

Opposition to Islamic Banking and Finance by Religious Forces in Pakistan

Abdul Qayyum Khan

Government College, Mallot, Bagh, Azad Kashmir,
aqayyum63@gmail.com

Arshad Ali Bhatti

School of Economics, IIIE, International Islamic University, H-10, Islamabad,
arshad_bhatti@iiu.edu.pk

Abstract

This paper explores whether religious scholars and Islamic political parties favor or oppose Islamic banking in Pakistan. It uses self-administered survey data and employs descriptive and logistic regression analysis. The key findings reveal that religious scholars are divided into proponents, opponents, neutral groups and the Shari'a consistency of paradigm is not supported by majority of religious scholars on the basis of its practices in Pakistan. However, a significant majority of religious scholars endorse the possibility of consensus on Islamic banking by organizing conferences, dialogue among different religious sects and developing boards of religious scholars at district levels in Pakistan. Religious scholars and Islamic political parties are marginalized by policy makers in implementing the paradigm. Whereas, it is a potential platform for political alliances of Islamic political parties, can unite scattered religious strength into a political force, win more assembly seats by making it an election manifesto and it being a political agenda can increase their popularity among the masses of Pakistan.

Keywords: opposition to Islamic banking, proponents, opponents and neutral groups, consensus on Islamic banking, potential platform for political alliances, election manifesto, political agenda and survey analysis.

Introduction

The importance of religious scholars is explained by Almighty Allah himself in the holy

Quran. Allah Almighty orders believers to consult them in case ignorance of an issue (21:07)¹. Like-wise, superiority of religious scholars is highlighted in a hadith that they are the hairs of profits (Tirmadi Vol.5, p-48 Hadith No. 2682). Moreover, superiority of a religious scholar is like the Holy prophet (PBUH) is superior to a common companion (Tirmadi Vol.5, p-50 Hadith No. 2685).

The dawn of Islamic Banking and Finance (IBF hereafter) can be linked to the Muslim scholars of India who led the intellectual debate favoring the feasibility of an Islamic financial system in 1940s (Ibrahim, 2007). The intellectual leadership resulted into the creation of an institution established in Pakistan during 1950s. Some landlords pooled funds to finance poor farmers by extending interest free loans to boost the agriculture sector (Roy, 1991). Likely, an Islamic economist from the sub-continent, Muhammad Uzair, presented the most widely cited model of Islamic banking and finance – known as Two-Tier Mudaraba model (Kahf & Khan, 1988). Moreover, rise of Pan-Islamism and writings of Islamic scholars are key factors in emergence of contemporary IBF in the world (Chapra, 2009; Ibrahim, 2007). The role of religious scholars is important as Islamic Shari'ah governs the economic, social, political, cultural and financial aspects of Islamic societies (Iqbal, 1997). Terrell (2007), argues that religiousness and oil wealth are the base of IBF development. Abraham (2008), asserts that Islamic finance challenges the conventional finance, addresses religious identity and explores the relationship between religion, politics and economy. Nawi, et, al. (2013) open that religion is the basic motivational force for adoption of IBF in many Islamic states like Bahrain, UAE, Bangladesh and Jordan.

It is interesting to note that Schumpeter remained biased while writing History of Economic Thought by totally ignoring achievements of Islamic civilization in the field of social sciences during the medieval period of 1000 years (Khan, 2009). Likely, capitalist system during colonialism exploited the peripheries and consequently religious leadership mobilized social groups to confront with Western capitalist ideology by presenting Islamic ideology as an alternative (Skuratowicz, 2004). Similarly, modern history of IBF can be linked to the independence movement against colonial rule in Muslim countries. Few examples include opposition against interest-based Barclays Bank of Egypt for raising funds to construct the Suez Canal, development of a formal Islamic banking system by a group of scholars in Pakistan

¹ The first number represents Surah, whereas the second number is Ayah (Verse).

(1953) and an effort to develop an interest free financial system to assist Muslims performing Pilgrimage in Malaysia (1960s) (Iqbal & Mirakhor, 2011).

Additionally, religious scholars started demanding their share of power soon after the independence in Pakistan (Ul Hassan, 2008). Moreover, Pakistani society is an Islamic society. Historical and religious background of region shows that only religious oriented policies would success as the people of Pakistan are committed to Islamic way of life (Siddiqui, 1996). Likewise, theory of Islamic Economics will be derived from our own sources like religious teachings, historical experience of the Ummah and how it has been interpreted by our religious scholars (Zaman, 2009).

Conversely, paradox of IBF in Pakistan is that Govt. ignored the religious scholars and Islamic political parties of Pakistan while implementing IBF paradigm which is contradicting with the ideological bases of the country (Mehmood, 2002, Kahf, 2004). Pakistan can be classified as a state where Muslims of the Indian sub-continent chose to form a new identity, in which citizens would be permitted to practice their faith and rules of the State would be in conformity with Islamic values, traditions and laws (Whynes and Bowles', 1981). Likely, religious scholars and Islamic political parties of Pakistan are guardian of the ideology of Pakistan. Pakistan is an ideological state based on Islamic religion and its ideology can be linked to the city state of Media. Holy Prophet (PBUH) established the first Islamic state in Medina which is considered the city state of Medina (Hamidullah, 1968). Pakistan was the first country in the world to declare itself an Islamic Republic in 1956, and is a democratic Islamic Republic (Choudhury, 1956).

EMERGING THEMES

Keeping in view our topic of research, we thematically divided this section into five sub-sections. Section 1 explains opposition by religious scholars to IBF paradigm in Pakistan. Section 2 highlights development of religious consensus/ consensus of religious scholars on IBF. Section 3 examines opposition by Islamic political parties of Pakistan to IBF paradigm/ Islamic political parties and IBF Paradigm. Section 4 discusses the methodology and empirical findings. Finally, section 5 covers conclusion and summary.

Opposition by Religious Scholars to IBF Paradigm in Pakistan/ Religious Scholars and IBF Paradigm in Pakistan

People rely on religious scholars for supporting contemporary IBF in Pakistan. However, the ground reality is quite opposite to it. It is beyond the expectations of the Pakistani masses that religious opposition is a serious challenge to IBF in the country. The notion of religious opposition is supported by over survey analysis. And it is because of this opposition that the paradigm is not becoming a mass movement in Pakistan. Religious forces of Pakistan are religious scholars and members of Islamic political parties- imperative for IBF in Pakistan. The authenticity of IBF is endorsed by religious scholars and Islamic political parties are its custodian at National Assembly, Senate and judicial level. A combination of religious endorsement and political cover by Islamic political parties can convert the Islamic banking into a mass movement in Pakistan. Religious scholars are *imams, khateeb, ulema and Shariah scholars* of religious schools in Pakistan.

The common masses of Pakistan are closely connected to the religious scholars and their favor to IBF would have paved the way for its acceptance at the mass level. To understand the true Islamic spirit of IBF, the consensus of religious scholars is inevitable in Pakistan. Their inclusion in the process would have changed the position. Dominancy of the religious scholars is due to the fact that they have to decide the authenticity and compatibility of IBF activities. Desired results cannot be achieved without incorporating their role in the IBF industry.

It is worth mentioning that colonial masters implemented the contemporary financial system by demolishing Islamic financial institutions. Even, Schumpeter remained biased while writing History of Economic Thought by entirely ignored the long history of economic successes in the era of Islamic civilization (Khan, 2010). Likewise, during colonialism, capitalist system of West exploited the peripheries and weakened the political and economic institutions which caused unrest in those societies. Consequently the social religious groups emerged under religious leadership who confronted Western capitalist ideology and presented Islamic ideology as an alternative. This is how religious factor became a strong mobilizing factor in those societies (Skuratowicz, 2005). Moreover, Islamic NGOs in Africa emerged as a reaction against the Christian missionaries in the colonial era. The educated elite established associations under Islamic ideology. These NGO's were discouraged by the colonial rulers and instead introduced secular urban associations to counter them. These Islamic associations were converted into Africa's modern political parties who launched independent movements in Africa (Salih, 2002). Furthermore, the Muslims of Egypt started opposing the presence of interest-based Barclays

Bank established for raising funds for the construction of Suez Canal. A similar opposition started in India at turn of the century where a minority of Muslims established interest-free loans. A group of intellectuals and scholars developed a formal Islamic banking system by 1953. In Malaysia, efforts were made to develop an interest free financial system to assist Muslims performing the Pilgrimage by 1960's (Iqbal & Mirakhor, 2007). Likewise (Siddiqi, 2006), Muslim scholars start writing against conventional system in second and third quarter of the 20th century onwards. They propagate that problems of conventional system can be solved by eliminating interest and replacing it by profit sharing mode of Islamic finance.

