

## **Islamic Finance and Empowerment of Women: A Case Study of Pakistan**

**Shah Nawaz Shaikh<sup>1</sup> and Azam Ali<sup>2\*</sup>**

<sup>1</sup>*Department of Business Administration, COMMECS Institute of Business and Emerging Sciences (CIBES), Karachi, Pakistan.*

<sup>2</sup>*Islamic Banking and Finance, COMMECS Institute of Business and Emerging Sciences (CIBES), Karachi, Pakistan.*

### **Authors' contributions**

*This work was carried out in collaboration between both authors. Author SNS designed the study, performed the statistical analysis, wrote the protocol and wrote the first draft of the manuscript. Author AA managed the analyses of the study and managed the literature searches. Both authors read and approved the final manuscript.*

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### **ABSTRACT**

United Nation set seventeen Sustainable Development Goals for all its member countries to achieve them by 2030. Pakistan is also a member of UN and is required to achieve these SDGs by 2030. Literature on SDGs pointed out that Pakistan is working on these goals especially on 05 basic goals i.e. Education, Health, Poverty, clean water & sanitary and Gender equality. One of the SDGs addresses the Gender Equality with focus on women empowerment. There found some hurdles i.e. environment, financial and religious in achieving these and other goals. Islamic financial institutions are not playing expected role in empowering people especially females to achieve these goals. This study discusses the gender gap in accordance with Sharia and analyzes the women empowerment through Islamic Finance. For this, the study provides brief discussion on Islamic thoughts on the gender gap and Women's empowerment and examines how women can be empowered through Islamic Financial Institutions. The data for the study is qualitative in nature and acquired through survey questionnaire. The research question set for the study is 'By how IFIs fulfill the needs in terms of equal opportunities for women, and to analyze the impact of IFIs

\*Corresponding author: E-mail: [azamineif@gmail.com](mailto:azamineif@gmail.com);

environment on women's empowerment, if a country establishes an IFI in its territory either for students, bank's employees, religious women who are engaged in Madrasas or households. The findings of the analysis interpret that, women empowerment leads gender equality if regulator help IFIs to mitigate the problems and hurdles come under way. The establishment of separate IFI for women with the development of specific rules for betterment of women may help women to get jobs that also comprise the female Sharia scholars in Sharia board, consequently increased the numbers of women in banking industry.

*Keywords: Islamic finance; women empowerment; gender equality in Islam; poverty elevation.*

## 1. INTRODUCTION

We discuss in this research the Gender Equality, perspective of Islam regarding Equality in personal life, social life, so we can understand actual picture of equality that Islam gave us and we discuss the role of women in social activity in light of Sharia. Then we discuss environmental changes and try to know why women's activity assumed wrong in true manners in society. Does Islam give to women their empowerment or leaves them on society's mercy. After that we discuss the Islamic finance, its growth, women's empowerment through it and women participation in Islamic Finance. So that we can attain the Sustainable Development Goals, which have been given by United Nation to Pakistan (UN, 2015-2030) [1]. The Gender Development Index 2019 situated Pakistan 152nd between 189 nations (Human Development Report, 2019) [2]. Objective five means to address gender equality, women empowerment, Destitution, poor health and absence of education make practically 50pc of the nation's population who are not full members in the field of financial improvement. The low women's category, in fact, denies the state of understanding the full gainful ability of a huge portion of the population (Roger, 2011) [3].

### 1.1 Sustainable Development Goals

United Nations Conference was on Sustainable Development in Rio de Janeiro in 2012, where seventeen Sustainable Development Goals (SDGs) were delivered. The purpose was to achieve a set of worldwide goals that encounter the urgent environmental, political and economic challenges facing the world (pk.undp.org) [4]. These are outstanding responsibility to accomplish what we start and handle a portion of the additionally compress difficulties confronting the present reality. Each of the 17 Goals intersect. It means that achievement in one persuade accomplishment for others. Running the danger of environmental change impacts how

we hand out with our weak fragile natural resources, completing gender equality or superior gladness destroys privation and humanizing euphony and comprehensive social orders will decrease imbalances and help economy's growth. To put it clearly, this is the most excellent option we require to improve the life for people in the future. Fifth of them is Gender Equality and it has priority-II. The Gender Equality contains the same privileges to economic resources, financial aids and makes them empowered (sdgpakistan.pk) [5].

