CHAPTER 1

# Introduction

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Financial inclusion incorporates a range of initiatives that make financial services available, accessible, and affordable to all segments of the population, including women, youth and rural communities, and other disadvantaged groups (A Elzahi Saaid Ali (2019)). Recent initiatives from the international development institutions, United Nations, and G-20 showed that financial inclusion is an important element in the formulation of the Sustainable Development Goals (SDGs), the new development architecture that succeeds the Millennium Development Goals (MDGs), and The Millennium Development Goals Report (2015). Financial inclusion could play an important role in the fight against poverty and help in achieving inclusive development. Moreover, recently financial inclusion has become one of the main drivers in the reform and development agendas of

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multilateral institutions such as the World Bank, African Development Bank, and Islamic Development Bank (IsDB).

Providing access to finance has been challenging all over the world, particularly among the 57 member countries of the IsDB. The Arab Spring and political instability in parts of the Middle East and North Africa (MENA) region and other member countries exposed the IsDB member countries to the risk of poverty, hunger and inequality, and difficulty in accessing decent employment. There is also the urgent need for fostering economic growth, good health services, and well-being, as well as addressing gender equality issues. Financial inclusion is a very essential element that can mitigate the above-mentioned risks. These two books (Volumes I and II) explore financial inclusion from the Islamic perspective to promote inclusive growth in IsDB member countries and help in mitigating poverty, reducing inequality, and improving access to decent employment.

Unlike in the conventional perspective of financial inclusion, Islamic financial inclusion goes beyond access to finance. It encompasses enhanced access to savings and risk mitigation products, as well as social inclusion that allows individuals and companies to engage more actively in the real economy. It represents one of the important drivers of economic growth. Access to finance is one of the most formidable challenges confronting micro-entrepreneurs and the poor in IsDB member countries. Given the high poverty among low-income groups and the unavailability of collateralization mechanism, lending to these groups is normally associated with greater risk. Considering these challenges, the IsDB initiated and successfully implemented programs promoting Islamic microfinance in its member countries such as Sudan, Yemen, and Bangladesh. The two books are the first in the market to address Islamic financial inclusion and to provide empirical evidence and modeling. It is expected that the two volumes will be well received among university students and instructors, especially in the IsDB member countries and beyond.

In addition to the rising poverty and unemployment, most IsDB member countries are facing a huge gap in gender equality. The gender gap varies widely across economies and regions. Among the regions, South Asia and the Middle East and North Africa have the largest gender gaps. These regions comprise of about 40% of women who are less likely to have a formal account than men (The Global Findex Database 2013). Hence, financial inclusion is essential, and will be successful and effective if correctly used to find ways of harnessing the untapped potential of those disadvantaged individuals currently excluded from the formal financial

sector or not fully served by the available products and services. Innovation in women- and youth-specific Islamic financial inclusion products would be good enough to mitigate the gender gap.

Since the last quarter of the last century, Islamic economics and finance has contributed significantly to the development of financial sectors and, deepening financial services not only in Muslims countries, but also across their borders. In line with the remarkable developmental role that Islamic finance is expected to play in alleviating poverty and boosting the SDGs agenda, Volume II of this book attempts to address the role of Islamic financial inclusion in achieving sustained economic growth and poverty alleviation in IsDB member countries. Due to the political instability and civil wars that resulted in more refugees and fragility across member countries, particularly the MENA region, the availability and accessibility of financial services in an affordable manner to all segments of the population, including women, rural populations, the poor, persons with disabilities, and other disadvantaged groups have become more difficult. This book is an outcome of the thematic workshop organized jointly by the Islamic Research and Training Institute (IRTI), a member of IsDB, and the Ibn Sina University of Sudan. The main objective of the workshop is to explore the issues of Islamic financial inclusion for women empowerment, youth development, sustainable economic growth, and poverty alleviation, and the impact of digital services in Islamic financial inclusion and Islamic financial inclusion for agricultural development. Hence, Volume II of the book addresses how Islamic financial inclusion could be used to achieve sustainable economic growth and poverty alleviation, improve the life of disadvantaged people in the rural areas, and benefit from the recent revolution in financial technologies to overcome the basic infrastructure constraints. Volume II comprises 14 papers on various aspects of Islamic financial inclusion. Islamic financial inclusion together with its certain in-built features of Islamic social finance tools and the wide scope of Islamic financial services could contribute significantly in financial inclusion and financial capability of the poor, and hence help in eradicating poverty among IsDB member countries and might extend further to other nations. This is because Islamic financial inclusion encompasses social financial inclusion tools such as Zakat, Waqf, and Sadaqah (K Hassanain and A Elzahi Saaid (2016)) to empower the disadvantaged people through social inclusion, then move on to the next step of the financial inclusion after identifying the more productive poor and financially needy and finance them through the various modes of finance.