Similarly, according to Husain (2004), role of religious scholars differentiate the IBF from conventional system. They have to decide the compatibility of products offered by Islamic banks. IBF cannot achieve its targets and solutions of contemporary problems without incorporating their role. Moreover, conglomerate of religious scholars, government of Pakistan and banking sector created IBF in Pakistan. The role of Islamic theocracy is increasing in state policies and economic systems. An Islamic state ensures promulgation of laws subject to Shariah for its citizens to live accordingly (Rammal & Parker, 2013). However, the industry is suffered with non- availability of central religious authority, limited number of Shari'a scholars, definition of Riba and modes of finance (Zaman and Movassaghi, 2002; Grais, 2006). Likely, Kahf (2004), states that a top-down approach was adopted for IBF in Pakistan. The State Bank of Pakistan (SBP hereafter) ignored religious scholars and members of Islamic movement while implementing recommendations of the Council of Islamic Ideology (CII hereafter) in 1980 for interest free economy. Government of Pakistan gave free hand to policymakers who ignored religious scholars for implementation of the Supreme Court decision in 2000. Likewise, recommendations of the CII were marginalized by authorities and introduced dual banking which became a barrier for IBF in Pakistan (Mehmood, 2002).

Moreover, CII of Pakistan prepared blueprint of interest-free economy in 1980 and suggested the government to restructure state institutions on Islamic lines. Zia ul Haq started elimination of interest from economy but banned the Federal Sharia Court (FSC hereafter) to issue any judgment against interest for ten-year. Successive regimes of Nawaz Sharif and Musharraf manipulated FSC judgment on Riba in the Supreme Court of Pakistan (Khan and Bhatti, 2006). Furthermore, the CII of Pakistan acts through recommendation rather than regulation (Ahmed, 2006). Lastly, Zia regime during 1980's failed to eliminate interest from the

economy due to Islamic theocratic answerability. The religious opposition did not let it to be an Islamized religious source (Khan, 2008; Mehmood, 2002).

It is worth mentioning that some religious scholars are skeptical about the legitimacy of Murābaḥah contracts for its being similar to interest-based transactions (Nagaoka, 2007). He cites, Siddiqi who mentions that “*murābaḥah contracts in a negative context with saying that bay‘ mu‘ajjal contract (which is a contract similar to murābaḥah) is removed from the list of permissible methods altogether in order to save interest-free banking from being sabotaged from within*” [Siddiqi 1983b: 139]. Likely another citation of Taqi Usmani who considers “*murābaḥah is only a device to escape from interest and not an ideal instrument for carrying out the real economic objective of Islam, therefore, its use should be restricted only to those cases where muḍārabah or mushārahah are not practicable*” [Usmani 2000: 104-105]. According to al-Harran’s aggregate calculation, it is estimated that 80-90% of financial instruments on the asset side of Islamic banks were Murābaḥah contracts from 1970s through first half of 1990s, which implies that share of profit-sharing-based instruments was meager [al-Harran 1995: xi].

It is interesting to note that Islamic finance challenges conventional finance, addresses religious identity and explores relationship between religion, politics and economy (Abraham, 2008). Moreover, conventional policies have been implemented in past to solve our economic problems and reasons for their failure is not being religious based. Religious oriented policies would success as people of Pakistan are committed to Islamic way of life (Siddiqui, 1996). Furthermore, religion is the basic motional force for adoption of IBF in many Islamic countries (Nawi, et.al., 2013). Likely, Metawa & Al-Mosawwi (1998) in case of Bahrain notice that religion is the key feature in selecting Islamic banking by respondents. Similarly, Bley and Kuehn (2004) found that religious beliefs are main driving force for the people of UAE. Moreover, Khan et al. (2008) concluded that religion is the main reason for adoption of Islamic banking among Muslim of Bangladesh. However, Naser et al., (1999) asserted that in Jordan, religion is the second key reason for adopting banking services.

Critique of IBF

Some religious scholars highly praise existing IBF system while a large number of religious scholars oppose it. More than 30 Islamic scholars of Pakistan and many from different countries of the world consider it illegal (Draz et al., 2012). Zubair & Chaudhary, (2014) is one of the most

heavily cited studies, which discuss the proponents like Taqi Usmani and his followers who are propagators and executors of contemporary IBF, opponents consider it Haram; Economic experts like Javayd Akbar Ansari, Asad zaman and Kuran ranking it invalid & wrong due to its aims and practices. The religious scholars are skeptical about contemporary IBF as its procedure and practical form are not Shari'a compliant, based on subterfuge and is equal to or even worse than interest based banking. A group headed by Mulana Salimullah Khān and jurists from all over Pakistan issued unanimous legal judgment for its being illegal on August 28, 2008 at Karachi. After that Binawri Town Karachi compiled a book titled '*Murawwajah Islami Bankari: Tajziyati Muṭalīah, Shari Jaizah, Naqd wa Tabṣīrah*' (Contemporary Islamic Banking: Analytical Study, Legal Review, Criticism and Commentary) which criticized the Shariah basis of existing IBF in Pakistan.

Moreover, majority scholars of *Ḥanafī* schools of thought and *Ahl al-Ḥadīth* consider that instead of practicing true Islamic modes, Islamic banks are based on illegal tricks by dealing only in money which flattened the Shari'ah objectives (Zubair, & Chaudhry, 2014). Likely, a research *fatwa* against Islamic banking has also been published in 2009 by Muftī Ḥamīdullāh Jān With the title '*Islāmī Nīzam Ma'īshat kay Tanāzur mayn Mawjūdah Islamic Banking par ayk Tahqīqī Fatwa*' (In the Background of Islamic Economic System; A Research Fatwa against Islamic Banking) (Ibid). Furthermore, according to (Uthmān Ṣafdar, 2013), a collective *fatwa* by scholars of *Ahl al-Ḥadīth* school of thought in Pakistan has also been published against current IBF.

Those who criticize state that IBF is on the pattern of conventional banking and suffered with serious challenge of mass coverage. It has failed to internalize social dimension and social justice in its operations. Islamic financial institutions do not address project financing, long-term risky projects and social targets for economic development (Hasan, 2007). Similarly, Islamic finance has failed to provide the needs, economic development of Muslim communities and solution of poverty (Siddiqi, 2006). Likewise, Islamic banks are expected to play a significant role in equitable redistribution of wealth in society to attain social justice. They have no serious schemes targeting poverty elimination or enhancing social justice in society (Kamla & Rammal, 2013).

Furthermore, Islamic banks are charging interest on the name of Islamic modes and are similar to that of conventional banks. No clear mechanism is evident which can differentiate IBF

from conventional banking. Shari'a boards of different Islamic banks are issuing inconsistent judgments on similar issues and standardization is a main problem (Henry, 2001). Likely, a difference prevails between the theory of equity-based finance and *Murabahah*-dominated practices of Islamic banks as they are operating on the pattern of conventional banks (Yousef, 2004). Similarly, Islamic modes are disguised mechanisms for charging interest by the Islamic banking authorities (Kuran, 2004). Lastly, (Zaman, 2014) emphasizes the revival of Waqaf, TRUST AND DAR AL-AMANA, Islamic alternatives: Safekeeping of real assets, wider circulation of wealth through *Qarz-e-Hasan* (benevolent loans) and investments to reconstruct Islamic societies as the same played a dominant role in provision of social services in pre-colonial times rather than Islamization of western banking which is a mean of wealth accumulation and concentration.

Development of Religious Consensus on IBF

The religious consensus on the issues of IBF is important at national level. It would bring a lot of opportunities to Islamic banking by solving hurdles with its practice. It can be achieved by means of interacting and collaboration among different professional like economists, lawyers, bankers and religious scholars. It would strengthen standards setting, regulations and accountability of Shariah scholars (Khan, 2015). Moreover, Voll and Esposito (1994) regarding consensus state that the Holy Prophet (PBUH) has said, *"My followers will not agree upon an error."* Sunni Islam came to place final religious authority for interpreting Islam in the consensus (*ijma*). Later, consensus played a fundamental role in the development of Islamic law and contributed significantly to the legal interpretation. The religious scholars had a role in reaching consensus while general masses had little importance. Consensus on an issue usually ended the debate. Muslim thinkers have argued new possibilities of consensus. He cites Hamidullah who sees consensus as offering *"great possibilities of developing the Islamic law and adapting it to changing circumstances."*

Conversely, Yusuf Al-Qaradawi states that issue of Riba has resisted the test of consensus of contemporary religious scholars as well as past (Ahmed, 1999). Moreover, Farooq, (2006) cited a reference *"Ijma is not a matter of consensus of a number of experts or jurists. Its meaning and function should be worked out in relation to the legislative function in concrete"*

political systems, where it may produce a workable relationship between the ideal and the real with maximum possible support and participation on the part of Muslim peoples”.

