

# Islamic Finance Development in Africa

Muniem Adam<sup>1</sup>, Rodame Monitorir Napitupulu<sup>2</sup>

<sup>1</sup>Sakarya University, Turkiye

<sup>2</sup>Airlangga University, Indonesia

This study provides a quantitative analysis of the literature on Islamic finance in Africa from 1992 to 2024, drawing on English, French, Turkish and Russian language articles indexed in Scopus database. Employing a bibliometric methodology alongside content analysis, this study outlines the development and structure of the field, examining aspects such as co-authorship, co-citation, and bibliographic coupling. Finding The international journal of Islam as the highest-ranking journal in Islamic finance in Africa, Hasan, M. Kabir as the most influential in co-authorship, and Islamic finance as the dominant keyword in the bibliometric analysis. The primary objective of this research is to address the lack of prior bibliometric analysis concerning Islamic finance within the context of Africa. Consequently, this research will serve as an inaugural paper conducting a bibliometric review on this particular topic. There are 4 main topics covered: (1) Overview of Islamic finance in Africa; (2) Islamic finance in developing countries; (3) Development of Islamic finance in Africa; (4) Performance of Islamic banking and finance during crises.

**Keywords: Islamic Finance; Islamic Banking; Performance; Africa**

## OPEN ACCESS

ISSN 2715-6346 (Online)

\*Correspondence:

Muniem Adam

[muniem.adam1@ogr.sakarya.edu.tr](mailto:muniem.adam1@ogr.sakarya.edu.tr)

Received: 3 February 2025

Accepted: 27 April 2025

Published: 23 May 2025

Citation:

(2025) Islamic Finance

Development in Africa.

Ekonomi Islam Indonesia

7.1.

Open access under Creative Commons Attribution-NonCommercial 4.0 International License (CC-BY-NC)

©Author(s)



## INTRODUCTION

The Islamic finance is the fastest-growing sectors globally (Hussainey & Lawati, 2023). It was established and regulated in accordance to the Islamic law, the Shariah and it is entirely based on the Islamic faith which focuses on the prohibition of *riba* (interest) based financial activities and all other exploitative elements from the economic ecosystem (Al-Zumai & Al-Wasmi, 2016; Mansoor Khan & Ishaq Bhatti, 2008). The sector comprises of three major subsets namely, Islamic banking, Islamic assets and fund management, and Takaful or Islamic Insurance (Dhai, 2015). The genesis of Islamic finance in Africa can be traced back to the 190s as Egypt, the only African country that ventured in Islamic banking at a low key for political reasons. The sector continues to grow in the continent as other African countries also venture in products of Islamic Finance (Faye et al., 2013).

Social, economic, and political contexts have impact on the advancement of Islamic finance. Several studies have indicated that political factors can either hinder the growth of this sector as seen in the case of Egypt, or can support its development as observed in Malaysia and Iran (Sa'id, 2020). In the case of Tunisia, (Gazdar et al., 2021) findings indicate that political orientation does not appear to be a critical factor influencing acceptance of Islamic finance, however religious beliefs are identified as a significant determinant of the acceptance of Islamic finance (Bananuka et al., 2020). In developing one of the elements of Islamic finance (Islamic Banks) in Nigeria, (Sa'id, 2020) finds that the evolution of the Islamic banking sector was influenced by socio-economic environment particularly the wealthy Muslim population and the underperformance of the economy, especially in OIC countries (Pratomo et al., 2023). Furthermore, a study by (Augustine, n.d.) reveals that Islamic Banking and Finance (IBF) is characterized not as a religious financial framework but rather as an ethical system accessible to both individuals and corporate entities, regardless of their religious affiliation.

Considering the economic growth in the West African Economic and Monetary Union (WAEMU) and the North African countries before and after integration of Islamic finance in these regions, (Youssof & Mostafa, 2024) finds that growth is more inclusive in the North African countries as compared to the later. However, the absence of data concerning Islamic financial institutions in the examined countries hinders the ability to assess their contributions to the national

economies. (Ibrahim et al., 2024) concluded that Islamic banking sector aligns well with the socio-economic conditions of the continent by offering inclusive financial solutions. However, challenges such as limited awareness, misconceptions, and legal barriers impede public understanding of Islamic banking operations.

Despite all of these challenges, (Mboutchouang Kountchou et al., 2023) Islamic finance affects women's empowerment positively in Africa especially on women's political, economic and social empowerment however, proved inconsequential on home empowerment. Furthermore, these effects are more evident in middle-income countries compared to low-income countries and are particularly pronounced in countries with a higher prevalence of Islamic finance.

Finally, Islamic finance through its social redistribution mechanism like *zakat*, *waqf*, *sadaka* and with its financing instruments such as *Musharaka*, *Mudaraba* etc., will result in the realization of the sustainable development goals (Lawal & Imam, 2016)

The primary objective of this research is to address the lack of prior bibliometric analysis concerning Islamic finance within the context of Africa. Consequently, this research will serve as an inaugural paper conducting a bibliometric review on this subject.

This paper explores three main research questions:

1. Which authors have had the greatest influence on the topic of Islamic finance in Africa?
2. What are the key issues most frequently discussed in relation to Islamic finance in Africa?
3. What insights does the existing literature offer on future research opportunities and directions for Islamic finance in Africa?

## RESEARCH METHODS

### *Data Selection Strategy*

Data used in this analysis was collected from the Scopus database, an extensively used database for rigorous dissemination of scientific research in the field of social science (Hassan et al., 2021a). It provides easy data compilation functionalities for users (Herrera-Franco et al., 2020). Scopus was prioritized above google scholar and web of science because google scholar has a lot of unaudited articles of inferior quality or devoid of scientific measures while the web of science has similar articles as Scopus, and it also has a variety of irrelevant coverage on Islamic finance in Africa. Table 1 shows a comparative overview of Islamic Finance in Africa on the Scopus data base.

Google scholar gave a result of about 879,000. Scopus listed 83 articles on Islamic finance in Africa. The web of Science displayed 259 results related to Islamic finance in Africa of which 235 are articles. The majority of the articles displayed on the web of science do not fully or partially align with my query or are irrelevant, however most of the results are similar to the articles listed by Scopus. For this reason, we chose Scopus for gathering data. Moreover, it has some advantages including high coverage, comprehensive, peer-reviewed, and easy to use, with several choices for refining and exporting data (Alshater et al., 2021; Hassan et al., 2021b; S. Kumar et al., 2022; Patel et al., 2022; Walker et al., 2023). To identify relevant articles within the Scopus database, we carried out a keyword analysis. One erratum paper was scraped out of the 83 articles (documents) obtained from Scopus, and 82 documents were used for the bibliometric review. The selected papers covered a duration of 32 years, between 1992 and 2024.

### Analytical Tools

We utilized three software tools to address our research questions: VOSviewer, RStudio, and Microsoft Excel. VOSviewer allows users to construct and visualize bibliometric maps (Van Eck & Waltman, 2010), connections between authors, co-authors, co-citation, co-occurrence, and further examine patterns of sources,

countries, and keywords. Additionally, it provides bibliographical coupling features for users, which aids in the construction of representative clusters for literature. RStudio is an integrated development environment for R, a programming language for computing and representing data. We also utilized Scopus data analysis and finally, I used Microsoft excel worksheet to systematize data and make necessary editing of text, figures and tables. Studies using bibliometric can be seen at Napitupulu et al., and (2024); Rusydiana et al., (2021).

### Analysis Types

We divided this analysis into three segments: general performance, citation, network and content. General performance lays out insights into literature's growth over time, as well as identifying the most notable authors, counties, and affiliations. In the citation analysis, the most cited authors, documents and journals were pointed out. Finally, we conducted network and content analysis and further conducted clustering using a bibliographical coupling, co-citation and co-occurrence analysis (See Figure 1). In addition, content analysis also has the benefit of relying on systematic textual examination to explore concepts, themes, and relationships in documents, enhancing validity, fostering deeper understanding, and ensuring reliable outcomes (Krippendorff, 2018).

