


Chapter 16

Islamic Entrepreneurship Application and Its Strategies: A Case Study of Bangladesh

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ABSTRACT

This study aims to explore various facets of entrepreneurship, particularly Islamic entrepreneurship, from a religious perspective, with a focus on its practice within the context of Bangladesh. In Bangladesh, diverse social enterprises, some profit-driven and rooted in Islamic principles like Zakat and Waqf, exemplify Islamic entrepreneurship. Examples include the Baitul Mukarram complex and the Islamic Bank Hospital, which generate income, promote Islamic culture, and address social needs. Social Islamic Bank Ltd. employs Cash Waqf, while organizations like Muslim Aid Bangladesh focus on economic empowerment. These approaches showcase the blend of profit motives, social impact, and religious values in Bangladeshi Islamic entrepreneurship.

1. INTRODUCTION

The revolution of industry led to both an increase in prosperity and wealth but also led to greater disparities in income and wealth distribution (Piketty, 2014). Recently, the global financial crisis has led to the rise of “social enterprise” business models that focus on addressing social issues rather than maximizing

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profits as Muhammad Yunus propagated which received enormous courtesy. Social enterprise initiatives prioritize addressing social issues such as affordable healthcare, affordable housing, drug abuse and environmental hazards over maximizing profits through the use of corporate and business strategies. Simultaneously, the Islamic banking and finance industry is growing and becoming a new rival to the existing economic system.

Entrepreneurial activity has been shown to be a valuable way to create more wealth and build a better society. However, many poor countries are lacking entrepreneurs which can lead to economic decline. Entrepreneurship refers to the process of starting and managing a new business venture with the goal of making a profit by providing valuable products or services and accepting financial risks. Despite the high risk, entrepreneurship is highly valued for its potential to contribute to a sustainable economy, create employment opportunities, and generate innovative business ideas. This study aims to investigate various aspects of entrepreneurship, specifically Islamic entrepreneurship, from a religious perspective, and to examine how it is practiced in the context of Bangladesh.

2. LITERATURE REVIEW

2.1 Conventional Entrepreneurship

Entrepreneurship is a vital force in economic growth, job creation and innovation. According to a study by the Global Entrepreneurship Monitor (GEM) “Entrepreneurial activity is positively related to economic growth and development” (Acs et al., 2008). The study also found that countries with higher levels of entrepreneurial activity tend to have higher levels of GDP per capita and higher rates of job creation.

The GEM report also points out that Entrepreneurship is not only important for economic growth but also for innovation, which is a key driver of productivity and competitiveness. Entrepreneurs are known to be risk-takers and they are often the ones who come up with new ideas and find ways to commercialize them. This is important because it leads to new products, services and revenue to the market. Additionally, new businesses provide employment opportunities and contribute to the diversification of the economy.

Economic is spurred by entrepreneurs as they contribute to society by introducing new and innovative production methods (Leibenstein, 1978; Juliana, 2018). Azim (2011) also stated that strategic entrepreneurs also play a vital role in making sound business decisions and leveraging opportunities such as technology and globalization to gain a competitive advantage.

Traditional entrepreneurship is often viewed as an individual trait that is considered desirable rather than a tangible reality. Defining entrepreneurship can be difficult and there can be conflicting opinions on what it means. However, comprehensive, and consensual definition of entrepreneurship that portrays it as a holistic and moral effort by individuals or corporations to act as “economic heroes.”

2.2 The Interrelationship Between Entrepreneurship and Religion

The relationship between entrepreneurship and religion is a complex one, with various religious beliefs and practices influencing the attitudes and actions of entrepreneurs. Religion can have a major impact on the values and actions of entrepreneurs, particularly in terms of their ethical decision-making and their approach to risk-taking. For example, a study by Chrisman et al. (1998) found that Protestant religious

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