
PROSPECTS OF ISLAMIC BANKING AND FINANCE (IBF) IN GHANA

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ABSTRACT

This study assesses the potential benefits of Islamic banking and Finance to the government of Ghana. The research is qualitative research that employed semi-structured interview to measure the opinion of a sample of 10 experts within and outside Ghana. The interviewees are experts in Islamic finance, finance in general and related fields, while others were practitioners. The data analysis was done thematically. Prospects of IBF include alternative source of finance, debt portfolio management strategy, employment opportunities, infrastructural development, widening of financial inclusion, attraction of foreign investors, financial diversification tool, financial transparency, Agric and renewable energy development. The findings are indication that the government should expedite actions in designing operational/regulatory framework for IBF to exploit the associated benefits. This work is the first of its kind in adopting written interview to measure the opinions of both local and international experts regarding the opportunities of IBF to the government. This study will contribute to the meager literature on IBF.

Keywords: BoG, IBF, Prospects, Awareness, Ghana.

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1. INTRODUCTION

The following highlights the global geographic distribution of consumers of Islamic finance services: The Gulf Cooperation Council (GCC) area continues to be the biggest buyer of Islamic financial assets worldwide. About 45.4% of all investments come from the Gulf States alone. Following the GCC in terms of investments are the Middle East and South Asia (approximately 25.9% each); Southeast Asia (about 23.5%); other geographical regions, such as Africa and the Western World, account for the remaining 5.2% (BNY Mellon). ICD-REFINITIVE study (2022) on the expansion of Islamic finance states that the worldwide assets of IBF currently stand at \$4 trillion with a 17% annual growth rate. Banking accounts for 70% of the total, followed by Sukuk (18%) and the remaining sectors, 12%. The top three countries with the fastest growth rates, according to the research, are Tajikistan (84%), Burkina Faso (27%), and Ethiopia (26%). While Malaysia, Saudi Arabia, and Indonesia are the top three most developed nations in IBF, Iran, Saudi Arabia, and Indonesia continue to control the majority of IBF's global assets. By 2026, the report's growth value is projected to reach \$5.9 trillion, an increase of over 50% over the previous four years. These statistics demonstrates that non-core IBF jurisdictions like Tajikistan (in Asia), Burkina Faso, and Ethiopia (in Africa) are experiencing the fastest growth rates. Likewise, the United States has a new fintech and the United Kingdom is ranked third globally in Islamic finance.

In the West African sub-region, Ghana, a Muslim-minority nation, has the second-largest economy after Nigeria and borders Burkina Faso Northern part, Togo eastern part, and La

Coted Ivoire in the western part (Abdullahi 2013; Julius, 2022). It is a nation where a variety of different ethnic groups live side by side in a state of largely peaceful cohabitation. The majority of Muslims in the nation are Dagombas (Mole-Dagomba Ethnic group/Tribe located in Northern Ghana). Alhaj Mahamudu Bawumiya, the nation's vice president at the moment, and Honorable Haruna Iddrisu, a former minority leader in the legislative branch of government, are both Mole-Dagomba extracts. Additionally, Muslims make up quite large minorities in some areas of almost all other regions of the country. Despite the aforementioned dynamics and the fact that Muslims make up a sizeable portion of Ghana's population—17%, according to the Ghana Statistical Service's 2021 Census, there is not a single Islamic bank in Ghana, not even in the over 90% Muslim-dominated Northern region.

Many customers were affected by the Bank of Ghana's (BoG) financial sector clean-up activity from 2017 to 2019; some are yet to fully recover from the shock, and some have even lost their lives as a result. This has caused the level of confidence in the industry (pure conventional financial system) to drop precipitously. Some financial institutions, numbering up to 436, were affected by the financial sector clean-up activity. Eight banks, 23 savings and loans organizations, more than 400 microfinance organizations, and five banks that the regulator merged to establish one bank are the specifics of the affected organizations (Graphic Online, 2022).

The BoG is the nation's central bank, and it oversees and regulates all matters pertaining to banking and non-banking financial industry. The Bank of Ghana is the only organization in

the nation that can grant licenses for banks to operate after it is satisfied that an institution satisfies the requirements to qualify an institution to operate as a bank, in accordance with the new banking Act known as the Banks and Specialized Deposit Taking Institutions Act 2016 (Act 930), “Licensing authority of Bank of Ghana: The Bank of Ghana shall have the sole responsibility for the issuance of licenses to banks and specialized deposit taking institutions”. Banks, Savings and Loans, Finance Houses, Leasing Companies, Finance and Leasing Companies, Mortgage Finance, Remittance Companies, Microfinance Institutions, Financial NGOs, Forex Bureau's, Microcredit Institution, Rural and Community Banks, Representative Offices in Ghana, and Other Banks make up the country's financial landscape. The BoG now has 23 banks registered and licensed to do banking business in the nation (BoG, 2020).

