

AWARENESS AND UNDERSTANDING OF TAKAFUL AL-IJTIMAI': A DESCRIPTIVE STUDY

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Abstract

Malaysia has set a goal of becoming a developed economy with high income through sustainable and equitable economic growth by 2030 under Shared Prosperity Vision 2030. To accomplish this vision, vast implementation of *takaful al-ijtimai'* (social security) is needed as each individual in the society is entitled to basic needs for them to improve standard of living. The implementation of *takaful al-ijtimai'* in Islamic perspective is much wider which considers the roles and responsibilities of all (i.e., government, institutions, agencies, NGOs and individuals) towards achieving sustainable development. However, one factor that hinders further practices of *takaful al-ijtimai'* is the lack of awareness and knowledge of its concept and purposes. Therefore, this paper designed to investigate the awareness and understanding of *takaful al-ijtimai'* among Malaysian within the *takaful* market by collecting primary data through questionnaires. This paper reports results of 267 respondents in Klang Valley and Nilai, Negeri Sembilan. The findings indicate that 71.9 percent of respondents were unaware of *takaful al-ijtimai'* due to the Arabic term. Surprisingly, despite their lack of knowledge and understanding of *takaful al-ijtimai'*, majority of respondents agree that *takaful* operators can be trusted in dealing with people. The paper will be useful to researchers, professionals and others concerned with sustainable and inclusive economic growth to understand the importance of *takaful al-ijtimai'*. Such studies on *takaful al-ijtimai'* has not been done before. Other than revealing ambiguities, gaps and contradictions in the literature, this paper provides information and guidance for other researchers wishing to embark on research on *takaful al-ijtimai'*.

Keywords: *Takaful al-ijtimai'*, social security, awareness, knowledge.

INTRODUCTION

One of the most fundamental human rights is the right to basic needs (Tahir, 2010; Siam, 2012) such as food, shelter, and health care. Right to basic necessities has been highlighted in many aspects and dimensions under the purview of social security range from social sciences, business, management and accounting, psychology to medicine (see, for example, Huo & Chen, 2021; Randell et al., 2021; Ong et al., 2021; Borujeni et al, 2019; Khan et al., 2013). Social security or *takaful al-ijtimai'* in Arabic term, refers to the collaborative efforts of public institutions and society to protect and reassure individuals (Alabady & Ghazaleh, 2019) to overcome any lacking of liability as well as to provide basic and important social needs (Gruziel, 2018).

In general, it is important to note that a social security system is a man- made law with a constitutional position in a country (Alabady & Ghazaleh, 2019; Gruziel,

2018; Suryahadi, Febriany, & Yumna, 2017; Tahir, 2010). Whereas *takaful al-ijtimai'* in Islamic perspective, is a broad term that refers to the principle of mutual cooperation among members of society. It considers each individual's roles and responsibilities in a society in order to enhance well-being and quality of life (Abu Seman, 2010; Tahir, 2010) and it is also not always governed by specific constitutional law.

The term *takaful al-ijtimai'* has been applied to a wide range of situations in various ways (Ulwan, 2001; Al-Rubi, 1998; Al-Sibai', 1998; Ahmad, 1982; Hanna, 1969). Theoretically, the expression of *takaful al-ijtimai'* can be witnessed through the purposes of Islam. The goals of Islam are to live a life that is both material and spiritually balanced, and to follow the teachings of the Quran and the Sunnah of the Prophet Muhammad (SAW) (Chapra, 1992).

The notion of *takaful al-ijtimai'* has now been institutionalised at all levels of society, including the micro (individual/household/neighbourhood), meso (institutions), and macro (national and international). *Takaful al-ijtimai'* is one of the main components of Islamic economics that Muslim scholars have discussed under Islamic socio-economic principles, specifically in the *takaful* industry. (Kwon, 2007; Khurshid & Petriect, 2003; Maysami & Kwon, 1999).

Investigating awareness and understanding about *takaful al-ijtimai'* and its practices within the backdrop of *takaful* market is particularly interesting. It could be argued that the awareness and understanding of the concept and practices of *takaful al-ijtimai'* are relatively better when a person is aware of the existence of *takaful* operators and has *takaful* product/plan/policy since the basic contract applied for this mainstream *takaful* business is *tabarru'* (donation) which very much reflects the spirit of mutual cooperation (Alhabshi et al., 2012).

