

## Role Of Islamic Microfinance In Poverty Alleviation In

As an emerging global phenomenon, Islamic economics and the financial system has expanded exponentially in recent decades. Many components of the industry are still unknown, but hopefully, the lack of awareness will soon be stilled. The Handbook of Research on Theory and Practice of Global Islamic Finance provides emerging research on the latest global Islamic economic practices. The content within this publication examines risk management, economic justice, and stock market analysis. It is designed for financiers, banking professionals, economists, policymakers, researchers, academicians, and students interested in ideas centered on the development and practice of Islamic finance.

It is said that the COVID-19 pandemic has turned back the poverty clock. As such, there is a need to have social mechanisms put in place to provide relief to those who are affected in this regard. Islamic social finance consists of tools and institutions that could be used to alleviate poverty. This book explores the impact of COVID-19 on Islamic finance to better understand the effectiveness of Islamic social finance in helping those who have been affected by poverty overnight due to the halt in all major economic activities in the context of the pandemic. Since the struggle against poverty in each country will be different, the book attempts to shed light on the experiences of different countries by presenting successful models of Islamic social finance. The book first looks at poverty and COVID-19 before delving into the role of Islamic social financial institutions and how they have risen against COVID-19. The book concludes by examining the impact of COVID-19 on Islamic microfinance. This book is the first of its kind on the subject of COVID-19, and it intends to bridge the gap in the literature.

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Microfinance is known to be one of the best tools to combat poverty, and believed to have a positive effect on environmental awareness. This book analyses the impacts of Islamic microfinance on both poverty alleviation and environmental awareness and the variation in its effects between different geographical conditions, as well as how it compares in these respects with conventional microfinance. Islamic microfinance institutions (MFIs) had a more significant impact on poverty alleviation than conventional MFIs, but a low effect on awareness of specific environmental issues. Islamic MFIs were also successful in combating poverty regardless of regional differences, but similarly ineffective in contributing to environmental awareness. Islamic finance with social responsibility (IFSR) is the new theme of this book. It has been introduced to the general public and is now being promoted by the author through his own writing on Islamic Finance News. I am thankful to its chairman who encourages me to continue writing so those in power in Islamic finance institutions can benefit from my expertise and knowledge in this field. I hope some of my innovative business ideas that I promote in this book will be implemented in order to give hopes to young generation that IFSR is the new vehicle for change for the betterment of mankind in this universe. The main purpose behind introducing the new concept (IFSR) is the food crisis that hurts the poor and needy badly and has now started to adversely affect a wider segment of societies in Asia, Africa, and Middle East due to soaring food costs and the rise of inflation that may trigger civil unrest in many parts of the Muslim world (MW). The cause's of the surge in food crisis is the massive production of biofuels, which is "a crime against humanity" according to a UN official because of its impact on global food prices that has completely ruined agriculture and will starve millions of people. Allah [SWT] for his great love for mankind has set limits which we are not permitted to

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transgress, and has set out prohibitions which we are not allowed to violate (haram). The things which have been prohibited are the boundaries or limits set by Allah [SWT]. Acts that are haram are typically prohibited in the the Quran and the Sunnah of the Prophet (SAW). The category of haram is the highest status of prohibition. If something is considered haram, it remains prohibited no matter how good the intention is or how honourable the purpose is. In this book I have discussed Islamic finance and investment free of all such prohibitions. This book consists of thirteen (13) Chapters. Chapter 1 consists of Introduction. Chapter 2 consists of Distinctive Features of Islamic Economics and Islamic Financial Contracts. Chapter 3 consists of Principal Advantages of Islamic Finance Over Conventional Finance and include: Islamic Finance Promotes the Principle of Financial Justice; Islamic Finance Assists in Financial Inclusion; Islamic Finance Accelerates Economic Development; Islamic Finance Encourages Stability in Investments; Islamic Finance Reduces the Impact of Harmful Products and Practices; and Islamic Finance Progress and Challenges. Chapter 4 consists of Prohibitions and Business Ethics in Islamic Economics and Finance and include: Introduction; Prohibition of Interest, The Usury (Al-Riba); Gharar (Uncertainty); Maysir and Qimar (Gambling); Prohibited Products and Industries; Some Form of Contracts Which Involve Exploitation are Forbidden; and Islamic Business Ethics and Norms That Must Be Adhered. Chapter 5 Consists of the Philosophy and Salient Features of Islamic Banking and Finance and include: Introduction; the Philosophy of Islamic Finance; and Salient Features of Islamic Finance. Chapter 6 consists of an Overview of Islamic Law of Contracts and Commerce in Islamic Finance and consists of: Introduction; General Framework of Contracts Under Islamic Law; Requirement for Valid Contract: Essential Elements of a Valid Contract