The country is today struggling with a high level of debt that is in part due to compound interests, which are the foundation of the conventional financial system. For instance, the entire public debt stock increased from US\$ 45.6 billion (representing 67.55% of GDP) in the middle of 2020 to US\$ 57.9 billion (representing 76.4% of GDP), according to the Bank of Ghana report for the first half of 2021 (BoG, 2021). According to the finance minister, Offori-Atta (2021), Ghana’s debt stock stands at 80.1% of Gross Domestic Product (GDP). This includes GHS 170,009.8 million (US\$ 28,339.2 million) of foreign debts and GHS 181,777.2 million (US\$ 30,300.8), making a total of GHS 351,787.0 million (US\$ 58,640.0 million). The external debt alone comprises about 48.3% of the total debt stock. He also reported that Ghana has issued about 16 Eurobonds since 2013 in order to solicit funds for the development of the nation. This

shows the relevance of bonds in the debt stock of Ghana. Tax revenues alone cannot be relied upon.

However, it is important to note that there have been and continue to be initiatives to establish an Islamic bank in Ghana. The Islamic Finance Research Institute of Ghana (IFRIG), a registered institution, has taken it upon itself to engage in a series of sensitization programs, such as publications, seminars, webinars, forums, and conferences, to discuss issues relating to Islamic finance/banking in Ghana. For instance, the institute has been able to host numerous monthly webinars and international conferences since its founding in 2019.

The Muslim Ummah Development Initiative, Ghana (MUDI), which was founded in 2014 to economically empower Muslims, is another significant organization that is actively promoting the use of Islamic financing in Ghana. They have successfully introduced substitutes for traditional financing products. MUDI co-operative societies are example. Here, a group of ten or more people gather to contribute to a pool and make interest-free loans to one another. Another product is MUDI farms, whose major goal is to give Muslim investors a chance to make substantial investments in agricultural goods such as grains, cash crops, and cattle. For this, 2,195 acres of land have been acquired. The MUDI HAJJUMRAH, which provides Muslims with hajj and umrah services as well as Islamic tourism in a distinctive style. One example of a specific service offered is HHAJJUMRAH Invest, which aims to give Muslims the option to undertake the hajj or umrah but cannot immediately raise the necessary cash. In order to receive monthly payments from customers for a predetermined time during which the investor

wants to make the hajj or umrah, a *murābahah* savings account is established. The extra money is returned to the investor if the hajj expenses turn out to be less than the entire deposits plus accrued profit. MUDI *Shari'ah* advisory council supervises the activities of the institution to make sure their operations and products are in line with the tenets of Islam. (MUDI Ghana, 2021).

The recognition of non-interest banking, as outlined in the new banking laws, the Banks and Specialized Deposit Taking Institutions laws 2016 (Act 930), represents yet another enormous step towards the establishment of Islamic banking in Ghana. The BoG included non-interest banking clause in this statute, which is covered in Section 18(r) of the statute, though still needs clarification. The absence of a thorough framework by the BoG to direct the execution of this provision, however, is one of the major obstacles to the implementation of this Act. This demonstrates that Ghana's regulations are not particularly hostile to the introduction of Islamic banking there.

In view of this, this study aims at bringing to light the awareness level of IBF and its potential benefits to the Ghanaian government. The paper seeks to answer the following questions:

What is the awareness level about IBF in Ghana?

What potential benefits can the government of Ghana derive from IBF implementation?

The sections that follow after the introduction are literature review, the methodology, the results, discussion, conclusions and recommendations.

2. REVIEW OF LITERATURE

2.1 Theoretical Framework

Vinz (2014) claims that the theoretical framework is typically created based on the issue statement, research questions, and literature review and that it offers the structure to make it easier to evaluate and generalize findings. This section provides a succinct overview of forcefield analysis and how it was used in this study to tackle the research problem. Kurt Lewin's theory of force field analysis, which postulates that the interaction of opposing and supporting elements creates an equilibrium position during the process of change, serves as the foundation for this research. According to proponents, the first application of this theory was to an organization's management of change.

The concept of “unfreeze-alter-refreeze” is born in this situation. People frequently exhibit resistance to change, therefore applying a change process requires caution if it is to be effective. The nature of force field theory is dynamic rather than fixed (Swanson and Creed, 2014). Nantogmah (2017) used the notion of forcefield analysis to analyze the potentials and challenges of IBF in Ghana from a social science approach. This suggests that the theory is more general than just organizational management approach. The diagram that follows is an illustration of the theory of forcefield analysis.

