

Ending Exploitative Taxation: A zakat-based system for justice, economic growth, and welfare for all.

I have been working on this zakat/charity-based system since February 2024. I have spent around two years planning its success and implementation and working on many scenarios. So finally, I have designed a **Three-phase model**, developed a website only to make zakat-based system successful. Moreover, I am interested to start working on this model within 3-4 months.

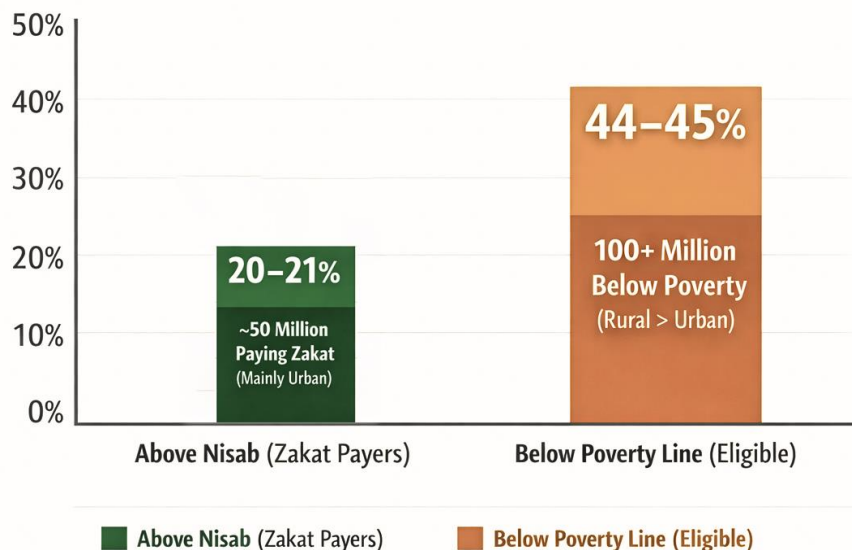
Key Data & Challenge:

Survey findings indicates that:

- **40 to 45% of our population is living below the poverty line.**
- Only **20 to 21% of people** actively pay zakat.
- Zakat is limited to **2.5%**, meaning **2.5% of the wealth of 20% of people** is expected to support **45% of the population**.

This data shows that if the zakat system is fully implemented it will be insufficient to stop or fight against poverty and especially in the context of reducing taxation.

Zakat Eligibility in Pakistan (2025)



Key Questions We Must Address:

1. How can a zakat-based system fully solve our problems despite the large gap between the zakat contributors (20%) and the 45% population living below the poverty line?
2. Many people already distribute their zakat through hospitals, NGOs, and within personal circles, so why would they trust our system and allocate their zakat to us?
3. If such a system is implemented, then we will need people to work for this system and of course, we will pay them, and now we need more money to pay our employees it will be more of a burden on us.

(I'll provide these answers in last of the article)

Problem Statement, Why a New System Is Needed:

Ground reality Surveys indicate that a large number of the population (45%) is below the poverty line while only 20% contribute to zakat. Corruption in institutions and opaque charity practices and NGOs reduce public trust. There are many NGOs, charity organizations but they do not work in specific areas, so there is no proper system so that the funds go to the right place and needy individuals. In addition, if there is no system implemented there will be no betterment. As we see from years there is no change occurring, Reason is there is no proper system implemented. In addition, we know that only 20% of people pay zakat, so it will not fix our problems. That is why we need a proper system.

Vision, Mission and Core Principles

Vision: Established a system that is transparent, and self-sustaining social welfare ecosystem where zakat and ethical economic activity will eliminate exploitative taxation and uplift vulnerable and poor populations.

Mission: To deliver economic justice, human development, and community empowerment through a student driven, transparently managed zakat system that scales from pilot to national impact.

