



“O Believers! Whenever you lend money for a particular period, write and someone among you must write it justly. And the one who can write must not refuse.” [Al-Baqarah: 282].



Prophet Muhammad (pbuh) has said “O people, fear Allah and be moderate in seeking a living, for no soul will die until it has received all its provision, even if it is slow in coming. So fear Allah and be moderate in seeking provision; take that which is permissible and leave that which is forbidden.” (Sunan Ibn-e-Maja, Vol 3, Book 12 on Business Transactions, Hadith Number 2144).

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“What the system of free markets can at best achieve is to lead the competing individuals on to the ‘efficiency locus’ - i.e. a configuration of a whole set of points which are consistent with the utility maximizing behaviour of the freely acting individuals. However, not every point on this locus coincides with the best social welfare.”

**Prof. Nawab Haider Naqvi (Ethics and Economics: An Islamic Synthesis)**

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### Research Note

### **Critical Questions on Marxian Economics**

Salman Ahmed Shaikh

Marx said that labor creates surplus value in production process which the capitalists extract in exchange. The surplus accumulates and this is exploitation of labor by capitalists. However, we note few observations below.

First, the payoffs to the labor and the capitalists are different. Labor gets fixed wage. Capitalists earn random

profits from the sale of goods or services in the exchange process. In statistical sense, if labor gets fixed wage of Rs 10,000 per month and capitalist has 50% chance of earning Rs 20,000 per month and 50% chance of no profit, then, the expected value of the payoffs is the same for both.

Capitalists provide certain important functions to which Marx seemed to have given little importance. Capitalists provide employment to

labor. Labor gets fixed wage irrespective of profit to the capitalists which could be negative as well. Tendency of losses at the height of industrial revolution was rare, but that did not suggest that profits are the necessary outcome of every production process for the capitalists.

Capitalists compete among themselves and their competition in theory may bring prices down to the level of marginal cost. If there is allocative efficiency, then the producer price is only as much as the cost of production which only includes normal profit for the entrepreneur.

Looking at data, we see that 75% of the total gross national income goes to the labor. Furthermore, per capita income in the same countries where labor was exploited during the industrial revolution has increased manifold. We also know that most of the new startups fail. So again, all capitalists are not always able to reap greater benefits than labor from the production and exchange process.

Capitalists take the risk of random profits, prices and sales fluctuations and they must have an incentive to take the risk. The incentive is the ability to make a profit from the sale of commodities. But, profits can be negative as well. As long as they are earning profits from the sale of goods (with intrinsic value) sold to willing buyers at competitively set market

prices, it does not seem to be exploitation.

Also, social relations are not mutually exclusive these days. Employee stock ownership plans, general and limited partnership and joint stock companies have pretty much modified factor relations.

In a joint stock company, there is no one big capitalist. There are small shareholders in large numbers. These shareholders are workers in other organizations. So, present day labor-capitalist relations are not as black and white as they used to be. Now,

scientists,

programmers and artists can have copyrights and patents.

As per Marx, labor has only one thing which he can use to earn income, i.e. labor power. However, why the

labor does not become a capitalist? It maybe because he has lack of wealth. In most developed countries, there is much less borrowing constraints. Why then majority of people do not become entrepreneurs by choice? If working class is always greater in number than the capitalists, why then most democracies do not overthrow market system?

Social relations have changed a lot ever since Marx. Nowadays, financial institutions with fractional reserve banking and credit money creation ability can exploit capitalists. These institutions demand compound interest

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on fiat money lent to businesses. In case of default, they take back the assets of the borrower.

Class tension is definitely there in history. It is between powerful and weaker groups. It may be between powerful nations versus weaker nations. Within nations, it could be between capitalists and labor. It could also be seen as between wealthy and poor. Poor capitalist is also exploited by its financier (bank or any money lender) with exorbitant rate of interest as in micro finance.

Markets create incentives, encourage competition and that allows capital accumulation, technological change, economic growth and transaction of wide range of goods as well as services.

Maybe, the value based approach is not the only way necessary to look at the production processes. People specialize and trade. That trade must be voluntary. The market must be competitive and sufficiently regulated.

The income distribution must not be too unequal and that can be dealt with progressive taxes and removing fixed compensation to capitalists in the form of interest on wealth. The endowments inequality (which is primarily responsible for alienation and exploitation in Marxist approach) can also be reduced with tax on wealth.

*Both the absence of broad based wealth taxes and the legal decree of allowing compound interest on money capital are the prime sources of wealth concentration. If both are corrected, capitalists would not be able to systematically exploit in competitive markets.*

Almost all of the exploitative practices against labor had either been rectified to a certain extent or can be rectified in current capitalism practice. But, there are two reasons why wealth inequality may

still persist in a capitalist society, i.e. 1) interest bearing capital accumulation and 2) incapacitated wealth redistribution mechanisms.

Both the absence of broad based wealth taxes and the legal decree of allowing compound interest on money capital are the prime sources of wealth concentration. If both are corrected, capitalists would not be able to systematically exploit in competitive markets.