### 1.2 Pakistan's Commitment to UN

Pakistan has prioritized the SDGs, which will empower us for joining the group of upper middle-class countries by 2030. Pakistan has taken up SDGs 2030 agenda through a solid parliament's resolution (pc.gov.pk) [6].

### 1.3 Gender Equality

United Nations Children's Fund (UNICEF) says that gender equality is a way where all people are enjoyer same rights, opportunities and resources either they are men or women. However, it is not required to treat women and men same or they are treated accurately similar [7].

Islam gives to all people without any gender discrimination, their rights based on their nature and mantle. Sometimes their responsibilities are similar and sometimes different. First, we discuss the Sharia point of view about equality of both the genders and at the workplace. Because some of us think that equality name of freedom completely, therefore women do not need to follow social, cultural and religious norms [8].

### 1.4 Equality in Sharia

When we compare men and women in the light of Sharia, we find similarities as well as differences. Infect both the genders can achieve

nearness of Allah Almighty by leading a righteous life. In The Holy Quran;

*“And whoever does righteous deeds, whether male or female, while being a believer – those will enter Paradise and will not be wronged, [even as much as] the speck on a date seed (Al-Nisa, 124)”* [9]

Who perform good or bad deeds will be treated accordingly their act either they are in the world or in the sky on equality.

*“Whoever does an evil deed will not be recompensed except by the like thereof; but whoever does righteousness, whether male or female, while he is a believer – those will enter Paradise, being given provision therein without account (Al-Mumin, 40)”* [10]

Muhammad (P.B.A.H) said about daughters regarding their education, clothe etcetera.

*“The prophet of Allah, May Allah bless him and grant him peace, said, “Anyone who has three daughters and provides for them, clothes them and shows mercy to them will definitely enter the Garden.” A man asked, “And two daughters, Messenger of Allah?” He said, “And two (Al-Adab-ul-Mufrad)”* [11].

#### **1.4.1 Sharia views on equality for women at work place**

In times of Muhammad (P.B.A.H) women were not just home-based workers, to perform salah at masjid and to get education, rather their duties were different. They are used to perform Jihad where they treat the injured, to give food and water to the warrior. Umm-e-Atiya (R.A) was associated of Prophet (P.B.A.H), she said;

*“It has been narrated on the authority of Umm 'Atiyya, the Ansarite, who said: I took part with the Messenger of Allah peace be upon him in seven battles. I would stay behind in the camp of men, cook their food, treat the wounded and nurse the sick (Muslim)”* [12].

Similarly, females were as warrior in wars and they used to travel with Muslim warrior in different places. We have example of Umm-e-Haram (R.A) wife of Ubada Bin Samit (R.A), she went to Cyprus with muslim warriors and became Martyr (Muslim) [13].

In social and welfare activities, women and men are treated equally, they both are accountable to

endorse goodness and to stop bad performance. In holy book;

*“The believing men and believing women are allies of one another. They enjoin what is right, forbid what is wrong, establish prayer, give zakah and obey Allah and His Messenger. Those - Allah will have mercy upon them. Indeed, Allah is exalted in Might and Wise (Al-Toubah, 71)”* [14].

Do not wear vulgar dresses, so that no one can teas them and can easily survive.

*“O Prophet, tell your wives and your daughters and the women of the believers to bring down over themselves [part] of their outer garments. That is more suitable that they will be known and not be abused. And ever is Allah Forgiving and Merciful (Al-Ahzab, 59)”* [15].

When they talk to strangers, they should not use softness and attitude, so that no one can be greedy for them.

*“If you fear Allah, then do not be soft in speech [to men], lest he in whose heart is disease should covet, but speak with appropriate speech (Al-Ahzab, 32)”* [16].

Their walk should be with Modesty and Dignity.

*“And let them not stamp their feet to make known what they conceal of their adornment (Al-Noor, 31)”* [17].

### **1.5 Empowerment of Women in General**

It is Intuitive truth that women are used to went out from their homes to do jab, they go out and it will be done definitely in future, we cannot deny it. Empowerment is the ability of people as a person, group and/or society to get charge of their conditions, exert influence and attain their own goals and the mechanism, by which they can support themselves and others, individually and collectively, to improve the value of their lives [18]. Women's empowerment is the specific focus of these capacities to women of the society.