This paper, therefore, examines the issue of awareness about *takaful al-ijtimai*. In addition, knowledge about *takaful al-ijtimai* and participation on *takaful* products within *takaful* industry in Malaysia are also analyzed to find out their level of understanding on *takaful al-ijtimai* and the reasons for participating in *takaful* products, in general.

The remainder of this paper is structured as follows. The next section provides the background context of *takaful al-ijtimai'*. Section 3 details the research methods employed. Section 4 discusses the empirical findings, and the final section concludes the paper.

LITERATURE REVIEW

Definition and Sources of Takaful al-Ijtimai'

Previous studies have made numerous attempts to define takaful al-ijtimai'. Table 1 presents the meaning of takaful al-ijtimai by several authors.

Table 1. Definitions of *takaful al-Ijtimai'*

Author	Definition of <i>takaful al-ijtimai'</i>
Hanna, SA. (1969)	The responsibility of society in providing quality of life for an individual
Salih (1993) and Abu Zahrah (1991)	An individual of a society who helps to guarantee and support his/her group by putting efforts and exercising power to serve the society. As the result, the whole community will be safeguarded.
El-Gamal (1992)	An act of each member in society who helps disfavoured people to meet their basic needs
'Ulwan (2001)	The act of guarantee and support each member in the society, individually or in a group. It is driven by a deep sense of empathy and faith.
Al-Morsy (2006)	The solidarity of all members of society to serve the public interest.

Based on the previous definitions, it is plausible to conclude that takaful al-ijtimai' is a broad phrase referring to the concept of societal mutual cooperation. It considers individual's roles and responsibilities in a society in order to enhance well-being and quality of life.

Muslim scholars have compiled a list of the origins of the practices of takaful al-ijtimai (see, for example in Al-Sibai', 1998; Al-Rubi, 1998; Billah, 1998). Although the word takaful is not specifically mentioned in the Holy Quran, it is derived from the word ta'awun, or mutual assistance which connotes the same meaning.

"And help one another in righteousness and piety; but help not one another in sin and transgression".

The *Sunnah* or the traditions of the Holy Prophet (SAW) is a second source immediately after the Holy *Quran*. An example of *hadith* based on the practice of *takaful al-ijtimai'* is the Prophet's saying:

"None of you can be a believer unless he would love for his brother what he loves for himself.³²"

³² Bukhari, Muslim, Ahmad and Tirmizi, *op. cit.*

As far as the practices of the companions are concerned, the practice of *al-aqila* or *al-diyyah* (blood money) had been further practiced during the later period of the second caliph i.e., Saidina Umar. Similarly important, through *ijma'* (consensus of legal opinion), Muslim scholars have unanimously agreed and accepted the practice of *takaful al-ijtimai'* as it promotes *maslahah* (public interest) which leads to the achievement of *maqasid al-shariah* (objectives of *Shariah*) (Bakar & Adawiah, 2008).

In addition, analogical sources for example *qiyas*³³, *istihsan*³⁴ and *istishab*³⁵ are also important sources for the implementation of *takaful al-ijtimai'* as Allah (SWT) says in Quran:

“... Think deeply o ye who are understanding...”³⁶.

View of *Takaful al-ijtimai'*

The implementation of *takaful al-ijtimai* under the Islamic economics system can be discussed from several directions; entities involve, recipients and types of mutual aid. With regards to the entities participating in fostering *takaful al-ijtimai'*, the roles played by an individual, private sector, quasi-autonomous corporations (such as *takaful* operators) and government could be directly observed (Yousuf, 1996; Liaquat, 1991; Sadeq, 1989; Siddiqi, 1984). Under the concept of *daman al-ijtimai* (social security), the state is responsible to provide basic needs especially those disadvantaged groups by distributing *zakat*³⁷. *Takaful* operators through the concept *takaful al-tijari* (commercial and profitable *takaful*) support the practice by offering *takaful* products using *tabarru'* (voluntarily donation) contract. Since the *takaful* operators operated based on commercial basis, the micro *takaful* schemes are very much signified the practice of *takaful al-ijtimai'*. On top of that, other private sectors, as well as individuals, also play an essential role to promote *takaful al-ijtimai*.

³³ *Qiyas* means taking an established ruling from Islamic Law and applying it to a new case, in virtue of the fact that the new case shares the same essential reason for which the original ruling was applied.

