



# Islamic finance and the plural financial market

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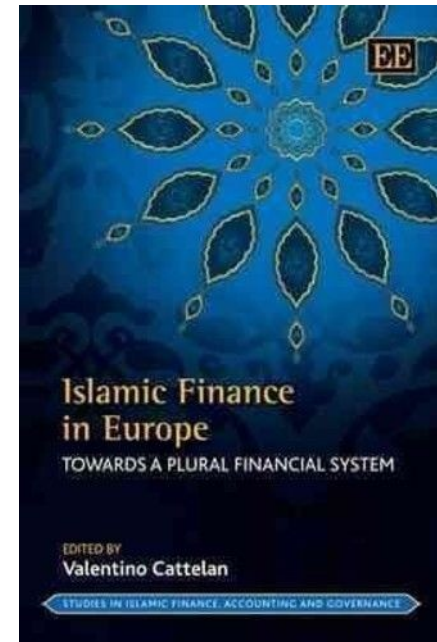
## ***Integrating Islamic Finance in the EU Market***

Jean Monnet Programme, Grant Decision 2010-3566

- European Commission, DG Education & Culture
- University of Rome Tor Vergata
- period of 3 years: 2010-2013

## ***>>> Islamic Finance in Europe: Towards a Plural Financial System***

Edward Elgar Publishing (2013, ed.)



## The *plural nature* of Islamic finance

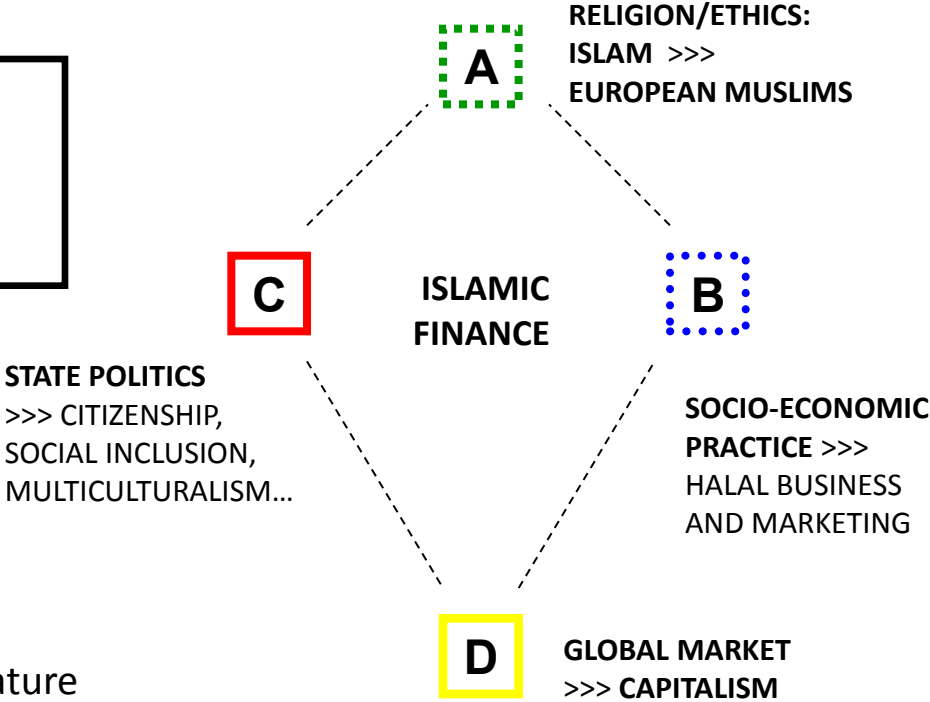


## Islamic finance is a transnational market

- currently developed at a **global stage**
- which is geographically localized within some major **nation states (in Europe: the UK)**,
- whose **practice** involves a **multiplicity of actors**, both international and local, as well as public and private,
- whose **theory** has its background in **Islamic economics**, upholding *shari'ah* as the “**right path**” for commercial transactions



