

Applicability of Islamic Micro-Investment Model in Kano State, Nigeria: Empirical Evidence

¹AliyuDahiru Muhammad (PhD), ²Muhammad ArifZakauallah (PhD)

¹Department of Economics, International Islamic University Malaysia

²International Islamic University Malaysia

Abstract: Islamic microfinance is a new emerging niche area due to the prevailing bottlenecks in the theory and practice of conventional microfinance. The problems become more pronounced in Muslim countries and communities as the religion of Islam prohibits taking and giving interest on loan. Based on that, considerable number of Muslims expressed their concern and triesto avoid violation of the teachings of Islam in their business and economic undertakings;hence, the emergence of Islamic microfinance to tackle the challenges. However, the alternative microfinance was found to be converging with the conventional microfinance. Therefore the current study investigated and developed an Islamic micro-investment model that is less susceptible to the current problems of microfinance. The model has dual advantages of fulfilling the economic needs of the micro-investors at the same time satisfying the religious requirements in complying with sharia principles of finance. The research uses qualitative techniques, specifically experts` interviews to examine the applicability of the proposed model.

Key words: Islamic Microfinance, Micro-Investment Model, Poverty, Nigeria

INTRODUCTION

This research proposes the use of Ijara, Mudaraba and Musharaka contracts integrated together into a single model called Islamic Micro-Investment Model. The model is proposed as another option to the existing micro-financing scheme in the country. Several studies have shown that most of the government funded development finance projects suffered due to the fact that the people consider the proceeds as government's largesse and they are not willing to repay back the loans. This factor together with other corrupt practices brought malfunction to the numerous efforts embarked upon to reduce poverty in the country.

The proposed model intends to be a kind of collaborative venture between parties involved. The model has three stages of implementation. These steps are flexible. Their flexibility makes mobility from one step to another possible. In the first stage, a very poor who may lacks skills and capital participates. The waqf fund could be used to provide skills to the poor. The contract is called Waqf –Ijara contract. The second stage is the Mudaraba contract upon graduations from the first stage and the third stage is Musharakah contract. Each of these contracts has been treated separately as individual entities and later integrated into a single entity. The bonding of participants together in a cooperative manner may induce mutual benefits of parties involvedand that will help to realise the optimum benefits of the model. The platform for implementing the proposed model could be formal, semi-formal or NGOs MFIs that operate on the Islamic principles.

The paper is spread into 6 sections. Section 2 presents theconceptual framework of Islamic Micro-Investment Model. Section 3 consists of the methodology used in the study. Section 4 presents the results and discussions and finally section 5 concludes the paper.

Conceptual Framework:

This section presents the conceptual framework of the IMIM. This comprises of the needs and prospects of the IMIM, Islamic microfinance versus Islamic Micro-Investment Model; as well as the operational structure of the model.

The needs and Prospects of Islamic Micro-Investment Model:

Diverse approach is needed in any effort to fight poverty. A single solution fits all might not be viable. This reality necessitates different options for poverty alleviation programme across nations and times.

The three decades of microfinance development of various types yield little success so far in terms of impact and solving poverty problems (Shetty, 2008). Various impact studies have shown that microfinance impact studies are prone to naïve estimates (Kono and Takahashi, 2010) or there exist mission drifts in the objectives of microfinance by charging excessive interest rate (Karnani, 2007, Karim *et al*, 2008,Adewale, 2006, Gow, 2010). Still others observe that the microfinance is not in line with the culture and belief of Muslims in many countries including Bangladesh where the modern microfinance originates (Demirtuc-Kunt, 2008,

Corresponding Author: AliyuDahiru Muhammad (PhD), Department of Economics, International Islamic University Malaysia
E-mail: alitahir797@yahoo.com

Adewale and Daud, 2010, Muhammad and Hasan, 2009). According to IFSD Forum (2007), in order to address financial exclusiveness of the poor, cultural and religious sensitivities of Muslim societies must be given due attention. That will incorporate large support of poor population in the formal financial systems in Muslim countries and communities.