³⁴ Literal meaning, *istihsan* can be defined as to approve or to deem something preferable. It is a method of exercising personal opinion in order to avoid any rigidity and unfairness that might result from literal enforcement of the existing law. It is also referred to as juristic preference i.e., it involves setting aside an established analogy in favour of an alternative ruling which serves the ideals of justice and public interest in a better way.

³⁵ Literally, *istishab* is an accompaniment and keeping close association or attachment. Technically, it means “maintenance of status quo until a proof is furnished in favour of its changes.”

³⁶ al-Qur'an, al-Hasyr 59:2.

³⁷ *Zakat*, or almsgiving, is one of the five pillars of Islam, along with prayer, fasting, pilgrimage and belief in Allah and His Messenger. The literal meaning of *zakat* is 'to cleanse' or 'purification'. In the Islamic faith, *zakat* means purifying your wealth for the will of Allah SWT; to acknowledge that everything we own belongs to Allah SWT and to work towards the betterment of the Muslim society. According to Islamic regulations, *zakat* is 2.5% of one year's total cumulative wealth. This amount is then distributed to the poor.

As far as the recipients are concerned, the practice of *takaful al-ijtimai* should benefit all, from an individual, immediate family, neighbourhood to the society as a whole (Farooqi, 2006; 'Ulwan, 2001; Al-Sibai', 1998; Abu Zahrah, 1991).

The practices of *takaful al-ijtimai* are beyond financial aspect. It could be extended to many ways to convey the support. These include moral and emotion supports. As for financial support, in Islam, there are several channels which comprise of *zakat* (almsgiving), *al-nafaqat* (adequate support), *sadaqat* (donation), *al-waqf* (endowment), *al-wasiyyah* (wills), *al-qanaim* (booty), *al-rikaz* (buried treasure of the earth), *al-nuzur* (vows), *al-kaffarat* (expiation), *zakat fitrah* (almsgiving of Ramadan), public treasury and *al-kifaya* (charity above and beyond *al-zakat*) ('Ulwan; 2001; As-Sibai', 1998; Abu Zahrah, 1991).

Empirical Evidence of Takaful al-Ijtimai'

Given the importance of takaful, it is perhaps unsurprising that relatively many research has been carried out on this subject. The literature range from the behavioral factors (i.e., perception, marketing factors, customer commitment/brand loyalty/satisfaction, religiosity, attitude and intention), conventional insurance (i.e., risk, performance, efficiency, firm size, comparison and governance factors), takaful demand (i.e., growth, demographic factor, education and social factor) to products (i.e., Shariah compliant, standards and legal, challenges, takaful model, product development and operations)(Nasir & Khan, 2021).

As far as the development and increase in the interest in Islamic economics and finance are concerned, it is perhaps surprising that very little is known about the understanding and awareness of takaful, let alone about *takaful al-ijtimai'* in particular. Majority of the studies focusing on the area of takaful al-tijari. Othman & Abdul Hamid (2009) examines the level of knowledge and understanding of people among Muslims in Malaysia towards the concepts, Arabic and shariah terms in takaful and found that majority of the respondents do not understand the basic concepts and core features of takaful. Interestingly, however, most of them agreed with the use of Arabic terms in takaful. Sharing the similar results, Hassan et al., (2018) and Jahan et al., (2020) found that the level of knowledge and awareness about takaful is relatively low in Malaysia and Sri Lanka, respectively. In Saudi Arabia, although the level of awareness of the existence of takaful is high, the level of knowledge shows the contrast (AlNemer, 2015).

In order study, Wan Ahmad, Hisham Hanifa & Hyo (2019) investigate the awareness of non-Muslims coming from a non-Muslim-majority country regarding Islamic financial services, in particular, the takaful products. The findings show that they had little awareness of Islamic financial services and willing to participate and

know more about takaful. To improve the level of takaful awareness among the general public, Hameed et al. (2017) found that educational level, religious orientation, distribution channels are the important factors.

It is worth noted that although the discussion on the knowledge and awareness of takaful mentioned in the previous studies, those discussions are rather in the area of mainstream takaful than specifically on the spectrum of *takaful al-ijtimai'*. Studies on *takaful al-ijtimai'* are very much lacking or none in terms of empirical evidence to support its discussion. In this regard, it could be suggested that the evidence on awareness and understanding about *takaful al-ijtimai'* remains unclear.

