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The influence of faith on Islamic microfinance programmes

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Islamic Relief is dedicated to alleviating the poverty and suffering of the world's poorest people.

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Introduction

Although the number of Islamic microfinance initiatives remains limited, less than 1% of total global microfinance outreach (Karim et al 2008:1), there is for a number of reasons increasing interest in developing microfinance programmes based on Islamic financing principles. Firstly, it is apparent that a significant proportion of Muslims refrain from using interest based microfinance services for fear of breaching their religious beliefs (*ibid*). Indeed, it is likely that even less religiously observant Muslims who currently use interest based microfinance may prefer *Shari'ah* - compliant microfinance if available. Secondly, some, particularly Muslim faith based, microfinance providers are striving to abide by the wishes of their donors, many of whom want to ensure that their funds are only utilised in a *halal* or permitted manner. Finally, many programme staff are motivated by their faith to develop *Shari'ah*-compliant microfinance alternatives.

Since Islamic microfinance is a new area, and because the outreach of such programmes has so far been limited, relatively little research has been conducted on their impact. This paper examines one such programme that is being implemented in Kosovo under the auspices of Islamic Relief and explores a number of related questions: Does an association with faith make Islamic microfinance programmes more or less effective? Can faith-based microfinance providers reduce problems of moral hazard and adverse selection, and as a result encourage higher repayment? Are programme staff more motivated? This investigation explores these and other issues by interviewing both borrowers and programme staff. Interviews were conducted over a two month period in July and August 2009 with a total of 170 current borrowers (43 of whom were women), 10 microfinance programme staff as well as local community and religious leaders. However, before discussing the details of the study, this analysis begins by briefly describing the Islamic financing principles that govern the structure and operations of *Shari'ah*-compliant microfinance programmes as well as the principal financing methodologies employed.

The core principles of Islamic finance

There are a number of key principles in *Shari'ah*, or the body of Islamic law, relevant to finance and commercial transactions that distinguish Islamic finance from conventional finance. The most notable difference from conventional microfinance programmes is the prohibition in Islamic microfinance against *riba*. While there are subtle differences of interpretation, the consensus amongst Islamic scholars is that *riba* includes *all* forms of interest and is *haram* or prohibited under Islamic law. Interest is believed to be an unjust instrument of financing that exploits the “misfortunes” of others and reinforces the tendency for wealth to accumulate in the hands of the few (Akacem and Gilliam 2002: 125). The *Qur'an* clearly condemns the practice of *riba*: “O you who believe! Fear Allah, and give up what remains of your demand for *riba*, if you are indeed believers; If you do not, take notice of war from Allah” (2: 278-90). Islamic microfinance programmes cannot therefore imitate conventional microfinance programmes and are obliged to provide finance without charging interest. However, this condition does not imply that capital is free of charge, that it should be made available without any cost, or that there should be absolutely no return on capital. Rather, a return on capital is allowed, provided that capital participates in the productive process and is exposed to business risk.

The core belief in Islamic finance is that *money is not an earning asset in and of itself*. Importantly, risk must be present in the commercial or productive venture, and transactions should be directly or indirectly linked to tangible economic activity and not financial speculation and excessive uncertainty. Furthermore, the product bought or sold must be clear to both parties and only socially

productive activities that are not exploitative and socially or morally harmful should be funded. Selling what one does not own is impermissible, and financial risk must lie solely with the lenders of capital and not with the manager or agents who work with the capital.

Islamic financing techniques

Islamic financial institutions have developed several financing techniques that are applicable according to the nature of the commodity or business and finance period of the project. The principal financing techniques, *murabaha*, *mudaraba*, *musharaka*, and *ijarah*, are described briefly in this section

The first technique, *murabaha*, is the most popular and widely used Islamic financing instrument. *Murabaha* involves the resale of a commodity after the lender adds a specific profit margin (often referred to as the ‘mark-up’), which is paid by the borrower who agrees to buy that commodity. Usually, repayment is made in instalments to the financier, who pays the price to the original supplier of the commodity. This type of finance is commonly used for financing assets or working capital inputs, such as raw materials, machinery or equipment. For *murabaha* to be *Shari’ah*-compliant the financier must own (or procure) the commodity first and then resell it, the commodity should be a tangible one, and the buyer must know and then agree to the purchase and resale prices.

