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## ROLE OF ZAKAT TO ALLEVIATE POVERTY AND SELF SUSTAINABILITY: A CASE STUDY OF BANGLADESH

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### ABSTRACT

Bangladesh is one of the developing countries with 180 million people and 8.2% gdp growth. Although at present it has little natural resource, its human resource is in abundance. Unfortunately this vital resource is not educated, skilled, equipped and organized. According to the statistics, A large number of SSC, HSC and graduated are being unemployed in Bangladesh. Most of the landless people live in so-called slum and living measurable life. The real problem in Bangladesh is the widespread poverty, which is a man-made phenomenon. About 45.3% living in rural and 35.4% living in urban areas in Bangladesh. Total poverty rate is 29.5% in Bangladesh (BBS2020). Despite some recovery, the number of the "new poor" in Bangladesh stood at 24.5 million, or 14.7% of total population, in March due to fallout of Covid-19 pandemic, a latest survey by Power and Participation Research Centre (PPRC) and Brac Institute of Governance and Development (BIGD) jointly. (Dhaka Tribune, 20 April 2021) Due to Covid 19 the poverty increased in Bangladesh. The Government has set the target to bring down poverty to 13.5 percent by 2021. (Islam & Bhuyian 2019) Government alone cannot solve the unemployment and poverty problems. To solve this problem Zakat can be a sustainable tool to eradicate poverty and unemployment. Unfortunately Zakat is not distributing properly in the majority Muslim country Bangladesh. The use of Zakat funds is able to provide the very poor with resources to start their own businesses and to move them away from poverty (Zuhairah and Fahme, 2011). Scenario is totally opposite in other countries Zakat management. "Entrepreneurial Asnaf Programe" is run by Zakat fund in Selangor, Malaysia. Aim of this program is eradicate poverty by creating entrepreneurship among the poor by utilizing Zakat fund as a capital. Managed by Lembaga Zakat Selangor, Malaysia (Hazlina *et al.*, 2012). In Bangladesh the distribution and implementation of Zakat is successfully taking place in Pallabi, Mirpur. Compared to conventional micro-credit programs, zakat-based social-welfare program, Shokkhom, by Obhizatrik Foundation, is more efficient in ensuring welfare of its group members. To find out Zakat based livelihood projects functioning and success story in Mirpur, Dhaka the data collected from both primary and secondary sources.

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## INTRODUCTION

Bangladesh is one of the developing countries with 180 million people and 8.2% gdp growth. Although at present it has little natural resource, its human resource is in abundance. Unfortunately this vital resource is not educated, skilled, equipped and organized. According to the statistics, A large number of SSC, HSC and graduated are being unemployed in Bangladesh. Most of the landless people live in so-called slum and living measurable life. The real problem in Bangladesh is the widespread poverty, which is a man-made phenomenon.

About 45.3% living in rural and 35.4% living in urban areas in Bangladesh. Total poverty rate is 29.5% in Bangladesh. (BBS2020) Despite some recovery, the number of the "new poor" in Bangladesh stood at 24.5 million, or 14.7% of total population, in March due to fallout of Covid-19 pandemic, a latest survey by Power and Participation Research Centre (PPRC) and Brac Institute of Governance and Development (BIGD) jointly. (Dhaka Tribune, 20 April 2021) Due to Covid 19 the poverty increased in Bangladesh. The Government has set the target to bring down poverty to 13.5 percent by 2021 (Islam & Bhuyian 2019) Government alone cannot solve the unemployment and poverty problems.

To solve this problem Zakat can be a sustainable tool to eradicate poverty and unemployment. The use of Zakat funds is able to provide the very poor with resources to start their own businesses and to move them away from poverty (Zuhairah and Fahme, 2011). The four largest Muslim states—Indonesia, Pakistan, India and Bangladesh share 12.9%, 11.1%, 10.3% and 9.2% of the global Muslim population respectively (Pew Research Center 2009, p. 5). Scenario is totally opposite in other countries Zakat management. “Entrepreneurial Asnaf Programe” is run by Zakat fund in Selangor, Malaysia. Aim of this program is eradicate poverty by creating entrepreneurship among the poor by utilizing Zakat fund as a capital. Managed by Lembaga Zakat Selangor, Malaysia (Hazlina *et al*, 2012). In 2008 Brunei Darussalam total of \$11.6 million of Zakat funds provided to 16,000 people living in poverty throughout the country, the management of Zakat is governed by the Islamic Religious Council of Brunei Darussalam (MUIB), under the Ministry of Religious Affairs. MUIB is given the authority by the Laws of Brunei, 1/1984, Religious Council and Kadi Courts, Chapter 77, Section 114, to collect and distribute the zakat fund on behalf of His Majesty according to Shariah. To fulfill Brunei 2035 “zero poverty” goal. (Rose 2010) “Bangladesh's Zakat fund is operated by a board under the Islamic Foundation. The foundation website, however, doesn't provide any update on the fund and so it is not possible to know clearly how much money has been disbursed as Zakat so far..” (The Financial Express, 30 April 2020) “Zakat, beyond cheap saris and rice packets Invited by an industrial group called Kabir Steel Rolling Mills (KSRM) to receive zakat, these poor people came from different corners of Chittagong division to collect a meagre donation of 5 kg rice, 5 kg lentils, Tk 1,000 cash and a sari for each person. Which caused 9 women kill and 25 children injury” (The Daily Star, 1 June 2018). In Dhaka the distribution and implementation of Zakat is successfully taking place in places like Pallabi, Mirpur.