## In Conversation with Thought Leaders in Islamic Economics

Prof. Dr. Asad Zaman is a prolific scholar in Islamic economics with his own views about what should be the focus, methodology and scope of the subject. He did PhD in Economics from Stanford University and MS Statistics from the same university. He did his BS in Mathematics from MIT, USA. In his initial career, he had contributed to classical and Bayesian econometrics. Some statistical tests are named after him. He had taught in University of Pennsylvania and Columbia University, USA as an Associate Professor. He has also taught in John Hopkins University. He has been colleagues with several Nobel Laureate economists. But, as his conviction grew that mainstream neoclassical economics is inadequate and built on weak foundations, he had a change in academic focus. He came back to his native country Pakistan and also served at LUMS University, IIUI and at PIDE University as Vice Chancellor. In the later part of his career, he became critical of neoclassical economics. He contributed many critical papers on neoclassical economics theory, methodology, its historical foundations and how economics should be reformed. In Islamic economics as well, he presented many unique ideas and cautioned against mimicking Western institutions, their historical experiences, and body of knowledge and methodology in Western social sciences. He believes in transformative and reformatory education which gives ethics and values a central place in how we think about real world issues. He has written several highly cited and influential papers and book chapters. We got an opportunity to get his insights on Islamic economics and finance and hope that these insights will introduce new ways of thinking for young economists and social scientists aspiring to contribute in this field.



### **Question 1: Do you think that Islamic economics has a distinctive identity different from both Socialism and Capitalism?**

Yes, I have spelled out the differences in my 100 page article: Islamic Economics: A Survey of the Literature. There are several books which also summarize this difference. To put it very briefly, both socialism and capitalism are materialist philosophies which see human welfare as being determined by wealth. They differ on how wealth should be produced and distributed.

In Islam, wealth or lack of it are both spiritual trials. Indeed, our life on earth is a trial and material goods are one part of this trial. If we act in appropriate ways with wealth, it can be a means of spiritual progress. If we act like Qaroon, then this same wealth can be a curse. The literature survey is available on this link:

<https://sites.google.com/site/zamanislamiccon/lectures>

### **Question 2: In your opinion, is Islamic banking industry heading in the right**



direction at the moment considering the broader egalitarian goals of Islamic economics?

At the start, everybody recognized and stated that we will start from an imperfect beginning, using less than ideal instruments, because that is what was possible then.

We thought that later on, we could move towards more ideal Islamic systems. However, from the starting point, movement has been in the opposite direction, towards more and more similarity with capitalist system on instruments.

One of the strong claims and ideas was that capitalist banks lead to concentration of wealth, while Islamic banking would benefit society in various ways by socially responsible behavior. There are no signs of this happening.

In addition, an extremely large percentage of the industry has been captured by Western banking industry or by banks which also have side by side conventional banking and finance operations. Obviously, these institutions are motivated by profit, and not by the idea of providing social service in Islamic countries.

**Question 3: Do you think it is right to evaluate and compare Islamic**

**economics by comparing practiced Islamic banking and finance with conventional banking and finance institutions?**

Islamic economics represents a system which is just and equitable and provides for the needs of all.

Islamic banking as currently practiced is simply an extension of the capitalist drive to control and direct all wealth for the advantage of small elite.

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**Question 4: For the recognition of Islamic economics as a distinctive economic system in mainstream academic literature, what steps are necessary which must be taken by academic policymakers?**

Islamic economics is built on the hearts of people. It requires inner spiritual transformation like the one brought about in the Arabs by the teachings of our Prophet Muhammad (peace be upon

Him). Policy makers of academic institutions should change the methodology of education to the one brought by our Prophet (peace be upon Him), who was the best of teachers.

*It is not sensible to talk about Islamizing banks, while leaving intact the entire complex architecture of capitalist institutions within which it is placed.*

The differences and advantages of an Islamic methodology of education have been spelled out in my essay: Principles of an Islamic Education. This essay is the first lecture of my lectures on

Islamic Economics:  
<https://sites.google.com/site/zamanislamiccon/lectures>

**Question 5: Do you think that Islamic worldview is the cornerstone in understanding and developing Islamic economics literature and institutions in particular? Has it been equally appreciated by Islamic economists and practitioners in Islamic financial institutions?**

An Islamic worldview is absolutely central to understanding the Islamic system. This system is a complex web of inter-related institutions, none of

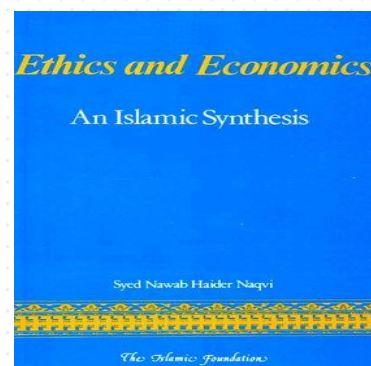
which can be understood in isolation. Furthermore, it is not sensible to talk about Islamizing banks, while leaving intact the entire complex architecture of capitalist institutions within which it is placed.