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covering: Offeror and Offeree, Offer and Acceptance, and Subject Matter (Mahal al-Aqd); W'adah (Promise) and Associated Matters; and Islamic Contracts Relevant to Financial Activity. Chapter 7 consists of Islamic Financial Framework and includes: Introduction; Mudarabah; Musharakah; Murabaha; Bai Muajjal; Bay Al-Salam; Istisna; Qard Al-Hasan; and Others covering Ijara, Amanah Model, Ju'ala, Wakalah, Salam, Ariyah, Hibah, Waqaf, Rahn, Kafalah, Hawalah, Ibraa', Wadiah, Sukuk (Islamic bonds), Takaful (Islamic insurance), Islamic credit cards, Islamic equity funds, Islamic derivatives, and Microfinance. Chapter 8 consists of Status Of Money In Islamic Finance And Investment and include: Introduction; Time Value Of Money In Islamic Finance; and Monetary Policy Of Islamic Finance. Chapter 9 consists of Role of Institution of Alms Tax (Zakah) and Sadaqah In Islamic Finance and Investments and includes: Alms Tax (Zakah) and Sadaqah (Voluntary Charity): the Best Investment. Chapter 10 consists of Role of Islamic Micro-Finance System in Islamic Finance and Investments and includes: Introduction; Understanding Mico-Finance; Islamization Of Microfinancing To Seek Reward From Allah [SWT]; and Development Of Islamic Micofinance. Chapter 11 Consists of Role of Islamic Banks in Retail and Corporate Financing and includes: Introduction; Principles Of Islamic Banking; and The Liabilities of Islamic Banks. Chapter 12 Consists of Role Of Islamic Insurance In Islamic Finance and includes: Introduction; Development Of Islamic Insurance; and Islamic Insurance Explained. Chapter 13 consists of Summary and Conclusion. The Book is supported with Bibliography.

In this issue, we have presented issues relevant to the most recent debate on the performance, practices, and principles of the Islamic finance industry as a whole, covering eleven distinct issues.

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This book assesses the capabilities of an Islamic approach in aiding self-organisation by examining the case of the occupied Palestinian territories in conjunction with a comparative analysis of four other nations. Three main mechanisms of Islamic development are explored; finance, microfinance and charity. Identifying the need to recognise the non-linear nature of societal interaction at the individual, community and state levels, the book uses complexity theory to better understand development. It assesses the role of Islamic development at macro and micro levels and identifies issues with rigid and hierarchical policy making.

Diploma Thesis from the year 2004 in the subject Economics - Finance, grade: 1,3, RWTH Aachen University (International technical and economical Cooperation), language: English, abstract: The literature discussing microfinance topics like sustainability, outreach and improvement of methods as well as the role of the governments in terms of interference, supervision and regulation is getting more differentiated and substantiated. Despite this increasing interest, one aspect of microfinance has been largely neglected both scientifically and in its application: Islamic Microfinance. In this paper I will discuss, if the principles of the Shari'ah (the Islamic law) are not somewhat compatible with the needs and obstacles of microfinance, where stewardship is to be shared and trust crucial. Further, I will discuss in detail if the prohibition of Riba is a serious, insolvable obstacle and if it is really more expensive for microfinance institutes to provide Muslims with financial services. By comparing traditional instruments of microfinance with new, transferred instruments borrowed from Islamic banking, I will try to explain – on the bases of the Islamic culture – why people

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are surprised about the neglect of Islamic Microfinance. The hypotheses are as follows

- The implementation of Islamic financial products causes too high risks for microfinance institutes. The restriction of involving 'risk' in financial contracts for both parties by the Islam is binding. Therefore, market risks and moral hazards, make a save and steady return for the MFI not possible.
- The higher efforts of Islamic Microfinance are too much for the already weak organisation structures of MFIs. MFIs have to avoid or at least decrease market risks and moral hazards. Thus, higher efforts need to be invested by the MFIs due to the increased dependency on the success of the pre-financed projects.
- The complexity of Islamic financial products compared to convenient credit contracts leads to difficulties in both their explanation as well as their promotion in less educated areas.

