



# Islamic Finance and Philanthropy: Fostering Economic Empowerment for Nigerian Muslim Women Entrepreneurs

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## ABSTRACT

This study investigates the significance of Islamic social finance as a catalyst for economic empowerment among Yoruba Muslim women entrepreneurs in Nigeria. Focusing on the dynamic framework of Small and Medium Enterprises (SMEs), the study delves into the Nigeria context to explore how Islamic finance principles are utilized to empower Yoruba Muslim women in the country. The study employs multidimensional methods, combining a thorough literature review, empirical analysis, and in-depth case studies, probing into the suitability of Islamic financial products in the context of SMEs financing, investigating the role of philanthropy in providing financial support for women-led SMEs. Proposing a Cash *Waqf* Cooperative Model for women entrepreneurs in Yorubaland, Nigeria, the study explores the challenges faced by Yoruba Muslim women entrepreneurs, seeking to propose strategic interventions rooted in Islamic social finance to address the unique needs of these women. The study reveals the significant relationship between Islamic social finance and women's entrepreneurship, thereby offering operational impacts for financial institutions and philanthropic entities in formulating targeted strategies aimed at stimulating economic empowerment, financial inclusion, and sustainable development among Yoruba Muslim women entrepreneurs in Nigeria.

## 1. Introduction

In recent years, there has been a growing recognition of the potential of Islamic finance as a model for socio-economic development and empowerment, particularly for underrepresented populations such as women and youth. In Nigeria, this is especially evident in regions like Yorubaland, where Muslim women face unique challenges in accessing financial resources for their entrepreneurial ventures. Despite efforts by conventional financial institutions to address these challenges, the

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persistence of interest-based (*riba*) financial practices continues to hinder the progress of women entrepreneurs in the region.

One promising avenue for empowering the vulnerable segments of the society lies in the nexus between the commercial aspects of *Islamic* finance and its philanthropic endeavors, particularly through the concept of cash *Waqf*. Historically, *Waqf* has served as a mechanism for pooling resources to support charitable causes and community development initiatives within Islamic societies. By leveraging the principles of *Islamic* finance, such as risk-sharing and ethical investment, cash *Waqf* presents a viable catalyst for empowering Muslim women entrepreneurs in Yorubaland.

Islamic cooperative societies have emerged as a role model in providing financial inclusion for women entrepreneurs, especially the Muslim women in the Yoruba region. These cooperative societies offer alternatives financing mechanisms to conventional banking systems. However, despite their potentials, many Islamic cooperative societies in Yorubaland struggle to access sufficient funding to support their operations and meet the needs of women entrepreneurs effectively, describing lack of equitable sources of funding as a major obstacle facing Islamic cooperative societies in the region.

Islamic traditional sources of finance such as *Zakat* and *Sadaqah* often overlook the specific needs and challenges faced by women entrepreneurs, leading to inadequate support for their ventures. As a result, there is a pressing need to innovatively explore other Islamic modes of finance that prioritize the empowerment of women entrepreneurs in Yorubaland.

This study aims to propose a Cooperative Cash *Waqf* model as a means to address the financing needs of Muslim women entrepreneurs in Yorubaland. By combining the principles of Islamic finance with the philanthropic spirit of Cash *Waqf*, this model seeks to provide sustainable and ethical financing solutions that support the growth and success of women-owned businesses in the region.

## 2. Literature review

### 2.1 Understanding Empowerment: Concept and Definition

The concept of empowerment is etymologically rooted in the verb 'empower', denoting an act of bestowing power or authority upon an individual (Sadan, 1997). While Solomon (1976) describes the concept as a process of becoming stronger and more confident, especially in controlling one's life and claiming one's rights, Floyd (2005) sees it as an increase in spiritual, political, social, educational, gender or economic strength of individuals and communities to deliver an authority or permission. Hence, power can be gotten or given to another person. Evidently these definitions present apparent contextual meanings rather than theoretically grounded frameworks with each ascribing significance to the ideological objectives of its proponents.

