

*ELEVEN POINT PROGRAM FOR*  
**ECONOMIC EMPOWERMENT OF INDIAN MUSLIMS**

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**A---Introduction**

Societies and nations globally are comprised of able and disable people. While able one's are endowed with adequate capacity to mobilize and manage resources for not only their own sustenance but also gather power to extend help to others in need. Disables on the other hand are normally those people whose existence either warrants regular flow of external resources or an action plan to relieve them from starvation. It may be noted that permanent disability of a very small section of the society occurs due to natural mental and physical handicap. But disability of considerably large number of people occurs due to prevailing unethical and discriminatory social, economic and political system. It is this section of the society that needs to go under empowerment process for a respectful living. Hence the process of equipping such people with necessary support on the one hand and removal of roadblocks in their path of progress on the other becomes imperative.

It may be stated that Empowerment more particularly economic empowerment shall refer to a process of enabling people to think, plan and act for making adequate resources available for a respectable life and living. So far as Muslim community is concerned, it has a glorious past in terms of their own sustenance as well as care takers of the indigent people in the society. However the current economic condition is pathetic. They exhibit deficit and deficiency in almost all walks of life. Even in the presence of still vast manpower and material resources, they live in the slumber of poverty, seemingly becoming a liability rather than an asset. And it is here debate and discussion to pull out the community out of economic plight and restoration of its past glory becomes essential. This paper may be taken as a humble effort in this direction.

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## **B--Disempowerment embedded in the past**

The economic condition of Muslim India began experiencing decay and deterioration with the downfall of Muslim Rule which continues till today. The four major sources of livelihood for the community before British Rule namely administration, jobs in military and police, Judicial Courts and agriculture and artisan started lessening their scope for the community due to lack of rulers protection as it used to enjoy during Muslim rule. As British scented disloyalty wherever they found Muslims, they adopted biased and discriminatory policies and practices towards the Muslim community. Thus the loss of avenues of economic earnings and continued wrath of British Rule against Indian Muslims added fuel to the fury. Unlike Parsi and other communities showing adaptability with changed socio political conditions, the very large scale initiative and involvement of the Muslim community and its leaders in throwing away the yoke of political slavery and restoration of self rule spared little time and talent to arrest its economic deprivation. The struggle could succeed after around 200 years, at a cost of loss of millions of life and trillions worth property, giving hope that all will be well after Independence is achieved. But unfortunate partition of the country gave yet another severe blow to the community. It resulted into large scale exodus of visionary, talented, educated and enterprising people of the community to the newly created state. Further the partition of the country gave way Two Nation theory at a larger scale giving wider space to anti community forces to succeed in their motive of spreading hatred and enmity and widening the gap between Muslims and Hindus. The hatred and bias even crept in to the minds of the people in power causing road block to the progress of Muslim community unlike other sections of the society. Consequently large scale communal riots took place causing colossal loss of men and material of Muslim community. Moreover these riots created a fear psychology pushing the community and its leaders to pursue other priority objectives other than economic empowerment. In the independent India, the vision of community leaders in nearly earlier two decades of the community leaders and policies, programs and calendar of events and activities of community religious and non religious organizations lend support to this conclusion. It may not be wrong to conclude that the formation of this platform viz. All India Muslim Majlis e Mushawarat owes its existence to the then above mentioned prevailing

situation in the country. Thanks to this initiative that has led to consolidation and restoration of community's self confidence and positive outlook required for revival and reconstruction of sound health of the community.

So far as the current economic condition of Muslims, it has now become beyond debate and doubt that they grossly suffer from economic deprivation and economic backwardness. In the presence of government sponsored well studied and documented reports like Justice Sachar Committee report 2006 on the Social, Economic and Educational Status of Muslim Community in India, Justice Rangnath Mishra Commission Report 2007 on Religious and Linguistic Minorities, National Sample Survey Organization reports in its different rounds from 1988 onwards and also independent research studies published in reputed national journals clearly state and stress that not only in comparative terms but also in absolute terms, large chunk of Indian Muslims population is found below poverty line, suffer from higher incidence of unemployment, show decimal percentage of its manpower's access to highly potential and well paid government and public sector jobs. It may be noted that approx 50 percent of Muslim population lives below poverty line, incidence of unemployment ranges to approx 10 percent of Muslim labor force and majority of Muslims get their livelihood through business of very small scale and petty trade. Also it show deficits and deficiency in Education, business and financial sectors. Central governments claim to have taken note of all such reports and their recommendations but without much positive outcome.

