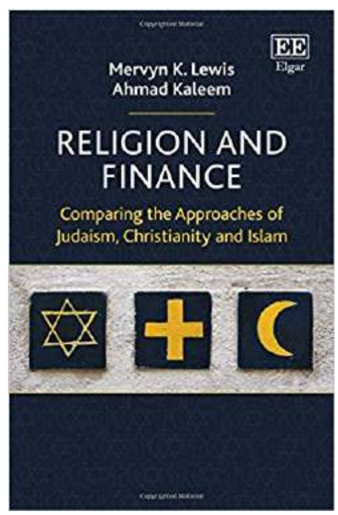
different series since the focus was not on “Muslim minorities” as such. Nonetheless, it remains an important study that should be of interest not only to those in the fields of African studies, religious studies, and ethnic studies, but also be considered an invaluable text for those in migrant studies. Moreover, since much stress has been laid by the academia to adopt and pursue inter-disciplinary approaches, one can argue that this work crossed those boundaries that yielded a useful study.

Muhammed Haron[*]

Mervyn K. Lewis and Ahmad Kaleem. *Religion and Finance: Comparing the Approaches of Judaism, Christianity and Islam*. Cheltenham: Edward Elgar Publishing, 2019. Pp. xviii+248. Hardbound. ISBN: 978 0 85793 902 9. Price: Not listed.



Religion and finance are two different worlds that rarely mix together. However, this book takes you on a journey that looks at the economic issues from the lenses of three Abrahamic religions and explores how religion shapes the ethics, morality, and economic behaviour of individuals and society. The book is authored by emeritus Professor Mervyn K. Lewis of the University of South Australia and Ahmad Kaleem of Central Queensland University, Australia. Professor Lewis is not new to Islamic banking and finance. His research embraces a wide range of topics including monetary economics, global finance, and Islamic finance. Kaleem is also an active researcher in the area of Islamic banking and finance.

The authors commenced the book with discussing the global financial crisis of 2008 and highlighting the misconduct by the banks that caused it in the first chapter titled “Defining the Issues in Religion and Finance.” They also explained how banks used “regulatory arbitrage” by indulging in highly

[*] Professor of Religious Studies, University of Botswana, Gaborone, Botswana.

dubious financial practices to deceive the system. To quote them verbatim, "Banks which used to be seen as paragons of financial virtue have seemingly lost their way" (p. 5). This crisis differs from the previous ones in its economic and financial consequences. For instance, despite having ultra-low interest rates in many countries, which was unthinkable few years back, the world is experiencing an enduring slowdown and the post-crisis recovery is too slow and too fragile. The authors then stress the point that at a fundamental level, the financial crisis has its roots in deception, greed, misleading contracts, excessive speculation, disproportionate incentives, usurious behaviour, lack of leadership and governance, and financialization. In short, it has origins in moral and ethical failure of those involved in it. This brought religion to the centre stage of the matter, as the positions of all three Abrahamic religions converge on the point that ethics and morality cannot be divorced from economic and financial activities.

The second chapter titled "The three Abrahamic religions" delineates Judaism, Christianity, and Islam from a bird's-eye view. It describes the common roots of these religions both on the basis of genealogy and spiritual beliefs. All these religions emphasise an uncompromising belief in monotheism and oneness of the divine power. Similarly, the prophets and their stories are also common with some differences in detail. All the twenty-eight prophets mentioned in the Qur'ān are also recorded in the Jewish and Christian scriptures, except Prophet Muḥammad (peace be on him). Neither Jesus Christ proclaimed to lay the foundation of a new religion nor did Prophet Muḥammad have the position that his religion was new. Both Jesus Christ and Prophet Muḥammad claimed to revive and perfect the teachings of the previous prophets and purify the corruption crept in the religion over time. The authors also explain why Christianity fell apart from Judaism and why Islam was unfamiliar to Christianity and Judaism despite these similarities. While discussing the essence of these three religions, they also narrate the diversity of the followers of these religions. For example, they write, "The Latin-speaking Catholicism and Greek (and Balkan and Muscovy)-speaking Orthodoxy remain separate Churches and religious cultures" (p. 27). Protestants also have numerous subdivisions. Muslims are bound by common faith, yet they carry "multiple identities of family, clan, religion, ethnicity, nationality, religious adherence, gender, language, class, income, and profession" (p. 30). The authors also criticise Muslims for being fascinated by a supposedly golden era of rightly guided caliphs which was not devoid of worldly struggles of power and glory (as three out of the four caliphs were assassinated) and failing to differentiate between the experience of the community of believers and reality of power-seeking secular rulers.