However, Wani, et al (2015) suggest that religious conflicts can be transformed and reconciled by means like educational institutions, think-tanks, political leaders, and religious leaders. The most important are religious leaders having influence on masses, can achieve religious stability in a society. They can teach peaceful lessons to their groups and motivate them to alleviate religious conflicts through dialogue. Moderate religious leaders would result moderation of religious believers –A prerequisite for peace within society. Likely, Enayat (1982) asserts that revival of political thought of both Sunni and Shia have four themes-breaking the status quo, rejecting the bad realism of medieval writers, historical criticism and saving the democratic and socialistic elements of the past. The above will cause the convergence of Shia and Sunni political thought.

Likely, Pan-Islamism considers the unity of Muslims regardless of the differences of language, ethnicity or nationality. This idea of Islamic brotherhood is incorporated in the OIC to promote cooperation and unity among the Islamic states (Sheikh, 2003). Likewise, Islamic Finance is related to the principle of Pan-Islamism of Jamal al-Din al-Afghani who is considered as one of the greatest Islamic revivalists in the Islamic world (Hirano, 2007). Conversely, the idea of Pan-Islamism cannot be executed as the Muslims are divided into Wahhabi or Sanusi sects and the Muslim society is dispersed from Morocco to the Philippines and from the Volga to the Zambezi. The fall of Ottoman caliphate resulted into the emergence of nationalism- evident among the Arabs, Afghans, Persian and Turks in the Muslim world (Toynbee, 1946).

Islamic political parties and IBF Paradigm

Islamic political parties of Pakistan are an important key stakeholder of IBF, can convert it into a mass movement by political means. They failed to create sound footing in masses by having no agenda for Islamisation of the economy. Adopting IBF as political agenda can expedite Islamisation of the economy and increase their popularity among masses. The common masses can be mobilized by Islamic political parties for the implementation of IBF in Pakistan.

The rise of Hindu nationalism resulted into the creation of Muslim nationalism which led to the division of Subcontinent into Pakistan and India. Hinduism remained a cultural rather than

a religion by absorbing other religions (Islam, Christianity and Judaism) for centuries. It was converted into radicalism during English imperialism in India. In 1870 Indian National Congress was established by British rulers to promote socio-religious objectives. All these developments were threatening the survival of Muslims in India and they ultimately demanded for a separate home land based on Islamic ideology (Ahmed, 2005). Likely, Pakistan can be classified as a State where the Muslims of the Indian sub-continent chose to form a new identity, in which the citizens would be permitted to practice their faith and the rules of the State would be in conformity with Islamic values, traditions and laws (Whynes and Bowles', 1981). Moreover, religious scholars and Islamic political parties of Pakistan are the guardian and protector of the ideology of Pakistan. Pakistan is an ideological state based on Islamic religious. Its ideology can be linked to the city state of Medina. The Holy Prophet (PBUH) established the first Islamic state in Medina which is considered the city state of Medina (Hamidullah, 1968). Furthermore, Pakistan was the first country in the world to declare itself an Islamic Republic in 1956, and is a democratic Islamic Republic (Choudhury, 1956).

Some studies such as, (Misra, 2003; Hathaway & Lee, 2004; Baele et al., 2010 and Rana, 2011) explain role and importance of Islamic political parties for Islamization process of Pakistan since 1947. According to them Islamic political parties played significant role in constitutional development and developed political alliances for implementation of Islamic Shari'a in Pakistan. These parties are so influential that any regime cannot survive without their support. Islamic political parties being the major stakeholder of IBF failed in creating any pressure on successive regimes for policy formation regarding its promulgation in Pakistan. The said parties did not start any movement, develop infrastructure institutions (universities, research centers, etc.) and organize agitation (rallies and long marches) for implementation of IBF in Pakistan. However, Misra (2003) opens that Interest-free economy by introducing Islamic banking in the country was an important of the 15-point election manifesto of the Muttahida Majlis-e-Amal (MMA hereafter). One of the reasons of policy shift in 2001 regarding introducing Islamic banking by the military regime of Musharraf was to accommodate the demand for Islamization process of MMA. Both Musharraf and MMA need each other to attain their political objectives. Religious feelings in Pakistan are deeply rooted and can never die. Both military regimes and democratic governments used religious force and elements to harvest legitimacy and public support. None of civilian regimes after 1988 have implemented

recommendations of CII and the Shari'a court decisions regarding Islamization of economy. The power struggle between political regimes and military is normal phenomena in Pakistan and religious parties will play a dynamic role in tilting balance in favor of one or other side. This would further enhance utility of Islamic political parties in Pakistan. Similarly, Islamic political parties along with religious issues gained importance during military regimes in Pakistan. This was a mechanism to prolong military rule in Pakistan by manipulating Islamic political parties (Cohen, 2002; Hashmi, 2009).

Likely, Hathaway & Lee (2004) are of the view that MMA emerged a political force in Pakistan's 2002 national elections by winning sixty seats in the National Assembly. MMA formed government in KPK province and got a prominent role in the coalition government of Baluchistan. Musharaff took policy shift by introducing Islamic banking as a result of the pressure created by MMA. It was done to prevent MMA which could have gained additional support by representing itself as a strong political force. Moreover, Rana (2011) highlights that all Islamic political parties of Pakistan having common manifesto of the supremacy of divine law and its implementation. They are promoting almost a common agenda of social mobilization of society on religious basis and Islamization of country since 1947. They succeeded to incorporate Islamic clauses in the Objectives Resolution of 1949 which highlights that no legislation can be made against the Islamic Shari'a in Pakistan. The Islamization process started by Zia ul Haq regime reinforced the importance of Islamic political parties of Pakistan.

It is interesting to note that, IBF might be a potential tool to build civil societies needed for democratic institutions in dictatorial states. IBF would be used for mediation between opposition and authoritarian regimes. IBF is used as a tool by Malaysia and Gulf countries to employ religious graduates by preventing them away from revolt (Henry, 2001). Likely, some states are successful in containing revival of radical Islamic movements while others face civil war and conflict. Algeria and Egypt experienced high communal conflict while Malaysia has experienced little (Lubeck, 1998).

EMPIRICAL ANALYSIS

The attributes on the basis of a thematic review of the above sections are empirically tested in this section. We use positivist methodology of research for which survey method is used to collect data from the respondents through a self-administered questionnaire. After pre-testing,

the questionnaire was posted on a designated website and the response of 1035 respondents was recorded.

We describe our data using graphical and numerical tools. For example, a descriptive analysis of each stakeholder group is explained in the light of frequency tables which are constructed out of the collected data and then histograms are designed followed by explanations and citations from the literature. Further, we provide ordered logistic regression analysis to examine the factors that may affect the probability of occurrence of certain attributes, particularly the adoption of IBF in Pakistan. Finally, we synthesize our results obtained from different methods of analysis.

Targeted Population and Sample Frame

The target population of this study is the whole of Pakistan; however, our sample frame consists of those respondents who use the internet, such as religious scholars, and members of Islamic political parties. We use convenient sampling for both religious scholars and members of Islamic political parties of Pakistan. Convenient sampling is used when target population is located in whole the country. Our sample size is 1035 respondents from various stakeholders of IBF in Pakistan, which is consistent with most of the empirical literature (Barlett et al., 2001; Comrey & Lee, 2013).

Unit of Analysis

The following key stakeholders are identified to be the units of analysis of our empirical analysis.

Religious scholars: The religious scholars are the experts of Islamic Shari'a from the society. They are closely connected with the masses and an appeal by them can make the IBF a mass movement. They are the *imams/khateeb/mudress* of the religious madrassas of Pakistan.

Members of Islamic political parties of Pakistan: They are considered opinion makers of the masses by leadership role and raising the issue of Riba / Islamization of the economy at the different forums like National and provisional assemblies and Senate through resolutions, bills and agitations.

The above key stakeholders of Islamic banking in Pakistan are our primary target respondent groups consistent with Freeman (2010).

Construction of Questionnaire and Pre-Testing

We construct our questionnaire in the light of attributes collected from a group discussion of key stake holders, such as customers (corporate & non corporate), general masses, religious scholars, Islamic political parties, employees of Islamic banks, officers SBP and officers Ministry of Finance. The final questionnaire was then pre-tested on various groups of concerned stakeholders. Finally, the revised questionnaire was posted on a designated website to collect primary data in year 2013-14. The questionnaire contained close-ended as well as open-ended questions.