The condition continues to be pathetic demanding pro active and sincere response from all those who believe that Muslims economy must be revived but also to all those who believe that India's Empowerment at the domestic and global level is tied with the growth and development of Muslims. And it is here the role of the national governments and the community organizations / leaders becomes pertinent. The restoration of self trust, opening of economic avenues beyond the boundaries of the nation and also government's inclusive growth plans and welfare schemes for minorities and other economically backward communities are silver lining for better future prospects. Little positive impacts are also felt here and there. However formulation of pragmatic plan of action for economic advancement of the community is

urgently required to avoid *Faqr* leading to *Kufr*. Since the Muslim community by virtue of its nature is so constituted that it fails to respond positively to objectives repugnant to its religious disposition, it is necessary to convince it that it is rather religious obligation to work earnestly for elimination of poverty and pursuit of material strength. Only when it is economically better off, it can acquire skill and expertise so badly needed for a respectable living. Needless to say that much of the ills and evils that have beleaguered the community arise out of economic deprivation. It may be stated that even at this stage; community is endowed with a vast reservoir of raw human capital and has been historically known to pursue successfully heights of overall growth. The apparently sympathy show and blame game passing to external factors are ill informed and fail to take into account the inadequacy of our own performance and lethargy born out of misconceived notions particularly about *Deen, Duniya, Tawakkal* and *Taqdeer*. Truly speaking any future course of action should be framed only after a careful study of all such factors instrumental to the persistent poverty and plight of the community for it is a pre condition for identification of critical points where we should devote our maximum efforts and avoid wasteful expenditure. However due to paucity of time and scope of this presentation only cursory view is taken into account for consideration.

With this end in view, the formulation of a coordinated plan of collective self help is a must. Such a plan has to be formulated with active cooperation of all sections of the community to ensure maximum mobilization as well as optimum utilization of men and material resources. This is also necessary to avoid duplication of efforts by various agencies of the community. Equally important element of such a plan should be the utilization of government help and its minority welfare schemes specially designed for promotion and development of the weaker sections and minority constituents of the Indian population. Keeping in view these two dimensions, a suitable plan of action for economic empowerment of the community can only be formulated. Such plan should be prepared with wider involvement of the stake holders with mechanism of assessment and revaluation. It may be stated that once community adopts a pro active approach and shows will to succeed , not only the past glory in material sector but in the fields of social, educational and even political arena can be restored. The following tentative economic empowerment outline for community endeavor is proposed,

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## **B--Pre requisites for empowerment**

The success of Empowerment plan is subject to certain conditions. The community shall have to adopt Eagles' approach to fly above the cloud to save from rain. This warrants a change in the mindset. As the best source of guidance for the community to plan and manage all its affairs is the Holy Book and the traditions of the Prophet, the unshakable trust in following Islamic teachings is must for plan and its success;

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- a-Verily never will God change the condition of a people unless they change it themselves ( Al Quran)
- b-Then seek ye sustenance from Allah, serve Him and be grateful to Him (Al Quran 29:17)
- c-And when the prayer is finished, then may ye disperse through the land and the sea and seek the Bounty of Allah (AL Quran 62:10)
- d-.....while the sign of the day, we have made to enlighten you, that ye seek Bounty from Allah ( AL Quran 17 :12)
- e-Read ye therefore of the Quran as much as may be easy for you He knoweth that there may be (some) among you in ill health; others travelling through the land seeking Allah's Bounty ( AL Quran 73:20)
- f-Seest thou one who denies the Day of Judgement (to come) ? Then such is the (man) who repulses the orphan (with harshness) and encourages not the feeding of indigent. So woe to the worshippers who are neglectful of their prayers. Those who (want but) to be seen (of men) but refuse (to supply even ) neighborly needs (AL Quran 107:1-7)
- g-For them make ready strength to the utmost of your power, including steeds of war, to strike fear in the enemies of Allah. (AL Quran 8 :60)
- h-Prophets prayer seeking Allah's refuge from hunger, scarcity and humiliation
- Prophets saying that upper hand (giver/donor) is better than lower hand ( receiver/beggar)

Further, the understanding of work strategy is equally essential for the success of proposed plan of action. Hence the following points needs to be kept in mind while planning priority schemes and its implementation;

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- a—Behavioral change in attitude and approach of the community towards poverty and economic sickness is a must. This is so because economic sickness does not only indicate absence of material means. It also indicates a state of minds and an attitude which is highly unconducive to the socio- economic well being. Therefore mass awareness, uprising and involvement coupled with external support can only provide the ray of hope for empowerment.
- b--Organized cooperative effort is always a sure way of success. Hence a TEAM formed out of likeminded people rather than solo player approach is required.. An emphasis on causes and cure of economic malady in group discussion is expected to provide enough motivation to initiate and undertake practical economic empowerment measures. Corner meetings, lectures, seminars/symposiums, conferences and preparation of suitable literature and its distribution may be good tools for awareness, change in the mindset and work strategy;.
- c—Economic sickness is acute and chronic warranting application of very heavy doses of men and material. It gives a sense of satisfaction that a good number of groups are organized under different banners, yet there is a need to give direction to their efforts and a little bit more motivation to increase the scope of work. This can be done through coordination and effective visioning. It will largely ensure to the horizontal as well as vertical socio economic progress of the community
- d--Empowerment plans needs to be initiated in a self sustaining mode where one time capital input should suffice for its long term survival and existence. In this regards utilization of a small part of existing material resources in form endowments, wakf and Zakat may be adequately sufficient for takeoff;
- e---Being a welfare state, Indian government year after year makes huge plans and allocate large funds for socio economic and educational uplift of relatively challenged sections of the society .But it is unfortunate that benefits of such schemes do not reach to the targeted sections partly on account of lack of

