MICROINSURANCE AND MICROTAKAFUL: STRATEGIES FOR POVERTY REDUCTION TOWARDS SUSTAINABLE DEVELOPMENT

Sadegh Bakhtiari
Department of Economics, Islamic azad University, Khorasgan,Isfahan, Iran.
Corresponding author: bakhtiari_sadegh@yahoo.com

 ISSN: 1923-6654 (print)
ISSN 1923-6662 (online). Available at http://www.ssrn.com/link/OIDA-Intl-Journal-Sustainable-Dev.html

Abstract: Access to insurance is an important strategy for poverty reduction. The inability to manage the risk of vulnerability caused by the sudden death of a family member, illness, loss of income or property can perpetuate poverty. Insurance services, can play an important role in mitigating welfare losses resulting from the occurrence of such risk events. Use of insurance also provides a catalyst for sustainable economic development in low-income communities.

In Islamic countries another form of insurance and microinsurance established called takaful and microtakaful. It could be considered as a substitute or even an effective complement to existing social protection programs. Takaful and Microtakaful are flexible and powerful instruments, that could reduce vulnerability and mitigate the negative effects of external shocks on poor households. These instruments try to protect the poor and vulnerable by empowering them to find a way out of their poverty and give them a real hope of being financially self-sufficient.

Sustainable development implies economic growth and furthermore protection of environmental quality. The essence of sustainable development is a stable relationship between human activities and the natural world, which does not diminish the prospects for future generations to enjoy a quality of life at least as good as our own.

Since poverty is one of the main reasons for devastating the environment and natural resources, any strategy which reduces poverty and improves life styles will have a positive effect on sustainable development. The present paper argues that, sustainable development is impossible when a large portion of the population are living in poverty. If we think about sustainable development, we should consider policies such as microinsurance and takaful insurance to overcome poverty.

Based on the above facts the paper tries to answer the following questions: (a) What are the relationship between poverty, insurance and sustainable development. (b) What are the differences between, conventional insurance, and takaful insurance? (c) How these policies could provide a kind of social protection and social security program for the poor? (d) Which institutional arrangements are needed to have an effective and sustainable Finance Institutions?

To answer the aforementioned questions, the present paper consists of five sections:.The first part of the paper devoted to explain the concepts of microinsurance, microtakaful and sustainable development. The second part explain the link between poverty, insurance and sustainable development. The third part will explain differences between conventional insurance, and takaful insurance in terms of protecting poor and vulnerable. The fourth section gives a short performance of takaful in the real world. Finally the last part presents the challenges remain and concluding remarks.

Keywords: Microinsurance, Microtakaful, Sustainable Development, Social protection, Vulnerable groups

INTRODUCTION

The Concepts

Microfinance

Microfinance is usually defined as the provision of financial services and products to those whose low economic standing excludes them from conventional financial institutions or programs. These can include microcredit, small scale venture capital, savings, and microinsurance. Access to each of these services is provided on a micro-scale allowing those with severely limited financial means to participate.

Microcredit

Microcredit is the extension of very small loans (microloans) to impoverished borrowers who typically lack collateral, steady employment and a verifiable credit history. It is designed not only to support entrepreneurship and alleviate poverty, In many communities, poor people, lack the highly stable employment histories that traditional lenders tend to require. Many are illiterate, and therefore unable to complete paperwork required to get conventional loans.

Microinsurance

The Consultative Group to Assist the Poor (2003) defines microinsurance as “The protection of low-income people against specific perils in exchange for monetary payments (premiums) proportionate to the likelihood and cost of the risk involved. As with all insurance, risk pooling allows many individuals or groups to share the costs of a risky event. To serve poor people, microinsurance must respond to their priority needs for risk protection, be easy to understand, and affordable.”

Takaful and Microtakaful

The word takaful comes from the Arabic root word Kafala, meaning “guaranteeing each other” or “joint guarantee". Takaful therefore is the practice whereby individuals in the community jointly guarantee themselves against loss or damage. For example, individuals pay some agreed premium for specific loss or charitable donations to a common fund from which they may each draw in the event that they suffer loss to their houses or livelihoods. It was first established in the early Islamic era with the purpose of promoting mutual solidarity and co-operation among the Muslim community.