**Literature Review:** In recent decades more academic interest and discussion on Islamic economics in general Zakat and sustainable livelihood, in particular, have been emerged in the global arena. Plenty of resources have been published in academic and institutional journals on the subject. Some international development and financial organizations pay attention to the potential of Zakat finances for livelihood creation. Among them, some have become very relevant for this study. Project named AL GHARMEEN the number of projects that can benefit from that money reached 44 projects in the year 2001 increased to 263 projects in 2010. Assuming that a small-scale project employs 10 workers, these projects provided 440 and 2630 job opportunities in the years 2001 and 2010 respectively. So, providing job opportunities would increase income and consumption in addition to savings and investment and, due to spending multipliers, the domestic income of the Bahraini economy would double (Abdelbaki, 2013). “Entrepreneurial Asnaf Programe” is run by Zakat fund in Selangor, Malaysia. Aim of this program is eradicate poverty by creating entrepreneurship among the poor by utilizing Zakat fund as a capital. Managed by Lembaga Zakat Selangor, Malaysia (Hazlina *et al* 2012).

In 2008 Brunei Darussalam total of \$11.6 million of Zakat funds provided to 16,000 people living in poverty throughout the country, the management of Zakat is governed by the Islamic Religious Council of Brunei Darussalam (MUIB), under the Ministry of Religious Affairs. MUIB is given the authority by the Laws of Brunei, 1/1984, Religious Council and Kadi Courts, Chapter 77, Section 114, to collect and distribute the zakat fund on behalf of His Majesty according to Shariah. To fulfill Brunei 2035 “zero poverty” goal (Rose 2010). Jeebika Program of CZM (Center for Zakat Management) is an innovative and integrated intervention for poverty eradication in the backdrop of traditional Zakat distribution practices and culture. CZM pours fund to the community groups (Grass Roots Organizations-GROs) to invest it in income-generating activities. Moreover, an amount of its resource has been deployed to enhance skill development and promotional activities. The financial support cannot be taken back once given, allowing the poor people to enjoy their ownership. However, the recipients are accountable to groups they belong to for all transactions. CZM has taken Jeebika Projects in

different country locations under its field office JeebikaUnnayan Kendra (JUK) means ‘Livelihood Development Center’. Selected beneficiaries are offered some services under a package at the group level. The implementation strategies of the Jeebika program has been described (Miah M.A. 2016). Rahman identified three lessons from the Jeebika Program that address the issue of sustainability: (a) Provision of ‘equity capital’ as a new model of financial empowerment; (b) Designing for sustainability through a 2-phase model of resilience and graduation; and (c) retention of a cost-effective ‘linkage’ capacity by the project for back-stopping support to graduation (Rahman H. Z. 2018). Tanah Datar Animal Husbandry program had quite an impact on the increase in Mustahik Community Assets. This is seen from the increase in 5 (five) SLIA (Sustainability Livelihood Impact Assessment) assets with a variant value of 1.09 points. The highest increase occurred in Social Assets with a variant value of 1.25. Meanwhile, the lowest increase was in Natural Assets with a variant value of 0.93 points. For Financial Assets, there was an increase in changes with a variant value of 1.19, which shows the high impact of the Tanah Datar Animal Husbandry program on increasing the income of mustahik families. Scenario from Indonesia. (Beik *et al.*, 2019). The community empowerment program is carried out through the integration of the mosque as a center for managing shadaqah funds from the community. This integration is supported by the role of religious leaders and universities. Where these two aspects function as aspects that help mosques gather people and promote the use of shadaqah funds for community empowerment. In addition, the university as an agent of development and change into aspects that support the usury-free program through integration above. Then the harmonization of all aspects contributes to an intelligent community empowerment program to create sustainable community welfare. Among them welfare is responsible for improving their worldly economy and welfare is to further enhance the faith and worship and through sharing activities with fellow believers. So that welfare arises is true welfare (Falah) (Cokrohadisumarto, W. and Sari, Y 2019).

UNHCR has taken extraordinary steps to establish its Zakat program, obtaining fat was to collect and distribute Zakat. The Zakat program was developed over several years by UNHCR, based on an established infrastructure for cash assistance programs addressing the financial needs of the worlds most vulnerable and at risk people. With a majority of those displaced coming from Muslim countries and eligible to receive Zakat funds, UNHCR identified Islamic philanthropy as an important avenue of funding. UNHCR’s Zakat program has focused primarily on addressing Syrian refugees in Jordan and Lebanon. The potential scale and reach of the program is significant, and the organization is looking to expand the scope of the program to include Iraq, Yemen, Egypt, Mauritania and Bangladesh. The Zakat program has gained substantial traction, especially in 2018, raising a staggering \$14.4 million; \$11.4 million was sourced from large donors. \$14.4 million was disbursed to 6,888 families during the period, with almost all distributions funneled to Syrian refugees in Jordan and Lebanon. UNHCR’s Jordan cash program benefitted 139,112 individuals (32,500 families) at the end of 2018 of which 92% were from Syria and 6% from Iraq, with \$67.9 million disbursed in 2018 to monitor impact post-distribution, UNHCR gathered survey data from 782 UNHCR cash program beneficiaries, 501 of which were Syrian refugees, and 281 refugees had other nationalities. Overall, the survey revealed that 61% of those receiving UNHCR assistance experienced a reduction in stress; 51% reported an improvement in living conditions (UNHCR ZAKAT PROGRAM 2019). Modus operandi of poverty alleviation by the Kuwaiti zakahhouse. Pursuant to section 48 of the interpreting memorandum to the 1982 zakah law, which instruct the Zakah House to do everything possible to remove the inactive poor to a financial and economically free person,<sup>29</sup> the House engages in various poverty alleviation projects that extend benefits to local and international beneficiaries. The zakah proceeds are used for the local aġnÉf of zakah (beneficiaries) in the following areas: health sector, education sector and social affairs of the people, while the international beneficiaries enjoy benefits from proceeds of sadaqat and other types of charities that accrue to the house.<sup>30</sup> With regard to the local beneficiaries, the modus operandi is as follows:

- The health sector as a beneficiary in the Kuwaiti Zakah House,
- The educational Sector as beneficiary in the Kuwaiti Zakah House
- Social welfare program: this programme is used to solve the problem of poverty and deprivation in Kuwait. Under the programme, the Zakah House provides basic needs for poor families in a manner that transforms them from being liability families to productive families. The programme also caters for all the underprivileged in Kuwait (Ahmad *et al.*, 2015)

The role of British Muslims charities is crucial and the zakat-money they raise is a testament of how much British Muslims or Muslims living in the UK (United Kingdom) depend on them to fulfill their religious duty of giving zakat. Firstly, they must give cash money to the poor unless the recipient wants to opt for foodstuff or equipment. Secondly, charities should develop a plan and an educational programme to help the poor use their zakat money to make means for providing for their families, and thus become independent and self-sufficient.

A number of incentives can be given to encourage the recipients use their zakat-money to become independent and self-sufficient .e 'charity' (s.adaqah) which can be used for any charitable cause, zakat-money is governed by strict precepts regarding the avenues and method of its distribution. Raising money for charity has become a competitive enterprise. The charities claim their aim is to reduce poverty but on the other hand they seek to continue to keep the poor in debt, the immense benefits of unconditional cash transfer in comparison to in-kind transfer, to bring about the best result zakat should be:

- Distributed in cash
- Distributed in lump-sum
- The sum must be of an amount that can make a probable difference to the lives of the poor (Hussain.S 2021)

Obhizatrik Foundation playing a crucial role in developing and formulating the program concept and implementation strategies and processes of its integrated livelihood and human development program, Shokkom. From piloting to phase out and subsequent scaling up of the Zakat-based livelihood program, the authority has gathered firsthand knowledge and experience of the potentiality and challenges of the concept. The study is relating to the development of the Shokkhom concept for moving forward. Author knew about Obhizatrik Foundation's Shokkhom project from the social media Facebook along with google and news media. Interviewed with 12 Shokkhom members and made 4 case studies. The respondents were Md. Yusuf Ali is a rickshaw puller, Rehana is a grocer, Rafikul Islam is a newspaper hawker, and Mr. Mizanur Rahman is street food (fuska and jhalmuri) seller. Authors interview experience was so pleased and desire that there need more voluntary organizations to implement Zakat based livelihood programs.

## METHODS

The present study is of qualitative use for analyzing data. Data for this study come from both primary and secondary sources. The primary data was collected from the official profiles of 500 beneficiaries, who received Zakat between 2018 and 2019 through Shokkhom Project of a Dhaka-based NGO, Obhizatrik Foundation, Mirpur. The official profile data of 500 Zakat recipients was obtained in January 2021 (Obhizatrik Foundation 2019) and the fieldwork was conducted only in Pallabi, Dhaka throughout August 2021. Out of total 93 Zakat recipients of Dhaka District, 12 case studies were conducted for expediency. A checklist was used for face-to-face interview of 12 Zakat recipients to build thick narratives of the efficacy of Zakat as a strategy of poverty alleviation and employment building substitutes of microfinance of conventional NGOs. Bangladesh government should take necessary steps to utilize Zakat fund as a tool for eradicate poverty by making policy.

## RESULTS

Zakat-based social-welfare program Shokkhom, by Islamic NGO Obhizatrik Foundation, is more efficient in ensuring welfare of its group members. Table 1 show that all 82 zakat-recipients have a decent increment of their income compared to pre-zakat situations. The highest overall effect of zakat on yearly income of 82 zakat recipients of Sokkhom project, 2016-2017. Increment (Tk. 216,000) is found in auto-rickshaw enterprise followed by 2- cow (Tk. 140,000), shop (Tk. 130,000) and rickshaw (Tk. 104,000). Table is also shows that all 82 zakat-recipients have a daily net income between USD 2.25 and USD 5.84, which is above 2017 World Bank's Poverty line at \$1.90 a day. Therefore, it can be safely stated that zakat is not only economically efficient; it is morally desirable and psychologically liberating. (Ahmed 2021). This is also factual in each of the 12 cases, underscoring the value of zakat-based finance for economic, decent, and mental comfort. Of 12 case studies, 4 case studies, Yusuf, Rafik and Mizan (3 male) and Rehana (1 female), are presented for helpful purpose.