political will on the part of the government and partly due to ignorance and lethargy of these sections. This is more so in case of Muslims of India. Hence what seems to be suggestive is to find out the details of government welfare schemes, coordinate with welfare departments and make efforts to convert expected beneficiaries into actual beneficiaries.

## **C--Empowerment Plan Outline**

Economic needs of the Muslim community in India are diverse and different. While a section of the society may need dole while others may need guidance, skill, finance and networking for economic revival. Empowerment in fact is a process where efforts are made to utilize existing inadequate internal resources to convert them into strong self sustaining power to grow and develop without much external dependence. It is with understanding that an outline for empowerment of the whole community is proposed. It may be stated at the outset that this outline plan is general in nature and may be modified and details may further be worked out and incorporated when if needed through action oriented need based analysis and experience.

### **1- Empowerment of Muslim NGO's**

Muslim population is spread over very large geographical area hence, majority found in 300 districts of the country, implementation of any reconstruction and revival plan requires an army of social activists .For this purpose easier way is to engage Non government organizations popularly known as NGO's. These are service oriented registered and unregistered organizations formed, supported and mainly managed by voluntary efforts. Its existence owes to conscious and socially committed people from the society who take initiative for amelioration of deficits and deficiencies of people in their neighborhood. These NGO's have high potential to play the role of change agents. According to an estimate there are more than one lakh of small and big NGO's with a minimum strength of eleven voluntary/partially paid workers operative within the community. It simply means that more than one million trained and untrained social army is available to up constructive revival work plan on the war footing. It may be observed that their area of operation ranges from the street to city, district, state and

national level. Moreover the fields of work of these NGO's covers almost all important areas viz education, economic, political, cultural, social and religious fields. Furthermore the operational course of action varies from simple guidance, to extending support and assistance. They are doing yeoman service to the community and the nation. This is a potential field and force can that can largely solve the problem of work force which is one of the biggest problem of the voluntary sector.

However a closer look at these organized groups reveals that all is not well them. They suffer from many inherent weaknesses. For instance short vision, inability to plan and implement due to lack o professional knowledge and skill, subsidy rather than sustainable mode of their operation, lack of adequate funds, duplication of work and hence huge wastage of social capital, lack of information/ knowledge about and access to existing internal and external resources and disassociation from mainstream Milli, and secular organizations and relevant government departments. As a result, despite the huge presence and engagements, their impact on uplifting the community on all fronts particularly educational, economic and political is found highly unsatisfactory.

Therefore what is required is to Empower these NGO's through knowledge, capacity building and networking. It may be noted with sense of satisfaction that initiatives in this regard had been taken by CCI (community coordination initiative, a registered social service organization) having affiliates in fourteen states of India which conducted ten capacity building workshops at ten places with participation of over five hundred NGO's. Similarly several annual conventions of All India conventions have been organized by group of people at Delhi. But all these initiatives proved more like events due to many known and unknown reasons rather than regular efforts. Therefore what is required, is well thought action plan particularly visioning, skill creation to implement annual work plans, professional management, financial base through enrollment of regular individual donors and companies through SCR schemes, and imparting timely information about government welfare schemes. With its persistently pursued implementation without break for the empowerment, of social volunteers across the country. This seems to be herculean task but little concern and care by representative Muslim bodies like Mushawarat and its constituents can make this happen

## **2-Establishment of E information and facilitation centers**

Knowledge is a power. On time information and necessary compliance is an essential ingredient for any empowerment plan. It may be noted that vast opportunities are available in the private, public and voluntary sectors for economic empowerment which go unattended depriving the people with possibility of gaining economic strength. For instance, an unfilled vacancy in the employment market alongwith prevalence of higher incidence of unemployment is a case in point. Similarly unskilled labor in the presence of advertised but unsolicited number of applicants at the technical training centers is another case in point. Further lapse of allocated budgets for various welfare schemes in the presence of large number of eligible candidates without benefits is also a glaring example. More so in the field of educational infrastructural support to the minority educational institutions and educational scholarship support to the aspiring eligible students have huge opportunities but largely go unattended or record non optimal use. Almost similar situation is found in almost all schemes under 15 points program specially the fields of widow pension, marriage support grant, unemployment allowance, medical grants, subsidized financial support to mini and micro enterprises and entrepreneurs and insurance of life and property. It may be noted with stress that in view of escalating communal disturbances causing colossal loss of life and property, strategically essential action plan to use insurance facilities provided by public and private sector insurance players has become obligatory. Further for financially starved community organization, **Corporate Social Responsibility** (fund) and international donor agencies, which is widely untapped provide source of required funds.