Core Principles

1. **Radical Transparency:** all the donations, expenditures, and outcomes will be transparently recorded on website and social media.
 2. **Dignity and Inclusivity:** We have to deliver aid with dignity
 3. **Subsidiarity & Local Ownership:** solutions will be created and managed by our local teams.
 4. **Sustainability:** integrate zakat funds with other revenue-making services offered to students. **Do No Harm:** following Umar ibn al Khattab's principle ***"Do not burden people beyond their capacity."***
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Historical & Ethical Context

In Islamic history during the time of Prophet Muhammad (S.A.W.S), Caliph Umar ibn Al Khattab (RA) and Caliph Umar ibn Abdul Aziz (RA), the state authority collected Zakat.

Main forms of taxation (non-zakat):

1. **Jizya**: A per-capita tax was applied on non-Muslim citizens (provide the same facilities as Muslims). If someone accepts Islam then his or her Jizwa will be cancelled.
 2. **Kharaj**: This is a Land tax and on agricultural land collected only from conquered territories.
 3. **Ushr** (not zakat): A trade/customs duty taken from foreign traders entering Muslim lands.
- In this taxation, we can see that there is no text on Poor people.

What did NOT exist?

- No income tax on wages
- No sales tax on essentials
- No inflationary taxation
- No tax on the poor

That is why we have to make a system in this era that removes heavy taxes from poor people and help to raises poor people.

What a Zakat Based System Must Deliver

A practical zakat system must produce measurable results across three domains:

1. **Economic Justice & Protection**
 - Targeted basic income or essential needs support for acute poverty.
 - Emergency relief, debt alleviation and shelter support for crisis cases.
2. **Human Development**
 - We have to provide Education, vocational training to people, healthcare access to all and medicines to reduce vulnerability and long-term dependency.
3. **Economic Growth & Empowerment**
 - We have to make Interest free business support, micro-enterprise financing, tools and startup capital; financial inclusion that creates incomes rather than dependence with the help of students.

Government of Pakistan & Zakat-Based System:

People of Pakistan are paying many taxes and we are not getting any results because our leadership, responsible institutions are corrupt. There is no proper system currently working and no one thinks about improving the system, so if the government starts collecting zakat, of course, there will be no results and that zakat money will be wasted completely like our taxes.

The Three Phase Model (Zakat-based system):

Phase 1: Build Trust: (It will take around 0 to 12 months)

We have to establish credible, transparent operations; pilot processes; create documentation and public reporting systems.

Phase 2: Pilot Implementation: (It will take around 12 to 24 months)

We have to select a low complexity geographic area; deploy student volunteer teams; test case identification, verification, delivery and monitoring.

Phase 3: Sustainable Economic Engine (It will take around 24+ months)

We have to create revenue generating student led services and business and do collaborations with businesses so the system is not solely dependent on zakat and can scale sustainably.

All three phases are iterative and data driven: learn, refine and expand.

Phase 1:

Gaining Public Trust: (The Circular Transparency Model)

Circular System Flow:

1. Funds Generation

- Ethical collection of zakat, sadaqah, and donations from individuals and institutions.

2. Area Targeting

- In start, we have to identify priority regions based on poverty level, and people needs.

3. Issue Identification

- Field assessment to determine real problems (food, health, education, debt, shelter).

4. Field Teams Deployment

- Trained local teams verify cases, register beneficiaries, and design solutions.

5. Transparent aid Delivery

- Transparent and dignified distribution of financial aid, goods, or services.

6. Documentation & Proof

- Photography, videos, and written reports (with dignity and consent).

7. Public Transparency

- Proofs shared on website and social media (impact reports, numbers, and stories).

8. Trust Building

- Public confidence grows through visible honesty, results, and consistency.

9. Feedback Loop: donors and community will provide us their feedback; so the system adjusts accordingly.

10. Increased Funds Generation

- Trust leads to more donors > system restarts at a larger scale.



Technology & Platforms

Build a public ledger on a dedicated platform (trust.safexsolutions.com) where every rupee can be traced. The platform shows us:

- Donations (aggregated or donor consented details),
- Disbursements by category and location,
- Beneficiary impact stories and media,
- Periodic audit reports.