Under *mudaraba*, a second type of contract, two parties are involved – the financier, who provides all the money, and the entrepreneur who uses his or her skill to invest the money in an attractive business venture. The profit from the *mudaraba* contract is shared by the financier and the entrepreneur according to a pre-determined ratio. Importantly, profit-sharing rates are a percentage of the profit and not a lump sum payment. In the case of a loss, providing it has incurred in the normal process of business and not due to neglect or misconduct by the entrepreneur, the financier loses all his or her money, while the entrepreneur merely loses his or her time and effort.

Musharaka, a third financing instrument, means partnership in Arabic and can be understood as an equity participation contract. Both parties provide capital and are involved in the management of the funded venture. Profits are shared between each partner according to the ratio of his or her investment. If the venture suffers a loss, each partner loses according to this same ratio. Neither *mudaraba* nor *musharaka* are popular mechanisms in the context of microfinance as the thorough reporting and transparency requirements surrounding the just distribution of any profit or loss can result in substantial operating burdens and costs on small businesses which are generally unaccustomed to formal accounting and reporting.

Ijarah, a fourth primary finance instrument, is similar to leasing. Under this arrangement, an entrepreneur short of funds approaches a financier to fund the purchase of a productive asset. The financier may buy the productive asset and rent it out to the entrepreneur. The financier retains ownership of the asset and is responsible for its maintenance. Importantly, and like any other contract, an *ijarah* contract must fulfil all of the conditions of a valid contract stipulated by the *Shari’ah*. Thus, the contract should be clear, should be by mutual agreement, the responsibilities and benefits of both parties should be clearly detailed and the agreement should be for a known period and price.

While the four Islamic financing techniques described above are perhaps the most frequently employed, the *Qur'an* clearly encourages Muslims to provide *qard hasan* or benevolent loans to “those who need them.” It states, “Who is he that will give Allah *qard al hasan*? For Allah will increase it manifold to his credit” (57:11). Some Islamic lenders only provide *qard hasan* loans to those who are existing clients, while others restrict such loans to weak or needy persons. Other lending institutions also extend this service to include small producers, farmers or small entrepreneurs (that is, the usual target groups of most microfinance programmes) who are unable to receive finance from other formal financial intermediaries. With such loans, the borrower need only repay the principal, although certain scholars allow the lender to cover the administrative costs incurred in disbursing the loan as well. The service charges are not profit; they are actual costs incurred through office rent and salaries, for example.

Finally, it is worth emphasising that Islam does not prescribe specific forms of financing; rather it sets some broad principles that can accommodate various forms and procedures. New forms of financing can be acceptable to *Shari'ah* providing they do not violate basic principles laid down by the *Qur'an*, the *Sunnah* (the practice and traditions of the Prophet Muhammad, peace be upon him), and the consensus of Muslim jurists. It is also worth noting that Islamic teachings encourage borrowers to behave in a similarly principled manner. Providing debts have been incurred responsibly then prompt and full repayment is important. The Prophet Muhammad (peace upon him) said, “The best among you are those best in paying off debt” (reported by Sahih Muslim) and “Procrastination (delay) in repaying debts by a wealthy person is injustice” (reported by Sahih Bukhari). Furthermore, “Whoever contracts a debt intending to repay it, Allah will repay it on his behalf, and whoever contracts a debt intending to waste it, Allah will bring him to ruin” (reported by Sahih Bukhari).

Development of Islamic Relief's microfinance programme in Kosovo

Islamic Relief is a British international non-governmental organisation with emergency relief and long-term development programmes across a range of sectors in more than 25 countries in Africa, Asia, Eastern Europe and the Middle East. It has generally initiated individual country operations by providing humanitarian assistance to populations affected by natural disasters or conflicts. Usually this has been followed by longer-term development programmes and these sometimes include the provision of microfinance. During the last decade it has established, with varying degrees of success, several relatively small Islamic microfinance programmes in countries as diverse as Bosnia & Herzegovina, Kosovo, Pakistan, Palestine, Bangladesh, Sudan, Malawi and Kenya utilising some of the financing techniques previously described.

