

# CENTER FOR ZAKAT MANAGEMENT (CZM) AND ITS ROLE IN POVERTY ERADICATION IN BANGLADESH

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## ABSTRACT

Centre for Zakat Management (CZM) introduced a new mechanism of payment, utilization, mobilization and effective distribution of Zakat in an organized and planned manner to achieve significant success in poverty eradication in Bangladesh. CZM adopted prime initiatives for institutionalizing Zakat management system aiming to promote prosperity and raise standard of living of the poor communities in Bangladesh. CZM provides zakat to the needy people in order to improve their living standard through income generating activities. The main objective of this paper is to examine the activities of CZM and its role in upgrading the living standard of needy people. Primary data are collected from the project area especially from Manikganj District of Bangladesh that received zakat under Jibeeka project of CZM. The data are also collected from the head office of CZM, Dhaka, Bangladesh. It is expected that the similar steps could be adopted in the different parts of the Muslim world to eradicate poverty from the society.

**Keywords:** CZM, Zakat, Bangladesh, Poverty eradication.

## 1. INTRODUCTION

Zakat, a fundamental pillar of Islam, is an important factor to eradicate poverty from the lives of the people. It is mandatory upon every rich Muslim as prescribed in the Qur'an and Sunnah. But its role has intentionally been ignored throughout the world especially in Bangladesh, where more than 85% population are Muslims. The general population are not aware of its true roles and practices; hence, Zakat is not fully utilized to the fullest benefits of the people. CZM has taken an initiative to instill awareness in the minds of the people regarding the religious obligation of Zakat. It has also been able to motivate the rich people of the society in mobilizing their zakat contributions in order to change the fate of the poor and the needy. CZM has several programs on education, entrepreneurship, livelihood and women welfare, which are run by Zakat contributions from individuals and business institutions. The contributions of associates and partners help facilitate CZM's multidimensional activities to continue with full force in order to achieve a poverty-free Bangladesh. It produces a significant growth and provides positive social change in its targeted areas. Its eight programs are the following: Jibeeka-livelihood development program, Genius-scholarship program, Gulbagicha-education and nutrition program, Mudareeb-micro enterprise development program, Ferdousi- woman welfare program, Insaniyat- humanitarian assistance, Dawah- awareness Building and Motivational Program and Naipunna bikash-Skill development and employment program for unemployed youth. They serve as a unique

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platform in health, education, entrepreneurship, livelihood development and social empowerment and play a vital role to reduce extreme poverty.

## **2. Background of Centre for Zakat Management (CZM)**

Center for Zakat Management (CZM) in Bangladesh officially began its voyage on 14th September 2008. Prior to that, it was known as ‘Zakat Forum’ (ZF). On 21<sup>st</sup> March in 1993, with the active support of Rahimafrooz Bangladesh Ltd., a group of people took initiative under the name of ‘Zakat Forum’ on the principle that Zakat is an important tool to change the lives of the poor and the needy of Bangladesh. In the beginning ‘the forum collected Zakat money and distributed it among people’ according to the guidance and principles of the Holy Qur’an.

In 2005, Zakat Forum (ZF) started to manage Zakat fund and took a pilot project named, ‘IDEAL Village Project’ targeting 150 insolvent families in Manikgonj district, Bangladesh. The project run wonderfully and achieved tremendous success in fighting poverty. The project was able to change the lives of the beneficiaries in different aspects of their lives, such as education, health, nutrition and livelihood etc. This was an important milestone in the journey of Center for Zakat Management (CZM). This project made a significant progress, as it was able to change the living standard of the Zakat recipients so much so that about 3% of the Zakat recipients turned into Zakat payers within three years. The organization played a vital role in eliminating poverty from that specific locality, which was regarded as a role model for the rest of the areas in the country.

