

Women empowerment through Islamic banking and finance

July 15, 2013

Dr Humayon Dar



There is no gain saying that Islamic banking and finance has provided ample opportunities for women to excel in their professional life. There is a growing band of women professionals who have and are actively contributing to the development of Islamic finance in their own right.

The role of women in Islamic finance has never been more prominent than in Malaysia. Malaysian women have not only set the pace to occupy high positions in Islamic banking but have been playing a prominent role in the overall development of Islamic finance.

In an article published in the February issue of ISFIRE, a quarterly magazine published by the London-based Edbiz Consulting Ltd, a list of 20 top women in Islamic finance was published, out of which 15 happened to be Malaysians.

Heading the list is Dr Zeti Akhtar Aziz, governor of Bank Negara Malaysia (BNM), where she has inter alia put Islamic finance firmly on the global radar through her work in Malaysia as well as at the international front.

But what really stood out the most is that the list includes some other exceptionally talented Malaysian women whose real potential has yet to be realised and acknowledged.

Some of the better recognised women figures are Engku Rabiah Adawiah Engku Ali, a professor of law at International Islamic University Malaysia, who has inspired a whole generation of women Shariah scholars, and Raja Teh Maimunah Raja Abdul Aziz, CEO of Hong Leong Islamic Bank Bhd.

Very few people, however, would know Dr Wan Nursufiza Wan Azmi, head of strategy and policy development at Asian Institute of Finance, whose book on Islamic banking and finance has been published in three different languages. Without a doubt the list of successful women in Islamic finance in Malaysia is non-exhaustive.

All these success stories reflect the government's commitment to develop a talent pool for the Islamic financial services industry. The newly created Finance Accreditation Agency by BNM and Securities Commission Malaysia is another milestone for Malaysia towards

enhancing the quality of talent in the financial services industry, with its first year focus on Islamic banking and finance.

Although women have excelled in the Islamic financial industry, only a handful of them hold senior positions. In the Middle East, preconceived ideas on the role of women in the society is still plaguing the industry although positive changes have slowly begun to filter their way into the mindset of the society at large.

This Saudi phenomenon offers a different challenge for women. Here, gender separation is entrenched as part of the culture, thus empowering women through greater participation in the workforce becomes a daunting but not impossible task.

Unbanked than men

Employment of women provides Islamic banks a choice: Either to employ women for lower wages (as has been the case in many other sectors) and improve their cost efficiency; or empower women by offering them employment on equal opportunities and grounds.

Women's participation in Islamic finance should, however, be viewed in a wider context. The role of women in economic development has traditionally taken a back seat.

As with many developing countries, women in Malaysia are still hugely under-banked or unbanked than men. Islamic banks can leverage on their women work force to promote participation of those financially excluded women through mobilisation of savings and easier access to credit.

This will have an effect of bringing them into the formal banking net and tackling financial exclusion issues.

Ladies branches that have proven to be very successful in Saudi Arabia, can be emulated by Islamic banks in Malaysia.

The proposed ladies branches may also provide a full package of banking, beauty and health services so as to meet the requirements and needs of women customers.

The Dubai Islamic Bank (in the United Arab Emirates) has targeted this niche area by developing Johara banking for ladies and has gone a step further by offering women-focused financial products such as beauty, health and shopping benefits.

The ladies only branches can also house children nurseries for the working women, an area that is bound to be extremely profitable in a country like Malaysia.