International Entrepreneurship from an Islamic

(Sharia Compliant) Prospective "The Opportunities for Western Economies"

Paolo Pietro Biancone University of Turin Paolo.biancone@unito.it

> Maha Radwan* University of Turin

Maha.radwan@unito.it * Corresponding Author

Abstract

The latest financial crisis and the limited resources for financing is a problem that is facing entrepreneurs. While Islamic finance has experienced progressive growth in the last years and could play significant role not only for Muslims who are living in the West but also for Western population who are seeking investments from Islamic countries. Compatibility of International entrepreneurship and Islamic financing instruments is possible. This paper argues that Islamic finance could positively impact international economies and be a viable potential alternative for financing with its diversified instruments for entrepreneurship and enterprise development. The paper explores the different instruments of financing as well as the criteria of accessing them. The paper provides insights for researchers, decision makers and practitioners of how could be Islamic finance used as valid financing tool for entrepreneurs.

Keywords: Islamic Finance, Sharia Compliance, Financing, Entrepreneurship.

References

Abazi-Alili, H., Ramadani, V., Ratten, V., Abazi-Çaushi, B., Rexhepi, G., 2016. Encouragement factors of social entrepreneurial activities in Europe. Int. J. Foresight Innov. Policy 11, 225–239.

Abdul-Rahman, A., Nor, S.M., 2016. Challenges of profit-and-loss sharing financing in Malaysian Islamic banking. Malays. J. Soc. Space 12, 39–46.

Alexander, A.J., 2011. Shifting Title and Risk: Islamic Project Finance with Western Partners (SSRN Scholarly Paper No. ID 1666063). Social Science Research Network, Rochester, NY.

Anggadwita, G., Ramadani, V., Alamanda, D.T., Ratten, V., Hashani, M., 2017. Entrepreneurial intentions from an Islamic perspective: a study of Muslim entrepreneurs in Indonesia. Int. J. Entrep. Small Bus. 31, 165–179.

Askari, H., Iqbal, Z., Mirakhor, A., 2010. Globalization and Islamic Finance: Convergence, Prospects and Challenges. John Wiley & Sons.

Ayub, M., 2007. Understanding islamic finance: az keuangan syariah. PT Gramedia Pustaka Utama.

Biancone, P.P., Radwan, M., 2016. EUROPEAN COMPANIES: EVALUATION FOR SHARIA COMPLIANCE "OPPORTUNITIES AND CHALLENGES." Eur. J. Islam. Finance 0. https://doi.org/10.13135/2421-2172/1803

Biancone, P.P., Radwan, M., 2015. Sharia Compliant "Possibility for Italian SMEs." Eur. J. Islam. Finance 0. https://doi.org/10.13135/2421-2172/908

Biancone, P.P., Shakhatreh, M.Z., 2015. Using Islamic Finance for Infrastructure projects in non-Muslim Countries. Eur. J. Islam. Finance 0. https://doi.org/10.13135/2421-2172/944

Cerrato, D., Crosato, L., Depperu, D., 2016. Archetypes of SME internationalization: A configurational approach. Int. Bus. Rev. 25, 286–295. https://doi.org/10.1016/j.ibusrev.2015.05.010

Chrisman, J.J., Bauerschmidt, A., Hofer, C.W., 1998. The determinants of new venture performance: An extended model. Entrep. Theory Pract. 23, 5–30.

Cooney, T., Manning, J., Arisha, A., Smyth, P., 2011. Muslim entrepreneurship in Ireland.

Dana, L.-P., 2010. Entrepreneurship and Religion. Edward Elgar Publishing.

El-Gamal, M.A., 2006. Islamic Finance: Law, Economics, and Practice. Cambridge University Press.

Gartner, W.B., 1990. What are we talking about when we talk about entrepreneurship? J. Bus. Ventur. 5, 15–28. https://doi.org/10.1016/0883-9026(90)90023-M

Gray, K.R., Foster, H., Howard, M., 2006. Motivations of Moroccans to be entrepreneurs. J. Dev. Entrep. 11, 297–318.

Gümüsay, A.A., 2015. Entrepreneurship from an Islamic Perspective. J. Bus. Ethics 130, 199–208. https://doi.org/10.1007/s10551-014-2223-7

Hassan, M.K., William J. Hippler, I.I.I., 2014. Entrepreneurship and Islam: an overview. Econ J. Watch 11, 170–179.

Henderson, J., 2002. Building the rural economy with high-growth entrepreneurs. Econ. Rev.-Fed. Reserve Bank Kans. City 87, 45.

Hisrich, R.D., Ramadani, V., 2017. Entrepreneurial Family Businesses and Succession Management, in: Effective Entrepreneurial Management. Springer, pp. 203–230.

