



**Editorial Introduction to Society and Business Review
Special Issue on
Trust and Islamic Capital**

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Special Issue Editors:

Trust, Islamophobia, Islamic finance and halal: each of them is a phenomenon that has had its fair share of research in business journals and in social science. However, very little weight has been given to the creation of trust across cultures through business stakeholders' interactions of various sorts. And perhaps even less given to studying trust in the context of "Islamic" products of various sorts: here is where our special issue makes its intervention.

Markets are nothing if not social. Despite every attempt by economists to turn studies of markets merely into complex mathematical formulae, markets remain resolutely and unremittingly composed of people, communities, societies. Purchasing or shopping whether for a financial product or a sandwich even through an online chat is a form of social interaction. Here, in the context of buying trust has been widely established as a key driver in business interactions through the importance of goodwill and the attachment to particular brand, and in the ways in which we understand the creation of brands.

The importance of establishing trust becomes even more significant when brand offers are religion-specific or marketed as such. Islamic capital in particular, or what Umar A. Oseni, speaking about the failures engendered by fatwa shopping, calls the faith premium or what one might also designate the piety premium, where the very idea that something is "Islamic" gives it additional value, faces greater challenges today in establishing trust across markets. Why is this? Many of the writers in this special issue speak to this point.

In its wider sense Islamic capital whether reflected in Islamic finance and investment or halal products and services including airlines and holiday making is charged with instituting trust in what it offers both Muslim and non-Muslim constituencies.

Muslim businesses who innovatively and successfully blend religious principles and capitalist aspirations face the additional conundrum of establishing trust as they try to meet or sustain their promises to offer Sharia compliant products and services to Muslim consumers; and to offer products of similar or superior value to those being tendered by the rest of the market to Muslim