The members of ZF would gather with zakat experts, scholars, professionals, social enterprises and consultants of home and abroad and discuss on the prospects and potential sectors of Zakat in Bangladeshi perspective. On 14<sup>th</sup> September, 2008 the whole process turned into the establishment of Center for Zakat Management (CZM) as an institutionalized platform of Zakat aiming to enhance collection, distribution and effective utilization of Zakat fund; to establish efficiency of the tenets of Zakat to reduce poverty from societies; to create awareness among the well-to-do Muslim families and fulfill their religious obligation of Zakat payment in a proper way; to ensure proper utilization of Zakat Fund for the well-being of the needy and the poor as per the tenets of Islam. The center started its journey with a vision to achieve “a society free from socio-economic and moral poverty through equitable distribution of wealth as per guidance of Islam”. It would develop an effective Zakat management system that would help bridge poverty gap and improve overall prosperity to our society.

The CZM Governing Board is comprised of eight respected members of leading business executives of Bangladesh. To facilitate running its seven program and all activities, this premier body is supported by Advisory Council, Independent Shariah Supervisory Board, Independent Fund Disbursement Approval Committee and Management Committee. CZM considers the organizations that work with CZM as partners. Among the partners, some provide Zakat and other assistance to CZM for its effective distribution and management towards poverty alleviation while some other partners help CZM implementing the programs.

They are as follows:

## **2.1 Corporate partners**

(1) Rahimafrooz Bangladesh Limited (2) A. K. Khan Foundation (3) South Breeze Housing Limited (4) Mirpur Ceramics & Khadim Ceramics (5) Birds Group (6) Butterfly Marketing Company limited (7) Standard Manufacturing Company (8) QA Group.

## **2.2 Implementing partners**

(1) Shishu Polli Plus (2) Masjid Council for Community Advancement (MACCA) (3) Women Assembly Under the Shade of Al Qur'an (4) Faridpur Muslim Mission (5) Bauniaband Islamia Yatimkhana (6) Alor Pothe Nobojatra Foundation (7) Asra Foundation (8) Al Qur'an Education Center (9) Insaniat Foundation (10) Dekhi-Shikhi-Kori.

## **3. PRESENT PROGRAMS OF CENTRE FOR ZAKAT MANAGEMENT (CZM):**

### **3.1 Jeebika Program**

Jeebika is a Zakat-based livelihood and human development program. The main goal of this project is to ensure sustainable community development with the help of Zakat fund. This project provides services for poor and needy people to improve their living condition, to develop economic access to basic needs for targeted people through strengthening livelihood, marketing access and it was able to assist hundreds of household by the active assistance from its partners through different Income Generating Activities (IGA). It also provides sustainable improvement in mental and physical health through program participants, ensure basic and life related education for targeted vulnerable households especially women and girls and reduce risk from disaster for targeted communities and household. However, Jeebika approach includes accumulation of savings; access to business capital, health, education, water & sanitation, training and moral education. This project includes series of initiatives to run it in a shape for improving living standard of poor people. These are:

- To form community based development organization locally called “Hasana Group” among targeted people.
- Train targeted people to provide skills on certain sector in generating income and entrepreneurship development.
- To transfer ownership of capital among community based organizations by Zakat fund or in other form of donation.
- To provide preprimary education and nutritious food for the children and give moral education for the elderly people of the project area.
- To provide health services especially to take care for mother and children.

- To encourage and take initiative for proper sanitation, hygiene and pure drinking water.
- To arrange life skill development programs.

