



Poverty Alleviation through Mosque Based Zakat Management: An Empirical Study in Bangladesh

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ABSTRACT

Poverty is a curse in the modern capitalistic world. To alleviate this crucial problem, almost all government of 230 countries in the world adopts many tools. Many Non Government Organizations also try to contribute. But the result is worse from bad. This study shows that Zakat is the tool that can eliminate poverty completely within a number of years. It suggests that mosque based Zakat management is easier and appropriate form for Zakat collection and distribution. It also reveals that by applying this Mosque Based Zakat Management, Bangladesh will be a Poverty free country within a short period of time.

Keywords: poverty, poverty alleviation, zakat, zakat management, mosque based zakat management

1. INTRODUCTION

Zakat is the 3rd pillar of Islam. Islam is the complete code of human life. In Islam, the appropriate and perfect solutions of all problems have been given. Islam says for peace and happiness not only for afterwards but also for here's life. Islam says about to perform "Salat" and "Saoum" as well as says about the Islamic politics, Islamic Sociology, diplomacy and Islamic economics. To protect the human civilization from the devastating power and harmful output of Interest, there is no alternative of establishing of Islamic Economics in the world. The great prophet in Islam Hazrat Muhammad (SM) showed the world how to reduce poverty in maintaining the Islamic rules in a very peaceful way. He also taught how to protect the interest of the laborers and the owners of the property in logical and well way. After Him four Caliphs had established that principles in a structure of the state.

Moreover, the Islamic economics established the rights of the society on the property besides the owners self interest. In quest of this Almighty Allah says "In your earned asset there is a right of the depressed person of the society" (Surah

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Aj Jariah-19). There is no example in the world that emphasizes the person and the state to meet a person's five basic needs which is perfectly met by the Islamic Economics. The prime objective of Islamic Economics is to establish the justice and worshipping in the world. In this regard Allah Tawala says "Verily, Allah enjoins Al-Adle (Justice) and Al-Ihsan giving kith and Kin (Allah order you to give them wealth visiting and looking after them) and forbids A-Fahasa" (Surah-An-Nahl-90). In the holy Quran the word "Zakat" has been pronounced 80 times. Abdulla IbnMasud (Ra) Rasulullah (SM) said, "You all have been ordered to perform Salat and to give Zakat to the people. Therefore if any one does not give Zakat his salat will also not be granted." After finishing the 2nd world war in every society the poverty had increased. Among this the great poverty was increased in the world within the previous one century. In Bangladesh those who live under poverty level are basically hard worker but they have no capital. Many non government financial institutions have tried to develop their economic situation but they completely failed. By giving Zakat this poverty problem may be solved. One of the important objectives of Islamic Economic system is to establish the justice for the poor and needy people. In such issues, the present study aims to demonstrate a new Zakat Based Poverty Alleviation Model in Bangladesh.

2. LITERATURE REVIEW

Professor Dr. MasudulAlamChowdhury and M. KabirHasan (2001) wrote an article entitled "The role Zakat in an interactive model of non wage labor forces activity." He stated that Zakat is an instrument of equitable distribution that purifies wealth from selfish covetousness and brings about equality and social harmony out of goodwill, also causes wealth to increase manifold. In the article written by Idris Ali and Md. FerdausurRahman entitled "Poverty alleviation through Zakat" it is seen that there are 50% people of Bangladesh are under poverty line defining poverty line as a person who has not income minimum 1 dollar per day lives under poverty line (World Bank). Those writers have shown that minimum 5000 crore taka is supposed to be collected from Zakat in Bangladesh (Source: Daily Amardesh October 14, 2006). In that article it has been also drawn conclusion that by giving Zakat maintaining proper system in distribution every year, Bangladesh will be turned into a poverty free country within 10 years. But those authors have not recommended any proper system as well as they not any has given any guideline to collect Zakat by Government as well as non government way. Till today no author as well as thinker has thought Zakat management (collection and Distribution and its effect) in macro economy).

