



ENVI-Y-001

Module “Contextual issues in social finance”

Course: Islamic Finance and Rural Finance

1st semester EMP 2026-27

Module manager: Prof. Laurent Weill

Planning

Part 1: Prof. Laurent Weill - Islamic Finance

Part 2: Prof. Samuel Nyarko - Rural Finance

Date	Time	Lecturer	Guest speaker	Place
19/10/2026	6 pm – 9 pm	Prof. Samuel Nyarko		
20/10/2026	6 pm – 9 pm	Prof. Samuel Nyarko		
21/10/2026	6 pm – 9 pm	Prof. Samuel Nyarko		
22/10/2026	6 pm – 9 pm	Prof. Laurent Weill		
23/10/2026	6 pm – 9 pm	Prof. Laurent Weill		
24/10/2026	6 pm – 9 pm and 2pm - 4pm	Prof. Laurent Weill		
03/12/2026	6 pm – 9 pm	Prof. Samuel Nyarko	Humundi (L.Biot & F.Cajot)	

Objectives of the course

The course aims to help students:

- **LO 1.1** Address ethical concerns related to the evolution of the microfinance sector and the associated managerial implications.
- **LO 1.2** understand and assess the risk management of MFIs.
- **LO 1.3** understand the need for financial regulations and the lessons to be learned from the current crisis.
- **LO 1.4** provide a sound financial statement analysis of an MFI.
- **LO 2.1** Explain the nature of the commonly used tools for social assessment of MFsector: social performance audit (SPI), social rating, due diligence of investors.
- **LO 3.1** Explain different aspects of the social assessment: introduction to approaches, initiatives and tools to social performance assessment and management.

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