The Islamic economy requires Islamic political, social, educational, judicial, and other institutions to work in harmony with the economic system. Taking just one piece does not work. Again, I have discussed this issue in many of my writings. My essay entitled “An Islamic Worldview: An Essential Component of an Islamic Education” is also available from these websites.

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### **Book Review**

**Title:** Ethics and Economics: An Islamic Synthesis  
**Author:** Prof. Dr. Syed Nawab Haider Naqvi  
**Publisher:** The Islamic Foundation, UK, 1981



The noted author has tried to urge the need for embedding ethics in economic analysis and thus policymaking. The author firmly believes that no moral vacuum can exist on the plane of social existence.

Unlike Lionel Robbins who contended that economics should be value neutral, the noted author thinks that preference structures are determined by ethical norms of the ‘sub-culture’

the economic agents subscribe to. As per Weberian Thesis, the rise of Capitalism in the West presupposed a universal acceptance in the West of Protestant ethics which legitimized unlimited accumulation of wealth and extolled thriftiness. Thus, economic performance of a society cannot be separated from its moral philosophy, which since the dawn of civilization has proved to be a dominant force in shaping attitudinal reaction patterns in

one society after another. The implicit logic of the socio-economic behaviour of a people can be traced back to their metaphysical or religious conceptions in the opinion of the author.

The central thesis of the book is that ethical principles of Islam can be condensed into four axioms through which all teachings emanate or can be explained. These axioms are: Unity, Equilibrium, Freedom and Responsibility.

Implication of unity is that all creatures have single source of creation and all mankind is united in submission to Him. The divine teachings emanating from the Creator, who is Truth, will also be True and perfect and hence leading to a uniformity and unity in thinking.

Equilibrium implies all-pervading harmony in the universe which should also reflect in human life and conduct both in individual and collective sphere to usher social justice and order.

The author contends that there must obtain a 'just' balance among the basic production, consumption, and distribution relations. Humans are given freedom to exercise their free will, but that freedom is not unlimited. It is shaped by ethical guidance which necessitates responsible use of the freedom so as not to disturb the equilibrium. Islam brings social consciousness and responsibility in the hearts of economic agents. The author contends that if needed, there should

be state control and intervention to bring about redistribution and resource transfers among various classes and groups in the society.

In contrast, the free market system emphasizes on invisible hand, no government intervention and consumer sovereignty and hence does not adequately address the issues of equity and social justice directly.

In Islamic economics, economic behaviour will have additional ethical constraints. The commodities and services which are not allowed to be consumed and deemed harmful due to their effects on individual's moral existence and social welfare will be excluded from the feasible set.

Islamic teachings encourage moderation and restraint rather than unfettered pursuit of more and more goods and services with insatiability.

Efficiency would be given importance, but among the efficient outcomes, those which are near to equity, would be preferred. Social consciousness would elicit pro-social behaviour. Rather than acting selfishly with individualistic focus, there will be consumption externalities.

The emphasis on equilibrium in the sense of bringing about social justice would rule out exploitative market structures and unbridled pursuit of lust without ethical constraints. The author opines that islands of prosperity rising

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from a sea of poverty should not be an acceptable norm in the Islamic economy. The author argues that to bring about responsible conduct, state intervention to regulate consumption and production patterns can also feature in an Islamic economy.

The author also compares the Islamic economics system with other economic systems. He opines that while Socialism has a useful vision of reducing income inequality and concentration of wealth, yet it concentrates economic resources and wealth at the disposal of State which is after all governed by political elite. Individual freedom, initiative and even human dignity are compromised in Socialism. Collective responsibility is taken to extreme whereby an individual's own aspirations, interests and choices are condemned.

On the other hand, Capitalism destroys nature's equilibrium. It allows wealth to become concentrated in few hands and constrains the government to take any policy action to correct income inequalities, concentration of economic wealth and reduce poverty and deprivation beyond what is allowed in capitalistic democracies wherein economic power and political power is with the capitalistic elite. Individualistic pursuit of self-interest is seen as more virtuous than collective welfare in capitalist system.

Finally, even the welfare state overcomes few limitations of

capitalism, but not all. The spiritual welfare is absent and ethics is embedded in a narrow sense to correct some material failures in Capitalism with regards to income distribution and economic opportunities. Since welfare is funded by high levels of taxes, it requires a reasonably developed and high-income economy to bring these fruits. There is less reliance on affirmative action and collective responsibility.

*In the discussion on policy objectives, the author outlines key objectives as social justice, universal education, optimal rate of economic growth and maximization of employment generation.*

The author opines that Islamic economic system though takes some positive features and goals of these systems, but its emphasis on ethical conduct, collective responsibility and social consciousness is

far greater. Its policy instruments are different. It allows freedom with responsibility. It motivates responsible behaviour both through moral persuasion as well as direct controls by the State where required.

In the discussion on policy objectives, the author outlines key objectives as social justice, universal education, optimal rate of economic growth and maximization of employment generation.

The author emphasizes that there can be no justice if all are not equal before the law since all are equal before the God.