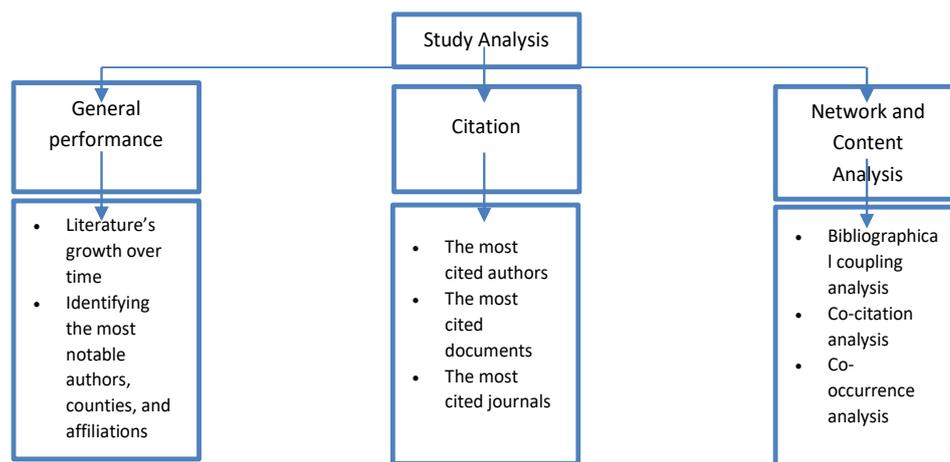


Figure 1. Study Analysis

Consequently, some researchers have incorporated content analysis into their methodology following the completion of bibliometric analysis (Alshater et al., 2022; Hassan et al., 2021b; R. Kumar & Goel, 2022; Shome et al., 2023; Uluyol et al., 2021). This approach provides valuable and compelling insights, particularly in highlighting various lessons that can be

shared with scholars, policymakers, practitioners, and governmental bodies.

## RESULTS AND ANALYSIS

Table 2 provides an overview of the data collected from Scopus database. One erratum paper was excluded

from the 83 documents. These 82 papers were gathered from 64 sources (journals, books, etc.). 30 out of the 82 documents are sole authored, an indication of low collaboration in this field, 2.09 percent of co-authorship per document, and 24.29 percent of international co-authorship. The four reviews represent 3.28, while conference papers constitute about 2.46 percent of the total number of documents. The percentages of the

reviews also recommend a need for more reviews to address the development of this field.

Figure 2 represents the annual distribution of 82 papers published between 1992 and 2024. The annual growth rate is 5.76 percent. The first publication was in 1992. Publications have since been relatively low until 2008, where academic literature on Islamic finance in Africa accelerated.

Table 1. Data selection

Data selection strategy	Scopus search appearance	
Query wording (Islamic AND finance AND Africa)	Title-ABS-Key	83
	Title	10
	Key	10
	Abs	53

Note: The row Title-ABS-Key shows the number of papers with at least one of the keywords in their title, abstract, or keywords. The rows "title", "Key" and "Abs" show the number of documents, including any keyword found in title, keywords or abstract. The next

step was going through the search results to ensure the papers align with my research. Finally, I selected the relevant papers (82) and exported them as CSV files for further analysis.

Table 2. Descriptive overview of Islamic finance in Africa publications

Description	Criteria	Results
Main data information about data	Timespan	1992-2024
	Sources (Journals, Books, etc.)	64
	Documents	82
	Annual Growth Rate %	5.76
	Document Average Age	7.66
	Average citations per document	8.11
	References	3906
Document types	article	47
	book	7
	book chapter	21
	conference paper	3
	review	4
Document content	Keywords Plus (ID)	151
	Author's Keywords (DE)	239
Authors	Authors	156
	Authors of single-authored document	29
Author's collaboration	Single-authored documents	30
	Co-Authors per Document	2.09
	International co-authorships %	24.39

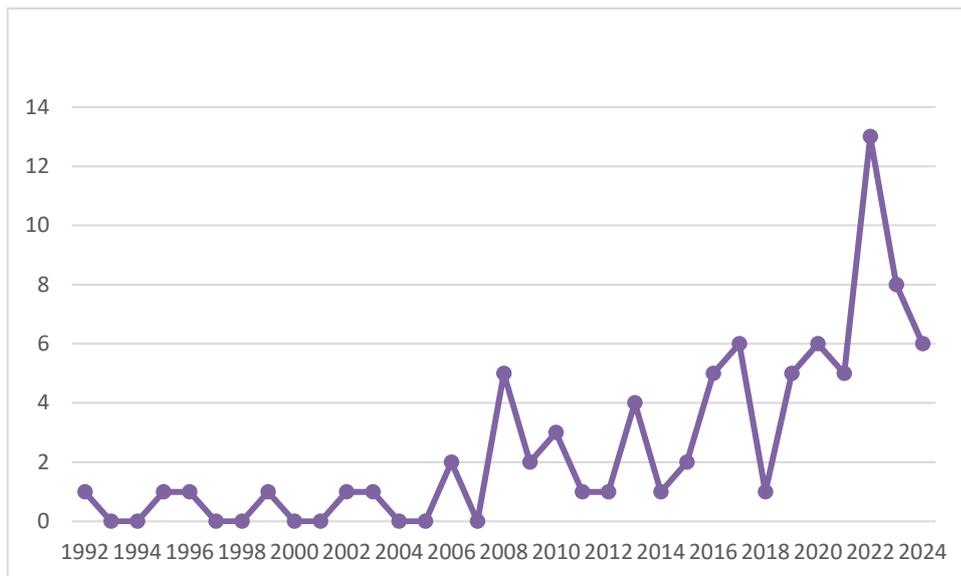


Figure 2. Annual distribution of Islamic finance in Africa papers

*Leading authors, countries, and affiliations*

Figure 3 reveals the top 10 most frequently published authors on Islamic Finance in Africa. M. K. Hassan is the leading author with six documents, followed by A. Muneeza who has a total of four publications related to this topic. K. N. M. Sonko is the next in the most published author with 3 articles. B. Heam, R. Jahangir, H. Kociemska, J. Piesse and R. Strange each have 2 publications. Figure 4 shows the documents by territory while table 3 also illustrates the authors’ affiliated institutions.

Countries that encourage scientific research such as the United Kingdom, the United States, and Australia are developed countries have authors publishing on the topic. Malaysia is a leading educational hub for Islamic finance. Tunisia, a MENA country and Saudi Arabia, a Muslim dominated nation also have publications on Islamic finance in Africa. Nigeria is the only country from sub- Sahara to make it to the top 10, perhaps because it is one of the countries with dominant Islamic financial products in the sub- Saharan region and Islamic finance is obviously in its infant stage in the region.