Lack of credit access is severe in low income and poor families that are normally considered to have fewer opportunities to borrow from banks due to insufficient valuable assets for collateral. These low-income households face limited opportunity to acquire new technology and working capital for agricultural production and thus tend to fall behind. As a result, providing access to finance to low-income rural households has been considered an important component of any rural development strategy.

Microfinance programmes, in particular, have been gradually embedded in national strategies of many developing countries as they are poverty-focused. They aim to facilitate the access to financial services such as credit for the poor who are usually

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disadvantaged in terms of access to conventional financial services from formal financial institutions. The objective of this book is to provide an overview of microfinance programmes in Asia focusing in particular on the determinants of the accessibility of rural households to microcredit. The book studies seven Asian countries such as China, Malaysia, Vietnam, Thailand, the Philippines, Indonesia, and Bangladesh with two specific case studies.

This book explores the relationships between financial inclusion, poverty and inclusive development from Islamic perspectives. Financial inclusion has become an important global agenda and priority for policymakers and regulators in many Muslim countries for sustainable long-term economic growth. It has also become an integral part of many development institutions and multilateral development banks in efforts to promote inclusive growth. Many studies in economic development and poverty reduction suggest that financial inclusion matters. Financial inclusion, within the broader context of inclusive development, is viewed as an important means to tackle poverty and inequality and to address the sustainable development goals (SDGs). This book contributes to the literature on these topics and will be of interest to researchers and academics interested in Islamic finance and financial inclusion.

This book focuses on current issues impacting the Islamic banking system globally. The contributions introduce readers to existing research and literature in the field and highlight areas of potential scholarly development within Islamic banking studies. The

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chapters are a variety of case studies, theoretical reviews, and empirical research within the world of Islamic banking. The contributions analyse new developments within Islamic banks from OIC member countries, Malaysia and the GCC. Particular attention is paid to the formative insolvency case of Arcapita Bank in chapter 6. Other chapters provide detailed discussion of the structures, marketing activities and products of Islamic banks, and contrast them with those of counterpart conventional banks. Through this edited collection, readers are given expert insight into contemporary, critical issues facing the growing sphere of Islamic banking.

This book covers the recent literature concerning Islamic banking and finance (IBF), focuses on the history of IBF since its inception and introduces the latest innovative concepts and practices in the field. The authors cover important topics such as the role of ownership, Shari`ah compliance and governance structures in raising debt capital using IBF practices, including Fatwa issues and the use of benchmarking practices. The book also addresses topics like archival data, the influence of leverage on ownership structure, and sukuk structures, as well as misconceptions, threats, challenges and opportunities in IBF. Finally, the book deals with prominent issues such as business score-carding, Tak?ful (Islamic Insurance), IBF implications for block-chain-based fintech and finance hub concepts in Islamic microfinance models. This edited volume is an important contribution to the IBF literature as it provides a much-needed in-depth look into industry practices through the perspective of corporate finance and



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governance. With its interdisciplinary approach covering legal and financial issues along with a wide variety of notable contributors, this book will be a valuable reference guide to both teachers and students of Islamic banking and economics.