2.1. Definitions

2.1.1 Definition of Zakat

There are two types of *Zakat* in Islam: a flat fee imposed on each person, called *Zakat ul-Fitr*, and a tax on wealth, called *Zakat ul-Mal* (Ariff, M. (1991). *Zakat-ul-fitr* refers to the obligation of every Muslim (except those who are absolutely destitute) to contribute a certain amount of staple food or pay an equivalent monetary amount in the month of Ramadan before the Muslim festive season celebration known as *Eidul-Fitr* Qardawai, Y al.. (1997). The *Zakat-ul-Fitr* flat fee is one *sha`* – a little more than two kilograms of wheat, barley, dates, or rice – or the monetary equivalent Qardawai, Y al.. (1997). All Muslims – including the poor, as long as they will still have food for the first day of *Eid-ul-Fitr*– must pay *Zakat ul-Fitr* for themselves and their dependents even the child born at morning of *Eid-ul-Fitr* day Qardawai, Y al.. (1997) The proceeds are devoted to helping feed the needy during the *Eid-ul-Fitr* celebration. Accordingly, even though many have no ability to pay *Fitr* must pay *Zakat-ul-Fitr* as well as receive from others or exchange the proceeds. In practice, payers usually give *Zakat-ul-Fitr* directly to beneficiaries without interference from the state or any other third party.

Unlike *Zakat-ul-Fitr*, *Zakat-ul-Mal* is levied only on Muslims whose wealth exceeds a threshold called *Nisab* (Kahf, M. 2005). Before *Nisab* is calculated, the basic needs of the payer and his family, as well as their financial obligations and debts due, are taken into account. Further, the funds are held for one year by the lunar calendar, and *Nisab* is recalculated at the end. These requirements distinguish *Zakat-ul-Mal* from *Zakat-ul-Fitr*, and enable *Zakat-ul-Mal* to be regulated by the state much like a tax.

Allah commanded the Prophet Muhammad, (SM) as the head of the Islamic community in Medina, to collect *Zakat*. This command is enshrined in the Qur'an, several times, and it is a persuasive argument for a Muslim state to be involved in *Zakat* collection and distribution. As a matter of fact, the collection and distribution of *Zakat-ul-Mal* was managed by the state in the era of the Prophet and his successors (the four rightly guided caliphs) Moududi, Abul Ala. (1938), and it continued to be a function of Muslim governments until the end life of Abbasia Caliph in 1258, the golden time in the Islamic life. Furthermore, much like a tax, the minimum threshold of *Zakat* on savings or investments is 85 grams of gold, and the rate of *Zakat* is 2.5%; as for livestock, both the minimum threshold and the rate depend on the type and the number of animals. *Zakat* is distributed among 8 *asnaf* (categories) of people, (Al-Quran 9:60) namely:

1. Fakir (Poor) - One who has neither material possessions nor means of livelihood.

2. Miskin (Needy)- One with insufficient means of livelihood to meet basic needs.
3. Amil (Employees of Zakat Administration)- One who is appointed to collect Zakat.
4. Muallaf (New Muslim)- One who converts to Islam.
5. Riqab (Bondage Slave) - One who wants to free himself from bondage or the shackles of slavery.
6. Gharmin (Debted)- One who is in debt (money borrowed to meet basic, halal expenditure).
7. Fisabilillah (Jihad Fi sabilillah)- One who fights for the cause of Allah.
8. IbnuSabil (Travellers)- One who is stranded in journey⁹

2.1.2. Definition of Poverty:

The history of poverty is as old as that of human civilization. Although its history is old the poverty measurement system came too latter. Poverty has been defined in different ways by different people. Poor means a person and a state which has too little amount of asset and resources that he cannot meet the basic needs of living. Sociologist “Booth” found poverty in deficiency and deprivation. Bee ShubaiRountee said, “Poverty is little income that is insufficient to meet the basic needs” Millar and Rabi tried to symbolize the economic development as permanent existence. Economist “OjhaDakendarRathAhluoalia” tried to see poverty as lacking of nutrition and as malnutrition. According to Shen “Poverty is called the anecdote of deprivation” According to J. John Unmoky “Poverty is such a system where all necessary are not met completely”. Deltusing said “Poverty is the deficiency of asset in contrast to needs”. According to Theodorson poverty means the fasting of nature, society and mind”