The operation of this project initially began in the year 2005 in a village of Manikgonj district Sadar named ‘Chandir Char’ under the financial support from CZM (former ZF) and for a period of five years ended in December 2009. This is a pilot project facilitated by Masjid Council to experiment and establish how an effective management of Zakat Fund could indeed help in sustainable poverty reduction from the community. The program proved to be a grand success, which sparked the rays of hope in the minds of the devoted rich Muslims and the Islamic organizations. It has been observed that within three years a group of Jeebika beneficiaries from Manikgonj became able to turn from Zakat seekers to Zakat payers. CZM has been implementing its Jeebika program in different locations of the country including Chittagong, Sylhet, Manikgonj and Tangail covering as many as 850 extreme poor households (hhs) in total during 2010 to 2012. Details are in the table below:

Sl	Name of Project	Location	Beneficiary	Initiation
1	Jeebika-Karnafuli	Mohora, Chittagong	450 HHs	2010
2	Jeebika-Dhaleswari	Char Tilli, Manikgonj	250 HHs	2010
3	Jeebika-Surma	Khadimnagar, Sylhet	100 HHs	2011
4	Jeebika-Elenjani	Porabari, Tangail	50 HHs	2012
Total			850 HHs	

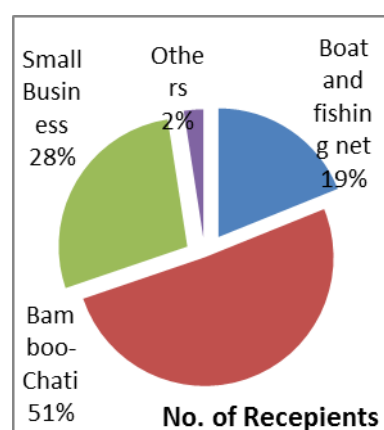
Women serve as the main entry points for the program. Total beneficiary coverage is shown below:

Interventions	2010	2011	2012
Total no. of Beneficiary	400	500	1000+
No. of Female Beneficiary	300	400	800
No. of Male Beneficiary	100	100	200
No. of Household covered	400	500	1000+
Number of VO organized	150	200	300
Total Population covered	2000	2500	5000
No. of IGA support recipient	400	500	1000+

### Trade Wise Investment Disbursement 2012

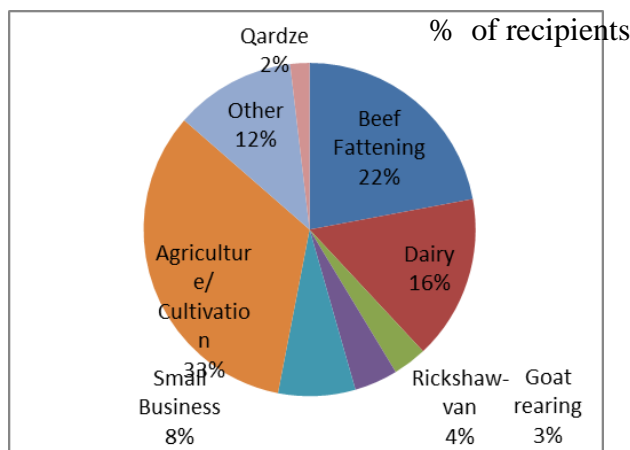
#### Jeebika- Karnafuli

Trade	No. of Recipients	Amount (BDT)
Boat and fishing Net	85	754000
Bamboo	229	3309000
Small Business *	125	2188000
Others**	11	160000
Total	450	6411000



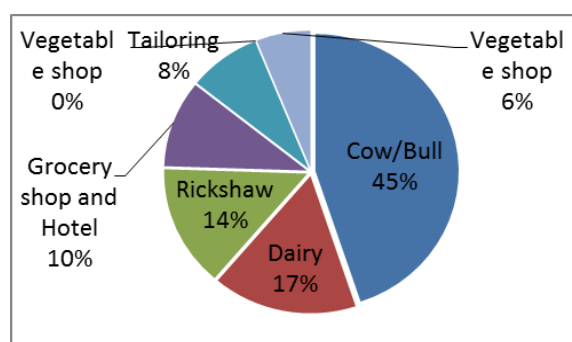
### Jeebika- Dholeswary

Trade	Recipients (no)	Amount (Tk)
Beef Fattening	47	1081300
Dairy	34	828350
Goat rearing	7	28500
Rickshaw-van	9	122000
Small Business	16	414000
Agriculture/Cultivation	71	1050000
Other	25	369000
Qardze	4	42000
Total	213	3935150