The volume is divided into two major parts. Part I, entitled 'Islamic Finance for Financial Inclusion: Countries Diagnostics', comprises six papers focusing on financial inclusion for sustainable growth and sustainable development. It addresses enhancing financial inclusion through Islamic microfinance, poverty alleviation from Islamic perspectives, and achieving sustainable development through mobile microfinance. This part consists of seven chapters that attempt to address financial inclusion based on the country's diagnostics cases. Chapter 2 by M. Mizanur Rahman investigates the role of Islamic financial inclusion for poverty alleviation in Bangladesh. For him financial inclusion refers to the access to diverse financial products and services of quality. The author argues that those who have the most difficulty acquiring banking products and services are those who could benefit most from them. Despite its essential role in the progress of efficiency and equality in a society, 2.7 billion people (70% of the adult population) in emerging markets still have no access to basic financial services and a great part of them come from countries with predominantly Muslim populations. Financial inclusion has also become an integral part in promoting inclusive growth in Bangladesh. He claimed there is growing urgency in both the public and the private sectors to support and encourage financial inclusion in Bangladesh, although current inclusion is about 40%. Therefore, Chap. 2 reviews different activities of the financial sector, especially the banking sector, with special emphasis on the contribution of Islamic banks toward financial inclusion. Bangladesh is the third-largest Muslim populated country in the world, and Islamic banking is gaining popularity in the country over time. Since the establishment of the first Islamic bank in Bangladesh in 1983, these banks have grown consistently in the country. At present, there are 57 banks in the country, of which 8 are full-fledged Islamic banks and 15 are other commercial banks offering Islamic banking services through branches/windows. The collective market share of Islamic banking in the country is around 25%, with a remarkable contribution to the GDP and sustainable development of the country. Bangladesh is a pioneer in empowering the poor by broadening the base of financial access through several types of financial institutions. Along with the formal banking sector, there are non-banking financial institutions, micro-insurance companies, cooperatives, microfinance institutions (MFIs), and small- and medium-enterprises (SMEs) to enhance financial inclusion. Furthermore, there are other governmental and non-governmental financial institutions providing different financial services to the poor population, like microcredit account,

farmer's account, garments worker's account, and student's account, to enhance financial inclusion. All these activities contribute toward alleviating poverty in the country. However, the author has shown that the financial inclusion still stands at much less than 50%, therefore, there is plenty of scope for work as many markets are still untapped and a huge part of the population remains unbanked. If Bangladesh wishes to become a middle-income country by the year 2021, the country must explore all the markets that are still untapped and include more unbanked people.

In Chap. 3 Edib Smolo attempts to answer the question whether bank concentration and financial development contribute to economic growth. He studies the case of Organization of Islamic Cooperation (OIC) countries. He argues that numerous attempts have been made to study the impact of bank concentration and/or competition on economic growth. However, there is scarce literature covering this relationship within OIC member countries. In this chapter the author investigates whether bank concentration and financial development contribute to economic growth within the OIC countries. In addition, he wanted to see whether the same applies to its subcategories (high-income and low-income countries and the corrupt and less-corrupt countries). In his study, he employs the generalized method of moments (GMM) estimators as it fits the best sample. Overall, it seems that bank concentration has negative impact on economic growth and this relationship is non-linear. Interestingly, financial development also has a negative impact on economic growth, but values of the coefficients are so small that they can be ignored economically. Thus, the chapter concluded that economic conditions within OIC countries may not be improved only by additional financial services, but rather by reducing (or increasing) bank concentration (or competition), reducing corruption, and improving overall income levels.