METHODOLOGY

Research Design and Instrument

This study adopts the survey instrument developed and modified by Othman & Abdul Hamid (2009), Norlida et al. (2004) and Grootaert, G. et al. (2004). The questionnaires are designed to contain 26 closed ended questions and grouped into 3 sections. Section I includes questions related to the respondents' demographic, section II seeks respondents' awareness of *takaful al-ijtimai'* and section III gauges respondents' knowledge and understanding of the concepts of *takaful al-ijtimai'* within takaful industry in Malaysia.

The questionnaire was developed in English language. A pilot study was carried out to a small sample of students and staff at the International Centre for Education in Islamic Finance (INCEIF) to test the feasibility of the study. The questionnaires used a five-point Likert scale. Likert scale assumes that the respondent intensity of experience/strength is linear (i.e., ranging from "strongly disagree" to "strongly agree").

Sampling and Survey Administration

A total of 400 questionnaires were distributed using convenience sampling strategy. The questionnaires were distributed in Klang Valley and Nilai, Negeri Sembilan, range from individuals with low to high levels of education as well as randomly spread across various income levels. Respondents include bankers, insurance/takaful practitioners, civil servants, lecturers, students and the general public. The respondents were selected randomly from their various fields.

The questionnaires were administered in two forms. First, it involves face to face distribution of questionnaires in hard copy to the students and public. Second, it involved electronic mail distribution to the staff of Islamic banks and takaful

operators. Aside from our efforts to improve response rates, the electronic mail technique was implemented because many organizations prefer electronic survey due to its accessibility and efficiency. In total, 267 questionnaires were filled and returned representing a response rate of 66.75%.

Data Analysis Approach

Descriptive analysis using frequency is used to see the distribution pattern and percentage of the major issues in focus. Data obtained from the questionnaire survey was analyzed using SPSS.

Descriptive analysis was carried out to obtain the mean, frequency, standard deviation, range of scores, and distribution of response. According to Pallant (2001), descriptive statistics are useful to describe the characteristics of the sample, to check variables for any violation of the assumption underlying the statistical technique used to address research questions and to address specific research questions.

The data was then checked for validity and reliability before further testing was carried out. Factor analysis was conducted to determine whether the scales or items used in measuring the instruments in the study were valid. Factor analysis is used to reduce a large number of related variables to a smaller set of underlying that summarizes the essential information contained in the variables (Pallant, 2001). In reliability testing, the degrees to which the measures are free from random error are being measured. The commonly used indicators of internal consistency are Cronbach's alpha coefficient.

RESULTS AND DISCUSSION

Respondents Characteristics

Table 2 summarizes the characteristics of the respondents. In general, the respondents are dominated by females, aged below 25, Malay, Islam in religion, educated at tertiary institution and income level less than RM2500 per month.

Table 2. Demographic profile

Demographics	Frequency	%
Gender		
Male	117	43.8
Female	150	56.2
Marital status		
Single	141	52.8
Married	126	47.2

Demographics	Frequency	%
Age Group		
Less than 25 years	100	37.5
26 – 30 years	72	27.0
31 – 35 years	42	15.7
36 – 40 years	22	8.2
41- 45 years	17	6.4
More than 46 years	14	5.2
Ethnic		
Malay	244	91.4
Chinese	2	7
Indian	3	1.1
Other	18	6.7
Religion		
Muslim	265	99.3
Christian	1	.4
Indian	1	.4
Other	0	0.0
Highest Education		
High school	6	2.2
Diploma/technical qualification	6	2.2
Undergraduate degree	139	52.1
Postgraduate degree	97	36.3
Professional	19	7.1
Occupation		
Managerial, professionals and executive	87	32.6
Professor/Teacher	65	24.3
Student	91	34.1
Entrepreneur	7	2.6
Housewife	3	1.1
Other (Please specify):	14	5.24
Income level		
<RM1500	105	39.3
RM1501-RM2500	45	16.9
>RM2500	117	43.8
Practitioner		
Yes	51	19.1
No	216	80.9

Awareness on Takaful al-Ijtimai'

This study found that only 28.1 percent of respondents are aware of *takaful al-ijtimai*. This percentage shown in Table 3 indicates that the existence of *takaful al-ijtimai* is not very much realized by people in Malaysia.