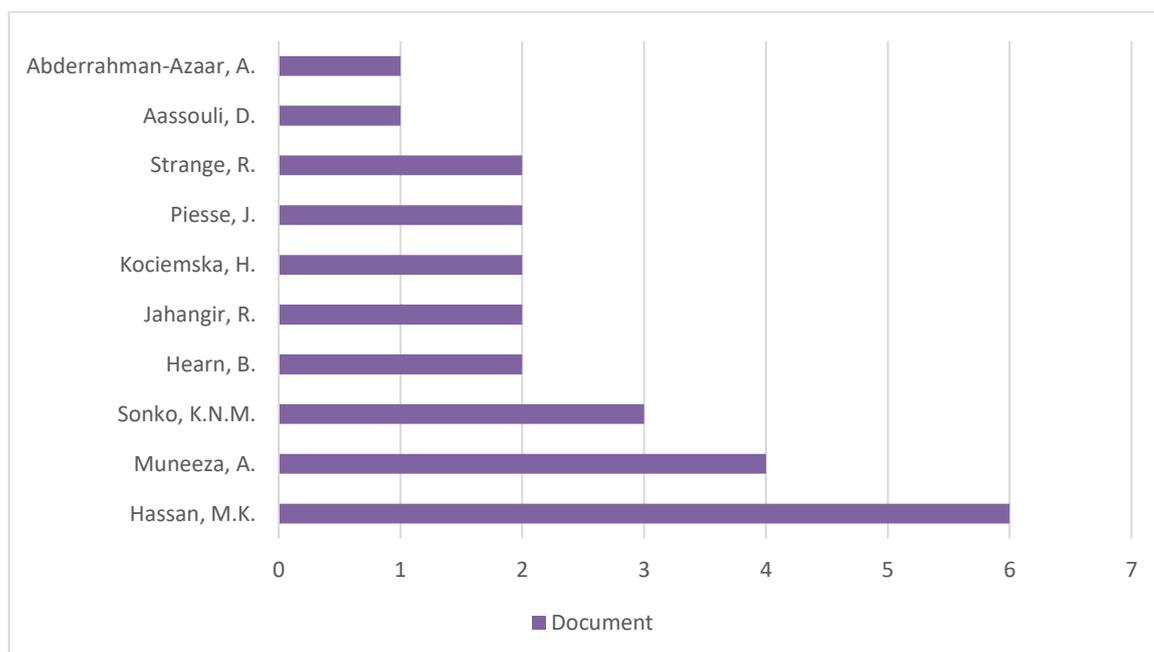


Figure 3. Frequently published authors on Islamic Finance in Africa

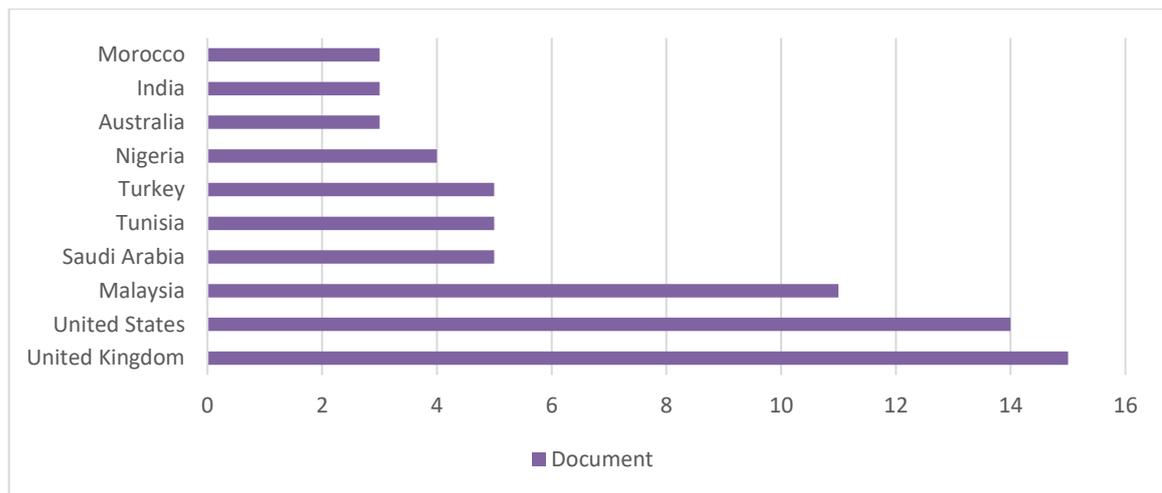


Figure 4. Countries covered in Islamic finance in Africa research

Table 3. Documents by Author affiliation

No	Affiliations	Papers
1	University of New Orleans	6
2	INCEIF University	4
3	International Islamic University Malaysia	3
4	Islamic Development Bank	3
5	King's College London	2
6	University of Sussex	2
7	Faculty of Management Studies	2
8	Hassan II University of Casablanca	2
9	University of Delhi	2
10	Uniwersytet Ekonomiczny we Wroclawiu	2

### Citation analysis

Citation analysis is a technique used in examining bibliographic references. It is an effective indicator of academic influence (Hou, 2017) which aids researchers to ascertain more about a field or a specific topic by identifying influential works. This analysis evaluates citation within authors who have publications in reputable journals hence shows the impact of top authors. Furthermore, it provides researchers with easy

access to citations without enumerating all citations. Table 4 shows the general performance of the top 12 authors per Scopus database. Table 5 illustrates authors' impact in Islamic finance in Africa and their citations. Table 6 gives a descriptive review of most cited papers in Islamic finance in Africa literature.

This segment covers a co-authorship analysis, bibliographical coupling, co-citation, thematic evolution, keywords, hierarchical clustering to identify four distinct research streams and future research suggestions.

Table 4: General performance of authors

Author's name	No. of Documents	Total Citations	H_index	G_index	M_index
Hassan M.K	532	11353	53	31.2	1.827586
Becker S.O.	61	4414	32	45.78726552	1.684211
Bassens D.	53	1311	21	26.58320272	1.4
Springborg R.	49	452	11	13.37006435	0.37931
Mansoor Khan M.	4	243	4	5.374838499	0.222222
Kangoye T.	13	229	7	6.562202374	0.4375
Triki T.	10	205	7	5.361902647	7
Henry C.M.	13	153	4	7.211102551	0.148148
Faye I.	3	128	3	4.402796314	0.230769
Ishaq Bhatti M.	2	68	2	5.138093031	0.4

The H-index accessible on Scopus focuses on previously published papers. G-index is an evaluation of general publication data. The following formular was used for calculating the G-index.  $G = \sqrt[n]{P * (D/T)}$ , where G= G-index, P=total number of publications, D= total number of citations for the most cited paper,

T=total number of years since the first publication. The H-index and the number of years since the first published paper are used to determine the M-index.  $MI = h/n$  where MI= M-index, h=h-index, and n=total number of years since the first paper was published.

Table 5. Authors' impact

No	Authors	Cited by
1	Mansoor Khan M.; Ishaq Bhatti M.	130
2	Henry C.M.; Springborg R.	108
3	Bassens D.; Derudder B.; Witlox F.	103
4	Faye I.; Triki T.; Kangoye T.	35
5	Becker S.O.; Rubin J.; Woessmann L.	32
6	Hearn B.; Piesse J.; Strange R.	24
7	Mohd Noor N.H.H.; Bakri M.H.; Wan Yusof W.Y.R.; Mohd Noor N.R.A.; Zainal N.	21
8	Korbi F.; Bougatef K.	21
9	Mokni R.B.S.; Rajhi M.T.; Rachdi H.	18
10	Bianchi R.R.	14
11	Bubandt N.	14
12	Karake-Shalhoub Z.	10

Note: Compiled manually by author.

### Co-authorship

Co-authorship in research is authorship orchestrated by two or more authors or organizations (Ponomariov & Boardman, 2016). This analysis identifies 103 items or papers with a total link strength of 98. A higher score denotes a stronger relationship between two documents (Van Eck & Waltman, 2010); the link strength in this analysis is moderate. Figure 5 provides a color code for the 47 co-authorship clusters identified in this analysis using VOS viewer. Blue is the leading cluster where Hasan, M. Kabir leads the blue cluster with four co-authors. This cluster has a total link strength of 4. Link strength denotes the intensity of co-authorship between specific authors within the dataset. Some of the clusters have one co-author link within the cluster, others have multiple. There is a lack of co-authorship links between the clusters. with limited collaboration between authors to explore diverse issues associated to Islamic finance in Africa. However, this moderate co-authorship with moderate score suggests collaboration within authors globally.