The book is a collection of chapters discussing the Sustainable Development Goals in the broader context of Islamic finance along with mapping the SDGs with Maqasid Al-Shariah. It provides a framework for both Muslim and non-Muslim countries to develop a sustainable economy which encompasses not only the concept of the welfare state but also supports development-related activities, ensures financial inclusion through equal distribution of wealth and alleviation of poverty, and protects the overall environmental and ecological system. More specifically, this book explores various aspects of Islamic finance in relation to parameters of SDGs; restructuring of Islamic finance and connecting its dots in the light of SDGs; Islamic perspective on ESG and ecological quality; interest-free tools and modernization of Islamic financial institutions for sustainable development and economic stability; and the role of Islamic finance in infrastructure-related development activities. Consistent with the view that SDGs are embedded within the theme of Islamic finance, this book is specifically designed to meet the needs of key regulatory institutions, academic scholars, and industry practitioners both in the field of Islamic finance and sustainable finance. M. Kabir Hassan is a Professor of Finance in the Department of Economics and Finance at the University of New Orleans, USA, where he currently holds two endowed ChairsHibernia

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Professor of Economics and Finance and Bank One Professor in Business. He was the University of Louisiana Systems outstanding faculty member for 2019. Dr. Hassan is the winner of the 2016 Islamic Development Bank (IsDB) Prize in Islamic Banking and Finance. Mehmet Sarac helped establish the Centre for Islamic Economics and Finance at Istanbul University and was the director until 2019. He currently teaches corporate finance, Islamic finance, capital markets and institutions, and other related courses. His recent publications are concentrated in Islamic economics and finance. He is also a member of advisory boards at several institutions including Turkiye Emlak Participation Bank, International Council of Islamic Finance Educators (ICIFE), and Research Centre for Islamic Economics (IKAM). Ashraf Khan is an Assistant Professor of finance at the Institute of Business Administration Karachi, Pakistan. He received his PhD in Managerial and Actuarial Sciences from University of Udine, Italy, and double degree masters degree in finance from the University of Siena, Italy and University of Ljubljana, Slovenia. He has published several articles in internationally reputable journals such as International Review of Economics and Finance, Research in International Business and Finance, Global Finance Journal, etc. He is also the Associate Editor of the Journal of Economic Cooperation and Development and the International Journal of Islamic and Middle Eastern Finance and Management. Currently there is limited application of Islamic microfinance instruments in Brunei Darussalam in the business and banking industries. The main objective of the

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exploratory study on the potentiality of Islamic microfinancing in the handicraft industry is to encourage students pursuing the Master in Islamic Banking and Finance (MIBF) program to apply the Islamic finance to real life situations. This exploratory applied research has allowed students the opportunity to appreciate the potentialities of Islamic microfinance in assisting the development of microbusinesses especially in the rural areas in Brunei Darussalam.

This book is the second of two volumes which highlight the concept of financial inclusion from the Islamic perspective. An important element of the Sustainable Development Goals (SDGs), financial inclusion has been given significant prominence in reform and development agendas proposed by the United Nations and G-20. The significance of Islamic financial inclusion goes beyond improved access to finance to encompass enhanced access to savings and risk mitigation products, as well as social inclusion that allows individuals and companies to engage more actively in the real economy. It represents one of the important drivers of economic growth. This volume explores the financial risks associated with lending to low-income groups due to high poverty levels and the lack of collateralization mechanisms. The first book on the market to provide empirical evidence of Islamic microfinance, deposit insurance and micro-entrepreneurship through the analysis of models and country case studies, this edited collection will be of value to those researching development finance, financial inclusion and Islamic finance.

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The study of Islam since the advent of 9/11 has made a significant resurgence. However, much of the work produced since then has tended to focus on the movements that not only provide aid to their fellow Muslims, but also have political and at times violent agendas. This tendency has led to a dearth of research on the wider Muslim aid and development scene. Focusing on the role and impact of Islam and Islamic Faith Based Organisations (FBOs), an arena that has come to be regarded by some as the 'invisible aid economy', Islam and Development considers Islamic theology and its application to development and how Islamic teaching is actualized in case studies of Muslim FBOs. It brings together contributions from the disciplines of theology, sociology, politics and economics, aiming both to raise awareness and to function as a corrective step within the development studies literature.

This book, the first of two volumes, highlights the concept of financial inclusion from the Islamic perspective. An important element of the Sustainable Development Goals (SDGs), financial inclusion has been given significant prominence in reform and development agendas proposed by the United Nations and G-20. The significance of Islamic financial inclusion goes beyond improved access to finance to encompass enhanced access to savings and risk mitigation products, as well as social inclusion that allows individuals and companies to engage more actively in the real economy. It represents one of the important drivers of economic growth. Gender disparity exists within financial access and its extent varies widely across world economies. South Asia,

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the Middle East and North Africa have the largest gender gaps, with women in these regions being forty per cent less likely than men to have a formal account at a financial institution. Analysing how Islamic financial inclusion can empower individuals, this volume explores the contribution of Islamic microfinance in achieving SDGs and solving income and wealth inequality. Comprising a combination of empirical evidence, theory and modelling, this edited collection illustrates how to improve access to finance, making it essential reading for those researching both Islamic finance and development finance.

