of Wages Act 1936, 1936)

In al-Quran, Allah has stated about the wage. For example;

﴿فَإِنْ أَرْضَعْنَ لَكُمْ فَآؤُهُنَّ أَجُورُهُنَّ...﴾ (٦)

And if they breastfeed for you, then give them their payment... (6)

(Al-Quran. Al-Talaq 65:6)

It means that a person should give reward or wage to those who have worked toward them.

The evidences from hadith;

عَنْ عَبْدِ اللَّهِ بْنِ عُمَرَ، قَالَ قَالَ رَسُولُ اللَّهِ ﷺ: "أَعْطُوا الْأَجِيرَ أَجْرَهُ قَبْلَ أَنْ يَجِفَّ عَرَقُهُ"

It was narrated from 'Abdullah bin 'Umar that the Messenger of Allah (ﷺ) said: "Give the worker his wages before his sweat dries."

(Hadith. Ibn Majah. Book on Pawning: Chapter of Wages of Workers: Vol 3:#2443)

عَنْ ابْنِ عَبَّاسٍ - رَضِيَ اللَّهُ عَنْهُمَا - قَالَ اخْتَجَمَ النَّبِيُّ ﷺ، وَأَعْطَى الْحَجَّامَ أَجْرَهُ

Narrated Ibn 'Abbas: When the Prophet (ﷺ) was cupped, he paid the man who cupped him his wages.

(Hadith. Al-Bukhari. Book of Hiring: Chapter of the Wage of One Who Has the Profession of Cupping: Vol 3:#2278)

Based on the evidence above, it can be concluded that commission and wage are two things allowed in Islam.

#### 2.2.2.2 Concept of *Ijarah*, *Ji'alah* and *Wakalah*

*Ijarah*, *ji'alah* and *wakalah* are three terms that are very much related to the commission. *Ijarah* or wage can be defined as an agreement on a required and known

benefit where it can be obtained through a certain payment for something that is required (Al-Syarbini, 1997). The evidence of *ijarah* is similar to the evidence of wage which explains about the woman can get the wage if she breastfeeds the baby.

Regarding to the wage in *ijarah*, *fuqaha* agree that the condition of wage is from the valuable property and based on the known amount (Abdul Wahab, 1992). They also agree that the origin of wage is in the form of cash. Wage can also be in the form of goods as long as the first party must explain the rate of the wage (Al-Sarakhsi, 1986; Malik, 1994; Al-Mawardi, 1994; Al-Buhuti, 1982). Besides, *fuqaha* agree that wage can be given in the form of benefit. However, *fuqaha* of Hanafi scholar requires that it must be different from the benefit of *ijarah* to avoid usury. Meanwhile, *jumhur fuqaha* from Maliki, Syafie and Hambali scholar state that it is permissible and allowed to give the benefit that is similar as the type of *ijarah* benefit (Al-Syarbini, 1997; Al-Buhuti, 2000).

Al-Syarbini (1997) also gives a meaning of *ji'alah* as an agreement to give a reward to a particular job or job that is not certain yet to be performed. The evidence of *ji'alah* is based on the al-Quran as follows;

﴿ قَالُوا نَفَقِدُ صُوعَ الْمَلِكِ وَلِمَنْ جَاءَ بِهِ حِمْلُ بَعِيرٍ وَأَنَا بِهِ زَعِيمٌ ﴾ (٧٢)

They said: “We are missing the measure of the king. And for he who produces it is (the reward of) a camel’s load, and I am responsible for it”

(72)

(Al-Quran. Yusuf 12:72)

In terms of wage or reward, Syafie and Hambali stated that the first party can change the amount of the wage either by increasing or reducing the amount. However,

Hambali scholar opined that the wage can only be changed before the work started. Meanwhile Syafie scholar stated that the first party can change the amount of the wage as long as the work has not been completed by the second party. However, if the first party still wants to deduct the amount of the wage when the work is still in progress, it must be follow the reasonable wage according to the custom of the community (Abdul Azis, 1996).

