Preface

This book investigates Islamic finance in Europe as part of a plural financial system in the current age of globalization, through a multi- and inter-disciplinary approach to law and economics. A variety of contributions by well-known experts in the field of Islamic finance provide the reader with valuable instruments for a critical perspective on the matter.

In particular, highlighting the impact of globalization on financial markets, the work contests the assumption of the neutrality of property models in financial dealings. Hence, the rise of Islamic finance in Europe is interpreted as reconceptualizing property rights in light of legal pluralism: next to the Western model of private individual ownership, the conceptual autonomy of an Islamic theory of property rights (based on real economy, equilibrium in the exchange, asset-backed risk and risk-sharing) is argued, thus asserting the factual co-existence of a plurality of finance(s) in the market (Introduction and Part I).

Within this framework of financial pluralism, the volume investigates issues of moral economy and financial stability according to an Islamic perspective. Furthermore, it analyses the specific risk profile of Islamic banking and the potential impact of Islamic finance in Europe, underlining the challenge that financial regulators are facing in managing Islamic finance products and services within a Western conventional frame. In the pursuit of a plural open society, issues related to migrant banking in Europe as well as to women’s empowerment and Islam in Arab countries and Europe are also considered (Part II).

Later, in Part III, the volume focuses on European state interventions in accommodating Islamic finance within their national jurisdictions, under the common harmonized regulation by the European Union (EU). The book outlines the responses given by the UK, Luxembourg, France and Germany in the attempt to adapt conventional regulation to Islamic financial arrangements, as well as the peculiar political approach to Islamic finance by Turkey, as a Muslim country with the status of candidate member to the EU.

Finally, the book remarks how financial pluralism can be seen both as a descriptive and a normative device to enhance a level playing field in the global marketplace, as well as to foster the development of a plural open society.