

## **CHAPTER 3**

### **LITERATURE REVIEW**

#### **3.1 Introduction**

This chapter is dedicated to the literature review of previous studies and theories related to social entrepreneurship and price theory. Before discussing the concept and theories, this chapter provides an overview of past studies related to the topic. Subsequently, this chapter will discuss the theories related to this study in Muslim funeral management costs. The conceptual framework is then presented at the end of the chapter.

#### **3.2 Literature Reviews from Previous Studies**

Various local and foreign studies have been conducted to address the issue of funeral costs directly or indirectly. The themes of these studies can be divided into two, i) studies related to the elements related to the cost of funeral management and ii) studies related to the management of Muslim funerals and Muslim funeral management organisations. The reviews and discussions on each theme are as follows:

### **3.2.1 Past Studies on Funeral Costs**

#### **3.2.1.1 Insights into Funeral Poverty**

Death comes at a high price. The economic aspects of life do not end with death, for cremations, burials, funerals, and memorial services entail (often unexpected) costs. Funeral costs are rising, and the gap between the costs and people's willingness to pay seems to widen. For example, the price of a funeral in the UK has increased by 124% since 2004, and this rapid increase is not aligned with the small rise in salaries over the same period (SunLife, 2021). In the 14 years between 2004 and 2018, the average cost of a 'basic' funeral has risen by 6% a year, from £1,920 (around RM10,852) to £4,271 (around RM24,141) (£3,744 (around RM21,162) for cremations). Furthermore, in 2017, it was reported that people in the lowest decile spent an average of £11,050 (around RM62,458) a year, 39% of which was on funerals. This cost is higher than the combined amount spent on food, electricity, and clothing (26%). In this regard, a funeral is the third largest spending category in one's lifetime, and consumers can be emotionally or cognitively affected when managing this spending category. This is especially true for people in the lowest income group who are investing more than a tenth of their income on funeral costs compared to those in the highest income group (CMA, 2019). While there are ways for clients to save money, arranging a funeral or burial is expensive and time-consuming and can be emotionally and financially devastating for clients who are usually inexperienced and vulnerable. In summary, many working families are constantly misrepresented as materialistic due to income inequality and are susceptible to funeral poverty.

'Funeral poverty' has been extensively debated in the media and by government representatives in recent years, especially in developed countries like the United

Kingdom, the United States, and Australia, as well as in developing countries such as African countries. It represents the challenges one faces in paying for a funeral and its expenses. In this light, funeral poverty is often linked to debt problems. Corden & Hirst's (2015) study at York University looked into the meaning of funeral poverty and concluded the key constituents of funeral poverty are: people's financial inability to cover funeral expenses, the economic consequences of funeral unaffordability (especially problematic indebtedness) or negative psychological and emotional elements (such as the effect on grief and bereavement experience).

As mentioned above, funeral poverty has been defined as a situation 'when the cost of a funeral is beyond a person or family's ability to pay'. This entails the lack of funds or capacity to pay for a funeral resulting in recurring unmanageable debts. Funeral poverty has risen by 50% in the last three years due to problems like the rising cost of living and inflation (*Fair Funerals campaign Quaker Social Action*, 2017). In 2018, local authorities in the United Kingdom conducted 3,835 pauper funerals in cases where a body remained unclaimed (BBC, 2019). Furthermore, in 2018, the Fair Funerals Campaign reported that one in every six people would not be able to afford a funeral. Another report by Royal London (2018) found that in 2018, 12% of respondents, or 75,000 people in the United Kingdom, struggled with funeral costs, while 95,000 claimed the same difficulty in 2017. They estimated that funeral expenses have incurred debt totalling £1,744 (around RM9,857) – a 4% rise from 2017. It was also estimated that funeral debt exceeds £0.5 million per annum in Dundee City.

According to the National Funeral Directors Association statistics, the average cost of an adult funeral with visitation and burial in 2019 in the United States exceeds \$9,000 (around RM38,137). Such a cost is especially high considering that four out of ten Americans would have trouble covering any unexpected cost of \$400 (around

RM1,695), and 12% would not be able to pay the unexpected \$400 by any means (NFDA, 2019).

In African countries, Case *et al.* (2013) found that funerals are important to traditional family and community life, similar to births, graduations, and weddings. Thus, between 2003 and 2005, black households in KwaZulu-Natal, South Africa, on average, spent a year's income (measured based on the median per capita income for South Africa) for an adult's funeral, and in many cases, such spending has created financial hardship for poor households. After home and car purchases, funerary expenses (funerals, burials, and cremations) have become the third-largest expense in most people's lives. It can be argued that funerary expenses differ from other household expenses in various aspects, and one of the most notable differences is that they are often followed by grief over the death of a loved one. Roth interviewed twelve households in Eastern Cape township and found that the average burial expenditure is fifteen times their monthly household income.

Funerals also have a great cultural significance in sub-Saharan African countries due to the traditional belief that the spirits of the body will influence and honour the living. Family members would visit the deceased's family from far away, and the host family would have to bear the high cost of catering for many days. In some regions of Ghana, funerals are significant rituals for families to demonstrate their wealth and social ranking. People with high social rankings, such as royalties have more complex funerals than the average citizen. As a result, gone are the days when funerals were conducted more simply to save money; in some societies in Ghana, if family members do not bury their dead in an "honourable" manner, the person or his family will be mocked by the larger society, and to some extent, denigrated and ridiculed in social media. On the contrary, others have suggested that excessive social expenses, such as excessively

celebratory funerals, are likely to deplete investments in health, education, and other critical needs (Case *et al.*, 2008; Chen & Zhang, 2014).

In addition, due to a lack of regulation in the funeral industry, many providers do not list their service rates on their websites. It is widely known that funeral fees and charges vary among different funeral directors. However, the deceased loved ones often need to make decisions about funerals quickly, and when in shock – there is often no time to shop around, forcing them to overpay for the funeral costs. Furthermore, making funeral arrangements is emotionally hard, and people usually do not want to spend their time or energy shopping around for the ‘best deals’. At these times, other relatives could help make inquiries on their behalf, and some remember deciding on ‘middle-range’ options for coffins and flowers as they did not want to think or show themselves as ‘mean’ for deciding on the cheapest items but at the same time, reluctant to be extravagant.

On the other hand, in times of immediate grief over a partner’s death, it could be hard for a partner to resist or negotiate when members of the partner’s family wanted a more elaborate and expensive funeral arrangement. Many people do not have the energy to compromise details such as floral arrangements and the hearse cars for the funeral procession. They also felt ashamed of having to tell relatives and funeral directors the ‘bottom line’ of the expenses they could afford. This situation often leads families to make choices beyond their means.

Funerals are becoming more costly. This situation is made direr as welfare funding is dwindling, and the mechanism for obtaining financial assistance is complicated and confusing, especially for those who have recently lost a loved one.

According to the Citizens Advice Bureau (2020), the average cost of a funeral in New Zealand is between \$8,000 (around RM23,146) to \$10,000 (around RM28,932). On the

other hand, the Funeral Directors Association of New Zealand (2017) reported the upper end closer to \$15,000 (around RM43,399) in 2017. This number is much higher than the Work and Income Funeral Grant, which pays a maximum of \$2,128.10 (around RM6,156).

Similarly, the average total payment for a successful Funeral Expenses Payment application in the United Kingdom from 2017 to 2018 was £1,461 (around RM8,256), which only covers only 39% of the average cost of a simple funeral. In this light, even with the Funeral Expenses Payment, people face a potential shortfall of thousands of pounds. On top of this, making a claim can be a long and complicated process, which could put the funeral on hold. This situation often leaves people confused and more frustrated at a very stressful and disorientating time.

Fair Funerals (2017) also estimated that the Social Fund's funding covers only 37% of the funeral expense. We often hear advice that people should be more financially prepared for funerals, but in reality, many people are living precariously in or on the edge of poverty. This means that funeral costs will give them a financial shock they cannot save or prepare for (Perry *et al.*, 2014). Deaths could also come when family members face financial difficulties, for instance, after a long illness that forced some families to take costly time off work or after paying expensive medical bills (Purcell & Cooper, 2015).

After the financially responsible party has exhausted all potential resources for assistance, they are left with no options but to beg, borrow, or surrender their belongings. According to Royal London (2018), funeral debt was reported to happen in different ways, including borrowing from family and friends (28%), taking on loans from financial services providers (21%), staged payments to the funeral directors (18%) or selling possessions (9%). It is a matter of concern that surviving family members are

now counting on their extended friends and family to scrape together money to cover funerary expenses, in much the same way that one raises money for a noble charitable cause through a carwash or bake sale. In recent years, crowdfunding has been deemed a dignified way to approach family and friends to ask for financial assistance in times of grief, and as a platform for raising money for funeral costs, it has become more prevalent.