From the Islamic perspective, the word, 'empowerment', translated in Arabic as '*At-Tamkīn*' is contained in sixteen verses of the Qur'an, spread across twelve chapters some of which are generally translated as 'bestowment' or 'establishment' (Qur'an, 6:6), 'dominance' (Qur'an, 8:71), 'rank' or 'position' (Qur'an, 12:54), 'authority' or 'power' (Qur'an, 18:84), 'power' (Qur'an, 24:55) and 'stability' (Qur'an, 77:21). To this effect, Muhammad As-Sallaby (2009) posits that empowerment is characterized as a vigorous effort aimed at reinstating the socio-political power of the *Ummah* and reclaiming its economic standing. Similarly, As-Sayyid (2003) contends that the term 'empowerment' encompasses an evaluation of the socio-economic impediments hindering the Muslim *Ummah* from realizing its objectives, as viewed through the prism of the Qur'an and Sunnah. The above various interpretations of empowerment thus align with a conscientious application of Islamic principles in both religious and worldly contexts.

Drawing from the aforementioned assertion, empowerment may be defined as a progressive course stimulating physical, spiritual, intellectual and material development of an individual. Put differently, empowerment is a mechanism that fosters an individual's capacity and potentials and furnishes conducive environments to augment such individual's knowledge and skill acquisition, thereby contributing to both personal and societal advancement. This assertion epitomizes the role of women as men's partners in nation's socio-economic building rather than opponents in competitive struggle for power and supremacy.

Similarly, crossing his fingers together in a histrionic description of his message, the Prophet in an authentic *Hadith* stated that "the believer to the believer is just like a building; its parts support each other, they are like one body in compassion and mercy; if a part falls ill, the rest of the body suffer with fever and sleeplessness" (Al-Bukhari, Volume 3, Book 43, no. 626).

However, the Organization for Economic Co-operation and Development (OECD) defines the term "women empowerment" as women's increase access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information (OECD, 2011). In the words of Duflo (2012), "women empowerment" and "economic development" are closely related. While the former plays a major role in women's perception and realization of their worth and rights as well as dragging down inequality in various categories of their lives, the latter is largely beneficial to development.

It may be argued that globalisation, particularly the Western women right movement did liberate the contemporary women folk by awakening their socio-political consciousness, yet it can also be contended that such liberation impacted negatively on their domestic roles both as wives and mothers. What appears more contentious pertains to the extent of commitment of the contemporary women to their traditional domestic responsibilities as wives or mothers.

Salim al-Bahsanwi (1999) perceives such impediment as an adverse consequence on womenfolk, advocating against their participation in business activities. However, such regressive traditionalist argument appears, in view of this study, akin to the colloquial expression of "throwing out the baby with the bathwater", potentially impeding the progress of Muslim *Ummah* within contemporary global context.

## 2.2 Muslim Women Empowerment in Nigeria

In Nigeria, Muslim women have played a pivotal role in shaping the sociocultural and economic landscape of the nation. Their empowerment is not only vital for their individual well-being but also for the overall advancement and progress of Nigerian society. Historically, Nigeria has embraced a tradition of gender equality, where women have occupied influential positions in politics and economics, contributing significantly to community development. The interplay between gender, religion, and culture in Nigeria emphasizes the necessity of targeted interventions to provide equitable opportunities for Muslim women entrepreneurs. Such initiatives resonate with the principles of justice inherent in both *Islamic* teachings and Nigerian culture, promising to foster a more equitable and vibrant sociocultural environment in the country.

Furthermore, the Yoruba concept of empowerment, termed "*agbara*," transcends physical strength to encompass political, economic, and religious empowerment. Influential figures, known as "*alagbara*", derive power from political or economic success, contributing to community development. Yoruba women have historically been indispensable to the social, economic, and political spheres, engaging in diverse economic activities such as trading, farming, and craftsmanship. They hold significant influence in marketplaces, known as "*Iyalaje*", and have played pivotal roles in economic development (Adekunle, 2006).

