

**ENVI-Y-001**

**Module “Contextual issues in social finance”**  
**Course: Islamic Finance and Rural Finance**  
  
**1st semester EMP 2025-26**

**Module manager: Prof. Laurent Weill**

***Planning***

*Part 1:* Prof. Laurent Weill - Islamic Finance

*Part 2:* Prof. Samuel Nyarko - Rural Finance

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| --- | --- | --- | --- | --- |
| Date | Time | Lecturer | Guest speaker | Place |
| 16/10/2025 | 6 pm – 9 pm | Prof. Laurent Weill |  |  |
| 17/10/2025 | 6 pm – 9 pm | Prof. Laurent Weill |  |  |
| 18/10/2025 | 6 pm – 9 pm and 2pm - 4pm | Prof. Laurent Weill |  |  |
| 21/10/2025 | 6 pm – 9 pm | Prof. Samuel Nyarko |  |  |
| 22/10/2025 | 6 pm – 9 pm | Prof. Samuel Nyarko |  |  |
| 23/10/2025 | 6 pm – 9 pm | Prof. Samuel Nyarko |  |  |
| 05/11/2025 | 6 pm – 9 pm |  | Humundi (L.Biot & F.Cajot) |  |

**Part 1: Prof. Laurent WEILL**

***Objectives of the course***

* Present the fundamentals of Islamic finance
* Explain how Islamic microfinance works

***Topics covered and recommended readings***

**1 ) Islamic Finance**

* Principles
  + - A finance without interest
    - Another paradigm
* Instruments
  + - Financing instruments
    - Deposit instruments
* Practice and Criticisms
  + - Practice : figures and reality
    - Criticisms

**2) The economic impact of Islamic finance**

* Potential benefits
* The effect on financial inclusion
* The effect on financial development
* Potential costs

**3) Islamic microfinance**

* Empirical Instruments
  + - The mudaraba model
    - The murabaha model
* Illustrations

References:

* Ayub, M. (2007), *Understanding Islamic Finance,* Wiley.
* El-Gamal, M. (2008), *Islamic Finance: Law, Economics and Practice,* Cambridge: Cambridge University Press.
* Iqbal, Z., A. Mirakhor and M.S. Ebrahim (2008), “An Introduction to Islamic Finance,” *Review of Islamic economics* 12(1): 169-172.

**Part 2: Prof. Samuel Anokye NYARKO (MBS School of Business)**

***Topic covered and recommended readings***

**General description**

This course introduces students to the fundamentals of rural finance, its role in promoting rural development, and the factors that influence its effectiveness. It examines key challenges in providing financial services to rural populations and explores the various approaches, products, and actors involved. Students will also develop an understanding of the unique risks associated with rural lending and how the strategies for managing them.

**Topics**

* Overview of Rural Finance
* Rural Finance, Poverty Alleviation, and Rural Development
* Key Challenges in Rural Finance
* Approaches, Products, and Key Actors in Rural Finance
* Understanding Risks in Rural Lending

**References**

* Atahau, A. D. R., Huruta, A. D., & Lee, C. W. (2020). “Rural microfinance sustainability: Does local wisdom driven-governance work?,” Journal of Cleaner Production 267: 122153.
* Benami, E., & Carter, M. R. (2021). “Can digital technologies reshape rural microfinance? Implications for savings, credit, & insurance,” Applied Economic Perspectives and Policy 43(4): 1196–1220.
* Hartarska, V., Nadolnyak, D., & Mersland, R. (2014). “Are women better bankers to the poor? Evidence from rural microfinance institutions,” American Journal of Agricultural Economics 96(5): 1291–1306.
* Lopez, T., & Winkler, A. (2018). “The challenge of rural financial inclusion–evidence from microfinance,” Applied Economics 50(14): 1555–1577.
* Marr, A. (2012). “Effectiveness of rural microfinance: what we know and what we need to know,” Journal of Agrarian Change 12(4): 555–563.
* Maclean, K. (2010). “Capitalizing on Women's Social Capital? Women‐Targeted Microfinance in Bolivia,” Development and Change 41(3): 495–515.
* Moll, H. A. (2005). “Microfinance and rural development: A long-term perspective,” Journal of Microfinance/ESR Review 7(2): 13–31.
* Morvant-Roux, S. (2011). “Is microfinance the adequate tool to finance agriculture?,” In B. A. D. Armendáriz, & M. Labie (Eds.), Handbook of microfinance (pp. 421–436). World Scientific Publishing.
* Morvant-Roux, S. (2013). “International migration and over-indebtedness in rural Mexico,” In Microfinance, Debt and Over-Indebtedness (pp. 170–191). Routledge.
* Morvant-Roux, S., Guérin, I., Roesch, M., & Moisseron, J. Y. (2014). “Adding value to randomization with qualitative analysis: the case of microcredit in rural Morocco,” World Development 56: 302–312.
* Schreiner, M., & Colombet, H. H. (2001). “From urban to rural: Lessons for microfinance from Argentina,” Development policy review 19(3): 339–354.
* Yaron, J. (1994). “Successful rural finance institutions,” Finance and Development 31(1), 32–35.
* Zeller, M. (2006). “A comparative review of major types of rural microfinance institutions in developing countries,” Agricultural Finance Review 66(2): 195–213.
* Zeller, M., & Sharma, M. (1998). “Rural finance and poverty alleviation,” Food Policy Report, International Food Policy Research Institute, Washington DC

**Evaluation of the course (both parts)**

***Evaluation***

Written exam