In addition to its financial effect in the form of unmanageable debt, funeral poverty can also have an emotional impact in the form of depression, guilt, and the perceived stigma of not being able to give their loved ones a "proper send-off." This leads to difficult choices about the type of funeral to arrange and how to pay for it. Furthermore, although difficult to quantify, families can also sacrifice themselves and make unseen cost cuts to other important expenses, such as food, to cover funeral costs (Perry *et al.*, 2014). Consequently, funeral poverty leaves families particularly vulnerable to high-cost debt due to very high-interest rates, and this can entrench people in poverty for several years.

In Malaysia, a third of Malaysians do not have a savings account. It was reported that 90% of low-income families and 86% of urban households have no savings (Shagar, 2016). Given their limited savings, most families cannot afford the required funeral expenses for their loved ones. Failure to organise a funeral in advance can lead to poverty and financial problems due to a lack of financial resources for a funeral. Funeral homelessness is a salient idea used to detail the suffering faced by people with limited resources to pay for the funeral of their loved ones (Corden and Hirst, 2015). Given the rising cost of funerals, this issue is expected to be the next social crisis in many countries, including Malaysia. However, funeral poverty has rarely been discussed in an academic context in Malaysia, even though funeral affordability could

become a significant issue in this country. The funeral poverty crisis has posed challenges for states to ensure the well-being of the public and, at the same time, be impartial with co-operators.

### **3.2.1.2 Studies on Funeral Elements and Costs**

The high cost of funerals could bring financial burdens to all households. The funeral affordability and cost issues have garnered the attention of researchers and stakeholders, especially in developed and African countries. Worse, funeral costs and expenses have caused ‘funeral poverty’ and indebtedness among low-income households. In this light, funeral expenses are often covered by the surviving partner, parent, adult children, sibling, or other family members. People who are grieving and shocked by the death of a loved one frequently find themselves making funeral plans with little awareness of the financial consequences and, in the current economic context, with little resources to pay for the large expenditures.

Funeral costs have increased globally due to the rising cost of a burial plot as a result of to hike in the cost of land and the increase in cremation cost due to the hike in energy prices and more stringent legal requirements for newer equipment and filters (Katan *et al.*, 2019). The problem of land scarcity and high mortality rates can also contribute to skyrocketing prices for burial plots and cemeteries (Ren, 2018). The graveyard speculation issue is becoming more common in densely populated countries such as Moldova (Publika, 2013) and Indonesia (Budi, 2019), which occurs when previously reserved or occupied plots are later resold at very high prices as the number of available graveyard plots becomes scarcer, and the allotment for new cemeteries still cannot meet the current demand. In this light, the cadastral burden of death is defined

by population density and death rate (later referred to as land shortage) (Sadigov, 2021b).

A study by Royal London (2019) reported that in recent years, burial and cremation expenses and funeral directors' fees had increased faster than price inflation and incomes. Nowadays, customers have a choice over discretionary items such as flowers, limos, and catering as a measure of financial control. However, historically such elements have been viewed as critical, and associated costs have been substantial. A recent report indicated that the average cost of a cremation in the UK in 2015 was £3,294 (around RM18,614), while the average cost of burial was £4,110 (around RM23,226). Geographical disparities in funeral expenses, particularly for burials, were also reported (Royal London, 2015).

According to Sun Life (2018), the total cost of dying represents the sum of the average costs for order sheets, venue hire, additional limo(s), funeral flowers, death notices, funeral notices, memorial, catering, viewing of the body, embalming, live music, recorded music, and estate administration. The average cost of a funeral has climbed by 122.5% from £1,920 (around RM10,850) to £4,271 (around RM24,135) between 2004 and 2018 (Sun Life, 2018). Even so, the number of deaths in the UK is currently around 547,000 per year (ONS, 2013), and this cost is expected to climb over the next century, as are funeral costs. One can anticipate an increase in the number of persons facing financial difficulties paying for funerals, and the economic atmosphere of austerity and welfare cuts makes it doubtful that the amount of state assistance available will be much increased.

According to Bickerton & Morelli (2019), in Dundee, United Kingdom, most people have chosen cremation, and only  $\frac{1}{4}$  of the deceased would be buried, representing a significant difference in the number of these two types of funeral. Burial

is more expensive due to the cost of buying a plot, plus additional costs such as perpetuities and title deeds, but it may be less expensive if a family already owns a plot. The additional costs associated with burials have made them more expensive than cremations. Royal London (2018) reported a burial funeral in Dundee costs £4,194 - the eighth highest in Scotland, based on a different set of factors for a 'basic funeral.' An average basic funeral is estimated to cost between £3,757 (around RM21,231) and £4,271 (around RM24,135) in the UK and between £3,499 (around RM19,773) and £4,085 (around RM23,084) for Scotland. After adding all additional expenses, the cost rises to between £5,820 (around RM32,889) and £6,146 (around RM34,731) in Scotland.

Funeral prices vary greatly by location and 'types' of funerals (indirect cremation, basic funerals, full-service funerals). At the same time, the names and descriptions of a funeral can also vary, further complicating matters. In addition, funeral directors' fees and disbursements have escalated funeral costs. Funeral director fees include meetings, consultation, paperwork on running the funeral, collecting the body and its care before the funeral, a hearse or appropriate vehicle for transport to the funeral, and a basic coffin. The fees do not include disbursements (burial/cremation costs, medical fees, and celebrant fees), flowers, memorial (venue etc), headstones, or orders of the service.

Competition is one of the factors in measuring the price offer. In this light, less competition will lead to higher service rates offered. Prices can still be set in duopolistic and oligopolistic markets where two or a small number of firms dominate market share. Distance also plays a role. In this regard, there is less choice of services available due to less competition. Usually, the customer has to travel a distance to find a cheaper crematoria service, as prices in a densely populated area are often higher. Similarly, the

limited number of burial plots will lead to a higher price of burials, leaving people with no choice but to cremate the body.

'Local Authority funerals' serve as a safety measure for individuals without surviving family members or those unable to afford a funeral service. In such cases, the local authority assists in organizing a funeral, which includes facilitating a viewing of the body, providing a coffin, a hearse, an additional car, and publishing an obituary notice in the paper. However, they do not arrange for a minister or celebrant fee, flowers, a headstone, aftercare support for relatives, or support for Social Fund applications. In Dundee, the Local Authority will bury the body in a public grave in Birkhill Cemetery, and there is no option for cremation. In 2019, the Dundee Local Authority charged a burial fee of £ 1,924 (around RM10,872), including the lair, title deed, and burial. Additional fees apply to Saturday burials, headstones, memorials, or larger lairs.

Accra *et al.* (2020) revealed that funeral events in Ghana, in general, bring people together more than other social events. The funeral celebration takes over one day; most of them will keep the body in the morgue for up to 3 to 6 months. Many families would pay around GH¢1,000 (around RM690) to GH¢2,000 (around RM1,380) to store the body in the morgue, depending on the duration. In addition, people honour their deaths in different ways, and one particular way is to have people lie down in the resting place of their dead loved ones. This often generates additional funeral arrangements costs as most families spend between GH¢500 (around RM345) to GH¢1,500 (around RM1,036) to have someone lie down at the resting place of their loved ones. Regarding the price of coffins, funeral providers in Ghana mostly charge between GH¢4,800 (around RM3,315) for a basic coffin, GH¢6,000 (around RM4,144) to GH¢10,000 (around RM6,907) for a medium-priced coffin, and GH¢24,000 (around RM16,579) for

a high-end coffin. While for the price of the burial plot depends on the social status of the dead and the family left behind. On average, a Ghanaian family spends less than GH¢2000 (around RM1,381) or between GH¢2000 and GH¢3000 (around RM2,079) on burials.

Some families also spend a lot of money on auxiliary funeral expenses, such as buying expensive clothes and fancy coffins and storing the body in an expensive mortuary. These constitute funeral celebrations, and families hosting a funeral may pay significant costs. These expenses add to the funeral costs and pressures placed on families and, occasionally, the dead, even before death. In many communities, death is seen as a social event where everyone gathers to celebrate it with joy and celebration. They will dance and sing as a gesture to the dead's life. These gatherings will cost around GH¢1000 to GH¢3000 for music and entertainment. Often, funerals are days-long events with complex rituals. The longer it takes for a funeral celebration, the more guests come to visit and the more family members have to bear due to incurring expenses for food and drinks. Guests will be served with water and/or drinks, especially during the funeral. Soft drinks and alcoholic beverages are common. Many families spend more than GH¢4000 and above for drinks and between GH¢3000 and GH¢6000 for food. Part of this expenditure was the result of several show-off competitions among some of the community members who were in the diaspora (Accra *et al.*, 2020) . The high cost of hosting these complex funerals often puts pressure on family members, prompting them to shorten the funeral celebration.