In Chap. 4 Adamu Usman Abubakar investigates the prospects of Islamic banking in improving financial inclusion in some selected states of Northern Nigeria. He explains that previous research in the area of financial inclusion in Nigeria centered on the supply side analysis which might not reflect the true situation of financial inclusion in the country. Hence, he looked at the demand side financial inclusion by focusing on the availability, quality, accessibility, impact, and usage of Jaiz Bank products and services to the customers in terms of improving financial inclusion. To achieve the stated objective, he adopted the triangulation method in which both quantitative and qualitative data were collected. Factor analysis, reliability test, and linear regression were applied to analyze the data. The

findings of the study indicate that Jaiz Bank offers quality products and services to the customers, the products and services are available to all customers regardless of their religious beliefs, and the usage of the products and services by the customers is satisfactory as all these constructs are found to be significant and positively related to financial inclusion. Therefore, the author concludes that Jaiz Bank as the main Islamic bank in Nigeria contributes a lot in bringing to its fold those initially excluded from mainstream financial services due to their aversion to interest, and the bank impacts significantly in reducing financial exclusion within the study area. It recommended that Jaiz Bank and other stakeholders of Islamic finance in Nigeria intensify efforts to make people more aware about the advantages Islamic products and services offer.

Rahmawati, Hafiz-Majdi Ab. Rashid, Hairul Azlan Annuar, and Siti Alawiyah Siraj study financial inclusion disclosure in Islamic microfinance in Indonesia, in Chap. 5. They look at the case of Baitul Mal Wa Tamwil (BMT), which has full potential to promote financial inclusion among the unbanked poor people. The experience of Islamic microfinance institutions programs in the last decades reveals lack of transparency and financial infrastructure such as payment systems, credit reporting, and governance in Islamic microfinance. In this chapter the authors proposed an index on financial inclusion disclosure and examined the extent and quality of financial inclusion in Baitul Mal Wa Tamwil in Indonesia. They also examined the association between financial inclusion disclosure index and the financial performance in BMT financial inclusion activities. They used the content analysis technique to quantify financial inclusion disclosure from the BMT Annual Report in Indonesia in 2014 to 2015. The authors expect their findings might assist managers, regulators, and policymakers to develop laws to strengthen requirement on disclosure, financial consumer protection, and credit reporting, and enhance financial inclusion activities in BMT in Indonesia.

In Chap. 6 Salisu Hamisu and Rusni Hassan study public awareness and the role of Islamic deposit insurance in promoting financial inclusion. Deposit insurance scheme is one of the financial safety-net instruments used by governments to ensure stability of the banking systems and protect depositors in the event of bank failures. Islamic deposit insurance is a Shari'ah-compliant system, which provides protection to depositors against potential loss due to an Islamic bank's failure, and also reinforces the consumer protection aspects that are inherent in Islam. The inculcation of Islamic deposit insurance for Islamic banks will boost the potential

and value proposition of Islamic finance, thereby motivating non-users of financial services that were excluded due to religious and cultural reasons, or lack of trust in conventional services. This chapter examines the potentials on how extending deposit insurance scheme to Islamic banks can enhance confidence and facilitate participation in the financial system vis-à-vis increase in the house-hold savings. A sample of 412 depositors from both Islamic and conventional banks in Nigeria was used to determine the awareness level, knowledge, and understanding of the potential of the Islamic deposit insurance scheme. The results suggest that the scheme offers a great opportunity that can lead to increase in financial access. Similarly, although the awareness of the scheme influences depositors' confidence in the financial system, hence the potential of encouraging financial system participation, there was a general low level of understanding of the overall concept of the scheme. The findings therefore will help policymakers to acknowledge the essence of Islamic deposit insurance regarding the issues of low financial awareness, and plan for better financial literacy programs that can promote financial inclusion and economic growth.

In Chap. 7 Elkhidir Elamin Mohammed Abelrasoul explains Islamic financial inclusion for agriculture development in Sudan. He explains that Islamic microfinance institutions offer many types of services to individuals and communities to sustain economic development. Moreover, he added that clients would have access to a coordinated combination of microfinance and other financial inclusion services to improve their businesses, income and assets, health, nutrition, education of children and social support networks, hence without integration and adaptation of financial inclusion services agricultural projects can be defaulted. This chapter evaluates the role of adaptation and integration of Islamic financial inclusion services in improving and developing agricultural projects, a topic barely studied in the literature. The results is based on data gathered from the farmers live at White Nile State. The author used a data set consisting of more than ten observations based on both quantitative and qualitative information on the relationship between Islamic financial inclusion. The findings showed that Alfal Microfinance Institution adopted the Islamic financial models, Mudaraba, Murabaha, and Muqawala all together at the same time. Alfal also adapted the Islamic financial models to cope with the needs of farmers and projects which improved inclusion of farmers and helped in improving their field capabilities by benefitting from the outreach of mobile network services in coordination and management of