The author thinks that universal education is important for human capital and it has a great equalization effect on income distribution. The



author favours the pursuit of economic growth, but it should not come at the expense of degrading environment, worsening income distribution and be without inclusiveness and contributing to welfare of broader sections of the society including the poor and deprived.

Hence, he compliments this objective with an exclusive focus on employment creation. Growth without increasing employment opportunities only worsens income distribution and creates distance between haves and have-nots.

In the discussion on policy instruments, the author gives some radical recommendations. The book was written at the time when Russia was still recognized as an economic and political power. The country to which the author belonged had also experimented with nationalization just a decade ago before the publication of this book. In his policy proposals, the author favours quite significant government intervention. He favours nationalization of banking industry as well as capital goods industry.

Since the rate of interest shall be zero in an Islamic economy, the author emphasizes on the need of an alternative. He favours

*Equity financing can be fostered through nationalized commercial banks who should only invest those funds in equity financing which are placed with the investment motive.*

*The author himself is not too optimistic of wide use of profit and loss sharing contracts and whether the profit rate can replace the interest rate. The author himself notes that profits are calculated ex post and they cannot be varied at the discretion of the central bank.*

inflation-indexation to fight inflation even though he himself notes that this can itself be inflationary.

Since people have positive time preference to receive cash flows earlier than later, he favours reliance on public savings rather than private savings. But, it is ignored that most governments in developing countries do not have budget surpluses and their capacity to tax population which is largely poor is not that high.

By resorting to government excessively and assuming that it has abundant resources with the power to increase money supply without inflationary consequences, the author seems to have oversimplified the problems.

The author opines that state should have an extensive public works programs to generate employment and to shore up effective demand.

The author opines that in expenditure approach to GDP, the public expenditure in Islamic economy would be more prominent than sufficiently moderated and restrained consumption and private investment which is allowed mostly in consumer goods industries.

The author himself is not too optimistic of wide use of profit and loss sharing contracts and whether the profit rate can replace the interest rate. The author himself notes that profits are calculated ex post and they cannot be varied at the discretion of the central bank. Hence, in author's mind, given the lack of policy instruments to regulate private banking institutions, the possible alternative is to nationalize banks.

He also thinks that equity financing can be fostered through nationalized commercial banks who should only invest those funds in equity financing which are placed with the investment motive.

Instead of favoring capital markets which can channel funds from saving surplus to saving deficient units through equity financing, the author favours investment auctioning through banks which will be nationalized.

The author also favours limits and controls on how much capital is allocated to which sectors of the economy. Such controls are complicated and make the system very much state controlled and centrally planned, especially with proposed nationalization of capital goods sector and financial sector.

But, the author favours deposit insurance scheme which will have to be provided by the government and it would make equity financing essentially meaningless with no loss absorption by the investors.

Nevertheless, the author does not think that rate of interest being zero in Islamic economy implies that capital is virtually free. Islam only rejects fixed pricing of capital irrespective of its productivity.

The author also favours extensive land reforms to check ownership concentration and idleness in land use. The author favours minimum basic income to actualize the Islamic vision of social justice. Zakat could be used and if it is not enough to meet the needs of the poor, additional taxation can be levied.

However, at one place, the author says that the burden of tax shall be equalized on the taxpayers. If that means proportional taxation rather than progressive taxation, then it seems that this is only possible when the income distribution is already quite equal.

Thus, in hindsight, one can find the policy package in the book to be requiring more extensive analysis, thought and direction. The book, written in 1981, outlines the optimistic aspirations of pioneer scholars in the early literature of Islamic economics. While seeking more robust policy solutions, such optimistic aspirations shall remain alive for striving towards social justice, harmony and egalitarian societies wherein the individuals are socially conscious, responsible and committed.

*The author also favours extensive land reforms to check ownership concentration and idleness in land use.*

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### Research Paper in Focus

**Paper Title:** 40-Year Bibliometric Analysis of Waqf: Its Current Status and Development, and Paths for Future Research

**Author:** Khaled Nour Aldeen

**Publisher:** Journal of Islamic Monetary Economics and Finance, 7(1), 181 - 200.

In this paper, the author had attempted to provide a systematic literature review on Waqf using two prominent research databases, i.e. Scopus and Web of Science. The author, in final analysis, analyzed 257 research documents.

It is informed by the author that most literature on Waqf has been contributed from East Asia including Malaysia and Indonesia in particular. Most activity in Waqf sector is also witnessed in these two countries. Possible reasons include favorable regulation and increased policy focus as compared to other countries.

The author highlights the main currents and subjects explored in research literature on Waqf. These include the research areas of integration of Waqf with microfinance, potential of Waqf in helping small and medium enterprises and use of Waqf in education and poverty alleviation. Literature also focuses on history of Waqf and legitimacy of Waqf, such as temporary Waqf and cash Waqf.

Finally, the literature also focuses on Waqf management, competency and accountability of Waqf management and empirical efficiency analysis of Waqf institutions. Although not

mentioned in the paper, in contemporary literature, Waqf linked Sukuk are also explored after the launch of first such Sukuk in Indonesia recently.

