



Contemporary Issues in Islamic Law, Economics and Finance: A Multidisciplinary Approach

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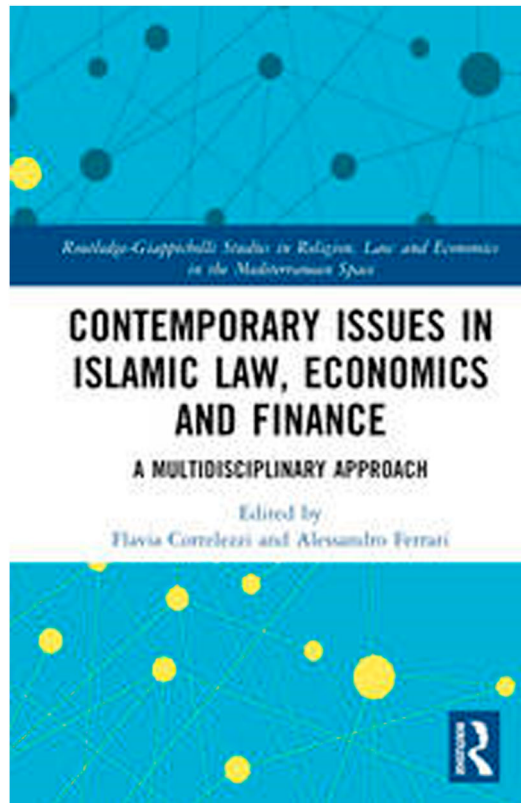


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Book review



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Contemporary Issues in Islamic Law, Economics and Finance: A Multidisciplinary Approach, edited by Flavia Cortelezzi and Alessandro Ferrari, et al., Routledge (2023). Paperback \$130. ISBN 978-036-77-2508-2.

Islamic finance and banking have a fundamental foundation in the revelation of Allah as its creator. As such, the Islamic finance and banking industry occupies a special place in the contemporary global marketplace because of the fundamental connection between revelation and the worldly well-being of human beings. *Contemporary Issues in Islamic Law, Economics and Finance: A Multidisciplinary Approach* explores how religious, legal, economic, and financial principles interact to shape financial instruments such as funds and contracts and their impact in developing business opportunities. The book comprehensively describes Islamic financial tools, contracts, and business opportunities using a multidisciplinary approach that includes theological, legal, and geopolitical frameworks.

The book consists of three parts, the first part discusses the basic foundations and compares various views (pp. 10–57). The second part discusses ethics and religious law, the legal system of the state, and economics in an integrated approach to generate sustainable economic growth, some general principles related to the Economics and Finance of the Mediterranean Region (pp. 59–93), and the third part focus on the Islamic Banking and Finance system as a generator of business opportunities (pp. 95–202).

In the first part (pp. 10–57), the discussion consists of three chapters, the first chapter begins by discussing efforts to reconcile Islam and finance and integrate Muslims into the realm of national and global markets. Murat Cokgezen outlines that conventional financial products are contrary to the principles of Islamic teachings, thus creating a dilemma for Muslims because they want to improve their economy on a national to a global scale, while on the other hand, economic activities must be following Islamic teachings. In its development, Murat said some Islamic jurists allow its use. This

was developed through multidisciplinary discussions between Islamic jurists, academics, practitioners, and financial science experts to unite both Islam and finance. The discussion resulted in the existence of financial instruments that can effectively answer these challenges, meaning that there is new construction of financial instruments without contradicting Islamic teachings.

In Chapter 2, Deborah Scolart outlines the relationship between Islamic ethics, law, and economics. In this case, Deborah elaborates that the implementation of Islam does not only run normatively but can more broadly formulate and translate its values into regulations. Through the concept she describes, Deborah answers if the representation of Islamic finance is not just halal and haram or the prohibition of something that is *usury* and *gharar*, but more broadly contains ethical values and morality that are realized through one institution with other institutions in the same principle, where the goal is to build a just and beneficial society.

Chapter 3 describes the pre-conditions and suggestions for Islamic finance to generate a sustainable economy. Murat Cizacka explains in the context of finance that Islam is very favored, this is evidenced by its very rich *socio-historical civilization*. In contrast to the current civilization, Islam is in a slump because it is oppressed by western ideology. The author argues that when the prerequisites are reconstructed and collaborated with western principles that remain Islamic principles, then sustainable Islamic economic growth will have great potential to develop rapidly.