This development leads to emergence of few Islamic microfinance institutions in some Muslim countries and communities (Karnani, 2007, Karim *et al.*, 2008.). However, the alternative microfinance suffers from the existing framework of high cost of administration, expensive products (El-Karanshawy, 2007) which may not enable it to achieve developmental objective or *maslaha* in the society (El-Minsawi, 2006).

Ahmed (2007) discusses the sustainability of operational issues of a waqf based MFI. The author links Islamic economic objectives and Islamic financial objectives and advocates for Islamic financial sector to include social dimensions in their operations along with commercial objectives. This will be in form of financing the poor to increase their wealth and income through various applicable Islamic financial contracts such as *qardhasan*, meeting basic needs and financing micro-entrepreneurs. He also argues that Islamic finance has been dominated by Islamic banks that choose to go to larger firms just like its conventional counterpart. Despite rigorous discussion on the waqf based microfinance, the author has not developed a practical model that could be implemented.

Central to the challenge of fighting poverty is creating wealth through development of microenterprises (Obaidullah, 2008, p.4). Islamic approach to poverty alleviation is more comprehensive and more rigorous than either minimalist or maximalist approach. Although the maximalists have tried to incorporate non-financial aspects of supporting the poor to exit from poverty but fail to pass an ethical test of Shari'a compliance in business and financial activities for the Muslims poor (Mohammed, 2010).

As regards to the prospect of the model in Nigeria, the model will fit the target community for the following reasons. Firstly, the teeming Muslims population in Nigeria and being the most populous Muslims country in Africa and fourth largest among OIC member countries is the leading factor to realize the model's objectives. This potential creates an opportunity for introducing and implementing micro-investment that tally with Muslim belief system. This potential could also place the country as a hope of Islamic financial product in Sub Saharan Africa. Secondly, exclusion of substantial number of people that require financing may likely create opportunity for Islamic Micro-investment as an alternative source that fully comply with faith and culture of the Muslims. Thirdly, high resistance to interest among the Muslims faithful would pave way to the massive acceptance of Islamic micro-investment model.

Research findings by Frishman (1986) on small scale industries in Kano (1973 & 1980) which is the most Muslims dominated state in Nigeria show high degree of resistance to interest among the small business entrepreneurs. Therefore the demand of Islamic microfinance is high also due to the discountenance of some Muslims to conventional microfinance in Nigeria in protection of their faith.

The importance of distributive justice cannot be underestimated. Qur'an chapter 7 verse 10 stated categorically the importance of justice and benevolence in transactions. Thus, the believers are encouraged to embrace financial activities that promote the *duo*. This injunction can be observed in partnership that shares risks and return such as *Mudaraba*, *Musharaka* etc. Unlike debt financing contracts, partnership contract involves both the commitment of both financier and agent in the outcome delivery thereby enhancing efficiency and productivity.

Similarly, the injunction in the Qur'an chapter 59 verse 7 prohibits wealth concentration among few members of the society. The verse promotes obedience to Allah in all matters including financial transactions. The verse demonstrates that wealth and resources ultimately belongs to Allah and human serves as a custodian. The verse buttresses that wealth and resources must not be concentrated in few hands thus, it must be circulated through businesses and other lawful transactions.

Islamic Microfinance versus Islamic Micro-Investment Model:

Islamic Micro-Investment Model (IMIM) can be defined as a business venture in line with the Shari'ah requirement of finance, intended to cater for the socio-economic needs of the poor in the society. Islamic microfinance is basically a microfinance that employs Islamic financial principles in providing financial services to the poor. It has been developed due to the apprehension of some Muslims in different countries and communities due the belief that conventional microfinance violates Islamic principles of finance. In other words, Islamic microfinance is developed just like the way Islamic banking has developed to overcome the obstacles inherent in the conventional microfinance. Therefore it serves as an alternative to the conventional microfinance.