Meanwhile, *wakalah* is a submission of authority in a matter that can be done by himself and can represent to other representative as to be implemented by that representative as long as the owner of the original authority is still alive (Al-Syarbini, 1997). The evidence of *wakalah* is based on the hadith as follows;

عَنْ عُقْبَةَ بْنِ عَامِرٍ - رَضِيَ اللَّهُ عَنْهُ أَنَّ النَّبِيَّ ﷺ أَعْطَاهُ غَنَمًا يَفْسِمُهَا عَلَى صَحَابَتِهِ، فَبَقِيَ  
عَتُودٌ فَذَكَرَهُ لِلنَّبِيِّ ﷺ فَقَالَ "صَحِّحْ بِهِ أَنْتَ".

Narrated `Uqbah bin Amir: that the Prophet (ﷺ) had given him sheep to distribute among his companions and a male kid was left (after the distribution). When he informed the Prophet (ﷺ) of it, he said (to him), "Offer it as a sacrifice on your behalf". (Hadith. Al-Bukhari. Book of Representation: Chapter of a Partner can Deputize for Another While Disturbing Things etc: Vol 3:#2300)

The hadith explains that the Prophet (ﷺ) represented Uqbah to divide the sheep among the companions of Prophet (ﷺ). Then, the balance of a kid is given to him to be sacrificed. This is as the wage to Uqbah.

In short, these three concepts relate to the concept of commission. These concepts also show the permissibility of taking wage or commission after done doing certain thing.

### **2.2.3 Non-Governmental Organizations (NGOs)**

The term NGO is officially used in United Nations (UN) in 1945 (Makmor & Robi, 2017). In general, NGO is defined as organization; social or business non-governmental and established under the law such as Societies Act 1966, Companies Act 1965, Business Act 1965, Trustees Incorporation Ordinance 1952 and the Parliamentary Act (Azyyati et al, 2013). Turner and Hulme (1997) define NGO as a registered organizations, community groups, professional associations, trade unions, charities whose aim is to improve the well-being of their members and in the areas they exist. Besides, according to the perspective of Social Welfare Department, NGO refers to the Welfare Voluntary Organizations (PSK) that operates the program and provides services to the target group (Azyyati et al, 2013). Meanwhile, Islamic NGO refers to the NGOs that carry out activities based on Islamic principles (Ros, Hakim, Aiedah, Sarjit & Tarmizi, 2017).

The characteristics of the NGOs are such as voluntary, non-partisan, non-profitable and do not carry out criminal activity (Makmor & Robi, 2017). According to Shinichi, Kasian and Apichart (2004), there are six principles relating to NGOs which are

non-governmental, non-profit making, voluntary, solid and continuing form, altruistic and philanthropic. Meanwhile, Salamon and Anheier (1995) stated seven characteristics which explains about NGOs which are formal, private, non-profit distributing, self-governing, voluntary, non-religious and non-political. However, there are still some of the NGOs which do not have all the characteristics. This is because some of the NGOs are religious and informal such as ABIM and Young Women's Christian Association (YWCA). Based on the characteristics given by the researchers above, it can be concluded that they have the similarity in describing the NGOs where it must be voluntary and non-profitable organization.

Peter (2002) has divided the NGOs into two categories which are operational NGOs and campaigning NGOs. Operational NGOs refers to the organizations that carry out development projects to their target groups such as the poor, disabled people, elderly and oppressed groups. It requires resources in the form of financial funding, equipment or voluntary people to carry out the project program. Meanwhile, campaigning NGOs refers to the organizations where the main activities are to influence the policy formulation process in a country. They are more tends to the intangible sources to mobilize the activities such as the contribution of ideas, experiences, expertise and time from the members and individuals (Peter, 2002).

When discussing about NGOs, financial resource is a major issue that need to be discussed. Most of the NGOs are more self-reliant in acquiring organizational income through private donations and programs (Fischer, Wilsker, & Young, 2011). According to Saunah, Ruhaya, Bee Wah and Roland (2011), donors tend to give more supports and

donations when receiving more information provided by the NGOs. It causes the NGOs to act efficiently in forming a strong relationship with the donors as it will determine the ability of NGOs to obtain financial resource. NGOs' efforts in finding financial resource enable them to operate in all areas without being bound by any politic or government. In some countries such as United Kingdom (UK), independent concept is one of the conditions for the status registration of welfare organization categories (Barber & Bowie, 2008).