#### **1.5.1 Women empowerment in Islam**

Islam makes women empowered in their personal and social lives, if they think and have strong reason for separation, they can use their

rights, and no one can stop them. Narrated Ibn Abbas:

*“The wife of Ibin-e-Qais said, “O Allah’s Messenger (P.B.A.H) I do not blame Thabit for defects in his character or his religion, but I, being a Muslim, dislike to behave in un-Islamic manner (if I remain with him).” On that Allah’s Prophet (P.B.A.H) said, “Will you give back the garden which your husband has given you (as Mahr)?” She told, “Yes.” Then he said to Thabit, “O Thabit! Accept your garden, and divorce her once (Al-Bukhari)” [19].*

A woman receives cash in the shape of bride price (Mahr) and gets money and food from father or/and husband. She has a share in heritage lawful, so that they can be empowered economically.

*“For men is a share of what the parents and close relatives leave, and for women is a share of what the parents and close relatives leave, be it little or much — a legal share (Al-Nisa, 7)” [20].*

Similarly, Islam gives women reasonable portion in Inheritance and empowered them.

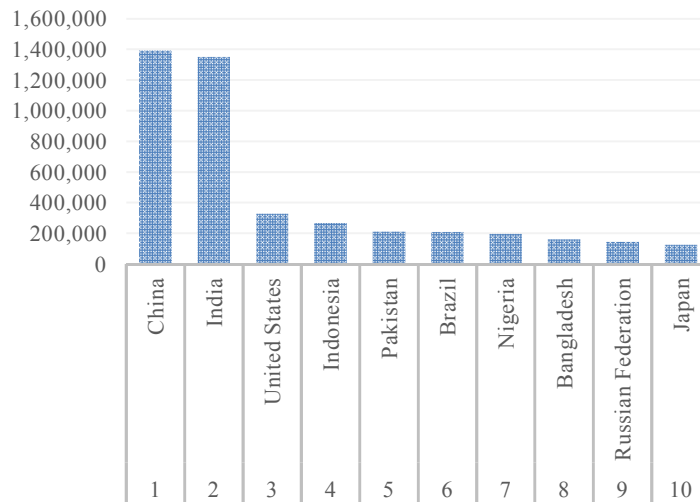
*“Allah instructs you concerning your children: for the male, what is equal to the share of two females. But if there are [only] daughters, two or more, for them is two*

*thirds of one’s estate. And if there is only one, for her is half (Al-Nisa. 11)” [21].*

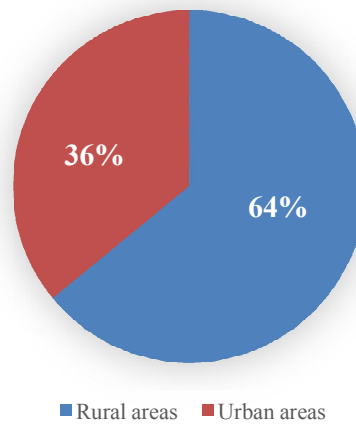
Women had their markets in time of second caliph, where they could go, buy, sale and trade easily [22].

At the present time, ladies’ population on the planet is half. Pakistan is a developing nation and has the 6th most populated nation on the planet (The world bank) [23]. The total population of women in Pakistan is 101.32 million 64.89 million females are living in country regions and 36.43 million are living in urban territories (Pakistan Economic Survey, 2017-18) [24].

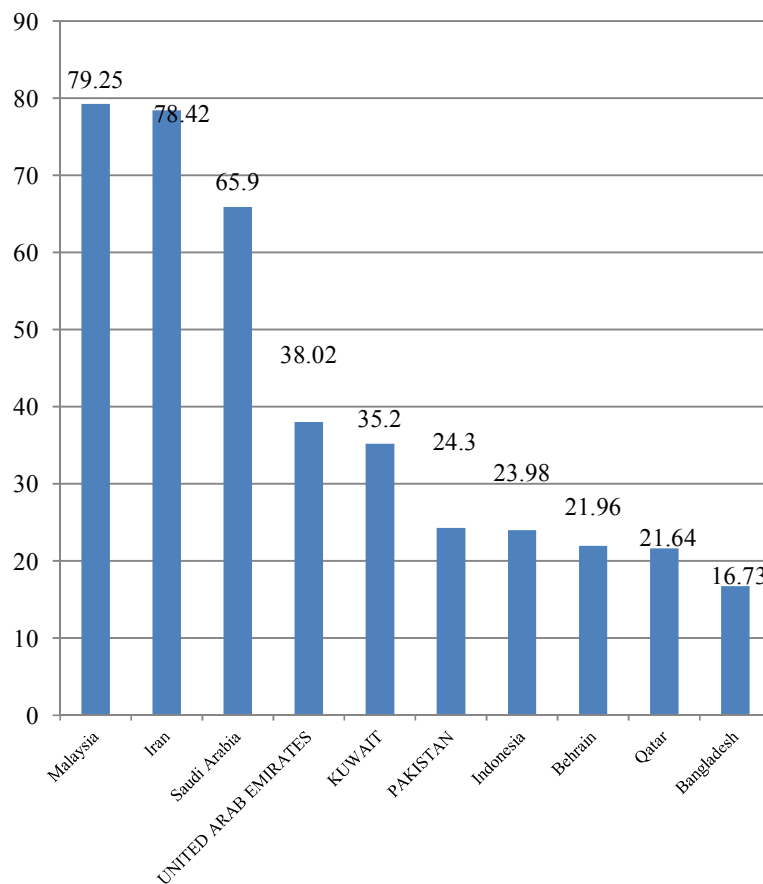
But ladies have low instruction, restricted support in the executives and do not have equal chance. These variables decline the empowerment of women [25]. A study has explored on women’s empowerment concept is clarified by various fundamental contemplates broadly and globally. These assessments had examined women empowerment in different countries with different indices and variables [26]. The investigation of women empowerment objective is, to recognize women characters, potential outcomes and power in their lives. The real women empowerment is effectively gotten when they can easily access to the financial and to be an active part in the power structure and improve their fundamental authority process [27]. Most of females have interest in home based because they have problems regarding their Purdah [28].