In developed countries like Australia, funeral costs can differ based on locality. According to Laan & Moerman (2017), customers in Australia have two options: direct committal (cremation) or disposal of the body without a funeral service, or basic or essential funeral services, which include cremation and a funeral service. Urban or

metropolitan regions, being significantly larger and more densely populated compared to rural or isolated areas, experience lower land pressure for graves, reduced travel distances for crematorium services, and diminished local competition in rural areas, resulting in monopolistic tendencies (NSW Parliament, 2005). As a result, cremation expenses in rural areas include a higher allocation rate for overhead (fixed) expenditures.

The overall cost of a funeral can also vary greatly based on the consumer's preferences, available options, and the goods and services offered by a funeral director. A funeral director typically provides customers with an itemized invoice that delineates three main components. Initially, the professional fee covers the funeral director's services, encompassing labor and salary expenses, coordination with vendors, transportation, facility overheads, and opportunistic charges like a 24-hour standby rate. The second component includes disbursements, which are fixed and variable expenses paid for and passed on to clients, such as flowers, certificates, and graveyard/crematorium fees (Laan & Moerman, 2017; NSW Parliament, 2005).

Sadigov (2021) found that the average cross-country cost of dying in 118 countries was \$4142, equating to 4.25 months' income for an average household in the countries studied. This suggests that an average household in the countries studied should set aside just over four months' income to bear the cost of a family member's funeral. Moreover, overspending on funerals is more common in countries with strong superstitions, low rates of cremation, limited land availability for burial, low levels of urbanization, and a majority Muslim population. This is because Muslim burial customs mandate burial, and scarcity of land can increase the cost of burial plots. Each of these factors positively correlates with the financial burden of death costs. Religion demands modesty in burial; in this light, religious burial rites can increase or minimise funeral

costs. For example, Islamic funeral costs might escalate due to non-preference for cremation and the scarcity of land; Islam dictates that a burial site should be as minimal as possible, while a headstone should not exceed 25-30 centimetres in height (Talim ul-Haq, 2001). As a result, the expenditure on gravestones in Muslim-majority localities is greatly reduced compared to other regions.

As summarised in Table 3.1 below, previous studies have focused more on the costs of funerals in developed countries such as the United Kingdom, Australia, the United States, or non-Muslim countries in the African region. Only one study has discussed Muslim funerals. The researcher chose only a handful of countries, examining general cases of government responses to households overspending on funerals, without delving deeply into the specifics of Muslim funeral elements and costs in Malaysia. This indicates that there is a limited in-depth study on the aspects of a Muslim funeral and its associated costs.

**Table 3.1:** Summary Review of the Funeral Elements and Costs

Author	Country	Funeral Elements	Costs
(Accra <i>et al.</i> , 2020)	Ghana	1) Fundamental Funeral (cloth, coffin, morgue, cost of lying-in repose, transportation, tomb)  2)Funeral Celebrations (music & entertainment, foods & drinks)	Morgue ( GH ¢ 1000 -GH ¢ 2000)  Resting place ( GH ¢ 500 -GH ¢ 1500)  Coffin ( GH ¢ 4800 -GH ¢ 24,000)  Tomb ( <GH 2000 or GH 2000 - GH 3000)  Music and entertainment (GH ¢ 1000 to GH ¢ 3000)  Drinks (GH ¢ 4000 >) Foods (GH ¢ 3000 to GH ¢ 6000)
(Bickerton & Morelli, 2019)	Dundee, UK	Burial or cremation	Total Basic funeral ( \$4, 194) Cremation in the morning (\$910) Cremation over a weekend (up to 2,14)
(Katan <i>et al.</i> , 2019)	Global	Burial plot, cost of land, cremation cost	
(Mulder, 2020), (MARSH, 2018), (Slocum, 2018), (Cox, 2018)	United States		Median cost of a funeral (\$7,360)
(Sadigov, 2021a)	118 Countries Around World	Cremation (renting)  Burial ( coffins, burial and land size, tomb-stone	Average cost of dying \$4,142

Table 3.1, continued

Author	Country	Funeral Elements	Costs
(G.-S. Han, 2019)	Korea	Casket, rental for funeral hall, the wake, hearse	(\$10,0000)
(G. S. Han, Forbes-Mewett, & Yang Wang, 2018)	Hong Kong	Grave-plot	Grave-plot ( AU\$60,000 to 80,000)
(Laan & Moerman, 2017a)	Australia	1)Professional fee (labour costs, liaison with service providers, vehicles, overhead costs maintaining premises, opportunity cost of 24 hour availability) 2)coffin (cost +mark-up) 3) disbursements (flowers, certificates, cemetery/crematoria fees)	permit for burial at sea costs \$1675
(Mokhov, 2017)	Britain	Minister or celebrant, flowers, printing of services sheets (optional), crematorium fee (hire chapel/hall), coffins, vehicles, hardware overheads care of the body, clearing, event management	Average cost of a funeral (3,700)

Source: Author's Illustration Developed for This Study (2024)

## **Study on Muslim Funeral Management and Muslim Funeral Management Organisations or Muslim Burial Society**

### **3.2.1.3 Muslim Funeral Management**

Researchers have studied aspects related to Muslim funerals for a long time. In Muslim funeral traditions, which are influenced by the Islamic faith, great importance is attached to religious observance, simplicity, and respect for the deceased. An overview of Muslim funeral customs in both Muslim and non-Muslim countries reveals a range of customs that are shaped by Islamic law, cultural practices, regional adaptations, and historical and legal factors. Below is an overview of Muslim funeral rituals and customs from around the world, including those practiced in Muslim-majority countries such as Saudi Arabia, Dubai, Turkey and Indonesia, as well as non-Muslim-majority countries such as Germany, Canada, Belgium, Ghana and Tanzania. A look at these countries shows that every Muslim funeral follows certain significant Islamic traditions, including the washing of the body (*al-ghusl*), covering with white cloth (*kafn*), the funeral prayer (*Salat al-Janazah*) and the burial of the deceased, which is often done facing Mecca and without a coffin. Speed is emphasized throughout the procedure, and the funeral must take place within twenty-four hours of death. Organ donation is legal, but cremation is not permitted under any circumstances. In most cases embalming is acceptable, but autopsies are considered a desecration of the body unless required by law.

Muslim funeral practices in Saudi Arabia are characterized by simplicity, community involvement, and adherence to traditional Islamic principles, even for high-profile figures like King Abdullah. His funeral showcased the egalitarian nature of

Islamic rites, starting with the ritual bathing of the body, followed by shrouding in plain white cloth, emphasizing equality in death. The funeral prayer, open to the public, and the burial in an unmarked grave further highlighted the humility and communal aspects of Islamic mourning (Gubash, 2015). For Muslims, burial in Mecca, Islam's holiest city, is a deeply meaningful experience. Many pilgrims are elderly or in poor health and see the journey as the completion of a lifelong dream. An example of Islamic brotherhood and compassion is the service of people who volunteer their time to help with tasks ranging from hospital formalities to funerals. These efforts, supported by Saudi officials, ensure the dignity and respect of the deceased. This altruistic services, along with the support of the authorities and society, demonstrates the qualities of compassion, solidarity and service in Islam, especially during the pilgrimages of *Hajj* and *Umrah* (Mohammed, 2019).

In Dubai, a special prayer is said before the burial. Although both sexes are allowed to attend the funeral, they remain separate. Three days are dedicated to mourning, during which the Quran is recited in separate gatherings for men and women in memory of the deceased. Foreign visitors to funerals usually dress modestly, with women often wearing dark robes with no noticeable jewellery. The family members of the deceased usually make donations to the needy in the name of the deceased and pass on the belongings of the deceased to those who can use them (Wafa, 2009). According to Alobaidi (2020), the Arab Muslim community's use of social media to announce deaths and the emphasis on community participation in funerals illustrates the complexity of the relationship between religious requirements and social traditions. In times of grief, this communal approach to funeral rites emphasizes the importance of community support and adherence to Islamic teachings on the value of cooperation and mutual aid.

In Turkey, where 90% of the population is Muslim, religious beliefs have a significant influence on funeral traditions, which emphasize the sanctity of human life and respect for the deceased. The funeral rituals in Turkey are a mixture of Islamic beliefs and pre-Islamic traditions and reflect the country's diverse cultural background. The combination of Islamic rituals and ancient practices, such as lighting fires to drive away troubled spirits, shows the lasting influence of regional and ethnic traditions on Islamic funeral customs (Biçer, 2009). Islamic rites in Kashmir are intertwined with regional customs, highlighting the complicated nature of mourning ceremonies. Local traditions may offer variations on core Islamic practices that deviate from strict Islamic requirements. The combination of religious and cultural activities illustrates the community's attempt to manage the complexity of mourning and reconcile religious observance with cultural expressions of grief (Jahangir & Hamid, 2020).