However, the practice of Islamic microfinance again raises an alarm on the mismatch between the Islamic economics and finance objectives with that of the institutions offering Islamic microfinance. Based on this background, the research felt the need to develop a model that will ensure business success with socio-economic objectives of the Muslims community. The IMIM can be applied by any Islamic microfinance institution that has the dual objectives of attaining profitability and promoting socio-economic welfare of the society. The

IMIM imbibes the spirit and form of Islamic finance. Some scholars argue that the implicit in the laws of Islamic finance (i.e. the spirit of the laws) is an ethical guideline to ensure that some or all of its funds for investment are used to redistribute wealth in the society at profitable level such as through microfinance (Farook, 2007, p.31-32). This can be achieved by applying a scheme that has the dual objectives of the members of the society as stated earlier.

Similarly, the name of the model “Islamic Micro-Investment Model” gives different positive impressions and creates avenues for applying the marginalized and under-applied Islamic financial contracts particularly genuine partnership despite its potential benefits. Abdul Rahim (2010) for instance, advocates that profit and loss sharing scheme has the potential to reduce inequitable distribution of wealth and income as well as ensure optimal allocation of resources compared to the interest based arrangement.

The IMIM proposed will overcome some of the major challenges of Islamic Microfinance such as cost of capital, human resource need and above all poverty alleviation by targeting different segments of the society. This can be achieved by mobilising the latent resources specifically waqf of different types including cash waqf. Thus, the model could be described as what Haneef (2011) coined as ‘ethically superior’ by incorporating waqf in it since waqf is voluntary unlike zakat which is obligatory.

In a nutshell, theoretically, Islamic microfinance should serve the same purpose with Islamic Micro-Investment Model while practically adopting IMIM gives more economic and social benefit than the current dominated debt and murabaha-centric in Islamic microfinance.

Structure of Islamic Micro-Investment Model (IMIM):

Figure 1 below shows the schematic presentation of the model called Islamic Micro-Investment Model (IMIM). The presentation order indicates input, process and output.

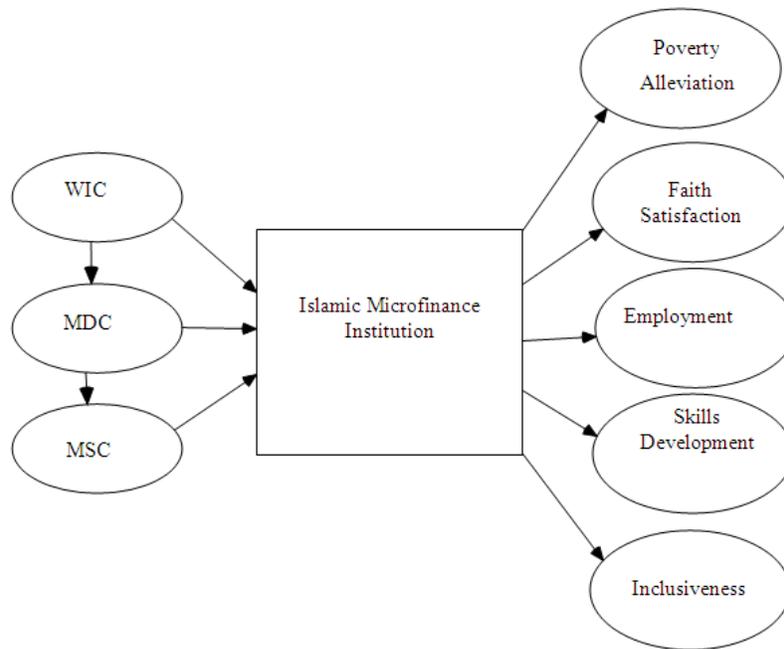


Fig. 1: Islamic Micro-Investment Model (IMIM)

Source: Authors:

Figure 1 depicts the 3-stage model developed from the combinations of different contracts. These contracts, Waqf-Ijara Contract (WIC), Mudaraba Contract (MDC) and Musharaka Contract (MSC) serve as building blocks of the model. In the first stage the micro-investor would be given training from the waqf fund and capital would be provided in form of Ijara. If the micro-investor possesses the skills to start with mudaraba contract he/she would be considered so also musharaka. This depends on the assessment by the Islamic microfinance institution. The output of the model implementation is expected to significantly impact on the income of the poor; provide faith satisfaction to investors, operators and clients. Additionally, employment, skills development and enhancement as well as inclusiveness are expected to be realized.