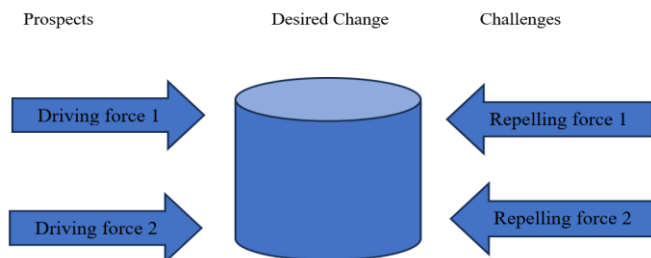


Figure 1. Diagram of Forcefield Analysis
Source: Authors' construct, 2023

The opportunities and benefits that the Ghanaian economy will experience if it changes the financial laws to include IBF in the nation are seen by the researchers as the driving forces in this study's force field analysis, while the obstacles that might prevent the country from making these changes are seen as the repelling/opposing forces. In spite of the many potential advantages, the country will encounter opposition because it is a secular state with a predominately Christian population. Baber (2018) and Rashid, Yousaf & Khaleequzzaman (2017) have all confirmed the value of Islamic banking over the conventional in terms of products.

2.2 Conceptual Literature Review

In many ways, conventional banking and Islamic banking are identical. As an illustration, both strategies try to transfer money from people who have extra to others who urgently need it. Islamic banking is one of the most crucial elements of Islamic finance. It is sporadically used interchangeably with the

term "Islamic Finance." A segment of finance that adheres to Islamic principles. Islamic finance has existed since the time of the Prophet Muhammad (PBUH), despite the common perception that it is a relatively recent alternative source of funding to the conventional financial system. Shariah (Islamic law) is the foundation of Islamic finance. The fundamental principles of IBF are Wealth must be produced through legal trade and an underlying asset; Consideration of public interest; Profit/loss sharing; and Abstinence from forbidden activities (Institute of Chartered Accountants, Ghana, 2019)

Generally, payment and reception of interest (*ribā*) is not permitted in Islāmic finance. This is confirmed in several parts of the Qur'ān such as (Al-'Imrān, 3:130); Qur'ān (Al-Nisā, 4:161); Qur'ān (Al-Rūm, 30:39). The gravity of the sin in interest related dealings is as if the dealer is engaging Allah and His Messenger in a war fare, O you who believe! Be afraid of Allāh and give up what remains (due to you) from *Ribā* (usury) (from now onward), if you are (really) believers. And if you do not obey, then prepare for war against Allāh and His Messenger (peace and blessings be upon him) Qur'ān (Al-Baqarah, 2:278-279). Apart from the Quran, the other Abrahamic religions warn against interest dealings like Exodus 22:25, Leviticus 25:36-37, Deuteronomy 23:19-20, Nehemiah 5:7&10, Psalms 15:5, Proverbs 28:8, Isaiah 24:2, Jerimiah 15:10-20 and Ezekiel 19:8.

2.3 Empirical Literature Review

2.3.1 Potentials and Challenges of IBF in the West

Shabbir and Rehman (2019) used the distribution of 132 questionnaires to investors in Islamic financial institutions to validate the existence of opportunities and challenges in Islamic

banking. The results showed that compared to the positively significant of the other two variables, opportunities and challenges, threat as a variable was inconsequential to investors' portfolios. The data are analyzed using the list significant difference (LSD) method of multiple regressions. Unfortunately, the survey did not include non-Islamic financial institutions, where there are many misunderstandings concerning IBF. However, in terms of the challenges and opportunities of Islamic banking, the conclusions were in agreement with those of other academics.

In an effort to evaluate the perspectives of important IBF stakeholders on the actual state of IBF in the UK, Riaz, Burton, and Monk (2017) found that there has been progress despite some obstacles like difficult terminologies, lack of internet banking, a lack of branch networks, and ineffective marketing tactics. They reach these conclusions by contrasting the viewpoints of important participants, including specialists, clients, and employees. In the context of Ghana, the current study seeks to use a similar methodology. However, the lack of Islamic banks in Ghana makes it necessary to measure the sentiments of experts in the field finance.

The West is witnessing growth in IBF performance compared to other jurisdictions despite the Muslim minority. In order to determine whether there is geographical variance in Islamic banking performance, Jawadi, Jawadi, Ameer, and A Cheffou (2017) used daily data as well as two performance ratio proxies (ROA (Return on Asset) and Tobin Q). The results showed that there are differences in performance, with the West displaying the highest performance. Even though the West has a minority

Muslim population and is not one of the primary IBF jurisdictions, the IBF is nevertheless making progress. This methodology might not be appropriate for investigations of a comparable nature in nations lacking even a single Islamic bank. This is the justification for the current study's qualitative methodology.