Phase 2:

Pilot: Area Selection and Operational Design

(Pilot Phase, Low Challenging Area)

Our Objective:

The goal of phase 2 is to implement a system where we have low risks, easily manageable area with small teams and limited funds, and this is good for learning based execution and that is how we can get visible impact.

For implementing this for the first time, this will help us test and improve the system before implementing it to more areas/regions that are complex.

Area Selection Criteria:

- With limited resources at start, the selected area must be:
- Better accessibility
- Lower operational costs
- Easy coordination and supervisions
- Easy availability for volunteers
- Manageable social challenges

I have selected (Area): F-8 Sector, Islamabad:

I have selected F-8 in Islamabad based on the give reasons:

1. **Low Complexity area:**

Compared to High risk or highly poverty areas, F-8 presents less challenging, lower security, administrative challenges, access, making it good for starting the testing phase.

2. **Strong student Presence and area familiarity:**

Near to F-8, there are three major universities:

- Air University
- Bahria University
- NDU

This makes it ideal for students to work in this location (F-8), saves time and gets results.

Student Led Operational Mode:

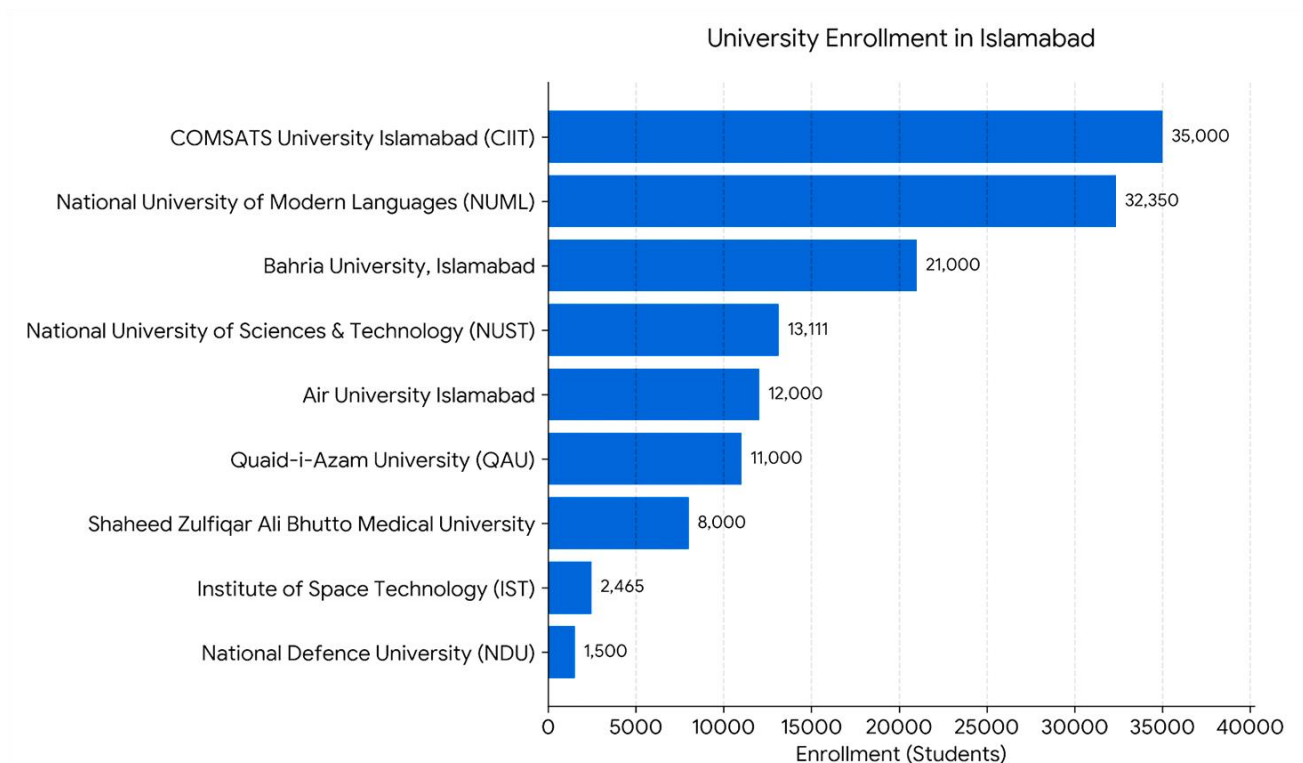
Students will form the core workforce

- Surveys and field assessments
- Aid delivery
- Area monitoring
- Documentation and reporting

