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## The Role Of Charitable Organizations In The Economic Development Of A Country

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### Abstract

Various sectors play an important role in the economic development of a country. These include agriculture, industries, communication, and so on. However, one important sector that is often overlooked is the role of charities. They receive funds from altruists not only from within the country but also from outside the country. This article analyzed the role of welfare organizations in the development of a country. A welfare organization taken as a sample, so the reader can easily understand how important the role of such organizations is in the economic prosperity of a country.

### Economic development

Before other elements are discussed, the understanding of what economic development is important. Economic Development is the process by which the economic well-being and quality of life of a nation, region or local community are improved.

To put it simply, economic development is the process of bringing prosperity in the life of the citizens of a country or a community. The most important aspect here is enhancing the lifestyle of people and their wellbeing. Altruists donate funds to charities, which transfer those funds to poor and deserving people responsibly, as there is a relation of trust between the donors and the charity. Since charity is a noble act for the welfare of the humankind, Islam has clear instructions regarding it.

### Charity and Islam

Spending in the way of Allah holds significant importance in Islam, and both Quran and Hadith contain unambiguous instructions about it. One of the very first verses of the second chapter of Quran Al-Baqarah defines a believer, and one quality of a believer is charity.

ومما رزقناهم ينفقون

Similarly other verses of the Quran explain the importance of charity.

من الذى يقرض الله قرضاً حسناً  
و فى اموالهم حق معلوم للسائل والمحروم

One verse of the chapter Tauba, called the verse of charity, gives detailed information, explaining how the life of the downtrodden of the society can be improved through Zakat, which is one of the five pillars of Islam.

One more aspect related to charity is saving someone's life, as Allah says in the Quran: ومن احيها فکانما احيا الناس جميعاً

### **Exact translation**

There are many more verses of the Quran which give similar importance to charity and detail the types of rewards for those who spend in the way of Allah.

### **Charity and Hadith**

The Hadith of the Prophet Muhammad (SAW) also explain the importance of charity. However, only one Hadith will be included in this essay.

The Prophet (ﷺ) said, "Do not wish to be like anyone except in two cases. (The first is) A person, whom Allah has given wealth and he spends it righteously; (the second is) the one whom Allah has given wisdom (the Holy Qur'an) and he acts according to it and teaches it to others."

### **Economic development and charitable organizations**

It is often mistakenly believed that charitable organizations and their volunteer activities are unimportant and of little consequence to a country's economic system, but nothing could be further from the truth. In reality, charitable activities make a vital contribution to the economic, social and political sectors of a nation. In fact, the role of charitable organizations and volunteer work is no less important than the roles of the public and private sectors. Charities provide essential services that positively impact the lives of citizens, such as building hospitals, schools, orphanages and religious centers.

Secondly, charitable organizations are a vital partner to the government in many aspects, including personal empowerment and training, fighting poverty, combating social diseases such as drug abuse, and attempting to narrow the deep divide between the rich and poor. One eminent welfare organization in Pakistan is Al-Khidmat Foundation, the activities of which will be discussed in this essay and their impact on the life of the poor will be analyzed.

### **Al-Khidmat Foundation**

this charity has 10 regional and 150 district offices in Pakistan. It is currently headed by Mr. Abdul Shakoor, who is the president. Mr. Muhammad Mushtaq hold the position of its general secretary while Mr. Ishan Ullah holds the position of vice president. The details of the overall management and council members is further highlighted in the report.

Al-Khidmat Foundation provides its services in various sectors, education, health, disaster management, and provision of clean drinking water. It also runs orphanages and provides scholarships to students who cannot afford education . Each department of the organization includes officials who are responsible for the operations of the charity.

The following data is based on the 2018 yearly report of Al-Khidmat Foundation, and included details about each aspect of the charity's operation.

### **Al-Falah Scholarship**

A large proportion of students in Pakistan fail to receive an education because they cannot afford to study at a school or college, and the result is the poor literacy rate of the . Therefore, Al-Falah scholarship comes in handy for those students. They are provided with monthly stipends through the scholarship , so that they can continue their studies. They are also provided with counselling and technical education . Further details can be acquired from the yearly report of the organization.

### **Child Rehabilitation Trust**

This department looks after children who are disassociated with their families and are forced into begging. These children are facilitated at the rehab centers of the trust and taken care of. They are also educated at these centers. There are 9 rehabilitation centers run by Al-Khidmat Foundation.