Moreover, Yoruba women have held positions of authority, including queens (“*Oloris*”), and have influenced decision-making processes (Sudarkasa, 1973). They have administered markets and participated in traditional worship practices, highlighting their multifaceted roles in society. Yoruba women engage in associations (“*egbe*”) that serve as sources of economic and social empowerment, reflecting the community's belief in mutual support. These associations provide political, economic, spiritual, and cultural authority, contributing significantly to community development (Johnson, 1921).

Economic empowerment for Yoruba Muslim women has been facilitated through trade, providing financial independence and social status. They have historically traded non-perishable goods like gold and beads, establishing extensive commercial networks. Traditional savings and credit schemes, such as “*esusu*” and “*ajo*”, have enabled women to save, access credit, and invest in businesses, promoting financial discipline and improving livelihoods (Adekunle, 2006).

Despite cultural and religious constraints, Yoruba women exhibit resilience, navigating barriers to shape their communities actively. Their involvement in trade and commerce, coupled with participation in associations and savings schemes, underscores their multifaceted roles in economic and political spheres. Despite ongoing challenges, their contributions remain integral to the development and empowerment of Yoruba society. However, despite this historical emphasis on women's empowerment, challenges persist, particularly regarding financial inclusion for Muslim women in Nigeria. Addressing these challenges demands holistic approaches and comprehensive strategies. The discourse below underscores the primary challenges encountered by Muslim women entrepreneurs in Nigeria.

### 2.3 Components of Contemporary Islamic Finance: A Glance at the Nigerian Context

The domain of Islamic finance is comparable to an expansive forest, extending its boundaries beyond traditional confines to encompass both Islamic commercial finance and Islamic social finance. Originally centered around Islamic banking, this dynamic realm has evolved to integrate components such as Islamic Insurance, Islamic Capital Market and Islamic Money Market, showcasing its adaptability to contemporary financial landscapes. In the Nigerian context, Islamic finance sector is categorized into Commercial Islamic finance, Pure Islamic social finance and Hybrid Islamic finance, each serving distinct purposes. The objectives of Islamic finance, grounded in principles of poverty alleviation, empowerment and wealth distribution, underscore its significance in both social and commercial frameworks.

Examining current scientific studies on the efficacy and productivity of microfinance, Samoon (2020) asserts that *Islamic* financial models are particularly valuable, leveraging Islamic charitable and philanthropic sources of funds such as *Zakat*, *Sadaqah* and *Waqf* compared to conventional schemes, contributing to mobilization of capital, particularly for business women while enhancing their social welfare and development. While studies by Iqbal and Llewelly (2018) and Adenigba and Olaitan (2022) provide valuable insights into the efficacy of Islamic finance, a study gap persists, especially in the examination of challenges and risks associated with integrating *Islamic* financial services into the Nigerian economic system. The recommendations put forth by Adenigba and Olaitan does not underscore a comprehensive support required to harness the full potential of *Islamic* finance in Nigeria. This indicates a pressing need for further study to deepen our understanding of Islamic finance, its challenges and its untapped potential, especially in the context of promoting economic inclusivity and social welfare of Muslim women entrepreneurs in the country.

## 2.4 Challenges of Muslim Women Entrepreneurs in Nigeria

Women empowerment as earlier alluded to, has been a crucial topic of discussion and debate across the globe. While progress has been made in many parts of the world, there are still significant challenges faced by Muslim women entrepreneurs, particularly in countries such as Nigeria. Generally, the condition of women in Nigeria has been broadly explored by many researchers including Obadan and Odusola (2011) and Emmanuel (2013), who argued that diversity of religion interpretations, culture norms, ethnicity and socio-political factors contribute to these challenges often encountered by women across the country. Ola and Aladekomo (2013), however, epitomize the challenges in a more abridged manner. They identify lack of adequate training (education barrier), limited access to start-up capital (financial exclusion) and poor family support (socio-cultural issues) as the major trio empowerment challenges Nigerian women are often faced with.