### Jeebika- Surma

Trade	Recipients	Amount
Cow/Bull	22	282300
Dairy	8	153900
Rickshaw	7	59000
Grocery shop and Hotel	5	80000
Tailoring	4	25300
Vegetable shop	3	32000
Total	49	632500



### Jeebika Elenjani

Trade	Recipients	Amount
Cow/Bull	22	282300
Dairy	8	153900
Rickshaw	7	59000
Grocery shop and Hotel	5	80000
Tailoring	4	25300
Vegetable shop	3	32000
Total	49	632500

### Local Resource Accumulation and Input Support

	Particulars	2010	2011	2012
1.	Provided vegetable seed/ sapling among HHs	111	222	700
2.	Provided sapling to the HHs			466
3.	Vaccination for poultry by the Veterinary Department			862
4.	Vaccination for cow			225

### Emergency Humanitarian Assistance

Extend support to the physically challenged people, widows, orphans, poor elderly people to prevent humanitarian crisis at individual and family levels and minimize the amount of loss

during disasters by applying indigenous knowledge and strategies and raising awareness of community people

Particulars	2010	2011	2012
Training on disaster preparedness for youth			32 youth
Warm cloth distribution (blanket)			513 pc
Food support Provided: Family/Amount (Rice:-15kg, Pulses:1 kg, Salt:1 kg, Suga:-1 kg)			-250 in kind - 76/300 - 1/1000 per month
School dress			01 students (Tk. 200)
Provided admission fees of School			7 persons, Tk 3800
Assistance for marriage			01 ( Tk. 5300)
Treatment of cow due to dog biting)			02 (Tk. 2500)

### 3.2 Mudareeb Program

Mudareeb is a Micro enterprise development program of CZM. The poor people of Bangladesh who live below the poverty line, many of them have talent and skill to become entrepreneurs where lack of funds and resources are the major obstacles to achieve their desires and dreams. To overcome shortcomings and to realize their dreams, the CZM introduces Micro-Enterprise Development Program (MEDEP) to create micro-level entrepreneurs in poverty wretched, disastrous and miserable areas in the country. Potential entrepreneurs were selected from the livelihood development project and they were granted sustainable size of funds for starting business. This program started to achieve a target to reduce poverty in Bangladesh. CZM maintains financial, technical as well as moral support to people in developing their business. The main goals of this program are:

- Upgrade living condition and reduce poverty of low income families.
- Promote skilled and smart entrepreneurs.
- Capacity building of service delivery organizations.

The main target beneficiaries are:

- Low-income families
- Unemployed but smart and skilled youth and under-employed men and women
- Self-employed proprietors and micro-enterprise owners.

The CZM provides financial assistance for small-scale agro machinery, raising poultry farms, dairy farms, small shops and other profitable small businesses. Vocational training is also provided to the targeted entrepreneurs. In 2010, CZM initiated this program in Manikgonj as a pilot project with a very small team of dedicated young entrepreneurs.

The impact of the program can be broadly divided as follows: (1) Increase in Income; (2) Employment generation; (3) Improvement in local economies; (4) Poverty reduction; (5) Empowerment of women; and (6) Macro and micro linkages. Under the program, over the years 2010-12, 15 Mudareebes were supported for running income and employment generating activities profitably. An amount of BDT 1,300,000 was disbursed to them for running profitable enterprises in a number of sectors including the following: Micro-enterprise

supports were provided in seven main sectors including: agriculture, poultry, dairy, beef fattening, departmental store, agricultural machines/equipment (Power tiller) and mini Ice cream factory.