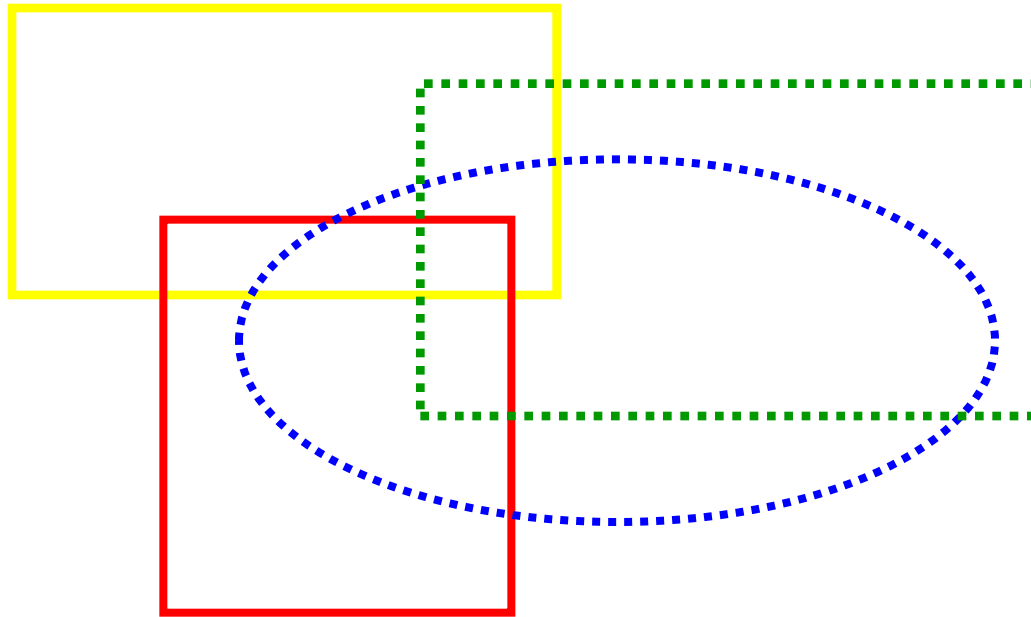
**THE KITE  
OF ISLAMIC FINANCE**



>>> polycentric nature  
of the Islamic financial market,  
involving aspects related to

- .....
- .....
- 
- 

- (A) *shari'ah* / Islam
- (B) socio-economic practice
- (C) national policies (regulation, economy)
- (D) the globalisation process



**GOVERNING THE KITE OF ISLAMIC FINANCE ...**



**The “Islamic corner” of Islamic finance:  
the need for a *plural financial regulation***



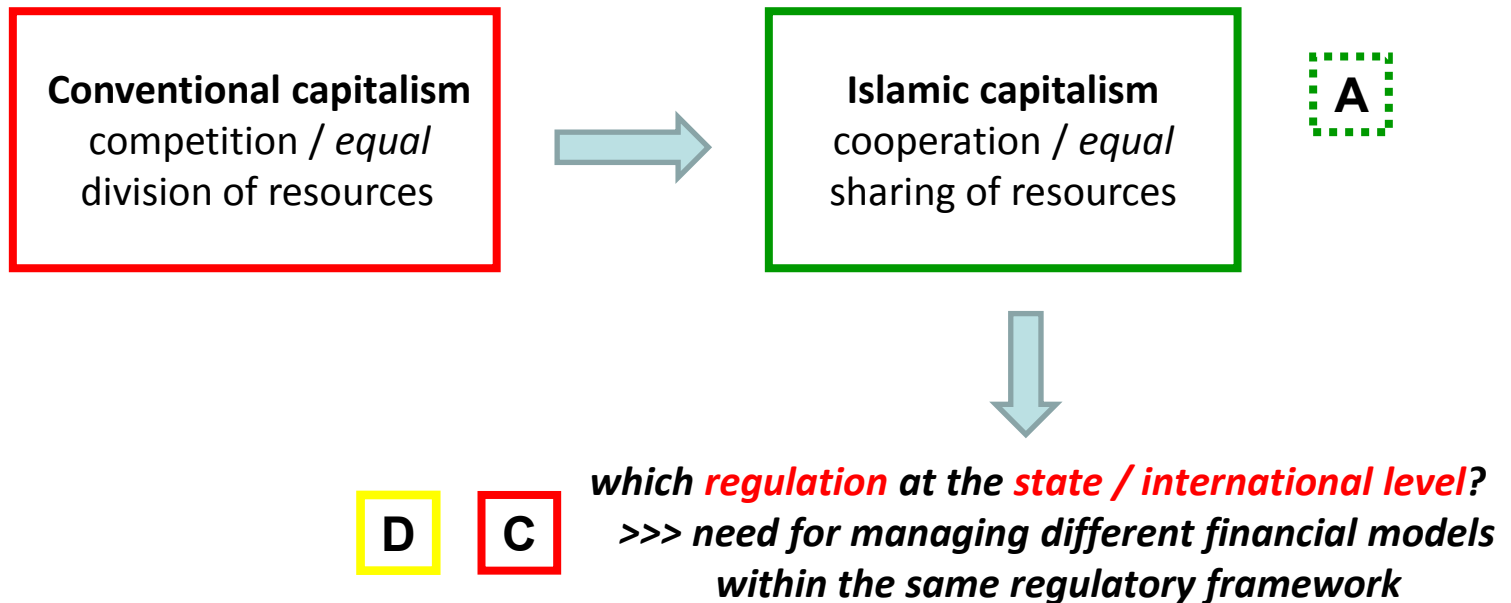
**Shari'ah** as the “**right direction**” for commercial transactions

