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Contents

Authors	Articles	Page
	<i>Mubarak Ademola Noibi: An Islamic Strategy for the Empowerment of Muslim Women in Nigeria.</i>	1-14
	<i>Ucheawaji G. Josiah: An Exegetical Exploration of Hosea 4:1-3.</i>	15-32
	<i>Omotade Adegbindin: Ogun and Yoruba Indigenous Knowledge.</i>	33-48
	<i>Adebola B. Ekanola and Francis Offor: The Quest for Social Development and the Denigration of the Humanities in Nigeria's Education System.</i>	49-66
	<i>Goke A. Akinboye: Sex-Work, Sex-Workers: Socio-Economic Considerations in the Practice of Prostitution in Ancient Greece.</i>	67-86
	<i>Mepaiyeda, Solomon Makanjuola: Emerging Trends in Fostering the Concept of Community among the Pentecostal Churches in Nigeria.</i>	87-102
	<i>Oke Olusegun Peter: Ethics in the Nigerian National Pledge and its Implications for the Transformation Agenda</i>	103-116
	<i>Olúwadóṛó, Jacob Olúdáre: Nativisation of Arabic Names: The Yoruba Language as a Case Study.</i>	117-132
	<i>Israel Olofinjana: Reverse Missions: The Emergence of African Churches in Britain.</i>	133-154

<i>Authors</i>	<i>Articles</i>	<i>Page</i>
<i>Mala Simon Babs:</i>	Challenges of Youth's Involvement in Christian-Muslim Relations in Nigeria and Programme for Christian Muslim Relations in Africa (PROCMURA).	155-176
<i>Olubayo, Obijole:</i>	Demon Exorcism in the Gospels and in the Yoruba Comparative Context.	177-194
<i>Loveday Chigozie Onyazonwu:</i>	Interpreting Ethics of Generosity and its Practice as Waste Minimisation Strategy: A Case Study of Port Harcourt Metropolis.	195-204
<i>Honore Sewakpo:</i>	The Relevance of Ruth and Naomi's Relationship in Ruth 1:16-17 to Daughter-in-law and Mother-in-law Relationship in Nigeria.	205-222
<i>Victor Selorme Gedzi:</i>	Gospel Values and African Traditional Religion.	223-244
<i>Rev. Ezekiel A. Ajani:</i>	Pentecostal Movements and the Reshaping of Christianity in Africa.	245-270
<i>Harry Agbanu:</i>	Determinism, Human Freedom and the Mafi-Ewe Indigenous Culture: An Antithesis or a Harmony?	271-288
<i>Tolulope Olawunmi Idowu:</i>	On the Wings of Tradition: Evaluating the Marriage of Mythology, Religion and the Potential of the Contemporary Woman.	289-310
<i>Rev'd. Dr. Nathan Iddrisu Samwini:</i>	The Dynamics of Muslim Potential Involvement in Ghana from 1959 and Matters Arising.	311-332
<i>Emmanuel Folorunso Taiwo:</i>	Orality in Roman and Yoruba Moralizing Poetry.	333-348

An Islamic Strategy for the Empowerment of Muslim Women in Nigeria

Mubarak Ademola Noibi

Abstract

Several Muslim women in Nigeria lack access to sustainable and independent sources of income. The situation has no doubt contributed to household poverty within the Nigerian Muslim community. In their bid to seeking credit to engage in lawful income generating ventures, Muslim women were more often than not, compelled to patronise interest-bearing sources of finance as against their desires and the teachings of Islam. Existing studies have treated the issue of women's empowerment from eclectic angles and the challenges of Muslim Non-Governmental Organisations (NGOs) in Nigeria without suggesting an enduring and sustainable solution to the issue through an acceptable Islamic line of funding to empower female Muslims in the country. This paper, therefore, suggests the establishment of an NGO dedicated Muslim women from which Self Help Groups (SHGs) would emerge. It also suggests the establishment of Islamic Microfinance banks across the country to service the NGO and indeed its female Muslim clients. If this is done, it would go a long way in empowering the Nigerian Muslims through the means acceptable to Islam.