### a. Education Barrier

Nigerian women, particularly the Muslims among them have historically faced societal constraints that limit their participation in education and economic opportunities. Despite efforts to improve educational opportunities for all, there is still a gender disparity, especially in rural areas. Muslim girls often face barriers such as lack of support for higher education and socio-economic constraints that limit their access to quality education. Studies have shown that economy, where women have low numbers of primary, secondary and higher education and vocational training are characterized by lack of capacity to access technology, adequately manage their businesses and take risks to explore innovative opportunities on the same pedestal as their male counterparts (Meunier et al., 2017). Amaechi (2016) also remarks that lack of education and training is one other significant barrier to the sustainable growth of female owned businesses in Nigeria. Women have a high rate of illiteracy and ignorance of management skills compared to men, which limits their access to resources, credit and inputs required for business success, hence, the need for women education system reforms at the primary, secondary and higher levels.

### b. Socio-cultural Barrier

One of the major challenges regarding Muslim women in Nigeria is connected with culture and family related issues such as business and home role conflicts, extended families responsibility and insufficient support structures. Although, urban females are less affected than rural women, yet Agboola et al. (2015) argue that the nature of challenges remains the same. The intersectionality of identities compounds the challenges faced by Muslim women, as they grapple with various forms of discrimination rooted in their gender, religious affiliation and ethnic identity, constraining the opportunities for entrepreneurial development in the country. A critical aspect further exacerbating the predicament of these women is the pervasive limited representation in decision-making realms, both within religious institutions and in broader social and political spheres. This underrepresentation reflects a systemic issue that hinders the full participation and inclusion of these women in shaping the sociopolitical landscape, thereby perpetuating an imbalance that necessitates rectification for the realization of gender equality and social justice.

### c. Economic Barrier

In the Nigerian context, women face notable challenges grounded in economic barriers, financial exclusion and insufficient working capital. The interconnection between these economic challenges and the elevated poverty rates in the country is profound. Insufficient working capital



limit women's ability to engage in productive economic activities, leading to lower income levels and reduced opportunities for socio-economic advancement. The resulting economic disparity further deepens the gendered dimensions of poverty. Addressing these economic barriers in a systematic and inclusive manner is imperative for breaking the cycle of poverty in Nigeria.

Imam Al-Ghazali as quoted by Gusau and Abdullah (1994) stated that poverty means such pressing wants which make satisfaction of basic necessities of life difficult or impossible. Two types of poverty were recognized by al-Ghazali such as “real poverty” and “poverty due to greed”. Real poverty refers to lack of necessities, while poverty due to greed is attitudinal related due to lack of contentment. Negative attitudes such as ingratitude, hatred, greed, pessimism and resentment are manifestation of man’s actions and inactions by which society could be perpetually impoverished. Allah says:

ظَهَرَ الْفَسَادُ فِي الْبَرِّ وَالْبَحْرِ بِمَا كَسَبَتْ أَيْدِي النَّاسِ لِيُذِيقَهُمْ بَعْضَ الَّذِي عَمِلُوا لَعَلَّهُمْ يَرْجِعُونَ ﴿٤١﴾

*Corruption has appeared in the land and the sea on account of what the hands of men have wrought, that He may make them taste a part of that which they have done, so that they may return. (Quran, 30:41)*

In sum, poverty becomes an attitudinal problem when people perpetuate it among themselves through self-defeating beliefs and sense of resignation.