In order to develop a thorough grasp of the lessons and challenges of IBF, related studies published in highly regarded journals were reviewed by Narayan and Phan (2019). They discovered that six theme areas—Islamic bank performance, equities market performance, asset pricing, Islamic bonds, market interactions, and ethical issues in Islamic finance—are heavily referenced in the works. Performance of Islamic banks is the most current topic, followed by stock market performance, asset pricing, and market interaction, with Islamic bonds receiving the least amount of research. The current study does not fall exactly within any of the thematic areas.

IBF shown perseverance in the face of adversity throughout the global financial crisis and the 2019 pandemic. According to Hassan, Rabbani, and Ali's (2020) critical analysis of the financial sector's difficulties caused by Covid-19 and the contribution of Islamic banking to the development of a secure financial system after Covid, argue that Islamic Fintech innovation can create an environment that is favorable for the growth of IBF institutions and their capacity to compete with conventional banks.

2.3.2 Potentials and Challenges of IBF in Africa

Out of the four elements discovered in Nigeria, Ezeh and Nkamnebe (2020) identify Islamic ethics and knowledge of

Islamic bank services as the aspects that demonstrate substantial importance in the decision to choose Islamic banking. The study's goals are to develop a module for choosing Islamic banking and to evaluate the importance of the main influencing factor. This goal is accomplished by asking a sample of 348 clients of conventional and Islamic banks five-point Likert-type questions. The current study, which examines potential opportunities of Islamic banking, uses interview guide to target experts instead of customers.

Aliyu (2020) asserted that the challenges confronting Nigeria in the implementation of Islamic finance are unique as compared to those in the Asian and Middle Eastern worlds that have passed the advocacy stage and are now in the research and innovation stage. He concluded that there are abundant opportunities Nigeria can tap from Islamic banking, such as cross-border capital, advancement of the financial market, high financial inclusion, monetary policy effectiveness, and reduction of the unemployment rate. He admitted, however, that there are challenges to Islamic banking operationalization confronting both regulators and investors. The paper further recommended that Nigeria could realize its dream of becoming the hub of Islamic banking if the government fine-tunes its regulatory framework to match global standards. This recommendation agrees with the findings of Mulli (2020).

A descriptive study conducted by Ogunbado, Ahmed, and Abubaka (2017) on the opportunities and challenges of Islamic finance in Nigeria found that the establishment of Islamic finance institutions is an opportunity to reduce the rising unemployment situation in Nigeria. They also highlighted that

Islamic banking will be an opportunity to strengthen the religious practices of adherents. Another opportunity is the availability of viable alternative banking to compete with conventional banks that largely extort customers due to the interest component. This is what current study wants aims to explore in the case of Ghana.

2.3.3 Potentials and Challenges of IBF in Ghana

Possuma, Appiah, and Hilmiyah (2018) conducted research on the factors that influence IBF adoption in Ghana among the various religious groups and discovered that perceived knowledge, perceived benefit, perceived innovativeness, perceived religious promotion, customer's attitude, and readiness to follow sharia are the most important factors. However, religious coloration is a potential barrier to IBF adoption in Ghana. They adopted a quantitative approach to make their findings more practical to use while the current study adopts qualitative approach, seeking further elaboration on their finding of perceived benefit as an influencer of Islamic banking.

Mbawuni and Nimako (2019), elaborating on the factors found by Possuma et al (2018) report that both Muslims and non-Muslims in Ghana have favorable perceptions of the advantages of Islamic banking and are eager to use the services. IBF is not viewed by non-Muslims as posing a danger to the Ghanaian banking system. Non-Muslims are, however, hesitant to abide by Islamic law, and as a result, have less interest in IBF investment packages. Additionally, they know very little about IBF as a discipline. By distributing structured questionnaires to

a sample of 975 people and using SPSS version 16 to analyze the data, Mbawuni and Nimako arrived at this conclusion.

Establishing Islamic Banking and Financing (IBF) In Ghana: Issues, Challenges, And Prospects by Ussif and Yussif (2020) revealed the following facts: there are opportunities for IBF to reach Ghana's sizable unbanked population; Islamic banking is non-discriminatory; global growth; improvement of financial inclusion; promotion of foreign and local investment; CSR; and Ghana has the potential to become the hub of IBF in Africa. Potential obstacles include a lack of understanding of IBF, a lack of legal and regulatory frameworks and policies, and a lack of public awareness of IBF. To get the aforementioned conclusions, they use secondary data sources by looking over relevant literature on the subject in other jurisdictions and then analyze it. The current study attempts to employ primary data to answer the research questions.

2.4 Conceptual Framework

The following chart represents the conceptual mechanism for the easy comprehension of the research topic and problem.