**Case study – 1:** Md. Yusuf Ali is a rickshaw puller. He has come to Dhaka from Thakurgaon. He is 65 years old and his Obhizatrik Id no is 545. He is engaged with Shokkhom project during last 3 months (May 2021). Md. Yusuf Ali knew about Shokkhom livelihood project from his another rickshaw puller peer who is also a member of the project. Md. Yusuf Ali submitted all of his necessary documents like NID, hometown address, rickshaw garage address to responsible officer of Obhizatrik Foundation after knowing about the project. The foundation provides him rickshaw after verifying all of his records. Md. Yusuf Ali is riding rickshaw from last 26 years. At first he was a farmer. He cultivated on others land. His family members came to Dhaka in 2010. Md. Yusuf Ali is living in Mirpur now with his wife and younger daughter. He used to ride garage owner's rickshaw in Mirpur from last 26 years but now he is riding his own rickshaw that is provided by Shokkhom project from last 3 months. He is inspired from his family members, friends and society. Md. Yusuf Ali feels proud. He is happy because first time he has received a valuable gift (rickshaw) in his life from Obhizatrik Foundation which has changed his life significantly. During the lockdown he earned at least 1200 Taka per day. Last 3 months he earned more than 66000 Taka and kept his records in his income diary. Now he is earning approximately 700 Taka per day. He has no liability to provide 100 Taka per day to the rickshaw garage owner even he is able to save 3000 Taka per month. He saves 100 Taka per day in his plastic bank. At the first stage of his working life, he didn't receive any money, relief or gifts from any NGO, government organizations or even any persons. His photo was clicked by a journalist several years ago for reporting or exhibition purposes only. He successfully arranged educational facilities and wedding ceremony for his daughters. He borrowed loans from his relatives and used that money for his daughter's education and wedding purposes. He successfully provided his loans to his relatives through riding rickshaw. He has only 3 satak lands in Thakurgaon. His left leg was still fractured during the interview. Md. Yusuf Ali desires that Zakat should be implemented and distributed by the Third sector voluntary organizations like Obhizatrik Foundation. Government should take some necessary steps in this regard. So more families will be solvent and poverty will be reduced. Md. Yusuf Ali quoted "Alhamdulillah now I am working peacefully and I am thankful to Allah." He desired that Obhizatrik Foundation should allocate or provide home/land to him in Thakurgaon as a Shokkhom member. This is his recommendation to develop the Shokkhom project.

**Case study – 2:** Rehana's age is 42. Shee lives at Pallabi in Mirpur. Her home district is Bhola. She is involved in Shokkhom project since August 2016. Her Obhizatrik Foundation Id no is 128. Rehana knew about the Foundation from her younger sister. Her sister's name is Sadia. Sadia got admitted Obhizatrik Foundation School that is situated in Pallabi. Shokkhom project started from 2016 and on that year Obhizatrik Foundation found out some unprivileged families from Pallabi.

Table 1. Shokkhom members profile

SL No.	Enterprise	Zakat Recipient	Location	Previous Occupation	Income/yearly (BDT)	Previous Present Increment
1.	2-Cow	Habibur Rahman	Kushtia	Farming	60,000 2,00,000	1,40,000
2.	Rickhsaw	Nojrul Islam	Dhaka	Rent-a- Rickshaw Puller	1,20,000 2,16,000	96,000
3.	Sewing machine	Sonia Begum	Dhaka	House wife	----- 60,000 60,000	
4.	Sewing machine	Tuni Khatun	Kushtia	House wife	----- 48,000 48,000	
5.	Rickshaw	Mahbub Mia	Dhaka	Rent-a- Rickshaw Puller	1,12,000	2,16,000 1,04,000
6.	1-cow	Ali Hossain	Patuakhali	Farmer	50,000	1,00,000 50,000
7.	Tea shop on van	Jaminur Rahman	Rangpur	Tea seller	1,20,000 2,00,000	80,000
8.	Shop	Abdul Barek	Dhaka	Rent-a- Rickshaw Puller	1,10,000 2,40,000	1,30,000
9.	Sewing machine	Rekha Akhter	Gazipur	House Wife	----- 75,000 75,000	
10.	Auto rickshaw	Firoj Mia (autistic)	Dhaka	Nothing	----- 2,16,000 2,16,000	
11.	Van	Nayeb Ali	Kushtia	Farmer	60,000	1,20,000 60,000
12.	Shop	Momota Begum	Lalmonirhat	House wife	----- 72,000 72,000	
13.	2 Female Goats	Rehana khatun	Kushtia	House wife	----- 35,000 35,000	
14.	Fruit Business	Abdul Lotif	Kushtia	Van driver	60,000 1,50,000	90,000
15.	Fish Business	Shoikotmia	Dhaka	Rickshaw Puller	1,10,000 2,40,000	1,30,000
16.	1 Cow	Sufia Begum	Khagrachari	House wife	----- 65,000 65,000	
17.	Vegetable business	Jorina begum	Dhaka	House wife	----- 1,20,000 1,20,000	