## 2.5 Poverty Level among Women in Nigeria

Poverty is a complex issue affecting numerous countries worldwide, Muslim women in Nigeria inclusive. These women face unique challenges due to their identity as both females and religious minorities. Poverty gaps between women and men are particularly acute for those between the ages of 25 and 34, as women struggle to combine paid work with an unequal burden of care for children and other dependents. Around the world, for every 100 men in this age group who are poor, there are 122 women, statistics have shown (NBS, 2022). Further findings by NBS show that analysis of female employment in Nigeria reveals a discernible division between formal and informal sectors. Approximately 23% of women participate in the formal sector, demonstrating a tendency towards lower educational qualifications among this cohort. Conversely, a substantial majority, constituting 77% of the female workforce, engages in the informal sector, primarily occupied by low-skilled and low-paid occupations in the country.

Regarding access to financial services, analyses highlight a gender imbalance favoring men. While 59% of women have financial access compared to 67% of men, resulting in 41% of Nigerian women being financially excluded. The breakdown further reveals that 21 million women access formal financial services, with 8.4 million relying on informal finance (Enhancing Financial Innovation and Access, EFINA, 2018). Despite the current improvements, challenges persist and the concentration of unserved and underserved Nigerian women, particularly in lower-income segments, is attributed to low monthly income and financial exclusion, with the majority earning less than N40,000, approximately \$30 per month (CBN, 2019).

## 2.6 Poverty Alleviation: An Islamic Perspective

Drawing upon the *Islamic* economic paradigm, the strategies for alleviating poverty extends beyond policy formation, involving the teaching, learning and application of fundamental principles encapsulated in the *Maqasid Shariah*, specifically preservation of religion, soul, intellect, offspring and wealth. This method assumes paramount significance in the context of effectual poverty alleviation in Nigeria. According to Iqbal (2002), application of *Maqasid Shariah* to economic problems requires

a comprehensive strategy employing three distinct categories of measures: positive, preventive and corrective. Positive measures necessitate consistent income growth, equitable income distribution and provision of equal opportunities for all through implementation of equitable financial products such as *Musharakah*, *Mudarabah*, *Murabahah*, *Ijarah*, among others. However, poverty alleviation necessitates not only positive and preventive measures but also corrective measures, involving mandatory transfer of *Zakat*, recommended transfer of *Sadaqah*, utilization of *Waqf*, *Takaful* mechanisms, *Irfaq* as well as government interventions Iqbal (2002). It is against this background that this paper presents the following *Islamic* financial models as catalysts for fostering economic empowerment among female Muslim entrepreneurs in Nigeria.

### 3. Conceptual framework

#### 3.1 Islamic Financial Models for Muslim Women Entrepreneurs in Nigeria

Socioeconomic empowerment of women has become a paramount concern in contemporary academic discourse, with an increasing emphasis on addressing gender disparities and fostering inclusive development. The integration of *Islamic* finance and philanthropy not only agrees with the ethical principles of Islamic social development but also offers a framework for collective economic undertakings that cater specifically for the needs and cultural context of Muslim women in Nigeria. *Islamic* financial models, especially *Qard Hassan* and *Waqf* exemplify a synthesis of *Islamic* economic principles and values, mirroring a commitment to equity, justice and social welfare. These financial products encourage collaborative entrepreneurship among Muslim women, fostering a sense of community and shared economic responsibility. The social and philanthropic nature of these financial products provides a platform for mutual support and resource pooling, which are integral components in promoting sustainable empowerment within Muslim community. Within this contextual framework, the ensuing discourse delves into two socio-philanthropic financial models (*Qard Hassan* and cash *Waqf*) for empowerment of Muslim female entrepreneurs in Nigeria.

#### 3.2 *Waqf* Model for the Empowerment of Muslim Women Entrepreneurs in Nigeria: Cash *Waqf* as a Case Study

Poverty alleviation among Muslim women entrepreneurs in Nigeria necessitates not only supportive measures but also philanthropic dimensions that are commercial orientated. A pertinent socio-economic paradigm viable for the empowerment of Muslim women in Nigeria involves utilization of *Islamic* philanthropic models such as *Waqf* or cash *Wafq*. *Waqf*, a form of *Islamic* philanthropy, has been an integral part of *Islamic* finance for centuries. In Nigeria, where a substantial population of Muslims resides, *Waqf* financial model holds immense potential to uplift Muslim women, providing them with financial independence, improving their socio-economic conditions, and fostering gender equality. Although, the term “*Waqf*” does not appear in the *Qur'an*, its legibility is well defined therein. There is ample evidence from the *Qur'an*, *Sunnah*, and the consensus of Muslim scholars that supports the validity of *Waqf*. Basically, the *Qur'an* encourages acts of charity and emphasizes the importance of helping others. The *Qur'anic* provision of Surah Al-Baqarah (2:177) reads:

لَيْسَ الْبِرُّ أَنْ تَوَلُّوا وُجُوهَكُمْ قِبَلَ الْمَشْرِقِ وَالْمَغْرِبِ وَلَكِنَّ الْبِرَّ مَنْ آمَنَ بِاللَّهِ وَالْيَوْمِ الْآخِرِ وَالْمَلَائِكَةِ وَالْكِتَابِ وَالنَّبِيِّينَ وَآتَى الْمَالَ عَلَى حُبِّهِ ذَوِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسَاكِينَ وَابْنَ السَّبِيلِ وَالسَّائِلِينَ وَفِي الرِّقَابِ ﴿١٧٧﴾

*It is not righteousness that you turn your faces towards the East and the West, but righteousness is this that one should believe in Allah and the last day and the angels and the Book and the prophets, and give away*

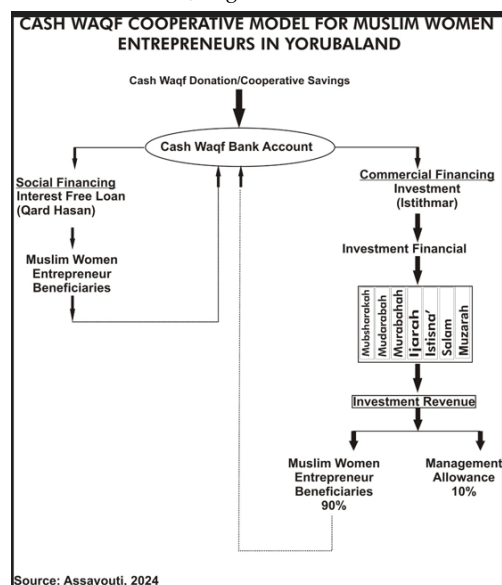
*wealth out of love for Him to the near of kin and the orphans and the needy and the wayfarer and the beggars and for (the emancipation of) the captives. (Quran, 2:177)*

Besides, it is reported that the companions of the Prophet had a consensus on the legality of *Waqf*. Ibn Qudamah stated that Jabir said: there was no wealthy companion who had not made donation for *Waqf*, there is a consensus on it. He further noted that although Abu Hanifah held a contrary view to the majority of the jurists, Abu Yusuf (a student of Abu Hanifah) changed his position on the issue. He invoked in support of the legality of *Waqf*, the conduct of the Prophet, his Companions and the Successors. Hence, the later Hanafis often said: Abu Hanifah's opinion on *Waqf* is that it permissible but not obligatory" (Al-Kabisi, 2004).

However, classification of *Waqf* extends to immovable and movable assets (cash *Waqf*). The legitimacy of cash *Waqf* has been a subject of debate among Muslim scholars. While some critics argue against it, citing historical practices of endowing immovable assets like land or buildings, the proponents, including the Malikis, Shafis, and Hanbalis, contend that cash *Waqf* aligns with the primary objective of benefiting society and fulfilling charitable purposes, making it a legitimate form of Islamic philanthropy. They reference historical precedents, such as Imam Zufar's approval of all movable properties as *Waqf* and Hafsa, the wife of the Prophet, dedicating her jewelry as *Waqf* (Obaidullah and Shirazi, 2014). The Malikis allow both immovable and movable properties, including Cash *Waqf*, as valid subjects of *Waqf* (Haneef, 2015).