Hence the establishment of information and facilitation centers becomes essential part of economic empowerment action plan. It is a happy signal that efforts in this direction have begun but sporadic in nature and much less in number than required. Further these efforts grossly suffer from ill planning and lack of men and material resources. Consequently their performance is much below the desired level. Therefore such centers should be fully equipped in art of catering not only timely information but also qualified skilled volunteers / staff to provide assistance to target group but also competent enough to liaison with concerned government departments. It may noted that utmost community endeavor to encash the existing opportunities are likely to inject billions of rupees to the tottering economy of the community.

### **3-Literacy and skill formation**

The present world belongs to those who are aware, educated and innovative. As education is key to the manifold development, emphasis and effort for widespread literacy and education in modern sciences is imperative in general but mostly required for economic empowerment of the community. But it is a sad state of affair that Indian government is spending less than four percent of its GDP to this sector, much less than compared to the developed nations where equal to or more than six percent of GDP is spend for the development of this sector. As a result, rate of literacy above seventy five percent is achieved in only few states of India. Moreover backward and BIMARU states record literacy rate much below the national average. More so in case of Muslims, majority of whom suffer from economic challenges, come from backward states and considerable percentage from rural base. Furthermore and pressing needs of bread and butter with consequence of higher drop out ratio among the Muslim students make them largely devoid of not only higher learning but also low level skill creation required for gainful occupation in the modern industrial and service based economy. This is like a vicious circle that needs to be broken.

However thanks to awareness and urge in the community to upgrade itself educationally, encouraging upward change trend is observed both in the fields of literacy and general as well as technical education. The large number and ever rising trend in the establishment of community owned educational institutions from primary to engineering and medical colleges and even universities provide a solace in this field. Moreover increasing number of Muslim students in secular and government educational institutions reduce the feeling of frustration about literacy and education. Rather special coaching and retraining centers established across the country with and without government support have successfully raised the potential of having notable presence of Muslims not only in social and scientific research and higher learning but also in high profile private and public sector jobs. However, although encouraging but is unsatisfactory and still far away from the target level that can restore its past glory.

Based on sporadic information and general observation, it can safely be said that much more is required especially in comparison to other communities of the country. Firstly there is a need to create an urge in the community for hundred percent literacy and

education which is not only the need of respectable life and living but also religious obligation. It may be noted that demand driven products have higher potential in the market than supply oriented products. Secondly optimum utilization of the existing educational infrastructure having potential to house many more curriculum and non curriculum based technical and non technical education potentially powerful for self occupation and also less educated people which are very large in number. This is one of the most important area for community which faces scarcity of resources for all kind of development plans. Thirdly full utilization of the government plan and action with respect to the establishment of educational facilities and institutions specially primary level education centers within a periphery of two kilometers need to be pursued. For, this scheme has very high potential for achievement of hundred percent literacy in the community. Fourthly more educational institutions for women education almost all over the country and general education in areas having low or least educational facility like the rural areas should be established. Fifthly there is a need to think about imparting religious and technical / professional education together and side by side. Failing which establishment of large number of exclusive educational and training centers in the fields of technical and professional including social work/service shall become imperative. Finally it is not simply functional literacy and education i.e. the ability to read and write but literacy in the fields of culture, finance, economic and political is most urgent need of hour. Needless to say that the community has paid and continue to pay a very heavy price on account of our ignorance and illiteracy in these fields. Let us be warned that any plan of revival devoid of multi faced literacy will remain a sheer dream unfulfilled.

#### **4-Women's role in Empowerment process**

Any economic empowerment plan cannot afford to neglect the contribution of women who comprise almost half of the population of the society. It may be noted that emphasis to and involvement of increasing share of women in the work force has resulted in positive outcome world over in the empowerment of poor which encompasses three basic dimensions namely reduction of poverty, creation of employment, and erasing inequality. Studies on women's economic empowerment show that firstly where women's participation in the labour force grew fastest, the

economy experienced the largest reduction in poverty rates. Secondly when women farmers can access the resources they need, their production increases, making it less likely that their families are hungry and malnourished. Thirdly when women own property and earn money from it, they may have more bargaining power in the society. This in turn can help reduce their vulnerability to domestic and social violence and HIV infection. Finally when women have access to time-saving technologies, it helps them increase their productivity as well as launch of income-generating pursuits and entrepreneurial ventures.