Data Collection Procedure and Response Rate

We use a mixed mode which is a combination of mobile, surface mail, e-mail, the internet, and personal meetings to generate the primary data through structured questionnaire. This method is most effective to include the maximum respondents in the area of research. Those who do not respond by one mean are included by the other. We developed a website through which the questionnaire was posted. The targeted groups were approached to fill in the questionnaire through social media and e-mails. Repeated advertisements were made for the responses through social media by highlighting the importance and need of the survey and its relevance for IBF in Pakistan. Personal references were used for online responses from the citizens of Pakistan as well as overseas Pakistanis from America, England, Australia, Middle East, Malaysia and China. To ensure the responses from the target groups, personal visits were made by the researcher to the approachable target groups and questionnaire were filled and recorded through the designated website. Sometimes the target groups were approached and reminded twice or thrice for compliance. It took about two months to get the online responses from officers at the ministry of finance. We spent 10 days in Karachi to get the online response from officers at the State Bank of Pakistan. We set a target of 1100 respondents out of which 1035 responded to our questionnaire. So the response rate is 94 percent.

DESCRIPTIVE ANALYSIS

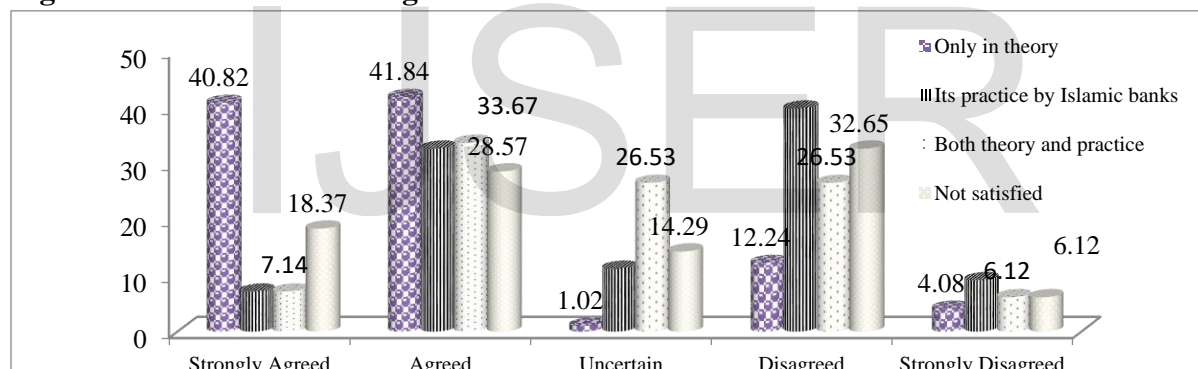
This section covers results of the attributes of religious scholars and members of Islamic political parties to prove the assertion that religious forces are opposing the promulgation of IBF in Pakistan.

Lack of Satisfaction by Religious Scholars with IBF

To measure the opposition by religious scholars of Pakistan to the paradigm of Islamic banking, the attributes such as satisfaction of religious scholars with IBF: only in theory, its practice by

Islamic banks, both theory and practice, not satisfied are used as parameters of indication. Our analysis of the survey data shows that majority of the respondents (82.66 percent) from religious scholars are satisfied with the theory of Islamic banking out of a total sample of 98 respondents. Almost half of the respondents (48.98 percent) from them are not satisfied with the practices of Islamic banks, 39.79 percent respondents are satisfied while a number of 11.22 percent are uncertain. Similarly, those satisfied both theory and practice by Islamic banks are 40.81 percent and not satisfied are 32.65 percent while 26.53 percent are uncertain. Whereas, 46.94 percent responses are not satisfied, 38.77 percent are satisfied and 14.29 percent are uncertain. Broadly speaking, 50 percent religious scholars in our sample oppose the contemporary IBF while other 40 percent endorse it while 10 percent are uncertain (see Figure 1). Three groups are emerged out of this analysis. First, proponents those who are agree with contemporary IBF. Second, opponents who are disagree with it. Third are neutral, those who are uncertain about IBF. These findings are consistent with (Draz et. al., 2011).

Figure 1: Satisfaction of Religious Scholars with IBF

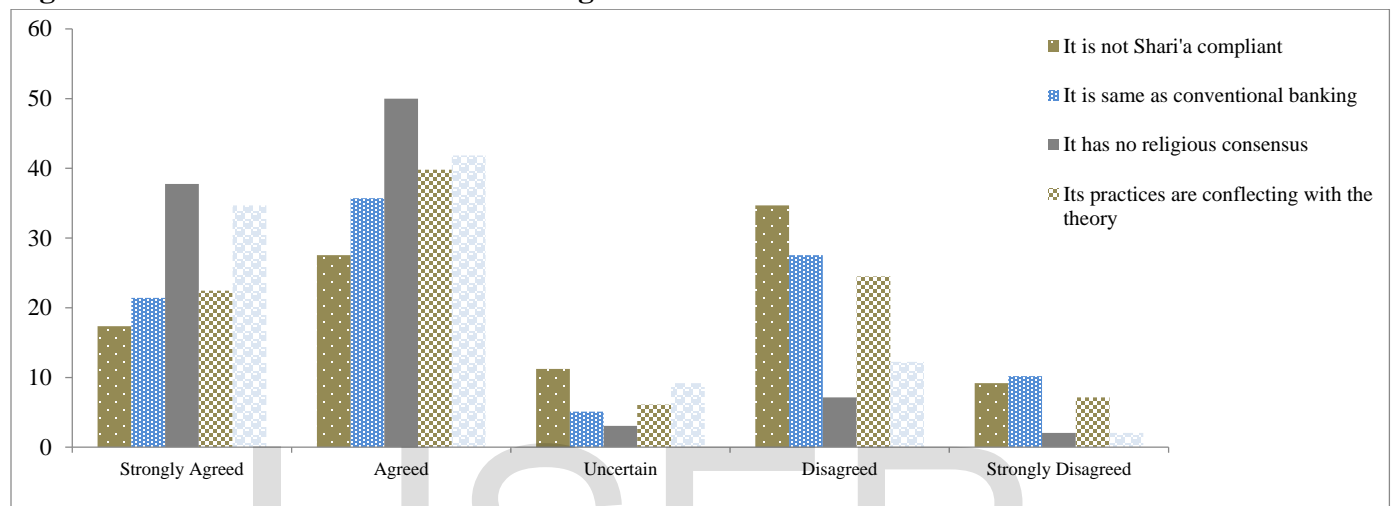


Shortcomings of IBF in the eyes of Religious Scholars

The IBF is not accepted by the religious scholars due to its shortcomings which are worth exploring. The attributes such as IBF is not Shari'a compliant, it is same as conventional banking, it has no religious consensus, its practices are conflicting with the theory and it does not address social issues are used as parameters of indication. The data analysis reflects that 45 percent of religious scholars consider IBF being Shari'a compliant and 44 percent do not while 11 percent are neutral. This result endorses the above mentioned three groups of religious scholars of Pakistan (proponents, opponents and neutral of Islamic banking). Moreover, majority (57.14 percent) of them believe that IBF is same as conventional banking. Similarly, most of them (87.76 percent) favor that IBF has no religious consensus (see Figure 2). Moreover, majority of them (62.25 percent) are agreed that IBF practices are conflicting with the theory

while 31.63 percent disagreed and only 6.12 percent respondents are uncertain (see Figure 2). Above results are consistent with the perceptions of (Henry, 2001; Atzori, 2010; Yousef, 2004 and Kuran, 2004). We note that IBF does not address social issues such as poverty; illiteracy and unemployment etc. which is supported by 76.53 percent of respondents (see Figure 2). Above finding is consistent with (Kamla & Rammal, 2013; Siddiqi, 2006 and Zaman, 2009).

