SA'IDA - The Development Agency

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This section deals with the definition, rationale, role, sources of funding, and projects of the development agency within the context of Muslims in South Africa as a minority community.

Definition

A development agency is a legal entity, either in the form of a trust or a Section 21 Company but essentially a non-profit organisation that operates as a NGO. Its primary objective is to pursue the integrated developmental needs of the community as a way towards their empowerment. Thus it would foster the mobilisation of the community and its resources, from internal or external sources, including the state, and reinvest in community beneficial and empowerment programmes.

Rationale

In order for any development to take place, it requires some form of intervention either from government if it is a government strategy, or from the community if it is a a local community initiative. For example, where housing for the poorest of the poor is undertaken by government, then it would be expected that that particular form of housing will be provided by the state probably through a state department or agency. On the other hand, private developers may focus on higher income or middle income homes rather than basic RDP homes. Government would not get involved in the provision of homes for high income earners. Government may, however, facilitate legislation for private or community housing ventures.

As far as community empowerment is concerned, and especially integrated development as a central goal, the question raised is: who is responsible for community empowerment? Is it the state, the community as NGO/NPO, or private enterprise? The issue gets more complicated when the question is asked: Who is responsible for Muslim community empowerment in South Africa? If it is not the state, then clearly it is the responsibility of the Muslim community, perhaps with the assistance of the state and/or the international Muslim community.

It has been argued that the issue of community development/empowerment is an issue that must be taken on by the relevant community itself because state funding and resources are scarce and that the state has its own priorities, agenda, and problems. It is common course that the state is unable to deliver on jobs, housing and other election promises. On the other hand , it can be convincingly argued that the state must take full responsibility for the integrated development of communities in terms of the Bill of Rights. Should we go along the latter argument, it follows that the state will in due course, at some stage in the distant future, be able to fund and undertake all the necesssary steps for the integrated development of communities. The chances are, the state may never get there. The risk is then squarely on the shoulders of the community to take its destiny in its own hands. It follows then that the responsibility

for Muslim community empowerment in South Africa is the responsibility of the Muslim ummah.

But in order to pursue such objectives, a driving force is needed – a vehicle that will drive the whole community empowerment process. As cited previously, in the USA a the notion of Community Development Corporations (CDC's) was mooted decades ago and today there are over 3000 CDC's operating in several cities and towns in the USA. This movement is supported by the USA government, corporations, and communities. Many of the CDC's in the USA were founded and spearheaded by religious organisations, mainly Christian..

The CDC's are suitable for establishment in smaller, geographically focused communities. In South Africa, we could also go the route of the CDC, and perhaps we should. However, being a religious minority with a peculiar history, another approach needs to be considered side by side with the CDC. It is proposed here that we use the approach of the nationally organised development agency to drive the process and to include a wide range of aims and objectives that would be too limited in a small localised organisation. Specifically, it has been proposed that a "South African Islamic Development Agency" (SA'IDA) be formed on a national basis with provincial and community chapters.

State/Parastatal Agencies
◆ National Development Agency (NDA)
◆ Development Bank of SA (DBSA)
◆ Industrial Development Corp (IDC)
◆ Independent Development Trust (IDT)
◆ SBDC
◆ KHULA /Ntsika
◆ Islamic Development Bank (IDB)

Community Based Agencies
◆ Community Development Corporations (USA)
◆ India
◆ Germany
◆ Volkskas
◆ MAIK
◆ MF

" Laysal Islam Illa Bil Jama'a" - Muhammad (S)

Role of SA'IDA

SA'IDA may be envisioned as an inclusive, broad based, community empowerment agency which seeks to serve, protect and promote the interests of Muslims and Islam in a variety of ways. This means that any activity that helps to promote the objective of making the Muslim community more powerful, protecting it, protecting Islam, promoting Islam, will of necessity come under the ambit of SA'IDA. (Note: The empowerment of the Muslim community does not necessarily mean that its services are only available and accessible to Muslims. By creating strategic interventions among non-Muslims and the broader South African community is in itself empowering for the Muslim community.)

It is envisioned that SA'IDA would be the driving force for the integrated development of the Muslim community. This does not mean that it would do everything for everyone right down to the local community or jamaat level. It would seek to develop nine provincial and as many as masjid based community chapters, and channelise its work through these organs, wherever possible, thus strengthening Muslim communities at grassroots level.