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3 and non-Muslim consumers. When Islamic capital enters Muslim minority markets it is tested on its
4 ability to hold to its commitment to Islamic values and principles by establishing a much wider
5 understanding of what Sharia complaint means and how its requirements are met; the article on Sri
6 Lanka by Geeta Patel suggests one such case. That article also looks at the ways in which it is tested
7 as well on its ability to serve non-Muslims in a global marketplace and its resilience in facing
8 Islamophobia, especially the post 9/11 acceleration of Islamophobia in all regions but more so in
9 those where non-Muslims prevail.
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16 Post 9/11 and following upon the war on terror, Islam was put under the spotlight for the wrong
17 reasons and the growth of a supranational community of Muslim believers, connected through
18 values and lifestyles became a concern to some and a market opportunity to others. Forces shaping
19 the global political economy and international relations have controversial views over Islamic capital,
20 the role it can play in forming a future built on trust and understanding as is evident in all the articles
21 in this special issue.
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27 In order to advance our understanding and practice in this understudied area, this special issue
28 brings together a collection of papers that critically examine trust in Islamic capital, problematize the
29 notion of trust and widen the notion of Islamic capital while encouraging a more situated and
30 dynamic engagement among consumers and businesses. Trust is examined as *Amana* (honesty) in
31 delivering brand promise, as the skill and credibility of companies and banks and organizations to
32 supply Sharia compliant products and services, and their ability to perform as a transparent and
33 reliable partner.
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40 Fatwa shopping, a phenomenon that threat trust among Islamic finance stakeholders is examined by
41 Umar A. Oseni in his paper '*Fatwā* Shopping and Trust: Towards Effective Consumer Protection
42 Regulations in Islamic Finance'. The ability and credibility of finance institutions to deliver Sharia
43 complaint financial products and services is interrogated through examples offered by Oseni from
44 across the Muslim world. Oseni suggests that we need law to stand between a product and a
45 consumer, and it is only if legal provisions protect consumers given the cases against companies who
46 have abrogated the trust consumers put in them that consumers can find safety. He also wants us to
47 broaden the idea of what must be cared for, including public interest and the environment in his
48 expansive discussion.
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3 How financial authorities and scholars in Muslim and non-Muslim countries can work together using
4 a functional and dynamic approach that gives guidance and offers strategic direction to Islamic
5 finance providers in order to evolve the industry as a trustworthy and significant player in the global
6 financial market is what Nazim Ali's 'Building Trust in Islamic Finance Products and Services' paper
7 illustrates. The case of Islamic finance in Sri Lanka studied in Geeta Patel's paper 'Islam and capital,
8 mortared by trust: The case of Sri Lanka' shows how trust in Islamic finance can be established in a
9 non-Muslim dominated market with little financial penetration and make a positive contribution to
10 the market economy and customer trust. She suggests that Islamic finance, if it follows the principles
11 that are intrinsic to Islam and if it is accompanied by pedagogical initiatives that train both Muslim
12 and non-Muslim communities in what such finance might bring, may even be the route to forging
13 trust between communities in situations where that trust has suffered a shortfall.
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22 However, this special issue is not devoted to Islamic Finance alone. In their paper Rula M. Al
23 Abdulrazak and Ayantunji Gbdamosi 'Trust, Religiosity, and Relationship Marketing: a Conceptual
24 Overview of Consumer Brand loyalty' examine trust in the context of relationship marketing. The
25 paper addresses a gap in brand research in relation to religious brand associations and how this may
26 change consumers' perception and the market position of a brand; it gives us a very useful model—
27 the brand-faith relationship model that highlights the interaction between brands, trust and
28 consumer faith. It shows four types of relationships between brand and faith based on the extent to
29 which the two are associated and their impact on brand trust and loyalty. Through a discussion of
30 scattered literature on religiosity in marketing and Islamic marketing the paper concludes that faith
31 can play a dynamic role in consumers' trust in brands and their brand loyalty. This role is dependant
32 in large on the values the brand explicitly share with a consumer's religion; the consumer's
33 commitment and affiliation with religion and its impact on their daily life.
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45 The paper 'Building Trust in Islamic Finance Products and Services' by Nazim Ali looks closely at the
46 conditions for inculcating trust through Islamic Finance's ability to project itself as a credible
47 alternative to conventional finance and financial models. How does one overcome deficits of trust?
48 This paper gives us several guidelines: regulatory mechanisms that guarantee Islamic products follow
49 Shariah compliance and conform to fiscal goals, a legal apparatus that safeguards the 'material
50 interests' of all those engaged in the enterprise, and social and political exchanges which enables
51 conversations between all involved. All of these are necessary for the long term viability and
52 sustainability of Islamic Finance. But more importantly, trust must be produced and the paper goes
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3 onto detail the value of one particular multi-year, multi-region project, conducted under the
4 auspices of the Harvard University Forum on Islamic finance which began in early 1997 and directed
5 its initiatives at a place that many don't attend to, the distrust that permeates stakeholders in the
6 production of finance, shariah scholars, industry leaders and academics. It also proposes that media,
7 which has been so central to negative portrayals of Muslims be brought into conversations, along
8 with interfaith communities and governments. So, like Patel's paper on Sri Lanka as well as many of
9 the others, it is clear from this one that trust cannot be sustained unless its ambit reaches far
10 beyond the immediate players in Islamic finance, branding, products such as Halal meats. Trust
11 encompasses a reach beyond its seemingly immediate purview and must be treated as such.
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19 The special issue reveals the dominance of Islamic finance as the mode of engagement that many
20 scholars take in order to speak to Islamic capital. But by including other avenues and areas where
21 Islamic capital is the focus the issue seeks to ask some broader questions on the modes through
22 which trust and Islamic capital come together. Different sorts or typologies of trust have been
23 examined in the issue. Whether the trust is manifested in an object such as a certificate, or in
24 institution such as a halal certifying body, or in the owner or the manager of the business or simply
25 the waitress in a restaurant, or the local butcher, or a bank manager who sets up care as intrinsic to
26 the work of bringing customers in and treating them well: trust often seems to be rooted in people
27 who deliver what is expected unless there is a reason to believe the contrary. And here, the issue
28 also gives a reader several options from conferences, to certification procedures, to standards. The
29 issue will be of interest to anyone who is curious about faith based products. But because it brings so
30 many players and procedures into conversation with each other, it is not merely focused on Islamic
31 capital; Islamic capital is the route to something more expansive. The issue will be of interest to
32 anyone who is investigating the ins and outs of trust as social and as something more under the
33 ambit of commerce and commercial transactions of various kinds.
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