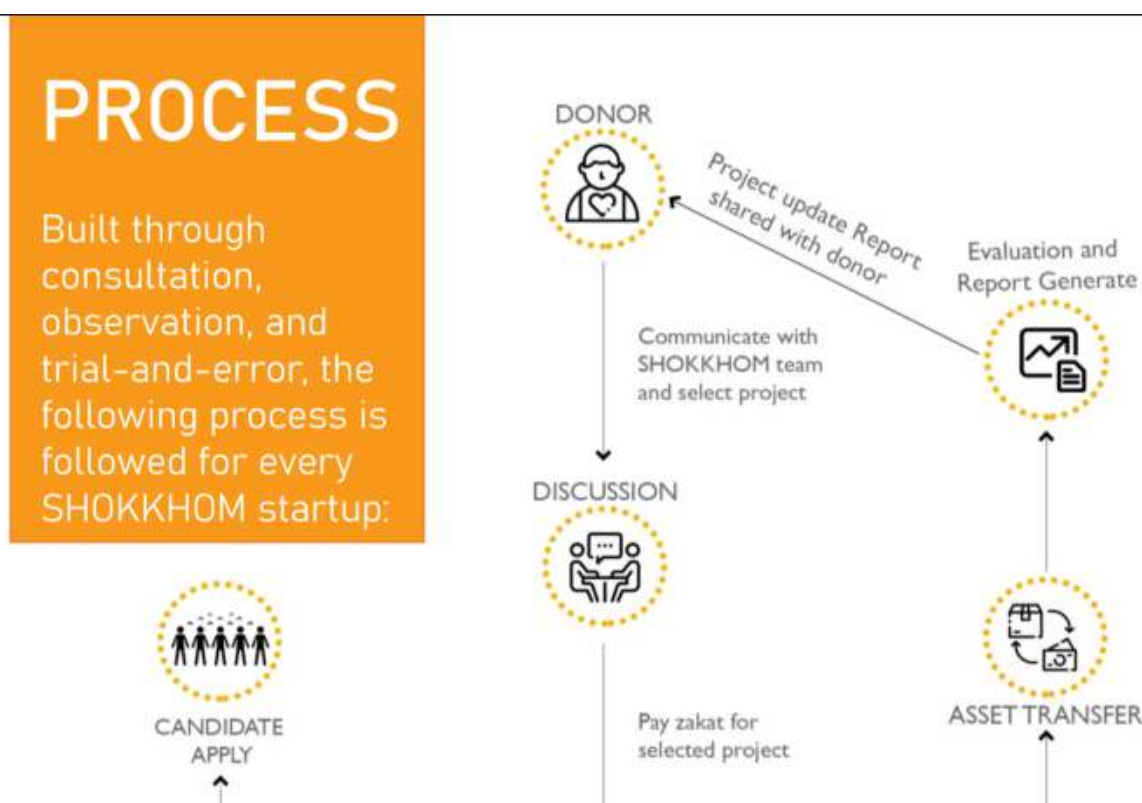


Table 2. Shokkhom member selection criteria

Table 3. Efficient utilization of Zakat by various organizations

Sl	Organization	Beneficiaries	Activities
1	Islamic Foundation	940000 (Approx)	Livelihood, education and medical
2	Center for Zakat Management	21,198 (Approx)	Livelihood
3	Quantum Foundation	22093 (Approx)	Livelihood, blood donation, medical and education
4	Ahsania Mission Zakat Fund	17362 (Approx)	Livelihood, education, medical rehabilitation and training etc

Sources: Collected from respective websites. Details are included in reference section.

Then Rehana applied for Shokkhom livelihood entrepreneur project. Then Obhizatrik Foundation authority visited Rehana's small vegetable store. The store was situated in Duaripara, Pallabi. The store included potato, onion, ginger and garlic. The foundation allocated one grocery store for Rehana after observing and verifying her vegetable store. The name of her grocery store is "Amaya General Store". OF (Obhizatrik Foundation) provided grocery products, consumer products, freeze, cabinets/racks, table-chairs, weight machine, 3 months advance of the store and first months (August 2016) rent to operate the store.

Rehana was motivated by her family members, friends and neighbors. Her two daughters are studying Obhizatrik Foundation School without cost. OF provides relief, iftar in Ramzan, meat in Eid ulAdha in every occasions and sometimes free medical checkup to Rehana and her family. It is applicable for every member of Shokkhom project. Till 2016 Rehana was maid. She worked in the Pallabi dwellers house before joining the Shokkhom project. She didn't receive any help/aid from any person, NGO or government organizations. But she was improving day by day with the help of Shokkhom project. The project ensured better standard of living.

Her daily sell was approximately 7-8 thousands Taka per day in 2019. But it was a matter of sorrow that her store was affected by "Illegal Occupy Operation". The operation was conducted by government laws. Rehana's store was located in the illegal land. She failed to collect her due money (approximately 2 lakh) from customers because her customers are not solvent. She knew sufferings of the poor people. Many houses, markets, small tea stalls, mini street restaurant, rickshaw garage are destroyed because of the operation. Due to this operation, many people become homeless specially the renter and floating people. Numerous homeless people were the customer of Rehana. So Rehana was unable to collect her money from the homeless people. Her store was also destroyed by "Illegal Occupy Operation". Obhizatrik Foundation helped her again when they knew about Rehana's unwanted situation. The foundation helped to rebuild "Amaya General Store" on Road no-3, Duaripara, Pallabi in 2020 before pandemic with all previous facilities. Though her income was decreased because of lockdown but the situation was not unfavorable. Her daily sell was around 2-3 thousands Taka during lockdown. Rehana also started to sell tea in her store for overcoming her loss (2 Lakh Taka). Rehana's father also provided his helping hand to her daughter and daughter's husband. Now Rehana's husband is selling vegetables in the street of Duaripara area like before. Many Duaripara dwellers applied in the Shokkhom project and received rickshaw, van, poultry shop, fуска shop etc. They were motivated by Rehana. Rehana desires that Zakat should be implemented and distributed by the Third sector voluntary organizations like Obhizatrik Foundation. Government should take some necessary steps in this regard. Rehana is very satisfied and pleased with her present status.