Bordering Malaysia, Indonesia is the most populous country in the world with a Muslim majority. The integration of practical, religious and cultural aspects into the Islamic funeral practices of the Javanese community emphasizes the importance of tradition in the funeral process. The community's commitment to respecting the deceased and preserving cultural heritage is evident in the meticulous attention to detail in grave preparation and the priority given to ritual hygiene (Winarto *et al.*, 2023). In addition, research by Fauji (2023) and Agung (2022) shows that wage payment is a common practice in Indonesia, which is seen as an expression of solidarity support. This remuneration is paid to people who perform tasks such as washing, shrouding, gravedigging, and leading the funeral liturgy. However, the wage must not place an excessive burden on the remaining family.

In non-Muslim countries, studies by Ülker (2024), Balkan (2018) and Klapetek (2017) show that the Islamic mortuary landscapes in Germany are an example of how

funeral customs were modified in different contexts. The ethnic affiliation of the deceased is reflected in the graves, which are often inscribed in languages such as Turkish, Arabic or Bosnian. It is remarkable that more than fifty percent of the graves have pictures on them — a rarity in countries with a predominantly Muslim population. The graves are inscribed with personal photos and flags, especially Turkish flags, which represent the identity of the individual and the nation. Some graves combine Islamic architecture with the resting places, giving them a mosque-like shape. The symbolism of the headstones reflects racial and religious identities. The addition of tombstones in the shape of mosques normalizes Islamic symbolism in the face of political unrest and symbolizes Germany's changing national identity.

Additionally, a study conducted by Akkaymak & Belkhodja (2020) examines the preferences of Muslim Canadians regarding burial location, highlighting the complicated relationship between legal, religious and cultural influences. The decision for local burial is influenced by existing community infrastructure, religious beliefs and a strong connection to Canadian and Muslim identity. In contrast to the common practice of transfer for burial in Europe, Canadian burial preferences are influenced by the multicultural approach.

According to Ahaddour & Broeckaert (2017), the problems faced by Muslims in Belgium concerning burial traditions include religious barriers, financial constraints, and a lack of knowledge about available burial options, which contribute to their preference for repatriation to their country of origin. Despite recent steps to adapt to Islamic burial rituals in Belgium, such as the establishment of Islamic sites and the permissibility of burial in shrouds, there is still no guarantee of a burial that fully complies with the Muslim faith. The extent to which regulations and cemetery rules are

adapted varies from region to region and municipality to municipality and depends on the notions of neutrality and religious freedom.

A study conducted in African countries such as Ghana, where Islam coexists with other religious beliefs, shows that in funeral ceremonies, great emphasis is placed on the performance of rituals in accordance with Islamic teachings and the speedy burial of the deceased (Bernard et al., 2020). Islamic funeral practices are guided by the universal principles of humility and piety, which are evident in the emphasis on simplicity and respect for the deceased. In Tanzania, the transition from traditional ceremonies to Islamic practices shows a dynamic interplay between religious beliefs and socio-economic developments, which promotes a re-evaluation of funeral customs within the Muslim community. This metamorphosis, anchored in the Islamic expectation of the Last Judgement, represents a departure from old power relations and emphasizes the need to gain divine favor for the deceased while remaining connected to the living (Becker, 2009).

In Malaysia, this regard, most studies and discussion of Muslim funeral practices are more specific to Islamic jurisprudence and issues. Muhammad et al. (2020) studied the *hadith* (tradition of the Prophet) and Muslim funeral management practices in Kelantan, where the *hadith* serves as a reference for funeral management in the Muslim community. The practice of involving the local community in the management of the body comes from an authentic *hadith* and the Syafi'ieyah school of thought. Apart from that, the Muslim community tends to adopt positive practices, especially those involving remembrance and recitation of the Al-Quran. Moreover, the Muslim community here is ready to improve their custom practices identified as invalid and readily omit things that contradict Islamic sources.

Siti Hafsa & Siti Fatimah (2018) found that Malaysians practice exemplary and authentic Muslim funeral management practices, guided by *uruf* (traditions or habits) in terms of expression, style of speech, and pronunciation. However, the practice of *uruf fasid* (traditions that are unacceptable according to Shari'ah) is still prevalent, and it can be improved over time as long as the general public is willing to accept the authorities' point of view.

According to Yusri Yusof et al. (2017), the Malay community follows a strict funeral management practices. Death and burial preparation include preparations during and after death. The study found that there are elements of local knowledge in Malay-Muslim funeral management, such as the use of *kemenyan*, *sintok*, *Sidr* leaves, rose water, sandalwood, and camphor. This aligns with the local wisdom created according to the community's situation, circumstances, and location (Salleh & Ramli, 2019).

Tajuddin's (2012) study in Penang found that some Muslim groups do not fully adhere to the *Sunnah* (tradition) of the Prophet in their funeral management practices, which affects how they handle the body. Additionally, there are *bid'ah* practices synonymous with the Malay community today. In this regard, the *Uruf* implemented by the Malay community concerning the situations mentioned continues to this day.

#### **3.2.1.4 Muslim Funeral Management Organisations or Muslim Burial Society**

In addition to the practices of Muslim funeral management, there are also studies that deal with the presence and innovations of Muslim funeral management Organisations.

In countries with Muslim minorities such as the Netherlands, funerals are often carried out by commercial companies, but the presence of the *Stichting Islamitisch*

*Begrafeniswezen* (Islamic Burial Society) is unusual and represents a glimmer of hope for the local community. This burial society was established to deal with Islamic death rituals and burials so that Muslim remains can be managed in accordance with Islamic burial customs and traditions, and to promote the jurisprudence of Islamic burial law. One of the main objectives is to build an Islamic burial site in the Netherlands in cooperation with the local authorities so that Muslims have a cemetery dedicated to them (Venhorst, 2013).

According to Kalima (2015), there is a Muslim burial society called Yawi Burial Society in South Malawi, Zimbabwe. This association is primarily religious-based, and it has a greater ethnic and religious impact. Most of them join this organisation to strengthen their family ties and to impart heritage preservation skills to the next generation. To take a leadership role in this organisation, someone must be older and know and understand the teachings of al-Quran. This burial society was founded to uphold Islamic culture and religious beliefs, not for financial gain, but to perform funeral ceremonies and burial for its deserving members. The burial society uses the money raised from members' participation to support each member's funeral expenses after their death with \$50. The benevolence function also includes a fund for senior citizens and single mothers, as well as medical expenses.

Jeawkok & Arrahimee (2021) conducted a study in Thailand and introduced guidelines for welfare management for funerals. The researchers studied all aspects, including income, age, congenital diseases, and funding for the elderly to improve welfare management during funerals. The elderly and their families must agree to the conditions of the charity conducting the funeral ceremony. Furthermore, professional development was given in the care and management of the elderly and the funeral ceremony. This approach will benefit the community and allow everyone to follow and

evaluate the charity's performance. The study recommended that community leaders encourage and support these programs' stakeholders to develop a long-term management policy.

While in Malaysia, Muhamat (2014) suggested that the existing organisations managing the Muslim *Khairat* death fund could be transformed into a mini-cooperative to benefit its members. Members can enjoy benefits in the form of financial assistance, helps in the funeral management process, and other additional benefits such as short and long-term loans. Ismail *et al.* (2019) proposed a new model for *the Khairat* death fund by collaborating with takaful operators (TO), either through a Takaful *Khairat* that suits the profile of *qaryah* members or the second model where the mosque pays a lump sum to the takaful operators to establish a trust fund to cover the *Khairat* death fund. It is suitable for established mosques with a *Khairat* death fund or use general donations for *Khairat* purposes. Firdaus & Dewi (2019) confirmed the principles of *micro takaful* in the *Khairat* death fund, which reflects the spirit of *Ta'awun* (mutual help) among the Muslim community. It is a form of protection that provides the benefits of *ittihad* (unity) to uphold virtues and faith. Furthermore, the *Khairat* death fund, as part of micro insurance, fulfils the validity as a useful product for society.

Katan *et al.* (2019) and Miza *et al.* (2019) asserted that the presence of commercial Muslim funeral management services is an effect of the modernity and changes in the population's demographics. The community no longer depends on the traditional voluntary service for managing funerals in mosques and *Qaryah*. Many residents, especially those living in urban areas, have less community bond and attachment. The lack of interest and knowledge of funeral management among the younger generation has led to a change in the structure of the Muslim funeral management industry. In this light, the nature of traditional community voluntary service of Muslim funeral

management, which is more local, provides an opportunity for commercial funeral management to provide their services as soon as the death occurs and until the completion of the funeral.