Table 3. Percentage of the respondents with awareness on *takaful al-ijtimai*

	Frequency	Percent
Yes	75	28.1
No	192	71.9
Total	267	100.0

Apart from that, this study also examined the sources of information that create awareness on *takaful al-ijtimai* as well as the reasons for not acknowledging the term. As summarized in Table 5, the three main sources are:

- (1) Seminar/Talk/Lecture
- (2) *Takaful* agent/staff
- (3) Internet

The results shown in Table 4 reveal that seminar/talk/lecture, as well as *takaful* agent/staff, plays a crucial medium in disseminating knowledge and awareness on *takaful al-ijtimai* to the public.

Table 4. Percentage of the respondents with sources of information on *takaful al-ijtimai*

Sources	Frequency	Percentage	Rank
<i>Takaful</i> agents/staff	26	22.22	2
Newspapers & Magazines	15	12.82	4
Friends & Relatives	13	11.11	5
Seminar/Talk/Lecture	31	26.50	1
Television & Radio	5	4.27	7
Internet	19	16.24	3
None of the above	8	6.84	6
Total	117	100.00	

On top of that, the analysis of possible reasons behind not acknowledging *takaful al-ijtimai* is illustrated in Table 5. Majority of respondents agreed that the term *takaful al-ijtimai* itself is the main perceived reason why people are not aware of it.

Respondents revealed never heard and do not know about the term lack as well as lack of sources of information to rely on, as agreed reasons with the percentage of 40.66, 22.71 and 20.15 respectively. Indeed, this terminology issue gives the public little understanding and awareness to address it in their daily life as well as in their business activities. The respondents least agreed that *takaful al-ijtimai* is not been promoted and practiced in Malaysia.

Table 5. Percentage of the respondents with reasons for not acknowledging about *takaful al-ijtimai*

Reasons	Frequency	Percentage	Rank
Never heard about the term	111	40.66	1
Do not know the meaning of the term	62	22.71	2
Lack of sources of information to rely on	55	20.15	3
It has not been promoted and practiced in Malaysia	30	10.99	4
Others	15	5.49	5
Total	273	100.00	

Understanding on the Concepts of Takaful al-ijtimai within Takaful Industry in Malaysia

In this section, questions were designed and asked to gauge respondents' knowledge and understanding of the concepts of *takaful al-ijtimai* within the *takaful* industry in Malaysia. Table 6 below shows the mean analysis on this issue for 12 questions.

Table 6. Understanding on the concepts of *takaful al-ijtimai* within *takaful* industry in Malaysia

No	Items	Mean	Standard Deviation	Variance	Rank
1	I am knowledgeable about <i>takaful al-ijtimai</i> .	2.17	1.192	1.421	12
2	I understand the difference between <i>takaful al-tijari</i> and <i>takaful al-ijtimai</i> .	2.22	1.233	1.521	11
3	<i>Takaful al-ijtimai</i> is not currently practiced by <i>Takaful</i> operators in Malaysia.	2.90	1.008	1.016	10
4	<i>Takaful</i> operators are currently benefited to those who only subscribe to their policies.	3.51	1.005	1.010	2
5	Benefits of <i>Takaful</i> operators spread beyond its participants.	3.25	1.048	1.098	4

No	Items	Mean	Standard Deviation	Variance	Rank
6	<i>Takaful</i> operators complement other community organizations.	3.39	.928	.862	3
7	<i>Takaful</i> operators always deal with other organizations that operate in the neighbourhood.	3.18	.848	.719	6
8	Charitable donation made by <i>Takaful</i> operators is considered as <i>takaful al-ijtimai</i> .	3.06	.832	.692	8
9	<i>Takaful</i> operators provide channels (i.e social-base funds) to the policyholders and the public to contribute to the society.	3.19	.878	.772	5
10	<i>Takaful</i> operators subsidize volunteer time for individual workers.	2.99	.841	.707	9
11	<i>Takaful</i> operators sponsor team-based service projects in the community.	3.06	.828	.685	7
12	Generally speaking, <i>Takaful</i> operators can be trusted in dealing with people.	3.55	1.051	1.105	1

Note: Mean values - scoring: 1 = strongly disagree; 5 = strongly agree

Table 6 summarizes the degree of understanding among respondents on the concepts of *takaful al-ijtimai* within the *takaful* industry in Malaysia. The results shown in Table 6 depicts that the respondents attached the highest level agreement on the understanding that generally speaking, *takaful* operators can be trusted in dealing with people. This is indicated by the reported mean score of 3.55. The result is consistent with the previous study (Billah, 1998) whereby Islamic insurance under Islamic teaching possesses certain fundamental characteristics upon which a *takaful* contract is to be held valid based on sincerity and trust. This could be explained that respondents perceive the understanding that the element of sincerity and trust are the basic and important facets within the *takaful* operation and management.