**Case Study-3:** The age of gentleman Rafikul Islam is 58. He lives in Mirpur. His hometown is Shariatpur. He is benefitted by Obhizatrik Foundation. He is engaged with Shokkhom livelihood project since 2018. Rafikul Islam sells newspaper in East Pallabi area and his OF (Obhizatrik Foundation) Id no is 465. He was also the newspaper provider of OF. Mr. Jamil is the founder of Obhizatrik Foundation. He wanted to help Rafikul Islam to improve his financial conditions. So, OF offered Rafikul Islam what kind of Shokkhom livelihood project he wants to join such as van, rickshaw, grocery, tea stall, fуска shop, tailoring or agriculture? After getting so many options, Rafikul Islam decided to continue his expertise paper selling profession. He demanded paper van box from OF. The price of the box was 12,500 Taka. OF founder directly helped him for his well being and enlisted him one of the member of Shokkhom project. The project also encouraged him to operate agricultural activities like dairy, fisheries, cultivation, tractor etc in Shariatpur because he has some land. But the idea was not successfully implemented due to Covid-19 or lockdown. Rafikul Islam's elder son is a teacher in obhizatrik Foundation. Now Rafikul Islam has decided to work in agricultural sectors in his village as the selling of newspaper is decreasing day by day because of Covid-19 and extensive use of online media portal. OF provides relief, iftar in Ramzan, meat in Eid ulAdha according to every occasion. Sometimes the project provides free medical checkup as a Shokkhom member. He got offer from "PalliUnnoyon Shangstha" in his village for fisheries project but he denied because of his personal issues. Before "Palli Unnoyon Shangstha", Rafikul Islam didn't get any aid/help offer from any Dhaka based NGO, government organization, voluntary organization except OF. Rafikul Islam graduated from Jagannath College (Now Jagannath University) and served as a paper hawker's trade union named "Paper Hawkers Association" (PHA) from 1982 to 1997 in Dhaka Metropolitan area. But he was greatly suffered by his political and regional identity. PHA is dominated by Cumilla-Noakhali based trade union leaders and Rafikul Islam belongs to southern part of Shariatpur. Syndicate stopped him to supply newspaper in Mirpur-7 to Eastern Housing, Pallabi where more than 20000 newspaper readers are living. So, he started to supply newspaper in the East Pallabi area. But the newspaper readers were not up to the mark in that area. The number of newspaper readers was only 200-300. Even the number was decreasing day by day because of Covid-19. Then Obhizatrik Foundation provided heling hand to Rafikul Islam. He is also lucky. Because his present political identity saved him from jail, case and torture.

He faced jail, court case and harassment several times during previous government's era. But now Rafikul Islam is thankful to Allah for his present conditions as well as grateful to OF for giving the paper van box which becomes an official identity of him in East Pallabi area. . Every day he is selling approximately 1200 Taka but his saving is low now because of Covid-19. His present saving is around 2000 Taka per month but before Covid-19 his saving was around 7000 Taka per month. Rafikul Islam wishes that Zakat should be implemented and distributed by the Third sector voluntary organizations like Obhizatrik Foundation. He also quoted that "UP member, Chairman, Government officials and leaders are looting and stealing Zakat and other welfares allocated money. Government should take some important steps in this regard. Government should take strict actions against corruption and unethical activities. Other voluntary organizations should follow the activities and dedication of Shokkhom project. If Zakat and voluntary activities are performed effectively and efficiently, it will help to reduce poverty and improve better standard of living for the poor people". Rafikul Islam has recommended that proper monitoring is necessary for the members of Shokkhom project. He believes that proper monitoring will help to improve activities of the project.

**Case Study-4:** Mr. Mizanur Rahman was a garment worker. He is married and uneducated. He came to Dhaka from Madaripur in 1988 when he was 10 years old. Now his age is 40. The reason of migration is poverty. When Mizanur Rahman was 10 years old he started his job in the garments factory. His salary was only 300 Taka. Though it was good amount for an uneducated person that time but cost of living in Dhaka city is very high. He continued his job in June 2013. His last salary was 7000 Taka. His wife is also a garment worker. During his garments job, he was unable to maintain his family properly because of low income. He married a woman when he was 22 years old. Now he has two sons and a daughter. His daughter is studying in Obhizatrik Foundation School in class 2. Mr. Mizanur Rahman admitted his daughter to the Obhizatrik Foundation School as OF provides free education to the unprivileged children. He gained valuable knowledge about Obhizatrik Foundation from his daughter. The foundation provides Zakat fund to the poor and unprivileged people. Mizanur Rahman was helped by OF. In 2015, Obhizatrik Foundation helped Mr. Mizanur Rahman to purchase a van to start his Jhalmuri (Bangladeshi spicy street food) and chotpoti (spicy and sour street cuisine in Bangladesh) business. His daily income is around 1000 to 1200 taka when he purchases 400 Taka's spice for a day. He is able to earn 400 Taka profit per day.

Mr. Mizanur Rahman is able to earn 700 Taka profit per day when he sells more than 1500 Taka per day. His business capital is funded by his wife. She gave him 3000 Taka. Now, Mr. Mizanur Rahman is earning more than 12000 Taka per month and able to bear the cost of his family very nicely. At present he is happy and solvent man. Shokkhom project till now created 24 types livelihood model to their members in Bangladesh. Obhizatrik Foundation provided 25 cows, 60 goats, 96 rickshaws, 47 vans, 22 tea stall, 35 business on van, 5 food cart, 2 power tiller, 20 grocery shop, 8 fish farming, 1 ride sharing bike, 210 sewing machine, 5 poultry and 2 boat (business on boat) to their 538 member. Shokkhom project merged with livestock business, agro based business, small enterprise and transportation. Shokkhom is funded by 400 above donors and more than 30 corporate donors. (There is no specific Zakat supply and demand table found in any organizations. The organizations provides fund according to their policy. It is a matter of great sorrows that there is not any specific information about Zakat supply and demand in the Islamic Foundation, Bangladesh website.). The respective organizations have created a livelihood for unprivileged people and changed their standard of living in a positive manner. In Bangladesh zakat livelihood activities need to focus more in order to reduce poverty. The potential amount of zakat economy is more than Tk 40,000 crore. However, in 2019-20, only Tk 5 Crore 18 lakh was deposited in the government zakat fund. Islamic Foundation Zakat Fund Director Mohammad Harunur Rashid said the government's zakat fund has provided education facilities, medical treatment and employment to 9.4 lakh poor people since its inception in 1982. According to the

Zakat Board of the Islamic Foundation, from 1982 to 2019-20, it spent Tk35 crore on children's hospitals, sewing training for poor women, rehabilitation of the disabled, employment of poor men, neo-Muslim self-reliance, munga and rehabilitation of victims of natural disasters. In the 2019-20 financial year alone, the organisation collected Tk 5 crore 16 lakh and distributed the amount. According to government figures from 2015, there are over 14,000 qawmi madrasas in Bangladesh, with approximately 1.5 million pupils. The majority of the country's qawmi madrasas are funded through zakat. This industry receives a substantial portion of the informal economy. According to a government zakat official, the qawmi madrasas collect Tk4-5 thousand crore in zakat each year (The Business Standard, 22 April 2021).