field enterprises. These results provided evidence and insight into the theoretical literature in that, in addition to Islamic financial inclusion, microlenders and employees in Alfal Islamic microfinance practices appear to substantially rely on relationship driven information to decrease default rates. The chapter recommends that Islamic microfinance institutions adapt, diversify, and adopt Islamic financial innovations and Islamic financial inclusion to develop and sustain agricultural projects. This would do well in identifying specific areas of concern where weaknesses arise that might limit the successful attainment of lower default rate of the institutions and farmers. In addition to that, the Alfal Microfinance Institution should update its financial inclusion systems rendered to its employees and clients so that they acquire the desirable skills to induce its performance toward perfection.

Part II of the book is entitled Islamic Financial Inclusion for Sustained Growth and Poverty Alleviation. It comprises eight chapters and provides an empirical analysis on the role of Islamic finance in promoting financial inclusion and the extent to which it helps in alleviating poverty and economic growth. This Volume II provides countries' diagnostics on Islamic financial inclusion, through practical cases on micro-entrepreneurship, microfinance, Islamic deposit insurance, and the case of the Islamic financial inclusion in agriculture. Chapter 8 by Muhammad Khaleequzzaman looks at enhancing financial inclusion through sustainable Islamic microfinance in Pakistan from the perspective of participatory products development.

This study is very essential as a significant number of people live under the poverty line in Pakistan, the incidence of poverty being two times higher in rural areas compared to that in urban areas. Lack of dedicated focus on development of the younger population of the country, on the other hand, has left about one-third of the country's population vulnerable to violence and conflict. Similarly, access of women to economic opportunities is quite low. Financial exclusion is also evidenced in the limiting inherent interest-based model of conventional microfinance institutions. These MFIs tend to offer lending products to financially disadvantaged borrowers at rather unaffordable pricing. At the same time, a very high demand for Islamic financial services exists in the country. However, only a handful of Islamic microfinance institutions (IMFIs) exist in the country. These IMFIs are also subjected to several sustainability challenges including product concentration in Murabahah-based financing, paucity of available funds, and absence of Shariah structuring capacity,

resulting in limited outreach, exclusion of the extremely poor, and absence of participatory modes of financing and market linkages. Unfortunately, for Islamic commercial banks, the microfinance sector does not fall into the acceptable risk matrix eligible for financing. This chapter concludes that there should be a gradual shift toward participatory modes of financing enabling transformation of finance into real assets, at the same time allowing microenterprises to share profits and losses with the microfinance institutions. Cheaper financing could be sourced from funds such as waqf. Solidarity groups through social collateral would safeguard against adverse selection and agency problems. The research has helped to a framework of offering participatory products by IMFIs.

Chapter 9 by Abdelrahman Elzahi Saaid Ali and Khalifa Mohamed Ali investigates how to enhance financial inclusion and poverty alleviation through mobile microfinance in Sudan. The authors attempt to identify the challenges and opportunities. Sudan is listed as a low-income and food-deficit country despite its rich endowment of natural resources. Nearly half of the country, more than 37 million people, lives under the poverty line. Ranked 171 based on the United Nations Development Programme (UNDP) Human Development Index implies a very low rank in term of life expectancy, education, and gross national per capita income. Despite the efforts by the government through the Central Bank of Sudan to contain poverty through the establishment of a microfinance unit and the issuance of a microfinance regulatory framework, the country is still far beyond mitigating poverty. The vast areas of the country and the unfavorable basic infrastructure were reported as major obstacles for financial inclusion through normal financial methods. The results show that more opportunities for adopting mobile microfinance in Sudan would help it overcome the challenges. These results should help the government and policymakers in Sudan to adopt mobile microfinance.