The considerable growth of Islamic finance as an alternative to conventional finance has triggered the interest of most global financial institutions. Today, most of the industries new practitioners are looking to understand the essentials of Islamic finance which lead to product innovation and sophistication. The shortest definition of a Bank reduces conventional banking to the following: it is borrowing from depositors and lending to businesses, consequently making a yield. This yield is the spread between given interest and taken interest. Conventional banks emerged, developed and grew on interest income alone. The idea of interest-free banking system never existed before 1950's. But since then, a new player in international economics chose to challenge the status quos and initiated the concept of finance without interest. Islamic finance and microfinance have many objectives in common, such as the social integration, fairness and justice. For many reasons, Islamic microfinance is actually a successful tool to fight

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against poverty and enhance social justice and solidarity.--After introducing the subject in the first chapter, we go through the review of literature and the Islamic law in business and finance in the second chapter. Chapter three will include a presentation of the different Islamic financial products and the main differences with the conventional products. In the fourth chapter we present the role of the Islamic finance in micro financing. Chapter five includes the conclusion which will show the current situation of Islamic banks, and the future perspectives concerning the industry.

In the recent past, Islamic finance has made an impressive case on the banking scene by becoming an alternative to the popular conventional financial systems, spurring a lively academic debate on how the Islamic finance industry can expand its services to cover the poor. Several propositions have been aired which suggest that the Islamic finance industry should consider developing an efficient Shari'a compliant microfinance model. This book brings together original contributions from leading authorities on the subject of Shari'a Compliant Microfinance (Islamic Microfinance) to propose innovative solutions and models by carefully studying experiments conducted in various countries. Where critiques of the current microfinance concepts, methods, regulatory measures and practices have often revolved around its practice of charging very high interest, this book discusses the several models that draw on both theory and case studies to provide a sustainable Shari'a compliant alternative. Arguing that while Islamic finance might have made a remarkable contribution in the financial markets, there remains a

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big question with regards to its social relevance, the book provides new perspectives and innovative solutions to issues facing the Islamic microfinance industry. A comprehensive reference book for anyone wanting to learn more about Shari'a Compliant Microfinance, this book will also be of use to students and scholars of microfinance, Islamic finance, and to anyone interested in learning about ethical and socially responsible businesses.

This study raises the issues and challenges concerning the recognition of Islamic microfinance by the Islamic banks of Pakistan. This is based on perceptions of the key players in the market. The study gathered relevant information through conducting field surveys by employing convenience sampling technique, the most common of all sampling techniques. Two questionnaires were designed for the surveys. One questionnaire was administered to survey 270 micro-entrepreneurs and petty traders in three major cities of Pakistan including Rawalpindi, Lahore and Peshawar. Another survey deals with the perceptions of Islamic bankers and Shari"ah scholars. 100 relevant respondents from middle and top managements related to Islamic banks were surveyed from five full-fledged Islamic banks of Pakistan. Three of the sample banks were selected from Islamabad and two banks from Lahore. The findings of the study are decomposed into two parts. Part 1 reveals the micro-entrepreneurs and petty traders" perspective, while part II focuses on the perspectives of Islamic bankers, regulators and Shari"ah scholars. In general, the results indicate that presently, Islamic