**Global collaboration of Zakat fund:** According to UNICEF, "24 out of the 57 countries of the Organization of Islamic Cooperation (OIC) require humanitarian assistance as a result of violence and displacement." The fund is specifically designed to harness the true potential of Islamic giving by financing life-saving humanitarian aid and responding to the child-related Sustainable Development Goals (SDGs) in the 57 Member Countries of the Organization of Islamic Cooperation (OIC). Global zakat funds amount to \$550 billion to \$600 billion every year, according to a study undertaken by the World Bank and the Islamic Development Bank's (IDB) Islamic Research and Training Institute (IRTI). Official zakat institutions, on the other hand, barely raised \$10 billion to \$15 billion every year on average. To establish a Muslim Philanthropy Fund with IsDB will enable us to provide many more of these children with access to safe water, nutrition, education, health and protection. As well as providing raw materials and goods produced for sale are also subject to zakat. The buildings, machinery, vehicles and so on that are essential for the business are exempt from zakat for ensuring sustainable livelihood (World Zakat Forum 2019 & Islamic Relief Worldwide 2020).

## DISCUSSION

Various countries around the world use zakat as a macro-level poverty reduction method based on yearly goals and annual development plans within their broad framework. Zakat is one of the pillars of Islam and an Islamic economic instrument used to ensure a fair distribution of income and wealth, thus, Islam as the religion of mercy, peace and compassion can truly be felt. The existence of zakat is to ensure fair distribution of wealth, improve the quality of life for mustahiq (zakat recipients) and reduce the level of income gap (Ahmed *et al.*, 2017; Raies, 2020; Rini *et al.*, 2020; Wijayanti & Ryandono, 2020). In the Indonesian case, Islamic social finance bodies are struggling as well to address a social problem which in line with SDGs mission as above-mentioned. One of the well-known Islamic social funds body is Badan Amil Zakat Nasional (BAZNAS) which manage zakat and Sadaqah funds. According to the BAZNAS activities report (2019), BAZNAS has been performing economic development programs that focus on economic development, microfinance, and agriculture economic empowerment (Latief, 2019). Badan Amil Zakat Nasional (BAZNAS), from January to May 2020, Islamic social funds, including Zakat, InfaqSadaqah (ZIS), and other social-religious funds has been collected for more than IDR 211 billion (or equivalent with USD 15 Million). This figure grew significantly for nearly 70%, compared to the last year's figure. The digitalization of social fund payment mainly drives this substantial growth. Specifically for zakat, there is a noticeable growth of zakat digital collection for around 25% compared to the last year. In line with that, the total muzakki (zakat payer) also rose up to 176%, it reflects the real phenomena during the Covid-19 pandemic; that society is becoming more religious and more aware of health issues and the growing empathy of others in need, particularly those affected by Covid-19. In addition to that, the People sector is the highest priority for nearly 80%, followed by Prosperity and Peace sectors when it comes to a specific categorized SDG program. This result is understandable and representative of the main concerns of our society during this pandemic. The people sector includes the noble mission of eradicating poverty, hunger, healthy and prosperous life, quality

education, gender equality, clean water, and proper sanitation. Only by caring for each other's life, could we survive and get rid of this pandemic. r. During the Covid-19 pandemic, the donors to pay Islamic social funds through e-payment is still exist even though economic crisis. It indicates positive for the agencies because pandemic does not influence public trust to persist using Islamic social funds through epayment (Tumewang *et al.*, 2021). It is found in Indonesia that business growth is a mediator between business assistantship and mustahiq's welfare. The existence of business growth is important to mediate the relationship between business assistantship and mustahiq's welfare, considering the insignificant effect of its direct relationship. Zakat empowerment role is improving the mustahiq's welfare (zakat recipient). This indicates that, business assistantship will encourage higher business growth and consequently led to the achievement of Mustahiq's Welfare. Zakat Empowerment to Business Growth is 0.334 and is higher than 0.05. This indicates that the zakat empowerment has no significant contribution in affecting the business growth of mustahiq which show a positive relationship between business development and mustahiq welfare. This growth of business incomes, business turnover, and profits improve the wellbeing of mustahiq. As mustahiq receive more revenue for the business, this will provide more investment opportunity. The additional benefits can be used to expand the scale and range of businesses. Besides, more profits on the business will provide mustahiq with more purchasing power to consume. Consequently, the consumption level of mustahiq will increase. Zakat community empowerment is a solution to suppress the poverty rate and possible for reducing inequality and ending poverty in Indonesia. (Widiastuti *et al.*, 2021). In Kano, Nigeria, A survey questionnaire was administered on government employees and 343 valid observations representing 69% of the population were retrieved and analyzed. The Partial Least Square (PLS-SEM) path modeling was employed to examine the influence of the predictor variables: perceived capability, perceived government support and religiosity on the criterion variable of the study; and attitude towards Zakat. Accordingly, the outcome of the examination disclosed the importance of the identified determinants of attitude towards Zakat and the suitability of the model of the study as well as the appropriateness of the analytical tool utilized. Thus, the findings, if utilized in developing policies for strengthening the attitude of eligible Zakat payers, will boost Zakat collections, since a positive attitude will lead to improved collections. The outcome of the bootstrapping procedure showed the structural relationships are significant. Table 4 and Figure 3 revealed that the relationship between perceived capability and attitude towards Zakat results in ( $\beta = 0.138$ ,  $p$  Draws the attention of stakeholders to the invaluable significance of studying the determinants of attitude towards Zakat with the aim of improving Zakat collections for cracking the hard nut of abject poverty, reducing inequality and achieving economic prosperity (Farouk *et al* 2021).