Short travel distances allows

- Transport cost will be low
- We will get faster response time
- It will be flexible for students to volunteers with academic commitments

We have around 100,000 university students (Educated, Honest, skilled and motivated) in Islamabad and this really well for supporting or starting this system.



Area Based Execution Strategy:

Surveys in areas:

- Street level and may need to do door to door surveys in selected areas.
- The goal is to identify genuinely needy individuals or families.
- We can do verification from community references and their documents

Local Awareness:

- In selected areas, we can display information posters.
- Display clear instructions how needy individuals can contact our team
- We can do Community Engagements in Universities, parks, mosques etc.

Area assigned to teams of students:

- Each Area will be assigned to specific local student volunteers
- Teams will be responsible for daily/regular follow-ups, Monitoring and reporting changes and emergencies.

Strategic Benefits of This Approach

- This strategy will allow us time to refine processes without high pressures.
 - We will have time to team building and leadership development
 - We will get local trust gradually
 - Low poverty area means high paying zakat area, so when we get local trust we will get funds.
 - We will implement our tested model to more areas that is how we will expand the system.
 - We can convert students into long term ambassadors of the system
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Phase 3:

Sustainable Economic Engine: (From Charity to Value Creation)

Why Phase 3 is Necessary:

Relying on only zakat (2.5%) of the 20% population is not much or sufficient to sustainably support the needs of 45% people.

To truly address the structural poverty and reduce reliance on **taxation**, Our system must be supported by **productive and value creating economic activity**.

Therefore, Phase 3 focuses on **building and collaborating with businesses** to generate continuous, ethical revenue.

Core Strategy: Student-Driven, Service-Based Economy

Platform: SafeX Solutions (safexsolutions.com)

SafeX Solutions will function as the **economic backbone** of the system.

- **It provides market relevant services that:**
 - Students can perform easily
 - Align with their academic degrees

- Build real world experience
- **Revenue is shared between:**
 - Students (income + experience)
 - The welfare system (sustainability)

This ensures the system does **not depend solely on zakat**, but on **productive economic contribution**.

Model 1: Local Business Collaboration (Islamabad-Focused)

How it will work:

Once **trust is established in a target area (e.g., F-8, F-10, G-8):**

1. Volunteers approach or contact **local businesses and companies:**
 - Shops
 - Offices
 - Clinics
 - Schools
 - Startups
 - Restaurants
2. Offer **affordable professional services**, such as:
 - Digital marketing
 - Social media management
 - Website development
 - Graphic design
 - Cybersecurity
 - Content writing
 - Data entry & admin support
 - IT support
 - Accounting & bookkeeping support
 - Customer support services
3. **Expert students** deliver services under supervision.
4. Revenue distribution:
 - Student earnings
 - System fund contribution
 - Operational reserve

Why this will work in Islamabad:

- High concentration of **Businesses/companies and startups**
- Businesses already spend on marketing and IT
- Students from:
 - Air University
 - Bahria University
 - NDU
- Short travel distances and digital-first work

Model 2: Student Led Microbusiness Incubation

Concept:

Support students to **start small businesses** under the system's umbrella.