It is a good attempt by the author to provide a succinct summary of contemporary literature on Waqf. It would have been advisable to include other databases as well, especially for this topic. There are many journals in Indonesia and Malaysia, which are not indexed in Scopus or Web of Science, yet have produced significant and quality literature on Waqf. Thus, in a literature review on Islamic economics, confining to only two major databases in which not even 20% of the journals focusing on Islamic economics are indexed, is quite limiting.

Furthermore, there had been excellent reports published by Islamic Development Bank on Islamic Social Finance on many regions of the Muslim world. These reports had extensively analyzed the regulatory framework of Waqf in different regions of the Muslim world. Thus, confining to research papers only in English language has yielded a handful of 257 papers for analysis.

If books, book chapters, reports and literature in Arabic, Turkish, Malay and Urdu language are also incorporated, then a more substantive analysis can be carried out. That is where; collaborative research could also be done involving researchers with expertise in different languages. On the history of Waqf, there would be extensive literature in Arabic and Turkish. Moreover, there are journals in East Asia which publish researches in Malay language too.

Though not highlighted in the paper, it is also pertinent to give an analysis of what are the outstanding issues in the frontier of research literature on Waqf.

Coming to the outstanding issues in Waqf, still there is need for solid comparative Fiqh studies on temporary Waqf, cash Waqf and on the exchange and substitution of Waqf. There are some studies which give perspective of

individual Fiqh schools. But, extensive comparative studies are still scarce.

Secondly, on cash Waqf linked Sukuk; there is need for solid theoretical and empirical analysis of the utility of such a structure. Does it reduce transaction cost or not by increasing intermediation? What economic purpose and benefit is derived from increased intermediation? Does it result in more impactful allocation to social needs or is the dual motive including profit limits the kinds of social needs that can be funded in a commercial cum social structure?

Thirdly, most empirical studies on efficiency of Waqf institutions employ Data Envelopment Analysis. In future researches, Stochastic Frontier Approach could also be used. In this context, it will be useful to do comparative studies across countries and also between Waqf and conventional trust institutions.

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### Reflections

As many as 227 people, including 64 children and 34 women have been killed during a week of attacks in Gaza in May, 2021. Israeli attacks have destroyed a health clinic, hit the home of an aid worker, killed two doctors, destroyed high-rise residential towers, blown up a mattress factory and flattened the offices of international news organizations.

At least 76 buildings were destroyed, 725 homes were damaged and several thousands of people were displaced

from their homes. All the while, many civilians in Gaza lacked access to electricity, drinking water and emergency medical attention.

It is astonishing that such atrocities against human beings are happening in 21st century under the watch of United Nations. It took this massive carnage to happen before Israel stopped the atrocities, only to attack civilians again hours later. Many dozen families have lost some of their loved ones in an



unnecessary violence which was instigated by Israel on Palestinians.

What a shame to humanity that as many as 64 innocent kids were killed unjustly. World Bank few years back talked about 'A fair start' to combat poverty and deprivation which goes on in vicious circle in generations unless kids are provided with equal educational and health opportunities. But all such talk and rhetoric is irrelevant when a community of humans is left in open prison without basic human facilities and be killed from time to time unjustly.

These are extremely inhuman and unjust crimes against humanity. All lip service to human rights, freedom of thought, freedom of expression, decent life and sustainable development shall end unless we can do something

tangible about people of Gaza who in routine life live in open prison, have to drink water not suitable for even animals and suffer loss of human lives just when Israeli authorities feel to kill some more of them.

The recent violence against Palestinians is a test of our conscience and commitment to the ideals we hold dearly.

Let there be peace. Let there be co-existence. Let there be life. Let there be freedom for the children and the next generation. Displacing native population, instigating violence in Holy places and bombing innocent children and women indiscreetly is not something which we should tolerate and allow unless our conscience and sense of humanity is dead!



## Market News

- ❖ Oman to meet half of state borrowing needs through Sukuk (Zawya, April 25).
- ❖ Financing growth of Islamic banking in Indonesia was around 8% in 2020 (2019: 11%) and it outperformed the conventional banks whose loans contracted by nearly 4% (Fitch Ratings, April 30).
- ❖ S&P Global Ratings said that the global Takaful sector is expected to grow 5% to 10% in 2021 (Business Insurance, May 5).
- ❖ Islamic finance industry is expected to record up to 12% growth in 2021-2022 driven by Islamic banking assets growth in Turkey, Malaysia and across some Gulf Cooperation Council nations (Business Insurance, May 5).
- ❖ Maybank Asset Management launches first Shariah-compliant retail investment fund with Waqf feature (Malay Mail, May 7).
- ❖ Malaysia's US\$1.3 billion sustainability Sukuk is listed on Stock Exchange of Hong Kong (The Edge Markets, May 8).
- ❖ Nigeria Wealth Fund to sell Sukuk Bonds for roads in 2021 (Bloomberg, May 11).
- ❖ Acwa Power launches \$1.3 billion Sukuk in Saudi Arabia (Power Technology, May 12).
- ❖ Share of Islamic banking in Turkish banking sector increased to 7.2% in 2020 and is expected to double to 15% by 2025 (Daily Sabah, May 15).
- ❖ Total assets of Islamic banking increased by 12.2% YoY in March 2021 in Oman to RO 4.5 billion and constituted about 14.7% of overall banking assets (Salam Gateway, May 16).
- ❖ Sindh Government in Pakistan to register all privately-run Waqf properties in the province (Express Tribune, May 17).
- ❖ Egypt's senate approves Sovereign Sukuk law (Asharq Al-Awsat, May 18).
- ❖ Oman power giant Mazoon inks \$235 million Islamic financing deal (Arabian Business, May 20).
- ❖ The number of Islamic branches in Egyptian banks currently stands at 243, constituting about 5.5% of the total number of branches. Islamic banking has 5.3% share in overall banking sector of Egypt (Daily News Egypt, May 23).