Coming back to the participation of Muslim women in the work force, it is found that comparatively very low percentage in work force is found not only in comparison to the national average but also in comparison to many communities in the country. Unfortunately the role of women in the economic growth and development of the Muslim economy is neither recognised nor encouraged due to number of reasons. This lag is often described on account of cultural and religious traditions which are unfounded and misconceived. It is found against the logic and situational evidence of Muslim society in the past. Also history of Muslim society even during the caliphate not only recognised women potential but used the potentials of women in the then prevailing local economy. It is narrated that prophet once advised one of his companion to go for marrying another lady envisaging it as an economic empowerment plan.

Accepting the truth that strength of the chain is equal to the strength of its weakest link, let it be recognised that women are weakest link in our economic chain for change. Therefore it becomes essential to make plan for use of vast potential of Muslim women for eradication of poverty from their families and community viz. a viz. nation. In this regard, intervention through SHG's women empowerment plan methodology, which has already reached to approx sixteen crore Indian women, with disproportionate presence of Muslim women, can be adopted. Leave aside the outside job schemes which expose them to the outer world having dangers of moral degradation, Muslim women's economic potential through inducement to save and invest, skill formation and promotion of home based micro enterprises have immense potential to change the economic growth and development of community's economy looking for saviours. It would not be inappropriate to quote Prof Mohammad Yunus that **women need opportunity not charity and they want chance not bleeding hearts.**

## **5-Establishment of an Islamic Chamber of Commerce**

Business continues to be currently the major source of livelihood for the community. In case of certain sectors, it has even shown its dominance and monopoly. Few among the long such list may be mentioned as Lock industry at Aligarh, leather industry at Kanpur and Madras, textile industry at Bhagalpur, Banaras, Bhiwandi and Malegaon, garment industry at Lucknow, Bangle industry at Firozabad, scissor industry at Rampur and meat industry spread up at various parts of the country with export base from port towns. However through passage of time situation largely changed. Although reports suggest that business continues to be major economic occupation, but its scale and potential has declined. They are mainly found in micro, small unorganized business sector. In independent India, large scale growth of trade, commerce and industry is attained but the share of Muslims declined due to number of reasons. Reasons for this deterioration are not difficult to describe. It may be noted that non power patronage and or discriminatory policy of the people in power is important but never solely responsible for this state of affair. A closer look reveals that to a large scale, community itself is found responsible for its decay and destruction. This is so because community owned trade, commerce and industry has not shown adaptability with changing pace in the fields of techniques of production and demand oriented modification in produced goods and services. Moreover lack of finance and capital investment, inability to exploit expanding local and international market, lack of reorganization of manufacturing process, and inability to compete with highly sophisticated machine and mill made goods, lack of change in production policy and profile from traditional to modern service oriented and knowledge based products, and declining entrepreneurial spirit and initiative in the absence of guiding and supporting house like chamber of commerce and industry are some of the most important reasons for declining share in business as source of livelihood

Realization of deficits and desire coupled with determination to come back in the game can however prove to be a greatest asset for the community for its economic resurgence. But for desire to convert into effective demand, concrete and coordinated action plan at

the implementation level may be a sure way to succeed. In this respect individual efforts may also succeed but at a high cost beyond the reach of individual business houses. Whereas collectively efforts may effectively overcome financial constraints and also remove hurdles and roadblocks of the business sector Hence an umbrella type organization which not only provides guidance but economic and technical consultancy services and also financial support provisions is urgently required. Chambers of commerce at national levels organized by different communities and group are doing yeoman service to its members and also positively affect government industrial and commercial policies leading to increase in the economic strength of concerned business community. Unfortunately Muslim business community is conspicuously absent from the scene. And it is here that establishment of Islamic chamber of trade commerce and industry is proposed to be organized. At this stage, the proposal to establish Islamic chamber rather than Muslim or Business chamber with any other title should also be clearly understood. Firstly this need to be noted that mere growth in wealth, economic assets and economic earnings; wary of ethical values is neither desired nor permissible in Islamic viz. a viz. Muslim community's plan for economic growth and development. For despite practical deficiencies, all Muslims owe and need to revive their allegiance to The Holy Quran and traditions of the Prophet Mohammad (SAWS). Hence plan and action must be within matrix of Islamic teachings. Secondly Islamic economic intervention will bring cultural upsurge and optimum priority based allocation of resources which are always blamed to be scarce and scanty. Thirdly inculcation of Islamic values in business will become possible assuring the complete stop of supply and sale of adulterated and socially undesirable consumption and production goods causing colossal spiritual and physical health hazards in the society.. Fourthly exploitation of labor force employed shall get its due share putting stop to exploitation and harassment and also reducing inequality in the distribution of income and wealth. Finally over and above, on account of imperative honesty in business conduct, which unfortunately lacks today in their business conduct

