



Look, you are being called upon to expend in Allah's Way, yet some of you are being niggardly, whereas the one who is niggardly is, in fact, being niggardly only to himself. Allah is Self-Sufficient: it is you who are the needy. If you turn away, Allah will replace you by another people, and they will not be like you. [Muhammad: 38].



Messenger of Allah (pbuh) passed by a pile of food. He put his fingers in it and felt wetness. He said: 'O owner of the food! What is this?' He replied: 'It was rained upon O Messenger of Allah.' He said: 'Why not put it on top of the food so the people can see it?' Then Prophet (pbuh) said: 'Whoever cheats, he is not one of us.'" (Jama-it-Tirmizi, Book on Business Transactions, Hadith Number 1315).

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Overstressing the importance of economics ignores the fundamental difference that is there between a man's goal in life and that of the cattle, whose sole objective in life is nothing more than feeding on lush green grass and keeping their stomachs full.

*Maulana Mawdudi, First Principles of Islamic Economics*

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### Research Note

## **Influence of Physics in Contemporary Mainstream Economics**

Salman Ahmed Shaikh

As physics became prominent in all natural sciences, economics claimed that stature in social sciences. Economics came to be regarded as mother of all social sciences. Physicists thought that after roaming through observable universe in space as well as predict its nature over a period of time from big bang to far future; they could also predict economic behaviour of humans and market outcomes. After all, they landed on moon and reached the

surface of Mars. They predicted black holes and gravitational waves and then captured their existence through irrefutable evidence like images and sound. They discovered physical laws which are not just locally applicable on earth, but outside of earth as well.

Astrophysicist Prof. Michio Kaku wrote in his New York Times Op-Ed:

*"We are headed toward 'perfect capitalism,' when the laws of supply and*

***demand become exact, because everyone knows everything about a product, service or customer. We will know precisely where the supply curve meets the demand curve, which will make the marketplace vastly more efficient.[i]***

Those scientists who believe in Scientism and hold that the experimental method is the only arbiter in all matters of life need to look no further than the field of economics where the tools and concepts of physics are applied. Even though science cannot be arbiter in morals, defining motives, public policy and politics, but it cannot even be a perfect and sufficient tool in explaining economic behaviour by taking the analogy of animal behaviour which is based on self-interest and survival instincts.

Mathematics and physics concepts were readily used in economics since the last half century. Some of the concepts of physics that are also applied in economics include equilibrium, efficiency, steady state, input, output, open system, closed system, dynamic system, static system, friction, velocity, speed, acceleration, momentum, inflation, inertia, gravity, leverage, randomness, expansion, signals, collusion, elasticity, waves, drift, buoyancy, bending, cycle, drag and parity, to name just a few.

Mathematical tools like differential calculus, integral calculus, linear algebra, real analysis, spectral analysis, chaos theory, linear programming, classical statistics, Bayesian statistics, stochastic processes, Fourier analysis, fuzzy logic and neural networks are increasingly applied to predict human behaviour in markets. This

application is based on the presumption that the tools used to predict the behaviour of atomic particles in a system and cell in an organism are also suitable in explaining conscious human choices.

Let us glance over the rate of success by not going too far in time. Not only majority of the economists could not predict the Great Financial Crisis of 2007-09 from their models, but had also failed to even entertain the idea as to how it can happen since their models assumed apriori that markets are efficient and always clear. Nobel Laureate economist Paul Krugman writes:

***“Few economists saw our current crisis coming, but this predictive failure was the least of the field’s problems. More important was the profession’s blindness to the very possibility of catastrophic failures in a market economy. During the golden years, financial economists came to believe that markets were inherently stable – indeed, that stocks and other assets were always priced just right. There was nothing in the prevailing models suggesting the possibility of the kind of collapse that happened last year.[ii]”***

Alan Greenspan, the long-time Central Bank Chairman of Federal Reserve Bank in USA was looked upon and regarded as Albert Einstein of economics having erudite knowledge and control over the pulse of the economy. He admitted that he was shocked and did not understand what has happened and how it can be dealt with in his initial public remarks.

Dynamic Stochastic General Equilibrium in use by the policymakers at the onset of

Great Financial Crisis of 2007-09 brought dynamism over static models, general equilibrium over partial equilibrium and stochasticity or randomness over non-randomness and certainty. They were supposedly micro-founded and hence economists of all major schools had a broad consensus that they are reliable. The Great Financial Crisis of 2007-09 changed all that. Nobel Laureate, Robert Solow remarked:

*“Economic theory is always and inevitably too simple; that cannot be helped. But it is all the more important to keep pointing out foolishness wherever it appears. Especially when it comes to matters as important as macroeconomics, a mainstream economist like me insists that every proposition must pass the smell test: does this really make sense? I do not think that the currently popular DSGE models pass the smell test. They take it for granted that the whole economy can be thought about as if it were a single, consistent person or dynasty carrying out a rationally designed, long-term plan, occasionally disturbed by unexpected shocks, but adapting to them in a rational, consistent way. I do not think that this picture passes the smell test. The protagonists of this idea make a claim to respectability by asserting that it is founded on what we know about microeconomic behaviour, but I think that this claim is generally phony. The advocates no doubt believe what they say, but they seem to have stopped sniffing or to have lost their sense of smell altogether.[iii]”*

The micro-foundations in the aggregated models also take a uniform and singular

view of economic behaviour, i.e. people engage in self- interested behaviour as utility-maximizing machines. Nobel Laureate Amartya Sen explaining the shortcomings in neoclassical economics approach to understand human behaviour comments as follows:

*“A person is given one preference ordering, and as and when the need arises this is supposed to reflect his interests, represent his welfare, summarize his idea of what should be done, and describe his actual choices and behaviour. Can one preference ordering do all these things? A person thus described may be “rational” in the limited sense of revealing no inconsistencies in his choice behaviour, but if he has no use for these distinctions between quite different concepts, he must be a bit of a fool.[iv]”*

Disregarding history, political economy, culture, institutions, heterogeneity, multiple motives and presence of non-economic impulses in human behaviour has resulted in lack of explanatory power in models. Most explanations that come from the models comprise commonplace knowledge that is well known in advance by people outside of the field of economics. Policymaking sets aside abstract models and then try ad hoc adjustments to appease public and manage political economy. Prof. Gregory Mankiw aspired to see economists working as dentists as envisioned by John Maynard Keynes. But, this aspiration is not achieved even after almost a century. In fact, mathematical abstraction to understand human behaviour like lifeless subatomic particles or celestial bodies that behave

uniformly has led to failure in explaining human behaviour ex-post (after the event), let alone predicting it ex-ante (before the event).

A decade after the Great Economic Recession of 2007-09, the 2018 Nobel Laureate in Economics Paul Romer summarised his abstract of the paper “Trouble with Macroeconomics” as follows:

*“For more than three decades, macroeconomics has gone backwards. The treatment of identification now is no more credible than in the early 1970s but escapes challenge because it is so much more opaque. Macroeconomic theorists dismiss mere facts by feigning an obtuse ignorance about such simple assertions as “tight monetary policy can cause a recession.” Their models attribute fluctuations in aggregate variables to imaginary causal forces that are not influenced by the action that any person takes. A parallel with string theory from physics hints at a general failure mode of science that is triggered when respect for highly regarded leaders evolves into a deference to authority that displaces objective fact from its position as the ultimate determinant of scientific truth.[v]”*

Thus, it is now increasingly realized that understanding cultures, institutions, human psychology and doing differential diagnosis in every given problematic situation is important rather than relying on abstract model results which ignore important

factors due to their lack of malleability with mathematical norms. Such models which skip important details just because these details constrain the use of mathematics are bound to give less reliable results. Most of the incomplete mathematical economics models and their estimation using mathematical and statistical tools using proxy data which does not have universal definition is an example of misapplication of scientific method and scientific tools in domains where they do not fit and suffice alone.

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**Roundup of Panel Discussion in 9<sup>th</sup> Islamic Economics Workshop Organized by IKAM**  
**Istanbul, September 2021**

**Approaches and Proposed Solutions to the Problem of Development and Underdevelopment**

**Chair: Necmettin Kızılkaya, İstanbul University**

**Panelists:**

**Prof. Mabid Ali Mohamed Al-Jarhi, Ankara Sosyal Bilimler University**

**Dr. Tarık Akın, Presidency's Finance Office, Turkey**

**Prof. Mohd Azmi OMAR, INCEIF**

**Prof. Ahmet Faruk Aysan, Hamad Bin Khalifa University**

**Prof. Mohd Azmi Omar**

The world is facing multiple crises at the same time. It is unprecedented to have multiple crises being faced simultaneously.

Even though absolute poverty declined before Covid-19, the Muslim world still faces high levels of poverty and the outbreak of Covid-19 has further increased the levels of poverty in some countries. While poverty maybe a developmental issue in some countries, the problem of rising inequality is quite a broad problem. It is being faced by even relatively developed Muslim countries like Malaysia as well. Access to finance is also a major problem which makes it difficult to mobilize funds.

Long term solutions require establishing rule of law to usher conducive environment for increased investments by protecting property rights. The role of leadership and institutions is also vital to have effective policies and then to implement them comprehensively and meaningfully.

**Prof. Mabid Ali Mohamed Al Jarhi**

Sustainable growth is vital and even politics is affected by it. Need to avoid debt overhang. Increased levels of household and national debt slow down growth eventually. There are signs of slow growth in even China. Mobilization of resources is needed, but credit based expansion is one of the many choices available. It is not even the ideal choice as debt overhang has proven to have negative consequences.