<b>Intervention</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
No. of Mudareeb Beneficiary Families	15	15	
Male/Female Beneficiary			
No. of Mudareeb Group	01		
Total Amount of Investment	1,300,000		
Amount of Investment/ beneficiary (AvBDT)	85,000		
No. of IGA trades/sectors	07		
Average income of Beneficiaries			

### **3.3 Genius Program**

Genius is a Scholarship program for undergraduate students. The objective of this program is to provide educational opportunities for the academically meritorious and financially needy young students to continue their studies both at home and abroad and to guide them in specific fields in order to “improve their socio-economic conditions, preserve their cultural and religious identities and make a meaningful contribution to the development of the Muslim Ummah”.

This program is not only the traditional sense of financial assistance for the needy and brilliant students, but also it is a tool for the enhancement of the socio-economic conditions of the students. At the same time, it is both scholarship and development program. CZM has its personal requirements to find out the most deserving candidates for scholarship irrespective of sex and religion. Students are required to take part in a two-year long capacity building program that helps to become fit for the future struggle in competitive exams and lives.

Under the Program, the students are encouraged to take part in the progress of their communities, through their personal careers. Development of the community by the students and graduates leads to contribute for Ummah. In short, the CZM wants to develop the mind, the character (of the recipients of the CZM Scholarship Program) and the community itself (which is the final target of the CZM). CZM wants the young to be ready to dedicate themselves to their communities and countries, which is not possible to gain without the motivation by proper understanding of, and commitment to Islam in all aspects of their lives. CZM offer different projects for poor and meritorious students, in different capacities. This program provides the following facilities:

- ◆ Tuition fees and academic expenses are provided.
- ◆ Monthly stipend is provided with the cost of living.
- ◆ Training programs are arranged to build up career and skill development.
- ◆ Basic training on IT, English language including IELTS and TOEFL are given.

The following 9 (nine) criteria are assessed for each candidate on the information they have provided. These 9 (nine) criteria and their assigned weights will be used to assess the candidates for the Genius Scholarship: These are:

Sl	Criteria	Marks
1	Parents Living Status	15
2	Ownership of Land	10
3	Income	10
4	Dependents/Siblings	10
5	Physical Disability	10
6	Sex	5
7	SSC Result	5
8	HSC Result	5
9	Interview	30
<b>Grand Total =</b>		<b>100</b>

Scholarship is provided for academically meritorious but financially needy Muslim students with strong desire to involve in social services and community development. They must also be able to meet the following eligibility criteria:

- Maximum age of 24 years;
- Completed higher secondary education (or the equivalent of approximately 12 years of education) with good grades
- Secured admission in one of the disciplines covered under the Program at a recognized university; and
- Not in receipt of any other scholarship at the time of application and during studies.
- Recommended by the local community leaders or Muslim Organizations through the CZM Selection Procedures.

### 3.3.1 Selection Process

Scholarship Selection Committee of CZM is to:

- Assess The Applicants' Academic Qualifications;
- Determine Their Financial Need And Commitment To Their Communities;
- Assess Their Character
- Participate And Conduct Interviews, And
- Submit report on the whole pre-selection process to the CZM.

The CZM Scholarship Program also provide Tk. 1-2 lacs for students willing to pursue Post Graduation studies, such as MSc, MBA, MA and PhD. This criteria and selection procedures are same with Scholarship for the Undergraduate Level University Students but the applicant must not be more than 30 years.

### **3.4 Gulbagicha Program**

Gulbagicha is an Education and Nutrition Program for Children. Under the different programs of CZM, Gulbagicha provides education and nutrition to the deprived, poor and needy children. There are about 2.5 million Bangladeshi children who have no way to admit into schools due to financial and social factors. Most of them live in streets and slums, which leads to an unfortunate future. CZM takes initiative through Gulbagicha program, affords education and nutrition for those underprivileged children. It endeavors to give quality life to street children through basic education, food and primary health services. The main activities of the program are:

- To give pre-primary moral and basic education to slum children till High School.
- To provide balanced nutritious food for healthy living and combat malnutrition.
- To make sure medical support and service for a healthy living.
- To educate parents and counsel them on child rearing and caring.
- To hold meeting among parents and teachers to supervise students' improvement.
- To arrange awareness program on health and sanitation.
- To inculcate faith based moral values for character building.