Sustainable Development

Sustainable development refers to a mode of human development in which resource use aims to meet human needs while ensuring the sustainability of natural systems and the environment, so that these needs can be met not only in the present, but also for generations to come. The term 'sustainable development' was used by the Brundtland Commission , which coined what has become the most often-quoted definition of sustainable development: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

POVERTY, AND SUSTAINABLE DEVELOPMENT

The World Commission on Environment and Development believes that poverty is not only an evil in itself, but sustainable development requires meeting the basic needs of all and extending to all the opportunity to fulfil their aspirations for a better life. A world in which poverty is endemic will always be prone to ecological and other catastrophes.

But the problem with sustainable development definition is more related to the concept of needs. What are the needs of the present and needs of the future? There are many needs that conflict with one another? For example, we need clean air to breathe, but also need a car for transportation, these needs might conflict. Which would one choose, and how would we make our decision? If within ourselves, we have conflicting needs, would multiplied when we look at the rich and poor, rural and urban, young and old, whole community, city, country, and the world? Actually, the aforementioned definition of sustainable development contains within it, two principal economic concepts: (a) needs, in particular those of the world’s poor, to which over-riding priority should be given [and] (b) limitations, imposed by the state of technology and social organisations, on the environment’s ability to meet present and future needs.” (Brundtland Report, Our Common Future, 1987).

According to the mentioned report “sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs” (Brundtland Report, Our Common Future, 1987).

Meeting essential needs requires not only a new era of economic growth for nations in which the majority are poor, but an assurance that those poor get their fair share of the resources required to sustain that growth. Sustainable global development also requires that those who are more affluent adopt life-styles within the planet's ecological means - in their use of energy, for example. Further, rapidly growing populations can increase the pressure on resources and slow any rise in living standards; thus sustainable development can only be pursued if population size and growth are in harmony with the changing productive potential of the ecosystem.

Recently UN documents have more emphasis on Millennium Development Goals (MDGs) and sustainable development is kind of development consistent with those goals. MDGs considered environmental sustainability, but does not provide clear operational guidance for choosing policies and outcome targets.

Without considering practical difficulties and Generally, sustainable development is maintaining a balance between the human need improve lifestyles and feeling of well-being on one hand, and preserving natural resources and ecosystems, on which we and future generations depend on the other hand.

" Sustainable development implies economic growth together with the protection of environmental quality, each reinforcing the other. The essence of this form of development is a stable relationship between human activities and the natural world, which does not diminish the prospects for future generations to enjoy a quality of life at least as good as our own. (Brundtland Report, Our Common Future, 1987).

Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs. As it was mentioned, the concept of sustainable development does imply limits - not absolute limits but limitations imposed by the present state of technology and social organization on environmental resources and by the ability of the biosphere to absorb the effects of human activities. But technology and social organization can be both managed and improved to make way for a new era of economic growth.

Poor households face difficulty in generating regular and substantial income and are extremely vulnerable to economic, political and physical downturns (Brown & McCord 2000). It is therefore important that the poor are protected from the risks if not to directly alleviate poverty but at least to enable the benefits of other measures such as education, sanitation, employment opportunities, healthcare and nutrition to be realized (Patel 2002).

The environment-poverty nexus is a two-way relationship. Environment affects poverty situations in at least three distinct dimensions: by providing sources of livelihoods to poor people, by affecting their health and by influencing their vulnerability. On the other hand, poverty also affects environment in various ways: by forcing poor people to degrade environment, by encouraging countries to promote economic growth at the expense of environment, and by inducing societies to downgrade environmental concerns, including failing to channel resources to address such concerns.

Environment matters a lot to poor people. Their well-being is strongly related to the environment in terms of, among other things, health, earning capacity, security, physical surroundings, energy services and decent housing. In rural areas, poor people may be particularly concerned with their access to and control over natural resources, especially in relation to food security. For poor people in urban areas, access to a clean environment may be a priority.

The impact of environmental degradation is unequal between the poor and the rich. Environmental damage almost always hits poor people the hardest. The overwhelming majority of those who die each year from air and water pollution are poor people. So are those most affected by desertification and by the floods, storms and harvest failures brought about by global warming. All over the world, it is poor people who generally live nearest to dirty factories, busy roads and dangerous waste dumps. The loss of biodiversity is most severe for poor rural communities. Environmental degradation, by depleting the health and natural support systems of poor people, may make them even more vulnerable.