About 45.3% living in rural and 35.4% living in urban areas in Bangladesh, total poverty rate is 29.5% in Bangladesh.(BBS2020) Zakat, Islam's fourth pillar, is now widely acknowledged as an effective instrument for alleviating poverty and social inequality. Because Bangladesh is a Muslim-majority country, the impact of Zakat on Bangladeshi society is not well-known. As a result, the mobilization of Zakat is insufficient and ineffective. The principles and rules of Zakat are still unclear to many eligible Muslims. As a result, they have yet to concentrate on well-planned and well-targeted Zakat payments. Except for a Zakat fund maintained by the Islamic Foundation, the government has no effective policy. Mobilisation of Zakat requires a collective effort, although it is an individual obligation. By paying Zakat through different organisations, it can be utilised efficiently. The ultimate objective of Zakat is to reduce poverty and make more people eligible to pay Zakat for social improvement. Zakat needs to be distributed in such a manner so that a Zakat recipient can get rid of unemployment and hunger and become a self-reliant within a short period. Instead of giving small amounts of Zakat money to more people, giving away bigger sums to few people in a planned manner may be more effective in the long run. (The Financial Express, 22April 2020). Poverty statistics in Pakistan tell a

different story – 24% of the Pakistani citizens live below the poverty line. Often, this means they are unable to access the necessary training, resources, and opportunities to pursue any income generating activities. On top of that, even those who do manage to get a job within the main employment sectors, like farming, usually agree to exploitative wages that perpetuate a cycle of struggle and inability to afford the bare necessities in life despite their hard work. This is where Ummah (Ummah Charity International) steps in. By giving employment to the poor, they support individuals and households in our Muslim ummah to break the cycle of poverty once and for all. UCI (Ummah Charity International) don't aim to provide just a job, they want to give impoverished families in Pakistan a livelihood. Through their Rozgar Project, focus on simple outcomes: paving the way towards self-sufficiency for poor people and their families. Approximately 1,120 people have benefited from this project. UCI have distributed 62 rickshaws and 50 motorcycles to facilitate transportation within the Rozgar project (2020, Ummah Charity International). Meaningful that Pakistanis score high on collectivism, which means they are likely to become part of a group, and this is why the impact of reference group members has been found significant in this study. Furthermore, descriptive norms are an individual's perceptions of the role and impact of reference group members; hence, the respondents seem to be strongly influenced by descriptive norms in an Asian setting of Pakistan.

The results of current study strongly support the notion that descriptive norms strongly relate to money donation intentions. Hofstede (2003). The significance of descriptive norms has already been acknowledged in previous studies (Konkoly & Perloff, 1990), which entails that charitable organizations in Pakistan should promote their brands by focusing on group-centered promotions. A huge amount of sadaqah, zakat, and waqf were collected and distributed to the poor and needy. People donated to several well-known charitable organizations such as Edhi in Pakistan and also generously helped affected people on an individual basis. However, the amount donated has been unknown. The Muslim donors usually do not share the amount of money donated to help the poor and needy as donation is made to gain Allah's blessings and is widely practiced among Muslims. The results also reveal a positive attitude of younger people toward moral norms in relation to investigating money donation intentions. This is also in line with previous studies conducted in the West (Warburton & Terry, 2000; Oosterhof *et al.*, 2009). IBBL (Islami Bank Bangladesh Ltd) launched the shariah-based microfinance program-RDS in 1995 to uplift the overall socioeconomic plight of the rural poor. The Rural Development Scheme (RDS) of IBBL provides Islamic microfinance to more than 1.3 million borrowers as of 2020. In February 2021, the number of group members increased to 13,36,614, out of which 94% are female are involved in this scheme. Target groups of the RDS program are generally limited to marginal farmers, small sharecroppers, persons engaged in off-farm activities, poor fishermen, women and distressed people ([www.islamibank.com](http://www.islamibank.com)). However, the RDS program is not a charity-based asset transfer program; instead, it is reasonable to identify it as more of a banking and commercial product with service charge provision. The program does not address the hardcore poor. The clients are not provided with other supports like healthcare, sanitation, safe water, children's education or capacity building for their sustainability. (IBBL, 2021). Mentioned activities are using and practicing across the global world by utilizing zakat fund as an aim to eradicate poverty.

## CONCLUSION

The discussion shows that conventional techniques to poverty reduction in Bangladesh have unable to accomplish the goals of long term improvement in the impoverished people's living standards. In hunt of a superior substitute, the Islamic model (Zakat) of poverty reduction has emerged with its full prospective in recent years. Shokkhom project reduce poverty by creating employment of many slum dwellers of Pallabi, Mirpur. As we know informal economy contributing in Bangladesh 87.71% of the workers in Bangladesh are

under informal employment (ADB report 2009). The Zakat based livelihood program gives smart authentication of its effectiveness with its diversifying integrated intermediations. The comprehensiveness of the Shokkhom model, as well as the face-to-face results of the independent evaluator, may inspire policymakers and development thinkers to put the properly Zakat distribution method into effect.

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