An alternate is to deliberate on full reserve banking. It may decrease monetary expansion through banking credit, but there are other ways to put money in the economy. Through quantitative easing, the severity of the great financial crisis was avoided and in a recessionary situation, inflation is not the primary concern. However, it is important that if central banks in Muslim countries inject seigniorage money in the economy, only the genuine Islamic instruments are used. In genuine asset backed transactions, both the link with the real economy

can be maintained as well as the concerns of hyperinflation can be averted.

Role of beyond market redistribution through Zakat and Waqf is also important to perform the redistribution function which is independent of market and trade cycles.

#### **Dr. Tarik Akin**

Wealth inequality is more critical than income inequality. Wealth changes by much less than income. Interest based finance in capitalism provides an automatic cover to wealthy capitalists to preserve their wealth without having to put their money to work.

Inequality is not only affected by economic crisis, but it can lead to crises. It also affects long run economic growth. Interest based finance heightens wealth inequality. Income based redistribution through progressive taxation is ineffective with loopholes and free flight of capital to offshore regions. Asset based redistribution through land reforms has proven to be ineffective or at least inadequate to check wealth and income inequality.

Thomas Picketty's idea of  $r > g$  implies that increasing wealth inequality is inbuilt in the capitalist system wherein return to capitalists 'r' belonging to the rich class or class with surplus resources happens to be greater than average return in the form of growth 'g'.

#### **Prof. Ahmet Faruk Aysan**

Development economics certainly took a wrong turn in the twentieth century with a one size fit all approach. What is needed is a differential diagnosis. It is important to recognize and utilize the role of local norms, culture and institutions to solve local problems in local context. Hence, understanding local norms, culture and institutions is important. This was missing in both the classical as well as new growth theory.

Rational framework has been found to be narrow, irrelevant and inadequate. Economists have now realized the mistakes. Now, the focus is more on micro approach. 2019 Nobel Laureates Duflo and Banerjee instead of solving complex mathematics engaged in field studies.

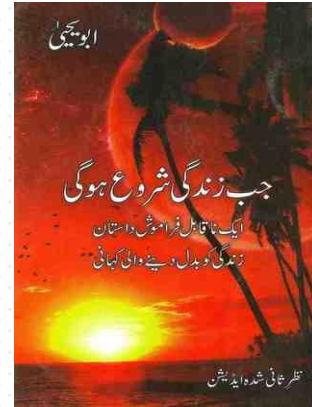
Islamic economics can take a lead in this since it does not have an overhang of mathematical and rational framework. The need-fulfillment and Maqasid approach in policymaking in Islamic framework can take us several steps ahead if we combine our energies and fully revitalize and utilize our institutions. Islamic economics ideas are relevant and they have already created impact in addressing financial inclusion and its framework is compatible with risk sharing based finance and environmental sustainability concerns.

## Book Review

**Title:** When Life Begins Again

**Author:** Abu Yahya

**Publisher:** Inzaar Trust, 2011



It is known to us that our moral conduct in society is beyond acceptance and not worthy of any praise. It is neither beneficial for a healthy, peaceful, cooperative nor livable society in this world, nor is it worthy of salvage in afterlife.

But, amidst, rat race in life, dividing politics, conflicting identities and ego-centric mindset, we do not introspect. We seek solace in short cut remedies to justify our conscience by giving abrupt charity, paying visits to shrines and maintaining an acceptable social image that vindicates our religiosity in front of others.

But, seldom do we refer to God alone directly and seek His direction in His own words.

Qur'an is the word of God. It is the last message of God on earth. If we read it, the cure to our moral apathy and key to our salvage in afterlife is well defined at almost every place in Qur'an.

Success lies in purification of self from the inside and outside and from bodily perspective, moral perspective and spiritual perspective.

This novel is a reminder to reflect back on Qur'an's message. It unfolds the secrets of success as explained by Qur'an. It highlights from the stories of different characters as to what are the traits which make a person successful.

These are not necessarily the traits that are more popular in our perception and social convention. These are the traits highlighted by Qur'an's morals, such as upholding justice, observing patience and remaining thankful, obedient, watchful and being a source of comfort and convenience to all creatures and not a source of harm for anyone.

One way of explaining this is to quote the relevant passages in Qur'an and Hadith. That should be done and is being done. But, to engage more and more diverse people to enter the gate of taking guidance from Qur'an, an alternate route is to make truth a manifested reality.

Parables of Muvlana Rumi and Shaikh Saadi try to attempt that. For our young generation, the language, context, examples and scenarios need to be as much relevant to current times as much as possible so as to achieve the objective of manifesting truth as

reality. Novels by Ashfaq Ahmed achieve this end to an extent.