Poverty leads to deforestation through inappropriate use of wood and other resources for cooking, heating, housing and crafts, thus depriving vulnerable groups from essential goods and accelerating both the downwards spiral of poverty and environmental degradation. Insufficient access to education and to information make it difficult for poor people to manage available natural resources in a sustainable and sound manner, thus creating loss of livelihood opportunities and of biological diversity.

Air, water and soil pollution create health hazards in addition to damaging economic assets. Air pollution generated by inappropriate production techniques used by poor people out of lack of better knowledge or lack of capital to invest in environment friendly technologies, is also responsible for global warming and climate change which poor countries cannot afford to challenge. Water pollution - which results from insufficient access to information on proper management - sterilizes soils, endangers fisheries, creates health problems, and takes a higher toll on the poor.

Poverty often confines poor people in rural areas to marginal lands, thus contributing to an acceleration of erosion, increased ecological vulnerability, landslides, etc. Lack of resources in poor neighborhoods leads to inadequate waste collection and waste management with subsequent health problems. Improper use of energy resources leads to waste and higher energy costs that end up being unaffordable for the poor.

POVERTY, VULNERABILITY AND RISKS

Poor people are typically more exposed to risks and least protected from them. They have limited assets, and are thus less able to deal with risks and absorb shocks. Risk exposure has a direct bearing on well-being, causes poverty or can increase the depth of poverty (Hoogeveen et al., 2005). Risks and shocks can be related to all dimensions of poverty: human, socio-cultural, political, protective and economic. The direction of causation can be both ways – poverty causes exposure to risks, e.g. poor people are forced to live in an area exposed to natural hazards, and risks can cause poverty.

Risk is a state of uncertainty where some of the possibilities involve a loss, catastrophe, or other undesirable outcome. The poor lacks capacity to cope with the consequences of a shock. The anticipated risk events make it harder for the poor to build up reserves, key to coping with such events (Cohen & Sebstad 2006,). Low-income people are vulnerable to numerous perils as they live in risky environments, however, the poor are more vulnerable to risks than the rest of the population, because they are the least able to cope when a crisis occur. Poverty and vulnerability are related to each other. There is low take up of poor on income-generating opportunities that might reduce poverty due to their uncertainty about the possibilities of risk might occur (Churchill 2006, Botero et al. 2006).

According to Cohen and Sebstad (2006) it is very difficult for the poor to get above the poverty line when there is a minor shock. Financial stresses associated with separation, divorce, similar to the death of a spouse, school fee payments, and bad debts create a high degree of vulnerability and financial stress for the poor (Cohen & Sebstad 2006,).

Risks can be distinguished conceptually in a number of ways (e.g. Morduch, 1997, in Fafchamps, 1999): (i) according to scale, ranging from risks affecting individuals to those affecting whole nations or regions; (ii) according to frequency, e.g. certain risks, such as a minor illness, might occur frequently, whereas others – a major accident – are much less frequent. Small, but frequent risks are more easily to deal with than large, infrequent negative shocks; (iii) whether the risk is a collective (covariant) or an idiosyncratic risk, with collective risk factors such as droughts, epidemics and warfare affecting groups of households, regions or even entire nations, whereas idiosyncratic risk factors such as illness, accidents, unemployment or the loss of property (e.g. death of livestock) are those affecting individuals or households; and (iv) whether it is an income or a non-income risk.

FROM MICROFINANCE TO MICROINSURANCE (MICROTAKAFUL): STRATEGIES FOR POVERTY REDUCTION AND STAINABLE DEVELOPMENT

Awareness of the evils of poverty has a long history. In international community mandate for pursuing action against poverty is contained in the Philadelphia Decalartion of 1944 which states that "poverty constitutes a danger to prosperity everywhere". This work is now being reinforced in the context of the international commitment to achieve the Millennium Development Goals (MDGs).

Evidence shows the positive impact of microfinance on poverty reduction as it relates to the first six out of seven Millennium Development Goals .

Since most of the world’s poor do not have access to basic financial services that would help them manage their assets and generate income. To overcome poverty, they need to be able to borrow, save and invest, and to protect their families against adversity.

The shortcomings of the two financial sectors in developing countries. Their inability to satisfy the credit needs of the poor has led to the new development of microfinance. Microfinance is believed to be able to reduce the above-mentioned inadequacies of formal and informal financial institutions and is emerging as an important credit partner to the poor in the developing world.