Figure 2: IBF is suffered with shortcomings like

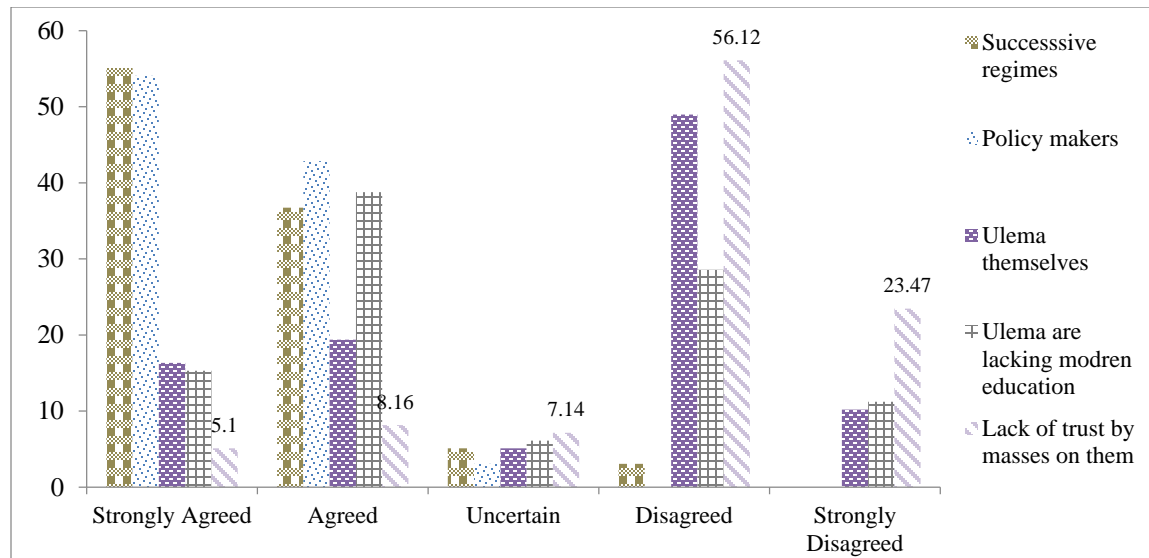


Ignoring religious scholars from IBF in Pakistan

The religious scholar’s role is imperative for IBF as they have to endorse the Shari’a compatibility, authenticity and their endorsement can convert it into a mass movement in the country. Their involvement by the successive regimes and authorities in implementing IBF is imperative. Those responsible for ignoring them in establishment of IBF are a parameter of indication. Since successive regimes and bureaucracy did not involve them while implementing the IBF in country. This shortcoming is deliberately created in its roots from the beginning and this is why religious scholars are opposing IBF. Our data affirms that most of (almost 90 percent) the religious scholars are of the view that successive regimes and bureaucracy ignored them for establishing Islamic banking in Pakistan. The above result is consistent with (Kahf, 2004 and Husain, 2004). However, majority of them (59 percent) disagree that they themselves are responsible for their non- involvement in IBF. Similarly, majority (54.09 percent) of them assert that lacking in modern education is the reason for their non-involvement in IBF. While responding to the question that lack of trust on the religious scholars by masses is the reason for

their non- involvement in IBF is rejected by majority (79.59 percent) of the respondents (see Figure 3).

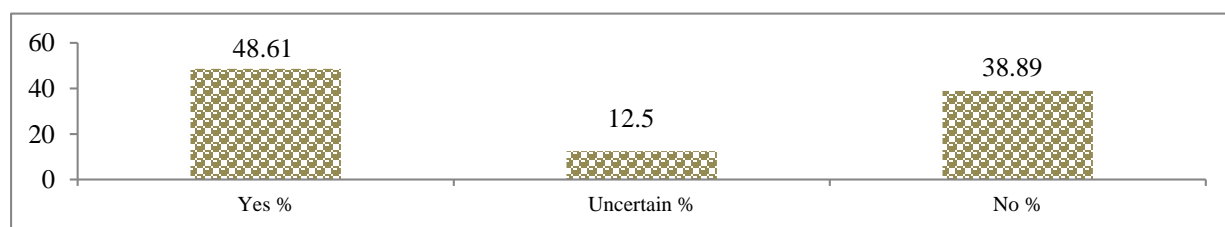
Figure 3: Responsibility for Ignoring Religious Scholars in IBF



Critique of Islamic banking by Religious Scholars

The most interesting part of this stakeholder group is to analyze the critique on the IBF paradigm made by the religious scholars of Pakistan. The critique of Binauri Town (religious school of Karachi having prominent religious scholars are the opponents of contemporary IBF) on IBF is used as a parameter to measure the opposition to IBF in Pakistan. The proponents and propagators are highly praising the IBF while a large number of religious scholars are opposing it. The data reflects that 48.6 percent respondents are agreed with the critique and 38.89 percent disagreed while 12.5 percent respondents are uncertain (see Figure 4). It depicts that they are divided into proponents, opponents and neutral groups regarding IBF. The above outcome confirms the perceptions of Draz et al. (2011) and (Zubair and Ghafoor, 2014) about IBF.

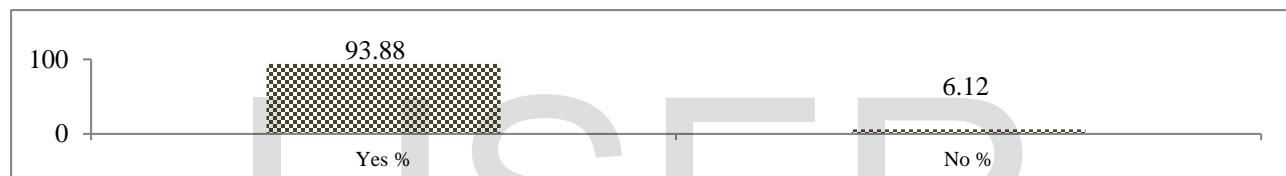
Figure 4: Religious Scholars agreement with the Critique of Binauri Town on IBF



Towards Consensus of Religious Scholars on IBF

The way forward in achieving solutions to the issues of IBF is worth mentioning. Consensus of religious scholars of Pakistan on IBF and its means are explored for policy implication. Their Consensus would be the most fundamental prerequisite for its becoming a mass movement in Pakistan. All other factors such as education and research, political opportunities, economic and social opportunities of IBF either generate it or come out of the consensus of religious scholars. The data reflects that most of respondents (93.88 percent) agree for a possible consensus among the religious scholars of Pakistan on IBF (see Figure 5). The above finding is consistent with Khan, T. N. (2015), Ahmed, (1999) and Farooq, M. O. (2006).

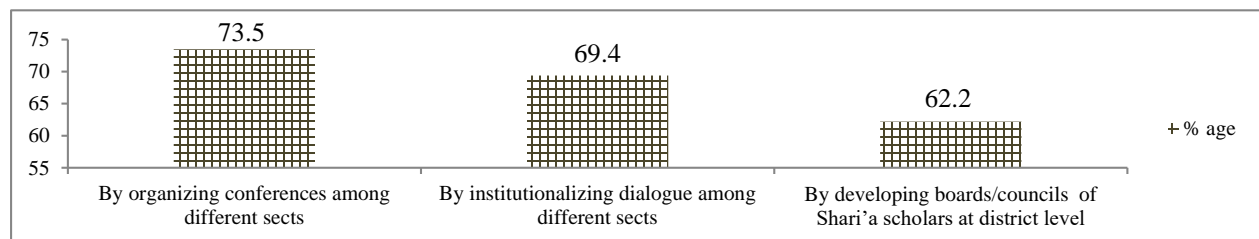
Figure 5: Possibility of Developing Consensus among Religious Scholars on IBF



Means for Achieving Consensus of Religious Scholars on IBF

Once it is evident that a consensus of religious scholars on IBF is possible then the means for that are worth exploring. A private or state initiative would institutionalize the consensus of ulema on IBF (see Kahf, 2004). The data depicts that most of the respondents from them (73.5 percent) suggest organization of conferences among different religious sects while majority of respondents (69.4 percent) recommend dialogue among different sects of religious scholars. Yet another majority (62.2 percent) propose developing boards of religious scholars at district level as means of consensus on IBF in Pakistan (see Figure 6).

Figure 6: Means for Developing Consensus on IBF among the Religious Scholar

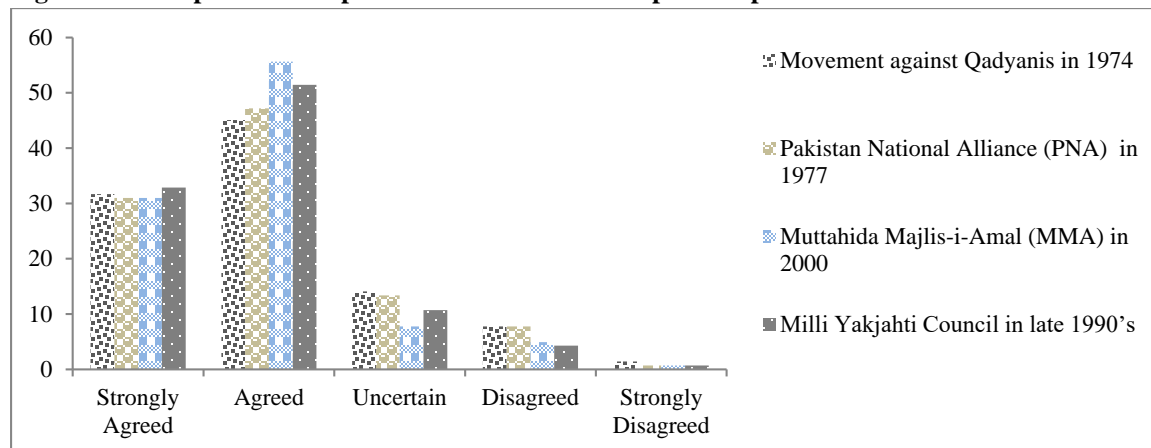


Political Opportunities of IBF for Islamic Political Parties

Development of religious consensus on IBF could bring both backward and forward linkages for Islamic political parties of Pakistan. The attributes for the Islamic political parties of Pakistan such as IBF a platform for political alliance of Islamic political parties like: Movement against Qadyanis in 1974, Pakistan National Alliance (PNA) in 1977, Milli Yakjahti Council in late 1990's, Muttahida Majlis-i-Amal (MMA) in 2000's are the parameters of indication that the Islamic political parties of Pakistan are opposing the IBF. Our analysis depicts that most of the respondents (77 to 87 percent) from members of Islamic political parties consider Islamic banking to be a platform to make an alliance of the Islamic political parties like: Movement against Qadyanis in 1974, Pakistan National Alliance (PNA) in 1977, Muttahida Majlis-i-Amal (MMA) in 2000's and Milli Yakjahti Council in late 1990's (see Figure 7).