Islamic Relief began working in Kosovo in 1999 and initially focused on providing relief and emergency assistance during the Kosovo conflict. With the cessation of open hostilities the focus moved to the repair and reconstruction of war damaged infrastructure including houses, schools and clinics. In early 2002, it decided to focus on creating income and employment generation opportunities through the promotion of a microfinance programme. In order to do this Islamic Relief established a locally registered microfinance institution called START in compliance with local microfinance regulations. Although Islamic Relief still promotes child welfare and health projects, the primary focus of the organisation, through START for the last eight years has been providing small loans to microentrepreneurs.

Direct lending began in April 2002 and was initially restricted to the municipality of Skenderaj in north-central Kosovo. In subsequent years, START expanded to provide loans in the neighbouring municipalities of Drenas, Malisheva, and Vushtrri. During 2007, loans were provided further afield in the areas surrounding the cities of Prishtina, Peja, Prizren and particularly Mitrovica. All loans are given on an individual basis. 'Business' loans are typically provided for small-scale commerce and agricultural production usually to those with existing businesses although in recent years loans are also provided to those wishing to initiate new business ventures. These tend to be family owned and operated enterprises and constitute a little less than two-thirds of all loans. The remaining one-third, termed 'housing' loans, are given for the repair and reconstruction of houses. In the early years of the programme, such loans were used to repair damage to housing caused during the Kosovo conflict while now in general these loans are utilised for home improvement – often to increase the available housing space through the construction of extra rooms.

Until recently, all loans were categorised as *qard hasan*. That is, loans are given in cash and Islamic Relief charges a standard administrative fee, which was 60 euros at the time this research was being conducted, to cover actual expenses it incurs for business and housing loans over 12 months and 30 euros specifically for loans for widows that are provided over a period of 24 months. However, START is planning to provide *murabaha* loans and even offer savings facilities for those intending to undertake the *Hajj*, or pilgrimage to Mecca in Saudi Arabia. All borrowers require two guarantors and, since January 2007, an item of movable collateral (such as a vehicle) is also required.

Approximately 23% of the total number of loans have been given to women and although loans are not distributed on the basis of religion, the majority of borrowers are in fact Albanian Muslims. However, there are also a few borrowers, although no more than 1%, who are ethnic Serb, Bosnian, Roma and even Croat. This in part reflects the ethnic composition of Kosovo's population, the overwhelming majority of whom (88%) are ethnic Albanians, while 7% are Serbs and the remainder ethnic Bosnians, Turks or Roma. Of the Albanians, just 3% are Catholics while the rest are Muslims. The Serbs are Orthodox Christians. The slightly disproportional number of Albanian Muslim borrowers is likely to be accounted for by the location of START's operations, particularly their initial operations which were concentrated among overwhelmingly Muslim communities. Furthermore, many Serbs in Kosovo do not recognise the newly independent state and therefore do not hold the legal documents required to obtain a loan from START.

In 2008 there were 16 microfinance institutions operating in Kosovo granting 50,127 loans with a value of 93.6 million euros (Central Bank of Kosovo, 2009). These institutions were, like START, usually established by international NGOs in the period following the Kosovo conflict. This represents 7.3% of the total loans provided by the formal financial sector in Kosovo. However, START is the only financial intermediary in Kosovo that adheres to Islamic financing principles.

As of the end of December 2009 START had provided 7,333 loans with the average loan size being 1,080 euros, much less than the average for all microfinance institutions, which is approximately 1,867 euros. This perhaps is an indication that the programme is succeeding in its stated aim of targeting 'poorer' borrowers, as the relatively low loan size would make such loans unattractive to many 'richer' borrowers. The programme employs 12 full-time staff, all of whom are Albanian Muslims. The repayment rate has consistently been very high at around 97% since the programme's inception; this is higher than other microfinance providers in Kosovo, which anecdotal evidence suggests average around 90%. START is not yet financially self-sustainable, although it does

manage to cover approximately two-thirds of its own operating costs and receives a subsidy from Islamic Relief for any shortfall. This proportion has been increasing since START's inception, and the organisation hopes to be fully financially self-sustainable in the next 3-5 years.

Results

The aim of the research was to understand the influence of religious orientation on the performance of microfinance programmes, something which to date has received very little attention. In order to address this issue borrowers were asked a series of questions. These covered the availability of loans from other organisations at the time of taking their loan from START, their reasons for choosing a loan from START, whether they would still seek a *Shari'ah*-compliant loan from START if it was more expensive than interest-based loans elsewhere and their motivations to repay the loan. Two further questions touched specifically on the faith aspect; the first asked borrowers if the fact that START provides *Shari'ah* compliant loans was an important factor in their decision to take a loan from START and the second asked if START's identity as a faith based organisation had any impact on their motivation to repay.