The third chapter titled "Attitudes of Judaism, Christianity and Islam to usury" details out the positions of the three Abrahamic religions vis-à-vis usury or interest. It describes how the Torah, the Bible, and the Qur'ān share the same injunctions against usury, but end up at different positions regarding it. For Jews, the "Deuteronomic double standard" worked as an escape clause where they interpreted that the prohibition of usury refers to loans to "brothers" that are the adherents of Judaism, and it was allowed to charge interest from foreigners including Gentiles, Christians, and Arabs or Muslims. As for lending to fellow Jews, a business deed known as *hetteriska* (permission to form a partnership), which establishes a silent partnership between lender and borrower, was used to legalise interest. Moreover, this form of legalising interest has become so well established that all interest-bearing transactions are carried out freely under the Jewish law. As for Christianity, it also prohibits interest and usury as evidenced in biblical sources, canonical laws, and Aristotelian logic, which was used to provide ethical and moral justification for its prohibition. The authors delineate the efforts of the Church to ban all forms of usury and interest. Christianity especially stands apart from the rest of the two Abrahamic religions, as it imposed various sanctions on usurers. However, this position eroded both in theory and in practice and gradually interest became a norm after the advent of mercantile era (1500–1700) due to numerous reasons including deregulation, loss of Church's power, and development of Calvinism, which had an "affinity to capitalism" (p. 70).

As for Islamic view of *ribā*, the authors discuss the clear injunctions against *ribā* both in the Qur'ān and *ḥadīth* and also describe the positions of some modernists who do not consider the modern-day interest *ribā*, because it is not "exploitative" or "usurious," while others differentiate between "consumption loans" and "production loans," forbidding the former and allowing the latter. Despite these and other liberal views of *ribā*, the dominant position of the prohibition of all kinds of interest in Islam is still intact, the authors conclude. Although Islam is the last bastion that still holds the prohibition, the authors put some hard-hitting questions to Islam. For example, they argue that the modern theory of financial intermediation considers interest-based loans optimal incentive-compatible contract in the face of information asymmetry and moral hazard. If *muḍārabah* and *mushārakah* are the optimal forms of contracts, then why Islamic banks are circumspect in their application? The authors have rightly pointed out this gulf between theory and practice of Islamic finance.

The fourth chapter titled "Social Policy in the Abrahamic Religions" discusses the role of religion in establishing ethical standards in the social and economic lives of people and describes the concepts of God, justice, fairness, brotherhood, wealth, and private ownership in the three religions. The authors state that all three religions have same positions towards commercial and social ethics like free consent of parties, moderation in spending, right of private ownership, prohibition of cheating, fraud, theft, lies, false weight, etc. Interestingly, the authors link the recognition of the Qur'ān for the inequality in the wealth of people and financial rewards based on talent, knowledge, and skills to the "trickle-down effect." However, this could be an overstretched statement as the Qur'ān nowhere suggests to provide tax cuts to wealthy people to benefit the lower-income group. The recent empirical evidence also suggests that the "trickle-down effect" (economics) does not work and the employment growth is primarily driven by tax cuts for the lower-income group.[1]

The fifth chapter titled "Economic Framework of the Abrahamic Religions" considers the views of Abrahamic religions on economic affairs including the prohibition of interest. The authors also examine why Jews had a pivotal role in the rise of capitalism and their disproportionate success in modern Europe. The authors point out the favourable outlook of Judaism towards business, Jews' affinity for social networking and taking care of fellow Jews, and their past historical and cultural experience as drivers of their success in capitalism. Similarly, Islam also shares the view of Judaism that considers wealth as a gift and blessings of God and encourage investments and business-related activities. On the other hand, the approach of Christianity towards business and economics initially was not favourable, but the doctrine of separation of realms allowed the Christians to set their economic ethics and made it tolerant of diversity. The most comprehensive discussion is on the economic framework and economic guidelines of Islam. In the words of the authors, "It is easier to talk about economics and Islam than it is about the other religions" (p. 106). They also provide some interesting insights into why Muslims and Islamic Middle East fell behind in economic and technological change relative to Europe. The discussions of the approaches of Abrahamic religions on wide-ranging topics such as compulsory charity, benevolent loans, inheritance laws, and *waqf* are insightful and extend the scanty literature on the subject. The key conclusion of the chapter in their own words runs as follows: "Despite some differences in doctrine and practice between the Abrahamic religions, the moral compasses they offer in the economic sphere are not so different: honesty, justice in economic transactions, and a concern for the situation of the poor mark all three" (p. 124). However, the ideals set by the religions cannot be free from the criticism of Wilson who terms them

---

[1] Owen Zidar, "Tax Cuts for Whom? Heterogeneous Effects of Income Tax Changes on Growth and Employment," *Journal of Political Economy* 127, no. 3 (2019): 1437–72.

as "lofty ideals."[2] Nevertheless, revisiting the roots of ethics and morality is warranted in the wake of recent financial crisis, as religion plays a pivotal role in shaping the moral and economic behaviour of individuals.

Chapter six titled "What Abrahamic Religions Say about Contemporary Financial Practices" attempts to view the current economic malpractices that led to the financial crisis of 2008 and are still plaguing the world economy from the ethical and moral standards of religion. The authors relate some religious injunctions (e.g., truth-telling, need for witnesses in transactions, and prohibition of transfer of risk and failure to disclose full information) to contemporary financial practices. They discuss how speculation, greed, misleading contracts, bad governance, high leverage, and financialization are at the root of the problem, all of which are abominated by the religions unanimously. The authors point out that the precepts of religion are strikingly similar and preventive in nature and the crisis might have been avoided if they had been followed. The post-crisis policy of quantitative easing and ultra-low interest rates also contravene the emphasis of religions on justice and fairness in economic affairs and profit and loss sharing, as it favours borrowers to the detriment of savers. In the authors' words, "A policy in which the balance is tilted so far in favour of borrowers to the potential detriment of savers, and actual and would-be-pensioners, cannot be endorsed" (p. 140).