Introduction

It is believed that in every society and country of the world, the female gender is often afforded a lesser degree of opportunities than her male counterpart. The harmful effect of gender inequality on individuals, households, communities and states remain largely imperceptible and grossly underestimated. In spite of the firm evidence indicating that the empowerment of women and gender equality are crucial to poverty reduction, little seems to have been done to change the situation.¹ Microfinance, which was popularised by Muhammad Yusuf, is viewed as a potent way of engendering women empowerment. It is one of the

¹ United Nations Population Fund, (2005), State of World Population 2005: The Promise of Equality, Gender Equity, Reproductive Health and the Millennium Development Goals, New York: UNFPA, retrieved from www.unfpa.org, p.1.

initiatives devised to reduce poverty in the society through the provision of credit and social programmes to the poor.

Though microfinance, which has proven effective in several countries of the world, is steadily developing in Nigeria, many of these initiatives operate based on certain principles which are contrary to the teachings of Islam. Incidentally, many of those who are being served by these institutions include Muslims, some of who patronise the conventional interest-based microfinance institutions out of duress. For instance, Mansurat Asimiyu, a trader, claimed that she patronised an interest-based institution owing to compelling family needs. Furthermore, she condemned the interest-bearing loans, saying that she had never realised any encouraging profit from the businesses she ventured into with the loans. She explained that she had since stopped patronising the interest-based institution but remains without substantial capital to carry on with her business. Mansurat further remarked that she would be glad if she could by chance find an Islamic compliant alternative.² In the opinion of Mujidat Muhammad, dealing with interest-bearing institutions could be traumatic and so she dared not dabble into it but would rather prefer to patronise an Islamic compliant alternative if available.³

In line with the above stated narrations and previous studies on Nigerian Muslims' abhorrence of the conventional interest-bearing financial system,⁴ it is most likely that Nigerian Muslim women, for religious reasons, have been avoiding interest-based microfinance institutions. Corroborating this fact is the religious distribution in the membership of the Country Women's Association of Nigeria (COWAN), a female-based Non-Governmental microfinance institution organised on the platform of Self Help Group (SHG) from which studies have shown that only 16% of its clients are Muslims as against 78% Christians and 5.7% African Traditional Religion

2 An Oral interview with Mansurat Asimimiyu, Age 40, a Trader in No.24, Afolabi Street, Oluwo-Nla, Ibadan on Friday, 30 December, 2011.

3 An Oral interview with Mujidat Muhammad, Age: 48, a Trader in N1/138, Beere, Ibadan on Friday, 30 December, 2011.

4 M.A. Noibi, (2007), "An Assessment of Global Microfinance Models and Lessons for Muslim Practitioners", *Al-Fikr Journal of Arabic and Islamic Studies*, Vol.20, p.195

adherents.⁵ This situation is likely to debar Muslim women from acquiring the required capital to engage in tangible income generating ventures from which their families could benefit immensely. This underscores the urgent need for an alternative that is compliant with Islam.

Existing studies on women's empowerment have concentrated on eclectic issues of empowerment but have not adequately addressed the religious sentiments attached to the empowerment of Nigerian Muslim women. These include Odutolu *et al.*⁶ who examined the relationship between empowerment with regard to access to economic resources, information about reproductive health, and reproductive behaviour of women aged between 19-25 years. Budlender⁷ addressed aspects of poverty related to women and children. Do and Kurimoto⁸ investigated the relationship between women's economic, socio-cultural, familial and interpersonal, legal, psychological and political empowerments and the use of contraceptives in some African countries. Adamu, on her part, addressed the funding challenges faced by Muslim women development Non-Governmental Organisations (NGOs) and Muslim women activists in Northern Nigeria.⁹ This paper, therefore, investigates the empowerment of Nigerian Muslim women through the instrumentality of Islamic microfinance.