### Bibliographic coupling

We utilize VOSViewer to execute a bibliographic coupling analysis to identify core items in our data pool

(Bayack & Klavans, 2010). This popular method is employed to perform automatic clustering for large data sets and identifies instances where two documents cite the same third source in their bibliographies. Figure 6 presents this analysis for Islamic Finance in Africa. We determined 6 clusters. The outcome indicated that the most often cited documents are articles by (Bassens et al., 2010), searching for the mecca of finance: Islamic financial services and the world city network, and (Faye et al., 2013), the Islamic finance promises: evidence from Africa. In conclusion, it should be noted that the majority of these papers mention these issues.

Figure 7 shows the clusters of the sources. The citation limit used for a cited reference for this bibliographic coupling of sources was set to one. The result yielded 5 clusters with a total link strength of 70. I subsequently adopted a color-coding scheme for the five clusters. The international journal of Islam is the highest-ranking journal and the leading journal in the green cluster. It has a strong link with Journal of Islamic accounting, the most prominent journal in the blue cluster. It also has links with two other journals that are not members of the green cluster: International journal of social economics and Area. International journal of social economics leads the red cluster. International business review leads the purple cluster. It has a strong link with the leading journal in the red cluster;

International journal of social economics and has a weak link with Area and Islamic globalization. Finally, Arab

law quarterly is the leading source for the black cluster.

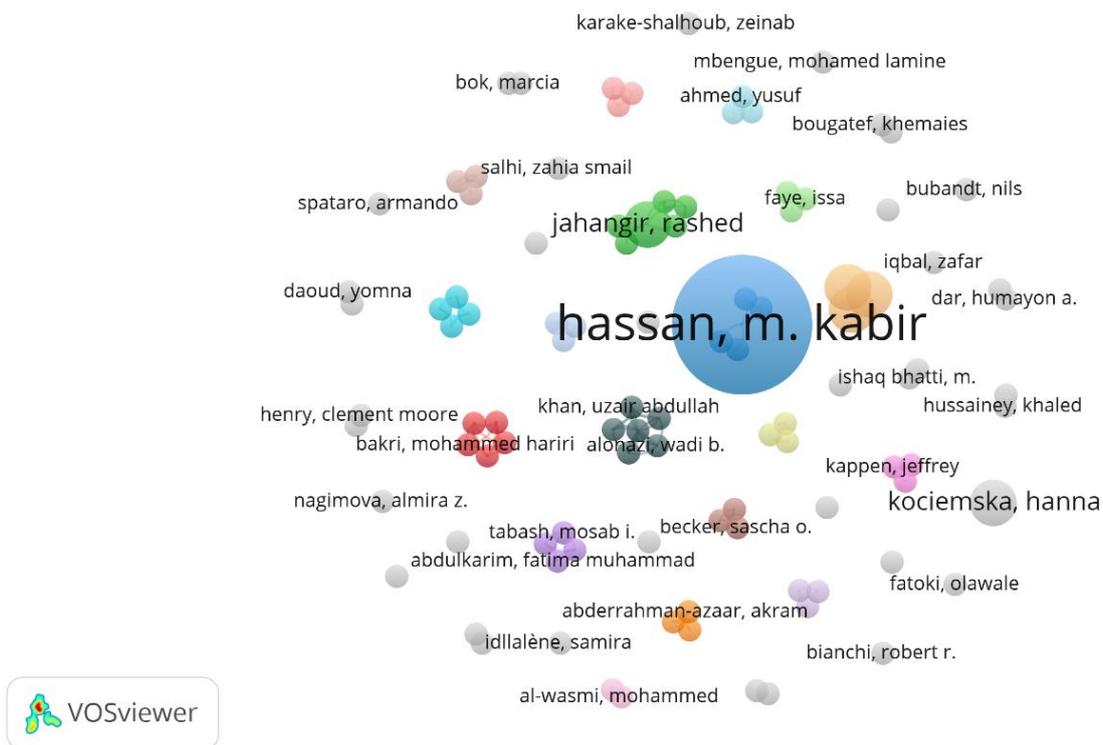


Figure 5. Co-authorship Analysis

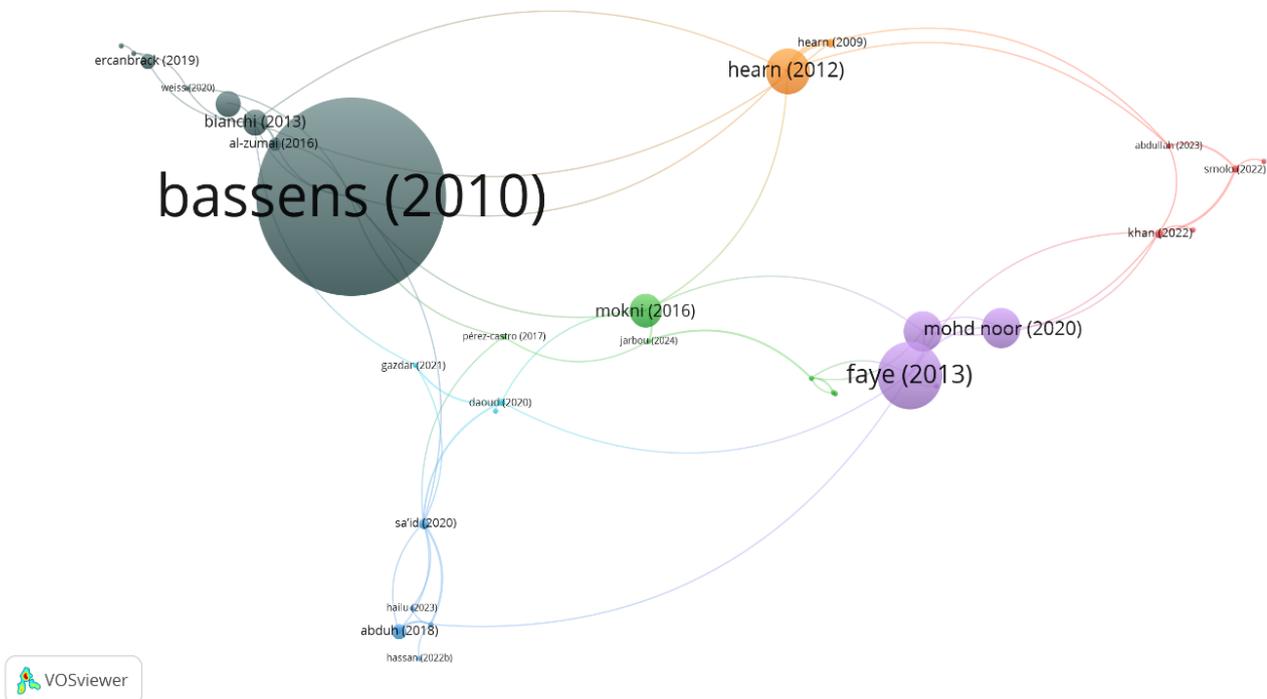


Figure 6. Bibliographic coupling analysis of documents

Note: The citation threshold used for Bibliographic coupling of documents, was set to one

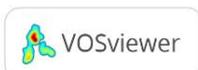
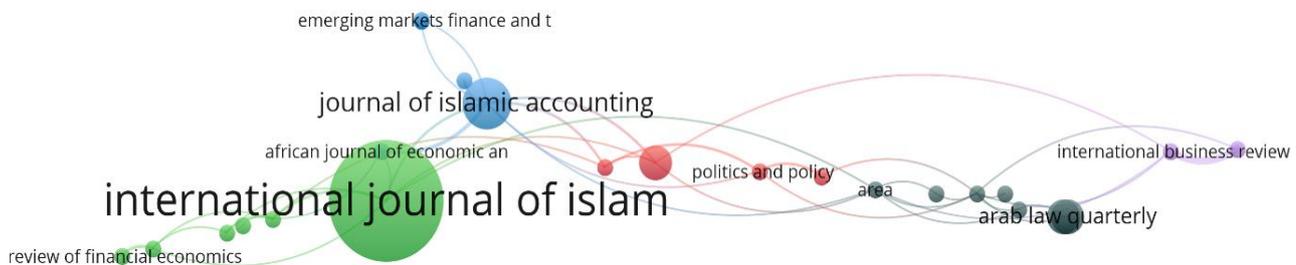


Figure 7. Bibliographic coupling Analysis of Source

## Keywords Analysis

Initially, the minimum number of occurrences of a keyword was programmed at 5, out of 370 keywords for our analysis, only 8 met the threshold. On this threshold, limited results were provided. Thus, the threshold is further reduced to 3. Figure 8 shows the results of keyword analysis. Figure 8 denotes that Islamic finance in Africa research falls within four categories: Overview of Islamic finance in Africa (red cluster), Islamic finance in developing countries (black cluster), Development of Islamic finance in Africa (green cluster) and Performance of Islamic banks during Covid 19 (blue cluster).

