International Journal of Islamic Management and Business
ISSN 2413-2330(Online), ISSN 2520-4874(Print)

ISLAMIC MICROFINANCE, AN APPROACH TO POVERTY ALLEVIATION

ABUZAR NOMANI
Dept of agricultural economics and business management
Aligarh Muslim University, Aligarh, India
Email; abuzarnomani88@gmail.com

AFAQ HUSAIN
Dept of agricultural economics and business management
Email; afaq_onnet@yahoo.co.in
Aligarh Muslim University, Aligarh, India

Abstract: *The thrust of this paper is to demonstrate the potential of Islamic Microfinance as an effective tool for poverty alleviation. Poverty is a common problem faced by all countries, the efforts and actions have not reached the purpose yet. Still, it requires more attention from majority of government and non government organization to alleviate it in an effective and comprehensive approach. The main problem of the poor is lack of financial access. This paper argues Islamic microfinance offers an alternative solution to poverty alleviation through more human oriented financing. This is due to the underlying principle of Islamic microfinance is the application of Islamic values to promote social justice for all and to achieve economic development with building human capability as centre of attention. In Islamic perspective, poverty is not just viewed from material aspect but also moral/spiritual, thus, any poverty alleviation strategy should reflect on both aspects. It might be argued that while conventional approach on poverty left the importance of committing to moral/spiritual, Islamic approach has more attention on that aspect. Islamic microfinance, having a unique feature compare to the conventional counterpart, offers a potential solution to poverty alleviation. The underlying principle of Islamic microfinance is the application of Islamic values to promote social justice for all and to achieve economic development with building human capability as centre of attention. Hence, the content of moral and value aspect, emphasizes on the human side and communities responsibility, is likely to be more effective and comprehensive in poverty alleviation.*

Key words: Islamic micro finance, poverty, economic development, social justice

Introduction

Poverty is one of the fundamental problems in developing countries. It is estimated that around 80 percent of the world's population is living in countries where income distribution gap is widening. Poverty rate is quite high in all Muslim countries except a few countries in Southeast Asia and the Middle East. Poverty levels have also been associated with high inequality alongside low productivity.

Microfinance is a part of financial services which includes not only credit facility but also savings, insurance, and fund transfers to facilitate low-income people. The World Bank estimates that there are over 7,000 microfinance institutions; serving some 16 million poor people in developing countries. The total cash turnover of MFIs world-wide is estimated at $2.5 billion and the potential for new growth is outstanding. (Source: Micro facts: Data Snapshots of Microcredit, Global Development Research Centre website, 2008-2009)

The Microcredit Summit estimates that $21.6 billion is needed to provide microfinance to 100 million of the world's poorest families. The Summit planners said it should be possible to raise US$2 billion from borrowers' savings alone and the final figure may be even higher. (Source: Micro facts: Data Snapshots of Microcredit, Global Development Research Centre website, 2008-2009)

Fewer than 10 million out of the 500 million people who run micro and small enterprises have access to financial support for their business and fewer than 2% of the poor people have access to financial services (credit and savings) from sources other than lenders. (Source: MICROFACTS: Data Snapshots of Microcredit, Global Development Research Centre website, 2008-2009)

The supporters of microfinance believed that it will help in reducing poverty and the concept became more popular in 1974 when famine struck Bangladesh. At the time, Dr. Muhammad Yunus was a professor of economics at the University of Chittagong. He subsequently started Grameen Bank which has been a wonderful success with more than 90 percent recovery rate. (Source: Short history of Grameen Bank, Grameen Bank website, 2010).

Studies have also shown that during an eight year period, among the poorest Bangladesh with no credit service of any type, only 4 % pulled themselves above. But with only individuals and families with credit from Grameen Bank, more than 48% rose above the poverty line. (Source: MICROFACTS: Data Snapshots of Microcredit, Global Development Research Centre website, 2008-2009).

Given the main problem of the poor is lack of financial access; this paper argues Islamic microfinance offers an alternative solution to poverty alleviation through more human oriented financing. This is due to the underlying principle of Islamic microfinance is the application of Islamic values to promote social justice for all and to achieve economic development with building human capability as centre of attention. Hence, the content of moral and value aspect, emphasizes on the human side and communities responsibility, is likely to be more effective and comprehensive in poverty alleviation. Also, researchers criticised interest based modes in conventional microfinance and finds the problems of "non graduation from poverty, debt trap, high drop out rate, asymmetric information and economic viability of the project" (Ahmed, 2002: 58). In contrast, some studies find positive impacts of Islamic microfinance both in economic and social aspect. Although there are some weaknesses and problems found in certain location in terms of insufficient regulation and limited assets (Seibel, 2005), however, Islamic microfinance still attractive to be considered.