This paper is divided into seven sections. While this section introduces the paper, the second section discusses poverty and Muslim women in Nigeria. This is followed by a discussion about Islam and women's empowerment. The fourth section deals with women and empowerment through microfinance, while the section following examines empowerment and Islamic microfinance system. The sixth section suggests an empowerment strategy for Nigerian Muslim women while the seventh section concludes the paper.

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- 5 M.G Olujide, (2008), "Assessment of Micro-credit supply by Country Women Association of Nigeria (COWAN) to Rural Women in Ondo State, Nigeria," *European Journal of Scientific Research*, Vol.20, No.4, p.741.
 - 6 O. Odutolu, et al., (2003), "Economic Empowerment and Reproductive Behaviour of Young Women in Osun State", *African Journal of Reproductive Health*, Vol. 7, No. 3, pp. 92-100.
 - 7 D. Budlender, (2005), "Women and Poverty" *Agenda*, No. 64, pp. 30-36.
 - 8 A. Do and N. Kurimoto, (2012), "Women's Empowerment and Choice of Contraceptive Method in selected Countries" *International Perspective on Sexual Reproductive Health*, Vol.38, No.1, pp.23-33.
 - 9 F.L. Adamu, (1999), "A Double-Edged Sword: Challenging Women's Oppression within Muslim Society in Northern Nigeria" *Gender and Development*, Vol.7, No.1 pp.56-61.

Poverty and Muslim Women in Nigeria

It is obvious that poverty is widespread and severe in Nigeria. The Northern states, which are known to be overwhelmingly occupied by Muslims, are the worst hit by this phenomenon. The reason for this has been attributed to low human capital development and prevalence of sub-urban settings.¹⁰ There is no doubting the fact that Muslim women are more likely to be engrossed in the vicious cycle of poverty as studies have revealed that the female gender is usually the worst hit by the phenomenon. The following studies give impetus to that allusion.

Using the United Kingdom as his platform, Stephen Sinclair¹¹ suggested the reason why women are more likely to fall into poverty than men. He explained that aside from women being more susceptible to becoming lone parents than men, a good proportion of single pensioners fall into the female gender. He also postulated that women are more likely than men to be unpaid professions or part-time workers and that on the average, female workers receive lesser wages than their male counterparts. Glendinning and Millar,¹² while advancing a different argument directed towards the same point, postulated that poverty was likely to ensue among women due to the complex web of duties peculiar to the female gender, such as household chores and the assumption of their financial dependency on men.

However, Uthman¹³ has discovered that the Nigerian Muslim women, especially the Yoruba, have never solely depended on their husbands for livelihood as they often engage in productive ventures and support their husbands financially. Furthermore, Ruth Lister¹⁴ is of the opinion that women are not only likely to experience poverty but are also likely to be instrumental in dealing with its effect as they are more competent in managing debt and poverty in low income families. Women may also

10 Federal Office of Statistics, (n.d) Poverty and Welfare in Nigeria, The World Bank: p.n, p.9

11 S. Sinclair (2003), poverty and social exclusion in M. Holborn (ed.) (2003) in M. Haralambos, et al., (2004), *Sociology Themes and Perspectives*, London: Harber Collins Publishers Limited. p.258.

12 C. Glendinning and J. Millar, (1994), *Women and Poverty in Britain: The 1990s*, Harvester Wheatsheaf, Hemel Hempstead, p.258 in Haralambos, (2004), *Sociology Themes...*, p.258.

13 I.O. Uthman, (2008), *Muslim Women of Nigeria and the Feminist Discourse of Shaykh Shaykh Al-Albānī*, Kuala Lumpur: IIUM Press, pp.128-129.

14 R. Lister, (1995), *Women in Poverty* in K. Funken and P. Cooper (eds), *Old and New Poverty: The Challenge for Reform*, London: Rivers Oram Press. In Haralambos (2004), *Sociology Themes...*, p.259.

suffer from “time poverty” and ill health owing to their extra stress in the cause of domestic labour.