A study by Norhafiza *et al.* (2021) on the aspect of the governance of charitable bodies, especially related to funeral fund management, found that community members have a good perception of the mosque committee's management of the funeral fund with an acceptable level of due diligence. They also believe that mosque committees are competent when it comes to overseeing the collection and distribution of funeral funds. In this light, the study suggested that management of the fund should be improved. The committee should be more transparent and use appropriate communication channels. Mosque committees should also improve their communication with patrons and be more open to accept any proposal from them. Moreover, the governance framework should be formalised in the recommended standards for mosque committees.

### **3.2.1.5 Muslim Funeral Management Organisations in Malaysia**

Generally, three different types of entities provide funeral and bereavement services for Muslims in Malaysia. First, the traditional voluntary services rendered by the community or the *qaryah* of the local mosque or surau. Traditionally, funeral costs are borne by the mosque committee, the Community Funeral Fund, or mutual benevolent, known in Malay as *Khairat Kematian*. This concept has existed since the year 1926. It started with the organisation's official establishment called Brotherhood Federation (Persekutuan Ikhwan) in 1913 at the Masjid Jelutong, Penang. The original purpose of the establishment was to provide mutual benevolent services to the members

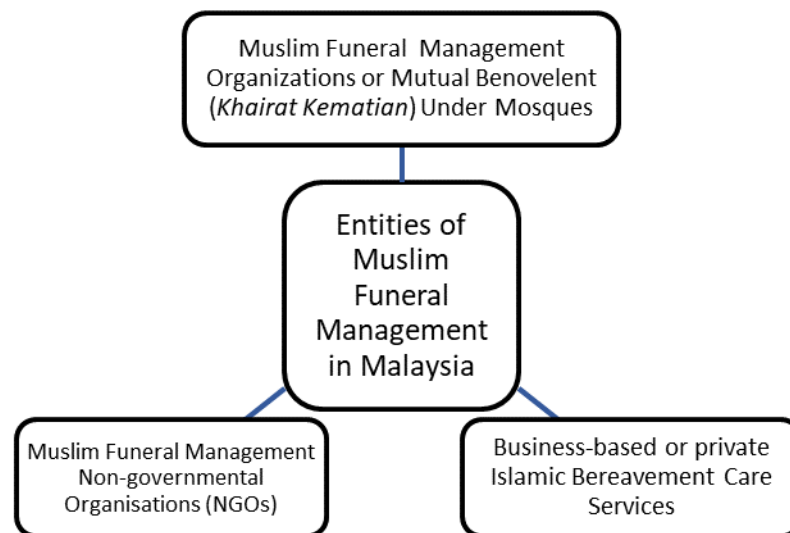
and their dependents. It has grown rapidly year by year Since 1930 with the increasing number of participating clubs and organisations. Some organisations that joined this initiative has received the limelight at that time due to the mutual benevolent goal. Mutual benevolent became a very popular term at that time. It refers to the practice of the community in the mosque and in the surau in helping each other by taking care of their welfare when there is death among the mosque *qaryah* and their family members. Thus, the mutual benevolent associations comprise organisations established by the Malays to care and care for the welfare of their members and their family members upon death. The funding for funerals is obtained from the monthly or yearly mutual benevolent collection collected from house to house in each area (*qaryah*).

According to Rofaizal *et al.* (2017), the term ‘*Khairat*’ or welfare is the application of Islamic values that have long been adapted into the Malay community practice in which the concept of mutual aid or helping each other is often put into practice regardless of one's background and position. This practice includes all the benefits, such as giving alms, and *waqf*, especially to the needy such as the poor and in need, which has become a practice especially for the Muslim community. Hussain *et al.* (2020) stated that the practice found in the Malay community is a noble practice that embraces the concept of mutual help. This is in line with a study by Muhamat (2014) stated that the concept of mutual benevolence is similar to the concept of *takaful*, which has a mutual agreement to help each other, and the contributions are based on the principle of donation, not for profit nor to maximize returns. Ezamshah *et al.* (2020) in their study defined a benevolent mutual fund as a fund created in Malaysia to bear the costs and expenses of a funeral that benefits its members. According to him, this mutual benevolent fund is like a form of social insurance for the sick and is managed by the mosque community, and every one of its members, or those who want to join this fund,

must voluntarily pay, just like the Takaful concept. In Malaysia, mosques fall under the jurisdiction of the State Islamic Council, and state Islamic departments oversee them. According to the Syariah Judiciary Department of Malaysia (2016), the state's decrees, laws, and regulations govern the legal administration of Islamic affairs in Malaysia, including mosques (Sarif, Zakariyah, & Noor, 2015). It is the responsibility of the State Islamic Council (also known as Majlis Agama Islam Negeri) or the State Islamic Religious Department (also known as Jabatan Agama Islam Negeri) to regulate and manage all issues related to mosques (Wan Zakaria *et al.*, 2020). Mosques that fall under non-profit organisations (NPOs) manage public funds they receive from the government, corporations, and individual donors. They also retain control over the organisation's financial activities, including how the funds are handled after they are received and spent. Providing services to the neighborhood is the primary goal of this organisation, which does not seek any profit through its activities. Under an NPO, the organisation has no shareholders, and its main objective is to provide services to those in need at a cost that is not aimed at making a profit (Strydom & Stephen, 2014; Baharudin & Bahari, 2020).

Second, there have been well-established non-governmental organisations (NGOs) or non-profit organisations (NPOs) registered with the Registry of Societies Malaysia (ROS) since the year 1960. These non-governmental organisations (NGOs) are normally based in one location or state, while some are spread throughout Malaysia to provide funeral management services until the burial. Many of these organisations are now philanthropic non-governmental organisations (NGOs) that provide burial services for free. Funds are raised through donations or *waqf* from the public or individuals, and with these funds, these non-governmental organisations (NGOs) can give services for free, or they cover a portion of the funeral expenses.

Third, due to the change in living conditions in urban areas, and modernisation, which have affected community ties and community engagement, there are now business-based Islamic bereavement care services newly introduced in Malaysia. Bereavement care services have been transformed into a one-stop integrated package managed by business entities providing commercially efficient services. The funding of Islamic funerals, which traditionally comes from ‘*Khairat Kematian*’ ( *Khairat* Death fund ) or mutual benevolence, is replaced with a systematic Islamic pre-need funeral plan in which individuals lock in a price for their service and spread the cost over several years. There are now two companies in Malaysia that provide Muslim funeral services which are registered under Suruhanjaya Syarikat Malaysia (SSM).



Source: Author’s Illustration (2024)

**Figure 3.1:** Three Entities of Muslim Funeral Management in Malaysia

### 3.2.2 Synthesis and Research Gap

The review found that although there are various studies on matters related to Muslim funerals, as shown in Table 3.2, there is no specific, comprehensive, and in-

depth study on the cost of Muslim funerals, especially in the Malay community in Malaysia, which is a developing Asian country with the majority of its population being Muslim. The studies were reviewed separately in different scopes. Based on the research, previous studies on are focus more on the Muslim funeral practises in other countries which are influenced by the religion, culture and also the rules. In Malaysia, the studies on Muslim funeral services focus on Islamic jurisprudence and issues, governance, and innovation in transforming the current model of traditional communal funeral services. However, none of the studies focus on the cost of Muslim funeral services provided by these organisations especially in Malaysia. Thus, this study will explore, deepen and review closely the reality of funeral management's cost that has been applied in the Muslim community where funeral management in Islam is *Fard kifayah*. This study will help build an in-depth understanding of the decision and practices of funeral management organisations appointed by the community to manage the funeral of their family members. This study is important to fill the research gap, especially in Muslim funeral management. In this light, issues related to the cost of funeral management as an issue that needs to be addressed accordingly with this study contribute to developing a costing framework to improve the current cost and management of Muslim funerals.

The study is relevant to the increasing number of Muslim funeral management organisations. Hence, this study is increasingly important to explore the latest costing practices conducted by these organisations. The input of this study can raise the understanding of the role and importance of Muslim funeral management organisations in the Muslim community.

This study will benefit several groups. First, Muslim funeral management organisations can improve the existing cost management and practices and be more

sustainable for the long term despite functioning as social organisations. Second, it can provide community members with sustainable and cost-efficient practices in managing Muslim funerals. It can offer guidelines on effective funeral management so that the benefits received by community members can be optimised.