Data and Methodology:

Data from this research is collected through structured interview from 7 respondents and were analysed thematically. Data analysis in qualitative research is defined as the process of systematically searching and arranging the interview transcripts, observations notes, or other non-textual materials that the researcher accumulates to increase the understanding of the phenomenon (Sekaran and Bougie, 2010). The process of analyzing qualitative data predominantly involves coding or categorizing the data. Basically, it involves making sense of huge amounts of data by reducing the volume of raw information, assigning them into categories, followed by identifying significant patterns, and finally drawing meaning from data and subsequently building a logical chain of evidence (Sekaran and Bougie, 2010).

According to Miles and Huberman (1994) there are generally three steps in qualitative data analysis: data reduction, data display and the drawing conclusions. Phenomenal data reduction, according to Ueda & Sakugawa (2009, p.57) was the method used to reveal the essential meaning of the statements. In the words of these authors "phenomenon means participants individual "experience" and essence means "the participant's genuine meaning" of the experience."

Following the previous researchers, this research addresses one central research question. That is, what is the suitability and applicability of Islamic micro-investment model? The question is then divided into sub-questions and the responses generated were considered as themes of the research findings with respect to each of the questions. The research uses phenomenological method of inquiry to establish comprehensive understanding of the phenomenon under inquiry. The method helped us to derive general meanings from specific experiences of the interviewed persons (Moustakas, 1994). The respondents were asked the questions on the subject matter and their individual responses were coded and analyzed simultaneously to generate themes and sub-themes relevant to the issues raised. Therefore, the study findings were derived from the statements made by the experts.

The data used in this study is primary data gathered through survey. The research adopted semi-structured interview. Themes emerge from the research respondents interviewed. The themes were generated based on responses and viewpoints aimed at providing holistic view of the proposed model. The themes comprise of modern innovation to alleviate poverty; ethical consideration of Islamic microfinance; Musharaka, mudaraba, ijarahetc; suitability and sustainability of the proposed model; prospect for growth; community, government and NGO as platforms as well as the need for awareness.

Population and Sampling Techniques:

Seven experts were interviewed in the research between January, 2011-March 2011. These experts comprised of three government officials from Sharia Implementation, Zakat and Waqf and pilgrimage Boards respectively. One expert come from Central Bank of Nigeria (CBN) and the remaining three were private consultant, academician and a *fiqh* scholar respectively. All the interviewed were recorded and transcribed for analysis. On average, each session lasted 30-45 minutes.

The researcher uses purposive sampling technique to draw the respondents based on their expertise and relevance to the research focus. Initially, some earlier contacts were made to solicit for their willingness to participate in the research. Upon their approval, appropriate time and venue were determined by the interviewee and the researcher followed up for the interview sessions.

Study Area:

The study focuses on Kano State Nigeria. The state is the second commercial Centre and termed 'Centre of Commerce' in the country. The state comprises various ethnic groups that engage in different economic activities in the state. Recent data reveals that the state has the highest number of informal sector services with 1, 590 669 person (NBS, 2010). Kano state Government classifies these small businesses into 16 specialised markets pursuing different specialization of economic activities such as carpentry, food, groceries, vegetables, meat, handcrafts and appliances markets.