**Fig. 1. Rank of the Pakistan in World population**  
Source: data.worldbank.org



**Fig. 2. Percentage of the Pakistani women in urban and rural**  
Source: Pakistan Economic Survey, 2017-18



**Fig. 3. Pakistan's growth in Islamic banking**  
Source: Islamic Finance Country Index-AFCI, 2017

## 1.6 Islamic Finance

Definition of Islamic finance is; the financial service mainly implemented to obey with the core creeds of Islamic law and IFIs are those that based in their purposes and operations on Quran's principles [29] and the mitigation of Interest, Deceive and Gambling from conventional system is the way of transformation of interest-based operations into Islamic financial operations [30]. Islamic Banking is the most frequently growing sector in an international financial system. Pakistan has the sixth ranked among ten countries in Islamic Banking (Islamic Finance Country Index-AFCI) [31].

Around 57.65% women in Pakistan think that, Islamic Banking has good potential. But the problem is the most of women their wrong assumptions about Islamic Banking. If true perception is developed, Islamic Banking sector will be grown and most of females will become part of this sector [32]. Islamic Banking has provided enough opportunities to empower the women through surpassing in their professional lives.

There are number of professional women who are engaged in the progress of Islamic Banking. Islamic Finance Review quarterly magazine issued by London based Edbiz consulting Ltd had issued the list of top twenty women of Islamic Finance, where 15 belong to Malaysia and these women are bankers, professors, and women Shariah scholars [33]. Women Empowerment through Islamic Bank can be achieved to provide women equal employment opportunities and improve their cost efficiency [34]. Islamic Finance has high impact on economic growth of Pakistan [35].

## 1.7 Problem Statement

In 2012, United Nations (UN) set seventeen goals for member countries (MCs) to achieve them by 2030. Primarily, in 2000, UN gave eight goals to MCs to achieve by 2015. Most of the countries achieved them but the screen was not up to the expectations of UN. UN then enhanced its goals from 08 SDGs to 17 SDGs. Pakistan is also a member of UN and is required to achieve these SDGs by 2030. Literature on SDGs pointed out that Pakistan is working on these goals especially on 05 basic goals i.e. Education, Health, Poverty, clean water & sanitary and Gender equality. There found some hurdles i.e. environment, financial and religious in achieving

these and other goals. Islamic financial institutions are not playing expected role in empowering people especially females to achieve these goals.

## 1.8 Objectives of the Study

The study focuses on "Islamic finance and empowerment of women to point out the ways to reduce the Gender gap". The specific objectives are as followed:

1. To examine financial institutions role in empowering people especially females.
2. To review the perception of women as a customer and as an employee in IFIs Pakistan.
3. To study the problems and causes that women face in getting employment in IFIs.
4. To examine the need of women and the numbers of in IFIs, to answer, how can be fulfilled their need for their empowerment.
5. To provide practicable suggestions to financial institutions to encourage the religious women to contribute in economic activities to reduce the gender gap.

