



**Mohsin & Fauzia Jaffer
FOUNDATION**

UPLIFTING HUMANITY

WESTON, FLORIDA USA



WF-AID

ECONOMIC EMPOWERMENT & DISASTER RELIEF

PROPOSAL FOR
MOHSIN AND FAUZIA JAFFER FOUNDATION

Uplifting Humanity Microfinance Scheme

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LUCKNOW

Lucknow, a large city in northern India, is the capital of the state of Uttar Pradesh. The population of Lucknow is approximately 3 million people and of this there are about 300,000 Shia Muslims.

TANZEEMUL MAKATIB

Tanzeemul Makatib was established in 1968 with the aim of 'upliftment & development of the depressed class within society, focusing on the Indian Shia Muslim community by propagating education, guidance, awareness and training. Since its establishment, Tanzeemul Makatib has been continuously dedicated towards providing education, raising social awareness, offering social counselling, training, publishing and distributing text books and other teaching aids to the community. Tanzeemul Makatib owns and manages well over 1000 madrasahs across India and undertakes numerous initiatives for the upliftment and betterment of the poor in India.

Tanzeemul Makatib, in addition to being registered with the relevant authorities in India also has the endorsement of ijazas from no less than 8 Ayatollahs.

FACTS & FIGURES

Covid-19 has had a severe effect on the economy of India, many thousands of people lost their permanent jobs and those in the unorganised sector were particularly hard hit.

The term unorganised sector when used in India consists of "all unincorporated private enterprises owned by individuals or households engaged in the sale or production of goods and services operated on a proprietary or partnership basis and with less than ten total workers." [1]

Amongst the characteristic features of this sector are ease of entry, smaller scale of operation, local ownership, uncertain legal status, labour intensive and operating using lower technology based methods, flexible pricing, less sophisticated packing, absence of a brand name, unavailability of good storage facilities and an effective distribution network, inadequate access to government schemes, finance and government aid, lower entry barriers for employees, a higher proportion of migrants with a lower rate of compensation. [2] Employees of enterprises belonging to the unorganised sector have lower job security and poorer chances of growth, and no leave or paid holidays, they have lower protection against employers indulging in unfair or illegal practices. [3]

A NCEUS report estimates that in 2005 out of the 458 million persons employed in India, 95 percent or 435 million worked in the unorganised sector, [4] generating 50.6 percent of the country's Gross Domestic Product [5].

[1] Report On Conditions Of Work And Promotion Of Livelihoods In The

Unorganised Sector. Academic Foundation.

1 January 2008. p. 1774. ISBN 978-81-7188-678-4.

[2] Rapaka Satya Raju (1989). Urban Unorganised Sector in India. Mittal Publications. pp. 11–17. GGKEY:J0UK90X1FYN.

[3] Kulwant Rai Gupta (1 January 2009). Economics of Development and Planning. Atlantic Publishers & Dist. p. 746. ISBN 978-81-269-1011-3.

[4] Ruddar Datt (1 January 2008). Growth, Poverty, and Equity: Story of India's Economic Development. Deep & Deep. p. 134. ISBN 978-81-8450-088-2.

[5] Rehman Sobhan (4 October 2010). Challenging the Injustice of Poverty: Agendas for Inclusive Development in South Asia. SAGE Publications. p. 131. ISBN 978-81-321-0468-1.

THE NEED

The need is immense as many permanent workers exhausted their meagre savings in order to survive lockdown and quickly became poverty ridden. Those from the unorganised sector were even more hard hit as due to the nature of their work they were already surviving on small amounts and very much in a hand to mouth manner so they did not even have savings. Both workers from the permanent and unorganised sectors required immediate help which Tanzeemul Makatib provided including groceries, school fees and medical fees. Even though lockdown has been lifted many of these people can not earn their livelihood in the usual way as the economy has continued to decline. There is a need to empower and enable these people to earn a living in a respectable and self sufficient manner.

UPLIFTING HUMANITY ASSISTANCE SCHEME

This scheme, which is already running, aims to give those who are struggling financially the seeds to earn a livelihood of their own, thereby empowering them with the tools for their own success.

In this scheme Tanzeemul Makatib gives small loans worth up to a maximum of \$135, although on average the loans have been around \$70. Applicants are given items or commodities worth the amount of the loan by a designated person from an identified and designated shop and a recovery agent collects repayments periodically. In this way Tanzeemul Makatib expects a recovery of around 75% of the loan amount and will be able to use the repaid amount to give further loans.

The basics of the Scheme are as follows:

- Small businesses are being promoted
- Businesses which have inherent high profit and low monetary requirements have been selected
- Tanzeemul Makatib have calculated the monetary and commodity requirements, profit percentage and daily recovery etc.
- People who need loans must submit an application form along with a list of items and approximate budget
- Upon receiving the application, a properly laid down protocol for verification of budget and place of business is done by a designated inspector. The inspector carefully searches the locality for business feasibility. If the inspector finds the business to not be feasible then an alternate business is suggested as per their understanding of the locality. Upon the inspector's recommendation the loan is approved by the secretary
- Cash is never given and Tanzeemul Makatib only provide required items/commodities as per the list provided by the applicant from their own designated shops
- Tanzeemul Makatib generally disburse between \$40 and \$100 of items/commodities per head for such start-ups
- The commodities are purchased and handed over by their on-field team that has sufficient knowledge about the market
- Designated collectors collect a pre-determined amount on a pre-agreed basis (daily/bi-weekly/weekly/fort-night/monthly)
- An inspector regularly makes random inspections of shops and checks the quality of material being sold, behaviour and cleanliness

Progress to date

Tanzeemul Makatib has received 271 applications out of which 193 have been approved and 67 are under scrutiny. As of now, 11 applications have been disapproved. \$13,000 worth of loans have been approved, out of which items/commodities worth \$10,000 have been disbursed. To date only just under \$600 worth of loans have been recovered however Tanzeemul Makatib expects that a large proportion of the loan amount will be recovered over time.

Loan amount recovery

Tanzeemul Makatib aim is to recover 75% of the loan amount in a maximum of 4 months; full completion of the recovery chain requires at least 6 months. There is therefore need for initial further funding before the recovery chain can initiate.

Intended beneficiaries

- Daily wagers
- Temporary stall owners
- Aari zardozi workers
- Skilled workforce such as electricians, painters, e-rickshaw drivers

HOW CAN YOU HELP? COST

To continue the model which has been well received across India and become very popular, Tanzeemul Makatib needs further funds. To meet the need for the next 45 days on the basis of the average loan amount being \$70 and 8 applications being received per day Tanzeemul Makatib would need \$25,000.

Grant Fund

\$25,000

**WF Aid
Operational
Cost**

\$1,250

Total

\$26,250

**Imam Ja'far Sadiq (a.s.) says:
“An act of charity given openly
prevents seventy types of
mishaps, and a secretly given
charity cools the anger of our
Lord Allah (S.w.T.)”**

Bihar ul Anwar v93, p130r