**Table 3.2:** List of Reviewed Literature

Areas	Authors
Funeral Costs	Accra <i>et al.</i> (2020), Bickerton & Morelli, (2019), Katan <i>et al.</i> (2019), Mulder (2020), MARSH (2018), (Slocum, 2018), Cox (2018), Sadigov (2021a), G.-S. Han ( 2019), G. S. Han, Forbes-Mewett, & Yang Wang (2018), Laan & Moerman (2017), Mokhov (2017)
Muslim Funeral Management and Muslim Funeral Management Organisations	Muhammad <i>et al.</i> (2020), Siti Hafsa & Siti Fatimah (2018), Yusri Yusof <i>et al.</i> (2017), Salleh & Ramli (2019), Tajuddin (2012), Muhamat (2014), Ismail <i>et al.</i> (2019), Katan <i>et al.</i> (2019), Miza <i>et al.</i> (2019), Firdaus & Dewi (2019), Jeawkok & Arrahimee (2021), Norhafiza <i>et al.</i> (2021), Rofaizal <i>et al.</i> (2017), Hussain <i>et al.</i> (2020)

Source: Authors' Illustration (2024)

### 3.3 Theoretical Underpinnings

#### 3.3.1 Social Entrepreneurship Theory

*“Social entrepreneurship (and enterprise) is as vital to the progress of societies as entrepreneurship is to the progress of economies”* (Martin & Osberg, 2007).

In 1953, H. Bowen published his book ‘Social Entrepreneurship’ which introduced its namesake term (Soba & Yildiz, 2020; Kocak & Kavi, 2014). Later, social entrepreneurship was again highlighted in the late 1970s through Bill Dryton’s founding

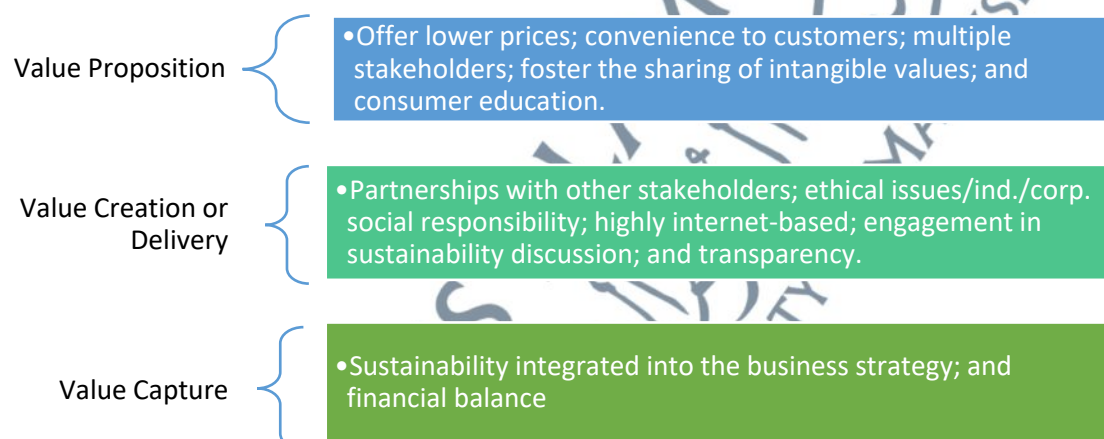
of Ashoka (García-Jurado *et al.*, 2021). Since 1953, numerous authors and academics working in various social literature sectors have offered various interpretations and definitions of social entrepreneurship. The varied and disparate perspectives reflect the different interpretations of the social entrepreneurship environment across sectors, fields, and by a diverse range of scholars (Ramadani & Mulyaningsih, 2017; Okpara & Halkias, 2011; Granados *et al.*, 2011; Martin & Osberg, 2007).

To fully comprehend how social entrepreneurship may benefit society, one must first understand what entails as social entrepreneurship is. There are numerous definitions presented over the years. Shapovalov *et al.* (2019) defined social entrepreneurship as a process of value creation through actions involving assets that increase overall productivity. In this context, the inventive aspect of social entrepreneurship and the innovative behavior of a social entrepreneur are critical components.

According to Granados, Hlupic, Coakes, and Mohamed (2011), social entrepreneurship is “*activities developed by individuals or groups of people to create, sustain, distribute and disseminate social or environmental value in innovative ways through enterprise operations.*”

Shapovalov *et al.* (2019) framework distinctly defined the terms social entrepreneur and social entrepreneurship. Typically described as self-organising economic agents, social entrepreneurs are referred to by a variety of titles, including philanthropreneur, "engaged philanthropist", "social investor", and "social angel." On the other hand, social entrepreneurship is defined as a process of value creation through activities that utilise assets that increase productivity. Critical components in this context include the inventive aspect of social entrepreneurship and the innovative behaviour of a social entrepreneur.

Seelos *et al.* (2005) stated that social entrepreneurship refers to individuals or groups who have established models to efficiently address basic human needs. While these models are based on the foundations and resourcefulness of entrepreneurship, The main difference is that social entrepreneurship is based on the mission to change society. Matzembacher *et al.* (2020) found three elements in a hybrid model to positively impact the institutional environment: value proposition, value creation or delivery, and value capture. The components of each element are presented in figure 3.2 below.



**Figure 3.2:** Components of Value-based Social Entrepreneurship's Elements

Social entrepreneurship in academia has aroused so much interest. Some historians claim that the idea flows through a wide variety and, as individuals, voluntary organisations and social movements go beyond businesses. The bottom line is that not only is this a tendency, but the consequence of insufficient social assistance and the problem of insufficient finance that reduces social supply and cohesiveness has evolved from structural necessity and profound importance.

There is a push towards social entrepreneurship innovation to find the answer to the ongoing disappointment produced in existing markets and institutions in the community when the economic, social, psychological, health, education, personal and working rights, and environmental concerns were not properly addressed (Shapovalov, Igropulo, & Arutyunyan, 2019; Coskun 2015; Short *et al.*, 2009). Social entrepreneurship brings light to new hybrid partnerships encompassing civil society, the volunteer sector, the social sector, the third sector, and the independent sector that represent a model of systematic social change (Nicholls, 2010). Such institutions aim to supply goods and services either unwillingly or unable to provide to the public sector, develop skills, create jobs, and encourage the inclusion of the socially excluded (Trivedi & Stokols, 2011). This evolution leads organisations to think creatively to create both sustainability and efficient and relevant market service.

Social entrepreneurs also possess vision and foresight. They identify problems and solves these problems creatively. The most important and unique characteristic of entrepreneurship is inventiveness, which is also present in social entrepreneurship. They play important roles as a critical resource for socioeconomic development in developing novel solutions for addressing acute social issues such as social injustice, illiteracy, child abuse, financing, health, poverty, and other social issues in social entrepreneurship as highlighted in studies like Batalina, M. *et al.*, (2008); Konyagina, M.N. & M. Krasnopevtseva, M. (2019); Moskvina, A. & Dolzhikova, D. (2018); Bansal, S. *et al.* (2019); Bento, P *et al.* (2019); Muralidharan, E. and Pathak, S. (2018); Moskovskaya *et al.* (2017). Social entrepreneurship also aids in the resolution of various social issues by leveraging local resources and employing entrepreneurial concepts,. In this situation, social entrepreneurship plays a critical role in reducing the negative effects of societal problems.

Social entrepreneurship mainly targets people at the bottom of the pyramid. This term refers to those with modest means but a great tolerance for social changes. In this light, people with limited access to resources and prone to neglect comprise the community's deprived group. Numerous social entrepreneurs have adapted their products and services to meet the needs at the bottom of the pyramid. Social entrepreneurship is the only option to meet the needs and expectations of the bottom of the pyramid; this is the most compelling case for social entrepreneurship in the community.

Social entrepreneurs commonly use a holistic approach to alleviate poverty and empower deprived groups. For example, Muhammad Yunus, the founder of Grameen Bank and the "Father of Microcredit," made it possible for millions of individuals worldwide to gain access to tiny loans, significantly improving their lives and the economic health of their communities. In this light, social entrepreneurs seize chances to build new solutions targeting underserved, ignored or highly disadvantaged people who lack the financial means or political clout to obtain financial support on their own. SE adds value, often on a large scale, by identifying and addressing these people's needs (Martin & Osberg, 2007). According to Dees (1998), "social entrepreneurs are the reformers and revolutionaries" who exhibit ingenuity, invention, tenacity, and leadership to others around them by recognising, creating, and exploiting chances in difficult conditions. They are motivated by altruism by optimizing the assets and wealth are used to create community benefit and do not rely solely on donations and grants to carry out their goal.

Furthermore, social entrepreneurship positively contributes to society by creating environmental and social wealth without aiming for profit. This distinguishes them from standard for-profit enterprises. Both types of endeavours have distinct objectives,

implying that SE can help solve social, economic, and employment problems where the traditional methods or public approaches have failed (Urban, B. 2008). Individuals who value SE would see themselves as "engines of social change" and role models for the citizen sector.

Limited funding and revenues have made, meeting such a society's demands and needs extremely difficult. There are many examples of people choosing social entrepreneurship over economic entrepreneurship, with the government and other factors playing a significant role. Unsurprisingly, social entrepreneurship becomes increasingly important in communities with significant societal disparities and societal injustices.