The poorest, especially women, when receive credit, they become economic actors with power, they can improve not only their own lives but, in a widening circle of impact, the lives of their families, their communities, and their nations. For many people particularly in the rural areas of developing countries to create and run a tiny business -micro enterprise- mainly in the unregulated informal sector microcredit is very important. In this matter microcredit means providing small working capital loans to the self-employed poor. Even small amounts of capital can make the difference between absolute poverty and a thriving little business generating enough income to feed the family, send kids to school, and build decent housing.

As of 2009 an estimated 74 million men and women held microloans that totalled US$38 billion. Grameen Bank reports that repayment rates, of these loans are between 95 and 98 per cent.

The UN Millennium Project also, identifies microcredit as “one of the development strategies … that should be implemented and supported to attain the bold ambition of reducing world poverty by half". One of the most prestigious awards in the world, Nobel Peace Prize was given to Muhammad Yunus for his pioneering role in the development of the microcredit sector.

The logic of microcredit is that, official banking system cannot reach millions of poor for whom small loans could make huge differences. There are several reasons for this. Most of the poor are rural, and they are very dispersed. They have low education levels, if at all. As a result, administrative cost of supplying loans to the poor population is extremely high. Another issue that makes it difficult to serve these customers through traditional banking is that the poor does not have any assets to use as a collateral. As a result, the poor had access to loans only through local money-lenders with exorbitantly high costs.

As mentioned before' sustainable development is a kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The important criteria for a sustained development is the preservation of the current generation to meet their needs particularly the basic needs as well as considering the needs of the future generation.

It is widely recognized that economic well-being, social development, and environmental stability must be addressed together if development is to be sustainable. Ignoring any one of these three pillars can bring down the other two.

The need for financial services that allow people to both take advantages of opportunities and better management of their resources. Microfinance can be one effective tool amongst many for poverty alleviation.

Among microfinance strategies microinsurance is more important one. Microinsurance is essentially a financial service which uses risk pooling to provide compensation to low income individuals or groups that are adversely affected by a specified risk or event (Brown 2001) .

According to Churchil (2006) microinsurance is "a mechanism to protect poor people against risk (accident, illness, death in the family, natural disasters, etc.) in exchange for insurance premium payments tailored to their needs, income and level of risk. It is aimed primarily at the developing world´s low-income workers, especially those in the informal economy who tend to be underserved by mainstream commercial and social insurance schemes"

Vulnerability to risk is a key aspect of poverty. Health problems, death of livestock and natural disasters all affect the poor disproportionately. Women also face specific types of risk because of gender discrimination Insurance is a way for the poor to protect themselves. By helping the vulnerable groups to manage risk, microinsurance can assist them to maintain a sense of financial confidence even in the face of significant vulnerability. As we can see in this paper among low-income populations, risk pooling and informal insurance are not a new subject. Different forms of informal risk-sharing schemes have been around for generations, even in some of the most inaccessible places. However, these schemes are usually limited in their outreach and the benefits typically cover only a small portion of the loss. A key aspect of microinsurance is to explore ways of significantly increasing the number of poor households that have access to insurance while enhancing the benefits.

Microinsurance represents a key tool for sustainable development with tremendous potential for mitigating risk factors to low-income households. With estimates that less than 5% of the world's poor benefit from insurance, these households remain highly susceptible to risks posed by a wide range of issues including sickness, loss of livestock and catastrophic climate events. On the one hand, a policy that offers value to the client requires that premiums remain low and benefits for policy holders as high as possible. On the other hand, insurers in this context need to reach large numbers of low-income clients to achieve profitability. To this end, creating economies of scale and promoting efficiency which can reduce administrative costs are critical issues

Microinsurance represents a key tool for sustainable development with tremendous potential for mitigating risk factors to low-income households. With estimates that less than 5% of the world's poor benefit from insurance, these households remain highly susceptible to risks posed by a wide range of issues including sickness, loss of livestock and catastrophic climate events. On the one hand, a policy that offers value to the client requires that premiums remain low and benefits for policy holders as high as possible. On the other hand, insurers in this context need to reach large numbers of low-income clients to achieve profitability. To this end, creating economies of scale and promoting efficiency which can reduce administrative costs are critical issues