Majority of the members of Islamic political parties endorse that IBF has potential to be a platform for their political alliance. A potential platform for political alliances of Islamic political parties is naturally emerged. It is up to the leadership of Islamic political parties to accommodate wisely the emerging paradigm of IBF for uniting the scattered religious strength into a political force. IBF is a practical model for the Islamic political parties to harvest multidimensional benefits like education and research, employment opportunities for their members and to use it as a tool for their popularity. Islamic political parties have played a significant role in the constitutional development and developed political alliances for the implementation of Islamic Shari'a in Pakistan. Above findings are consistent with (Misra, 2003; Hathaway, 2004; Baele et al., 2010 and Rana, 2011).

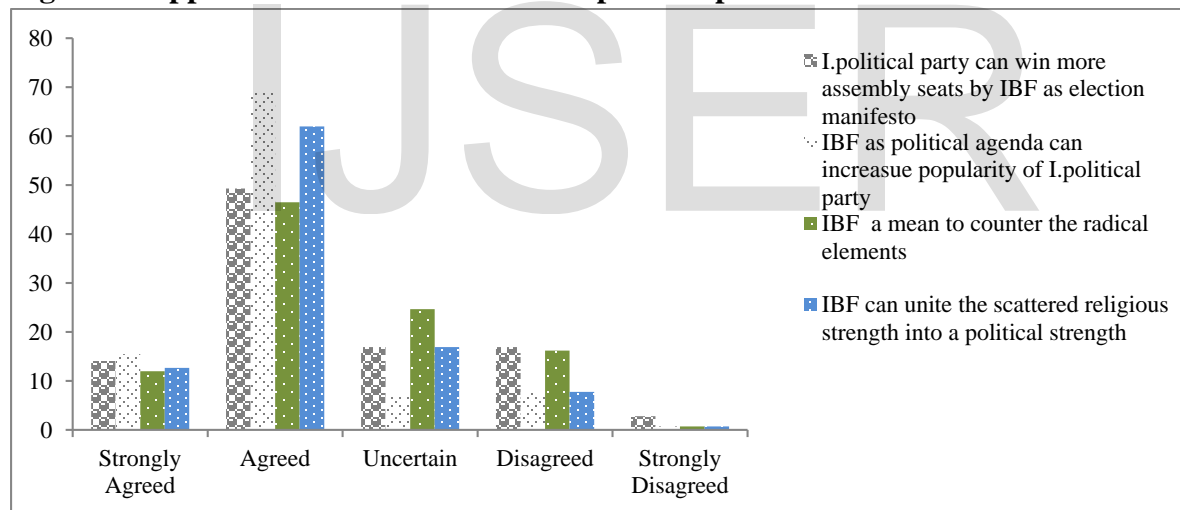
Figure 7: IBF a platform for political alliance of Islamic political parties



Opportunities Islamic political parties

Political opportunities of IBF for Islamic political parties like: IBF as a political agenda can increase the popularity of an Islamic political party, IBF can unite the scattered religious strength into a political strength, IBF a mean to counter the radical elements, Islamic political parties can win more assembly seats by making IBF an election manifesto are the other parameters of indication to measure the opposition of the Islamic political parties of Pakistan for IBF. Our analysis represents that majority of the respondents (63.38 percent) favor that Islamic political parties can win more assembly seats by making IBF an election manifesto (see Figure 8). Similarly, most of the respondents (85 percent) are of the view that IBF as a political agenda can increase the popularity of an Islamic political party. Furthermore IBF can unite the scattered religious strength into a political strength is favored by 74.65 percent respondents of the Islamic political parties (see Figure 8). Above results are consistent with Nadeem, (2010) and ul Hassan, (2008). Similarly, majority of the respondents (58.45 percent) affirm that IBF is a mean to counter the radical elements.

Figure 8: Opportunities of IBF for Islamic political parties

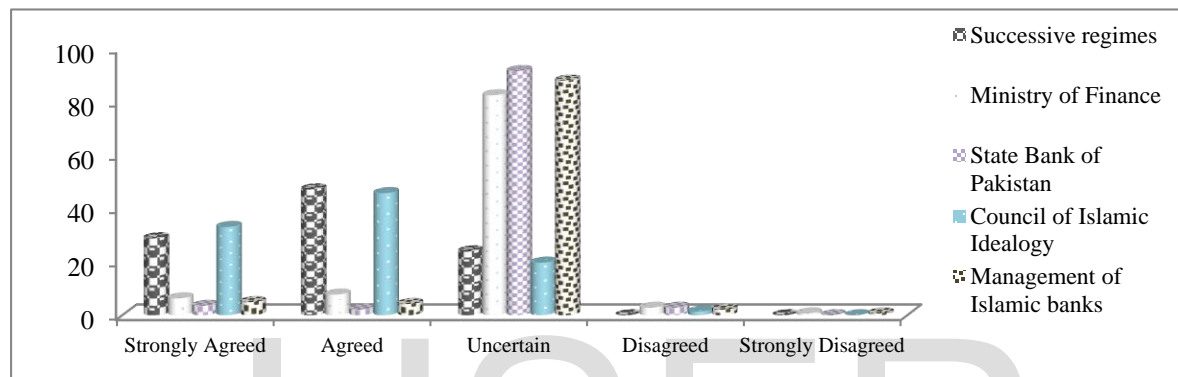


Involvement of Islamic political parties and authorities of IBF

Involvement of the Islamic political parties for implementation of IBF by the authorities can enhance its popularity and adoption among the masses. The concerned authorities of Islamic banking ever need to involve the Islamic political parties of Pakistan in its implementations is worth exploring. Our analysis shows that majority of the respondents (76 and 78.87 percent) support the involvement of Islamic political parties for IBF by successive regimes and by the Council of Islamic Ideology (see Figure 5). This result confirms the limited involvement of Islamic political parties by some authorities in the implementation of IBF in Pakistan. Our data

further depicts that most of the respondents (82.39 to 92 percent) from the members of Islamic political parties are uncertain about their involvement by the ministry of finance, by the State Bank of Pakistan and by the management of Islamic banks in implementing the IBF in Pakistan (see Figure 5). It proves our hypothesis that policy makers are opposing the promotion of IBF (by ignoring the Islamic political parties of Pakistan for IBF) is proved. The above results are consistent with Kahf, (2004) and Husain, (2004).

Figure 5: Involvement of Islamic political parties by authorities of IBF



Logistic Regression Analysis

We use ordered logistic regression to analyze the impacts of various attributes that may affect the choice of satisfaction of religious scholars with the theory and practice of IBF (SRSTPIBF). As our dependent variable, SRSTPIBF is ordered in nature, we use 1 for strongly agreed, 2 for agreed; 3 for uncertain; 4 for disagreed and 5 for strongly disagreed. Likely, the independent variables are measured on 5-point Likert scale. Our ordered logistic regression of SRSTPIBF is given as follows:

$$\ln\left(\frac{p_i}{1-p_i}\right)_{SRSTPIBF} = \beta_0 + \beta_1(ASSRRS) + \beta_2(ARSCIBFMM) + \beta_3(SRMRSIBFP) + \beta_4(PMMRSIBFP) + \beta_5(RSTRMFIBFP) + \beta_6(IRSIBFSNB) + \beta_7(EIBFUSRSPF) + \beta_8(RSCPFDON) + U_i \quad (1)$$

Where, P_{ci} is the probability of SRSTPIBF for categories (c) ranging from 1 to 5 given the information on regressors. α_c is a threshold or cutpoints in increasing order ($\alpha_1 < \alpha_2 < \dots < \alpha_{c-1}$). The independent variables measured at 5-point likert scale are as follows: ASSRRS is ‘all the segments of the society respect religious scholars’, ARSCIBFMM is ‘appeal by religious

scholars can convert the IBF in to a mass movement’, SRMRSIBFP is ‘successive regimes marginalized the religious scholars for IBF in Pakistan’, PMMRSIBFP is ‘policy makers marginalized the religious scholars for IBF in Pakistan’, RSTRMFIBFP is ‘religious scholars themselves remain marginalized for IBF in Pakistan’, IRSIBFSNB is ‘involvement of religious scholars in IBF would strengthen nation building’, EIBFUSRSPF is ‘education of IBF would unite the scattered religious strength into a political force’, RSCPFDON is ‘religious strength can be converted into a political force through dialogue with other nations’ and U_i is error term.