Belief in the power of social entrepreneurship has made communities feel they can contribute to positive and long-term changes or community endeavours. SE contributes to a higher social impact by serving society continuously. In this regard, SE constantly increases the magnitude of quantitative and qualitative changes that benefit society by tackling significant social problems on the individual or systemic level, using one or more scaling approaches to achieve more results (Islam, 2020). According to Dees *et al.* (2004), "helping more people" is the scaling social impact and also "serving them well." Kickul, J. *et al.* (2018), on the other hand, attribute the growing social impact to the creation of products/services that serve more people in a wider geographical region. In this scenario, the scaling of social impacts is positively linked to wider reach and higher number of beneficiaries (Andre, K. & Pache, A.C, 2016; Ebrahim, A. and Rangan, V.K., 2014).

Social impact is widely linked to positive societal changes by addressing pressing social issues (Bacq, S. and Eddleston, K.A. 2018; Kickul *et al.*, 2018; Rawhouser, H. *et*

*al.*, 2019). A socially oriented organisation could increase its impact by matching the magnitude of the social need or problem (Gauthier, J. *et al.*, 2019).

Various local initiatives globally use social entrepreneurship and social development to address neighbourhood issues. Social entrepreneurship visionary will think of new answers for social issues and execute them for a bigger scope. Furthermore, social entrepreneurs will often take on the role of progress experts in society (Dees 1998) by: (a) executing tasks to generate and support social qualities; (b) distinguishing and seeking new choices perseveringly to serve a mission; (c) participating in the interaction of ceaseless advancement, variation, and learning; (d) acting intensely without being restricted by accessible assets and (e) showing an uplifted feeling of responsibility to the constituencies served and for the results made.

Social entrepreneurs arose as critical entertainers to address significant worries of social rejection to advance social incorporation. It helps the populace and shields individuals from social isolation. It generally improves areas like schooling, environmental safety, the battle against poverty, and basic freedoms. A social entrepreneurship visionary could be introduced as a trendsetter who utilises creative thoughts and assets for tackling social issues, and this action drives stable positive social changes later on (Alarifi,G., 2019). Agustina, T., *et al.* (2020) added that social entrepreneurship, for the most part, covers those arrangements intended to protect social, natural, and normal practices around living communities.

Researchers have accepted that social entrepreneurs are intended to address social issues and catalyse social change successfully and effectively (Alvord, S. *et al.* 2002). In like manner, however, they address issues in generally little social order. The multiplier impact of such arrangements advances huge social change, impacting bigger frameworks. They mostly intend to make frameworks that cultivate social incorporation

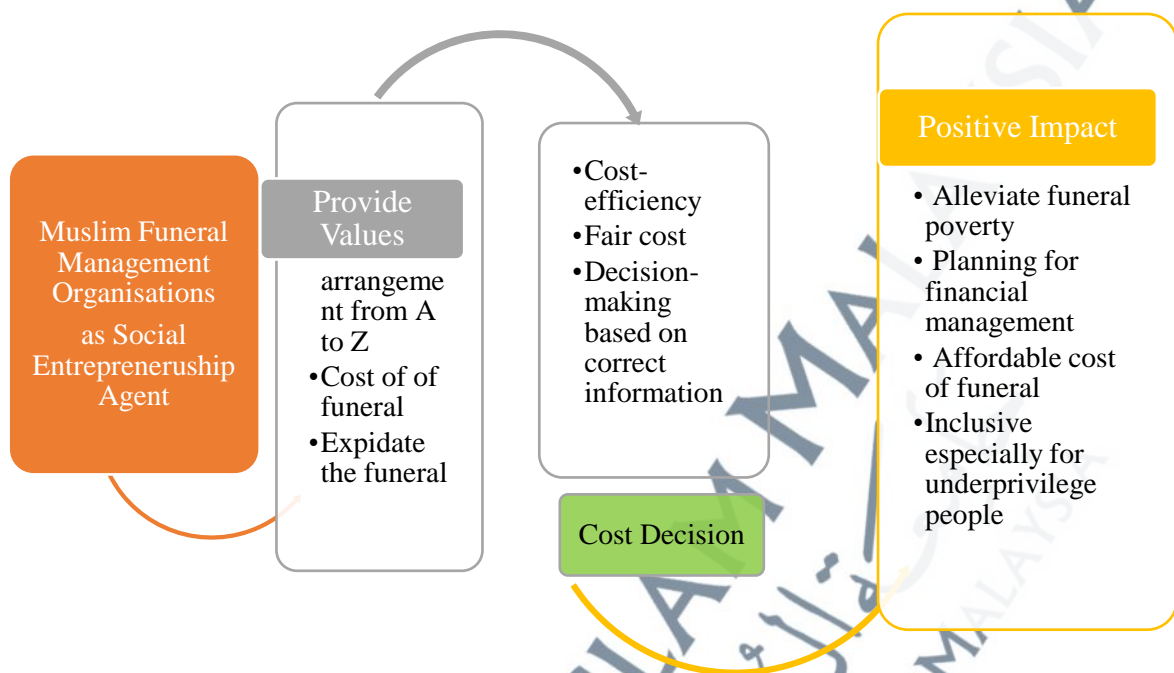
by empowering people to partake in normal exercises (Kummitha, R.K.R, 2016). Besides, it is contended that social rejection can be addressed by utilising advancements and creating neighbourhood solutions to help reduce the neediness and hardships of social exclusion (Peterson, R. 1988).

Certainly, funeral costs and funding setbacks have brought challenges to communities worldwide, and burial societies have been established and evolved to address this issue. It started in Athens in 638 BC, when a law was passed to control burial societies (Dafuleya, G. , 2012).). During the industrial revolution in England, they were generally coordinated as agreeable social orders (Cordery, 2003). Likewise, some societies in the United States have a more competitive nature and, for the most part, make up of strict groupings. These gatherings used to put together their assets concerning donations; notwithstanding, they began offering custom-made merchandise or holding marketplaces to increase donation collections.

In the context, Muslim funeral management organisations in Malaysia, specifically associations managing the *Khairat* Funeral Fund, have played a huge part in social entrepreneurship by encouraging social consideration through community-based aid in giving advantages to the burial service plans and financial aid, which helps in easing funeral arrangements. *Khairat* Death Fund has been adjusted into the Malay people group practice in which the idea of shared guide or aiding each other is frequently incorporated, paying little heed to one's background and position to assist individuals with burying the remains of their relatives (Muhamat, 2014; Rofaizal *et al.*, 2017; Ezamshah *et al.*,2020). Their investigation characterised a common big-hearted reserve as an asset made in Malaysia to arrange the Muslim funeral in the community and bear the expenses and costs of a burial service that benefits its members. Their

inclusion and support in friendly undertakings qualify them for examination under the umbrella of social entrepreneurship.

In addition, these Muslim funeral management organisations recognised as social entrepreneurship agents (under social organisations environment) appear to be a feasible way to improve the current cost for Muslim funeral management services to be more cost-effective and have more fair cost. Yet, reliable evidence that can be seen in many countries, especially in developed countries, where the funeral is highest, remains scarce. Cost is an essential component of economic evaluations and a determinant of Muslim funeral management service in the community. Essentially, costing is seen as an important element in the decision-making process, including the pricing of products and services, and needs to be designed to help the organisation get robust information on the costs of its products and services. The dynamics of products and services cost in a not-for-profit organisation that is reliable with the main objective of social impact will transform itself into a new cost decision paradigm. Zainol *et al.* (2014) prove to be a more effective social entrepreneurship organisation. They must be proactive in monitoring their expense and cost by being efficient financially. All the cost is currently kept at a minimal level and is recorded strictly following the appropriate guidelines of authorities such as the UNCHR system. As a result, this turns them into a very effective social entrepreneurship organisation in terms of financial efficiency.



**Figure 3.3:** Muslim Funeral Management Organisations and Social Entrepreneurship

### 3.3.2 The Price Theory According to Ibn Taimiyyah

Ibn Taimiyyah usually talks about two things when he talks about prices: equivalent compensation (*iwadh al-mithl*) and equivalent price (*thaman al-mithl*). He said, "Equal compensation will be measured and judged by the same things, which is what justice is all about (*nafs al-adl*)." Everywhere, there are differences between two kinds of unfair which are the same as, the illegal price and fair price, which is the same as the equal price. The words fair and equal were used instead (Islahi, A. A., 1997). Ibn Taimiyyah had a different idea on fair prices and equal prices. The question of fair price arose in identifying moral issues or legal obligations, and Ibn Taimiyyah defined, "The meaning of equality is the number of objects that are specialised for general use" (*Uruf*). That has to do with the base value (*Si'ir/Rate*) and the habit (*adah*). On top of that, he

said: "True evaluation of fair compensation based on the similarity and interpretation of the item with equivalent goods (equivalent), which makes the most sense".