>>> focus on real economy

>>> prohibitions of *riba* (interest), *gharar* (illicit uncertainty), *maysir* (gambling)

>>> risk-sharing as source of legitimate profit

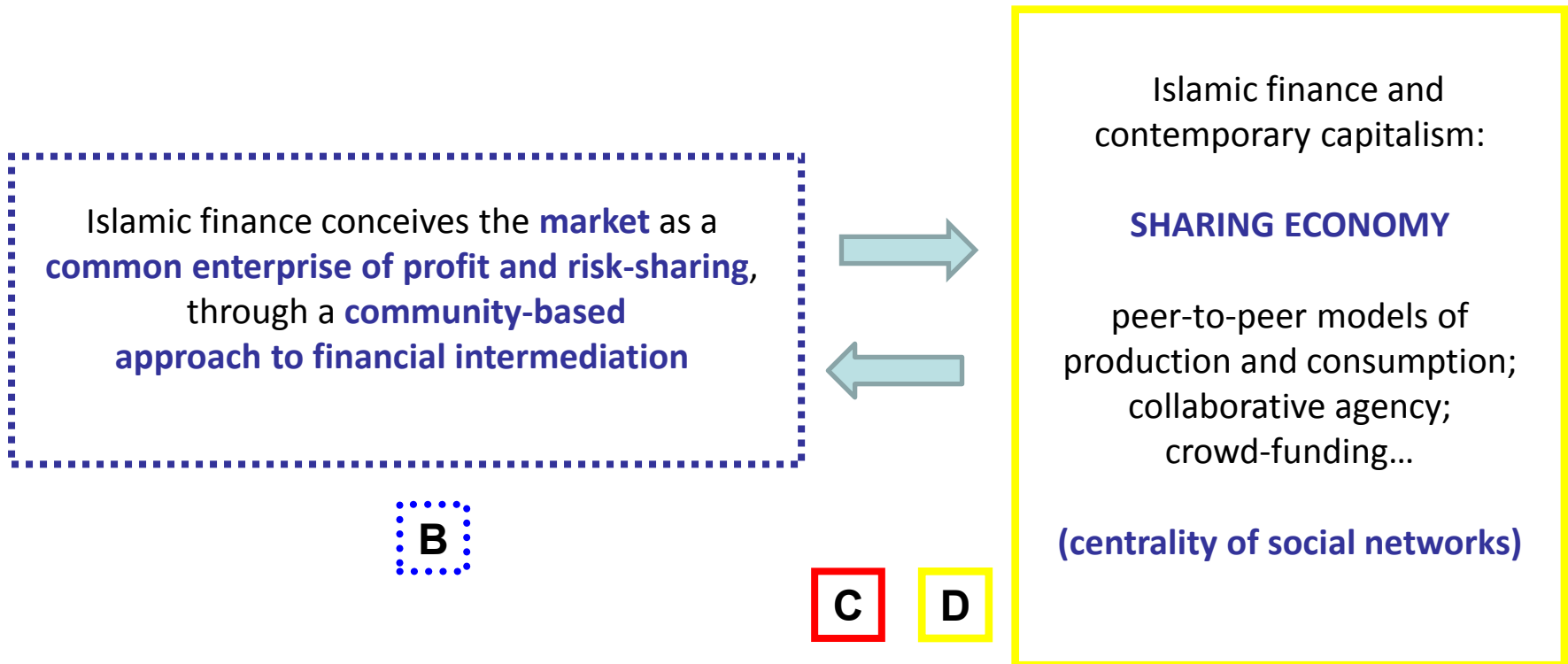
>>>> **alternative conceptualization of property rights**





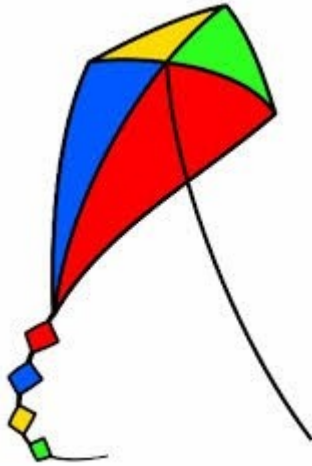
**B** The “socio-economic corner” of Islamic finance:  
the *plural dimensions of contemporary capitalism*





**e.g. Shari'ah-compliant crowdfunding** : crowd-funding complements the principles of Islamic finance, building strong relationships among people, promoting the socially responsible distribution of wealth, and encouraging risk sharing in economic transactions to reduce the risk of all the parties





From the “government” to the  
“**governance**” of Islamic finance

>>> role of the **civil society**  
and the need for a  
**comprehensively supportive**  
**environment**



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**CAPACITY-BUILDING >>>**  
**UNIVERSITIES AND RESEARCH**