

ISLAMIC FINANCE

The Islamic finance unit has continued its regular group meetings, with several talks throughout the year, once again utilizing the technology of virtual meetings to benefit from regular attendance by participants in the Middle East and Southeast Asia.

Ms Shabnam Mokhtar, current OCIS–SC Visiting Fellow, presented her work on sustainable investment. Ms Mokhtar began by discussing the different types of sustainable investment and demystifying commonly used terms. She then moved onto a specific case study of a ‘blue bond’, highlighting this exciting area that is focused on meeting the SDGs, but there is often a mismatch between the language of impact and the objectives of impact investors (who remain focused on return). Another challenge is the size mismatch: many of the exciting conservation projects are far too small scale to match the large amounts of capital that impact investors wish to deploy.

Dr Salman Syed, Lead Research Economist at the Islamic Research and Training Institute at the Islamic Development Bank, presented work on artificial intelligence and financial inclusion. Dr Syed discussed the potential for AI to improve credit scoring using alternative data sources, especially for individuals without access to collateral and formal financial services. He also discussed the risks in Islamic finance, in terms of ethical issues around accountability, and monopolizing of big data.

Dr Abdulkader Thomas, former OCIS–SC Visiting Fellow, discussed the convergence of technology, impact investing, and Islamic finance. Dr Thomas focused on energy, particularly the harnessing of ‘green’ energy sources such as solar and wind, and the role of Islamic finance in financing such investment. He also discussed the innovative work of Islamic ‘FinTech’ firms on payments technologies and social finance.

Dr Noor-Eddine Qaouar, OCIS Scholar-in-Residence, presented his work on the topic of incorporating medieval fatwas into Islamic finance jurisprudence. Dr Qaouar discussed the difference between “traditionalist ijtihād” and “reformist ijtihād”, and how it relates to modern Islamic finance jurisprudence and Shar‘iah boards at Islamic banks.

Dr Olugbenro Oyekan, OCIS Chevening Fellow, discussed Islamic finance innovations in ‘secularizing’ societies. Dr Oyekan compared the success of Islamic banks in Germany with those in Nigeria.

Dr Tareq Moqbel, Research Fellow in the Study of Love in Religion at Regent’s Park College, Oxford, presented his work on ‘Evaluating Shari‘ah Compliance’. Dr Moqbel provided a detailed exploration into the role of consensus in Islamic finance rulings and the setting of Shari‘ah standards.

We had a joint presentation by former OCIS visiting fellows Dr Abdelkader El Alaoui and Dr Hashim Jusoh, who discussed their econometric study on palm oil futures in the Malaysian market, and the importance of the expiration date on trading volume and volatility.

Dr Lena Rethel, Professor of International Political Economy, University of Warwick, presented on the global political economy of student financing, with a focus on Muslim societies. Dr Rethel discussed the big rise in higher education enrolment, but highlighted the outstanding inequalities among the poorest segments of society. She then compared the financing options available in the UK and Malaysia, which led to an interesting discussion around Islamic finance innovations in the student finance space.