RESULT AND DISCUSSIONS

The result of the survey reveals some important findings that bring about many other pertinent issues for theoretical and practical consideration. It also gives light on other important issues to be addressed in future researches. In this section we discuss some of the findings based on themes generated. The *first theme* that emerges is Microfinance as an innovative mechanism of fighting poverty. Majority of the respondent (more than 50 percent) believe that microfinance is needed and is a right intervention strategy for fighting poverty. The response above and the poverty level indicated in demographic profile of the respondents depicts the need for Islamic micro-investment model intervention as a reliable invention strategy that is proposed based on the belief and culture of the respondents. Similarly, the model's mechanism is to incorporate skills of the poor that will be harnessed and supported appropriately in order to alleviate the menace of poverty. Presently, the size of

supply fails to commensurate with the demand, thus this may have implication on the microfinance suppliers such as private, government and NGOs since at the moment the size of microfinance demand met is very low. According to Anyanwu (2004) it is below 1 percent of the total credit needed in the economy.

Although the respondents have supported microfinance innovations, but it seems there is a fear of failure due to previous experiences of microfinance programmes in particular and poverty eradication strategies embarked by the successive political and military administrations in the past. The issue rose by the respondent regarding the failure particularly government based microfinance include mismanagement, ignorance of the people and interest charge on loans. The Islamic micro-investment model was developed with unique feature that makes it distinct from other previous efforts in such a way that it tries to minimize greatly the shortcomings with such efforts embarked upon.

The developed model has clearly addressed the ethical issue associated with existing conventional microfinance which is the *second themes* generated. The ethical issue is what makes IMIM different from other efforts. The model has taken care of the belief and culture of the people which is one of the most contentious issues among the Muslim's community. The consistency of the ethical aspect with belief and culture influence the outcome of intention which serves as strong indicator for acceptability of the model among the community members. The compliance of the Islamic micro-investment model with Islamic financial principles has made it to dissociate itself with anything that involves interest, uncertainty, gambling, speculation etc. These prohibited elements lock economic resources from being productively utilized. On the other hand, the model promotes ventures, trade and partnership, mutual cooperation and development of micro-enterprises. Azid, Asutay and Burki (2007) advocate that integrating the ethical cum economic dimensions will enhance the efficiency level of the economy and increase social welfare services. In a nutshell, Islamic micro-investment model will get acceptance in predominant Muslim communities as a means of fighting poverty as a result of its compliance with Islamic financial principles.

The *third theme* is the applicability of the basic Islamic financial contracts such as ijarah, Musharaka and mudaraba. The IMIM model was found impressive by the respondents as it satisfies the cultural belief system due its composition of these Islamic contracts. According to the popular view, the fundamental Islamic financial contracts such as Musharakah, Mudarabah, Ijarahetc are found applicable depending on the sector or party involved. For instance, in agriculture, the contract could be called Muzara`a where the capital provider and the farmer agree to share the proceeds based on pre-agreed ratio. Saad (2011) found that these Islamic financial contracts are applicable to finance different economic activities in Malaysia.

Despite this provision, some studies caution the use of some of these contracts in microfinance given its small nature of capital. Ahmed (2007) opined that contracts like murabaha and ijraha are more appropriate where information asymmetric exist. Ledgerwood (1999) advocates that stringent conditions in the microfinance are due to unobserved nature of the effort of the agent, and these conditions could have been softened or removed if it is become observable. For the practitioners, one can argue for context based and case by case applications of contracts.

The *fourth theme* addresses the structure of the model. The structure of the model has satisfied the experts' views. The model based the experience of the respondent considers ways of channeling the resources appropriately. It is in line with that the model suggest mode of screening the thereby exploring the relevant potential and skills of the client before intervention is made. This assessment constitutes another important stage which has not been captured in all previous efforts and it is aimed at reaching congruence between individual skills and the business environment. Chapra (1992) maintains there must be a filtering mechanism in the system of Islamic economics and finance to complement the market system (Chapra, 2011, p. 29). This should also be done with caution to avoid deriving out right clients. According to Usmani (1999, p. 78) Islamic financial institutions are not just commercial institutions but they are also duty bound to promote the system since they are built on a certain philosophy. Therefore applying partnerships arrangement atleast on a selective basis before it evolve and clear out any form of dishonesty. According to him, this will set precedents in the market and induce other IFIs to follow the suit.