The United Nations has indentified women, especially the rural, as catalysts for change in the area of poverty eradication.¹⁵ In Africa, women are responsible for over 70% of the local food production and processing. This notwithstanding, they are not only denied access to productive means but also capital owing to lack of collateral security.¹⁶ In 2006, the World Economic Forum introduced the Global Gender Gap Index as a framework for depicting the intensity and spread of gender-based differences and tracking the progress achieved in that regard. The standard utilised by the Index is the national gender gaps in the areas of economy, politics, education and health. It equally provides country rankings, giving room for effective comparisons across countries and income groups over a period. The rankings aim at creating more awareness about the challenges posed by gender inequalities and the opportunities created towards reducing them. The ranking utilises quantitative analysis with a view to leading to the designing of effective measures for reducing gender gaps. In the area of economic participation of women, Nigeria was ranked 93 in 2011 and 81 in 2012 as against 135 countries surveyed.¹⁷

Islam and Women Empowerment

The World Bank is of the view that empowerment is the “expansion of freedom of choice and action to shape one's life”.¹⁸ According to Batliwala,¹⁹ empowerment entails the powerless gaining greater control over the circumstances of their lives. Empowerment is also defined to include control over intellect and ideology, and physical self. This translates to extrinsic and intrinsic control, self-confidence and an inner transmission of one's consciousness leading to overcoming external

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- 15 M. Muhammad, et. al., (n.d), “Impact of Village Group Financial Services on Women Empowerment and Poverty: A Case Study of the First Micro Finance Bank Gilgit” *The Dialogue*, Vol.6, No.4, p.383.
- 16 M.M. Fazoranti, (2008), “Economic Implication of Poverty Alleviation Programs in Ondo-State: Case Study of Country Women Association of Nigeria”, *Journal of Social Sciences*, Vol.4, No.4, p.352.
- 17 World Economic Forum, (2013), *The Global Gender Gap Report 2013*, Geneva: World Economic Forum, retrieved from www.weforum.org, pp.4 &301.
- 18 Do and Kurimoto, (2012), “Women’s Empowerment and Choice...,” p.23.
- 19 S. Batliwala, (1994), *The Meaning of Women Empowerment: New Concepts from Action*, In G. Sen, et al. (eds), (1994), *Population Policies Reconsidered: Health Empowerment and Rights*. Cambridge: Harvard University Press, 127- 138.

obstructions towards accessing resources or changing customary philosophy.²⁰

As regards women, there is no universally accepted definition of their empowerment. Nevertheless, Kabeer²¹ defines women's empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such ability. Women's empowerment could be measured in six different areas. These are economic, political, psychological, legal, socio-cultural, familial, and interpersonal spheres.²² While Islam is not against women empowerment, it does not inordinately pursue such empowerment nor does it advocate such empowerment at the detriment of their primary responsibilities at the home-front.

During the lifetime of Prophet Muhammad (SAW),²³ women engaged in a number of economic activities which did not debar them from their duties to their husbands and children. Even the wives of the Prophet (SAW), who were restricted in their outings (Q.33:33), were allowed to go out for their needs when the need arose. An instance of this is the case of Sawdah bint Zam'ah who once went out for a need of hers at night in order to avoid being noticed. Following her action, 'Umar, who later became the second *Khalifah* (successor) of the Prophet (SAW) was reported to have sighted her and told her that there was no way she could hide herself from him, and by implication from others, without being recognised when abroad. Upon her reporting the case to the Prophet (SAW), she was told that revelation had come that they were free to go out for their needs.²⁴

20 P. England, (2000), Conceptualizing Women Empowerment in Countries of the North, in H. B. Presser and G. Sen (Eds.), (2000), *Women's Empowerment and Demographic Processes: Moving Beyond*, Cairo: Oxford University Press, in O. A. Odutolu *et al.*, (2003), "Economic Empowerment and Reproductive Behaviour of Young Women in Osun State", *African Journal of Reproductive Health*, Vol. 7, No. 3, p.94.

21 Kabeer, N. (1999), "The Conditions and Consequences of Choice Reflections on the Measurement of Women's Empowerment" General United Nations Research Institute for Social Development, No.108, p. 435.