Robert Chambers widened poverty from the limit of income and expenses to suddenly falling in economic hardship or probability to fall, insecurity, powerlessness and lonely situation. The people who are unable to purchase 2122 calorie food and 58 gram protein for living everyday is called people living below poverty line. And who are unable to collect even 1805 calorie by all means is called people living very below under poverty line. According to World Bank the country having per capita GDP is below than \$370 is called higher poor country and whose GDP is below \$275 is lowest poverty limit country.

2.1.3. Concept of Poverty in Islam

It is very difficult to define the poverty although it is known to all. In this economics there is no saying about the definition of poverty that what amount of asset should be had for a man to reduce poverty. Allah has sent human being and has given huge ways to income. Poverty is a curse is known to all. No man wants to live as poor. In Islam poverty is regarded as misfortune.

Begging is the least liked profession in Islam. The prophet of Allah, Muhammad (SM) purchased an axe and gave a man who came to beg so that he had not to beg. "Reduction poverty" has become a garrulous sound in the world. For this different strategies such as PRSPs have been taken by different countries. But all strategies are failed to reduce poverty. The collection of Zakat can reduce this vast problem at a high rate. For this it is needed to think to expand the area of Zakat collection and allotment. By giving Zakat personally some scattered people are benefited but poverty is not dispersed in broader platform. Because, poverty reduction is a combined effort. Mere money is not enough here, education, health treatment, industry expansion and income generating areas are related to reduce poverty. If by maintaining proper collection and distribution systems Zakat is collected from the whole people of country and use that resources in helping poor directly and in building the industry and health treatment management and in managing the education systems then it would be possible to reduce poverty at broader form.

2.1.4. Poverty and Al-Quran

Most people in the world are poor. Basically the poverty comes only at the outcome of the failure of implementing the rules and lesson of the creator Allah in social activities. And to remove the poverty, not implementing the lesson of Zakat and inheriting right in the society is one part of that. Almighty Allah has given plenty resources in the earth for living the human beings. "In spite of that they are poor because some of them control the assets utilization and distribution and deprive all others from these." (Surah-Hashr-7). According Al -Quran poverty is created for the riches hostility towards poor. Many times it is mentioned in the holy Quran "the rich are not agreeing to share the assets given by Allah with their poor brother" (Surah- Mawarij- 20-21). For making poverty the Poor's indifference to work is also liable. In Al Quran "the poor are ordered to work hard." (Surah-At-Tawbah-105). Again says Allah never change the fate of the nation who does not try to change their fate at first. Poverty is Poor's written fortune; it is not quoted by the Quran. In addition to that in Islam there is no shelter of laziness and asceticism. "Poverty leads to Kufir" (Al- Hadith). For only poverty a great number of people stay far aside from Islam. So to remove property is one of the basic duties of the Islamic government.

2.1.5 The Contribution of Islam in expulsion of the poverty

In removing poverty the most effective instrument is Zakat. Among Zakat payee 8 classes 5 are directly among of Poor. They are 1) Poor; 2) Wretched 3) Person is in slavery 4) Indebted person and 5) Foreign Passerby who has nothing to lead his life. The society in which these kinds of people are more, in economic language, that is called undeveloped society. The combined Zakat fund collected from the rich can easily solve these men's problem. Mathematically it is counted

that in a year banks, other financial institutions can collect taka. 10000 core from the rich and resources owned people in Bangladesh. With this money large industry can be set up and GDP can be increased. For all people to create employment and income system is the objective of Islamic economic system. From the perception of Zakat taking it is the right of the poor to get Zakat but from giving sides it is the important Ebadah for the rich. Rasulullah (SM) prayed, "I want shelter to you from poverty, shortage, and torture" (Bukhari). In quest of economic development Islam hates poverty but loves poor. Actually Islam was never against economic development. Rather it says many ways to develop the economy so that Muslims can be Zakat giver not taker. In the holy Quran strong emphasize was imposed on rich people giving Zakat to the poor not on taking. Rasulullah (SM) strongly said about economic development. He liked to see a man as solvent, in contrast of, as hungry. It is social responsibility for all human beings to invest in productive area for the betterment of human life.