## Economic and Financial Indicators

### Sustainable Development Index (SDI) Rankings

Country	SDG-Index Value	SDG Index Rank	Country	SDG-Index Value	SDG Index Rank
Albania	0.25818866	1	Togo	0.078534272	21
Kazakhstan	0.223486621	2	Uganda	0.075609858	22
Kyrgyz Rep	0.221600296	3	Bangladesh	0.074597535	23
Bosnia	0.193495703	4	Sudan	0.073030672	24
Azerbaijan	0.192088057	5	Cote d'Ivoire	0.069674121	25
Malaysia	0.17971293	6	Cameroon	0.067433558	26
Jordan	0.176398053	7	Iraq	0.061908237	27
Maldives	0.174142963	8	Senegal	0.05649823	28
Turkey	0.168383517	9	Niger	0.05198618	29
Tajikistan	0.158671948	10	Mali	0.04547533	30
Indonesia	0.149894875	11	Nigeria	0.037649151	31
Gabon	0.140975849	12	Djibouti	0.033645438	32
Morocco	0.133001249	13	Benin	0.023017141	33
Algeria	0.124211772	14	Mozambique	0.018856207	34
Lebanon	0.122283311	15	Sierra Leone	0.015876447	35
Guinea	0.120467276	16	Burkina Faso	0.01407851	36
Egypt	0.112250122	17	Guinea-Bissau	0.007673941	37
Iran	0.092798559	18	Comoros	-0.000453615	38
Pakistan	0.084964222	19	Yemen	-0.007891107	39
Mauritania	0.082706443	20	Chad	-0.042502504	40

Source: Islamic Economics Project

### Account Penetration in Selected OIC Countries (% of Adult Population)

Country	2011	2014	2017	Country	2011	2014	2017
Afghanistan	9.01	9.96	14.89	Mali	8.21	20.08	35.42
Albania	28.27	37.99	40.02	Mauritania	17.46	22.87	20.87
Algeria	33.29	50.48	42.78	Morocco	..	..	28.64
Azerbaijan	14.90	29.15	28.57	Mozambique	..	..	41.67
Bahrain	64.51	81.94	82.61	Niger	1.52	6.71	15.52
Bangladesh	31.74	30.99	50.05	Nigeria	29.67	44.44	39.67
Benin	10.46	16.62	38.49	Oman	73.60	..	..
Bosnia	56.21	52.69	58.84	Pakistan	10.31	13.04	21.29
Burkina Faso	13.35	14.36	43.16	Qatar	65.88	..	..
Cameroon	14.81	12.18	34.59	Saudi Arabia	46.42	69.41	71.70
Chad	8.96	12.43	21.76	Senegal	5.82	15.42	42.34
Comoros	21.69	..	..	Sierra Leone	15.34	15.58	19.81
Cote d'Ivoire	..	34.32	41.33	Somalia	..	38.66	..
Djibouti	12.27	..	..	Sudan	6.90	15.27	..
Egypt	9.72	14.13	32.78	Syria	23.25	..	..
Gabon	18.95	33.01	58.60	Tajikistan	2.53	11.46	47.02
Guinea	3.69	6.96	23.49	Togo	10.19	18.25	45.29
Indonesia	19.58	36.06	48.86	Tunisia	..	27.43	36.91
Iran	73.68	92.28	93.98	Turkey	57.60	56.68	68.59
Iraq	10.55	10.97	22.67	Turkmenistan	0.40	..	40.58
Jordan	25.47	24.62	42.49	Uganda	20.46	44.45	59.20
Kazakhstan	42.11	53.91	58.70	UAE	59.73	83.74	88.21
Kosovo	44.31	47.80	52.27	Uzbekistan	22.50	40.71	37.09
Kuwait	86.77	72.91	79.84	West Bank	19.43	24.24	25.02
Kyrgyzstan	3.76	18.47	39.94	Yemen	3.66	6.45	..
Lebanon	37.03	46.93	44.75	Low income	13.36	22.88	34.85
Libya	..	..	65.67	Middle income	43.44	57.54	65.31
Malaysia	66.17	80.67	85.34	High income	88.26	92.83	93.71