The act of providing aid to people in need has existed throughout the human history (Smith, 2015). The primary goal of humanitarian aid is to reduce the loss of life by providing aid to those who need food and water, protection and healthcare needs of the injured and the sick. There are many types of humanitarian sectors such as education and agriculture. However, there are four main aspects that measure the survival of a person which are food, shelter, health and sanitation. The operation also depends on the contribution earned by them (Rose, Phil O'Keefe, Jayawickrama, & O'Brien, 2013).

#### **2.2.3.1 Roles of NGOs in Malaysia**

Atika et al (2015) found that humanitarian NGOs are the most active NGOs in most countries including Malaysia. NGOs make humanitarian aid as a key element in ensuring harmony life is well-preserved. Malaysia is also not left behind in having a large number of humanitarian NGOs. Most of them channel humanitarian aid to war victims such as Palestine and Syria as well as Rohingya ethnic that has been denied the status of their statehood. The examples of NGOs who involve in humanitarian aid are like Aman

Palestin, Malaysia Life Line for Syria (MLLFS), Aqsa Syarif, IRM, IKRAM, ABIM and MAPIM.

For Aman Palestin, they conduct community awareness programs on Palestinian issues through talks at mosques, universities, government offices and other public places. Through these programs, Aman Palestin has made a fundraising to be given to the Palestinians. The donation helps them to create various Palestine projects such as building new homes for orphans, clinics and developing animal farm projects in Jabalia, Gaza (Asmady, 2012). They also has channeled the donation fund donated by Malaysians with the total amount of RM588,000 for the medical aid and early donation of Ramadan (Ismail, 2019).

Besides, MLLFS also involves in the welfare of Syrian refugees in Malaysia. Even though their main focus is more to the humanitarian aid in Syria, Syrian refugee camps in Turkey, Jordan and Lebanon, it does not mean that they just have to stay still when talking about Syrian refugees in Malaysia. They still provide donation to them. This is because there are some refugees face difficulties as they have little or no income while living in Malaysia. So, MLLFS acts to provide basic food packaging aid to those in need and carry out health check-up for those who are unable to go to the clinic or hospital. MLLFS also has sets up a special school named as Jasmine Ash-Sham for Syrian children who live around Kuala Lumpur. (Atika & Syafiq, 2016).

Moreover, Aqsa Syarif also is not only acts as a platform to raise fund from the public but they raise awareness on Palestinian issues to the Malaysian society. They have several projects undertaken to help Palestine such as sponsoring RM170.00 for the

Palestinian orphans per month and the project of Micro-Qardhul Hassan that helps the poor to open small business through loans granted by Aqsa Syarif. They also provide food aid during Ramadan, *aidilfitri*, *zakah* and many more (Afandi, Roslan, Fauzi, Amajid, Lotpi & Atika, 2017).

For IRM, they built two units of well in Dana Wakaf Air Somalia (DWAS) project located in Shabelle Region (Islamic Relief Malaysia [IRM], 2017). They also launched humanitarian fund of Lombok due to the earthquake happened on 29 July 2018 (IRM, 2018).

IKRAM also plays their roles very well. They targeted to get RM1 million through fundraising for Rayuan Ramadan IKRAM program 2018. The donation will be distributed to the Muslims and those who less fortunate in Malaysia and certain other countries (Suhael, 2018).

In addition, ABIM aims to help 6,000 families which are classified as *asnaf* in conjunction with the program of Kempen Seorang Sekampit Beras (KSSB). This program has been existed since 2006 (Hafizan, 2019).

Meanwhile, MAPIM will build up a residence named Ummah Village (*Perkampungan Ummah*). It is a residence special for the Syrian refugees in Idlib. It has various facilities based on the donation fund from Malaysians since two months ago. The total cost is around RM3 million (Husni, 2019).