The study also finds that the respondents tend to agree that *takaful* operators are currently beneficial to those who only subscribe to their policies and also *takaful* operators complement other community organizations with the mean score of 3.51 and 3.39 respectively. On the other hand, the respondents emphasize the least agreement on the understanding about *takaful al-ijtimai* and its dissimilarity with

takaful al-tijari. Again, this might be best explained through the aspect of Arabic terminologies which majority of Malaysians are not familiar with.

However, the overall mean score in the 12 questions was in the range of 3.00 to 3.50 which indicate that the sample of respondent was not so sure about the concept of *takaful al-ijtimai* within the *takaful* industry. These results show that campaigns about *takaful al-ijtimai* knowledge should be planned, organized and done in order to disseminate the information and knowledge about *takaful al-ijtimai* to the public.

Table 7 shows the details of frequency and percentage of each category of the opinion from strongly disagree to strongly agree on each questions as mentioned in Table 6.

Table 7. Frequency distribution of the understanding on the concepts of *takaful al-ijtimai* within *takaful* industry in Malaysia

No	Items	1	2	3	4	5	Total
1	I am knowledgeable about <i>takaful al-ijtimai</i> .	111 (41.6%)	48 (18.0%)	69 (25.8%)	29 (10.9%)	10 (3.7%)	267 (100%)
2	I understand the difference between <i>takaful al-tijari</i> and <i>takaful al-ijtimai</i> .	109 (40.8%)	49 (18.4%)	59 (22.1%)	40 (15.0%)	10 (3.7%)	267 (100%)
3	<i>Takaful al-ijtimai</i> is not currently practiced by <i>Takaful</i> operators in Malaysia.	29 (10.9%)	42 (15.7%)	144 (53.9%)	31 (11.6%)	21 (7.9%)	267 (100%)
4	<i>Takaful</i> operators are currently benefited to those who only subscribe to their policies.	13 (4.9%)	15 (5.6%)	110 (41.2%)	82 (30.7%)	47 (17.6%)	267 (100%)
5	Benefits of <i>Takaful</i> operators spread beyond its participants.	23 (8.6%)	26 (9.7%)	105 (39.3%)	87 (32.6%)	26 (9.7%)	267 (100%)
6	<i>Takaful</i> operators complement other community organizations.	11 (4.1%)	19 (7.1%)	124 (46.4%)	82 (30.7%)	31 (11.6%)	267 (100%)
7	<i>Takaful</i> operators always deal with other organizations that operate in the neighbourhood.	11 (4.1%)	29 (10.9%)	142 (53.2%)	71 (26.6%)	14 (5.2%)	267 (100%)
8	Charitable donation made by <i>Takaful</i> operators is considered as <i>takaful al-ijtimai</i> .	17 (6.4%)	23 (8.6%)	166 (62.2%)	50 (18.7%)	11 (4.1%)	267 (100%)
9	<i>Takaful</i> operators provide channels (i.e social-base funds) to the policyholders and the public to contribute to the society.	14 (5.1%)	26 (9.7%)	136 (50.9%)	77 (28.8%)	14 (5.2%)	267 (100%)
10	<i>Takaful</i> operators subsidize volunteer time for individual workers.	19 (7.1%)	31 (11.6%)	157 (58.8%)	53 (19.9%)	7 (2.6%)	267 (100%)
11	<i>Takaful</i> operators sponsor team-based service projects in the community.	16 (6.0%)	25 (9.4%)	165 (61.8%)	50 (18.7%)	11 (4.1%)	267 (100%)
12	Generally speaking, <i>Takaful</i> operators can be trusted in dealing with people.	13 (4.9%)	22 (8.2%)	89 (33.3%)	90 (33.7%)	53 (19.9%)	267 (100%)

Note: Mean values - scoring: 1 = strongly disagree; 5 = strongly agree

Participation in Takaful Products

Table 8 shows the frequency and percentage of the respondents whether they have used or not any *takaful* products and services. Surprisingly, it is found that 57.3 percent of the respondents have participated in the *takaful* products, which is only about half of the total respondents.