22 Do and Kurimoto, (2012), "Women's Empowerment and Choice..." p.24.

23 SAW: This abbreviation stands for the Arabic word Sallallahu Alayhi Wasallam which means peace and blessings of Allah be upon him. Islam teaches that this should be said upon mentioning the name or office of prophet Muhammad (SAW).

24 M.M Khan, (n.d), *Sahih Al- Bukhari*, n.p: Dar al-Fikr, Vol. 7, p.120.

Moreover, in the field of agriculture, Asmā' bint Abu Bakr, while narrating the situation she was when she was married to Zubayr, claimed that she was in the habit of fetching bunches of dates from the land that the Prophet (SAW) had given to her husband for cultivation.²⁵ Aside from the field of agriculture, the impact of Muslim women was also felt in the area of trade. For instance, a Muslim woman named Qailah, who was a trader by profession, consulted the Prophet (SAW) on several issues related to buying and selling.²⁶ The Prophet's (SAW) welcoming of such a popular Muslim trader and his answering of all her questions in reference to her profession legitimises women's involvement in not only trade but also in any decent jobs outside their homes.

Women could also support the family from their resources if their husbands are for some cogent reasons not in the position to do so. For instance, the wife of Abdullah bin Mas'ūd was a crafts woman who sought the permission of the Prophet (SAW) to maintain the family in the absence of the capacity of doing so by her husband. A similar incident was recorded on Khawlah bint Thalabah who, upon her husband's pronouncing of *Zhihār* (injurious comparism) on her, received an instruction from the Prophet (SAW) to keep-off from her until he (the Prophet [SAW]) receives a revelation on the issue. Subsequently, Khawlah was reported to have told the Prophet (SAW) that her husband's staying off from her would adversely affect the family as she was responsible for its maintenance.²⁷ These show that Islam has not at any time interfered with woman's right to economic empowerment.

Furthermore, Islam allows for Muslim women to come together towards solving their collective socio-economic and cultural challenges. This action was taken by women during the time of the Prophet (SAW) and there was no record that he ever went against that. In fact, Asmā' bint Zayd represented women in presenting their various problems to the Prophet (SAW).²⁸ Asmā' bint Zayd was also at the head of the covenant which women collectively took from the Prophet

25 A. Rahman (1993), Encyclopaedia of Seerah, London: Seerah Foundation, Vol.5, p.177.

26 Rahman (1993), Encyclopaedia ..., Vol.7, p.178.

27 Rahman (1993), Encyclopaedia ..., Vol.7, p.78

28 Rahman (1993), Encyclopaedia ..., Vol.7, p.315.

(SAW). The condition for such coming together is that it should be based on piety and righteousness and not on sin and rancour as it is stated in the Qur'an that: "Help one another in righteousness and piety, but help not one another in sin and rancour: for Allah is strict in punishment" (Q5:2). According to Adamu, Muslim women who are in *Purdah* in the Northern part of Nigeria have been excluded from production enhancing credit facilities owing to their not belonging to cooperative societies.²⁹ If the position of Islam is that women could engage in economic activities and associate with fellow righteous Muslim women, then Muslim women, whether in *purdah* or not, should be proactive in associating with others to have access to credit to empower themselves.

Women Empowerment and Microfinance

Microfinance enhances the autonomy of women by providing them independent sources of income from outside the home. The initiative is also instrumental to making women recognise and assert their rights owing to series of their exposure to new ideas, values and social support. These supports are instrumental to raising the status of women before their husbands, leading to inter-spouse consultations on crucial household decisions.³⁰ It has contributed to remarkable improvement in women's physical mobility, economic security, freedom from family domination and violence, ability to make personal purchases, political and legal awareness and public participation in some societies such as Bangladesh. Microfinance institutions target women owing to their impressive repayment rate as the majority of the world's poor are not only women but they also constitute the worst category of the poor.³¹

Meanwhile, studies have shown that there are cases where the credits obtained by women were utilised for businesses by their husbands. In most cases, the women neither command the control over the businesses nor understand the intricacies involved in them.