But, what is even more important is to connect urge for moral excellence as a necessary requirement of salvage in afterlife. Man is neither inferior as eternally sinful, nor superior to imagine or crave for becoming a part of God's persona. The true identity of humans with their Qur'anic defined mandate and purpose of life has to be part of the message of Islam that we put forward.

One of the famous authors in Pakistan and scholar of Islam, Abu Yahya penned this novel in recent years to make people comeback to Qur'an and paying attention to its message.

The desired awakening of Qur'an is not merely a change in physical appearance, visits to certain places or appeasing certain individuals to seek God's favour.

The desired awakening is moral awakening and to uphold morality in every matter and aspect of life.

The novel is thought provoking. The most important passage is when different people are presented before Allah on judgement day and the verdict is announced based on their attitude and behaviour.

The common ills of our society were beautifully highlighted through this, such as bribery, immodesty, indifference to moral and immoral ways of doing things to achieve ends and seeking or expecting intervening help to appease Allah while remaining forgetful of Him.

The novel also briefly highlighted the ills in other nations like Jews and Christians. Mention of Prophet Yarmiah A.S. was very relevant to the Muslim society of today. Muslims even after accepting faith are still part of God's trial and have more responsibility. Rather than assuming themselves as God's chosen ones, they are expected to uphold God's teachings and give message of God to others. It is one's own self that needs to change first and foremost.

The total reading time is approximately 5 to 6 hours. It can be read in one to two sittings.

If we want to imagine what will happen in Hashr and on Judgement day and afterwards in Heaven and Hell, this novel gives a glimpse and more importantly the reasons why some people will end up successful and some as unsuccessful on the day when life will begin for never ending again.



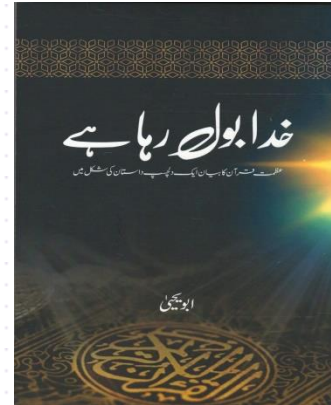


## Book Review

**Title:** God Speaks

**Author:** Abu Yahya

**Publisher:** Inzaar Trust, 2016



The author mentioned in preface that once the main characters in the novel will be introduced and engage in a conversation, the main story of the novel will unfold quickly and readers will feel uneasy to leave the novel until having fully read it.

The plot is rich with neatly conceived personality of characters. It conveys subtle lessons concerning moral conduct through attitude, behaviors and conversations of characters.

If one were to mark remarkable pieces of dialogues with thought provoking choice of words, they are at many places in the novel.

The context and setting of the novel is contemporary and relatable. It keeps the reader interested. The story unfolds quickly but masks the eventual climax effectively.

The main lesson of the novel is to engage in conversation with God through reading Qur'an - the last word of God on earth - in a lively way. It invites reflection, introspection and then putting up a response to Qur'an's message.

A faithful person must develop the ability to look at every event and challenge by holding back and thinking as to why he/she was put in that position. If Allah is the Creator and this life is a trial, then every blessing and hardship is an instrument of trial.

One may work hard to achieve a worldly goal and may not achieve it or achieve it, but quickly lose it. The blessings as well as hardships are temporary. Life is always a passing moment, which culminates in meeting God eventually. It is the final scorecard on moral excellence and purification that matters in front of God.

The novel highlights the desired attitude among the faithful, such as:

- 1) Remaining content with God's plan.
- 2) In helping others, seek reward from Allah only.
- 3) While helping others from one's time and money, be conscious of the fact that such an opportunity was only a pass through of God given resource to another God's creature. We were the intermediary not the originator.

4) Be conscious of life hereafter and defensibility of every considered action in front of God.

5) Maintaining excellent moral conduct and professional ethics so that people in close circle take the advice and call towards God's message seriously.

6) In calling towards God, patiently engage with audience in a way to invite them to think, reflect and introspect on their own circumstances.

7) Sometimes, when trial of hardship or limited choices becomes long, it may even become a comfort zone. When opportunity of ease comes through a person who is younger and who was personally favoured earlier, the trial of embracing opportunity also becomes hard or even harder. But if one remembers the source of hardship and blessing, one will neither fall in the trap of having a high opinion of oneself while being helpful to others nor lose ego and self-respect while being helped.

8) Desired moral awakening is having a morally conscious heart. Once heart is filled with Allah, even the excessive love of other seems to be a semblance of polytheism. From such a heart, Ibadat and Zikr naturally come out in a compelling, willful and lively way.

9) When concept of life hereafter is fully grasped, then worldly ending does not matter. People may get to live long or die early. Consequential morals derive a faithful person, but he/she keeps attention to the consequence of actions in longer term in Akhirat in perspective.

