
This book is one of the most significant recent books in Islamic banking and finance (IBF). The first and second parts explain the general context of IBF, and the third part presents a useful analysis of the Pakistani case.

The authors, among the most prominent in the field of Islamic finance, present the significant development of global Islamic banking in three parts: Islamic economics, the chronology of the development of IBF worldwide, and the case of IBF practice in Pakistan. IBF is a subset of Islamic economics (chapter 2), which is an ideological discipline that primarily aims at fostering equality, justice, fairness, brotherhood, mercy, compassion, solidarity, and freedom of choice in human society (p. 7).

The authors then explain the importance of ethical principles that govern Islamic economics to drive the establishment of distributive justice. As a result, the authors suggest 12 elements of guiding principles and goals of Islamic economics, including right of private ownership; free consent and mutual cooperation; law of inheritance; honesty, fairness, and promise-keeping; benevolence; payment of zakah (alms); spending wealth on charity; condemnation of extravagance, hoarding, and black marketing; condemnation of bribery, fraud, and embezzlement; prohibition of gambling and speculative (gharar) activities; prohibition of the wine trade; and last but not least prohibition of riba, that is, interest in conventional banking terms (pp. 12–21). They argue that Islamic finance is “deeply concerned about the growing disparity and injustice in the global community, and more importantly, offers truly effective means and measures to eradicate these evils” (p. 12).

The authors give some ideas on how the Islamic economic system can solve distributive problems better than the conventional economic system, by not only stimulating wealth creation but also providing more ethical and socially responsible wealth management, not just for Muslims, but for the whole global community. They situate Islamic economics in the context of ancient and modern political theory, particularly equity and justice in Aristotle’s (384–322 BC) and in John Rawls’s theory of justice (see pp. 25–28).

The second part of the book contains chapter 3, which elaborates the concept of Islamic banking and its recent developments since its implementation in 1963.
The authors mention that the current practice of IBF came from the efforts of many Islamic scholars. The momentum of IBF has increased faster than expected, prospering as the fastest-growing segment of global finance; it is well developed in the Middle East, Southeast Asia, and South Asia and is increasingly popular in Africa and even in European and other Western countries. The authors nicely discuss the performance of IBF and end with the prospects of the system in the near future. They emphasize that the development of IBF is due to the contribution of many factors (pp. 42–43). One reason is high oil prices and high oil revenue (p. 3), but the growing applicability to social and political contexts worldwide goes beyond simple material reasons. Moreover, the IBF system consists of comprehensive salient features that govern by the Shari’ah principles and comprises the diversity and flexibility of its Islamic financial markets, particularly in the capital market, the equity market, and the takaful (Islamic insurance) market (pp. 43–62).

Similarly, the third part of this book (chapters 4–9) concentrates on the development and implementation of the IBF system by giving Pakistan as a case study. The insightful analysis covers the development of IBF in Pakistan from 1977 to 2007, including its initial establishment, operational issues, problems of government intervention, and the impact of the implementation of the system in Pakistan.

New institutions vital to IBF in Pakistan include the Council of Islamic Ideology, which assists the government in developing policy instruments other than interest payments, such as profit and loss sharing (chapter 4). Chapter 5 discusses specific policy instruments and presents a sober assessment of disappointing financial sector performance in Pakistan in the 1980s. New momentum for the implementation of concepts other than interest payments came after a Federal Shariat Court ruling in 1991, closely analyzed in chapter 6. Renewed efforts, such as creation of the Commission for the Islamization of the Economy, met with only partial success amid ongoing challenges enmeshed in national-level politics. Later, with the adoption of recommendations of the International Institute for Islamic Finance, Pakistan expanded the IBF system in the 1990s. Complications from a series of Supreme Court judgments in 1999 and 2002, along with unresolved issues in national politics, complicated the full implementation of IBF in Pakistan thereafter (chapter 7).

Finally, in chapter 9, the authors outline the causes of the failure in implementing the IBF system in Pakistan and at the same time give feedback regarding the situation. The authors explain many factors that contributed to the causes and effects of the limited success of the system. The authors conclude that to survive and prosper in the global market, Islamic financial institutions should not function as an alien entity, but rather should be Islamically integrated into existing sociopolitical and economic environments. IBF institutions should serve as an integral part of the existing global financial system.

In conclusion, the authors show the disappointing prospects of the future IBF system in Pakistan, which are largely unpredictable and gloomy due to policy and decision making in financial rules and regulations as well as the nature of government authorities themselves. However, the authors point out the global
attraction toward the IBF system and remain optimistic about the prospects of the system globally in the near future.

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This book is written in Chinese on East Asian economic integration from the perspective of Northeast Asian integration. The importance of this book is underpinned by the fact that the combined Northeast Asian economies make up 90% of the region’s economic output (p. 3). Outside the scale of Northeast Asian economic potential, the authors also point out the tremendous potential offered by the economic landscape of Northeast Asia in regional integration. For example, the richness in the human resource potential of the region is given as an example of benefits that can be unleashed by becoming integrated (p. 11). In crafting this integration, the authors point out the economic complementarity (“hubuxing,” p. 120) of the region, with China’s human resource and labor potential; a Japan endowed with capital, management experience, and high technologies; as well as Korea with its surplus capital, potential for exporting high technologies, production capacities, and high-quality projects (pp. 40–41). Basic commonalities in culture, tradition, and history ease Northeast Asian regional cooperation in areas including energy, environmental protection, and science and technology.

Although Northeast Asia has many growth triangles, such as the Tumen growth triangle (“Greater Tumen Initiative,” Huanghai growth circle, and Sea of Japan economic growth region), compared to other integrated blocs in the world like the European Union, Northeast Asian regionalism is rudimentary and basic (p. 19). The complexity of the region is marked by its different needs and priorities: for example, North Korea’s conceptualization of regionalism to complement the principle of self-reliance (p. 32), Mongolia’s Russia-/China-centered (pp. 293–294) special economic zones strategy (through the Tumen growth triangle, e.g., Mongolia seeks a new port route for its landlocked economy, p. 61), and Russia’s “New East Policy” (Xindongfang) political-economic strategy, which aims to diversify and lessen dependence on the West (pp. 287–288).

In other words, each Northeast Asian state has its own agenda for regionalism. For some states in Northeast Asia, the success and progress of Northeast Asian regionalism is crucial for their survival. North Korea, for example, needs the arrangement as a test bed for experience and also to obtain vital energy, food, and raw materials from Russia and China (p. 61). According to some quarters, one of China’s priorities is shoring up its comparative advantage of a large market and regionalizing with North Korea, South Korea, Russia, and Mongolia to form one integrated circle with the help of capital and advanced technologies from Japan and South Korea (p. 63).

Given the wide diversity and complexity of the region, the authors detail open regionalism through the concept of “6 states, 9 components (Liuguo jiufang)”