29 Adamu, (1999), "A Double-Edged Sword: Challenging...", p.59.

30 S.O. Onyuma and A.O. Shem, (2005), "Myths of Microfinance as a Panacea for Poverty Eradication and Women Empowerment" *Savings and Development*, Vol.29, No.2, p.207.

31 S.U. Evuleocha, (2011), "Marketing the UN/OSCAL Framework as a Microfinance 9 Model to Nurture the Non-oil Sector of the Nigerian Economy" *International Journal of Business and Social Science*, Vol.2, No.6, p.8.

However, when such women benefactors get involved in the business as labours, they are often not paid even though they were responsible for making repayments of their loans. In cases where there were some levels of female autonomy from male dominance in the utilisation of borrowed capital, most males were known to have withdrawn their support and demanded that such women abandon their ventures. The steadfastness of women in this case often led to the disintegration of homes.³² Whereas Islam allows women to voluntarily assist their husbands in times of need, they are not to be oppressed by them or deprived of their legitimate earnings and means of income if they decide to withdraw their support.

Furthermore, Binns has discovered that about 50% of loaned funds to Nigerian women from microfinance institution often get diverted into consumption as against the production they were meant to serve. This assertion is particularly true of women who are responsible for the daily needs of the family.³³ It should be noted that whether intrinsic or extrinsic, microfinance provides women some capital or at least enhances survival of the family. However, the conventional interest-based microfinance system may not be attractive to most religious conscious Muslim women due to the element of interest (*ribā*) that it contains. That brings us to the Islamic position on *ribā* and the legitimate alternative to it.

Empowerment and Islamic Microfinance System

Islam is a pragmatic religion and a way of life which has its own economic and financial system. Muslims are expected to submit themselves to the teachings of Islam which unequivocally prohibits financial transactions involving interest (Q2: 275-281 & Q3: 130). Furthermore, Prophet Muhammad (SAW) had warned the world, especially the Muslims, about the evils of involvement in interest and its gravity in the sight of Allah.³⁴ The dealers in interest are painted as mean and shameless. They are also viewed as persons who, in the bid to satisfying their carnal and lower desires, spread curses and corruption

32 Onyumad and Shem, (2005), "Myths of Microfinance as a Panacea ...," p.209.

33 Onyumad and Shem, (2005), "Myths of Microfinance as a Panacea ...," p.212

34 M.Al-Qazwani, (1995), Sunan Ibn Majah, Beirut: Dar al-fikr, Vol.1, p.715.

in the community.

Records have shown that early 1890 witnessed the appearance organised Islamic credit societies in India.³⁵ Also, in 1963, Ahmad El-Naggar established an Islamic cooperative society in Egypt using the principles of Schulze-Delitzsch and Raiffeisen in Germany but without transacting in interest. The Islamic cooperative society operated by collecting savings and providing credit to members for consumption and production purposes based on profit and loss sharing in line with the teachings of Islam.³⁶

The Islamic financial system entails an entire financial system premised on the Islamic law (*Shari'ah*). To that end, Islamic jurists and economists have based the Islamic financial system on some principles of which five of them are most relevant to microfinance. First, money has no intrinsic value of itself. Second, transactions must be linked directly or indirectly to an economic activity. Third, contract must be comprehensive and explicit. Fourth, the financial institution must share in the risk of their funding and lastly, all activities financed must not be prohibited in Islam.³⁷ To this end, financial assistance is granted by the Islamic microfinance institutions based on two grounds: production and consumption. While consumption enhancement, which is for meeting social needs, appears as interest-free loan (*Qard al-Hasan*), production and income generation loans are in form of time-based equity investments. These equity investments include: Equity Participation (*Musharakah*), Trustee Project Financing (*Mudarabah*), Mark-up (*Murabahah*) and Leasing (*Ijarah*). These modes of finance are discussed in sequence.