Cash *Waqf*, a philanthropic fund formed through special cash donations, represents a departure from the conventional notion of *Waqf* associated with immovable properties. According to Mannan (1999), this innovative approach enables investments in productive ventures, contributing to sustainable poverty alleviation, particularly through microcredit and microfinance initiatives. The uniqueness of cash *Waqf* lies in its adaptability, addressing the limitations of low liquidity inherent in traditional *awqaf* properties and fostering broad participation in philanthropic endeavors. The sale of cash *Waqf* facilitates the realization of the vast potentials of *Waqf*, involving a diverse range of individuals and entities in this meritorious undertaking (Haneef, 2015). Embracing Islamic financing techniques, such as cash *Waqf*, holds the potential to generate stable financial opportunities in Nigeria, alleviate poverty and enhance the socioeconomic development of Muslim women entrepreneurs in the country.

Figure 1: Cash *Waqf* Cooperative Model in Yoruba land, Nigeria

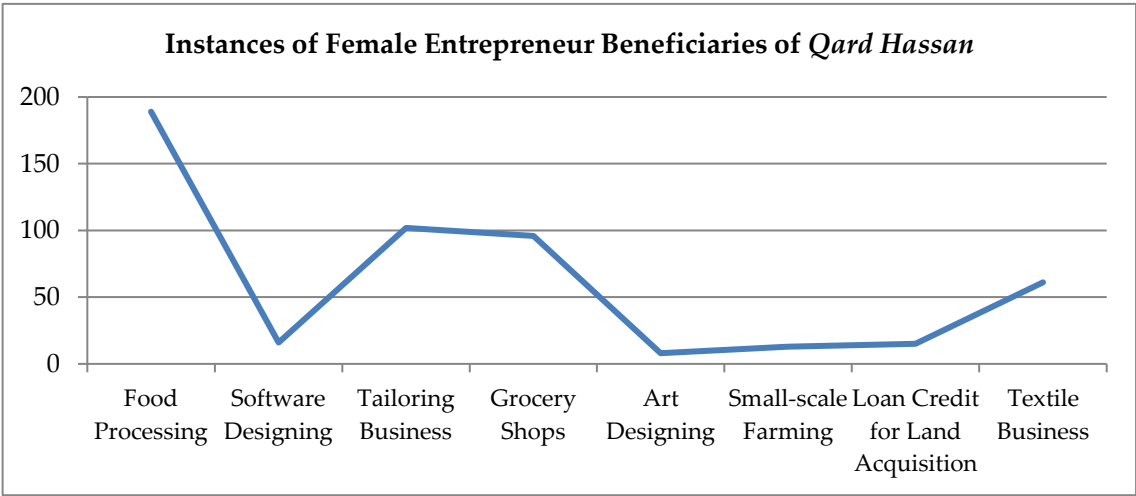




4. Research methodology

4.1 Impacts of *Qard Hassan* Model on Empowerment of Women Entrepreneurs in Nigeria

*Qard Hassan*, as a financial model has significantly impacted the socio-economic development of Muslim women entrepreneurs in Nigeria. Designed to provide financial support, especially to economically disadvantaged women, this initiative addresses crucial social and economic challenges, promoting overall well-being and self-sustainability. By offering interest-free loans and financial services, the scheme enhances financial inclusion, empowering Muslim women who were previously excluded from mainstream institutions. This inclusion not only improves their economic standing but also enables active participation in socio-economic activities, fostering community development. In the table below, statistics of the instances of women entrepreneur beneficiaries of *Qard Hassan* is presented according to their percentages:



Source: Field survey, Feb. 2024.