There are about 43 pre-primary education centres in Chittagong, Tangail, Manikganj and Sylhet. Currently the CZM has been running 43 pre-primary education centers in Chittagong, Tangail, including 30 Gulbagicha centers in the slum areas of the Dhaka city. More than 1300 children are being educated through pre-primary education. About 2000 children have completed their pre-primary education and got admitted into primary schools. Under this project about 900 students have been provided educational and financial assistance in Faridpur Muslim Mission, Banuiabandh Yatimkhana (orphanage) and RSF Schools. The project is offered for poor children who live in slums and streets. The following criteria are considered to select children from targeted area:

- Aged between 4 – 12, from low income households
- The parents should provide their consent for their child's education.
- Not involved in any other similar programs in the area.

#### **3.4.1 Selection Process**

A selection committee constituted by CZM is to:

- assess the applicants' potential
- determine their families financial capacity
- assess their character
- participate and conduct interview if necessary
- Submit report on the whole pre-selection process to the CZM.

In 2010, CZM was running two preprimary education centers in Dhaka and nine centers in Manikganj. 'In 2012, CZM operates 16 more Gulbaghicha centers in Manikganj, Chittagong, Sylhet and Tangail districts'. On the other hand, through institutional arrangement, 1,614 ultra-poor children were covered under stipend program. Out of the total, 725 were orphans and the rest 889 were non-orphans. Similarly, 778 children were girls and 836 were boys.

Thus, total number of beneficiaries served under center based and institution based activities of the program stood at 2,199.

### **3.5 Ferdousi Program**

Ferdousi is a Women Welfare Program. Women empowerment is one of the key issues in the modern world. They are less empowered in many societies but this is a common scenario of the underprivileged people. CZM emphasizes on this issue and undertakes a special attention to support in health program in its working areas of Jeebika programs. This program planned some initiatives as follows:

- To provide free health care and maintain regular treatment with essential medicine to all especially for poor women and children.
- To be aware on critical issues such as reproductive health, nutrition, child rearing personal hygiene, sanitation etc.
- To take care and regular checkup for safe delivery of pregnant mother.
- To serve free medical service for lactating mother, adolescent girl and children.
- To bond linkages between the relevant government functionaries and community health facilities.
- To ensure 100% sanitation and safe water.
- To rehabilitate and restore distressed and homeless people.
- To provide adult and religious education

CZM treats both man and woman equally. The whole process of this program is for achieving the satisfaction of Allah as directed in the divine guidance through the Qur'an. The current projects run in Manikgonj, Chittagong, Sreepur, Tangail and Sylhet districts. In 2010, a healthcare point named by Ferdousi Health Center is serving the community in Manikgonj. In 2012 a new CZM Ferdousi Health Care Centre has been launched in Satkhamair, Sreepur, Gazipur districts, where women and children are offered different health care services including free medicine from the centre. Finally Under this program, four Ferdousihealth care centers are being operated in four locations, namely, Chittagong, Sylhet and Manikgonj and Tangail. Over the year 2012, in total 2745 patients were brought under service coverage including 1906 women, 924 Children and 145 men. Among the women beneficiaries, 97 were pregnant, 140 were lactating and the rest were general women patients with problems other than reproductive health.

Similarly, 252 Health awareness sessions were organized in which a number of issues related to nutrition, sanitation and other issues were discussed. On the other hand, home visits were made to a number of pregnant and lactating mothers and Adolescent girls to deal with a number of issues related to their development including different aspects of their reproductive health.

### **3.6 Insaniat Program**

Insaniat is a humanitarian assistance program. CZM provides financial support to many individuals as well as families as humanitarian assistance in case of unexpected problems like sudden illness, natural calamities and disasters, sudden death of the earning member of the family, accidents, income shortfall and other similar problems. CZM believes that these sudden problems will not be longer in their lives. So, CZM is committed to expand its support to these people.