## 2. LITERATURE REVIEW

This research shows the behaviors of women about Islamic Financial Institutions as employees and as customers while other researchers have discussed about the conventional banks and it is the uniqueness of this study. This research also discusses the religious women who cannot think to enter in Islamic Financial Institutions while other researchers have not discussed this important matter. Our research gives opportunity to such Muslim females to share their views that can help SBP in enhancing financial inclusion. This study is unique as far as its methodology is concerned. It provides not only the analysis on the participation of Financial institutions in reducing gender gap but also documents the perceptions of women in Pakistan on their empowerment with its nexus with role of Islamic Financial Institutions. Regulator and Government, both are expected to be benefitted from the suggestions and recommendations of this study.

### 2.1 Islamic Finance

Khan & Bhatti, [36] studied 'Development in Islamic banking: A financial risk-allocation approach'. The main objective of the paper was to direct international attention towards the

unparalleled growth in Islamic banking, its framework and sustaining institutions in contemporary years. The paper's approach is the Islamic model of borrowing, lending and funding. It gives the theoretical version and exercise of Islamic banking. It covers different linked troubles over the modern development of Islamic banking over the world. The paper finds that Islamic banking has made unparalleled progress over recent years. South Asia, Indian Subcontinent and The Middle East have come out as center of Islamic banking. Western conventional regulators and buyers and other marketers have additionally appeared a larger hobby and an open approach toward Islamic banking and bridge the gap between traditional and Islamic banking disciplines.

Usman & Khan, [37] studied 'Evaluating the Financial Performance of Islamic and Conventional Banks of Pakistan: A Comparative Analysis'. This study assesses the financial growth comparatively of Islamic and conventional banks. To make considerably notable consequences, match pattern t-test is used. The results of the paper explain that Islamic banking has excessive boom charge and productivity over the conventional banks. Moreover, over conventional banks, Islamic Banking has huge liquidity.

Costa et al. [38] studied "Women's Empowerment through Islamic Microfinance in Egypt". They have discussed the women of Egypt face gender discrimination and poverty. If these two factors diminish, women would be empowered. They used mixed methodology and they have found that Islamic micro finance can empower the women in social and economic life and Egypt can achieve Millennium Development Goals. They recommended that Government of Egypt should use Islamic micro finance as a unique tool to be done in order to remove poverty and to empower the social and economic role of women in the society.

## 2.2 Women's Empowerment

Sarwar, & Abbasi, [39] studied "An In-Depth Analysis of Women's Labor Force Participation in Pakistan". They have discovered the majority of women are accumulated in informal sectors mostly. They recommended stopping violation of basic human rights towards women in forced employment. Generally, in Pakistan, labor law is not followed in true manners that are why women labor faces lots of problems. They recommended

the Pakistani government to apply the laws, gives them legal protection by the employers.

Abid et al. [40] studied "Problems Faced by Working Women in Banking Sector of Bahawalpur". They have discussed the problems which are faced by women in banks regarding their personal and professional life. They used primary data collection techniques and found that, women bankers have problem regarding promotion system, because there is favoritism-based promotion system in banks. Some parents are supportive but relatives create problems. They recommended the banks; they have to ensure transparency in promotion system and parents should communicate with relatives in order to build the trust regarding the transparency of this sector.

Mirza & Jabeen, [41] studied the "Gender Stereotypes and Women in Management the Case of Banking Sector of Pakistan". They have discussed that where women are in management or politics, there women are empowered and their objective is: Gender Stereotypes should not be in the Banks and should give to women equal opportunity. They used mixed methodology. Their results are stereotypes have a negative impact on individual perception on women in management and stereotypes have a negative impact on recruitment and selection process of the organization. They recommended that management to review organizational policies by making them more women friendly in the form of flexible work practices.

Alkhanbshi & Al-Khandi, [42] studied the "The Religious Values and Job Attitudes among Female Saudi Bank Employees: A Qualitative Study". They discussed that the household role and school teaching are becoming insufficient for women as they want to participate more in the economy and gain and develop experience within the different sectors. Their objective is placed on the perceptions of female bank employees in Saudi Arabia with regard to their job motivation and satisfaction. Some issues from religion limitations. They found that if the banks considerate on these factors, women will be more in Islamic Banking System. And they recommended that Islamic Banks provide healthy environment for females where they can work easily and make ensure transparency in promotion system.