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banking is not addressing the financing needs particularly of those micro-entrepreneurs who generally have preference for Shari"ah-compliant finance. Islamic microfinance is constrained by lack of knowledge, experience and professionalism of supporting staff. Therefore, the majority of the Islamic bankers are not satisfied with the present structure for the implementation of Islamic microfinance. However, the Islamic bankers agreed that Islamic banks should offer Islamic microfinance and treat it separately from other products. Generally, both top and middle management agreed that Murabahah, Dimishing musharakah and Ijarah are most applicable models for Islamic microfinance schemes to the potential micro-entrepreneurs. On the other hand, micro-entrepreneurs and petty traders view Islamic microfinance as a preferred choice over traditional interest-based loans. Although, Islamic microfinance is a new concept, majority of respondents have basic understanding of this concept based on their Islamic knowledge and associations with social network. This study also examined the applicability of Theory of Reasoned Action (TRA) particularly in the context of Islamic microfinance among micro-entrepreneurs and petty traders of Pakistan. However, micro-entrepreneurs and petty traders expressed their dissatisfaction to the management of the Islamic banks. Moreover, the most consistent answer with major concerns from the respondents is that Islamic banks are same as conventional banks in dealings with clients. Therefore the findings could provide insights to Islamic banks in diversifying their products by offering Islamic microfinance to the low-income people but with proper



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guidelines and policies.

Whereas Indonesia is the largest Muslim country in the world, the growth of Islamic microfinance institutions (MFIs) has been sluggish and far behind their conventional MFIs. Islamic MFIs are struggling to survive amid the fierce competition in the provision of microfinance services, from both the conventional and Islamic institutions. Meanwhile the high unemployment rate in Indonesia calls for searching for ways in which financing can be provided to the jobless and poor. One way to resolve this is to provide MFIs with low cost funds that can be used to finance viable micro-businesses. The aim of this thesis is to examine the demand and supply side factors related to operations and growth of Islamic MFIs. It also investigates the scope of integrating microfinance and waqf to enhance the social mission of providing access financial services and opportunities to the needy and the poor. A survey was conducted to explore the perceptions, understanding and preferences of 581 MFI's borrowers from four MFIs--two Islamic (BMT and BPRS) and two conventional (BRI and BPR) in Indonesia. A total of 18 MFIs' managers and two waqf managers/nazirs were interviewed. Secondary data, case-study and a focus group discussion (FGD) were also conducted in order to understand the problems. The results show that while the majority of MFI's clients indicate preference for Islamic MFIs, in reality their choices of MFI are based on economic/finance (low interest rates and size of loan) and non-economic/non-finance factors (quality of services variables easiness, promptness, nearness, method and loan

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officers' profile). While the MFIs clients prefer Islamic MFI compared to conventional, in the end, the practical and economic reasons became dominant factors in their choice of MFI. Therefore, the demand for Islamic microfinance can be enhanced if the level of their economic and non-economic factors can be brought to the levels of conventional MFIs. The research reveals that there is still a gap between needs and knowledge of Sharia'h financial products and services. When the practice of murabahah product is considered, there appears to be no difference in substance between conventional and Islamic MFIs. In order to understand the operational structure of each type of MFI, their performance was assessed by using the balanced scorecard (BSC) with four perspectives. A balanced non-financial and financial performance is extremely important to create sustainability for microfinance institutions. The relationships between the different components of BSC indicate strong significant correlations between the internal process and customer's perspectives. There are also significant correlation between customer's perspectives and learning-and-growth and slightly significant correlation between learning-and-growth and financial performance. Overall scores of the Balanced Scorecard from the four perspectives for MFIs cemented BRI as the best performer, BPRS in the second place, followed by BPR and BMT in the third and fourth place respectively. The advantage of BRI is partly due to robust government support which makes it difficult for other smaller MFIs to compete. In contrast, BMT showed a weak institutional structure in terms of internal processes, learning-and-

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growth and customer satisfaction. It seems that BMT is not managed well according to BSC's key performance indicators. This thesis also proposes to add one more perspective i.e, Social Perspective, for 'The BSC based Islamic MFIs' Model' to help waqf institutions to appraise and choose a MFI in a more balanced and comprehensive way. Social perspective comprises the social mission of Islamic MFIs which can be reflected in providing qard hassan and giving more opportunities to the needy, jobless and the poor to start their own micro business. Indicators of the social perspectives can be the amount of funds contributed for qard hassan, how many needy clients are being served, and how many months a MFI permits clients to use the qard hassan loan. Islamic MFIs such as BPRS and BMT are expected by Muslims to perform more social functions than others. Therefore, one way to implement the social mission is to incorporate qard hassan in BPRS and BMT's operations to help the poor and jobless with the low cost loans to start their viable micro-businesses.

