Tabung Haji Run-up to Islamic Finance in Malaysia

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Although Islam was introduced to Southeast Asia through traders in the 12th century and gained wide acceptance throughout the region in the 14th and 15th centuries (McDonnel, 1986; Ishak & Abdullah, 2012), the earliest hajj undertakings began only in 1849 (Baharudin, 2014). At that time, Malaysia then Malaya was a British colony. However, under the Pangkor Treaty of 1874, the British pledged that they would not interfere in the religion, customs and traditions of the Malays (Baharudin, 2014). Thus, the hajj matters were left to individuals themselves and their Syeikh Haji. Nevertheless, the practice changed when hajj pilgrims were being singled out as the main cause of epidemics that resulted from passenger overcrowding on pilgrim ships. Furthermore, pilgrims had difficulties with transportation, accommodation and welfare while they were in the Muslim Holy Land. The long trip to the Holy Land and the difficulties encountered there made many of the aged pilgrims take it as their final journey (Lembaga Tabung Haji, 2013). As such, the departure of the pilgrims for the Holy Land was often a sad occasion for them and their family members, despite it being an achievement to be able to fulfil the fifth pillar of Islam.

On 23 December 1949, some of the 1,171 pilgrims from Johor and northern Malaya arrived at the Port of Singapore after a two-week quarantine on St John’s Island.

Source: Lembaga Tabung Haji (2013)

However, the main issue for most prospective pilgrims was to prepare themselves financially for the arduous and expensive journey. Before the