The CZM emphasizes on this program as the real needs of human lives in some unpredicted situations and make them captive of such situation which they cannot overcome. The CZM follows planned framework to find out the need based projects under the Insaniat program. In short, the Insaniat program is to meet the instant crisis of the distressed communities and people and ensure that the people feel all the assistance comes from the Almighty in a systematic framework. In 2013, CZM gave instant assistance for three heart disease children and took an initiative to assist the legal victims who are unable to follow up their cases with the court for facilitating early disposal of their cases by meeting relevant expenses. To achieve the objectives mentioned above, the following activities are implemented:

- Distribution of cash help
- Distribution of blanket among cold wave victims (in kind)
- Distribution of cash help as part of legal aid
- Distribution of medical and other equipment mostly in kind
- Distribution of emergency food, medicine and other items to flood/cyclone/tornado affected people exposed to vulnerability
- Cash help for emergency treatment (treatment, operation, medicine, artificial limb etc)

### **3.7 Da`wah Program**

Da`wah is an Awareness Building and Motivational Program. The Da`wah project was meant to invite people towards righteousness, good causes and activities for all kind of welfare. By this project, CZM invites people to understand the divine guidance regarding one's way of life. The program aims to create awareness among rich people about Zakat as an obligatory duty of Islam.

It stresses on the need for zakat as unique economic system and financial management of a just society. The program involves regular dialogue, seminar, lecture series, experts' responses to queries, interfaith dialogue, video conference, TV Programs, Zakat Campaigns at great Mosques, shopping Malls, Universities, Hospitals and Diagnostic Centers of Dhaka, workshop, distribution of books, brochures, leaflets, sending letters and e-mails, corporate meeting, one to one meeting, charity trade show, film show and etc. The program also preaches the fundamental tenets and pillars of Islam, such as Tawhid, Salat, Sawm and Hajj. In this regard, various tools like 'individual/corporate meeting', 'seminar, symposium, workshop', 'email/letter', 'books distribution' 'documentary show' etc. are being conducted under Da`wah program. Over the reporting year (2012), various activities were implemented to achieve the objectives of the program with the following as main focus:

- 35,000 Zakat Calculation forms have been distributed among target population
- 11,500 CZM Newsletters have been distributed
- 6,000 Zakat Sahaika [=Guide] have been distributed
- 5,000 CZM material (containing Zakat calculation form, newsletter, Zakat Sahaika) packets have been distributed in 460 Upazilas under all 64 districts (through RSF)
- CZM materials have been distributed to 9,500 b-Kash Agents
- CZM posters have been displayed at 9,500 b-Kash Agents counters

- 1500 emails were sent to 1500 corporate e-mail users
- Rapport building has been done with 5 Chambers of Commerce & Industry
- Rapport building has been done with 50 business houses (using one or more mediums including e-mail, courier and one-to-one contact)
- 30,000 potential zakat payers were reached and CZM messages were conveyed
- 100,000 people including 30,000 potential zakat payers were made aware of proper zakat calculation (excluding TV watchers and newspaper readers)
- Rapport building was completed with 13 great mosques of DCC
- A 32-member CZM Zakat Promotion Team has been developed
- Possibility has been created for zakat collection from new Zakat Payers
- Contact established with some (08) distinguished personalities
- BDT 20,181,500 has been mobilized during Zakat Campaign

### **3.8 Naipunna Bikash Program**

Naipunna Bikash is a Skill development and employment program for unemployed youth in the society. CZM has a target to reach among unemployed youth around the country and make them trained and experts in certain sectors so that they can help themselves as well as their families overcoming poverty. Under this program, CZM offers vocational training to the unemployed poor youths and dropped out from schools primarily, the following trades have been selected: Electrical works and electronics, mobile repair and Maintenance, Welding and Fabrication, Engine and Pump Mechanic, Plumbing and Pipe Fitting, Mechanist, Painting and Polishing, Garments, Computer, Dressmaking, embroidery, handicrafts and Nursing Assistance etc. CZM also ensures employment for trainees after their courses.