The *fifth theme* that emerges is sustainability of microfinance via waqf. It is very clear that the source of capital for whatever microfinance sometimes presents a problem in achieving objective of an initiative. Islamic micro-investment model has incorporated waqf to subsidize the microfinance particularly in form of training. IMIM will serve a counter initiative to conventional microfinance that considers the cost of capital irrespective of the sources of funds whether from commercial financial institutions or from deposits of the participants; interest rate must still be paid. According to the practice, poor are seen as more risky because they do not have credit record and the required collateral in case of default, thus, their interest rate tends to be higher (Ledgerwood, 1999). The situation becomes more complicated when the administrative cost are taken into considerations. Introducing waqf in the Islamic micro-investment will reduce substantially the cost of capital on the supply side and increase the human capital development through training on the demand side.

The *sixth theme* deals with prospects for growth and IMIM model was developed to bring prospects to the businesses of the micro entrepreneurs as it takes into consideration the potentials micro entrepreneurs. The

model stresses the skills and potentials irrespective of gender. The model has wider scope that carries along family, individuals and group. The wider scope integrates other segment of population such as widows. Results of experiments show that women are generally good partners as far as micro-financing is concerned as there were found to be trustworthy in case of Zakat & Hubs house in Kano State. The Zakat house has given out a small amount of 5000 (\$33) Naira to women as a capital for business and after a while the woman beneficiary has the amount multiplied in manifolds through their investment and savings.

The *seventh themes* deals with platform through the model could be implemented. With regard to the platform, divergent views have been provided. Some of the respondents were of the view that Islamic Institutions/NGOs should be used, others support the idea of leaving it open to any institution willing and able to operate microfinance. In that way, the outreach of the poor could be enhanced by having many potential institutions willing and able to implement it including government and private based microfinance institutions.

The platform of implementing IMIM, although is very important but, the key aspect is to provide avenue where there will be full compliance of the model's provisions. This finding is consistent with the recommendations of the International Conference on Financing for Development (ICFD, 2002) which stated that "development banks, commercial banks and other financial institutions whether independently or in cooperation, can be effective instrument for facilitating access to finance, including equity financing, for such enterprises".

In the *eighth theme* the consensus that emerged among the respondents is the awareness problem that may likely serve as one of the major challenges that could face the proposed model. It is discovered that several good initiatives and programmes got set back due to inadequate awareness among the people. In fact, it is a common belief that southern part of Nigeria tends to benefit more than the northern part as far as initiatives are concerned, simply due to the issue of awareness which has to do with formal education, training, enlightenment, public campaign and role of media. These media have been more readily available in the south than its counterpart north.

The task of making the model more public should be a priority during implementation in order to bring more beneficiaries. Massive awareness campaign in places of gatherings such as mosques, public talks, seminars and workshop could be helpful in this direction. The element of awareness will constitute different dimensions of the model such as socio-economic advantages, religious implications and marketing aspects among others.

This section provides the precise summary of major findings obtained from the qualitative aspects of the study.

Table 1: Summary of the Major Research Findings

Themes	Title of the theme	Number of Respondents supported	Percentage Support
1	Modern innovation to alleviate poverty	4	57
2	Ethical consideration of Islamic Microfinance	6	86
3	Musharakah/Mudharabah, Ijaraahetc	4	80
4	Suitability of the Proposed Model	6	100
5	Sustainability and suitability via Waqf	4	100
6	Prospect for Growth	5	100
7	Community/Government platform/NGOs	3	50
8	Awareness need	4	67

The proposed IMIM Model was developed based on Theory of Reasoned Action (TRA) and expert interview, the result of which indicates acceptability and applicability of the model. Therefore, the model imbibes the spirit/ethical and material aspects of Islamic finance for micro and small entrepreneurs. The outcome of the model would be significant in poverty reduction, faith satisfaction, employment generation, inclusiveness of different categories of people and capital growth for the micro-investors in particular and the society at large.

The application of the model could be more effective when massive awareness campaign is embarked upon through media in order create public knowledge and motivate participations as the public has already indicated intention to use the Model. Government and other major relevant stakeholders should play the role of creating the awareness for the common goal of fighting poverty.