Objectives of the study

Interest based micro lending carries high interest rates and is impermissible in Islam; hence, this study strives to analyse how the mix of debt and equity based Islamic finance contracts be used in providing Islamic micro financial services in Pakistan which has more than one quarter people living below the poverty line and huge rural population.

1. It will identify and analyse various instruments of Islamic microfinance that can eliminate poverty effectively than conventional micro financing.
2. It will recognize and analyse the mix of debt and equity based Islamic finance contract; used in providing Islamic micro financial services.
3. It will explore the scope of opportunities for Islamic microfinance for minorities in India.
4. It will discover the challenges that Islamic microfinance could face.

Research methodology

The study involves the analytical as well as the comparative research methods. The researcher has collected the data relevant to conventional and Islamic microfinance and on the basis of its analysis the researcher tries to find the potential of Islamic microfinance, as a poverty eradication tool for the down trodden section of the society. An attempt has been made to create a potential value-based hybrid model for Islamic micro finance for the current scenario.

Literature review

Over the last few years micro-finance has been increasingly recognized as an important component in poverty alleviation strategies. Poor households face difficulty in generating regular and substantial income to save for future and are extremely vulnerable to economic, political, and physical downturns. A little drop in income or increase in expense can have a disastrous effect on their already low standard of living. They have limited access to health care facilities; have low literacy rate and poor living conditions. Death, sickness, or accident may force them to dispose their property or some of the productive assets, which in turn further decreases future income and current livelihood. The frequency of losses is also greater for the poor; many are regularly exposed to natural disasters (like flood), fire, and theft with limited means of recovery (Patel, 2004; Ahmad, 2007; Obaidullah, 2008).

Given the dominance of western culture and values as well as plight and vulnerability of today's Islamic world, there has always been an incessant conflict between the two civilizations. Muslims have always been struggling for decades at almost every walk of real life to retain their values and culture. The philosophy behind such struggle is underpinned in powerful expression of collective identity that is multiple and highly diversified following the contours of each culture and historical formation of each identity. The feeling of this collective identity has urged Muslim scholars to find solutions of current economic problems to make their lives compatible with *Sharī'ah* and to safeguard the Muslim *Ummah* against the perils of the western culture. (Yusuf, 2006; pp.56-63)

While conventional microfinance products have been successful in Muslim majority countries, these products do not fulfill the needs of all Muslim clients. Combining the Islamic social principle of caring for the less fortunate with microfinance's power to provide financial access to the poor has the potential to reach out to millions more people, many of whom say they would prefer Islamic products over conventional microfinance products. From affordable loans and insurance products to safe places to save, microfinance services have been powerful weapons in the fight against poverty, especially in Latin America and South Asia (CGAP News, 2008).

The World Bank estimates that there are over 7000 microfinance institutions, serving some 16 million poor people in developing countries. The total cash turnover of MFIs world-wide is estimated at US$2.5 billion and the potential for new growth is outstanding. The Microcredit Summit estimates that US$21.6 billion is needed to provide microfinance to 100 million of the world's poorest families.

Other estimates tell us that worldwide, there are 13 million microcredit borrowers, with USD 7 billion in outstanding loans, and generating repayment rates of 97 percent; growing at a rate of 30 percent annual growth. Despite all this less than 18% of the world's poorest households have access to financial services (Grameen Foundation, 2007). Ahmad (2007) points out that

ISSN 2413-2330(Online), ISSN 2520-4874(Print)

Microfinance initiative is widely acclaimed as a new approach to alleviate Poverty, to bring about economic development and to improve the living conditions of the poor.

The application of Islamic finance to microfinance was first discussed in depth by Rahul and According to Dr. Abbas Mirakhor, Executive Director of the IMF as referred by Chaudhri (2006): "[An] important function of Islamic finance that is seldom noted … is the ability of Islamic finance to provide the vehicle for financial and economic empowerment … to convert dead capital into income generating assets to financially and economically empower the poor..." Microfinance is already more structurally aligned to applying Islamic equity financing structures. As mentioned previously, microfinance programs are based on group sharing of risk and personal guarantee while maintenance of trust and honesty is tied to the availability of future funds (Chaudhri, 2006).