## **6-Reorganisation of manufacturing through Marketing and Product Branding**

Published reports support the observation that a large chunk of Muslim labour force is engaged in production of goods marketed by some of the major trading firms with their own brand names. As a result they remain wage earners whereas the trading and branded companies / firms earn excessive profit. For instance Kaleen / mat industry of Bhadohi largely owned and managed by Muslims but marketed in the global market with a brand name by foreigners. Similarly readymade garment manufactured by Muslims of west Bengal and carry bag and suitcases manufactured by Muslims of Mumbai are other examples with rich business prospects. Even the textile owners of Bhiwandi and Malegaon are wage earners as they do job work but do not produce and sell and supply any product with their brand name. Therefore economic empowerment of Muslims must stress and strive for reorganisation of these manufacturers and their products through marketing and product branding.

Marketing, defined as means by which integration can take place between buyers and sellers as well as different regions and sectors .In fact. marketing spurs demand and wants, the knowledge of which is essential for manufacturers. This, in a way, is a means of development and modernization. The simple act of linking producers and consumers through information can permit consumers to realize what is available, creating demand where none existed. Branding on the other hand is a process to identify a company or product different from others. It is what separates competitors. The very purpose of brand is increase sales by making the product or service the most visible and desired by the consumers. Branding

of the product promotes recognition and removes vulnerability of the manufacturing units. Further brand name results into referrals where consumers themselves promote the sale of the product in the market. It is therefore expected that an effort in this direction can bring enormous change in status as well as economic growth and stability of millions, who are otherwise unorganised wage earners

### **7-Establishment of Islamic Bank / Financial institutions**

An economic empowerment scheme for the community must take into account the institutional financial and capital support for domestic as well as commercial needs. Needless to say that role of Banks and other financial institutions in the economic advancements of the communities and the nations, through supply of monetary support has attained prime importance. That is why Establishment of a financial institution adhering to the principles of Islamic principles to induce savings and its pooling for capital formation is essential for empowerment. Finance is blood of business. As adequate supply of pure blood in body ensures sound and healthy life so is the case with supply of financial blood for business. However such blood supply needs to be pure and free from tendencies of interest based exploitation and tilted bias towards rich and wealthy class of people. As per published reports Muslims have least access to mainstream banking and finance. It is strange that deposit portfolio shows a larger presence of Muslims in public and private sector banks than their borrowing customers. As a result Muslim business world suffers hugely with shortage of this business blood resulting into either no or lopsided growth. There is no denial that small number of big Muslim business firms manages to get necessary funds from conventional banks and other players in the capital market for their growth and expansion. But a very large chunk of micro and small industries and petty traders, providing large scale employment/self employment and hence livelihood grossly suffer with shortage of business capital. Changing financial policies with respect to financial inclusion may be a ray of hope. But that seems to be more expectation rather than practical reality

especially in view of the past trend in the financial sector coupled with lack of political will exhibited by people in power. Further reservation and or hesitance of the community with loans and advances of the conventional banking system which are interest ridden are unlikely to solve the problem of financial needs of business.

Hence what is required is the establishment of finance houses which are free from interest based on the one hand and which provide easy access to savings and borrowings. Promotion of savings habit among the community and its pooling / channelization to convert them into capital and capital formation is the key for supply of pure finance needed by the community for their personal and business needs. It may be noted that community's savings deposited with conventional banks and unbanked scattered savings are estimated as huge and high to meet adequately the credit and business financial needs of community in the desired manner. The best way would have been the establishment of an Islamic Bank which is unfortunately not permissible under the Laws of Land. The only available alternative is Cooperative sector where Islamically permissible suitable initiatives are possible which can provide huge opportunities of savings, investments and capital formation. It may be noted that 87<sup>th</sup> amendment in the constitution of the country, Cooperation and Cooperative has assumed the status of fundamental right. Use of this fundamental right can help considerably for establishment of interest free cooperative societies large in number and vast in potential to mobilize idle savings for capital formation. The potential of this sector can be judged from Sugar industry of Maharashtra. RBI employee's credit society operates at a scale often bigger than many cooperative and private sector banks.

It may be pleasing to note that freedom to the members under cooperative provisions to design and adopt their own policies with respect to borrowing and lending has led to the establishment of more than a dozen cooperative credit societies under State and Central Cooperative Acts . They are successfully operating on sustainable system. At this juncture mention may be made about Janseva Cooperative Credit Society Ltd Mumbai registered five years back under the Multistate Cooperative Society (MSCS) Act 2002 under the Department of Cooperation, Ministry of Agriculture, Government of India with permission to operate in twelve major states of the country. In the short

span of five years it has reached to over eighteen thousand people with interest free borrowing and lending scheme with a mobilization of small savings and paid capital of over sixteen crores. It's turn over crossing two hundred seventy crores augurs well for future of interest free financial transaction in the country. Similarly Sangamam of Kerala and Al Khair of Bihar are two other major initiatives under multistate credit cooperatives providing interest free financial services. It may be noted that establishment of district level cooperative credit societies independently or under the aegis of Sahulat—the society for promotion of interest free micro finance may provide major solace in the absence of an Islamic Bank. The search for viability of incorporation of Insurance Co also needs to be undertaken. For Insurance sector too has potential for supply of huge capital to the business world. Similarly establishment of Mutual Funds seems to be another option for providing large scale capital funds to relatively bigger business houses on ethical base of participation in profit and loss of the outcome of the business.