## Research streams and Lesson Learned

*Research stream 1:* Overview of Islamic finance in Africa

The first study cluster on Islamic finance in Africa focuses on the concept of Islamic finance. Vast majority of the research papers commence by highlighting the ethical nature, sharia compliance, and risk sharing mechanisms of Islamic finance (Al-Zumai & Al-Wasmi,

2016; Faye et al., 2013; Gazdar et al., 2021; Mansoor Khan & Ishaq Bhatti, 2008). Islamic finance gives priority to equity-based modes of financing and investment; it uses musharaka (partnership ventures) and Mudarabah (profit sharing partnership), where parties participate in proportional risk sharing and returns (Daoud & Kammoun, 2020). (Bassens et al., 2010) categorized Islamic finance in subdivisions which includes Islamic banking and microfinance, Sukuk (Islamic Bond), Takaful (Islamic insurance), Shariah compliant investment funds, and Islamic capital markets.

The genesis of Islamic finance in Africa dates back to 1960s as Egypt, the only African country that initiated Islamic banking at a low key for political reasons. The sector continues to grow in the continent as other African countries also venture in products of Islamic Finance (Faye et al., 2013). Moreover, Islamic finance in Africa is on the rise with over 80 institutions providing shariah compliant products, such as takaful, sukuk and Islamic banking products and services (Hassan et al., n.d.-a).

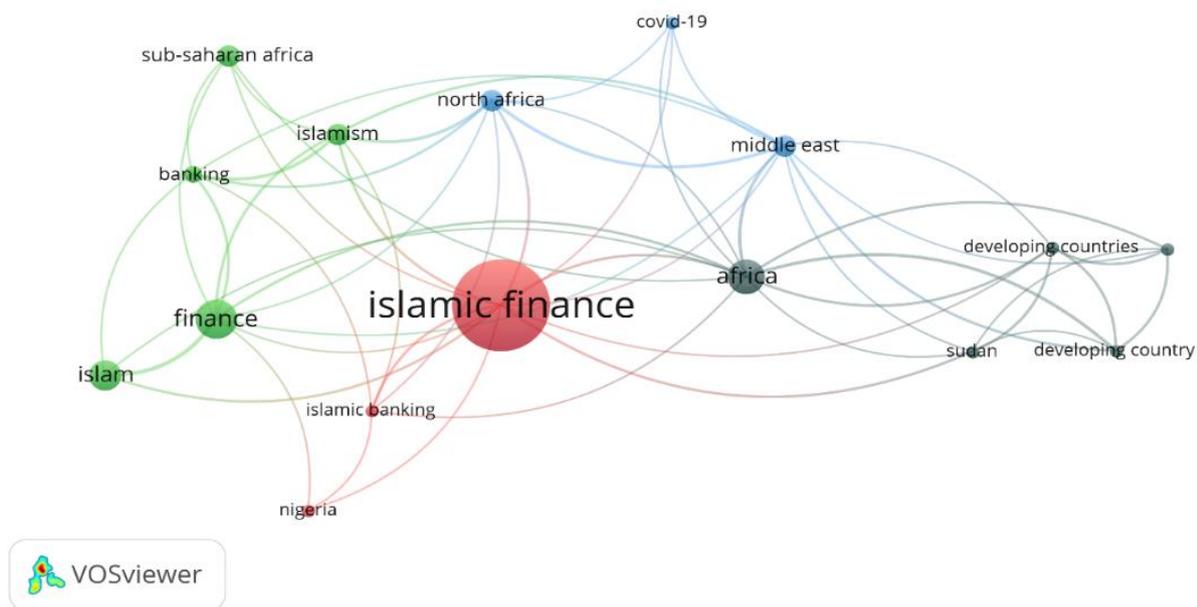


Figure 8. Co-occurrence of Keywords Analysis

In the MENA regions of Africa, (Jarbou et al., 2024) indicated that Islamic finance demonstrates growth orchestrated by principles of Shariah however, the industry is encountered with disputes such as difficulties in regulation, restricted market size, and the absence of standardization.

### Lesson learned

We examine that Islamic finance in Africa is grounded in ethical principles, Sharia compliance, and risk-sharing mechanisms, with key financing methods such as *musharaka* (partnership ventures) and *mudarabah* (profit-sharing partnerships) emphasizing equity-based participation. We also investigate that the industry offers diverse financial products, including Islamic banking, microfinance, sukuk (Islamic bonds), takaful (Islamic insurance), Sharia-compliant investment funds, and Islamic capital markets, showcasing its versatility. Beginning in Egypt in the 1960s, Islamic finance has grown considerably, with more than 80 institutions currently offering Sharia-compliant services throughout the continent. Though the MENA regions of Africa show growth propelled by Sharia principles, a number of challenges remain, including regulatory hurdles, limited market size, and lack of standardization. Yet, the rising penetration of Islamic finance opens new avenues through which these challenges can be resolved and marks a path for further market development and stability.

### Research stream 2: Islamic finance in developing countries

Islamic finance has a substantial potential for developing countries especially Africa through the addressing of financial inclusion challenges and fostering economic development (Mboutchouang Kountchou et al., 2023). Consequently, Hailu & Tekdoğan, (2023) interest in this field is on the rise. Moreover, Developing countries have the ability to attract significant foreign investments from regions with high Islamic finance sectors for instance Southeastern Asia and Gulf Corporation Council member states (Shubber, 2008).

Sudan as a non-MENA country but among the first in Africa to practice Islamic finance continues to exhibit significant growth in this sector due to the regulatory framework, and government policies that favors Islamic finance in the country (Hassan et al., n.d.-b). As most developing country rely on agriculture for sustainability, Suayb Gundogdu, (2010) highlighted in his study regarding cotton farming in Burkina Faso that, Islamic finance products such as Salam and Murabaha have the potential of addressing agricultural problems of developing economies to foster economic development.

On the contrary Nigeria, a west African nation also introduce Islamic finance to tackle the financial exclusion of the Muslim population, however with challenges like the dominance of the conventional system, prioritization of fixed return, and the Islamic banks being in their early stages, its contribution to economic growth remains positive but limited (Tabash

et al., 2022). With a majority of muslim population in the country, it is expected that Islamic finance will see rapid growth in the country however another research (Salaudeen et al., 2023) reveals that, microfinance, another product of Islamic finance also encounters some challenges for instance regulatory issues, misconception, awareness, and compliance continues to be fundamental impediments for Islamic Microfinance banks in Nigeria. Tabash et al., (2022) agrees that Islamic finance has positive influence on the Nigerian economy in the short and long term, however the said influence is insignificant.

In a study to examine the potential role of Islamic finance in enhancing accessibility to financial services in MENA regions and financial inclusion, Ramaian Vasantha et al., (2023) main findings shows that overall financial inclusion has been improved in Islamic MENA countries nonetheless, all MENA countries fall within low or medium level of inclusion index and the access to insurance and penetration savings were unsatisfactory.

