

# ORIENT III / 2008

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Focus: Islamic Banking

Ph.D. Paul Rivlin

The Development of Islamic Banking

This paper examines the principles on which Islamic banking is based. It then looks at how these principles have been implemented by banks in the last 25 years. Some critiques of Islamic banking are then outlined, and the paper concludes with an estimate of the scale of Islamic banking and its growth in recent years, with special attention to developments in Germany, the UK and the USA.

Islamic Banking, Historical Development, Riba, Mudarabah, Murabahah, Musharakah, Critique, UK, Germany, USA

Prof. Rodney Wilson

### Development and Spread of Islamic Banking

This article addresses some fundamental questions with the aim of examining the rationale for Islamic banking from both moral and financial perspectives. It does so by first introducing Quranic teaching on finance, and the views of different Islamic economists on the subject, and then outlining the various forms of Islamic banking practice. The author concludes that Islamic finance is not concomitant to the demise of capitalism, but draws attention to the legitimacy of diverse modes of capital accumulation.

Islamic Banking, Riba, Islamic Debt Financing, Islamic Retail Banking, Sukuk, Shariah Compliant Deposits

Prof. Dr. Volker Nienhaus

### Islamic Finance &ndash; From Opposition to Opportunity

The aim of this paper is to present a major long term conceptual trend and to outline some critical issues in recent Islamic finance practice. The regional focus is on the Gulf Countries and Malaysia. The author analyses the conceptual evolution and qualitative dimension of Islamic banking and introduces some of its concepts. In the conclusion, he argues that Islamic finance, when it was established some 30 years ago, was intended as an alternative and opposition to conventional finance, but that since then, the former has been made compatible with the latter by bankers and Shariah scholars.

Islamic Finance, GCC, Malaysia, Conventional Finance, Shariah, Sukuk

Dr. Asmadi Mohamed Naim

## Islamic Banking: An Alternative for Modern Banking Communities

This article describes the differences between the Islamic banking system and its conventional counterpart, showing that its ultimate aim is to fulfil socio-ethical responsibility rather than obtain profit. Furthermore, the study explains the variation in Islamic banking practices between South East Asia and the Middle East, which can be derived from the distinctive financial backgrounds of the region.

Islamic Banking, South East Asia, Middle East, Socio-Ethical Responsibility, Profit

Dr. Kilian Bälz

## Islamic Finance on the Rise

This paper gives an outline of the development of Islamic finance in Europe and the Middle East, and discusses some of the most pressing legal challenges which the Islamic finance industry is facing. The author explains the most important concepts of Islamic finance, such as Murabaha loans, Ijara asset finance and Islamic Sukuk Bonds, by presenting them in hypothetical case studies.

Islamic Finance, Sharia Compliant Wealth Management, Ijara, Murabaha, Sukuk

Folkmar Stoecker, Botschafter a.D.

## Muslimen in Singapur – Modell für den Umgang mit einer islamischen Minderheit in einer säkularen Gesellschaft?

After providing a short overview of the development of the Islamic community in Singapore, this paper examines the relation between politics and religion in the Singaporean understanding of politics, and the mechanisms to integrate the Malay Muslim minority derived from that understanding. Furthermore, the paper describes structures, self-images and problems of this community, and touches briefly on the Singapore's Near and Middle East Policy. In the conclusion, the author tries to find an answer to the question of whether it is possible to carry the experiences of Singapore over to

German and European circumstances.

Singapore, Malay Muslim Minority, Integration, Politics and Religion, Multi-Religious Community

Hanna Takeuchi

Japan, the land of the rising sun, opens its arms towards Islam?

This paper deals with both the demography of the (rather small) modern-day Muslim population in Japan and the historical and contemporary political relationship of Japan with the Middle East and the Muslim world. The author argues that both Islam and Japan equally face challenges arising from modernity and globalisation, albeit in different forms; the former in terms of which of its many discourses on the role of religion in modern society and state will triumph, the latter in terms of globalisation and its effects on its role in Asia, as well as on growing levels of immigration into a previously remarkably ethnically homogenous society.

Japan, Islam, Immigration, Integration, Globalisation, Foreign Policy, Demography