5. Discussion

Among the 700 Muslim women entrepreneurs subjected to interviews, 500 individuals were identified as affiliated with various Islamic cooperative societies, each having availed themselves of the *Qard Hassan* schemes implemented by their respective cooperatives. The above table reveals that 189 beneficiaries within this framework are involved in food processing and marketing, while 102 women are engaged in tailoring enterprises. Investigation further shows 96 women managing grocery shops, with an additional 61 participating in textile business. Notably, a smaller number includes 8 women practicing art design and 13 women involved in small-scale farming. The study also identifies 16 young females specializing in software development alongside 13 women undertaking sale of seeds and farming equipment. These findings reveal the flexibility of the *Qard Hassan* Model, illustrating its adaptability and effectiveness across broad of Muslim women economic activities, thus emphasizing its potential to address the diverse needs of female Muslim entrepreneurs in Nigeria.

However, one major limitation of *Qard Hassan* is its restricted accessibility, as the model relies on funds contributed by cooperative members, leading to insufficient resources to cater for the needs of all eligible individuals at once. Consequently, it is imperative to introspect and devise a more resilient model to address the financial challenges of female Muslim entrepreneurs in Nigeria.

### 5.1 Empowering Muslim Women Entrepreneurs in Nigeria: Cash *Waqf* Strategies

Successful utilization of cash *Waqf* model for empowerment of Muslim women entrepreneurs in Nigeria requires several key strategies. First, a supportive legal framework must be established with clear guidelines to preserve the integrity of the endowment, prevent misuse and ensure transparency. Collaboration with government authorities and *Shariah* scholars is also essential for streamlining legal and regulatory procedures. Additionally, a comprehensive financial literacy campaign is crucial, involving workshops and seminars to educate cooperative society members, particularly the affluent Muslims, about the concept and its benefits. According to Olasupo, (2013), efficient governance and accountability are paramount, requiring knowledgeable boards of trustees, regular reporting, and auditing procedures to build trust among members and stakeholders.

Ultimately, the process requires establishment of Islamic Cooperatives Banks (ICB) in all Nigerian 36 states including the Federal Capital Territory. These banks would be overseen by a central Cash *Waqf* Bank (CWB), where specific funds are donated for Cash *Waqf* purposes. Each cooperative bank acts as a trustee to manage its cash *Waqf* contribution or donations and provide necessary services to the donors. The funds can be given out directly as *Qard Hasan* loans to eligible female Muslim entrepreneurs through the central Cash *Waqf* Bank (CWB) or invested in by the *Islamic* Cooperative Banks (ICB) in ethical businesses through the use of *Islamic* financial products such as *Musharakah*, *Mudarabah*, *Murabahah*, *Ijarah*, *Istisna'*, etc. while a small percentage (10%) of the revenue generated is used for management allowance of the banks, the larger portion is returned to the CWB for further disbursement as *Qard Hassan* to other Muslim women entrepreneurs. This model stands unique in addressing the liquidity challenges, faced by Muslim women entrepreneurs in Nigeria.

## 6. Conclusion

In conclusion, this study illuminates the intricate relationship between Islamic finance and philanthropy as powerful drivers for economic empowerment among Muslim women entrepreneurs in Nigeria. By focusing on the specific context of Small and Medium Enterprises (SMEs), particularly those led by Muslim women, the paper underscores the potential of *Islamic* finance principle (*Qard Hassan*) and philanthropic model (Cash *Waqf*) to act as transformative forces within the entrepreneurial landscape of the country. The multidimensional approach employed, blending literature review, empirical analysis, and case studies, allows for a nuanced understanding of the challenges faced by Muslim women entrepreneurs in Nigeria. The findings of this study not only contribute to the academic discourse on the convergence of Islamic finance, philanthropy, and women's entrepreneurship but also hold practical implications for policymakers, financial institutions, and philanthropic entities. The proposed strategic interventions rooted in Islamic finance and philanthropy seeks to address the unique needs of Muslim women entrepreneurs, ultimately fostering economic empowerment, inclusivity, and sustainable development. As Nigeria grapples with economic complexities, this research provides a roadmap for targeted initiatives that can uplift and support a significant demographic, paving the way for a more equitable and prosperous entrepreneurial landscape in the Nigerian context.

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