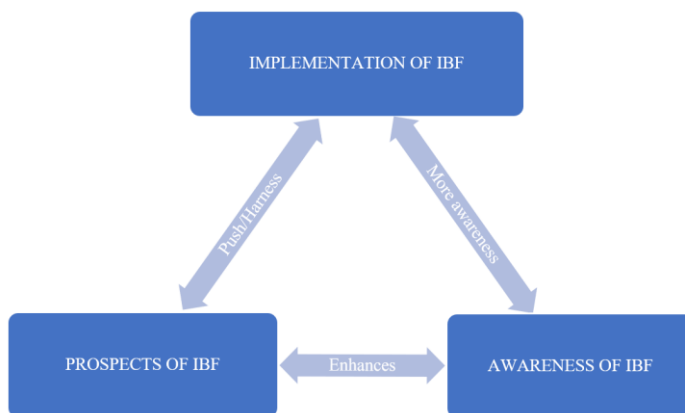


Figure 2. Conceptual Framework
Source: Author's construct, 2023

The diagram above shows that IBF opportunities push for implementation, likewise implementation will take advantage of the opportunities. Also, increase in awareness call for implementation, likewise implementation will increase awareness level. Finally, IBF prospects enhance awareness, and likewise awareness enhances the prospects of IBF.

3. RESEARCH METHODOLOGY

3.1 Research design

The researchers were guided by the interpretivism philosophy of research as a qualitative study, which requires the non-objective interpretation of the researchers to obtain more comprehension and insight about the perceptions of respondents. The study used an explorative type of research design. The design was adopted since the subject area is

relatively new in the realm of academics and in the context of research, Ghana. Selvanathan, Nadarajan, and Suppramaniam (2018) tip exploratory design as the best for research in Islamic Banking. The researchers employed an inductive approach among the several existing research strategies in academia since the study is an exploratory type. Awwad, Razia, and Razia (2024) adopt an analytical and inductive strategy in researching the challenges and obstacles to issuing Islamic Sukūk in Palestine. The research is a cross-sectional study that involves data collection from sources according to stipulated timelines set for the study.

3.2 Target population

The population of this study are experts in Islamic finance, finance in general and related fields. The experts were mainly recruited from universities, research institutions, professional bodies and Investment institutions. They were targeted because of their perceived familiarity and adequate knowledge about the subject matter.

3.3 Sample Frame

This study has the sample frame as Institute of Chartered Accountants, Ghana (ICAG), Muslim Ummah Development Initiative, Ghana (MUDI), Islamic Finance Research Ghana (IFRIG), University of Ghana Business School (UGBS), Kwame Nkrumah University of science and Technology School of Business (KSB), University for Development Studies (UDS) and International Institute of Islamic Banking and Finance - Bayero University, Kano (IIBF-BUK).

Sampling Technique: The sampling techniques adopted were purposive, convenience and snowball. The participants in the

sample were selected based on their knowledge, availability and willingness to participate. Thomas (2022) considers purposive sampling to provide the best results for qualitative studies in the social sciences when compared to random sampling. The researchers contacted experts personally, and the majority of them via phone call or WhatsApp, to inform them about the topic of study prior to the data collection date. Some of the contacted participants also recommended others for possible recruitment.

3.4 Sample Size

An estimated 12 experts were scheduled to be interviewed for their opinions on IBF in Ghana but 10 responded. Nantogmah (2017) also administered 12 semi-structured interview guides to interviewees to elicit their views in accessing the opportunities and challenges of Islamic banking in Ghana. Moreover, Dworkin (2012) suggests that an ideal sample size for an interview falls between the range of 5 and 30 interviewees to avoid saturation.

3.5 Data Gathering Tools and Strategies

This study relies on qualitative data that is obtained from primary sources. The data collection instruments employed is a written interview guide. The questions were both open-ended and closed-ended questions. They were designed based on modified data collection tools from similar studies, such as Nantogmah (2017), under the guidance of experienced researchers in the field of IBF.

The validity of the data gathering tools were enhanced by engaging in pilot testing of the instruments before the actual administration. This helped in addressing challenges in the

research instruments such as ambiguities, provocative questions, errors, and omissions. This is in line with the view of Saunders and Bezzina (2015). Keshminder, Abdullah, and Mardi (2022) solicited the opinions of experts with the aid of interviews to study the performance and challenges of *Sukūk* in Malaysia.

Google Forms were leveraged on by the researchers in administering the data collection tools to the respondents due to its future prospects for qualitative research (Opara, Pangsdorf, and Ryan, 2023). It was set to make it impossible for one respondent to respond more than once. Also, the interview link was selectively shared with participants via their private WhatsApp lines.

For ethical reasons, respondents in this study are assured of utmost confidentiality in their responses and opinions expressed in the research work. They are also informed that the research is for academic purposes. Moreover, personal details of participants such as names, income levels, date of birth, place of birth, height, complexion, etc. were not included in the demographic measurements.