Most fundamentally, the availability of insurance enables risk averse individuals and entrepreneurs to undertake higher risk, higher return activities than they would do in the absence of insurance, promoting higher productivity and growth. For example, a manufacturer might produce only for the local market, forgoing more lucrative opportunities in distant markets in order to avoid the risk of losing goods in shipment. Transport insurance can mitigate this loss exposure and enable the manufacturer to expand. Similarly, to avoid the risk of total loss from drought, a commercial farmer may keep half of his seed in reserve. Crop insurance can protect against drought and permit all of the seed to be planted for a smaller premium than the cost of holding half in reserve. Thus public policies that encourage insurance operations improve the economy's productivity by bro

The net result of well functioning insurance markets should be better pricing of risk, greater efficiency in the overall allocation of capital and mix of economic activities, and higher productivity. Importantly, these

unique functions of insurance should be complementary to banking and financial sector deepening more broadly. For instance, insurance facilitates credit transactions such as the purchase of homes and cars and business operations, while depending in turn on well functioning payment systems and robust investment opportunities.

Insurance market activity, both as financial intermediary and as provider of risk transfer and indemnification, may promote economic growth by allowing different risks to be managed more efficiently encouraging the accumulation of new capital, and by mobilizing domestic savings into productive investments. In this context, the evidence mentioned above raises questions regarding the impact that the faster growth of insurance activity would have on economic growth.

Takaful And Microtakaful For Assisting The Poor

Takaful is a kind of cooperative Insurance based on Islamic law for enhancing social solidarity amongst policy holders. It is not purely profit oriented, but seeks protection against risks in the first place. And to absorb material consequences of any loss and damage to insured person or his properties. All participants in Takaful (Policy holders) cooperate on such a principle, to compensate anyone of them exposed to damage due to any of the risks covered by the policy. Since those policy holders are the owners of such an insurance process, they are entitled to retrieve surplus of operations in cash, each according to his premium amount, after allocation of overhead charges and expenses.

According to Billah (2001), "the objective of takaful is to diversify the risk among the members. In a practical sense, takaful can be visualized as a method of joint guarantee among participants against loss and damage that may be inflicted upon any of them. The members of the group agree to guarantee jointly any of them who suffer a catastrophe to receive a certain amount of money to meet the loss and damage incurred."

According to Khan (2006), "microtakaful is defined as a mechanism to provide Shariah-based protection to the blue collared, under-privileged individuals at affordable costs. Microtakaful is the Takaful scheme for low-income people. All the Takaful products like Takaful financing, takaful education, fire, pension and so forth can be delivered to poor people with some modification, such as low premium contribution." The microinsurance and microtakaful movement is one of such innovation strategies in reducing poverty; however, it faces a number of challenges to meet its full potential.

According to Billah (2001), Islamic insurance transaction, named Takaful is a policy of mutual cooperation, solidarity, and brotherhood against unpredicted risk and catastrophe, where participants contribute (donate) to help one another in times of hardship. He mentions that "the objective of takaful is to diversify the risk among the members. In a practical sense, takaful can be visualized as a method of joint guarantee among participants against loss and damage that may be inflicted upon any of them. The members of the group agree to guarantee jointly any of them who suffer a catastrophe to receive a certain amount of money to meet the loss and damage incurred."

microtakaful is one of the mechanisms to fulfil the needs of the lower income, with the concept of providing affordable protection to the poor. Takaful operators should come up with this kind of product, as the alternative to those offered in the conventional market (Swartz and Coetzer 2010).

Establishing "microtakaful" schemes enables takaful become much more acceptable and accessible to the poor whilst still maintaining the benefits (Patel 2002). The needs of the poor in Islamic countries are no different from the poor in other societies except that these are conditioned and influenced by their faith and culture in a significant way (Obaidullah, 2008).

