



Islamic Micro finance as Spiritual financing: A Theoretical aspect

Irfan Ahmed Sheikh¹, Dr. Raminder Kaur Sira²

¹ Scholar Punjabi University Patiala Department of Management Studies

² Assistant Professor Punjabi University Patiala Department of Management Studies

ABSTRACT

When we talk of for human development on survival grounds, poverty halls an utmost position which integrally needs to be addressed to its best possible extent. In order to uplift poor, Economic welfare stimulation by financial support is of supreme importance. Among various ways to support needy which are categorized as formerly or informal, conventional institutions particularly micro finance institutions are meant to serve poor by way of financing their tiny business either groups or at individual level that by and large operates as commercial way of financing. To be specific this way of financing continuously backed by extra burden in the shape of interest which borrower has to bear. On contrary when we talk of spirituality we are basically talking of religion. For author spirituality means religion. Here unburden financing plays key role for the same. Although Conventional microfinance is recognized as hope for the poor with marginal burden in most of cases but not for extremely poor. To finance them is not among purpose of any financial institutions even in conventional micro fiancé institutions, to address those lies under the Doman of religious umbrella and Islam provides solution for same. As Islam provides the comprehensive code of life and to deal with poverty reduction is as one of the fundamentals of faith. Today Islamic micro finance which is in operation offers trade based financing as well as charity based financing Islamic Microfinance Institutions (IMFIs) have been working in a very limited form that too mostly in Asian countries, as a subset it gives financial support to poor and extremely poor, in the shape of grants or provide Qard Hasan or trade based in promoting trade activities in terms of entrepreneurship development among Muslim as well as Non-Muslims.

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