10) One should never discard himself nor others on having an opportunity to be blessed by Allah. The doors of guidance are open as long as one remains a keen searcher of truth.

It is a highly recommended read. It can be read in a single sitting. Plot is interesting and has an element of suspense to keep the reader committed.

May Allah accept this effort by the Author and make it a source of people coming back to have a lively and engaging relationship with Qur'an and hence Allah directly.

## Research Paper in Focus

**Paper Title:** Cash Waqf Model for Microenterprises' Human Capital Development

**Author:** M. Asmy; M. Fouad; Hasanuddin M.; A. Khaliq & Anwar A. Pitchay

**Publisher:** ISRA International Journal of Islamic Finance, 13(1), 66 - 83.

The central idea of the paper is that Cash Waqf has a unique feature of flexibility in allocation of economic resources for their use in redistribution efforts, in terms of cash transfers, asset transfers, skills transfer through education and productivity transfers through health services.

This makes Cash Waqf a very conducive institution to be used in welfare spending which does not belong to the eight identified categories of beneficiaries for Zakat to whom the Zakat is to be paid directly.

Furthermore, cash itself has some unique features. It is liquid and can be easily converted in different varieties of real and financial assets from time to time.

The authors highlight the importance of human capital development in ensuring sustainable poverty exit. If limited funds are provided on debt basis with frequent repayment, most of the people will at best become creditworthy, but habitual borrowers. For encouraging poverty exit, micro-entrepreneurship and skilled work is necessary. Both require human capital development besides financial

resources. Even for pitching business ideas to the potential financiers and angel investors, it is important to have sufficient communications skills, marketing skills, accounting skills and basic financial literacy and command over basic numeric and mathematical skills. Waqf funds can be utilized in this regard.

As noted by the authors, the idea is not new. However, it is important to seriously deliberate on the specifics of the mode of delivery and structure. It is important to bring scale and efficiency. Several features can be embedded in the structure, but mobilization of resource requires cost. It is not realistic to put major burdens of delivery on government funds alone.

Therefore, it is vital to seriously discuss through a mathematical model or empirical analysis as to how problems of moral hazard and free riding can be avoided. Furthermore, how scale and efficiency can be achieved. Finally, how to leverage technology in matching the different players in the required integrated eco-system in a task-based efficient way without requiring anyone to make a come-or-leave choice.



## **Reflections on Shaikh Saadi's Thoughts**

### **Avoiding Judgement Based on Perception**

Everyone is a unique person and hence may have unique strengths and weaknesses. If we have fixed predetermined criteria to judge people, we may upset, discard and lose the potential strengths of a person. It is better to avoid judgement and let every unique flower blossom at its own pace and way.

### **Time Does Not Wait or Turns Back**

One likes to look at past differently when there is little future left in life during old age. In that age, mistakes of past become irreversible and irreconcilable and the future cannot be changed much when a person is nearing death. Therefore, for any change in life, the best period is now. Past is gone and the length of future opportunities is never known with certainty and it is almost negligible when one reaches old age.

### **Piety is also a Blessing, Not Privilege**

Being boastful and proud is bad attitude no matter whether the thing on which one is boastful and proud is a virtue. Also, a righteous person thinks positively about everyone. Finally,

being judgmental risks losing sight of introspection and then one can become blind to the ills in his personality.

### **Possession of Wealth is Temporary and Circulates Eventually**

One cannot take wealth in his grave. Some people have wealth which is enough for their entire life, but still accumulate more. After death, it gets distributed anyways in one way or the other, but parting with wealth consciously in acts of giving can give people the currency of virtue, which is the only valid form of earning beneficial in life hereafter.

### **Contentment of Heart is Valuable Wealth**

Trees which bear fruit also bear greater burden and transitional changes. The tree which does not bear fruit does not go through the burden and such transitions. A man free of abundance of resources is also free of the anxiety, problems, responsibility and fear. Mind-set makes a difference. Humans share many things the same way, such as sunlight, moonlight, weather and so on. There is much to thank for and there is blessing also in having less to avoid anxiety and fear.