Ahmad (2007) opines that contemporary Islamic finance has been largely disengaged from microfinance. On the one hand, most microfinance institutions (MFIs) are not Islamic as their financing is interest based. On the other hand, Islamic financial system has been dominated mainly by Islamic banks. He further argues that MFI has to create various reserves to cover various risks arising due to the nature of its assets and liabilities. To protect from withdrawal risks, the MFI can use takaful and profit-equalization reserves to give depositors competitive returns. The paper shows that the proportion of waqf funds that can be allocated into micro financing will depend on the takaful and economic capital reserves.

Obaidullah (2008) has identified that absence of institutional credit guarantee is an important factor that demotivates the commercial banks and IFIs to be involved in micro-credit activities for low income groups of society as well as small and medium enterprises. He maintains that it is essential to establish linkages among various institutions at micro, meson as well as at macro level for the growth of Islamic MF industry.

According to Abedelhamid (1991) "Microfinance is a set of financial services which provides loans to clients who are excluded from the traditional financial system on account of no or little collateral. In the third world countries, microfinance has become very popular because inflation tends to be high and volatile; government is often incompetent; and the necessary legal framework for financial services is often missing"

Challenges for microfinance

The achievement in microfinance in the world has been impressive relative to the status in the 1970s. However, a number of major problems remain.2.4.1Policy development environment for financial sectors programs the policy environment for microfinance in many countries still remains unfavourable for sustainable growth in microfinance operations. For example, in countries such as People's Republic of China, Thailand, and Viet Nam, the ceilings on interest rates limit the ability of MFIs to provide increased and continuing access to an increasing segment of the excluded households.2.4.2Inadequate financial infrastructure it is another major problem in the world. Financial infrastructure includes legal, information, and regulatory and supervisory systems for financial institutions and markets. Most governments have not focused to build financial infrastructure that supports, strengthens, and ensures the sustainability of such institutions or programs and promotes participation of private sector institutions in microfinance. The other major financial infrastructure-related problems include lack of: A legal framework conducive for emergence and sustainable growth of small-scale financial institutions, Regulatory and supervisory systems for microfinance in countries where the microfinance subsector is approaching a level of maturity, and Emphasis on development of accounting and auditing practices and professions2.4.3Limitation of retail level institutional capacity. Most retail level institutions do not have adequate capacity to expand the scope and outreach of services on a sustainable basis to most of the potential clients. Lack capacity to leverage funds are unable to provide a range of products and services compatible with the potential clients' characteristics. Do not have an adequate network.(Source: Finance for Poor: Microfinance development Strategy, ADB website, 2000)

Importance of Islamic microfinance

Microfinance refers to provision of financial services to the poor - more than just small loans, it also includes saving and micro insurance, as household might need credit but also they are able to save – with aim as development tool for its clients (Armendariz and Morduch, 2010: 15; Ledgerwood, 2000: 1). Initiated by Grameen Bank in Bangladesh, microfinance has reached success, however it has also been criticized since more cost to customers seems to be compelled when microfinance are forced to decrease cost and improve transparency (Armendariz and Morduch, 2010: 202). Islamic view also disapprove of this fixed high interest rates charge that get the poor into debt and difficulties (Obaidullah, 2008b: 10), hence, there are cases when the poor suffer the loss of their lands (Ahmed, 2002: 30). Thus, Islamic microfinance offers more feasible solution by offering not debt based approached, but rather assets based approach.

Given specific characters derived from *Quran* and *hadiths* (saying of the Prophet), Islamic microfinance is provision of financial and non-financial services based on Islamic values with aim to promote justice for all. Considering that Islam prefers community-based activities (Qur'an, 5:2), Islamic principles shape the nature of microfinance institutions as they operate under a group-based approach and joint liability. It can, therefore, be argued that the above characteristics seem to cover almost all aspects required by the poor. However, attention should be given to the implementation of the spirit of Islamic microfinance so that it is not just an empty theory; as the gap between the spirit and implementation is rather obvious.

Although Islam permits debt, but debt can only be allowed as the last source of fund (Quran, 7:31; 17: 26-27), and the Prophet advises the dangers of deep debt and he also strongly encourages full and on time repayment (Obaidullah, 2008b: 17). Islam commands mutual cooperation based financing and mutual guarantee within the group are accepted (Obaidullah, 2008b: 18). All business contracts must be *Shari'ah* compliant, free from *riba* and *gharar* (Obaidullah, 2008b: 19-22). Basically, there is no primary opposition in the global microfinance 'best practices' and the Islamic approach to poverty elimination (Obaidullah, 2008b: 22).

