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Habibullah, M.^a, Haron, R.^a, Atiullah, M.^b

Islamic Sustainable Finance: Its Experiences From SAARC

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^a Institute of Islamic Banking and Finance, IIUM, Malaysia

^b University of Malaya (UM), Malaysia

Abstract

This study examines Islamic sustainable finance, which is essential to the SAARC countries' economic growth. Thus, the focus of the research is on regional organization and geopolitical union between the countries of the South Asian Association for Regional Cooperation (SAARC), covering the member states of Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. Despite having abundant natural resources, the SAARC countries have stumbled upon numerous obstacles on the path of growing their economies. The findings show that, apart from sustainable development, Islamic finance has little impact on the GDP, poverty reduction, and economic development of the SAARC countries. Thus, with this mediocre impact of Islamic finance on most of the nations, sustainable development will remain a challenging task unless SAARC member countries can ensure that its development partners are ready to cooperate for mutual benefit. To ascertain the sustainability of a thriving Islamic finance sector in SAARC countries, primary and secondary sources as well as the governments' policies are examined using document analysis. The essential function of Islamic finance is to offer investors and businesses with financial services that stimulate social and financial stability and a steady financial development. Therefore, Islamic finance facilitates trade and commerce, provides capital, finances industry and trade, aids in the development of agriculture, funds consumer spending, and assists monetary policy among the SAARC countries. © 2024 selection and editorial matter, Mohd Ma'Sum Billah, Rusni Hassan, Razali Haron and Nor Razinah Mohd Zain; individual chapters, the contributors.

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