We estimated the above general model, which is then reduced to a parsimonious model given in Table 1 by dropping insignificant variables, sequentially, following the general to specific approach.

Our results in Table 1 reflects that satisfaction of religious scholars with theory and practice of IBF is positively affected by an appeal of religious scholars can convert the IBF in to a mass movement, policy makers marginalized the religious scholars for IBF in Pakistan, involvement of religious scholars in IBF would strengthen nation building, education of IBF would unite the scattered religious strength into a political force. It is suggests that an increase in marginalization of religious scholars either by policy makers or by themselves would keep on increasing satisfaction of religious scholars with theory and practice of IBF in Pakistan. A decrease in marginalization would decrease satisfaction of religious scholars with theory and practice of IBF. Whereas, an increase in an appeal of religious scholars can convert the IBF in to a mass movement, and education of IBF would unite the scattered religious strength into a political force would enhance their satisfaction with theory and practice of IBF. However, all the segments of society respect religious scholars, successive regimes marginalized the religious scholars for IBF in Pakistan are negatively related to satisfaction of religious scholars with theory and practice of IBF. A decrease in above measures would increase the satisfaction of religious scholars with theory and practice of IBF.

Table1: Logistic Regression result regarding Religious Scholars of Pakistan

SRSTPIBF	Co-efficient	Robust Std. Err.	Z	P> z
ASSRRS	-0.7875***	0.2404	-3.27	0.001
ARSCIBFMM	0.8702***	0.2712	3.21	0.001
SRMRSIBFP	-0.7101**	0.3017	-2.35	0.019

PMMRSIBFP	1.0135*	0.5346	1.90	0.058
EIBFUSRSPF	0.8485***	0.2497	3.40	0.001
Obs.	94	94	94	94
Wald Chi Sq. (P. Val.)	58.18 0.000			
Pseudo R ²	0.1119			

Notes: ***, **, * represent significance at 1%, 5% and 10% level respectively. Our dependent variable is satisfaction of religious scholars with the theory and practice of IBF (SRSTPIBF). The independent variables are all the segments of the society respect religious scholars (ASSRRS), appeal by religious scholars can convert the IBF in to a mass movement (ARSCIBFMM), successive regimes marginalized the religious scholars for IBF in Pakistan (SRMRSIBFP), policy makers marginalized the religious scholars for IBF in Pakistan (PMMRSIBFP), education of IBF would unite the scattered religious strength into a political force (EIBFUSRSPF)..

IJSER

We use another ordered logistic regression to analyze the impact of various attributes that may affect the choice of promotion of IBF as a political agenda of Islamic political party (PIBFPAIPP). As our dependent variable, PIBFPAIPP is ordered in nature, we use 1 for strongly agreed, 2 for agreed; 3 for uncertain; 4 for disagreed and 5 for strongly disagreed. Likely, the independent variables are measured on 5-point Likert scale. Our ordered logistic regression of PIBFPAIPP is given as follows:

Our results in Table 2 reflects that promotion of IBF as a political agenda of Islamic political party is positively affected by involvement of Islamic political party for IBF, by the Council of Islamic Ideology and by the management of Islamic banking. It reflects that an increase in involvement of Islamic political parties for IBF by the Council of Islamic Ideology and by the management of Islamic banking would promote IBF as their political agenda. However, involvement of Islamic political party for IBF by successive regimes, by the ministry of finance and by the State Bank of Pakistan are negatively related with the promotion of IBF as a political agenda of Islamic political party. It means more involvement of Islamic political parties for IBF by successive regimes, by the ministry of finance and by the State Bank of Pakistan would adversely affect IBF as their political agenda. The above result suggests limited involvement of Islamic political parties for IBF in specific quarters. They should not be involved in each and every department of the government which can adversely affect promotion of IBF as their political agenda.

Table2: Logistic Regression result regarding Islamic political parties of Pakistan

PIBFPAIPP	Co-efficient	Robust Std. Err.	Z	P> z
IIPPSR	-17.9027***	0.4007	-44.68	0.000
IIPPMF	-1.8480***	0.2671	-6.92	0.000
IIPPSBP	-48.9789	0.2671	-183.34	0.000
IIPPCII	33.0525	0.2671	123.73	0.000
IIPPMIB	36.6782	0.2671	137.30	0.000
Obs.	142	142	142	142
Wald Chi Sq.	1996.06			

(P. Val.)	0.000			
Pseudo R ²	0.7620			
<p>Notes: ***, **, * represent significance at 1%, 5% and 10% level respectively. Our dependent variable is promotion of IBF as a political agenda of Islamic political party (PIBFPAIPP). The independent variables are involvement of Islamic political party for IBF by successive regimes (IIPPSR), involvement of Islamic political party for IBF by ministry of finance (IIPPMF), involvement of Islamic political party for IBF by State Bank of Pakistan (IIPPSBP), involvement of Islamic political party for IBF by the Council of Islamic Ideology (IIPPCII) and involvement of Islamic political party for IBF by the management of Islamic banking (IIPPMIB).</p>				

CONCLUSION

This paper investigates opposition of the religious scholars and Islamic political parties of Pakistan to the contemporary IBF. Our findings depict that religious scholars are divided into proponents, opponents and neutral groups. The Shari'a consistency of IBF is not supported by the majority of religious scholars on the basis of its practices. A significant majority of them endorse the possibility of consensus on IBF by organizing conferences among different religious sects, dialogue among different sects of religious scholars and developing boards of religious scholars at district level in Pakistan. Religious scholars of Pakistan are ignored by the policy makers for implementation of Islamic banking in the country. The Islamic political parties of Pakistan are marginalized by policy makers (ministry of finance, SBP and management of Islamic banks) while implementing IBF in Pakistan. However, their limited involvement by successive regimes and Council of Islamic Ideology for IBF is evident. Moreover, IBF is a potential platform for political alliances of Islamic political parties of Pakistan. Lastly, Islamic political parties can win more assembly seats by making IBF an election manifesto, it being a political agenda can increase their popularity among masses and it can unite the scattered religious strength into a political force in Pakistan.

REFERENCES

Abraham, I. (2010). Riba and recognition: Religion, finance and multiculturalism. In *Annual Conference Proceedings Australian Association for the Study of Religions*, Sydney, Australia.

- Adas, E. B. B. (2008). Culturalizing Economies, "Economizing" Cultures: Religion and Entrepreneurship in Turkey. *Gaziantep University Journal of Social Sciences*, 7(1), 165-171.
- Ahmad, I. (2005). Competing Religious Nationalism and the Partition of British India. *Pakistan Journal of History & Culture*, 26(2), 1-11.
- al-Harran, S. A. S. (Ed.). (1995). *Leading Issues in Islamic Banking and Finance*. Pelanduk Publications.
- Atzori, D. (2010). *Moral values and financial markets: Islamic finance against the financial crisis*. URL: <https://goo.gl/ViFRH5> (accessed on 25 January 2020)
- Baele, L., Farooq, M., & Ongena, S. (2014). Of religion and redemption: Evidence from default on Islamic loans. *Journal of Banking & Finance*, 44, 141-159.
- Barlett, J. E., Kotrlik, J. W., & Higgins, C. C. (2001). Organizational research: Determining appropriate sample size in survey research. *Information technology, learning, and performance journal*, 19(1), 43.
- Cameron, A. C., & Trivedi, P. K. (2005). *Microeconometrics: methods and applications*. New York: Cambridge university press.
- Chapra, M. U. (2009). The Global Financial Crisis: Can Islamic Finance Help Minimise the Severity and Frequency of Such a Crisis in the Future?. *Islam and Civilisational Renewal (ICR)*, 1(2). 226-245. doi: https://doi.org/10.1057/9780230361133_5
- Choudhury, G. W. (1956). The constitution of Pakistan. *Pacific Affairs*, 29(3), 243-252.
- Cohen, S. P. (2002). The nation and the state of Pakistan. *Washington Quarterly*, 25(3), 109-122.
- Comrey, A. L., & Lee, H. B. (2013). *A first course in factor analysis*. New York, NY: Psychology Press.
- Draz, M. U., Ahmad, F., & Ali, S. (2011). The Prevailing Skepticism about Islamic Banking and Re-assessment of Interest-Free Financial Products: An Exploratory Study. Available at SSRN 1946752.
- Enayat, H. (1982). *Modern Islamic Political Thought*. Macmillan Press Ltd.
- Farooq, M. O. (2006). *The Doctrine of Ijma: Is there a consensus*. Iowa: Upper Iowa University.
- Freeman, R. E. (2010). *Strategic management: A stakeholder approach*. New York: Cambridge University Press.
- Grais, W., & Pellegrini, M. (2006). *Corporate governance in institutions offering Islamic financial services: issues and options* (Vol. 4052): World Bank Publications.
- Hamid, S. A. (2006). Philosophy and practice of Islamic economics and finance.
- Hamidullah, M. (1968). *The first written constitution in the world: an important document of the time of the Holy Prophet*. Sh. Muhammad Ashraī.
- Hasan, Z. (2007). Evaluation of Islamic Banking Performance: On the Current Use of Econometric Models. *ISLAMIC ECONOMICS AND FINANCE*, 349.
- Hathaway, R. M., & Lee, W. (Eds.). (2004). *Islamization and the Pakistani Economy*. Woodrow Wilson International Center for Scholars.
- Hirano, J. (2008). Beyond the Sunni-Shiite Dichotomy: Rethinking al-Afghani and His Pan-Islamism. *Kyoto Working Papers on Area Studies: G-COE Series*, 2, 1-30.
- Hamid, S. A. (2006). *Philosophy and practice of Islamic economics and finance*. Working Paper No. 2006-01. Southern New Hampshire University.