Category	**Conventional Microfinance**	**Islamic Microfinance**
Category of poor	One category	Two levels: 1. deeply poor who do not need loan but social safety net and charitable fund (zakah), 2. moderately poor who will be better of if they obtain credit for running microenterprises
Based on financing	Debt based and interest based approach	Profit and loss sharing (PLS) approach, free of interest (riba) and uncertainty (gharar)
Approach/target of empowerment	The poor and woman	The poorest and family
Sources of fund	External funds, saving of clients	External funds, saving of clients and Islamic charity fund.
Dealing with default	Group/centre pressure and threats	Group/centre/spouse guarantee and Islamic ethics.

Social Development Program	Secular	Religious (behaviour, ethics and social

Source: Obaidullah (2008b: 11-12), Ahmed (2002: 41)

Islamic approach to poverty elevation

All principles or laws in Islam owe their origin to its holy book – the Quran and the sayings and deeds of its Prophet (peace be upon him) encapsulated in books of Hadith. A saying of the Prophet (peace be upon him) forcefully drives home the central message of Islam regarding poverty: "Poverty is almost like disbelief in God." On another occasion, the Prophet (peace be upon him) is reported to have said "Allah! I seek refuge with you from the affliction of poverty..." (Soruce: SahihBukhari: read, study, search online Volume 8, Book 75, Number 379).

Islam views poverty to be a curse to be eradicated through productive efforts. Poverty is in conflict with "enrichment of self (nafs)", which is one of the primary objectives (maqasid) of Shariah. Islamic jurists have unanimously held the view that it is the collective obligation (fardkifayah) of a Muslim society to take care of the basic needs of the poor. (Obaidullah, Muhammed (2008)

Charity: Charity occupies a central position in the Islamic scheme of poverty alleviation. The broad term for charity in Islam is Sadaqa. When compulsorily mandated on an eligible Muslim, Sadaqa is called Zakah. When Sadaqa results in flow of benefits that are expected to be stable and permanent (such as, through endowment of a physical property), it is called Sadaq-e-jariya or Waqf. Establish Prayer and dispense the Purifying Alms (Zakat) and bow in worship with those who bow (Al-Quran, (2:43))

The primary issue with a zakah or sadaqa-based solution to the challenge of poverty is the issue of sustainability. Funds mobilized through these tools tend to fluctuate from time to time and may not lend themselves to careful planning and implementation. Further, these funds are meant mostly for the extremely poor and function as a safety net for meeting their immediate and basic needs. Benefits from waqf assets are of course, meant to flow to the community at large and also on a sustainable basis.

Economic Empowerment

While Islam strongly encourages charity from the giver's point of view, it seeks to minimize dependence on charity from the beneficiary's point of view and restricts the benefits to flow to the poorest of poor and the destitute, who are not in a position to generate any income and wealth. A famous hadith not only underscores the above, but also demonstrate show to design and implement a strategy of poverty alleviation through economic empowerment. The essence of the hadith is broken down in to numbered statements so as to highlight the key principles and components of the strategy that follows from the hadith.

A man of the Ansar community came to the Prophet (peace be up on him) and begged from him.

He (the Prophet) asked: Have you nothing in your house? He (the man) replied: Yes, a piece of cloth, which we wear, or which we spread (on the ground), and a wooden bowl from which we drink water.

He (the Prophet) took them in his hands and asked to the assembly of people: Who will buy these? A man said: I shall buy them for one dirham. He (the Prophet) asked twice or thrice: Who will offer more than one dirham? Another man said: I shall buy them for two dirhams he (the Prophet) gave these to him and took the two dirhams and, giving them to the man of the Ansar, he said: Buy food with one of them and hand it to your family, and buy an axe and bring it to me. He then brought it to him. The Prophet (peace be upon him) fixed a handle on it with his own hands and said: Go, gather firewood and sell it, and do not let me see you for a fortnight. The man went away and gathered firewood and sold it. When he had earned ten dirhams, he came to him and bought a garment with some of them and food with the others. The Prophet (peace be upon him) then said: This is better for you than that begging should come as a spot on your face on the Day of Judgment. Begging is right only for three people: one who is in grinding poverty, one who is seriously in debt, or one who is responsible for compensation and finds it difficult to pay. The components of this hadith can be seen to emphasize the following fundamental conditions of a successful microfinance program:

Access of the poorest of the poor to the program: The Prophet (peace be upon him) was the spiritual as well as the political leader of the Muslims and he was accessible to the poor and the needy at all times for economic and financial assistance;