## **8- Planned us of Zakat Power**

Any economic empowerment scheme for the community cannot afford to ignore the potential of Zakat Power in not only waging successful battle against poverty but also empowering the community in a manner that almost all lower hand become Upper rather. Zakat most often defined as poor's due is one of the basic tenets of Islam. The purpose of this practice is described as purification of the self and wealth of the payer on the one hand and its use for relief provision for economically challenged persons of the community on the other. The well off persons among the community has been instructed to compulsorily pay minimum 2.5 percent of their surplus wealth in the year. This Godly prescribed measure has vast capacity to meet the needs and necessities of poor and indigents of our society. Thanks to this prescription that starvation and hunger deaths are alien to Muslim society. Moreover with its support thousands of Muslim institutions and organizations are working for the betterment of the relatively challenged members of the community in different fields. Hats off for all those

undertaking Herculean task of its collection and use to further the cause of community welfare in diverse fields

However all is not found well with the system of this Islamic Insurance for poor specially with regards to its collection and use due to number of reasons. Firstly it is said that cost of collection is unduly high. Secondly it's prudent use is unasserted due to lack of information of the fund collectors. Thirdly funds get directed heavily towards some sectors and regions while others remain hungry undermining its priority use. It amounts to killing the objective of providing insurance against economic sickness. Fourthly some prescribed use of Zakat seems to have been written off in practice even when they do exist. Fifthly collected funds are mainly used for current consumption needs without consideration of people's future need. That keeps the queue of Zakat receivers economically inactive adding to liability rather than asset in the community's balance sheet year after year. Sixthly disbursement and use exhibits absence of well thought action plan with respect to amelioration of economic sickness at the Community Level. Finally Zakat use has failed to bring the image of philanthropic community for the people and the nation. This all seems to prevail due to misunderstanding and non adherence to Islamic teachings with respect ZAKAT. It would not be inappropriate to mention here two basic instructions with regards to Zakat. The Holy Quran states that Sadqat (Zakat) shall go to the poor, the needy, the workers who collect them, the new converts, to free the slaves, to those burdened by sudden expenses, in the cause of Allah, and to the travelling alien. The prophetic instruction that It (Zakat) will collected from the well off people and distributed among the poor people of the community. The logical inference of these teachings is firstly it's organized collection and disbursement, secondly planned use and thirdly mitigation of economic risk leading to respectful living as priority use.

With these conclusions keeping in view, waging a successful war against the persistent poverty and other sickness of mental and material nature is possible. It may be noted that on account of general economic progress, around fifty percent of Muslims have come up above poverty level. In other words fifty percent people have become **SAHEB E BISAB**. In the absence of any objective study it is difficult to say authoritatively anything about the amount of Zakat yearly paid and used. But the conservative figure of

Rs 10,000 crore and generous figure of Rs 40,000 crore per annum is estimated. Even if conservative view is accepted, it is a huge fund to support poor and poor oriented upliftment and empowerment plans. Encouraging favorable change in the community leaders and organizations towards effective use of Zakat as measure to eradicate economic sufferings has assumed the status of agenda for discussion.. Still more visionary change is required in this context. For instance only immediate consumption needs without any care and concern about the possibility of its productive use. Moreover little is done by spearheading campaigners to add to assets, employment generation and overall improvement of the community's image in the society at large whereas possibilities to kill many birds with one stone do exist. For example even if 10 percent i.e. Rs 1000 crore is spared for the productive purposes / schemes in future, revolutionary changes may occur. Say if this amount is distributed among poor artisans eligible for Zakat @ Rs 25,000, more than 2,00,000 families will not only become self sufficient, become Zakat payers in a very short span of time but also generate gainful occupation for 10,00,000 lowly educated/uneducated unskilled labor force which forms large chunk of Muslim labor force. Alternatively this amount allocated to poor suffices to the establishment of any medium size modern industry / service industry ensuring capital appreciation, monthly income generation for poor families as share holders and add to GDP of the nation. These are hurriedly quoted schemes. It is possible with a serious thought and plan to identify such avenues where Zakat donated to the poor once can be converted into productive capital ensuring all time growth and development with multiplier effect on the recipient as well as seconomy of the community and the nation.