The researchers also complied with all the ethical guidelines prescribed by the IOU research department and Islamic tenets. This enabled respondents to be open-minded and free in expressing their opinions devoid of bias or fear, which added strength to the findings. Codes were used to codify the interviewees instead of names or other confidential details that can compromise confidentiality, and also for the purpose of data analysis and discussion.

3.6 Data Analysis Methods

According to Cooper and Schindler (2014), data analysis refers to the organization, arrangements, and explanations of respondents' responses to make sense, taking into consideration the patterns, regularities, categories, and themes. The open-ended aspects of the interview were analyzed thematically. Thematic analysis is qualitative data analysis that involves six-step processes after transcription, in the case of voice data. The steps are data familiarization, data coding, searching for themes using codes, theme review, labeling and definition of themes, and finally drafting the report (Islam and Aldaihani, 2022). Thematic analysis is the most widely used analysis method in qualitative data (Kiger and Varpio, 2020; Islam and Aldaihani, 2022).

4. RESULTS AND DISCUSSION

This section analyzes the responses of interviewees under the following guidelines: demographics and experts views about the awareness and potential benefits of IBF to the government of Ghana.

4.1 Experts' Background

Table 7. Highest Academic Qualification

Qualification	Frequency	Percentage
PhD	4	40%
Masters	5	50%
Postgraduate Diploma	1	10%
Total	10	100

Source: Field data, 2022

From the table above, the majority of interviewees have had an advanced academic qualification, as 9 out of the 10 respondents have acquired PhD and master's degrees, representing 90 percent of the total number of experts interviewed. Only one, representing 10% of the respondents, has a post-graduate diploma; however, it is important to mention that he is a veteran journalist reporting on Islamic finance in West Africa, which the research jurisdiction is part of. The academic background and experience of experts show that they are qualified to be interviewed on the subject matter. Moreover, aside from the respondents' academic qualifications, a good number of them are professionals from ACCA and ICAG.

4.2 IBF Awareness Level in Ghana

Table 8. Awareness about IBF in Ghana

Awareness level	Frequency	Percentage
Very High	0	0%
High	2	20%
Medium	3	30%
Low	4	40%
Very low	1	10%
Total	10	100

Source: Field data, 2022

From the table above, 2 out of the 10 interviewees representing 20% rate the advocacy of IBF in Ghana as high, 3 interviewees out of the 10 representing 30% rate it as medium, 4 interviewees representing 40% rate it as low, and the remaining 1 representing 10% rate it as very low. Thus, the majority of the respondents rate awareness as low or very low. None of the

interviewees rate it very highly. There is a need for more advocacy about IBF in Ghana, as low awareness is identified as one of the causes of the slow growth of the IBF market in core IFB nations (Jahan, Muneeza, and Baharuddin, 2021). This can be related to the repelling forces in force field analysis theory that oppose to institution of change, and that need to be restrained/freeze for the introduction of change.

4.3 Potential Benefits of IBF to the Ghanaian Government

The following table (in appendix) is a representation of the views expressed by experts with regards to some of the potential opportunities IBF can make available to the government of Ghana. The analysis of the data is done under the themes infrastructure (red), employment (green), MSMEs funding (blue), financial inclusion(brown), debt management (yellow), broadening of financial system (violet) and other miscellaneous benefits(black). A theme with a frequency response of 8 – 10 is grade as typical; 6-7 is graded general; 3-5 is average and 1-2 is rare.

4.3.1 Infrastructure:

From the responses above, the interviewees typically articulated that, IBF can help the government of Ghana build more infrastructure in the country. Most of the loans in Ghana are for capital consumption such as roads, dams, schools, power plants, vehicles, hospitals, etc. They propose Sukūk bonds as an alternative source for the government to leverage for infrastructure development since the country is facing a deficit in infrastructure. For example, one of the interviewees responded, "Infrastructure development through Sukuk Issuance". In Nigeria, the DMON (2023) has hinted at the

construction and rehabilitation of more than 75 roads and bridges across the country, financed from the sukuk, since 2017. This opportunity can be regarded as one of the key propelling factors in force field analysis theory that instigates change in the change process.

4.3.2 Employment

Interviewees also averagely believe that IBF can aid the government in fighting the current high rate of unemployment in Ghana. This will also help alleviate poverty, as people will have income to spend to boost economic activity. The responses above indicate that about three of the respondents believe that IBF can create direct and indirect employment opportunities when regularized in the country. In this sense, prospective investors or entrepreneurs without funds can have an alternative, cheaper source of funding to establish their businesses, and existing ones can also access funds from IBF to expand and employ more hands to help in running their businesses. An interviewee recounted that IBF would create an opportunity for employment as "Opportunity for more jobs for the unemployed". IBF institution establishments will also serve as a source of employment as skilled and unskilled staff will be required to operate successfully, as in the findings of Oumaima and Haf (2021). Moreover, this opportunity can be regarded as one of the averagely propelling factors in force field analysis theory that instigates change in the change process.