The phenomenal growth of Islamic finance in the last few decades has been accompanied by a host of interesting questions and challenges. One of the critical challenges is how Islamic financial institutions can be motivated to participate in the 'equity-like' profit-and-loss sharing (PLS) contracts. It is observed that Islamic banks are reluctant to participate in the pure PLS scheme which is manifested by the rising concentration of investment on murabaha or mark-up financing. This phenomenon has been the hotbed of academic criticism on the contemporary practice of Islamic banking. This book explains the 'murabaha syndrome' in light of the incentive provided by the current institutional framework and what are the changes required in

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the governance structure to mend this anomaly.

Microfinance institutions are today reaching hundreds of millions of clients throughout the global South, but the special needs of Muslim borrowers and savers, who wish to avoid any form of fixed interest, are badly served. The purpose of Islamic Microfinance is to introduce readers to the tenets of Islam and how they are applied to microfinance. It questions why, when mainstream Islamic finance is growing rapidly, are efforts to reach poor Muslim customers so far behind? Can Islamic microfinance as it grows maintain its original spirit of fairness, transparency and sharing, principles that seem to have been almost forgotten in the world of conventional microfinance? The book contains fifteen detailed case studies of individual Islamic microfinance institutions, which include examples of successful and unsuccessful clients, and financial data about the performance of the institutions themselves. The case studies include institutions from Yemen, Afghanistan, Pakistan, India and Bangladesh, Indonesia, Sudan, Somalia, Kyrgyzstan, Palestine, and Kosovo. The case study institutions are between them using a wide range of Shari'ah-compliant financing methods, which include pure interest-free loans, profit-sharing products and a variety of other tools, including micro-savings as well as micro-debt. In the accompanying commentary the editors critically examine the performance of the fifteen institutions and demonstrate how Islamic methods can efficiently satisfy the needs of some types of client but not all. It asks which types of products are affordable and beneficial, for which purposes and for whom. This book is essential reading by all those interested in microfinance and development in the Muslim world, including researchers and students, practitioners of microfinance, NGOs and multi-lateral and bi-lateral development agencies, and staff of development banks.

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This volume highlights a vital developmental stage of Islamic Banking and Finance, focusing on regulatory aspects, regional case studies and International Financial Crisis impacts. It aims to help decision makers identify key factors for the real, sustained development of the Islamic Banking System, nationally, regionally and internationally.

The role of Islamic microfinance in poverty alleviation and environmental awareness in Pasuruan, East Java, IndonesiaA comparative studyUniversitätsverlag Göttingen

Although Islamic finance is one of the fastest growing segments of emerging global financial markets, its concepts are not fully exploited especially in the areas of economic development, inclusion, access to finance, and public policy. This volume is to improve understanding of the perspective of Islamic finance on economic development, social and economic justice, human welfare, and economic growth.

The book, Economic Empowerment of Women in the Islamic World, discusses the economic, social, and political rights and status of women in Islam, which is theoretically given by the Islamic Jurisprudence (Shariah law). The chapters in this volume will address historical practices in comparison to the status of women in the contemporary Muslim world. Men and women in Islam, regardless of their age, social class, and education, are equal as citizens and individuals, but not identical in their rights and responsibilities. It can be observed from Islamic history that in the early age of Islam, women were given full confidence, trust, and high responsibilities in leadership, educational guidance, and decision-making. This volume will try to clarify the confusion in the status of the women in Islam that is presented by the media, as it is assumed that theoretical Islamic empowerment of women bears little relation to the real conditions of women in modern Muslim societies. It has been widely claimed in the media that

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Muslim women suffer more than men in Muslim societies and communities in terms of insecurity, domestic abuse, and low access to education and medical care. It is also stated in the press and media that absence of good governance also results in gender inequality and violation of the rights of Muslim women. This volume also aims to provide the solutions for the empowerment of women in the Islamic world. We assumed that without good governance, the status of women is not likely to improve. Muslim women have the potential to play a fundamental role in curbing corruption, social ills, violence, and crime in the Muslim world. This volume will make the case that in order to achieve stability and prosperity, the government must ensure a platform for women to participate in decision-making and hence benefit from the rights they are accorded in Islam. By covering a range of perspectives on the economic lives of Muslim women around the world, it hopes to shed light on the problems faced and to offer possible solutions to the empowerment of women in the Islamic world.