Chapter 10 by Syed Muhammad Abdul Rehman Shah discusses the role of Islamic finance in achieving economic growth in Pakistan. Based on the global development agenda, the UN recommends that Islamic finance should support the Sustainable Development Goals (SDGs). A chain of research papers about the dynamics of financial development and growth of an economy is found, yet, the same research agenda is less explored from the perspective of the impact of Islamic finance on the economic growth for the countries with concentration of Islamic finance. Moreover, Islamic finance might be the best source of financial inclusion for the interest-sensitive people due to religious beliefs. Islamic finance

plays a productive role by facilitating borrowing and lending for agents facing shortage or surplus of funds. Therefore, this chapter explores the linkages among Islamic financial arrangements and economic growth in Pakistan, by using time series data of Pakistan during 2005–2017. Islamic banks' financing is used as a proxy for Islamic financing—gross fixed capital formation (GFCF), labor force (LF), broad money (M), gross domestic product (GDP), and trade openness (TO)—to present the real sector of an economy. The unit root test, ordinary least square (OLS) method and Granger-causality test are applied for exploration. The results validate a substantial causal relationship between Islamic financing and economic growth but the antipodal is not more valid, that is consistent with the supply-leading view of Schumpeter. The findings indicate that Islamic finance has contributed toward economic growth, which is one of the 17 objectives of the SDGs. The chapter recommends policy interventions to unlock the potential of Islamic finance for sustainable growth and development in countries where people are interest-sensitive.

Chapter 11 by M. Abubakar Siddique and Memoona Rahim is entitled Impact of Islamic banking Industry on Economic Growth and Poverty Alleviation in Pakistan. The authors explain that in Pakistan, the banking sector was brought under the umbrella of the Islamic financial paradigm since 2004. They claimed many studies have proved that Islamic banking industry (IBI) is performing well with respect to efficiency, profitability, and growth in Pakistan. But few studies have focused on this industry's role in achieving the Sustainable Development Goals (SDGs) like poverty eradication and economic growth in Pakistan. The focus of the chapter is to explore the role of IBI in Pakistan in achieving the SDGs. The study used major Islamic banks' financing modes, like Salam, Murabaha, Diminishing Musharkah (DM), Ijarah, and Istisna, as dependent variables because they play an important role in the development and growth of the Islamic banking industry. Keeping in view of the available data, this study selected nine banks; four full-fledged Islamic banks and standalone Islamic branches of five conventional banks running Islamic banking operations separately from their conventional counterparts in Pakistan. The study included annual unbalanced panel data from 2004 to 2017. In the light of the findings obtained from Im, Pesaran and Shin panel unit root test, Breusch-Pagan LM test, and Hausman test, Random Effect (R.E) estimation technique was employed. The finding showed that Islamic bank-specific variables as well as macroeconomic variables had a significant impact on poverty reduction and economic growth in Pakistan. The study

concluded that Islamic banking industry has great potential to achieve the SDGs in Pakistan and it also suggested that the government of Pakistan needs to take more measures to promote Islamic banking because the contemporary steps being taken are inadequate.

Chapter 12 by Adhitya Ginanjar and Salina Kassim looks at alleviating poverty through Islamic microfinance. They checked factors and measures of financial performance, and the roles of Islamic values and financial policies. Based on their view, the microfinance sector has a strong presence in Indonesia, with the number of Islamic Microfinance Institutions (IMFIs) estimated to be around 5000 currently. Microfinance is an effective tool in alleviating poverty in Indonesia due to the limited access to financial services by the poor who account for approximately 96 million Indonesians (or 37% of the total population), living on less than USD 1.90 a day. In the absence of a collateral and steady income, the poor are considered too risky to be given credit facilities by the formal financial services providers, and also, those living in remote areas have limited their access to formal financial services. This chapter examines the poverty alleviation efforts from the perspective of the IMFIs because of their direct involvement in the process and because they are rich in information about the financial issues faced by the borrowers. The managers also understand the financial inclusion agenda as well as the financial guidelines and regulations issued by the relevant authorities. A total of 34 managers of Baitulmaal Wa Tamwil (BMT), registered under the Sharia Cooperative Centre (INKOPSYAH), are taken as respondents from the Jakarta, Bogor, Depok, Tangerang, and Bekasi areas. The first instrument was a survey questionnaire, and the second was an in-depth interview to collect data related to the model design. The findings elaborate on several dimensions of improving financial inclusion among the poor, including providing financial services, implementing Islamic principles, significant policies, a community-based framework concept, and training and financial education. The findings also highlight the need for a variety of strategies to warrant success of poverty alleviation efforts by BMT. These results are expected to contribute to better decision-making for the BMT to further enhance its role in alleviating poverty.