Other than that, the role of NGOs is realizing the Islam Hadhari approach in Malaysia (Azyyati et al, 2013). MAIM has used the approach of lectures, briefings and

seminars to enable the process of bilateral interaction as to achieve the objectives of the Islam Hadhari program. It is participated by various community target groups that represent Islamic NGOs and most of them are affiliated NGOs under MAIM. MPWIM also involved in the context of Islam Hadhari program to ensure that the rights of minorities and women in Malaysia are protected. The activities done are such as Seminar Keluarga Islam Hadhari, Seminar Wanita Hadhari and Wacana Wanita: Kepimpinan & Jati diri Wanita dalam Islam Hadhari. In this regard, the information about Islam Hadhari program can be presented to women's target groups in society which represent other Muslim women NGOs. Hence, the unity among Muslim women and non-Muslim women will increase when they work together as to ensure the philosophy and principles of Islam Hadhari can be appreciated in every agency and institution. Meanwhile, NUIM also plays a big role in the aspects of giving ideas and strategies to realize the Islam Hadhari approach in Malaysia. In fact, there are other Islamic NGOs played their part relating to Islam Hadhari program. All the activities undertaken by NGOs are in the form of group work to create religious awareness within the surrounding community (Azyyati et al, 2013).

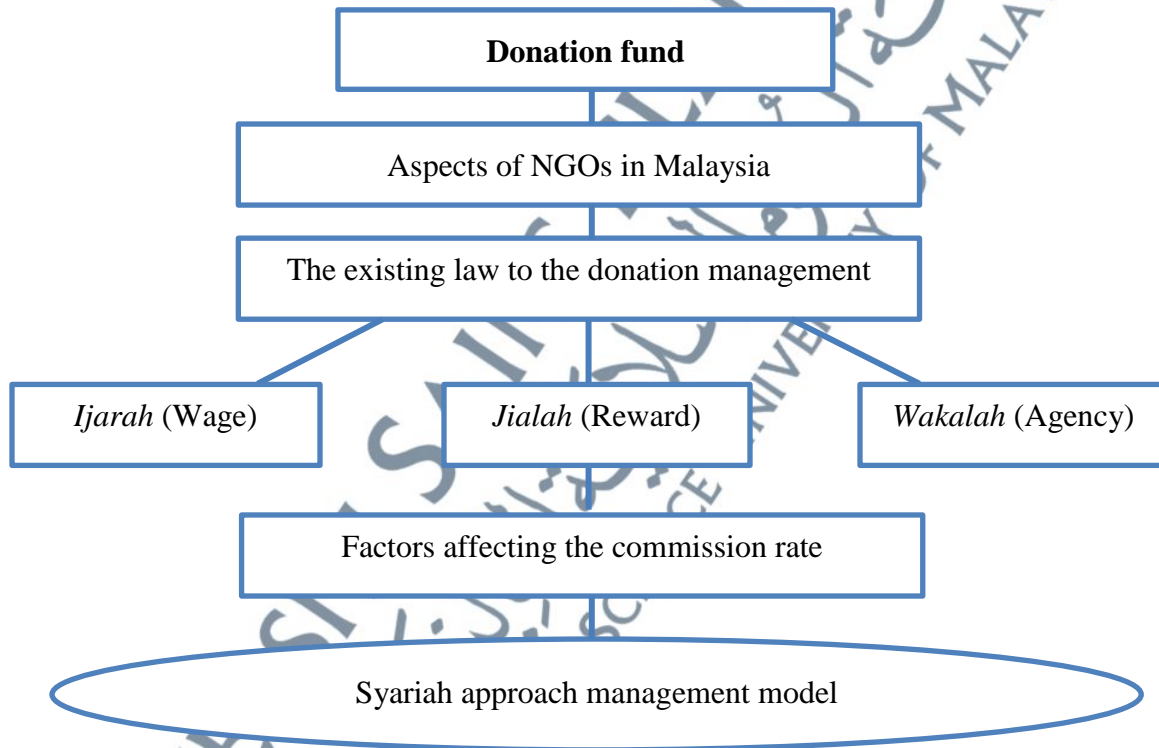
In addition, NGOs also play a role in fostering communal unity. According to Abd Hakim et al (2018), the research done in Sabah stated that ABIM and USIA give a high commitment to foster unity among the people in Sabah such as trying to convey the national policies to enhance unity. This shows that the communal unity is stronger in Malaysia. NGOs also play a role in raising awareness about the community responsibility in the national unity program. It can reduce the burden of the government by involving the NGOs. However, the NGOs still need to improve a sense of unity because they are

still lacking in receiving the opinions from the neighborhood in planning a national unity program (Abd Hakim et al, 2018).