Several factors should be taken into consideration in the analysis of the data. Firstly, faith itself is difficult to measure as it is very much determined and defined by the individual. As well, the fact that some of the questions asked by the researchers raised the issue of faith directly and may have influenced the responses of the borrowers must also be considered. Furthermore, the performance of a microfinance programme depends on a variety of factors, including the context in which it is operating. Therefore, while we can shed light on the ways in which faith may affect the performance of microfinance programmes, we cannot suggest that it will override other influences or be sure that the impact that faith has had on START's microfinance activities in Kosovo will be replicated elsewhere. Further limitations derive from the source of the questioning. Since the research was undertaken by Islamic Relief staff we must take into account that borrowers may have been inclined to exaggerate their positive impressions of START and its staff and the importance of religion, out of courtesy and to protect their own interests. While the responses of borrowers will be reported as they were received, the analysis will also try to take into account these limitations.

The results of this survey indicate that a significant proportion of borrowers seek loans from START for religious reasons. In fact, 38% of borrowers interviewed said they had chosen to take a loan from START primarily because it is compliant with their religious beliefs, with more than half of all those interviewed, 55% to be precise, stating that the Islamic nature of the loans had been a very important factor in their decision.

Local staff, however, suggested that some borrowers may have been inclined to exaggerate the importance of religion and in fact applied for a START loan for financial rather than religious reasons. They did concede, however, that a sizeable minority will *only* take *Shari'ah*-compliant loans and that this number is increasing as people become aware that such loans are available. Anecdotal evidence suggests that the number of practising Muslims in Kosovo is still relatively small but increasing as people are more willing to openly embrace the culture and traditions of their past in the newly independent state. Furthermore, several beneficiaries mentioned that they had previously taken interest-based loans for lack of an alternative but that they would only be taking *Shari'ah*-compliant loans in future now that they were available.

It is common for borrowers to simultaneously hold loans from several microfinance providers, particularly when microfinance organisations provide relatively small loan amounts that are insufficient to cover all of their needs, and indeed switch between organisations according to the cost of obtaining service. However, when asked if they would go elsewhere if the loans that START provided became more expensive than interest-based alternatives, only 30% replied that they would and of those who said they would remain with START a significant number attributed their response to their religious beliefs. Obviously, the presence of Islamic Relief and START staff must be taken into account when considering this professed loyalty. However, his finding was also supported by the head of the Association of Microfinance Institutions in Kosovo (AMIK) who felt that ‘many’ people were unwilling to access interest-based financial services because of their religious beliefs (personal communication 3 July 2009).

All of the borrowers interviewed recognised that START’s microfinance programme was designed to conform to Islamic financing principles, which is something explained to them during the application process. Borrowers also recognise that START is in fact part of Islamic Relief – indeed START and Islamic Relief share the same office building. Islamic Relief’s obvious Muslim image, derived from both its name and logo (a mosque with two minarets) reinforces the impression among borrowers that the funds provided have come from other Muslims. When asked whether START’s faith-based identity influenced the behaviour of borrowers towards the organisation, staff said that the majority of borrowers behave as they would with a non-faith-based organisation. However, some did feel that borrowers, regardless of whether or not they are religious themselves, thought highly of START and their staff because of their religious identity and this had a positive influence on the relationship between borrowers and staff. One staff member said that:

“People respect religious people and imams even if they are not practising Muslims themselves, this would be the same reaction to any religious people, not just Muslims...There never used to be any religious institutions, people only heard about religion in the mosque, people did not expect official people to be religious. When they come across START as a religious organisation it is very interesting and unusual. This definitely makes the relationship stronger and makes borrowers respect the organisation more.”