4.3.3 Support for MSMEs

Interviewees also rarely opine that IBF can serve as an alternative source of funding to support Micro, small, and medium-scale enterprises at a relatively cheaper cost or with no collateral security. For instance, contracts like Mudārabah only

require the entrepreneur to have expertise, and the funding will be provided by the institution. A survey conducted among MSMEs in Ghana indicates that 90 percent of them are in need of funds to start or expand their ventures. Moreover, Kusi et al (2015) hint that the majority of MSMEs lack qualified personnel, have no reliable access to funding, and are usually self-financed. Not only MSMEs can be supported by IFB, the larger corporations as well. For instance, an American aviation corporate, Air Lease Corporation has succeeded in issuing a *sukūk* to the amount of \$600 Million (Bank ABC, 2023). This benefits the government in terms of corporate taxes and employment opportunities.

4.3.4 Financial Inclusion

Financial inclusion is easy access to funds at an affordable rate in a sustainable manner (WBG, 2021). Experts interviewed averagely tip IBF as a tool to leverage by the government through BoG's agenda to widen financial inclusion to capture the larger unbanked society, especially the informal sector. One of the interviewees stated that Islamic banking will attract more Muslim investors, "high patronage of Muslims in banking activities".

According to Jahan et al. (2021), mobile *waqf sukuk* can be utilized to entice institutional and individual investors—some of whom might not even have bank accounts—to make investments through mobile phones, which are not always smart phones. With the collaboration of important financial sector key stakeholders such as the BoG, SEC, Ministry of Finance, the legislature, service providers, and other pertinent stakeholders, these kinds of *sukūk* can be created. This opportunity can be regarded as one of the propelling factors in

force field analysis theory that averagely instigates change in the change process.

4.3.5 Broaden the Financial System

Experts also rarely argue that the IBF will help broaden the financial architecture of Ghana. Since IBF has now been integrated into the global financial system and is patronized by advanced economies, an economy without IBF can be described as having an incomplete system. The decision by governments to use *sukuk* to finance public projects is viewed by Shawaqfeh (2019) as a radical move that completes the financial system architecture since the Islamic Financial Market does so. DMON (2023) indicated the ability of sovereign *sukuk* listings on the secondary market to provide diverse financial opportunities for investors.

4.3.6 Debt Management Tool

From the table, experts generally also opine that the government can take advantage of IBF contracts to manage its ballooning debt stock. The country is currently saddled with a high debt rate, which has compelled it to surrender to the IMF for a bailout. One of the experts stated that "The ability to manage the financial needs of the government with less borrowing"; yet another also argued in favor of the interest-free nature of IBF. IFRIG (2023) argues that some of the IBF contracts and products, such as *sukuk*, can be utilized as an option to restructure the debt composition with little to no interest payments. Nigeria has an amount of N742.557 billion in sovereign *sukuk* issuance as part of its debt stock, as highlighted by the DMO of Nigeria. This chance can also be regarded as one of the pushing factors in force field analysis theory that generally influences change in the change process.

4.3.7 Other Benefits

Experts also generally highlighted other miscellaneous benefits that the government can earn from IBF, such as financial diversification tools, the ability to meet the financial needs of the government, alternative sources of financing, financial transparency, agricultural and renewable energy development (via green sukuk), the attraction of foreign direct investment into the country by attracting investment capital from the Muslim majority countries, unlocking cash from existing government assets for new projects, etc. For example, Malaysian sukuk issuance attracted Middle Eastern investors, as reported by Shawaqfeh (2019).

5. FINDINGS

Firstly, from a demographic perspective, despite the high population of females compared to their male counterparts per the 2020 National Population and Housing Census, the majority of respondents are male. Similarly, the majority of respondents are adherents of the Islamic religion, despite the fact that about 70 percent of Ghana's population are Christians per the census. Secondly, on the awareness of IBF in Ghana, the awareness level is still low, though there might be an improvement compared to previous findings due to the recent activities of advocacy by proponents of IBF in Ghana.

The analysis and discussion concerning the prospects of IBF to the Ghanaian economy reveal alternative sources of finance and savings; debt portfolio management strategy; employment opportunities; infrastructural development; creation of employment opportunities; widening of financial inclusion; attraction of foreign investors; financial diversification tool;

ability to meet the financial needs of the government; financial transparency; agricultural and renewable energy development (via green *sukūk*) as some of the benefits the Ghanaian economy can benefit from IBF implementation.