CZM arranges vocational training courses with the help of CZM partners in different parts of the country and provides stipend of Tk. 3000/= per trainee for 6 months vocational courses. The trainees get full residential facilities and receive fundamental Islamic teachings and moral values. The main objectives of this program are:

- To provide opportunities for technical training to the medium educated and unemployed youths
- To provide employment to the trainees in relevant areas of skill gained by them.
- To develop in them certain level of development awareness and moral character.
- To pull out the targeted families from the curse of poverty through these interventions.

### **4. BASIC DIFFERENCES OF CZM FROM TRADITIONAL MICROCREDIT PROGRAM**

The activities of CZM are almost similar to traditional NGOs but considerably different for its management process, purpose and operational practices. Most of the traditional groups based on micro-credit are formed and controlled by NGOs for lending money with interest and collect it for re-lending others while the Jeebika program is shaped through charitable scheme of Zakat recipients of the community facilitated by CZM. The intention of CZM is to develop a model of community based poverty reduction. It gives an opportunity to its

members easy access of interest free capital for business. The CZM personnel build a group with their capital money, which is used collectively as business capital for its members. The capital is increased through regular savings and depositing of profit by its members. All the decisions were made by the members in accordance with CZM's rules and regulations to increase capacity and management system of their own institution.

At first CZM selects and organizes a group of people for two purposes; firstly, development and understanding a mutual trust among poor families; and secondly, CZM implements its activities through active participation of beneficiaries. In the beginning, CZM creates the initial resource for the group members and encourages them to start on their own group resources.

Traditional micro-credit programs are interest based lending system, which emphasize to earn profit for their organization without the benefit of their members whereas CZM works only for the investment and profit for their members. NGOs control the size of loans and choice of investment of members, while CZM takes initiatives to work together with members for their interest and ventures into projects which are profitable. CZM resists the interest-based credit system which is strictly prohibited in Islam. Allah (SWT) says in the Qur'an:

*“Allah will deprive usury of all blessings, but will give increase for deeds of charity: for He loveth not creatures ungrateful and wicked.”*

(Surah Al Baqarah 2: 276)

The group members get financial support equally from CZM and invest it in income generating activities according to Islamic principles. CZM also provides the management training, capacity improvement training, entrepreneurship development, leadership building training, a variety of development works such as education, health, sanitation, income generation etc. to its beneficiaries to increase their income potentials. Training on various cottage industry activities such as embroidery and handicrafts for the women and training on various support activities like Poultry rearing, Cow fattening, entrepreneurship development, compost preparation etc. not only add value to the members labour, but also increase their relative incomes and capital. The CZM looks for skill of their members. It is seen that the investment in traditional activities like fishing, cattle rearing, cow fattening, fish and poultry trading etc increase the income of group members. Its main purpose is to enhance and enrich the capacity and to solve the community problems through resources and various leadership trainings. Most of the micro-credit programs in Bangladesh provide some training for its members; but they are not concerned about the increase or decrease of income for their members.

## **5. CONCLUSION**

CZM has high potentials of rapid expansion in Bangladesh to take initiatives to provide Zakat to the poor and needy people to reduce poverty from the community. It has certain principles and mechanism to ensure charitable activities and welfare oriented development program. It plays a vital role to create a significant influence on the income, expenditure and savings of targeted people of project area and change the living condition of people. Productive activities and the training facilities by the CZM staffs maybe the main cause of this success. Providing educational facilities enlightens the people and many people become able to sign their name after taking education from CZM schools. There has been tremendous changes in

health sector and ensure 100% sanitation in project area. Employment opportunities have significantly increased for unemployed youths. It is expected that CZM and similar organizations can play significant roles in reducing poverty from its communities.

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