Table 8. Percentage of the respondents with participation in *takaful* products

	Frequency	Percent
Yes	152	56.9
No	115	43.1
Total	267	100.0

Table 9 shows the frequency of stated reasons for participating in *takaful* products among the participants. It is found that the most reason for participating in *takaful* products is they are really aware and understand about the essence of *takaful* in human life, followed by the reason of influence by other factors (i.e *takaful* agents, family members, friends, advertisements, products, affordable, etc). The findings show that respondents are very much concerned about the concept of *takaful* in their life.

Table 9. Percentage of the respondents with reasons for participating in *takaful* products

Sources	Frequency	Percentage	Rank
I am really aware and understand about the essence of <i>takaful</i> in human life.	105	69.08	1
Influenced by other factors (i.e <i>takaful</i> agents, family members, friends, advertisements, products, affordable, etc).	47	30.92	2
Total	152	100.00	

In contrast, Table 10 shows the frequency of stated reasons for not participating on *takaful* products among the participants. It is found that the most reason for not participating in *takaful* products among some of the respondents is because they are not aware and understand the essence of *takaful* in human life and are not interested in the schemes. Indeed, this result suggests the reasons behind low *takaful* penetration in Malaysia. Thus, *takaful* operators should do something to enhance their operation as well as marketing and promotion activities in order to disseminate as well to increase the level of knowledge and understanding about *takaful* and the products to the public.

Table 10. Percentage of the respondents with reasons for not participating in takaful products

Reasons	Frequenc y	Percentag e	Rank
I am not aware and understand about the essence of <i>takafulin</i> human life	44	33.85	1
Not interested in the schemes	32	24.62	2
Unaffordable	18	13.85	4
Was not approached by takaful's agents	30	23.08	3
No advantage relative to conventional insurance	6	4.62	5
Total	130	100.00	

In general, the percentage shows that only a few are aware about *takaful al-ijtimai* and the main channels that create the awareness and disseminate the knowledge about *takaful al-ijtimai* are seminar/talk/lecture sessions as well as *takaful* agent/staff. The results also reveal that the term *takaful al-ijtimai* itself is the main perceived reason why people are not aware of it.

It can also be observed from the result of the survey that respondents are never heard and do not know about the term. This suggests the key reasons for unawareness about *takaful al-ijtimai* among the public as well as corporate. These reasons support the result on the overall of low level of understanding about the concept of *takaful al-ijtimai* within the *takaful* industry in Malaysia as discussed above. However, this could perhaps call for further examination into the details of the level of awareness about *takaful al-ijtimai* despite its growing concern among the public as well as the *takaful* sector.

CONCLUSION

It is worth noted that although the discussion on *takaful al-ijtimai'* is largely mentioned in the previous literature, those discussions are rather normative than positive. These studies are very much lacking in terms of empirical evidence to support the arguments. Thus, the objective of this study is to explore the awareness and understanding of *takaful al-ijtimai'* in Malaysia. Using a survey, descriptive analysis is conducted to explore the issue.

The analysis obtained somehow demonstrates the percentage of respondents' awareness about *takaful al-ijtimai'* and the key reasons for not acknowledging it. As predicted, majority of the respondents are not aware of *takaful al-ijtimai'* with a percentage of 71.9%. It is found that the most reason for not acknowledging it is never

heard about the term. The second reason is not knowing the meaning of the term. Surprisingly, despite not being aware and understanding about *takaful al-ijtimai'*, majority of the respondents tend to agree that takaful operators can be trusted in dealing with people. Moreover, most of the respondents tend to agree that takaful operators are currently beneficial to those who only subscribe to their policies.

In addition, majority of respondents who are participated in takaful products articulate that they participate for the reason of understanding and aware of the essence of takaful in human life. Nevertheless, those who did not participate assert that they are not aware and understand and aware of the essence of takaful in human life. This indicates less emphasis on the practices of *takaful al-ijtimai'* within the Malaysian takaful industry. In the future, the relationship between awareness/understanding of *takaful al-ijtimai'* and factors affecting it should be analysed empirically. It is hoped the findings of this study can be used as a reference for the relevant takaful providers and other entities to promote and nurture the spirit of *takaful al-ijtimai'* to achieve *maqasid al-shariah* and sustainable development through the Shared Prosperity Vision 2030.

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