



Motivation for: Conference on Awqaf, Zakah and Islamic Microfinance as tools for Empowerment

The South African National Zakah Fund (SANZAF) in partnership with AwqafSA will be hosting a two day conference on Awqaf, Zakah and Microfinance as Tools for Empowerment on 25-26 October 2015 at the Colosseum Hotel (Pretoria).

The conference is aimed at social entrepreneurs, activists and NGOs working in the charity/development sectors-and will be led by facilitators from Saudi Arabia, Indonesia and Pakistan. All facilitators are experts in the fields of Awqaf, Zakah and Microfinance.

SANZAF also hopes to attract participants from the financial services sector, academics as well as representatives of select parastatal/government departments, both as a means of sharing global trends and to disseminate an alternative development funding model (also referred to as an ethical funding model).

Background

Awqaf and Zakah are both important institutions in Islam and are practiced to varying degrees throughout the Muslim world and wherever Muslims are part of an organised community in the case where they are a minority. Fundamentally, these institutions have a basis in religion and Muslims are commanded to establish them in fulfilment of their religious duties.

While there has never been any debate on the voluntary nature of Aqwaf and the obligatory nature of Zakah, it is generally accepted that these are two separate institutions that serve the different needs of society.

However, both institutions have their own rules, terms and conditions, which are mostly fixed and unchangeable. Yet, there is sufficient scope within both these institutions to find opportunities to leverage against each other for even greater benefit.

There are various examples in history of how Awqaf helped to establish institutions that served various charitable causes for generations, generally by way of infrastructure. These were long-term investments, i.e. funded/established over a long period and intended to be utilised for a long time, as is the underlying purpose of a Waqf (singular of Awqaf).

The compulsory and repetitive (annual) nature of Zakah on the other hand means that Zakah





is to be distributed more speedily in order to satisfy immediate needs. The rule of thumb is that an emergency (food, disaster, etc.) trumps everything else. That said, education and training for empowerment and development have also been categorised as immediate if not urgent, albeit not an emergency and many organisations have successfully used Zakah as a tool of empowerment, etc.

Unfortunately, Muslim organisations have been working separately, sometimes in competition with each other, to demonstrate the strength and benefit of one (institution) over the other. This has led to pockets of excellence amongst some organisations, but still has not helped lead societies poor out of their (socio-economic) problems.

More recently, (Muslim) scholars have developed modalities that looked at integrating Awqaf and Zakah (and Qard Hasan, i.e. interest-free loans) in order to find a solution to the socio-economic needs of the poor and disadvantaged.

Still more recently, others have started implementing microfinance schemes as a solution to help migrate the poor out of poverty. Pioneered by the likes of Yunus Mohammed (Grameen Bank, Bangladesh), microfinance has played a central role in most development discourses. However, conventional microfinance models have not offered a sustainable solution, despite the large numbers of people (in real terms) that they have been of benefit to.

Again, (Muslim) scholars have taken up the challenge of providing alternative modalities, attempting to provide a more ethical form of microfinance.

To that end, SANZAF and AwqafSA have put together a two day conference which we hope will create greater awareness of the various institutions, thus affording participants an opportunity to engage and interrogate trends in the field of Awqaf, Zakah and Microfinance.

The two day conference will be held at the Colosseum Hotel (Pretoria) and will be limited to 80 delegates on a first come first serve basis.

Registration cost is R500 for two days or R300/day including notes, lunch, etc. Accommodation at the Colosseum Hotel is also available (R750 / room / night – own arrangements).