In the eye of Islam materialistic strategies to be gainer only own self is disliked matter. Islam is not mere a religion. Rather Islam has its own socio-economic structure. It has principles. To be gainer so called development, exchanging the western dirty culture and valuation is regarded as counterproductive in Islam. In a Muslim country the major objective of all improvement planning should be to develop human resource, to increase stable national production

3. METHODOLOGY

The present study is an empirical one. In order to structure this papers framework secondary sources have been used. Bangladesh is mainly a Muslim country containing its citizen are of 89.7% Muslim. In Bangladesh there are 300000 mosques in 147570 square kilometer area. *The Banglapedia states that there are 143662, mosque in Bangladesh. (Appendix 2)* On the basis of Mosque, Zakat management can be structured centered by the Imam. Here Mosque basically Juma Masque where Juma prayer is said at every Friday. Imam Muajjin and their khadem can be appointed by the Government for Zakat calculation and distribution. Every mosque will be a unit. Zakat Board organized in 1982 by the Government under Islamic Foundation Bangladesh will monitor all units. A study was operated in January-June 2012 in Dhaka City 41 administrative thana. Study at practical field states, that there are at least 10 persons affordable to give Zakat minimum 40000 Tk. within a mosque locality. Then applying the Zakat distributions rules of shariah that every year a Zakat payer will give Zakat to only one person not to many persons. Next year same person will not take Zakat. Bangladesh Economic Survey 2012 published in June 2012 from Ministry of Finance, states that there are 15,16,00000 people in Bangladesh. It also supply following information:

- a. People aged 15 years+ and affordable for work and earning livelihood is 5,67,00000 persons.
- b. People are under extreme poverty level is 31.5%.
- c. The total person under poverty level but afford to work is $56700000 * 31.5\% = 17860500$

If these people get job or get business, then poverty will be eliminated. It is assumed that no poverty will be increased as well as no rich people will be increased in future. Then how many years will be needed to diminish the poverty in Bangladesh it will be calculated now.

Hypothesis

- a. At every mosque there are at least 10 persons on average who are afford to give Zakat to a person Tk. 40000 or total Zakat collected money can be distributed among 10 persons equal to 40000/ Tk. each
- b. By getting Tk. 40000 a poor man need not get Zakat in the next year. He can be self dependent
- c. The increase of Zakat payer and Zakat receiver that means poor people will increase at the same rate.
- d. If the 15+ year aged people get job or employment then others will be poverty free.

4. FINDINGS

This study proposed a new Zakat Based poverty Alleviation model through information. The table show that if these models will starts on July 2013 distribution of Zakat then the country will be free from poverty by 2025.

Table 1: The Distributions of Number of Poor and Out of Poor by Applying Zakat Based Poverty Alleviation Model

Year end	Year	People free from poverty	Remain Poor people
0	July 2012	0	1,78,60,500
1 st	July 2013	$143662 * 10 = 1436620$	1,64,23,880
2 nd	July 2014	$143662 * 10 = 1436620$	1,49,87,260
3 rd	July 2015	$143662 * 10 = 1436620$	1,35,50,640
4 th	July 2016	$143662 * 10 = 1436620$	1,21,14,020
5 th	July 2017	$143662 * 10 = 1436620$	1,06,77,400
6 th	July 2018	$143662 * 10 = 1436620$	92,40,780
7 th	July 2019	$143662 * 10 = 1436620$	78,04,160

8 th	July 2020	143662*10= 1436620	63,67,540
9 th	July 2021	143662*10= 1436620	49,30,920
10 th	July 2022	143662*10= 1436620	34,94,300
11 th	July 2023	143662*10= 1436620	20,57,680
12 th	July 2024	143662*10= 1436620	6,21,060
13 th	July 2025	143662*10= 1436620	0

$$\begin{aligned} \text{Years} &= 17860500/1436620 \\ &= 12 \text{ Years } 5 \text{ months} \end{aligned}$$

The study also estimated that it will take only 12.5 years by applying mosque based Zakat management Bangladesh will be poverty free country completely.

