The problems facing agricultural sector in Zanzibar and the prospects of Waqf-Muzar'ah-supply chain model The case of clove industry

By: Moh'd, IS (Moh'd, Issa Salim)[1]; Mohammed, MO (Mohammed, Mustafa Omar)[2]; Saiti, B (Saiti, Buerhan)[1]

Abstract
Purpose - This paper aims to identify the appropriate model to address the financial challenges in agricultural sector in Zanzibar. Since the middle of 1960, clove production has continually and significantly decreased because of some problems and challenges that include financial ones. The financial intermediaries such as banks, cooperatives and micro-enterprises provide micro-financing to the farmers with high interest rates along with collateral requirements. The numerous programmes, measures and policies adopted by the relevant parties to find out the solutions to the dwindling clove production have failed.

Design/methodology/approach - The authors will review and examine several existing financial models, identify the issues and challenges of the current financial models and propose an appropriate Islamic financing model.

Findings - The numerous programmes, measures and policies adopted by the relevant parties to find out the solutions to the dwindling clove production have failed. This study, therefore, proposed a Waqf-Muzara'ah-supply chain model to address the financial challenge. Partnership arrangement is also suggested in the model to mitigate the issues of high interest rates and collateral that constrains the financial ability of the farmers and their agricultural output.

Originality/value - The contribution of the agricultural sector to the economic development of Zanzibar Islands is considerable. As one of the important agricultural sectors, the clove industry was the economic backbone of the government of Zanzibar. This study is believed to be a pioneering work; hence, it is the first study that investigates empirically the challenges facing the clove industry in Zanzibar.

Keywords
Author Keywords: Waqf; Islamic finance; Micro-enterprise; Muzara'ah; Supply chain model
KeyWords Plus: MICROFINANCE

Author Information
Reprint Address: Saiti, B (reprint author)

Addresses:
[1] Int Islamic Univ Malaysia, Inst Islamic Banking & Finance, Kuala Lumpur, Malaysia
[2] Int Islamic Univ, Dept Econ, Kuala Lumpur, Malaysia

Citation Network
0 Times Cited
56 Cited References
View Related Records
Create Citation Alert
(data from Web of Science Core Collection)

All Times Cited Counts
0 in All Databases
0 in Web of Science Core Collection
0 in BIOSIS Citation Index
0 in Chinese Science Citation Database
0 in Data Citation Index
0 in Russian Science Citation Index
0 in SciELO Citation Index

Usage Count
Last 180 Days: 2
Since 2013: 2
Learn more

This record is from:
Web of Science Core Collection
- Emerging Sources Citation Index

Suggest a correction
If you would like to improve the quality of the data in this record, please suggest a correction.