## Market News

- ❖ Islamic banks' profits are being hit by low interest rates, a still-subdued operating environment, and high provisioning costs: Moody's (The Star, September).
- ❖ Participation banking's penetration rate in Turkey increased to 7.1% at the end of 2020 from 5.8% a year earlier (Daily Sabah, September 7).
- ❖ Share of Islamic banking assets and deposits reach 17% and 18.7% respectively in Pakistan (Dawn, September 12).
- ❖ Islamic banking assets increase by 32% to Rs 4.79 trillion in April-June 2021 in Pakistan (The News, September 11).
- ❖ Bangladesh's Islamic banking sees liquidity glut as surplus liquidity rises to Tk 363.65 as on June 30, 2021 as compared Tk 304.09 billion in the previous quarter (Salaam Gateway, September 20).
- ❖ Islamic banking in Pakistan has a potential of Rs 10 trillion: Meezan Bank's President (August 31).
- ❖ Increased competition and claims weigh on GCC's takaful profitability (Gulf News, September 26).
- ❖ Increasing prospects for M&As in GCC takaful industry: Moody's (Gulf Times, September 23).
- ❖ Compulsory health cover to boost takaful prospects in Qatar, GCC: Moody's (Gulf Times, August 30).
- ❖ Gulf funds expect performance boost from ESG, Islamic finance - Moody's (Reuters, September 20).
- ❖ NAV of Shariah-Compliant Funds in Nigeria Grew by 174% during 2019-2021 (Proshareng, September 17).
- ❖ Delhi Waqf Board seeks protection of 6 religious properties around Central Vista project (India Today, September 23)
- ❖ Waqf Board issues 765 notices to encroachers in India (The Hindu, September 6).



- ❖ Islamic FinTech is to expand into the UK after raising £42 million (Business Cloud, September 10).
- ❖ GCC Sukuk issuance set to decline in 2021: Moody's (Gulf News, September 8).
- ❖ Global Sukuk issuance to reach \$200 billion in 2021 (The National News, September 8).
- ❖ Indonesian government issued 27 trillion rupiah (\$1.9 billion) in tradable retail Sukuk (Salaam Gateway, September 24).
- ❖ Saudi Arabia closes \$1.7 billion September Sukuk program (Arab News, September 15).

## Economic and Financial Indicators

### Credit Services by Financial Sector and Banks in OIC Countries

Country	Domestic Credit by Finance Sector (% GDP)	Domestic Credit by Banks (% GDP)	Country	Domestic Credit by Finance Sector (% GDP)	Domestic Credit by Banks (% GDP)
Albania	58.82	30.74	Libya	43.39	17.62
Algeria	72.74	24.16	Malaysia	143.12	119.33
Azerbaijan	13.18	19.99	Maldives	64.94	28.29
Bahrain	90.89	73.72	Mali	32.30	25.34
Bangladesh	64.06	46.77	Mauritania	42.86	28.56
Benin	26.96	23.85	Morocco	110.22	62.08
Bosnia	62.01	54.79	Mozambique	32.89	22.67
Brunei	28.37	34.40	Niger	21.98	14.08
Burkina Faso	34.03	29.81	Nigeria	21.20	10.91
Cameroon	19.27	15.20	Oman	66.81	70.43
Chad	22.48	9.62	Pakistan	58.28	18.89
Comoros	17.89	15.40	Qatar	132.80	76.66
Cote d'Ivoire	39.07	26.18	Saudi Arabia	38.78	53.97
Djibouti	37.24	32.06	Senegal	35.39	28.26
Egypt	91.81	25.55	Sierra Leone	23.20	5.71
Gabon	23.13	12.93	Sudan	31.11	12.37
Gambia	37.57	6.63	Suriname	45.23	28.25
Guinea	23.11	9.56	Tajikistan	15.63	11.41
Guinea-Bissau	21.36	11.91	Togo	48.76	36.79
Guyana	68.94	37.33	Tunisia	93.34	67.46
Indonesia	47.24	32.74	Turkey	83.28	64.16
Iran	77.65	66.06	Uganda	25.54	14.85
Iraq	6.97	8.64	UAE	91.28	75.72
Jordan	109.18	78.32	West Bank	56.61	49.90
Kazakhstan	38.23	23.77	Yemen	30.12	5.64
Kosovo	45.16	41.00	Low Income	25.91	20.40
Kuwait	79.90	88.68	Middle Income	148.80	101.60
Kyrgyzstan	22.35	23.76	High Income	188.44	79.20

