

Palgrave CIBFR Studies in Islamic Finance

Series Editors

Nafis Alam

Sunway University Business School

Sunway University

Selangor, Malaysia

Syed Aun R. Rizvi

Suleman Dawood School of Business

Lahore University of Management Sciences

Lahore, Pakistan

The Centre for Islamic Business and Finance Research (CIBFR) is a global center of excellence for developing Islamic business and finance as a scientific academic discipline and for promoting Islamic financial products, monetary and fiscal policies, and business and trade practices. Based at The University of Nottingham campus in Malaysia, CIBFR looks at the multi-dimensional aspects of Islamic business, cutting across the major themes of Islamic economics, Islamic finance and the Halal market. True to the pioneering nature of the research CIBFR undertakes, the Palgrave CIBFR Series in Islamic Finance offers empirical enquiries into key issues and challenges in modern Islamic finance. It explores issues in such varied fields as Islamic accounting, Takaful (Islamic insurance), Islamic financial services marketing, and ethical and socially responsible investing.

More information about this series at
<http://www.springer.com/series/15190>

Nafis Alam • Syed Aun R. Rizvi
Editors

Islamic Economies

Stability, Markets and Endowments

palgrave
macmillan

Editors

Nafis Alam
Sunway University Business School
Sunway University
Selangor, Malaysia

Syed Aun R. Rizvi
Suleman Dawood School of Business
Lahore University of Management
Sciences
Lahore, Pakistan

Palgrave CIBFR Studies in Islamic Finance

ISBN 978-3-319-47936-1

ISBN 978-3-319-47937-8 (eBook)

DOI 10.1007/978-3-319-47937-8

Library of Congress Control Number: 2017930596

© The Editor(s) (if applicable) and The Author(s) 2017

This book was advertised with a copyright holder in the name of the publisher in error, whereas the author holds the copyright.

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use. The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Cover image: Pattern adapted from an Indian cotton print produced in the 19th century

Printed on acid-free paper

This Palgrave Macmillan imprint is published by Springer Nature
The registered company is Springer International Publishing AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

CONTENTS

1 Islamic Economics' Contribution to Conventional Economics	1
Nafis Alam and Syed Aun R. Rizvi	
2 Islamic Financial Planning Towards Sustainable Eco-Growth	9
Mohd Ma'Sum Billah and Buerhan Saiti	
3 Remittances, Political Stability and Economic Development: Empirical Evidence from OIC Countries	29
Mohsin Ali and Wajahat Azmi	
4 Mitigating Shadow Economy Through Dual Banking Sector Development in Malaysia	41
Muzafar Shah Habibullah, Abdul Hamid Baharom, Badariah Haji Din and Fumitaka Furuoka	
5 Islamic Common Market an Alternative Model to Globalization	63
Mohd Ma'Sum Billah	

6	Issues Deterring the Continued Growth of <i>Amqaf</i> in Bangladesh: The Way Forward to Its Development and Widening the Scope of Its Benefits	79
	Abu Umar Faruq Ahmad and Muhammad Fazlul Karim	
7	Money in Islamic Banking System	99
	Bedjo Santoso, Khaliq Ahmad and Buerhan Saiti	
	Index	127

CONTRIBUTORS

Abu Umar Faruq Ahmad Universiti Brunei Darussalam (UBD),
Gadong, Brunei Darussalam

Khaliq Ahmad Institute of Islamic Banking and Finance (IiBF),
International Islamic University Malaysia (IIUM), Kuala Lumpur, Selangor,
Malaysia

Nafis Alam Sunway University Business School, Sunway University,
Selangor, Malaysia

Mohsin Ali International Centre for Education in Islamic Finance
(INCEIF), Kuala Lumpur, Malaysia

Wajahat Azmi International Centre for Education in Islamic Finance
(INCEIF), Kuala Lumpur, Malaysia

Abdul Hamid Baharom International Centre for Education in Islamic
Finance (INCEIF), Kuala Lumpur, Malaysia

Mohd Ma'Sum Billah Islamic Economics Institute, King Abdul Aziz
University, Jeddah, Kingdom of Saudi Arabia

Badariah Haji Din College of Law, Government and International
Studies, Universiti Utara Malaysia, Selangor, Malaysia

Fumitaka Furuoka Asia Europe Institute, University of Malaya,
Kuala Lumpur, Malaysia

Muzafar Shah Habibullah Faculty of Economics and Management,
Universiti Putra Malaysia, Selangor, Malaysia

Muhammad Fazlul Karim Ahmad Ibrahim Kulliyah of Laws (AIKOL),
International Islamic University Malaysia (IIUM), Selangor, Malaysia

Syed Aun R. Rizvi Suleman Dawood School of Business, Lahore
University of Management Sciences, Lahore, Pakistan

Bedjo Santoso Agung Islamic University (UNISSULA), Semarang,
Indonesia

Buerhan Saiti Institute of Islamic Banking and Finance (IiBF),
International Islamic University Malaysia (IIUM), Kuala Lumpur, Malaysia

LIST OF FIGURES

Fig. 4.1	Estimates of size of shadow economy in Malaysia	49
Fig. 7.1	Volatility of world currencies, 1880–1995	111

LIST OF TABLES

Table 2.1	Right to wealth from capitalism, socialism, and Islamic perspectives	14
Table 2.2	Main steps in financial planning process	19
Table 2.3	Major components of financial planning	20
Table 3.1	Descriptive statistics	34
Table 3.2	Remittances, political stability, and economic development	35
Table 3.3	Remittances, political stability, and economic development	36
Table 4.1	Results of augmented Dickey–Fuller unit root tests	50
Table 4.2	Results of long-run model for shadow economy in Malaysia	52
Table 7.1	<i>Mafsadah</i> of fiat money	108
Table 7.2	Arguments and rebuttals regarding the weakness of gold as money	110
Table 7.3	Gold holder countries	117
Table 7.4	Deductive analysis	118