Chapter seven details the partnership-based instruments i.e., *hetteriska* in Judaism, *commenda* agreements in Christianity, *muḍārabah* and *mushārakah* in Islam whereas chapter eight considers the sale-based debt instruments in the three religions. The authors also question and discuss the concentration of Islamic finance on *murābaḥah* and *sukūk*, which are not truly *sharīʿah*-based in form and substance. The penultimate chapter nine discusses the problems of interest-free finance like asymmetric information, adverse selection, and moral hazard, which are addressed in the interest-based contracts and thus explains its popularity and attractiveness. The authors also describe the state of Islamic fund management and raise a very pertinent point that the Islamic screening is primarily focused on "negatives" or the four prohibitions of interest (*ribā*), hazard (*gharar*), gamble (*maysir*), and prohibited (*ḥarām*) goods. Equally important are the positives desirable in economic and commercial activities in light of the Islamic precepts like justice, (*ʿadl*), involvement in governance (*shūrā*), supervision and monitoring (*ḥisbah*), purification of wealth (*zakāh*), almsgiving (*ṣadaqah*), advancement of Islamic brotherhood (*ummah*), and protection of nature and environment. The authors point out that Western ethical investment funds have pursued an "activist moral agenda" (p. 205). The

[2] Rodney Wilson, *Economics, Ethics and Religion: Jewish, Christian and Muslim Economic Thought* (Hampshire: Macmillan, 1997), 141.

Islamic investment industry, however, has failed in proceeding in this direction. In similar vein, Ahmed (2011) has deliberated on how purposes of Islamic law (*maqāṣid al-sharīʿah*) can be incorporated in Islamic banking products and how the Shariah Supervisory Boards (SSB) can ensure their implementation.[3] Similarly, the Islamic funds' industry can progress from *sharīʿah*-compliant to *maqāṣid al-sharīʿah*-based funds. This requires both theoretical analysis and empirical operationalisation of the theory to work.

The book ends with some concluding comments in chapter ten. The authors note that the starting point of all three religions with respect to the prohibition of interest was the same, but all three have failed in its implementation in recent times. However, religions offer more than just the prohibition of usury and require socio-economic principles to be followed in financial dealings. In view of the greed, lack of shame, and culture of arrogance, "the moral compass of bankers and financiers needs to be reset" (p. 217), the authors conclude.

The aspect on which the authors could have dwelled more is how the deviation from ethical and moral standards has led to the financial crisis and how the present-day financial industry is devoid of morals. Although they have given interesting examples of the moral degradation from the financial crisis in chapter six, this chapter could have been more rigorous and needs more analysis and discussion. The discussion and analysis on how the prohibition of usury was gradually diluted both in theory and practice, in Judaism and Christianity is quite enriching. Interestingly, the justifications being provided by Islamic modernists to allow interest has its parallel in previous Judaic and Christian literature with many similarities.

The authors write "The standard debt (riba) contract, collateral requirements, loan covenants, and enforced workouts—measures designed to ameliorate adverse selection and moral hazard—are all prohibited in Islam" (p. 198). The requirement of collateral (*rahn*) is allowed in Islam and is practiced by many Islamic financial institutions, although with some *sharīʿah* issues.[4] Some references to Qur'ānic verses are not meticulous and precise. For instance, the authors infer from the Qur'ānic verses 61:10–11 the following: "The rationale is to share and transfer knowledge and expertise to the needy or poor people who ultimately improve their economic condition caused by the

[3] Habib Ahmad, "*Maqasid al-Shariah* and Islamic Financial Products: A Framework for Assessment," *ISRA International Journal of Islamic Finance* 3, no. 1 (2011): 149–60.

[4] Javed Ahmed Khan and Shariq Nisar, "Collateral (*Al-Rahn*) as Practiced by Muslim Funds of North India," *Journal of King Abdulaziz University: Islamic Economics* 17, no. 1 (2004): 17–34 and Khairul Anuar Ahmad et al., "An Overview of the Shariah Issues of *Rahn*-based financing in Malaysia," *Journal of Muwafaqat* 2, no. 1 (2019): 15–29.

unequal distribution of wealth in society" (p. 95). However, these verses are encouraging the believers to strive in the cause of Allah with wealth and life. Further, Qur'ānic verses 100:8–11 do not distantly imply that "a person cannot acquire his own well-being without contributing towards the welfare of others" (p. 95). On the same page, perhaps the reference 2:195 was replaced with 7:31.

Overall, the book encapsulates and extends the past works on the less explored topic of the role of religion in economics. The book will surely impress the students of comparative religions and Islamic economics with its crisp analysis and scholarship and is a significant addition to the work of Wilson on the same topic.

Tariq Aziz*

* Assistant Professor, Department of Business Administration, Aligarh Muslim University, India.