### **9-Commercial exploitation of Awkaf**

Commercial exploitation of Awkaf properties can be yet another economic empowerment scheme for the Muslim community. Awkaf refers to the properties / assets created out of visionary philanthropy of community individuals / states endowed with vast material resources. These endowments are created with specific purposes whose use and ownership cannot be altered. Sachar committee pointed out a long list of such Awkafs whose current value accounts in trillions of rupees. But it is a sad state of affair that most of these properties have become prey of unscrupulous individuals as well as groups and government departments with selfish rather than community welfare

motive. There is a need to make concerted effort on the part of the community and its leaders to plan its optimum use in the interest of the community. Once freed from illegal and uneconomic occupations, these endowments can play turn around role for the economic well being of the community. The planned utilization of these assets by Wakf Board of Karnataka and Mutwallies of Gulbarga Sharif may be cited as exemplary plan of action. Recently incorporated Wakf Development Company may provide leading light in this field. Public and private partnership is likely to play a crucial role in empowering people. However in view of Wakf size and its economic potential, much more is warranted in the field of planning and action.

### **10-Utilization of government welfare schemes**

On account of welfare nature of the state of India and compelling need of the political activism to grasp power with the help of poor of the country large in size, every Union and State governments allocate huge amounts in their annual budgets for the uplift of economically backward sections of the society including minorities. Backward and Minority Commissions and there under NMDFC and MAEF are institutionalized set ups for pursuing multifaceted and multi sectoral upliftment schemes including economic empowerment. It may be observed that budgets of these departments run in crores and go unutilized year after year. Lethargy and passive response of the community to these schemes are mainly if not totally responsible for loss of monetary and non monetary opportunities. Benefitting from the opportunities provided by the government for enterprising persons in general and the weaker sections of Indian population must be availed to complement the self help strategy outlined above for several reasons. The task of economic development of the community is too gigantic to be handled exclusively by the internal efforts of the community. While it is true that self help is necessary for economic “take off” of the community and removal of numerous bottlenecks in the way to economic development, it must be recognized that we cannot possibly substitute fully the government resources. The community at large must also be persuaded rather convinced that as an integral part of Indian population, it is much entitled to benefit from the benefits as anyone else in the country. The first step in this direction should be organization of Facilitation /Information network centers as mentioned above whose reach is almost universal.

## **11- Efforts to seek Administrative and Political support**

In a political type economy, no efforts for economic empowerment can succeed without cooperation of the people in power. Hence there is a need to effectively liaison politicians as well as administrators. Especially for implementation of Sachar and Mishra committee recommendation which are most likely to change the economic scenario of the community. Needless to say that enactment and or amendment of laws with respect to Equal opportunity for all, reservation in education and employment sector, income tax exemption for Zakat, and Banking regulation Act to accommodate the promotion and establishment of interest free financial institutions including Banks and NBFC are likely to create positive impact on business and voluntary sectors. Therefore last but not the least is the struggle to alter existing politico economic framework, possible in a democratic country like ours, in such a way that community may be able to take advantages of suitable economic policies, welfare schemes and live according to Islamic values and teachings in respect of economic activities. The gradual mobilization of opinion of public and parliamentarian, with massive organized effort shall in all probability lead to all kind of changes in attitude and policies of the ruling groups as well as and cooperation and practice of administrative machinery

### **D—Conclusion**

**Reform**, revival and reconstruction of Muslim economy is a gigantic task It requires more than debates and discussions in forum like this. Truly speaking it all is possible only with coordination and cooperation with a positive mindset from all segments of Muslim community. Further the foregoing paragraphs do not aspire to be an exhaustive formulation of proposed outline for economic improvement of the community. They are only suggestive of the most crucial elements of the strategy for economic empowerment. Furthermore combined efforts of visionaries supported with research based inferences and practical support from the voluntary sector under the patronage of religious organizations and institutions can help modify and make viable action plan. Here I dare to suggest that plate form like Mushawarat need to resolve to undertake the action plan. In all humility I offer my services if required. I am sure, if resolved, Mushawarat is capable to galvanize necessary support from the community and the government .This will ensure reconstruction/revival schemes to see the light of the day.

I seek your permission to conclude my submission with following Urdu poem which in all probability is written by Hakimul Ummat Allama Iqbal;

Taskeen na ho jis se wah raz badal dalo  
Jo raz na rakh paye hamraz badal dalo

Tum ne bhi suni hogi ye aam kahawat hai  
Anjam ka ho khatrah aaghz badal dalo

Pursoz dilon ko jo muskan na de paye  
Sur hi na mile jis me who saaz badal dalo

Dushman ke eradon ko hai Zahir agar karna  
Tum khel wahi khelo andaaz badal dalo

Aie dost karo himmat kuchh door savera hai  
Gar chahto ho manzil to parwaz badal dalo