### Lesson Learned

We evaluate that Islamic finance has immense potential to spur economic development and address financial-inclusion challenges in developing nations, especially in Africa. Additionally, its potential to attract investments from regions with established Islamic finance markets, such as Southeast Asia and the Gulf Cooperation Council, adds to its attraction. Sudan demonstrates notable success in leveraging Islamic finance due to favorable regulatory frameworks and government policies, while products like Salam and Murabaha show promise in addressing agricultural issues in economies reliant on agriculture. However, countries like Nigeria face challenges, including the dominance of conventional systems, limited awareness, regulatory issues, and early-stage Islamic banking systems, which hinder its full economic impact despite its potential. Similarly, in MENA regions, Islamic finance has contributed to improved financial inclusion, but access to insurance and savings remains low, with overall inclusion levels still categorized as low to medium. Addressing these challenges is very important in terms of unlocking the full potential of Islamic finance in developing economies.

*Research stream 3:* Development of Islamic finance in Africa

African countries including Nigeria, Sudan and Kenya are pioneering Islamic finance practices focusing on microfinance, sukuk (Islamic bonds) and

microfinance (Jarbou et al., 2024). North African MENA countries are contemporary participants in Islamic finance against the Gulf Cooperation Council while Egypt has an older Islamic finance background (Jarbou et al., 2024). Furthermore, Youssouf & Mostafa, (2024) finds that growth in countries with properly established Islamic financial systems like the north African countries have a financial high inclusive rate compared to nations within the West African Economic and Monetary Union (WAEMU). In an attempt to propose the creation of an Islamic stock exchange index in west Africa, (Mbengue, 2017) argues that the establishment of an Islamic stock index, and further incorporation of Shariah compliant financial systems could potentially improve Islamic finance development in Africa. Islamic stock is one of the important instrument in Islamic finance (Antonio et al., 2021).

### Lesson Learned

African countries such as Nigeria, Sudan, and Kenya are at the forefront of Islamic finance practices, focusing on areas like microfinance and sukuk (Islamic bonds), while North African MENA countries demonstrate advanced Islamic finance systems compared to the Gulf Cooperation Council. Egypt stands out with its historical background in Islamic finance. We indicate that nations with well-established Islamic financial systems, such as those in North Africa, exhibit higher financial inclusion rates compared to those in the West African Economic and Monetary Union (WAEMU). Moreover, the proposals like establishing an Islamic stock exchange index in West Africa and incorporating Sharia-compliant financial systems highlight the potential for advancing Islamic finance development across the continent.

*Research stream 4:* Islamic finance performance during crises-

Islamic finance exhibited resilience amidst financial crises because of its risk sharing principle, asset-backed framework, and absence of speculative and riba (interest) based practices, limiting exposure to fundamental drawbacks (Abduh et al., 2018). For instance, the Islamic banking sector has showed a strong resilience during the 2007- 2008 Sub-prime crises (Korbi & Bougatef, 2017). (Al-Zumai & Al-Wasmi, 2016) argued that the crises presented Islamic finance with a monumental opportunity to have an impact on global financial system; however, this potential was primarily unrealized due to deficiencies in institutional frameworks and the partial integration of conventional

banking practices. They concluded by suggesting that Islamic finance should prioritize enhancement of its ethical principles and regulatory frameworks to better align its operations with its fundamental values. [Zafar Iqbal, \(2022\)](#) also highlighted the resilience of Islamic finance during Covid-19 pandemic in Sub-Saharan Africa.

Another study ([Khan et al., 2022](#)) to identify between bond and sukuk which was more sustainable during the covid 19 pandemic, they concluded that Sukuk exhibited equivalent degree of volatility to conventional bonds, emphasizing the significance of enhanced policy frameworks for enhancing their resilience. Their results also contradict the generally accepted notion that Islamic finance is less volatile to crises and more sustainable than the conventional counterparts.

### Lesson Learned

We analyze that Islamic finance has demonstrated resilience during financial crises, supported by its risk-sharing principles, asset-backed framework, and avoidance of speculative and interest-based practices. This resilience was evident during the 2007-2008 subprime crisis and the COVID-19 pandemic in Sub-Saharan Africa. However, despite these strengths, the sector's potential to influence the global financial system remains underutilized due to gaps in institutional frameworks and partial reliance on conventional banking practices. We suggest prioritizing the enhancement of ethical principles and regulatory structures to align operations more closely with Islamic finance values. Moreover, while sukuk (Islamic bonds) showed resilience during the pandemic, their volatility was comparable to conventional bonds, challenging the perception of Islamic finance as inherently less volatile and highlighting the need for improved policy frameworks to bolster sustainability. Furthermore, the overview of existing studies on Islamic finance in Africa can be found in Table 6.

## CONCLUSION

Africa is one of the continents with numerous developing countries. It is faced with numerous challenges such as poverty, limited benefit from globalization, food crises, and health. Consequently, the introduction and development of Islamic finance in the region might assist in eradicating some of these challenges. As some African countries (Egypt, Sudan,

Kenya, MENA members states) have already ventured into Islamic finance, the institution is faced with some obstacles that hinders its impacts on the real economy as compared to its conventional counterpart.

Authors have offers several recommendations on these matters. ([Hailu & Tekdoğan, 2023](#)) highlights that future research should investigate the feasibility of implementing internationally acknowledged standards such as AAOIFI or IFSB while integrating them to the specific context of local African market. Further studies should be concentrated on establishing robust regulatory frameworks meant exclusively for Islamic finance to accommodate its distinctive features and ensuring compliance to the Shariah principles ([Hailu & Tekdoğan, 2023](#); [Shubber, 2008](#); [Tabash et al., 2022](#)). Moreover, further research is required on the merits of regulatory capital requirement in improving the financial stability of Islamic banks, particularly in volatile markets of Africa ([Korbi & Bougateg, 2017](#)).

Although public awareness is another factor that hinders the adoption and growth of the sector in Africa ([Salaudeen et al., 2023](#)), study on public awareness in Islamic finance in Africa is crucial research area ([Hassan et al., n.d.-b](#)). Specific audience and how to target them on this issue is yet to be widely addressed. Furthermore, recommends further analysis on how Islamic finance institutions can diversify its sources of funding, especially the use of Islamic bonds (sukuk), in addition to its contribution in economic and social development including the creation of jobs, and poverty alleviation ([Gazdar et al., 2021](#)).

At present, we find that the majority of the studies are not data backed due to lack of data from IFI in Africa. Islamic finance institutions in Africa must make their data available for easy access and further evaluation of the institutions. This will provide ease to researchers in making comparisons and elaborations related to Islamic finance in the region. Moreover, comprehensive study of African countries and markets is necessary to acquire a profound understanding of the market size and the specific demands of the customers. Furthermore, the role Shariah board members in Islamic finance institutions in Africa is underexplored, with limited evidence on this subject. Additionally, the preparedness of non-Muslim majority Sub-Saharan African countries to adopt Islamic finance require further investigation.

Further studies on Islamic fintech in Africa is recommended due to lack of literature on this subject. Finally, researchers should conduct more bibliometric analysis regarding Islamic finance in Africa due to lack of previous studies on bibliometric analysis.