Careful assessment of the financial health of the poor; enquiry blended with empathy; insistence on contribution and beneficiary stake: Many failed microfinance programs owe their failure to inadequate evaluation of the client's financial condition. Provision of microfinance does not stand to reason for a person in need of social safety nets resulting in the funds being consumed away instead of being invested. The poor come in disparate categories with varying needs of consumption and productive investment and risk of delinquency and default. Microfinance programs involving indiscriminate funding of the poor, such as, most government-managed ones are destined to fail. This is one of the cornerstones of microfinance "best practices" that assert the government should have no role in direct or indirect provision of financial services and its role should be restricted to providing a supporting and enabling environment. Insistence on beneficiary stake is of course, a device to reduce moral hazard and enhances efficiency.

Transformation of unproductive assets of the beneficiary into income-generating ones through rigorous valuation (on the basis of price discovery through auction method); involvement of the larger community in the process: Often the poor own high-market-value assets, such as, land in a prime city location without being able to derive income or benefit from the asset. While ownership of land does provide them with a bulwark against unforeseen adversities, this is an uneconomical and wasteful method of insurance. What is desirable here is a way to transform the unproductive asset into a productive one that could generate income. The original asset is not lost but transformed into an

Income-generating one. The price at which the original asset is disposed of must be fair and should not take the form of a distress sale resulting in loss of value to the seller. Contemporary finance theorists find the auction system to be the most efficient process of discovery of the intrinsic worth or the fair price. The involvement of larger community in the poverty alleviation program is also highly desirable for success of the program. For many contemporary successful MFIs, the right strategy is to involve grass-root NGOs in the process.

Meeting of basic needs on a priority basis and investment of the surplus in a productive asset: Once again this highlights the need to take into account the consumption needs of the clients before expecting them to create wealth. The realization about the need for a social safety net and to link the

same to microfinance at a later stage has come only recently in the micro finance industry.

Direct involvement of the program in capacity building in the runupto income generation and technical assistance to the beneficiary; commitment of top management of the program: This part of the *hadith* demonstrates a unique form of commitment and involvement on the part of the Prophet (peace be upon him) in the program of poverty alleviation. The involvement could not be more direct and the commitment more pure.

Technical assistance in the form of imparting requisite training to the beneficiary for carrying out the business plan/ income-generating project; monitoring through a time-bound schedule and impact assessment through a feed-back mechanism: The need to establish an effective linkage betweenfinancial assistance and technical assistance is emphasized among microfinance professionals as never before. Also the importance of impact assessment can be hardly overemphasized

Products of Islamic microfinance

Islamic approach to poverty alleviation is a composite of a mission based and market-based interventions. Islamic Microfinance need not be restricted to not-for-profit modes alone. Islam permits for-profit trade and creation of wealth. It depends on the customer that what he/she wants to do with the money either needs just security of the money against which he/she may not claim the profit or wants to invest the money and share both profit and loss. The poor need a range of microfinance services, such as, micro-savings, micro-credit, micro- quity, micro-Takaful and micro-remittance. In the context of mainstream Islamic finance, people come across a host of for-profit modes through which such services may be provided to the poor. These could be used for microfinance with minor modifications wherever needed (Obaidullah, 2008).

Murabaha Sale (cost plus markup sale contract). Murabaha is an asset-based sale transaction used to finance goods needed as working capital. Typically, the client requests a specific commodity (tangible good) for purchase, which the financier procures directly from the market and subsequently resells to the client, after adding a fixed "mark-up" for the service provided. However, ownership of the commodity (and the risk inherent thereto) strictly lies with the financier until the client has fully paid the financier. In most cases, clients repay in equal instalments. The mark-up is distinct from interest because it remains fixed at the initial amount, even if the client repays past the due date.

Musharaka and Mudaraba (profit and loss sharing). The profit and loss sharing (PLS) schemes are the Islamic financial contracts most encouraged by Sharia scholars. Musharaka is equity participation in a business venture, in which the parties share the profits or losses according to a predetermined ratio. Musharaka can be used for assets or for working capital. Mudaraba denotes trustee financing, in which one party acts as financier by providing the funds, while the other party provides the managerial expertise in executing the project. In mudaraba, profits are shared according to a predetermined ratio; any losses are borne entirely by the financier. If the mudaraba joint venture results in a loss, the financier loses the contributed capital and the manager loses time and effort.

