



ISRA الأبحاث العالمية للبحوث الشرعية
International Shari'ah Research Academy for Islamic Finance

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Bureaucratic System of Management in Islamic
Financial Institutions: Implications & Alternatives for
Social Inclusion

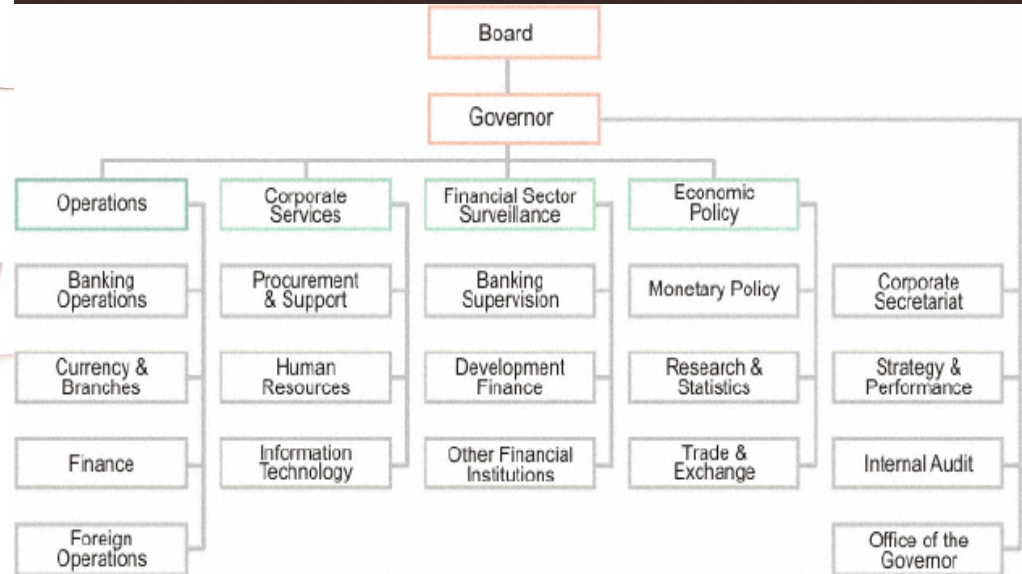
Omar Javaid & Wahab Suri

The Metaphor



C-M-C'

M-C-M'





Traditional Market System / Bazaar:

- Family oriented
- Religious norms
- Socially inclusive

Modern Market System:

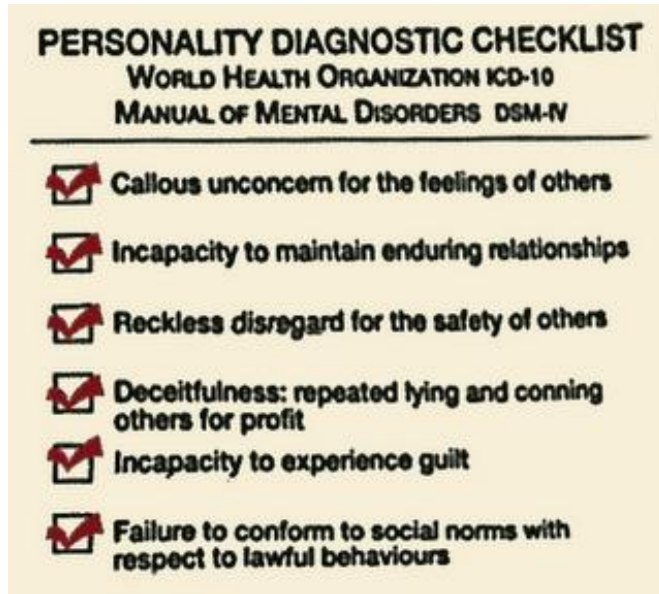
- Profit Oriented
- Secular norms
- Socially exclusive



Impact

Encouraging psychopathic behavior

and Individualistic approach



Instrumentalization & commodification of Labor, Land, morality and all non-market entities





In market society, market has a colonizing impact on all non-market activities. Some has termed it as market imperialism, some called it Mcdonaldization, and some said it's the deterritorialization and reterritorialization of non market spheres.

Implications

- Bank works with formal sector organized on bureaucratic principles.
- Significant part of Pakistani economy (for e.g.) comprise of informal sector, where family system is still intact
- Formalizing (bureaucratizing) the informal sector, may have a disintegrating impact on the traditional form of social inclusion that exists in the informal sector.
- Islamic banking industry might want to do this in the name of Islam, by allowing the colonization of non-market spheres.
- Alternatively the model used by Akhuwat is worth evaluating.