Table 6. Overview of Islamic Finance Studies in Africa

Author(s) / Year	Approach/ Method	Purpose	Finding(s)
Mansoor Khan M.; Ishaq Bhatti M. / 2008	General review	Underlines the exceptional growth of Islamic banking and finance in the modern finance world across various tools, systems and markets, over 75 countries encompassing from Africa, Asia, Europe and North America.	-Islamic banking and finance is experiencing significant progress and is emerging as a competitive global alternative to the conventional financial system. With middle east and south Asia serving as its primary growth hubs, this expansion is fostering its integration into Western financial markets. -Proposing that, IB could perpetually attract a significant portion of the Muslim population and other moral investors globally.
Bassens D.; Derudder B.; Witlox F. / 2010	Analytical paper	Investigate various characteristics derived from data on the location strategies of 28 prominent Islamic financial institutions (IFIs) operating in 62 cities worldwide.	-Manama is recognized as a central hub for the Islamic Financial Service (IFS) sector, often referred to as its “Mecca”, with other Gulf nations playing pivotal roles within this urban network. Additionally, cities in the MENA region such as those in Iran, contribute significantly to this trend. Traditional financial centers, including London, are also strongly interconnected.
Faye I.; Triki T.; Kangoye T. / 2013	Empirical study	Improve understanding of Islamic finance markets in Africa.	- Islamic banks could be beneficial for Africa. - Significant cross-country variations in the development of Islamic banking in Africa.
Mohd Noor N.H.H.; Bakri M.H.; Wan Yusof W.Y.R.; Mohd Noor N.R.A.; Zainal N. / 2020	Analytical paper (DEA)	The impact of regulatory and supervisory frameworks on the efficiency of banking sectors on 108 Islamic banks operating in 28 countries that offer Islamic banking and financial products and services.	-Islamic banks do not require higher capital levels to maintain operational efficiency. -Islamic banks operating in MENA) and middle-income countries demonstrate greater technical efficiency, attributed to the more flexible regulations surrounding capital requirements.
Mokni R.B.S.; Rajhi M.T.; Rachdi H. / 2016	Empirical study	Examines the determinants of risk-taking in IB and conventional counterpart based in the MENA region.	Determinants of risk-taking banks differs between IB and conventional counterpart.
Abduh M.; Ramjaun S.B.; Mustaqim M. /2018	Primary data (Questionnaire)	Investigates bank selection criteria within Muslims in Mauritius and measure customer satisfaction upon the quality of Islamic banking service in the country.	Privacy, easy access, service quality, facility, transparency, and bank reputation are the factors and not religious affiliation.

Tabash M.I.; Abdulkarim F.M.; Akinlaso M.I.; Dhankar R.S.	-Empirical study (quarterly secondary time series data). -Employs autoregressive distributed lags (ARDL) and error correction model (ECM).	Analyze the connection between Islamic banking and economic growth in Nigeria over both the short-term and long-term horizons.	Islamic banking contributes positively to Nigeria's economy in both the short-term and long-term; however, its impact remains minimal.
Ramaian Vasantha N.; Liew C.Y.; Kijkasiwat P.	Quantitative (Secondary data analysis and statistical index construction.)	-Develop a comprehensive multidimensional Financial Inclusion (FI) index to evaluate the extent of inclusion and identify trends within the Middle East and North Africa (MENA) region. -Investigate the potential contribution of Islamic finance to enhancing access to financial services.	-The overall level of financial inclusion has increased in Islamic countries; however, it is important to highlight that all MENA countries are categorized as having either low or moderate inclusion level on the index. -In Islamic MENA countries, access to and penetration of insurance services, as well as savings levels, were notably low.

Source: Author compilation.

## REFERENCES

- Abduh, M., Ramjaun, S. B., & Mustaqim, M. (2018). Bank Selection Criteria and SERVQUAL Survey among Muslims in Mauritius. *QIJIS (Qudus International Journal of Islamic Studies)*, 6(2), 221. <https://doi.org/10.21043/qijis.v6i2.3756>
- Alshater, M. M., Hassan, M. K., Khan, A., & Saba, I. (2021). Influential and intellectual structure of Islamic finance: A bibliometric review. *International Journal of Islamic and Middle Eastern Finance and Management*, 14(2), 339–365.
- Alshater, M. M., Hassan, M. K., Sarea, A., & Samhan, H. M. (2022). Islamic accounting research between 1982 and 2020: A hybrid review. *Journal of Islamic Accounting and Business Research*, 13(8), 1176–1196.
- Al-Zumai, F., & Al-Wasmi, M. (2016). 2008 Financial Crisis and Islamic Finance: An Unrealized Opportunity. *International Journal for the Semiotics of Law - Revue Internationale de Sémiotique Juridique*, 29(2), 455–472. <https://doi.org/10.1007/s11196-016-9469-6>
- Antonio, M. S., Rusydiana, A. S., Soeparno, W. S. I., Rani, L. N., Pratomo, W. A., & Nasution, A. A. (2021). The impact of oil price and other macroeconomic variables on the islamic and conventional stock index in indonesia. *International Journal of Energy Economics and Policy*, 11(5), 418-424.
- Augustine, A. (n.d.). ISLAMIC BANKING AND FINANCE IN DEVELOPING COUNTRIES: THE GOALS, CHALLENGES AND PROSPECTS.
- Bananuka, J., Mukyala, V., Tumwebaze, Z., Ssekakubo, J., Kasera, M., & Najjuma, M. S. (2020). The intention to adopt Islamic financing in emerging economies: Evidence from Uganda. *Journal of Islamic Accounting and Business Research*, 11(3), 610–628. <https://doi.org/10.1108/JIABR-07-2017-0108>
- Bassens, D., Derudder, B., & Witlox, F. (2010). Searching for the Mecca of finance: Islamic financial services and the world city network. *Area*, 42(1), 35–46. <https://doi.org/10.1111/j.1475-4762.2009.00894.x>
- Daoud, Y., & Kammoun, A. (2020). Islamic Banking in North Africa: Emergence, Growth, and Prospects. In A. Rafay (Ed.), *Advances in Finance, Accounting, and Economics* (pp. 78–98). IGI Global. <https://doi.org/10.4018/978-1-7998-1611-9.ch005>
- Dhai, R. (2015). A comparison of the performance of the FTSE South Africa Islamic Index to the conventional market (JSE) in South Africa. *South African Journal of Accounting Research*, 29(2), 101–114. <https://doi.org/10.1080/10291954.2015.1006481>