Source: Global Index, World Bank

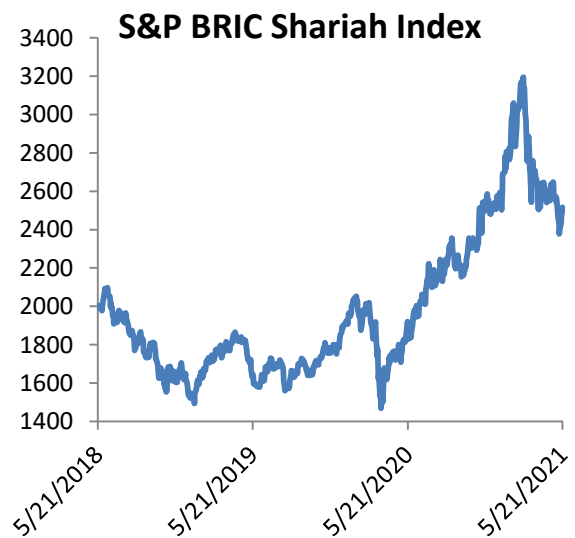
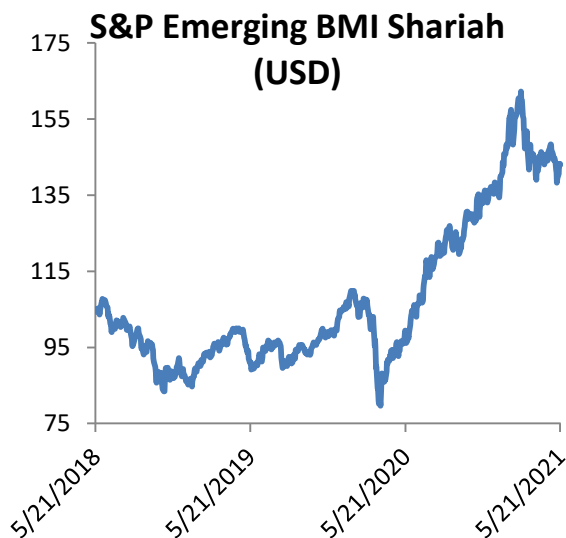
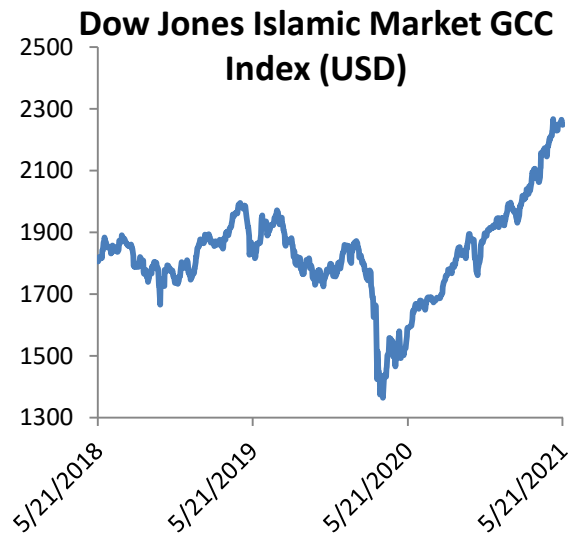
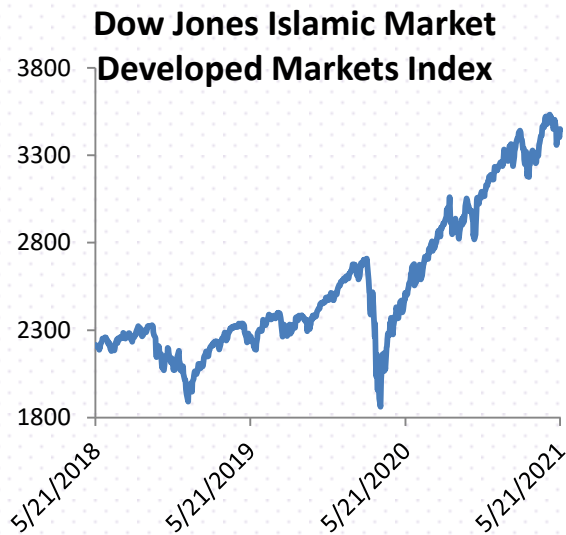
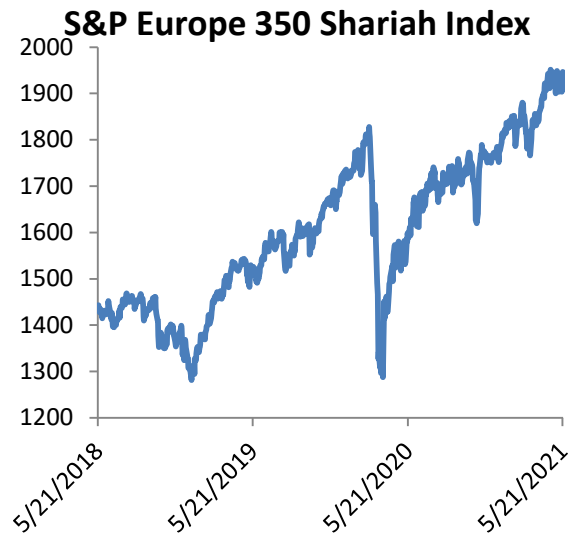
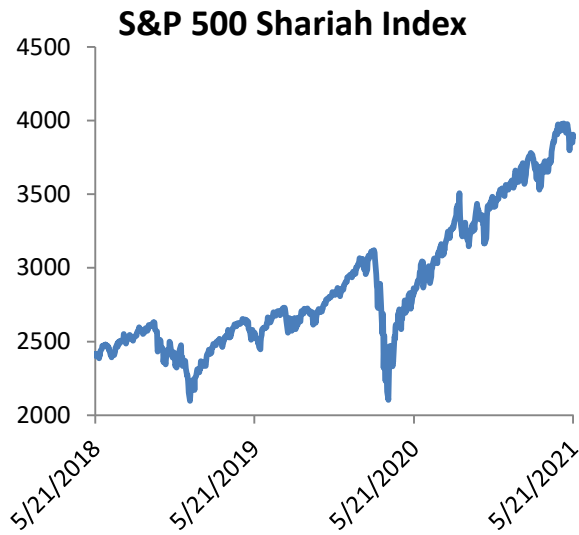


