

Islamic Finance and Poverty Reduction in Sub-Saharan Africa

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Abstract: This article analyses the impact of Islamic Finance (IF) on poverty reduction in Sub-Saharan Africa (SSA). To achieve this, we used data from the World Development Indicators (WDI) covering the period from 2000 to 2019. Using the Generalized Least Squares (GLS) method on our model, we obtained results showing that Islamic Finance has a positive and significant impact on reducing monetary poverty in Sub-Saharan Africa. We therefore recommend, on the one hand, the implementation of regulations promoting the widespread adoption of this type of finance, given its potential to reduce poverty, and, on the other, its support by public authorities.

Keywords: Islamic Finance, Reduction, Monetary Poverty, and Sub-Saharan Africa

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