**Source: World Development Indicators 2019**

## Savings Investment Gap in Selected OIC Countries

Country	Savings (% GDP)	GFCF (% GDP)	Gap	Country	Savings (% GDP)	GFCF (% GDP)	Gap
Afghanistan	20.79	19.17	1.62	Kuwait	35.29	17.98	17.31
Albania	16.28	24.17	-7.90	Kyrgyz Republic	26.68	31.16	-4.48
Algeria	37.83	41.36	-3.53	Lebanon	-2.77	17.16	-19.93
Azerbaijan	32.97	20.63	12.33	Malaysia	28.53	24.40	4.13
Bahrain	28.80	28.66	0.15	Mali	13.99	19.96	-5.96
Bangladesh	35.24	31.23	4.00	Mauritania	19.38	57.39	-38.01
Benin	12.33	25.77	-13.45	Morocco	27.68	29.07	-1.39
Bosnia	13.86	18.59	-4.73	Mozambique	9.20	25.68	-16.47
Brunei	55.64	40.89	14.75	Niger	20.23	33.66	-13.43
Burkina Faso	17.19	22.81	-5.63	Nigeria	18.26	14.72	3.54
Cameroon	18.23	22.40	-4.17	Oman	19.43	25.09	-5.66
Comoros	12.03	17.52	-5.49	Pakistan	18.50	14.82	3.68
Cote d'Ivoire	14.57	20.79	-6.22	Saudi Arabia	34.91	21.39	13.51
Djibouti	23.65	24.20	-0.55	Senegal	20.42	24.95	-4.54
Egypt	10.37	16.25	-5.88	Sierra Leone	3.36	17.98	-14.62
Gabon	38.38	21.41	16.97	Sudan	15.09	18.67	-3.59
Gambia	12.04	17.01	-4.96	Suriname	50.34	37.54	12.80
Guinea	8.58	19.47	-10.89	Tajikistan	23.09	26.63	-3.53
Guinea-Bissau	8.42	10.82	-2.40	Togo	21.73	25.27	-3.55
Guyana	30.19	31.09	-0.90	Tunisia	8.87	18.69	-9.82
Indonesia	31.63	32.29	-0.66	Turkey	26.60	29.67	-3.07
Iraq	19.59	14.40	5.19	Uganda	18.35	24.14	-5.80
Jordan	9.35	16.67	-7.31	Uzbekistan	41.90	29.76	12.14
Kazakhstan	26.03	21.89	4.14	West Bank	12.63	23.20	-10.57
Kosovo	23.60	28.73	-5.13	Middle income	30.76	28.69	2.07
				High income	23.07	21.33	1.74

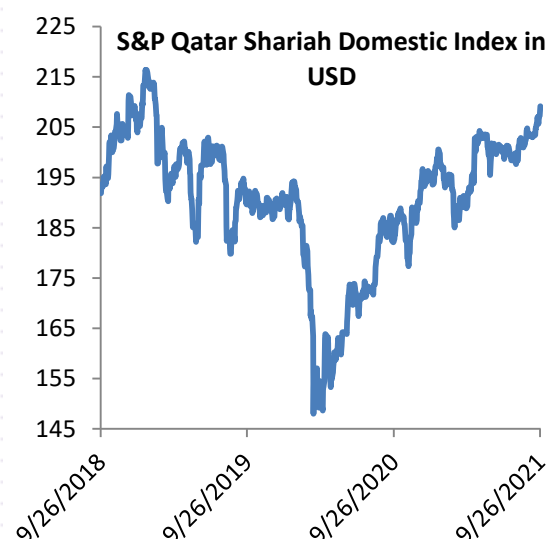
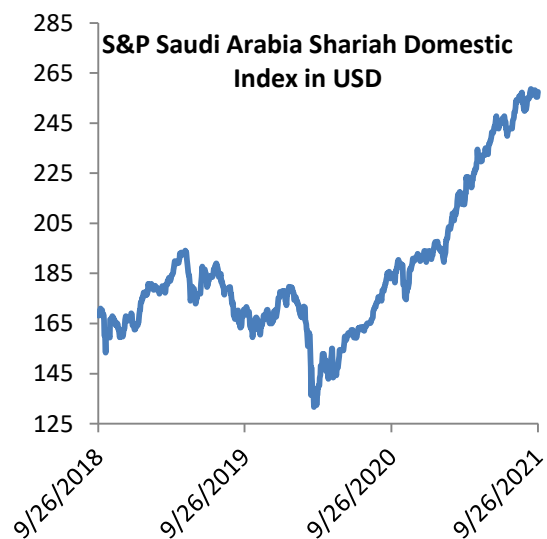
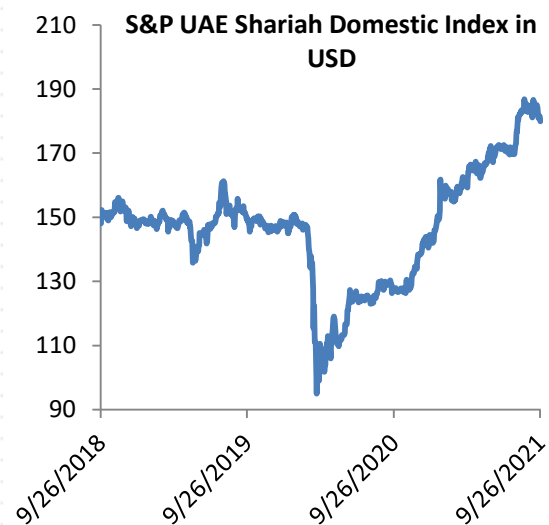
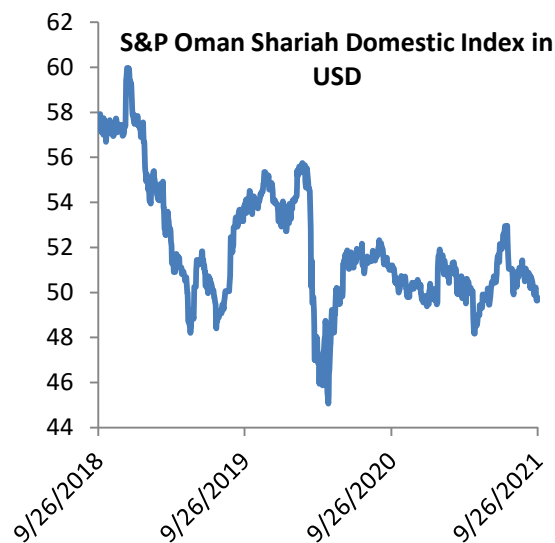
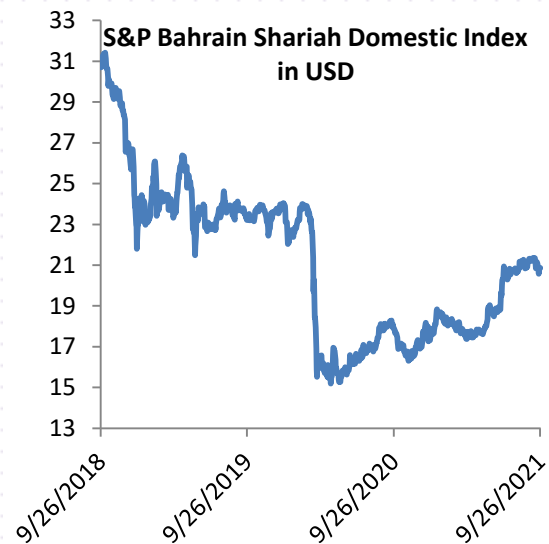
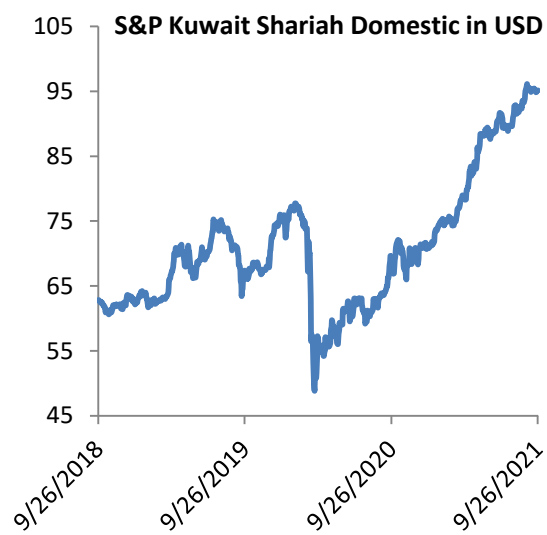
**Source: World Development Indicators 2019**