In line with Islamic teachings START does not apply any financial penalties for late repayment - the outstanding debt remains the same. Despite this, borrowers do not appear to be tempted to delay repayments and the repayment rate of START remains relatively high at 97%. Further commitment to repay is demonstrated in situations when a borrower passes away. In such circumstances, the policy of START is to write off any outstanding debt. However, it has almost invariably been the case that relatives of deceased borrowers have come forward and assumed responsibility for repaying any outstanding loan. On some occasions in Kosovo, particularly when relatives were poor, even village leaders have assumed this duty. Anecdotal evidence suggests that this pattern is repeated in another Islamic Relief microfinance programme in Bosnia & Herzegovina. It is not clear, however, whether this is also a common occurrence for conventional interest-based microfinance programmes dealing with Muslim borrowers. Such actions could be faith-related and it has been argued that borrowers may be more likely to repay loans because their religious values dictate the fulfilment of their contracts or repayment of debts (Khan and Thaut, 2010 forthcoming). It is the belief of Muslims that the soul of a believer is held hostage by his debt in his grave until it is paid off (hadith reported by Tirmidhi). In addition, it is reported that the Prophet Muhammad

(peace be upon him) refused to lead funeral prayers until the debt of the deceased man was repaid (hadith reported by Bukhari).

The impact of faith on the repayment of loans to START was significant but not overwhelming – 21% of borrowers professed religious obligation as the prime motivation for repayment while the majority, 74% to be precise, viewed repayment as a moral obligation and a matter of personal principle that one should not default on a contract. Several staff and borrowers also noted that the repayment of debt was a cultural tradition among the Kosovar Albanian population (under the Code, or Kanun, of Leke Dukagjini which is the body of "customary law" that has influenced the way in which Albanians have traditionally conducted their lives, a pledge must never be broken). What is significant is that exactly half of the borrowers asked said that START's identity as a faith-based organisation had a positive impact on their motivation to repay. Several also suggested that they wanted to support START as it was the only organisation providing *Shari'ah* compliant loans in Kosovo and they wanted it to succeed.

Local staff, however, while admitting that faith may influence repayment, stressed the importance of borrowers wishing to maintain their access to 'cheap' loans – loans provided by START were less expensive than those provided by other microfinance institutions and banks in the area. Staff also felt that borrowers were motivated by the legal and financial consequences of default, something that several borrowers also acknowledged. Default would mean their loans would remain as outstanding on the national credit register of borrowers maintained by the Kosovo Banking and Payments Authority and accessed by all financial intermediaries, and would hinder their possibilities of obtaining credit elsewhere in the future. Such consequences lead to relatively high repayment rates across all MFIs in Kosovo. However, two further sanctions may account for high rates of repayment for START in particular; firstly is the knowledge that those who default on their loans are unlikely to receive future loans from START, and secondly START may refrain from financing other members from the same village or community. It is also apparent that repayment is relatively high because START carefully selects and analyses loan applications and programme staff immediately visit borrowers who do not repay promptly. Furthermore, in order to identify trustworthy borrowers START has often sought the assistance of local community or religious leaders, finding that such association with and, on occasions, pressure from local leaders can encourage borrowers to repay their loans on time. In most areas of Kosovo, the relationship that START has established with community leaders in identifying and selecting trustworthy borrowers and ensuring prompt repayment has been more effective and extensive than their relationship with religious leaders. Nevertheless, religious leaders have been effective particularly in areas where they are well respected and religious observance is comparatively high.

Faith can play a very positive role in staff motivation and loyalty. Many of the staff said that they felt more comfortable in an environment where their religious observance is understood and accepted. Some also revealed that they regularly work extra (unpaid) hours and are reluctant to leave the organisation, especially since there are relatively few opportunities to work in a religious environment in Kosovo. For example, during the holy month of *Ramadan* or the religious festival of *Eid-ul-Adha* they organise and distribute food parcels and meat from ritually slaughtered animals to poor and vulnerable families. When asked whether he felt more committed to his work because Islamic Relief was a Muslim faith based organisation, one staff member said:

“This year we have made 400 more Ramadan food packages, because working for an Islamic organisation has motivated us to do more. We had to make a special effort to

produce extra; around half of the staff put in extra hours ... Some people, like me, would feel happy to be paid less if they are in an environment where they feel better. I don't think I would feel as motivated in another organisation.”