In *Musharakah*, for a venture needing increase in working capital, the client approaches the financial institution for fund. Consequently, the assets of interested businesses, both liquid and solid are evaluated and assumed as the entrepreneur's share of the business. This share,

35 Mohomed, M.R.N, (2011), "Islamic Financial Co-operatives to Meet the Financial Needs of the Community: Case Study of Al Barakah Multi-Purpose Co-operative Society Limited, Mauritius" International conference on Islamic Banking and Finance 05-06 April, 2011, Mauritius, p.3.

36 Al-Muharrami, S and Hardy, D.C. (2013), "Cooperative and Islamic Banks: What Can They Learn from Each Other," International Monetary Fund Working Paper, WP/13/184, p.14.

37 A. Frasca, (2008), "Further Niche Market: Islamic Microfinance in the Middle East and North Africa" University of Texas, Austin, retrieved from www.assaif.org/, pp.7-8.

together with that of the financial institution is broken down into manageable units with an agreement that after a period, the partnership will cease to exist. Assets are re-evaluated to reflect the new position of funds while the business continues to exist. Accordingly, the institution, in addition to its principal, bases its profit on the net profit of investment and receives its percentage of profit according to the working capital as evaluated at the inception of the business. By this, the entrepreneur must have achieved a substantial increment in their working capital. In case of loss, each of the partners will bear the liability in it to the extent of their units in the working capital of the business.³⁸

Mudārabah is usually utilised in financing working capital. It implies a contract between two parties with the beneficial owner or the sleeping partners, (financier) providing the capital, while the other party (borrower), who is the managing trustee or the labour partner, provides the managerial oversight and entrepreneurial push. The profits are thereafter shared according to a pre-determined formula. In the case of loss, the sleeping partner loses a part or the whole of their fund while the entrepreneur loses their time and energy (sweat equity).³⁹ A *Mudārabah* contract often turns into a *Mushārahah* contract if the client gradually buys out the units of the financial institution leading to their total ownership of the business.⁴⁰

Mark-up denotes a contractual agreement between the financial institution and the client for the sale of a commodity from the institution to the client at its original price plus a specified mark-up or a certain percentage over and above the previous price.⁴¹ This model of financing is usually practised with great care as there is a thin line between it and interest-based transaction. Here, the client and the institution sign a promissory note. The client therein promises to buy goods or commodities from that institution on regular bases. In purchasing the commodities, the client acts as an agent of the institution and an

38 M. T. Usmani, (1999), "The Concept of Mushārahah and its Application as an Islamic Method of Financing", Arab Law Quarterly Vol.14, No.3, p.218-219.

39 F.E. Vogel and S.L. Hayes, (n.d) Islamic Law and Finance, p.n: n.p, pp. 193-194.

40 Usmani, (1999), Introduction to Islamic ..., Vol.2, p.57.

41 H. K. Fahmy and A. A. Sarkar, (2000), Islamic Modes of Finance and Financial Instruments for Resource Mobilisation: A Survey Islamic financial Instruments for Public Sector Resource Mobilization. Ahmad, A and Khan, T. Eds. Jeddah: IRTI.IDB, pp.70-71

agreement of agency is signed to that effect. After the client has informed the institution of the fulfilment of their task, they offer to buy same from the institution at a cost-plus profit to it.⁴²

In leasing, the client and the financial institution negotiate for a future date on the condition that the leased asset would first be delivered to the client. The client might be employed as an agent to help purchase the item to be leased. The relationship at this level is that of a principal and their agent. After delivering the item, the contract would be signed by both parties.⁴³ As such, all costs in respect of the purchase, safe delivery and the insurance acceptable in Islam on the item will be borne by the financial institution and not the client. After the delivery of the asset, the lessee will be held responsible for loss, misuse or negligence caused to the asset. The client will despite all that, not be held responsible for any of these when it is beyond their control.⁴⁴

Muslim Women Empowerment Strategy

Muslim NGO's aimed at fostering the welfare of Muslims in Nigeria are often without foreign aid. Even when such aids are received by the Islamic NGOs, some Northern Muslims view it as an attempt to suppress Islam. Similarly, Gender and Development programmes are often seen as illegitimate as they are western originated.⁴⁵ Consequently, the funds meant to empower Muslim women in Nigeria could be sourced locally. A viable way of sourcing for the funds locally is through the establishment of Islamic compliant microfinance banks across the country.