Examples (Islamabad relevant)

- Home based food businesses
- Cafes & food stalls
- Clothing & tailoring brands
- Printing & stationery services
- Cleaning & maintenance services
- Event management (small scale)
- Photography & videography
- Delivery & logistics support

System support

- Branding & marketing
- Digital presence
- Customer acquisition
- Basic business training
- Initial tools or setup support

Revenue model

- Business earns income
 - Small percentage contributes back to the system
 - Student becomes financially independent
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Model 3: Subscription Based Services for Local Businesses

- Monthly service packages for:
 - Social media
 - IT maintenance
 - Accounting
 - HR admin support
 - Predictable recurring revenue
 - Easier cash flow management
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Model 4: Corporate Social Responsibility Partnerships:

- Islamabad based companies sponsor:
 - Students
 - Areas
 - Skills programs
 - In return:
 - Branding
 - Public recognition
 - Impact reports
 - Aligns with corporate ESG goals
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Model 5: Training & Skill Programs (Paid + Sponsored)

- Low-cost training for:
 - Digital skills
 - Freelancing
 - Business basics
 - Paid by:
 - Individuals
 - Companies
 - Sponsored seats via CSR
 - Trained students later serve the system
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Model 6: Start YouTube and social media channels

- Make informative Channels
 - Start Podcast channels
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Model 7: Marketplace for Ethical Services

- Online platform where:
 - Companies post jobs
 - Students deliver services
 - System takes a small facilitation fee
 - Scales beyond Islamabad nationally
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How This Supports the Larger Vision

- Reduces reliance on zakat alone
- Creates **employment instead of dependency**
- Builds **local economies**
- Lowers pressure for exploitative taxation
- Turns students into contributors, not recipients

Creates a **self-sustaining justice-based system**

Governance, Accountability and Risk Mitigation

Governance layers

- **Advisory Council:** The experienced professionals and community leaders will oversee strategy and ethics.
- **Operational Board:** The student and professional managers will be responsible for day to day operations.
- **Independent Audit Committee:** The external auditors who certify financials and impact reports.

Accountability mechanisms

- Public transaction ledger with third party verification;
- Beneficiary consent protocols for documentation;
- Regular independent audits and published findings;
- A grievance redressed mechanism for beneficiaries and donors.

Risk mitigation

- **Corruption risk:** We will minimize corruption through public records, routine audits and split authorization for disbursements.
 - **Operational burnout:** The rotation of student's duty rosters and professional support staff for training and oversight.
 - **Funding shortfall:** We will diversify revenue streams (services, subscriptions, CSR) and reduce dependence on zakat alone.
 - **Mission drift:** The governance safeguards will ensure that the service revenue is not diverted from welfare goals.
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Trust through Radical Transparency

To ensure credibility, a dedicated transparency platform has been designed:

Platform: trust.safexsolutions.com

This platform will publicly display:

- Who donated funds (with consent)
- How much was donated
- Where the money was spent
- Proof of spending (photos, videos, reports)
- Beneficiary impact stories

Every **single rupee** will be traceable.

This level of transparency ensures:

- Zero ambiguity
- Maximum accountability
- Long-term public trust

Trust will not be claimed: it will **show**.

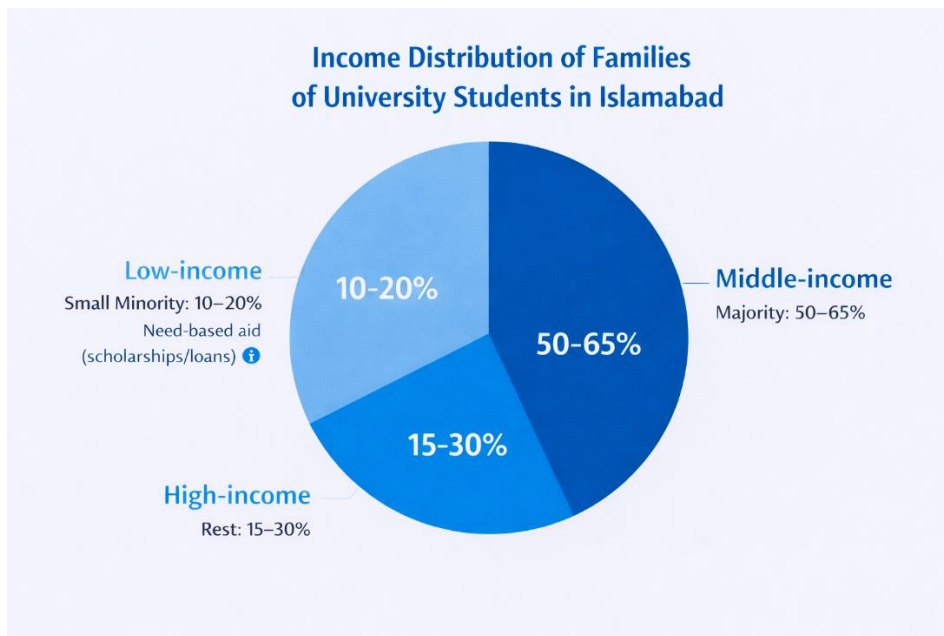
Why Islamabad Is the Ideal Starting Point