Chapter 13 by Elsadig Musa Ahmed and Anwar Ammar investigates achieving sustainable development in Sudan through mobile microfinance services. This chapter attempts to apply the most significant knowledge economy driver, Information and Communications Technology (ICT), to implement mobile banking (M-bank) to increase the outreach of Sudanese microfinance sector services. Access to financial service has become a key

phenomenon for economic development and poverty alleviation. Microfinance is one way of fighting poverty in Sudan, where a large segment of the population is in need of it. However, despite the initial results showing a positive impact of microfinance on the livelihood of the low-income population in Sudan, around eight million Sudanese poor people are excluded from microfinance services. One potential remedy for the limited outreach of microfinance in Sudan could be enhancing the utilization capacity of modern technology by microfinance services providers (MFPs). Recent innovation in providing financial services in a convenient and efficient way is the use of M-banking technology in microfinance. M-banking promises to increase the efficiency and outreach of microfinance services in developing countries. This chapter tries to examine the factors that influence the adoption of M-banking by the microfinance sector in Sudan. In this respect, hypotheses were developed based on the Unified Theory of Acceptance and Use of Technology (UTAUT) and Technology-Organization-Environment (TOE) models. Primary data was collected from MFPs and microfinance customers in Sudan using questionnaires and interviews.

Chapter 14 by Mustafa Omar Mohammad investigates the success factors of the i-Taajir Micro-entrepreneurship Model and tries to draw lessons for Islamic banks and Muslim universities. He explains that there has been increasing interest in Islamic financial inclusion from scholars as well as from practitioners in the industry. Several models have been proposed for empowering the poor, mostly women. The recent FinTech revolution has created more opportunities for financial inclusion particularly among the youth. The roles of universities in the development of financial inclusion have largely been theoretical with few exceptions, like the University of Huston in Texas and the Gontor University in Indonesia. The former has a microfinance unit that offers zero interest loans and the latter creates businesses on the campus exclusively for its students and staff. This chapter focuses on the i-Taajir program, which began operation at the beginning of 2018. No work has so far been documented on the rich experience of this program. It is unique in several ways. First, it is a synergy between CIMB bank Islamic Corporate Social Responsibility (CSR) funding and expertise from the International Islamic University Malaysia (IIUM) Center for Islamic Economics. Second, it involves IIUM students as field trainers, monitors, and project evaluators. The students' participation is used as a cost-cutting measure and risk mitigating strategy. Third, i-Taajir offers four financing modes: Qard Hasan embedded with the Tabarru' Fund for sustainability, Murabahah to the purchase ordered and Musharakah Mutanaqisah working

capital. Fourth, its success factors are benchmarked against its grassroots approach; value-loaded training programs; over 95% repayment rate; cheap pricing on the asset side, which does not vary with time; clear graduation target; and bridging the gap between theory and practice.

Finally, Chap. 15 by Aliyu Dahiru Muhammad and Sa'adatu Aminu Ibrahim investigates the role of Islamic microfinance in financial inclusion in the Bauchi State of Nigeria. The authors explain that Islamic microfinance plays a vital role in financial inclusion and sustainable development in developing countries. The chapter examines the role of Islamic microfinance for enhancing financial inclusion. It was specifically focused on the customers of the pioneer Islamic microfinance bank in Nigeria, Tijarah Microfinance Bank, in Bauchi State. Thus, the study examined the level of customer awareness and assessed the level of use and quality of products/services offered by the bank among its customers. The study used primary data and deployed a questionnaire on a sample of 397, drawn based on convenience sampling. Descriptive and inferential statistics were employed to analyze the responses, interpret the relationship between the variables, and draw conclusions. The chapter concludes that the operation of Tijarah Microfinance Bank Ltd has enhanced financial inclusion among the respondents. Thus, the study indicated a positive role of Islamic microfinance in relation to enhancing financial inclusion which is its major contribution to knowledge. Therefore, the study recommends that the providers of financial services, particularly banks, need to explore the alternatives provided by Islamic microfinance to engender wider access to banking services among the populace. In addition, policymakers should ensure the competitiveness of Islamic microfinance banks within the context of the financial industry to enhance sustainable financial inclusion. It also recommends that further research on Islamic microfinance and financial inclusion should be undertaken in the future.

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