Differences Between Takaful And Conventional Insurance

There are several key differences between Takaful and conventional insurance systems. some of these differences are: (a) Conventional insurance is a risk transfer mechanism whereby risk is transferred from the policy holder (the Insured) to the Insurance Company (the Insurer) in consideration of "insurance premium" paid by the Insured. While takaful is based on mutuality; hence the risk is not transferred but shared by the participants who form a common pool. The Company acts only as the manager of the pool (Takaful Operator). (b) Takaful does not include the three elements of interest, uncertainty and gambling which many Islamic scholars believe that conventional insurance, has these elements but forbidden under Shariah. All funds invested under Takaful must be free of interest whilst conventional insurance can invest in interest based investments. (c) Conventional insurance operates as a commercial business with individuals purchasing policies to insure against risk. Premiums paid will vary between individuals dependent on the company's assessment of their risk. If no claims are made the premiums paid will be retained by the company as profit. In comparison contributions made to Takaful insurance are divided between two funds: one to be considered as a charitable fund and the other intended for profit and loss sharing. The custodian of the Takaful funds splits any profits between the contributors and the custodian, with the percentage of the division determined in advance. (d) Takaful means to share amongst each other. Those who contribute to the fund are known as participants and they are guaranteeing each other. If there are needs to be met through the fund, those who receive from it are considered beneficiaries rather than claimants. Individual rights to the funds are waived in favor of the collective need. The Takaful system is thus based on mutual co-operation rather than individual premiums and claims. (e) Takaful insurance has a fixed minimum contribution which disregards the idea that someone may be more of a risk to insure. Contributions are not affected by credit scores which most conventional insurance companies take into consideration.

CONCLUDING REMARKS

Sustainable development has been defined in many ways but in most accepted definitions, it is a kind of development that meets the needs of the present without compromising the ability of future generations to meet their needs. In spite of the fact that needs are different but it seems that sustainable development is impossible when the basic needs of a large portion of population are not satisfied and they are living in poverty. So any strategy that alleviate poverty it could help achieving sustainable development.

Since poor people are typically more exposed to different risk and vulnerability to risk is a key aspect of poverty, in other words, risk may cause poverty, and poverty may causes exposure to risks. Microinsurance can assist the poor to maintain a sense of financial confidence even in the face of significant vulnerability. Microinsurance represents a key tool for sustainable development with tremendous potential for mitigating risk factors to low-income households.

Microtakaful will be an effective solution for the low income Islamic population, and expected to become more popular in the Middle East and North Africa (MENA) region and in certain Asian eonomies with huge Islamic population such as Indonesia and Malysia

Takaful and Microtakaful is predicted to be a growth area in insurance, appealing not only to Muslims but to others who are attracted to the mutual element. Poeple who are concerned about the type of businesses which their funds are invested in, may also consider Takaful insurance to be a more ethical choice.

REFERENCES

[1] Billah, M.M. (2001) "Takaful (Islamic Insurance): An Economic Paradigm." International Cooperative and Mutual Insurance Federation (ICMIF Takaful). Available at http://www.takaful.coop/index

[2] Brown, W. (2001). "Microinsurance - the risks, perils and opportunities." Small Enterprise Development 12(1

[3] Churchill, C. (2006) What is insurance for the poor? Protecting the Poor: A Microinsurance Compendium. International Labor Organisation, pp. 12-22

[4] Cohen, M. and Sebstad, J. (2006). The Demand for Microinsurance. In: C. Churchill (ed.), Protecting the Poor, A Microinsurance Compendium, International Labor Organisation

[5] Fafchamps, M. (1999) 'Rural poverty, risk, and development.' Centre for the Study of African Economies, Oxford

[6] Hoogeveen, J., E. Tesliuc, R. Vakis, S. Dercon (2005) A guide to the analysis of risk, vulnerability and vulnerable groups. World Bank, Washington, DC.

[7] Lundi E. & Kate Bird(2007), Risk and Vulnerability brief note No. 3 in pverty-well being.net (www.poverty-wellbeing.net).

[8] Obaidullah, M. and Khan Tariqullah (2008) "Islamic Microfinance Development: Challenges and Initiatives." Islamic Research & Training institute, Policy Dialogue Paper No. 2.

[9] Patel, S. (2002). "Insurance and Poverty Alleviation. The Cooperative Advantage." Available at http://www.ocdc.coop/Sector/Insurance/InsuranceAndPoverty.pdf

[10] Swartz. N.P. and Coetzer P. (2010) Takaful: An Islamic insurance instrument. Journal of Development and Agricultural Economics, 2(10), pp. 333-339, October, 2010. Available at http://www.academicjournals.org/JDAE

[11] Swiss Re (2010) Microinsurance: risk protection for 4 billion people, Sigma No 6, Swiss Reinsurance Company LTD, Economic Research & Consulting, Switzerland

[12] UNDP (2005), Millenum project: Investing in Development A Practical Plan to achive Development Goals.

[13] United Nations (1987), Brundtland Report, Report of the World Commission on Environment and Development Our Common Future