## Islamic Banking Statistics

Country	CAR	Gross NPF	ROA	ROE	Net Profit Margin	Cost to Income
Bahrain (2019)	17.50	11.80	0.55	5.30	28.13	71.87
Bangladesh (2019)	11.50	5.26	1.16	24.15	32.58	47.68
Brunei (2020)	19.48	4.01	1.49	11.64	51.66	50.14
Egypt (2019)	18.20	5.76	2.86	32.30	60.10	26.26
Indonesia (2020)	20.36	3.43	1.72	16.57	23.35	76.65
Jordan (2019)		3.09	1.88	19.07	49.91	50.11
Kazakhstan (2019)	31.98	0.61	0.92	3.27	23.76	34.82
Kuwait (2019)	17.77	1.60	1.55	14.15	25.14	25.64
Malaysia (2019)	17.22	1.49	1.13	16.21	42.66	37.57
Nigeria (2020)	27.05	7.24	0.83	8.69	37.72	73.62
Oman (2020)	13.38	1.83	0.71	5.69	22.53	64.87
Pakistan (2020)	17.49	4.32	2.55	41.67	43.94	47.70
Palestine (2020)	15.64	3.04	0.74	7.85	19.19	72.01
Qatar (2019)	18.31	1.42	0.45	4.36	38.90	11.87
Saudi Arabia (2020)	19.44	1.41	2.10	15.82	46.95	53.08
Sudan (2019)		3.40	2.05	27.25	47.87	47.43
Turkey (2020)	18.85	4.00	1.25	15.20	20.00	36.20
UAE (2019)	17.93	5.03	1.26	9.34	23.82	76.18
UK (2018)	20.63	1.50	0.44	3.24	33.83	98.36

Source: Quarterly Average Values from IFSB Data

## Performance of Islamic Stock Indices in Pre COVID-19 and Post COVID-19 Period



## Call for Papers

Emerald Journal of Economics and Administrative Sciences, Special Issue  
The Impact of the Covid-19 Pandemic on Islamic Finance and Environmental, Social,  
and Corporate Governance (ESG)

<https://www.emeraldgrouppublishing.com/journal/jeas/impact-covid-19-pandemic-islamic-finance-and-environmental-social-and-corporate>

2nd International Graduate Student Symposium

Istanbul University Center for Islamic Economics and Finance

October 9-10, 2021, <https://islamiktisadi.istanbul.edu.tr/en>

7th International Islamic Monetary Economics and Finance Conference

Bank Indonesia Institute, Bank Indonesia, October 25 - 27, 2021

<https://jimf-bi.org/index.php/JIMF/announcement>

9th International Islamic Economic System Conference 2021 (I-iECONS2021)

Universiti Sains Islam Malaysia, 12 - 13 July, 2021

<http://i-iecons.usim.edu.my/>

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## Other Resources on Islamic Economics Project Portal

- |                                   |   |
|-----------------------------------|---|
| ❖ Research Articles               | ❖ Book Reviews                              |
| ❖ Research Presentations          | ❖ Frequently Asked Questions                |
| ❖ Islamic Finance Calculators     | ❖ Topical Bibliographies                    |
| ❖ Course Outlines                 | ❖ Islamic Finance Education Providers       |
| ❖ Academic Resources              | ❖ Researchers Database in Islamic Economics |
| ❖ Data Resources Links            | ❖ Call for Papers                           |
| ❖ Islamic Economics Journals List | ❖ Glossary of Islamic Finance               |
| ❖ Qur'an and Hadith on Economics  | ❖ Video Library                             |



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