Furthermore, NGOs also play a role on the implementation of *islah* and *da'wah* in society. Farawahida and Norsheila (n.d.) stated that ABIM Johor also contributed in solving the problem of moral depravity and moral collapse that occurred in the present Islamic society. ABIM also used various methods in the implementation of *islah* and *da'wah* among society. In fact, ABIM does not applied 100% of the *islah* and *da'wah* as outlined by ABIM constitution but it follows the rules based on the current needs and conditions of the local community. The process of *islah* and *da'wah* that was carried out by ABIM Johor began by investigating the strategy or *da'wah* approach that should be used to the target groups such as motivational camps, talks, campaigns and so on. Furthermore, they implemented the *islah* and *da'wah* in congregation. For instance, they collaborate with others such as Jamaah Islam Malaysia (JIM), Yayasan Dakwah Islam Malaysia (YADIM), Belia 4B and others. The social problems among teenagers can be prevented by using two main methods which are prevention and rehabilitation. Moreover, ABIM Johor also did various programs and activities of *da'wah* whether in the formal activities like education and *muamalah* of Islam and informal activities like indoor and outdoor activities. They also used the travel or visit approach which is implemented by the members of ABIM Johor itself, the community and certain bodies. Lastly, they spread the *da'wah* through the internet like brochure, poster and others. Even though those efforts only affect to a few societies only, but it can be concluded that ABIM Johor has contributed various initiatives and approaches in implementing *islah* and *da'wah* to the societies (Farawahida & Norshiela, n.d).

So, these past researches only focus to the roles of NGOs in Malaysia in terms of humanitarian aid, the approach of Islam Hadhari in Malaysia, fostering the communal unity and the implementation of *islah* and *dakwah*. All these past researches did not discussed about the objectives of this research. Because of that, this research needs to be conducted to accomplish the objectives outlined.

### 2.3 Conceptual Framework



**Figure 2.1:** Conceptual Framework of Syariah Approach Management Model

The figure above illustrates the flow chart to create a syariah approach management model of commission rate taken from the public donation by NGOs in Malaysia. The issue that needs to be highlighted in this study is about the aspects of

NGOs in Malaysia in managing the donation fund systematically. This study is also conducted as an initiative to analyze the existing law relating to the donation management. Then, it is to analyze the types of contracts used and the factors affecting the determination of commission rate of public donation by NGOs in Malaysia. The contracts used can be related to the concept of *ijarah* (wage), *ji'alah* (reward) as well as *wakalah* (agency). *Ijarah* means an agreement on a required and known benefit where it can be obtained through a certain payment for something that is required (Al-Syarbini, 1997). The wage and the work given need to be notified by the worker as to ensure that there is no misunderstanding about the agreement. *Ji'alah* means an agreement to give a reward to a particular job or job that is not certain yet to be performed Al-Syarbini (1997). It is a voluntary action. In other words, it means that someone who promises a wage to a person who is able to provide a particular service to him. While *wakalah* is a submission of authority in a matter that can be done by himself and can represent to other representative as to be implemented by that representative as long as the owner of the original authority is still alive (Al-Syarbini, 1997). It means that someone represent another person to do something which needs to be done while he is still alive. Thus, the three concepts discussed by the previous *fiqh* scholars can be applied in the concept of donation fund.

Finally, the research is to be expected to develop a syariah approach management model of commission taken from the public donation by NGOs in Malaysia. Once it has been created, those who are involved in doing fundraising for any purpose may refer to it in order not to incur any issue related to it.

## 2.4 Conclusion

Based on the past research findings, it can be concluded that the studies only focus on the concept of syariah in terms of hotel, securities and *takaful*. Besides, there are studies about the concept of commission, wage as a commission and concept of *ijarah*, *ji'alah* and *wakalah*. Other than that, there are some past research discussed about non-governmental organizations (NGOs) and the aspects of them in Malaysia. Nevertheless, there is no further study about the commission rate taken from the donation by non-governmental organizations (NGOs) in Malaysia. Because of that, the inquiry questions are not answered yet. Therefore, this research should be carried out to create one systematic and syariah approach management model relating to this issue. It is very important to avoid the upcoming problem relating to the public donation and the commission rate from it.