- Faye, I., Triki, T., & Kangoye, T. (2013). The Islamic finance promises: Evidence from Africa. *Review of Development Finance*, 3(3), 136–151. <https://doi.org/10.1016/j.rdf.2013.08.003>
- Gazdar, K., Grassa, R., & Hassan, M. K. (2021). The Development of Islamic Finance in Tunisia after the Arab Spring: Does Political Islam Matter? *Politics & Policy*, 49(3), 682–707. <https://doi.org/10.1111/polp.12408>
- Hailu, S. M., & Tekdoğan, Ö. F. (2023). Ensuring The Compliance of Islamic Finance Applications with Shariah Principles in Ethiopia: The Way Forward. *Hitit İlahiyat Dergisi*, 22(1), 139–168. <https://doi.org/10.14395/hid.1247875>
- Hassan, M. K., Alshater, M. M., Hasan, R., & Bhuiyan, A. B. (2021a). Islamic microfinance: A bibliometric review. *Global Finance Journal*, 49, 100651. <https://doi.org/10.1016/j.gfj.2021.100651>
- Hassan, M. K., Alshater, M. M., Hasan, R., & Bhuiyan, A. B. (2021b). Islamic microfinance: A bibliometric review. *Global Finance Journal*, 49, 100651.
- Hassan, M. K., Muneeza, A., & Sonko, K. N. M. (n.d.-a). 1. Islamic finance in Africa.
- Hassan, M. K., Muneeza, A., & Sonko, N. M. (n.d.-b). Introduction to Islamic Finance in Africa.
- Herrera-Franco, G., Montalván-Burbano, N., Carrión-Mero, P., Apolo-Masache, B., & Jaya-Montalvo, M. (2020). Research Trends in Geotourism: A Bibliometric Analysis Using the Scopus Database. *Geosciences*, 10(10), 379. <https://doi.org/10.3390/geosciences10100379>
- Hou, J. (2017). Exploration into the evolution and historical roots of citation analysis by referenced publication year spectroscopy. *Scientometrics*, 110(3), 1437–1452. <https://doi.org/10.1007/s11192-016-2206-9>
- Hussainey, K., & Lawati, H. A. (2023). *Islamic Accounting And Finance: A Handbook* (p. 813). Scopus. <https://doi.org/10.1142/q0366>
- Ibrahim, A. A., Hussein, J. M., & Kulmie, D. A. (2024). Islamic Banking in Africa: A Booming Market with Growing Pains. *International Journal of Religion*, 5(9), 318–333. <https://doi.org/10.61707/3dg7rh70>
- Jarbou, S. I., Irimia-Diéguez, A., & Prieto-Rodríguez, M. (2024). Financial performance of Islamic and conventional banks in MENA region: A GLS approach. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-11-2023-0380>
- Khan, S., Bhutto, N. A., Khan, U. A., Rehman, M. Z., Alonazi, W. B., & Ludeen, A. (2022). Şukūk or Bond, Which Is More Sustainable during COVID-19? Global Evidence from the Wavelet Coherence Model. *Sustainability*, 14(17), 10541. <https://doi.org/10.3390/su141710541>
- Korbi, F., & Bougatef, K. (2017). Regulatory capital and stability of Islamic and conventional banks. *International Journal of Islamic and Middle Eastern Finance and Management*, 10(3), 312–330. <https://doi.org/10.1108/IMEFM-06-2016-0079>
- Krippendorff, K. (2018). *Content analysis: An introduction to its methodology*. Sage publications. [https://books.google.com/books?hl=id&lr=&id=nE1aDwAAQBAJ&oi=fnd&pg=PP1&dq=krippendorff+content+analysis&ots=y\\_8hUt iQ8B&sig=2W\\_7Xe8yDGftRN7ablrNXT759 Eo](https://books.google.com/books?hl=id&lr=&id=nE1aDwAAQBAJ&oi=fnd&pg=PP1&dq=krippendorff+content+analysis&ots=y_8hUt iQ8B&sig=2W_7Xe8yDGftRN7ablrNXT759 Eo)
- Kumar, R., & Goel, P. (2022). Exploring the Domain of Interpretive Structural Modelling (ISM) for Sustainable Future Panorama: A Bibliometric and Content Analysis. *Archives of Computational Methods in Engineering*, 29(5), 2781–2810. <https://doi.org/10.1007/s11831-021-09675-7>
- Kumar, S., Rao, S., Goyal, K., & Goyal, N. (2022). Journal of Behavioral and Experimental Finance: A bibliometric overview. *Journal of Behavioral and Experimental Finance*, 34, 100652.
- Lawal, I. M., & Imam, U. B. (2016). Islamic Finance; A Tool For Realizing Sustainable Development Goals (SDG) In Nigeria. 3(9).
- Mansoor Khan, M., & Ishaq Bhatti, M. (2008). Islamic banking and finance: On its way to globalization. *Managerial Finance*, 34(10), 708–725. <https://doi.org/10.1108/03074350810891029>
- Mbengue, M. L. (2017). Creation of an Islamic stock index in West Africa. *Research in International Business and Finance*, 41, 105–108. <https://doi.org/10.1016/j.ribaf.2017.04.017>
- Mboutchouang Kountchou, A., Haruna, A., Tekam Oumbé, H., & Wirajing, M. A. K. (2023). Women empowerment in Africa: Can we rely on Islamic finance? *Journal of Islamic*

- Accounting and Business Research. <https://doi.org/10.1108/JIABR-06-2023-0175>
- Napitupulu, R. M., Sukmana, R., Rusydiana, A. S., Cahyani, U. E., & Wibawa, B. M. (2024). The nexus between halal industry and Islamic green finance: A bibliometric analysis. *Journal of Islamic Marketing*, 15(10), 2508-2527.
- Patel, R., Migliavacca, M., & Oriani, M. E. (2022). Blockchain in banking and finance: A bibliometric review. *Research in International Business and Finance*, 62, 101718.
- Pratomo, W., Rusydiana, A., Riani, R., Lubis, R., Marlina, L., Putra, P., & Nurismalatri, N. (2023). Does Renewable Energy Consumption a Driver for Economic Growth? Panel Data Analysis in Selected OIC Countries. *International Journal of Energy Economics and Policy*, 13(6), 573-580.
- Ramaian Vasantha, N., Liew, C. Y., & Kijkasiwat, P. (2023). Exploring financial inclusion in MENA countries: An entropy weight approach. *International Journal of Islamic and Middle Eastern Finance and Management*, 16(6), 1219–1247. <https://doi.org/10.1108/IMEFM-11-2022-0451>
- Rusydiana, A., Antonio, M. S., Assalafiyah, A., & Yusup, A. (2021). Hajj investment fund: A bibliographic study of the Hajj Economy. *International Journal of Religious Tourism and Pilgrimage*, 9(1), 12.
- Sa'id, H. (2020). Exploring the development of Islamic banking in Nigeria using an actor-network theory perspective. *Journal of Islamic Accounting and Business Research*, 11(5), 1083–1099. <https://doi.org/10.1108/JIABR-02-2018-0027>
- Salaudeen, A. O., Sa'ad, A. A., & Suleiman, H. (2023). Sustainability and Operational Challenges of Islamic Microfinance in Nigeria: The Case of Al-Hayat Microfinance Bank. In B. Alareeni, A. Hamdan, R. Khamis, & R. E. Khoury (Eds.), *Digitalisation: Opportunities and Challenges for Business* (Vol. 621, pp. 457–473). Springer International. [https://doi.org/10.1007/978-3-031-26956-1\\_44](https://doi.org/10.1007/978-3-031-26956-1_44)
- Shome, S., Hassan, M. K., Verma, S., & Panigrahi, T. R. (2023). Impact investment for sustainable development: A bibliometric analysis. *International Review of Economics & Finance*, 84, 770–800. <https://doi.org/10.1016/j.iref.2022.12.001>
- Shubber, K. (2008). Another building stone in bridging the “great divide” of our time. *International Journal of Islamic and Middle Eastern Finance and Management*, 1(1), 5–9. <https://doi.org/10.1108/17538390810864214>
- Suayb Gundogdu, A. (2010). Islamic structured trade finance: A case of cotton production in West Africa. *International Journal of Islamic and Middle Eastern Finance and Management*, 3(1), 20–35. <https://doi.org/10.1108/17538391011033843>
- Tabash, M. I., Abdulkarim, F. M., Akinlaso, M. I., & Dhankar, R. S. (2022). Islamic banking and economic growth: Fresh insights from Nigeria using autoregressive distributed lags (ARDL) approach. *African Journal of Economic and Management Studies*, 13(4), 582–597. <https://doi.org/10.1108/AJEMS-03-2021-0138>
- Uluyol, B., Secinaro, S., Calandra, D., & Lanzalonga, F. (2021). Mapping waqf research: A thirty-year bibliometric analysis. *Journal of Islamic Accounting and Business Research*, 12(5), 748–767. <https://doi.org/10.1108/JIABR-01-2021-0031>
- Van Eck, N. J., & Waltman, L. (2010). Software survey: VOSviewer, a computer program for bibliometric mapping. *Scientometrics*, 84(2), 523–538. <https://doi.org/10.1007/s11192-009-0146-3>
- Walker, T., Goubran, S., Karami, M., Dumont-Bergeron, A., Schwartz, T., & Vico, K. (2023). Mainstreaming social impact bonds: A critical analysis. *Finance Research Letters*, 53, 103546.
- Youssouf, A. B., & Mostafa, E. H. (2024). Contribution of Islamic Finance to Inclusive Growth: A Comparative Study of the West African Economic and Monetary Union (WAEMU) and North African Countries. *ISRA International Journal of Islamic Finance*, 16(1), 4–20. <https://doi.org/10.55188/ijif.v16i1.749>
- Zafar Iqbal. (2022). Impact of Global Financial Crisis on IDB Member Countries: The Case of Gulf Cooperation Council and Sub-Saharan Africa. *The Pakistan Development Review*, 583–601. <https://doi.org/10.30541/v47i4IIpp.583-601>