Further Analysis using other data

At 27 January 2010 in Islamic Foundation Bangladesh Imam Sommeleon Honorable Prime Minister Sheikh Hasina said “There are 300000 mosques in Bangladesh. Using the previous process the poverty will be alleviated by mosque based Zakat Administration in the following years:

$$\begin{aligned} \text{Years} &= 17860500/3000000 \\ &= 5 \text{ years } 8 \text{ months} \end{aligned}$$

According to Majid Council for Community Advancement (MACCA) there are 500000 mosques in Bangladesh. Based on this information and using the previous process the poverty will be alleviated by mosque based Zakat Administration in the following years:

$$\begin{aligned} \text{Years} &= 17860500/5000000 \\ &= 3 \text{ years } 6 \text{ months} \end{aligned}$$

5. CONCLUSION AND RECOMMENDATIONS

The fact that Zakat collections and distributions are, now, performed as a part of the Minister of Religion’s Decision. Zakat Board monitors these activities. But poverty alleviation plan is taken and implemented by Finance Ministry. So Zakat Board should be shifted under Fiancé ministry. If the above recommendations are implemented and executed, “Five years plan” “Three years plan” Poverty Reduction strategy are not necessary, rather Bangladesh will be free from poverty curse within a very short period of time.

- Zakat Administration unit should be created according to mosque area.

- The local government should appoint every Jam-e- mosque Imam as leader or adviser of Zakat administration around that mosque.
- Zakat administration should be created with Imam Muajjin or Govt. Employees based on Mosque.
- Mosque based Zakat Administration will be monitored directly by Zakat Board.
- The government must create a separate Zakat division under Finance m

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APPENDIX**Table: The Distribution of Number of Mosques by District in Bangladesh**

S. N	District	Mosque Number
1	Panchoghara	997
2	Thakurgaon	2141
3	Nilphamari	1956
4	Dinajpur	3349
5	Lalmonirhat	2225
6	Rangpur	2911
7	Kurigram	3231
8	Gaibandha	2999
9	Joipurhat	1644
10	Naugaon	3752
11	Bogra	4102
12	Jamalpur	3340
13	Sherpur	1403
14	Rajshahi	3727
15	Natore	1946
16	Sirajgonj	3227
17	Pabna	2353
18	Chapainawabgonj	1135
19	Meherpur	566
20	Chuadanga	448
21	Kustia	1582
22	Jhainadaha	2256
23	Jessore	2936
24	Faridpur	2585
25	Rajbari	596
26	Magura	965
27	Norail	1156
28	Gopalganj	1374
29	Madaripur	3366
30	Shatkhira	2124
31	Khulna	1500
32	Bagherhat	2161
33	Pirojpur	2556
34	Jhalkathi	1697
35	Potua khali	3707
36	Barishal	3941
37	Bhola	2200
38	Shariatpur	1963
39	Munshigonj	1478
40	Dhaka	3088
41	Manikgonj	1189

42	Tangail	3865
43	Mymensingh	7392
44	Netrokona	2013
45	Sunamgonj***	
46	Sylhet***	
47	Borguna	2168
48	Hobigonj	1385
49	Moulavibazar	1935
50	Kisorgonj	1035
51	Gazipur	2730
52	Narshingdhi	1671
53	Narayangonj	2006
54	Brahmanbaria	1987
55	Comilla	5802
56	Chandpur	2852
57	Lakmipur	1699
58	Noakhali	2704
59	Feni	1780
60	Chittagong	7140
61	Khagrachari***	
62	Bardarban***	
63	Rangamati***	
64	Cox's bazaar	1626
Total.....		143662

Source: Banglapedia updated published in 2008

*** The number of Mosque is not available in Banglapedia