

SHARED RISK & REWARD

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My Reading List

- [IFSB Revised Compilation on Prudential and Structural Islamic Finance Indicators \(pdf\)](#)

Blog Posts This Week

- [Malaysia explores exchange-trading of sukuk](#)
- [Takaful provider looks to microtakaful for growth](#)

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Women in Islamic finance

The Islamic finance industry has a problem. It is a problem of replicating conventional finance. However, in this case, I am not talking about the similarities of murabaha to interest-based finance. Instead, the issue is the gender gap, the idea of finance as a “boys club”. Rushdi Siddiqui highlights the issue in an [opinion piece in the Business Times](#) (Malaysia) where he interviews two women, one Muslim, one non-Muslim, who work for ThomsonReuters about their experience in Islamic finance.

The critics of the Islamic finance industry view it as a part of an expansionist Islamic project and expect to hear about misogyny rooted in what they perceive as a general hostility in Islam towards women. Instead, what you get is the same type of quotes you could find among women working on Wall Street or elsewhere in the corporate world:

“Even though there are very talented women, only a few reach senior management positions.”

“Working in male-dominated markets got me used to being underestimated by male colleagues in the beginning”

“Women will have to continue to prove that they are just as qualified as their male counterparts”

The challenges facing women in Islamic finance are, in contrast to the critics of the industry, in line with the problems facing women across the corporate world. They are viewed as not being as competent and forced to work harder (often to earn less than men).

As everyone who has worked in a corporate environment knows, there are an equal number of qualified women as men, and gender does not play a determining factor in skill.

[Studies have found](#) that women are more focused on risks, and one of the few financial firms that survived the Icelandic collapse during the financial crisis without needing government assistance was one founded by women.

In the wake of a financial crisis which nearly took down the financial system, and whose impact led to the downfall of several Islamic financial institutions, it is imperative that Islamic financial institutions recognize that the Wall Street ‘boys club’ as much as its reliance on overly complex financial instruments nearly took down the financial system.

Can Islamic finance avoid the trap of replicating a Wall Street ‘boys club’?

Until next week,
Blake Goud