Ho, C.S.F., Abd Rahman, N.A., Yusuf, N.H.M., Zamzamin, Z., 2014. Performance of global Islamic versus conventional share indices: International evidence. Pac.-Basin Finance J., Special Issue on Islamic Banking and Finance 28, 110–121. https://doi.org/10.1016/j.pacfin.2013.09.002

Holden, K., 2007. Islamic Finance: Legal Hypocrisy Moot Point, Problematic Future Bigger Concern. BU Intl LJ 25, 341.

Hussein, K., others, 2004. Ethical investment: empirical evidence from FTSE Islamic index. Islam. Econ. Stud. 12, 21–40.

Iqbal, Z., 1997. Islamic Financial Systems. Finance Dev. Wash. DC 34, 42-45.

Jafari Sadeghi, V., Biancone, P.P., 2018. Exploring the Drivers of Gender Entrepreneurship: Focus on the motivational perspectives in USA, Italy and France., in: Gender and Family Entrepreneurship. Routledge Taylor & Francis Group, pp. 124–141.

Jafari Sadeghi, V., Biancone, P.P., n.d. How micro, small and medium-sized enterprises are driven outward the superior international trade performance? A multidimensional study on Italian food sector. Res. Int. Bus. Finance. https://doi.org/10.1016/j.ribaf.2017.07.136

Kabir, H., 2015. Entrepreneurship, Islamic Finance and SME Financing Lecture by Professor Dr M. Kabir Hassan, IFSB 7th PUBLIC LECTURE ON FINANCIAL POLICY AND STABILITY, 2015. [WWW Document]. URL (accessed 7.27.17).

Karake-Shalhoub, Z., 2008. Private equity, Islamic finance, and sovereign wealth funds in the MENA region. Thunderbird Int. Bus. Rev. 50, 359–368. https://doi.org/10.1002/tie.20223

Kayed, R.N., Hassan, M.K., 2010. Islamic entrepreneurship: a case study of saudi arabia. J. Dev. Entrep. 15, 379–413. https://doi.org/10.1142/S1084946710001634

Khatkhatay, M.H., Nisar, S., others, 2007. Shariah compliant equity investments: An assessment of current screening norms. Islam. Econ. Stud. 15, 47–76.

Lu, J.W., Beamish, P.W., 2001. The internationalization and performance of SMEs. Strateg. Manag. J. 22, 565–586. https://doi.org/10.1002/smj.184

Mauro, D., Filippo, Caristi, P., Couderc, S., Maria, D., Angela, Ho, L., Grewal, K., Baljeet, Masciantonio, S., Ongena, S., Zaheer, S., 2013. Islamic Finance in Europe (SSRN Scholarly Paper No. ID 2251204). Social Science Research Network, Rochester, NY.

Piper, N., 2008. Assessing the Potential for Shari'ah - Compliant Project Finance in India. Columbia J. Transnatl. Law 47, 418.

Ramadani, V., Dana, L.-P., Ratten, V., Tahiri, S., 2015. The context of Islamic entrepreneurship and business: concept, principles and perspectives. Int. J. Bus. Glob.

Rehman, S.S., 2007. Globalization of Islamic Finance Law. Wis Intl LJ 25, 625.

Schumpeter, J.A., 1982. The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle (1912/1934). Trans. Publ. 1, 244.

Segaro, E.L., Larimo, J., Jones, M.V., 2014. Internationalisation of family small and medium sized enterprises: The role of stewardship orientation, family commitment culture and top management team. Int. Bus. Rev. 23, 381–395. https://doi.org/10.1016/j.ibusrev.2013.06.004

Shameen, A., 2005. Islamic banks: a novelty no longer. Bus. Week.

Siddiqi, M.N., 2004. Riba, bank interest and the rationale of its prohibition. Islamic Research and Training Institute Jeddah, Saudia Arabia.

Silva, M., 2006. Islamic Banking Remarks Remarks. Law Bus. Rev. Am. 12, 201–214.

Solé, J.A., 2007. Introducing Islamic Banks into Coventional Banking Systems (SSRN Scholarly Paper No. ID 1007924). Social Science Research Network, Rochester, NY.

Spencer, A.S., Kirchhoff, B.A., White, C., 2008. Entrepreneurship, innovation, and wealth distribution: the essence of creative destruction. Int. Small Bus. J. 26, 9–26.

The Banker, T., 2015. Top Islamic financial institutions 2015.

Ulrich Derigs, Shehab Marzban, 2008. Review and analysis of current Shariah- compliant equity screening practices. Int. J. Islam. Middle East. Finance Manag. 1, 285–303. https://doi.org/10.1108/17538390810919600

Vargas-Hernández, J.G., Noruzi, M.R., Sariolghalam, N., 2010. An Exploration of the Affects of Islamic Culture on Entrepreneurial Behaviors in Muslim Countries. Asian Soc. Sci. 6, 120. https://doi.org/10.5539/ass.v6n5p120

Warde, I., 2000. Islamic Finance in the Global Economy. Edinburgh University Press.