The Central Bank of Nigeria (CBN) gives licences to operators of microfinance banks once they meet up with its requirement. There are two types of microfinance banks in Nigeria. These microfinance banks are the local government area operated and state operated microfinance bank. To obtain a license, a prospective microfinance bank has the option of operating in a local government as a unit subject to the provision of an initial capital base of twenty million naira

42 M. T. Usmani, (1999), *Introduction to Islamic Finance*. Lagos: S. A. Al-Amin Publishers, Vol.1, p.106.

43 Usmani, (1999), *Introduction to Islamic ...*, Vol.2, p.20-21

44 Usmani, (1999), *Introduction to Islamic ...*, Vol.2, p.23

45 Adamu, (1999), "A Double-Edged Sword: Challenging...", p.59- 60.

(₦20,000,000). It could thereafter move to another local government after meeting the same condition until it covers two third of a state's local governments. With this move, it could register as a state microfinance bank. Alternatively, it could go through a more stringent path by providing an initial capital base of one billion naira (₦1,000,000,000) and operate in multiple local governments within a state.⁴⁶

The Federation of Muslim Women's Organisations in Nigeria (FOMWAN), a leading Muslim women umbrella body in Nigeria, supported by the National Supreme Council for Islamic Affairs and regional Islamic umbrella organisations, can take a lead in this direction by setting up a formidable national women-based microfinance NGO with SHGs spread across the country. The organisations could also facilitate the establishment of Islamic microfinance banks in a local government area of each of the 36 states of the federation and the Federal Capital Territory, Abuja. Each of the banks is estimated to cost about thirty-five million naira (₦35,000,000), including assets and start-up capital. The microfinance banks, though each with its headquarters confined to its local government of registration, could establish cash shops in areas outside their local government areas without infringing on the CBN regulations. These banks are expected to, among other things, extend credit facilities to the SHGs through the Muslim women-based NGO. The strategic location of the banks in each state is expected to improve financial outreach to the target population.

Members of the SHGs would involve in savings through African traditional rotation cooperative association wherein members contribute equal amounts of money into a common pause on regular intervals. These funds are to be kept with the Islamic microfinance banks which would provide double the amount to them as equity investment or interest-free loans whenever the need arises. Financial services would be rendered to each of the SHGs who share it among members in turn. Financial assistance at this level would last for between 6 month and one year. The NGO would be responsible for training of members in skill acquisition and facilitating the collection of

46 Nigeria Central Bank of Nigeria, Microfinance Policy, Regulatory and Supervisory Framework for Nigeria, from <http://www.cenbank.org/out/publications/>, p.1.

weekly contributions from SHGs as savings to be deposited with the Islamic micro-finance banks. Furthermore, funds would be released to SHGs after they must have successfully gone through skill acquisition training programmes.

Conclusion

This paper examined the ways of overcoming the constraints of Muslim women in sourcing credit for their empowerment. It observed that Muslim women in the country mostly avoid interest-based financial intermediation for religious reasons while those who patronise such were itching to abandon same for an Islamic non-interest based alternative. Since Islam encourages the empowerment of women and their coming together on issues peculiar to them, the paper suggests the establishment of a Muslim women microfinance NGO that would work assiduously with the cooperation and assistance of Muslim umbrella organisations in the country to establish Islamic microfinance banks and Muslim women SHGs across the country. The Islamic microfinance banks would in turn support the SHGs for the purpose of credit and other social and religious programmes using the principle of group guarantee. It is hoped that with the implementation of the above mentioned recommendations, the Nigerian Muslim women will be better-off and this will definitely transcend to the family as a whole while satisfying the conditions for financial transactions as contained in the Islamic principles.