Islamic banking has seen rapid growth during the last two decades. This is a result of the liberalization of financial regulation, the globalization of financial markets, technological changes, product innovation, the birth of several new Islamic States, and a growing Islamic presence in the West, among other factors. New innovations have allowed economists and religious scholars to bring new products to almost all areas of banking and insurance, products which would previously have been extremely controversial. This book provides a better understanding of the Muslim community around the world of Islamic economics and its importance, especially in these days of financial crisis. The book will also serve as a reference manual for teaching the theory and practice of Islamic banking and Islamic financial innovations around the world. Islamic finance courses at universities are highly important since

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Islamic financial innovations remain very limited, and additional efforts have to be made in this area.

CONTENTS: Islamic Banking -- An Overview; Islamic Banking Can You Afford to Ignore it? ; Islamic Financing Arrangements used in Islamic Banking; Islamic Banking & Finance Shari' a-Compliance & the Reinterpretation of Riba; Banking for the Poor: The Role of Islamic Banking in Microfinance Initiatives; Ethical Money: Financial Growth in the Muslim World; Sri Lanka & the Scope for Islamic Banking; Settlement of Islamic Banking Disputes in Indonesia: Opportunities & Challenges; Islamic Banks in Jordan: Performance & Efficiency Analysis; Funding & Financing in Islamic Banking System; Risk Management: Islamic Financial Policies -- Islamic Banking & its Potential Impact.

Islamic Finance: Instruments and Markets looks at the application of Sharia law to the world of banking and finance. It provides you with an understanding of the rationale behind the instruments and the rapidly developing Islamic financial markets. Coverage includes in-depth analysis of the financial instruments within the Sharia framework and how they are applied in various sectors including insurance, investment and capital markets. Regulatory issues are also discussed both from the role of the Sharia board to reporting financial risk to legal bodies. It addresses issues such as bringing a New Ethical Dimension to Banking through

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to The International Role of Islamic Finance and provides you with a range of checklists from Business Ethics in Islamic Finance to The Role of the Shariah Advisory Board in Islamic Finance and Regulatory and Capital Issues under Shariah Law.

This book is a compilation of papers presented in a thematic workshop on business models in Islamic microfinance, organized by International Islamic University Islamabad, Islamic Research and Training Institute (IRTI), and Agricultural Bank of Sudan. The objective of the workshop was to discuss specific Islamic microfinance business models and best practices, as well as the most advanced experiences at the international level.

The second issue in a new series, Global Financial Development Report 2014 takes a step back and re-examines financial inclusion from the perspective of new global datasets and new evidence. It builds on a critical mass of new research and operational work produced by World Bank Group staff as well as outside researchers and contributors.

Part I, The Contemporary Islamic Finance Landscape, addresses the most current issues surrounding Islamic economic theory and legal thought as well as presents a new level of thinking about a wide variety of other topics in this industry. Part II moves away from theory to highlight examples of how the



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products and structures of this discipline are effectively implemented in the real world. Along the way, you'll gain valuable knowledge regarding: Globalization and Islamic finance; The elements of Islamic wealth management; Sukuk--structures designed to bridge Islamic and conventional capital markets; An Islamic microfinance model and its role in poverty alleviation; Islamic finance in an almost postcrisis world; Shifting Islamic financial structures offshore; Islamic mortgages; Shari'ah-compliant investment in the United States; And much more. This guide is part of International Trade Centre's (ITC) Trade Finance programme, which provides assistance to help small firms in developing countries develop their capacities to link to global markets through exports. It is intended primarily for trade support institutions of developing countries, and owners or finance managers of small firms. The aim is to help these firms decide whether Islamic banking options are feasible for them, and how to use them. This guide intends to help the non-specialist reader understand and use Islamic finance. Part I – Understanding Islamic Finance – covers the key principles and perspectives of Islamic banking relevant to small firms. Part II – Using Islamic Finance – consists of a “how to” guide to use Islamic banking instruments for specific transactions.

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