Islamic Development Bank (IDB), Consultative Group to Assist Poor (CGAP), ethical investors and other similar agencies that fight poverty could invest in applying the model to make it a success. Supporting and promoting the IMIM among the populace and other stake holders is critical especially at the initial stage. Similarly, Awqaf foundations both nationally and internationally should champion the course of the implementation of the model. This will help them also to achieve their objectives in the society.

With regard to the users of the IMIM, it is of practical importance to assess the clients based on certain criteria to ensure they are genuine users and not opportunists as in the case of previous government based programs. The issue of trust and transparency of the clients will enhance overall performance of the model thus; any intervention to influence the attitude of the potential clients will be relevant. Such interventions could be in

form of moral and spiritual training, education about consequences of any action, legal measures as in the case of clear fraud by the clients or any party involved.

Conclusions:

The study investigated the challenges of conventional microfinance in Nigeria and developed an integrated Islamic Micro-investment Model (IMIM) that has the unique feature of fighting poverty and concurrently overcoming the main obstacles of the conventional microfinance in Nigeria. The new IMIM model uses the fundamental contracts of ijara, mudaraba and musharaka with the support of waqf to reduce the cost of capital. The model has the potential of not only fighting poverty, but providing employment opportunities, mobilizing resources, ensuring inclusiveness, achieving public interest (maslaha) as well as promotes social harmony in the society.

Nigeria is a country whereby a sizable number of poor below poverty line engage in microenterprises. This IMIM developed in this study is an opportunity for Islamic micro-investors and other stakeholders to utilize and reap benefit for the investment and for the overall society. Employment is likely to increase, poverty will decrease, capital will be accumulated through saving by the micro-entrepreneurs, and above all there will be faith satisfaction in the process. Neither the investor nor the micro-entrepreneur violates Islamic prohibitions of dealing with interest, and with this credit, the business is likely to be blessed by Allah (S.W.T).

Findings from qualitative data indicate that Islamic Micro-investment Model is applicable in Kano State, Nigeria and has tremendous benefits for the micro-investors in particular and the society at large. It should be noted that, piloting the IMIM will assist in perfecting the model.

However, it is a challenge for future research to look into the concept of 'amana' (trust) in Islamic economics and finance whether it could improve the performance of the agent, thus making some strict trust based contracts easy to apply.

REFERENCES

- Abdul Rahim Abdul Rahman, 2010. Islamic microfinance: an ethical alternative to poverty alleviation *Humanomics.*, 26(4): 284-295.
- Adewale, A.A., 2006. "Poverty alleviation through provision of Islamic microcredit: A Case Study of Selected Muslim Owned Micro Enterprises in Ilorin, Nigeria.
- Adewale, A. & M. Daud, 2010. Microfinance, sustainable development and poverty alleviation in Nigeria: Proposal for a Maqasid ash-Shari'ah Based (MSB) Model. A paper presented at the Second International Workshop in Islamic Economics Theory: Islamic Micro-finance towards Global poverty alleviation and sustainable development
- Ahmed, H., 2007. *Waqf*-Based microfinance: Realizing the social role of Islamic finance. A paper written for the International Seminar on "Integrating *Awqaf* in the Islamic Financial Sector" Singapore.
- Anyanwu, C.M., 2004. Microfinance Institutions in Nigeria: Policy, Practice and Potentials, Paper Presented at the G24 Workshop on "Constraints to Growth in Sub Saharan Africa," Pretoria, South Africa, by the Deputy Director Central Bank of Nigeria,
- Azid, T., M. Asutay and M. Burki, 2007. Theory of Firm, Management and stakeholders: An Islamic Perspective. *Islamic Economic studies*, 15(1).
- Chapra, M.U., 1992. *Islam and the Economic Challenge*, Islamic Foundation, Leicestershire.
- Demirkuc-Kunt, A., T. Beck, & P. Honohan, 2008. *Finance for All? Policies and Pitfalls in Expanding Access*, a World Bank Policy Research Report, the World Bank, Washington D.C
- El-Karansahawy, H., 2007. *Finance Plus : A Model for the Activation of Micro and Medium Finance*, a paper Presented at the first International conference on Inclusive Islamic Finance, Brunei, pp: 14.
- El-Mesawi, M.E., 2006. *IbnAshur Treatise on Maqasid al-Shari'a*, Translated from Arabic to English, IIIT, UK
- Farook, Sayd, 2007 *On Corporate Social Responsibility of Islamic Financial Institutions*. *Islamic Economic studies*, 15: 1.
- Frishman, A., 1986. "The impact of Islam on the urban structure and economy of Kano, Nigeria", *Journal of Muslim minority affairs*, 7 (2), Routledge, UK.
- Gow, K.M., 2010. (nd). Microfinance as a component of sustainable economic development in Asia. *Studies in Urban Sustainability and Project Management* retrieved at <http://eprints.qut.edu.au/archive/00000221/01/gow.pdf> on 12.12.2010
- Mohamed, A. Haneef, 2011. *Waqf and Education: Selected Issues in Malaysia*, a paper presented at *Waqf and Education Symposium*, 27-28, March, Dubai
- Karim, N., M. Tarazi, & X. Reille, 2008. *Islamic Microfinance: An Emerging Market Niche*. Focus Note No 49. CGAP