### 3.3.2.1 Fair Wage and Equivalent Wage

This is significant both in terms of fair prices and fair wages. According to Aquinas, the same criteria apply to the debate regarding a fair price as far as the wage is concerned. In summary, the medieval philosophers considered that a fair wage is the basis of the economy, which must provide the worker with the means for a good life in the given circumstances and conditions (Islahi, A. A., 1997).

The discussion of the issue from Ibn Taimiyyah's point of view is somewhat more profound. He linked it to the wage level in the labour market (*tasir fi'l-amal*) and used the expression "equivalent wage" (*ujrah al-mithli*). In evaluating a price, the basic concept used is a comprehensive definition of quality and quantity: "The wage and price of the situation are indeterminate and is only disregarded when the problem is not so specific or unclear or unknown by its nature, for example, a case of (profit and loss) gambling. (It is important to keep in mind that in such conditions, wages and prices are sometimes paid with goods)" (Islahi, A. A., 1997). It is possible to conclude that the negotiations between the interlocutor and the work recipient determine the income from wages under normal conditions. Since the same rules determine the "equivalent wage" as the "equivalent price," this conclusion is possible. If the market in question is anomalous or does not function properly, the "equivalent wage" is determined similarly to the "fair price".

Ibn Taimiyyah, in his book *Fatawa* has made the following statement regarding equivalent wages, "Equivalent wages are weighed by fixing the wages (*musamma*),

provided that the wages (*musamma*) exist which both sides can accept. Fair, in the sense that either the seller or the recipient of a set wage or price (known as *thaman musamma*) must stand on an equal price. This principle applies to both individuals and governments. If the government wants to set a minimum wage or the two parties cannot agree on the wage amount, they must agree on the wage set by the government based on normal conditions. This should occur in the environment and be accepted for certain occupations. The same approach must be taken for the seller of items in retail, where many sellers do not disclose the price. In this scenario, the buyer and seller agree to pay standard prices for a selection of goods without disclosing a price.

### 3.3.2.2 Fair Profit and Equivalent Profit

Ibn Taimiyyah acknowledges the idea of profit as a motivation for traders. According to him, traders have the right to profit by generally accepting (*al-riḥ al-ma'ruf*) without harming their own interests and clients' interests (Islahi, A. A., 1997). Based on the definition of a fair price, Ibn Taimiyyah defines a fair profit as a normal profit generally derived from a certain trade without harming others. It resists unorthodox, exploitative gains (*ghaban faḥṣy*) by taking advantage of society's indifference to the existing market conditions (*mustarsils*). He explained: "A person who acquires goods to obtain entry and trade them later in life is allowed to do so. However, he should not charge the poor higher than what is happening (*al-riḥ al-mu'tad*), and should not increase the price on those in dire need." "A trader should not charge a greater profit to an unconscious person than others. In the same way, if a poor person needs to buy goods to meet his life's needs, which means that his demand is

inelastic, the seller must set the same profit as that obtained from others who are not in dire need of the goods."

According to the Prophet Muhammad PBUH's hadith, Ibn Taimiyyah prohibits selling to the poor by exploiting their condition. Further, it states that the seller should still sell at a generally acceptable price (*al-qimah al-ma'rufah*) when a buyer is a person who is in dire need of necessities goods, such as food and clothing. In other words, the poor are charged with buying the goods at an acceptable price and shouldn't have paid more than that (Karim, 2010). That statement doesn't mean everyone can take the necessary items and throw the price-fixing rights at the seller. In this case, he meant that everyone could ask for price regulation from the government, and the government should use its power. From that statement, it is also implied that Ibn Taimiyyah views profit as the creation of manpower and capital simultaneously. Therefore, both production factors' owners are entitled to a share of the profit. In the event of a dispute, he stated that profit is divided in a way acceptable by both parties, i.e., the party that vested its manpower and the capital (Abdullah, 2010). Ibn Taimiyyah acknowledges the existence of profit due to the need for manpower and capital together. This is why production factor owners are given the terms together in profit. In giving an insight into this problem, he claims the profit is generally divided and accepted by both sides: one side invests his manpower, and the other parties invest the money. The profit is caused by manpower on one side and capital on the other. So, the distribution is done similarly as an addition created by those two factors.

### 3.3.2.3 Intervention by the Government

A distinction should be made between price increases caused by market forces and those caused by unfair practices, such as hoarding goods. Therefore, according to Ibn Taimiyyah, price regulation should be based on the authority of a ruler. Ibn Taimiyyah's study of the effects of supply and demand fluctuations on price formation is a consequence of these fluctuations. Because of the effects of supply and demand on the price level, he did not record them. At a certain time, he disclosed this information in *al-Hisbah* with the consent of Abu Walid (1013-1018). According to him, prices set by the government at a predetermined level without consideration for profit would permit price gouging, which results in the seller undervaluing the items, which in turn, affects public welfare. Ibn Taimiyyah paid much attention to the direct relationship between pricing and willingness to supply because he PBUH it as crucial. If supply declined, the price would fall to a level that could not be sustained.

In economics, rising prices are a phenomenon that can lead to fluctuations in market demand. A correlation can be made between the customer's preferred size and quantity, location, and packaging. If this interpretation is correct, Ibn Taimiyyah claims that there is a relationship between the increasing intensity of demand and its proportional importance in the aggregate consuming demand, leading to an increase in price. Conversely, the lower intensity of consumer demand leads to a lower price. On the other hand, the lower intensity of the taste that a consumer has to consume is one of the variables that lower the price.

### 3.4 Conceptual Framework

According to Miles and Huberman (1994), a conceptual framework is the arrangement of key concepts, variables, and the interaction among them. It is an organisation of ideas, assumptions, and theories that underpin the research and explain the key findings. In the initial stages of the study, it is used to create an understanding of the research and its purpose (Jabareen, 2009). This conceptual framework has been used to facilitate the data collection and analysis processes described in the next chapter.

The conceptual framework for this study was developed by first understanding the research situation through a review of relevant previous research. Figure 3.4 below illustrates the conceptual framework.

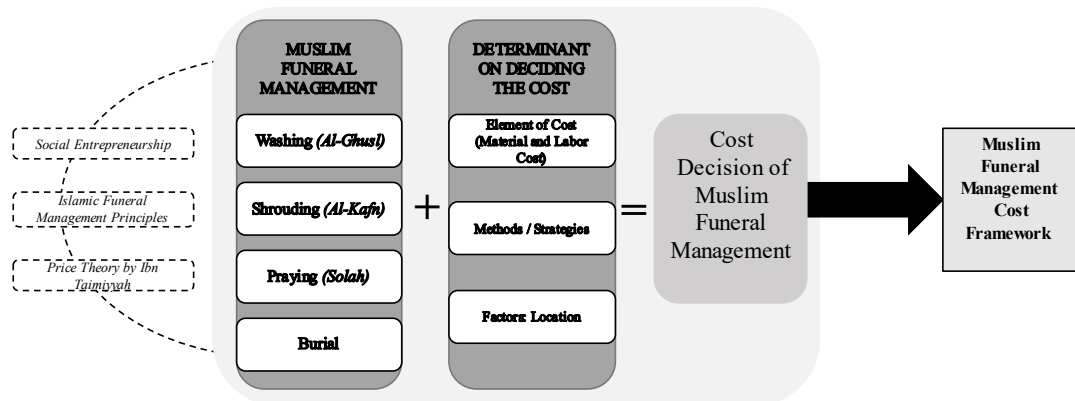


Figure 3.4: Conceptual Framework

This study will focus on the cost framework for Muslim funeral management in Malaysia. First, the cost element in funeral management will be explored by the participating Muslim funeral management organisations in this study. Furthermore, in

exploring this cost elements, the researcher is guided by the fundamentals of Muslim funeral management and the price theory by Ibn Taimiyyah.

This study will also identify and discuss determinant in Muslim funeral management cost decision-making. Evaluations and comparison will be made between these organisations to find the differences and similarities in the factors influencing the decision on the cost. To understand this context, researchers are guided by social entrepreneurship and price theories. Social entrepreneurship is used because the organisation of Muslim funeral management is an organisation that gives social value and social impact to the community through cost and funeral management. Thus, the organisations of Muslim funeral management in the study are under the social environment. In weighing the determinant in making cost decisions, the researcher is guided by the price theory by Ibnu Taimiyyah to develop the cost framework. Finally, the cost framework of Muslim funeral management can be developed by combining all the objectives and discussions on cost strategies to get an efficient and effective cost for Muslim funeral management in Malaysia.

### **3.5 Conclusion**

This chapter has highlighted the gist and findings of past studies, the theoretical foundation, and the study's conceptual framework. The next chapter will discuss the methodology applied in this study