### Islamic Banking Statistics Up to Q4-2020

Country	CAR	Gross NPF	ROA	ROE	Net Profit Margin	Cost to Income
Bahrain	17.80	8.30	0.40	4.50	13.80	53.20
Bangladesh	12.70	4	1	22.90	34.30	55.40
Brunei	19.20	4.80	1.70	13.60	56.50	45.20
Egypt	19.01	5.77	2.86	32.30	60.10	26.26
Indonesia	21.60	3.10	1.50	13	19.90	80.10
Jordan	22.80	2.20	1.70	17.20	49.40	50.60
Kazakhstan (2019Q3)	33.30	0.20	1.30	4.50	19.50	34.50
Kuwait	17.70	1.90	1	10.20	23	30.80
Malaysia	18	1.30	0.70	9.70	28.70	40.70
Nigeria	16.80	7.80	3.20	41.70	96.80	37.90
Oman	14.50	2.20	-0.80	-6.20	-23.40	69.90
Pakistan	16.60	4.10	2.40	39.20	43.60	49.50
Palestine	15.20	2.50	0.70	8.50	20.70	69.20
Qatar (2019Q1)	18.30	1.40	0.40	4.40	38.90	11.90
Saudi Arabia (2021Q1)	18.60	1.20	2.50	19.80	54.30	45.70
Sudan	11.50	3.50	3.50	67.70	51.20	49.70
Turkey	17.80	3.40	1.30	16.60	23.10	36.80
UAE	20.10	6.90	0.80	6.10	20.40	50

Source: IFSB Data

## Performance of GCC 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>

5<sup>th</sup> World Islamic Economics and Finance Conference, 29-30 January 2022

Minhaj University, Lahore, Pakistan

<https://submit.confbay.com/conf/wieffc2022>

5<sup>th</sup> International Conference on Zakat, 22-23 November 2021

Organized by Puskas Baznas Indonesia

<https://submit.confbay.com/conf/iconz5>

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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                           |
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