It is envisioned that SA'IDA would operate as a government within a government, or as "community government" within the broadest limits of the Shariah. Evidence of this "community statehood" is to be found in the Sunnah of Nabi Muhammad (S) in the city-state of Medina at the onset of the hijrah. Islam is "Deen wa Doulah" as ash-Shaheed Imam Hassan al Banna (RA) said. It would thus seek to organise itself in such a way so as to serve the Muslim community in the fullest possible way. To this end it would endeavour to:

- Establish the South African Awqaf Foundation;
- establish relations with government; and non-Muslim, poorer established Muslim, and emerging Muslim communities;
- establish relations with the international Muslim community;
- set up structures enabling the mobilisation of community financial as well as intellectual, and other resources;
- set up structures enabling resources to be invested in a way that will enhance capital and produce a reasonable income for investors;
- set up structures for community and social services;
- establish a Muslim Bill of Rights;
- establish mechanisms for conflict resolution and consultative fora;
- establish structures for the promotion of arts, culture, and heritage;
- establish financial institutions that would cater for a full range of financial; services including trade finance, asset finance, takaful, istisna, murabaha, investment, asset management, and flotation of empowerment companies;
- establish structures that would facilitate and support youth work;
- establish and support structures that would ensure the development of women;
- other etc

Sources of funding

The sources of funding for SA'IDA is envisaged to be primarily from awqaf revenue but may include other sources as listed in the table below:

> **Sources of Funding**
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> - Awqaf revenue
> - Grants-in-aid
> - Zakat
> - Investment income
> - Other

Projects

The projects that are deemed necessary for the integrated development of the community will be subject to assessment and scrutiny from a variety of angles, including: Is it a need? Is somebody else doing it? If so, can that project be strengthened or intensified? Can its outreach be broadened? Are the critical factors for implementing a new project in place? How is the project likely to serve the interests of the Muslim community? How is the project likely to empower the Muslim ummah? And, how is the project likely to meet the strategic objectives of the community?

Tentatively, the projects that may be considered for implementation can be placed in two categories, viz. Primary and secondary. The primary projects are the key community capital mobilisation projects, whereas the secondary projects are the strategic service projects. The pillars on which the SA'IDA structure will rest is AWQAF on the one side as a voluntary community capital fund and SA'IDA Financial Services (SFS), a commercial community capital fund. Both these subsidiary groupings provide the resources for SA'IDA to implement its secondary projects and tasks. The lists indicated below are not exhaustive but merely an indication of possibilities:

> **Primary Projects**
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> - South African Awqaf Foundation
> - SA'IDA Financial Services
> - Other?

> **Secondary Projects**
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> - Youth
> - Arts, Culture, Heritage
> - Small Enterprise Fund
> - Technical Skills
> - Da'wah
> - Emerging Muslim Community Empowerment Programme
> - Leadership Development
> - Curriculum Development
> - Community-government Desk

Conclusion

As a minority Muslim community with little or no intellectual, political, economic, or social leadership, it seems appropriate that the Muslim community of South Africa should give serious thought to organising itself so that its existence in this country becomes meaningful and Muslims become a powerful, sought after community. In my view and for the reasons outlined above, it is essential to implement the South African Islamic Development Agency as a vehicle and a driving force for change and transformation.

Role of Community Development Corporations
Addendum to: SA'IDA – The Development Agency

CDC's can play a variety of beneficial roles within communities. These include:

(a) Mobilising capital from members of specific communities. Community capital is presently being tapped by national and international financial institutions and financial service companies . These entities are operating within communities and are not necessarily committed to ploughing back capital into the respective communities. In the USA a similar scenario prevailed until the Community Reinvestment Act 1977 was legislated which compelled financial institutions doing business in a community to reinvest in that community in a variety of ways including economic and social services.

(b) Investing in projects that are likely to produce financial returns for members or investors as well as social returns for the whole community. For example, the fact that the Afrikaner   community invested in Volkskas, the growth of that institution was a source of pride for that community. Similarly, a small shopping complex

constructed with community funds in the neighbourhood adds value to that neighbourhood and provides financial returns.

(c) Being vigilant for investment opportunities that are likely to create jobs for the community and channel community investments in that direction.

(d) Being instrumental in creating wealth and in obtaining experience in community and economic empowerment especially in the fields of business, finance, management, and community service.

(e) Being a uniting force within the community and helping it to create greater bonds and brotherhood/sisterhood among members of that community.

(f) Creating loyalty within the community for community produced goods and services thus improving the financial viability for projects.

(g) Becoming co-investors with other communities in black empowerment projects such as in state privatisation programmes, corporate unbundling, and broader community based projects.

(h) Providing financial support for other community needs in terms of an integrated development policy. For example, setting up a youth leadership development centre as in the case of the 'Make a Difference Centers' set up by the NationsBank CDC in the USA. (NationsBank: 17)

(i) Spawning small traders and SME's and generally providing links with support agencies.

(j) Promoting partnerships and joint ventures with big business in several sectors of the economy including technology, communications, healthcare, transport, tourism, and industry for the development of skills and the community economy.

(k) Being the catalyst, incubator, and provider of leadership for greater and growing community empowerment.

(l) Establishing specific business projects including housing loan companies, home improvement loan companies, small business venture capital funds, community equity funds, insurance companies, financial service companies, 'incubators', 'empowerment zones', and community development banks.

The foregoing roles are not necessarily exhaustive but merely an indication of the beneficial role that institutionalised CDC's can play in local communities in SA. But innovative ideas have little value if they are not implemented or actualised.

Extract from: Towards Community Empowerment p 26-28

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