- Karnani, A., 2007. Microfinance misses its mark. Stanford Social Innovation Review Summer
- Kono, H. & K. Takahashi, 2010. Microfinance revolution: Its effects, innovations, and challenges” The Developing Economies, Special Issue,-The Role of Microfinance in Rural Finance: Evidence from India and Indonesia, 48(1)
- Ledgerwood, J., 1999. Microfinance handbook: an institutional and financial perspective. Washington D. C.: The World Bank
- Muhammad, A.D., 2010. Developing an Islamic Micro-Investment Model (IMIM) as an alternative to Conventional Microfinance (CM) in Nigeria. Second Langkawi International Conference on Islamic Finance and Economics: “Sustainable Development in Muslim Countries: Economic Policies in the Light of Maqasid al-Shari`ah
- Muhammad, A.D. & Z. Hassan, 2009. Microfinance in Nigeria and the prospects of introducing an Islamic Version in the Light of Selected Muslim Countries` Experience, *Review of Islamic Economics*, 13(1): 155-174.
- Muhammad, A., M. Arif, M. Aslam and M. Omar, 2011. Developing an Islamic Micro-Investment Model to Alleviate Poverty in Nigeria, Being a paper to be presented at 1st West Africa Islamic Investment Forum, Kano, Nigeria
- Moustakas, Clark, 1994. Phenomenological Research Methods, Sage Publications, Thousand Oaks California.
- Miles, M and A. Huberman, 1994. Qualitative data analysis (2nd edition). Thousand Oaks, C.A: Sage
- Moustakas, C., 1994. Phenomenological research methods. Thousand Oakes, CA: Sage Publications.
- NBS, 2010. Household & Micro enterprise (Informal Sector): National Manpower stock and employment generation survey.
- Obaidullah, M., 2008. Introduction to Islamic microfinance, IBF Education and Charitable Trust, India
- Saad, N., 2011. Microfinance and the prospects for Islamic microfinance products: The case of AmanahIkhtiar Malaysia. *Advances in Asian Social Science*, 1(1), March
- Sekaran, U. and R. Bougie, 2010. Research Methods for Business: A skill building approach, 5th edition, Wiley
- Usman, M.T., 2005. *An introduction to Islamic finance*. New Delhi, India
- Shetty, N.K., 2008. Microfinance for Micro Enterprise Development: An Inquiry for a New Paradigm. *The Journal of Financial Economics* (1)
- Ueda, Kayoko, 2009. Using Phenomenology to Study How Junior and Senior High School Students in Japan Perceive Their Volunteer Efforts, *International Journal of Qualitative Methods* 8(2)