



SCHOOL OF BUSINESS RESEARCH SEMINAR SERIES

Re-imagining Effectiveness of Zakat: A Community Level Action Research

DATE: Friday 22 September 2023

TIME: 10:00am – 11:00am

MEETING DETAILS: Learning Studio 29, Level 7,
1PSQ & Zoom Online (Meeting ID: 878 0612 9734,
Password: 095978)

RSVP: COB, Thursday 21 September 2023

CONTACT: business.research@westernsydney.edu.au



Dr Hossain Mohammed (Left), Dr Tendai Chikweche (TC) (Right)

ABSTRACT:

The purpose of this paper is to demonstrate the effectiveness of a participatory micro community Islamic funding Project as an alternative to micro-credit lending to alleviate poverty among vulnerable farming communities in rural Bangladeshi using individual Zakat. A longitudinal multiple research methods approach comprising action research and ethnographic approaches of observation, focus groups and participatory rural appraisal is being used to collect data from fifteen farmers. Farmers are provided with free agricultural equipment and seed from Zakat pledges from individual investors instead of micro-credit loans from non-governmental organizations to fund their annual agriculture activities. The overwhelming findings from all participants is a significant reduction in reliance on micro-credit loans and sustainable self-reliant consumption of over eighty three percent. Food security has also improved with less reliance on non-governmental organizations since participants now have surplus rice harvest. The zakat funded project is cost efficient since the agricultural machineries are managed by the community members lead by the Imam of the mosque. As a result, the overall productivity (rice harvesting) of the project increased and sustainability (4 years of project continuation) is established. The impacts of the project on the participants and their household are substantial. The arguments and disputes between family members has reduced dramatically since cash borrowing from NGOs is reduced. The mental state of the households members has improved having less guilt and shame since shood (Interest from the borrowing) is replaced by Zakat funding, which as a result increase productivity. Key recommendations and challenges for the project include the need for more funding for scaling up to other areas and to include diverse aspects of the farmers' livelihoods. This will help develop a replicable model that can be used elsewhere.

PRESENTER BIOGRAPHIES:

Dr Hossain Mohammed and Dr Tendai Chikweche (TC) are part of the Marketing, International Business and Sports Management team in the School of Business at Western Sydney University. Hossain and Tendai's research interests are on investigating various aspects of marginalised (base of pyramid) consumers in developing countries which includes how firms and stakeholders like non-governmental organizations interact with these consumers to foster responsible and sustainable consumption. This study is part of a multi-country project which examines the potential impact of alternative funding and empowerment models that foster responsible and sustainable practices by marginalised consumers in place of traditional micro-credit financing.