Islamabad is selected for the pilot phase because:

- Presence of **many universities and students**
- Better infrastructure and accessibility
- Lower security and operational challenges
- Higher digital literacy
- Easier coordination and supervision

Starting in a **less complex environment** allows time to:

- Improve systems
- Train teams
- Correct mistakes
- Strengthen governance



As the background of the students of Islamabad is strong, so let see, we make a community of each university and every student will be part of the community, if per month each student will pay only 30 rupees to this system, as this system will run by students so they will trust the system and they will pay happily.
 So **100,000 students x 30 rupees = 30 Million per month**

Implementation Strategy (Initial Phase)

Student-Led Team Structure:

The system will be organized into dedicated student teams:

1. **Volunteer & Field Team**
 - Surveys
 - Verification
 - Aid delivery
2. **Funds Collection Team**
 - Donor outreach
 - Events
 - Campaigns
3. **Content & Media Team**
 - Social media
 - Photography & videos
 - Awareness campaigns

Our each team will be operate under the **clear rules, ethical guidelines, and accountability mechanisms designed by the system.**

Key Principles for Success

1. **Absolute Transparency**
 - Every transaction recorded and publicly visible
 2. **Equality & Inclusivity**
 - There will be no discrimination based on religion, ethnicity, or background
 3. **Dignity of Beneficiaries**
 - Respectful documentation with consent
 4. **Student Empowerment**
 - Youth-led, not top-heavy
 5. **Trust Before Scale**
 - Growth only after credibility is proven
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Implementation Roadmap of First 24 Months:

Months 0–3 (Foundations)

- We have to establish legal entity and governance structure.
- Build the transparency platform and basic branding.
- Recruit student leadership teams and initial advisory council.

Months 3–9 (Pilot Launch)

- Survey and verify beneficiaries in F-8.
- Begin aid disbursements with full documentation on the platform.
- We have to begin outreach to local businesses for service contracts.

Months 9–18 (Scale & Validate)

- Publish first independent audit and impact report.
- Expand student teams and pilot to adjacent sectors (F-10, G-8).
- Launch SafeX marketplace and paid training programs.

Months 18–36 (Sustain & Nationalize)

- Secure CSR partnerships and subscription contracts.
 - Codify processes for national replication.
 - Start roll out to additional cities guided by data.
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Answers of Key Questions:

Question 1: How can a zakat-based system fully solve our problems despite the large gap between the zakat contributors (20%) and the 45% population living below the poverty line?

Answer: Answer of this question is **Phase 3 (Establishing Sustainable Economic Engine)**

Question 2: Many people already distribute their zakat through hospitals, NGOs, and within personal circles, so why would they trust our system and allocate their zakat to us?

Answer: Answer of this question is **Phase 1: Build Trust:**

Question 3: If a system is implemented, then we will need people to work for this system and of course, we will pay them, and now we need more money to pay our employees it will be more of a burden on us.

Answer: As we have discussed if students run this system, and they will work as a volunteer and students will also have a chance to make income through phase 3 (as we have discussed in phase 3), so that's why students will take interest in this system.

Thank you for reading this article

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