There is of course an element of self-selection in that a greater proportion of those working for Islamic Relief, both in Kosovo and elsewhere, tend to be people who are religiously observant and committed to working for a Muslim faith-based organisation. In Kosovo it is also apparent that staff behave in an outwardly ‘Islamic manner’. Thus, for example, in addition to dressing modestly, they often address borrowers with the Islamic greeting of ‘*Asalaam Alaikum*’ (may peace be upon you) which is less common in the context of Kosovo than elsewhere in the Muslim world. Furthermore, most staff do take some time out each afternoon to perform obligatory prayers in the office (occasionally when existing borrowers or potential applicants visit Islamic Relief’s office they are required to wait a few minutes while staff finish their prayers) and almost all of the male staff attend the more public Friday prayers in the local mosque, which is also visited by some borrowers. One-tenth of borrowers interviewed cited the ‘good behaviour’ of staff as one of the main reasons for viewing the organisation differently than other microfinance organisations and banks. However, the fact that Islamic Relief was one of the few organisations that provided emergency relief and reconstruction assistance in Skenderaj and Drenas municipalities during the period 1999-2005 immediately following the Kosovo conflict may also have influenced perceptions.

Conclusion

It is difficult to distinguish the impact of faith from other factors that may influence the performance of microfinance programmes. Indeed, in overall terms, factors such as the macroeconomic environment, the capacity of staff, and programme structure, policies and procedures are likely to be far more influential. It is apparent that START is a well managed microfinance institution with qualified and experienced staff and these are the main reasons for the programme’s success. Nevertheless, it is apparent from the findings above that faith does have some influence on the way borrowers perceive and behave towards START and it also has a motivational impact on programme staff.

Although local staff questioned the strength of religious profession of some borrowers, there was recognition that START as an Islamic microfinance programme has enabled religiously observant borrowers to access financial services from which they would have otherwise have been excluded. Furthermore, it is apparent that a growing number of people are rejecting interest-based loans on religious grounds as they become aware that a *Shari’ah*-compliant alternative exists. This implies that given the option, many people would prefer to access financial services that did not compromise their religious beliefs. When asked if the Islamic nature of START’s loans was important one borrower said:

“I want to support Islam and all those who work in an Islamic way especially since in the past we did not have the chance to receive these type of loans”.

Although staff felt that the legal and financial consequences of non-repayment were most influential for the majority of borrowers, it is noteworthy that half of the borrowers questioned felt an extra obligation to repay because START is a faith-based organisation; a significant proportion even professed faith as their main motivation to repay. These findings suggest that faith-based microfinance organisations may have an advantage in encouraging repayment. However, these

findings could be specific to Kosovo where as the member of staff quoted earlier suggests, START's unique position in providing Islamic loans and its status as a Muslim faith-based organisation with openly religious staff have probably contributed to its high standing in the community. This high standing may well be translated into a desire to repay on time and a compulsion to treat the organisation respectfully. It would therefore be accurate to conclude that START's faith-based identity has had an influence on repayment in Kosovo.

In Kosovo, where religious observance among Muslims is comparatively low, local village leaders were generally found to be more effective than religious leaders in identifying borrowers and encouraging prompt repayment. However the successful, albeit limited involvement of religious leaders in Kosovo suggests that the willingness of religious leaders to assist with *Shari'ah*-compliant finance gives Islamic microfinance programmes a certain added legitimacy, with religious leaders acting as sources of knowledge and influence within the community. This factor is likely to gain greater significance in more religiously observant Muslim communities and countries.

Faith is clearly a motivational factor for most of the staff at START, and this takes on extra importance in a country such as Kosovo where there are relatively few opportunities to work in a religious environment. Many staff members are motivated by the fact that their work does not compromise their religious principles and also because they feel comfortable in an environment where their religious observance is accepted, understood and even encouraged, although there are no grounds to suggest that non-religious staff would be any less effective than religious staff. However, this does imply that in addition to satisfying the religious expectations of beneficiaries, Islamic microfinance programmes can also give religiously-observant Muslim staff the opportunity to work on programmes that do not compromise their religious beliefs. Given the collective desire among development agencies to build local capacity and discourage a reliance on expatriate staff, this is particularly important to consider in Muslim communities.

It was made clear at the outset that the performance of microfinance programmes is dependent on a variety of factors over and above the behaviour of staff and borrowers. This study has shown that such behaviour is itself influenced by many different factors, including by faith, which becomes more relevant when dealing with more religiously observant borrowers and staff. The extent of this influence is however unclear and more thorough investigation is required in order to determine this. For the time being therefore, the fact that Islamic microfinance programmes provide observant Muslims with access to otherwise inaccessible financial services appears to be the most obvious added value in their implementation.

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