- Hashmi, A. S. (2009). Terrorism, religious radicalism and violence: Perspectives from Pakistan. *Institute of Peace and Conflict Studies*. Issue Brief 121, September.
- Henry, C. (2001, August). Islamic financial movements: Midwives of political change in the Middle East. In *Annual Meetings of the American Political Science Association*, San Francisco, CA.
- Hosmer, D. W., Taber, S., & Lemeshow, S. (1991). The importance of assessing the fit of logistic regression models: a case study. *American journal of public health*, 81(12), 1630-1635.
- Husain, I. (2004, March 31). The Future Prospects of The Islamic Financial Service Industry. *Presentation made at the Annual General Assembly meeting of Islamic Financial Services Board held at Nusua Dua, Indonesia*.
- Iqbal, Z. (1997). Islamic financial systems. *Finance and Development*, 34 (2), 42-45.
- Iqbal, Z., & Mirakhor, A. (2007). Islamic Financial Intermediation and Banking. *An Introduction to Islamic Finance: Theory and Practice, Second Edition*, 151-172.
- Kahf, M. (2004). *Islamic banks: The rise of a new power alliance of wealth and Sharī'ah scholarship, the politics of Islamic finance*. Edinburgh, UK: Edinburgh University Press.
- Kahf, M., & Khan, T. (1988). Principles of Islamic finance: A survey. *Jeddah: Islamic Research and Training Institute*.
- Kamla, R., & Rammal, H. G. (2013). Social reporting by Islamic banks: does social justice matter?. *Accounting, Auditing & Accountability Journal*, 26(6), 911-945.
- Khan, M. M., & Bhatti, M. I. (2006). Why interest-free banking and finance movement failed in Pakistan. *Humanomics*, 22(3), 145-161.
- Khan, H., & Bashar, O. K. (2008). *Islamic Finance: growth and prospects in Singapore: (U21Global Working Paper Series, No. 001/2008)*
- Khan, M. F. (2009). World financial crisis: Lesson from Islamic economics. *Islamic Society for Institutional Economics*, 5(1), 36-61.
- Khan MM (2008). Main Features of the Interest-Free Banking Movement in Pakistan (1980-2006). *Managerial Finance* 34(9): 660-674.
- Khan, T. N. (2015). Enhancing Islamic Financial Brand: Sharī'ah Board Theoretical Conceptual Framework. *Journal of Islamic Banking and Finance*, 3(1), 62-72.
- Kuran, T. (2004). *Islam and Mammon: The economic predicaments of Islamism*. Princeton University Press.
- Lubeck, P. M. (1998). Islam/st Responses to Globalization: Cultural Conflict in Egypt, Algeria, and Malaysia. RESEARCH SERIES-INSTITUTE OF INTERNATIONAL STUDIES UNIVERSITY OF CALIFORNIA BERKELEY, 293-319.
- Mehmood, A. (2002). Islamisation of economy in Pakistan: Past, present and future. *Islamic studies*, 41(4), 675-704.
- Misra, A. (2003). Rise of religious parties in Pakistan: Causes and prospects. *Strategic Analysis*, 27(2), 186-215.
- Nagaoka, S. (2007). Beyond the Theoretical Dichotomy in Islamic Finance: Analytical Reflections on Murabahah Contracts and Islamic Debt Securities. *Kyoto Bulletin of Islamic Area Studies*, 1(2), 72-91.
- Nawi, F. A. M., Yazid, A. S., & Mohammed, M. O. (2013). A critical literature review for Islamic banks selection criteria in Malaysia. *International Business Research*, 6(6), 143.
- Rammal, H. G., & Parker, L. D. (2013). Islamic banking in Pakistan: A history of emergent accountability and regulation. *Accounting History*, 18(1), 5-29.

- Rana, M. A. (2011). Evolution of militant groups in Pakistan. *Conflict and Peace Studies*, 4(2), 107.
- Rethel, L. (2007). *The Future of Global and Regional Governance*. Department of Politics and International Studies, University of Warwick, Coventry, CV4 7AL, United Kingdom.
- Roy, D. A. (1991). Islamic banking. *Middle Eastern Studies*, 27(3), 427-456.
- Siddiqui, M. A. (1996). Alternative Credit Policies for Agricultural Development: A Case for Participatory Investment. *Journal of Rural Development and Administration*, 28, 61-75.
- Salih, M. A. R. M. (2002). *Islamic NGOs in Africa: The promise and peril of Islamic voluntarism*. Copenhagen: Centre of African Studies, University of Copenhagen.
- Siddiqi, M. N. (2006). Islamic banking and finance in theory and practice: A survey of state of the art. *Islamic economic studies*, 13(2), 1-48.
- Sheikh, N. S. (2003). *The new politics of Islam: Pan-Islamic foreign policy in a world of states*. New York, NY: Routledge.
- Siddiqi, M. N. (1983). Issues in Islamic Banking Leicester. *The UK: The*.
- Skuratowicz, K. Z. (2004). *Fundamentalist religious movements: A case study of the Maitatsine movement in Nigeria* (Doctoral dissertation, University of Louisville).
- Toynbee Arnold J. (1946). *Civilization on Trial*. London, UK: Oxford University Press.
- Usmani, M. T. 2000. *An Introduction to Islamic Finance*. Karachi: Idaratul Ma'arif.
- 'Uthmān Şafdar. 2013. *Islāmī Bankārī Meezān Sharī' at mayn* (Islamic Banking in the light of Sharī' ah Standards), *Monthly Muḥaddith*, 45(2).<http://www.mohaddis.com/mar2013/1976-islami-benkari-meezan-shariyat.html>.
- ul Hassan, M. (2008). *Establishment, Development and Market Sharing of Islamic Banking in Pakistan: An experience of Meezan Islamic Bank*. Nagoya City University.
- Voll, J. O., & Esposito, J. L. (1994). Islam's Democratic Essence. *MIDDLE EAST QUARTERLY*, 1(3).
- Wani, H., Abdullah, R., & Chang, L. W. (2015). An Islamic perspective in managing religious diversity. *Religions*, 6(2), 642-656.
- Whyntes, D.K., & Bowles, R.A. (1981). *The Economic Theory of the State*. Oxford: Martin Robertson.
- Yousef, T. M. (2004). *The Murabaha syndrome in Islamic finance: laws, institutions and politics*. *The politics of Islamic finance*. Edinburgh, UK: Edinburgh University Press.
- Zubair, H. M., & Chaudhary, N. G. (2014). Islamic banking in Pakistan: a critical review. *International Journal of Humanities and Social Science*, 4(2), 161-176.
- Zaman, A. (2009). The Origins of Western Social Sciences. *Journal of Islamic Economics, Banking and Finance*, 5(2), 9-22.
- Zaman, M. R., & Movassaghi, H. (2002). Interest-Free Islamic Banking: Ideals and Reality. *International Journal of Finance*, 14(4).

Zaman, A., & ERKAN, M. K. (2014). Building genuine Islamic financial institutions.
Uluslararası İslam Ekonomisi ve Finansı Arařtırmaları Dergisi, 1(2), 171-194.

IJSER