### **Provision of clean drinking water**

Pakistan has a huge water scarcity problem, with many people having to drink contaminated water. This is the reason for the high infection rate and diseases like hepatitis in the country. Al-Khidmat Foundation is especially concentrating on this area and its clean drinking water project includes boring wells and setting up hand pumps and filtration plants. So far it has set up 5439 water pumps and 1051 filtration plants. It has also bored 1754 water wells till date. The trust has completed a total of 516 projects till date, thus benefiting thousands of people around the country.

### **Orphanages**

There are around 4.6 million orphans in Pakistan. Al-Khidmat Foundation spent 862 million rupees, which benefited 12225 people. Through its orphan care program, the trust has set up orphan family support as well as child character development programs.

The orphan family support program provides financial assistance to orphans who live with their extended family in their houses. Through the child character development program, orphans are looked after in the centers established by the organization, providing them education and fulfilling their other needs along with a special focus on their character development . The centers also organize parties during Ramadan and give presents to children on Eid.

## **Health**

According to WHO, Pakistan is among the 57 countries where citizens lack proper healthcare facilities. On its ranking, Pakistan holds 122nd position. Moreover, the country is among the top 10 countries with the highest child mortality rate.

Al-Khidmat Foundation allocates a significant proportion of its funds to the healthcare sector in Pakistan and provides free healthcare facilities to the poor. According to its 2018 yearly report, the trust runs 20 hospitals, 81 medical centers, 58 diagnostic centers, 2284 ambulances, 3 thalassemia centers, and 22 child and mother care centers. The charity has spent 2503 million rupees and served 71,183,867 individuals so far .

## **Education**

In Pakistan, 25 million children are out of school . To improve the literacy in the country, Al-Khidmat Foundation has established 23 child protection centers, 80 schools, 550 Al-Falah scholarships, 2 hostels and 58 skill development centers.

## **Aghosh centers**

Titled Aghosh, meaning lap, these centers provide excellent education and health facilities to children along with a peaceful environment. As of today, 11 such centers are active and 6 are under construction, while four more are being considered.

## **Mawakhat**

Joblessness is a serious problem in Pakistan. In order to help establish small businesses, Al-Khidmat Foundation is providing interest-free loans, and between 2012 and 2018, 150 million rupees were lent to 5600 individuals. Through this program, poor people are also provided with financial assistance for weddings.

## **Community services**

In order to overcome the social menaces running in the country, Al-Khidmat Foundation is providing its services. It has spent 464 million rupees on 3123 wheelchairs, provision of goods to 27 mosques, running 111829 prisoner welfare centers, 19623 winter packages, 56299 Ramadan packages, and 56074 animals for the yearly sacrifice on Eid-al-Adha, benefiting a total of 1033425 people.

## **Disaster management**

Pakistan has suffered from natural disasters such as earthquake and floods, and in order to deal with the destruction of these, Al-Khidmat Foundation provides its services to the victims. A total of 1159 volunteers have worked with the trust in 21 response centers, 1007 shelter homes, and 170 trainings. The charity has spent 451 million rupees on 33839 packages and benefited 212977 people.

These are the activities of only one organization, Al-Khidmat Foundation. Such initiatives are benefiting millions of people by providing their financial assistance and bringing positive

change in their lives. This analysis demonstrates how important the role of charitable organizations is in the economic prosperity of a country, and in Pakistan hundreds of such charities are working at the moment. Some of these work on the national level, such as Eidhi, while others work on the local level, such as Ikhlas Welfare Society. Such initiative not only provide financial assistance to the poor, but also protect the society from crimes, drug addiction, and begging.

### **Recommendations**

This report makes the following recommendations to improve the working of charitable organization:

- Charities should be encouraged and financially supported
- All people, regardless of their race, should be assisted
- The money acquired from donors should be spent on deserving people
- Donors should thoroughly analyze the working of the charity and whether they are capable of responsibly transferring their funds to deserving people or not
- Charitable organizations should regularly conduct their audit

### **Conclusion**

This report concluded that the role of charitable organizations cannot be disregarded in the economic development of a country and bringing prosperity in it, as these charities share the government's responsibility of looking after the poor, which results in the reduction of crime rate in the country. Therefore, such welfare organization should be supported as much as possible.

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