6. CONCLUSION AND RECOMMENDATIONS

The Ghanaian government can turnaround the economy of Ghana by implementing IBF to enjoy benefits such as broad financial system, a viable way of managing national debt, means of widening financial inclusion, the attraction of foreign investors, poverty alleviation, infrastructure development, and a reduction in unemployment. Other benefits include financial diversification tools, the ability to meet the financial needs of the government, alternative sources of financing, financial transparency, agricultural and renewable energy development (via green *sukūk*). There will be drastic decline in serious crimes such as arm robbery, illegal substances/ drags and money laundry due to the principles of IBF.

The outcome of the research indicates that the Ghanaian government, stands a chance of benefiting from IBF, however, the awareness level is still low in the country. There is a need for more education on IBF since the awareness level is still low. The governments should engage experts to educate key government officials and private sector businesses on the operations of IBF and Islamic finance in general. Sponsored Courses should be mounted at the higher learning institutions on IBF; workshops can also be organized by universities for business studies lecturers to update their knowledge on the principles of IBF.

The government of Ghana can also consider how it can use IBF products such as *sukūk* at the domestic or international level to help reduce the country's ballooning debt. It is possible for countries without any solid Islamic finance regulations to benefit from IBF, provided the basic principles of IBF are adhered to. This will be easy at the international stage; domestic issuance may require the adoption of a legal framework from another neighboring West African country, such as Nigeria, which has issued *sukūk* for the fourth (4th) time and has a full-fledged Islamic bank and windows. Also, *Salam sukūk* (a forward funding contract for agricultural produce) can help the government's planting for food and jobs agenda. The unemployed youth who wish to go into farming but lack the needed capital can benefit from *salam sukūk*. Existing farmers can also access *salam sukūk* to expand production. This can help boost production to meet local demand and for export. This can also help reduce the importation of some food items, which puts more pressure on the dollar and the subsequent persistent depreciation of the cedi.

Future researchers can focus on how these opportunities can actually be exploited through IBF. Also, the outcome of this study should be implemented with caution since all respondents were Muslims. Future studies should try to interview non-Muslim finance experts.

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APPENDIX

Table 9. Potential Benefits of Islamic Banking to the Ghanaian Government

Themes	Frequency
<p>Infrastructure:</p> <p>Respondent 1: Infrastructure development</p> <p>Respondent 3: infrastructure development through Sukuk Issuance</p> <p>Respondent 5: infrastructure project funding</p> <p>Response 4: Infrastructure development at least cost</p> <p>Respondent 3: Unlocking cash from existing Government Assets for new Projects etc.</p> <p>Respondent 8: especially for infrastructure projects using the Sukuk also called Halal Bonds</p> <p>Response 8: most of the loans contacted are for Project Financing</p> <p>Respondent 9: Project financing, etc.</p>	<p>Typical</p>
<p>Employment:</p> <p>Respondent 1: job creation</p>	<p>Average</p>

<p>Respondent 3: Reduction of Poverty due to direct link of development projects with finance sector</p> <p>Respondent 6: Opportunity for more jobs for the unemployed</p>	
<p>MAMEs funding:</p> <p>Respondent 1: MSMEs development</p> <p>Respondent 7: empowering citizens with capital for their businesses with no interest rates.</p>	Rare
<p>Financial inclusion:</p> <p>Respondent 2: promoting inclusivity</p> <p>Respondent 3: Financial Inclusion</p> <p>Response 6: high patronage of Muslims in banking activities.</p>	Average
<p>Debt Management:</p> <p>Respondent 4: Easy access to funding Reduced "interest" payments</p> <p>Respondent 5: Addressing public sector funding gaps via sukuk issuance</p> <p>Respondent 6: accessibility to interest free loans</p> <p>Respondent 8: Using IBF will also reduce the debt servicing cost</p> <p>Respondent 7: The ability to manage the financial needs of government with less borrowing</p>	General

<p>Respondent 9: Debt management through the use of Sukuk</p> <p>Respondent 8: Islamic finance can serve as an alternative form of Financing</p>	
<p>Broadening of Financial System:</p> <p>Respondent 2: Broaden financial solutions</p> <p>Respondent 8: Diversification tool for Government as Government will (have) a basket of Financing options in the form of noninterest finance and interest base</p>	<p>Rare</p>
<p>Other Benefits:</p> <p>Respondent 3: attraction of Foreign Direct Investment into the Country by attracting investment capital from the Muslim Majority Countries.</p> <p>Respondent 5: issuance of Green Sukuks for funding projects aimed at addressing climate change impact adaptation and mitigation, funding primary agricultural and agribusiness, renewable energy projects, etc.</p> <p>Respondent 6: Great transparency will be achieved in financial transactions so that no party will cheat the other.</p> <p>Response 6: risk sharing between parties in businesses:</p>	<p>General</p>

<p>Response 9: Considering amount of research done on the 2008 global financial crisis indicates that Islamic finance assets were not affected. This is because of the asset backed feature of Islamic finance</p> <p>Respondent 10: Good</p>	
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Source: Field data, 2023