The second part (pp. 59–93), which discusses the economic and financial foundations of the Mediterranean region, is divided into two chapters, beginning with chapter 4, where Jamus Jerome explains the Mediterranean economy and finance through a retrospective method. Jerome conducts a geographical, economic, and socio-historical study of the region and is associated with a sketch of the current Mediterranean political-economic structure that focuses on similarities and intra-regional relations. Jerome examines the region through comparative studies with an eye on plans. One of the important aspects highlighted by Jerome is the finance in the region, namely sovereign wealth funds (SWFs). Where SWFs will be analyzed through social features through regional and global considerations. In chapter 5, Giuseppe Colangelo explains the EU's cooperation policy with several Mediterranean African, and Middle Eastern countries. Giuseppe Colangelo explains that the EU began to develop its cooperation with the Mediterranean region to rapidly develop the economy and de-radicalize Islam in the region. Through bilateral cooperation, the EU will effectively bring about major changes toward a prosperous society.

Part three (pp. 95–202) discusses the Islamic Banking and Finance system as a generator of business opportunities, in this section, beginning with a discussion of the principles and products produced by Islamic finance in the global realm (chapter six). Flavia Cortelezzi explains the opportunities, diffusion, and challenges in developing the Islamic financial system. The Islamic financial system is believed to have a great system and opportunity for the development of the global economy because the mechanism is very detailed and socially oriented. So companies and the banking world have begun to use Islamic finance-based principles.

In Chapter 7, Paolo Biancone and Silvana Secinaro explain the framework and functions of Islamic banks and how they differ from conventional banks. They emphasize the parallelism between the religious basis of the system and the potential for system reform at the international level. This section analyzes the functions and frameworks of Islamic banking that can be replicated in ethical-social investments at the global level. Furthermore, Cedomir Nestorovic in chapter 8 explains the marketing of Islamic banks. This chapter explains if the marketing of Islamic banking still relies on the “natural” Islam that has become common to society. So, the concept proposed by Cedomir must look at the aspects of the environment it occupies and the concepts of marketing effectively through advertising.

Chapters 9 and 10, describes Islamic finance to enhance business opportunities. Michael in his paper focuses on the potential of Islamic finance to increase business opportunities, especially in some countries that do not collaborate with Islamic principles in law, such as North America and Europe. This part of the chapter will provide a broader view, where Islamic finance should be guided by financing techniques that can increase economic opportunities and be oriented toward all people, especially non-Muslims who are the majority in certain countries. But unfortunately, a lack of understanding of Islamic finance creates obstacles to its development, leading to unfavorable prejudices against Islamic finance. Islamic finance is considered to have secretive principles, uncertainty, and complexity in terms of documentation and implementation. Therefore, this paper seeks to shed light on these misconceptions and to develop their potential.

Finally, chapter 11 explains the application of legal principles in Islamic finance to the country's legal system. Fabrizio Vismara elaborates on the application of Islamic finance principles in the Italian legal system by making a comparison between the two. A selection is made of the facets of Islamic finance most relevant to Italian internal regulations, with particular reference to the Consolidated Finance Act (Legislative Decree no. 58 of February 24, 1998) and the practices of the National Commission of Companies and Stock Exchanges. Despite the moral tension between means and ends, Islamic finance and banking can interact with other justice-oriented economic approaches as a factor of economic pluralism. The Islamic finance industry has grown rapidly in recent years but still faces several challenges such as the lack of supportive infrastructure and regulation, lack of product development and financial innovation, and concerns about accountability and transparency.

Broadly speaking, the studies discussed in this book underscore the importance of addressing challenges and developing more innovative and sustainable financial products and services, as well as improving supervision and accountability in the Islamic finance industry. Islamic finance and Islamic banking offer an attractive alternative to the conventional financial system and can strengthen social ties and promote the values of fairness and volunteerism in the world of business and finance. Therefore, the Islamic finance industry will continue to be the focus of attention in the future development of the global economy. *Contemporary Issues in Islamic Law, Economics and Finance: A Multidisciplinary Approach* is a

must-read book for scholars, academics, researchers, and policymakers, especially in the regulation of Islamic finance and banking.

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