Ijarah (leasing contract). Ijarah is a leasing contract typically used for financing equipment, such as small machinery. Duration of the lease and related payments must be determined in advance to avoid any speculation. For the transaction to be considered Islamic (and not a sale with camouflaged interest), the ijarah contract must specify that the ownership of the asset, and responsibility for its maintenance, remains with the financier. An ijarah contract may be followed by a sale contract, in which event the ownership of the commodity is transferred to the lessee.

Takaful (mutual insurance). The equivalent of Islamic insurance, takaful is a mutual insurance scheme. The word originates from the Arabic word "kafala," which means guaranteeing each other or joint guarantee. Each participant contributes to a fund that is used to support the group in times of need, such as death, crop loss, or accidents. Paid premiums are invested in a Sharia-compliant manner to avoid interest.

Conclusion

Islamic microfinance, as a relatively young industry, provides services particularly to meet the demand of a specific market whose members cannot accept the conventional financing product due to their adherence to Islamic principles. Thus, Islamic Micro Finance should be considered contributing to poverty alleviation, financial development and also financial inclusion because it offers unique characteristics with rich of values and human oriented. In practice, it has interest free approach; hence, it will not drag clients to debt trap and worse condition. The performances of Islamic microfinance in general are quite promising. Evidences from the impacts studies also provide good results on how Islamic microfinance can improve economic and social well being of the clients, although in certain areas improvement is still required, particularly dealing with improvement of regulation and provision of trainings in social development both for institution's employees and borrowers.

References:

1. Ahmed, H., 2002. Financing Microenterprises: An Analytical Study of Islamic Microfinance Institutions. *Islamic Economic Studies*, 9(2), pp. 27-64.
2. Ahmed, H., 2004. Role of Zakah and Awqaf in Poverty Alleviation. Jeddah: Islamic Researchand Training Insitute, Islamic Development Bank.
3. Ahmed, H., 2012. Organizational Model of Islamic Microfinance. In: N. Ali, ed., Shari'a Compliant Microfinance. New York: Routledge. pp. 17-32.
4. Armendariz, B. and Morduch, J., 2010. The Economics of Microfinance, Second Edition.Cambridge, MA: The MIT Press.
5. Asutay, M., 2010. Islamic Microfinance: Fulfilling Social and Developmental Expectation.In: Bloombury Collection, ed., Islamic Finance Institution and Market. London:Bloombury. pp. 25-29.
6. Chapra, M. Umer, 1992. Islam and the Economic Challenge. Leicester: Islamic Foundation.
7. Chapra, M. Umer, 2008. The Islamic Vision of Development in the Light of Maqasid al-Shari`ah. Surrey: International Institute of Islamic Thought.

8. Chapra, M. Umer, 2008b. IbnKhaldun's Theory of Development: Does It Help Explainthe Low Performance of the Present-Day Muslim World?. The Journal of Socio- Economics, 37, pp. 836–863.
9. Chapra, M. U., 2007. Islam and Economic Development: A Strategy for Development with
10. Justice and Stability. New Delhi: Adam Publishers & Distributors.
11. Dhumale, R., &Sapcanin, A., 1999. An Application of Islamic Banking Principles to Microfinance. Washington DC:UNDP.
12. Dusuki, A. W., 2008. Banking for the Poor: The Role of Islamic Banking in MicrofinanceInitiatives. Humanomics, 24(1), pp. 9-66.
13. Ledgerwood, J., 2000. Sustainable Banking with the Poor, Micro Finance Handbook, an Institutional and Financial Perspective. Washington DC: The World Bank.
14. Mannan, M. A., 1986. The Economics of Poverty in Islam with Special Reference toMuslim Countries. In: M. Iqbal, ed., Distributive Justice and Need Fulfillment in an Islamic Economy. Leicester: Islamic Foundation.
15. Obaidullah, M., 2008a. Role of Microfinance in Poverty Alleviation. Jeddah: IRTI, IslamicDevelopment Bank.
16. Obaidullah, M., 2008b. Introduction to Islamic Microfinance. New Delhi: internationalInstitute of Islamic Business and Finance.
17. Obaidullah, M. and Khan, T., 2008c. Islamic Microfinance Development: Challenges andInitiatives. Jeddah: IRTI, Islamic Development Bank.
18. Wilson, R., 2007. Making Development Assistance Sustainable Through IslamicMicrofinance. IIUM Journal of Economics and Management, 15(2), pp. 197-217.
19. Zarka, M. A., 2012. Leveraging Philanthropy: Monetary Waqf for Microfinance. In Ali, ed., Shari'a Compliant Microfinance. London: Routledge. pp. 76-80.