Akhtar et al. [43] studied the "An Analytical Study on Women's Empowerment Regarding Decision Making: A Case Study of Pakistan". Their

objectives are: To highlight empowerment of women with education, to investigate women's role into make the decisions at social life, to recommend the strategies of women empowerment and to discern the status of women empowerment in political organizations. They found that where women are empowered, they would play a role to increase the socioeconomic level of women, and this is not affected and harmful for existing organization of culture. They recommended that if women are empowered, they can take better decision for their kids, empowerment could help to behavioral change, to manage their lives and enhance mind of the society towards women and their issues.

### 3. METHODOLOGY

This study developed survey questionnaire to exam the behaviors of the women regarding Islamic Financial Institutions and test that if they are provided jobs in Islamic Financial Institutions, what will they do? This activity will help us test the women's unemployment ratio to see will be decreased or not? Similarly, we can also check that SDGs achievement target will be achieved or not? In addition, all these activities will be done by questionnaire and interviews.

### 3.1 Research Design

Survey questionnaire used to acquire primary data using questionnaire from targeted audience discussed below. Convenient sampling method will be used. The results/answers of the survey-questionnaire will be analyzed by utilizing inbuilt parameters of SPSS\_Satistics\_22.00.

### 3.2 Data Sources

This is the process of assembly and measuring information on variables of significance, in an established systematic style. For this research, we conducted 160 women interview-based survey using questionnaire from targeted women i.e. households, students, women employees in Islamic Financial Institutions and Religious women. Normally we have three types of women: 1) Households, 2) Students and 3) employees, but we focused one more group who are engaged in Madrasas. The reason of choosing group of Madrasas is that, society always ignores this large group. Our targeted audience belongs from Karachi no other cities, due to limited data resources and constraint of time and focused on full fledge Islamic Financial Institutions in Karachi.

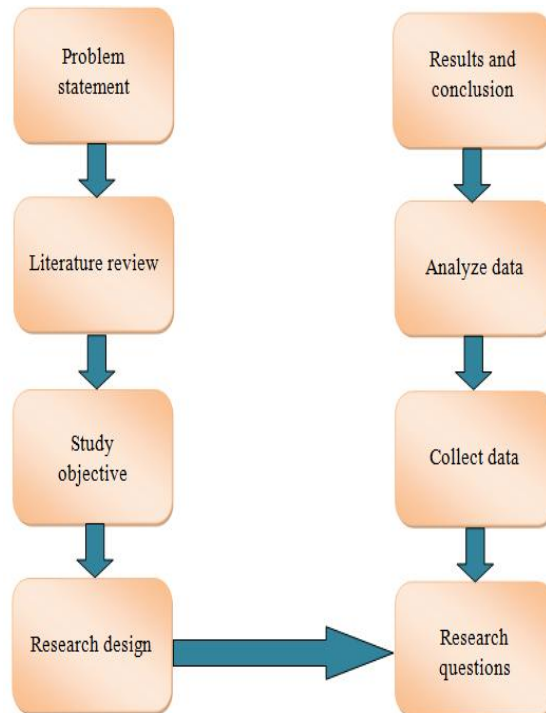
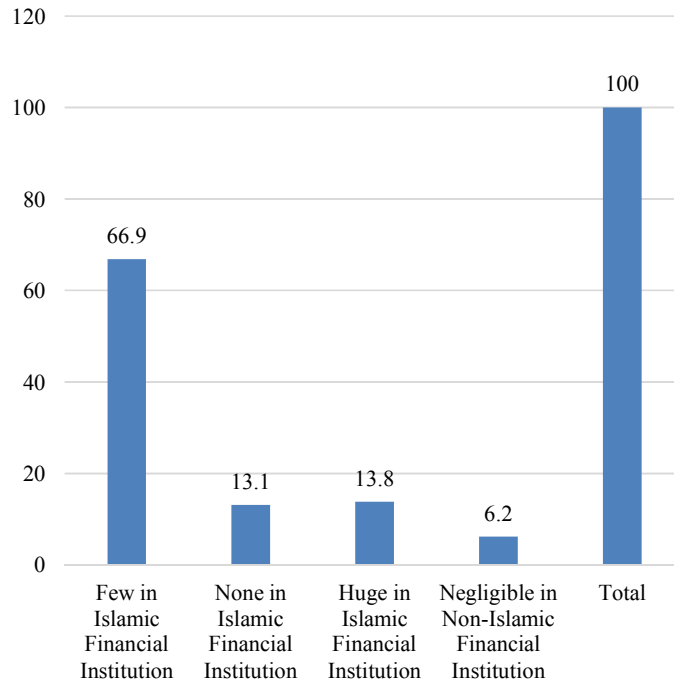
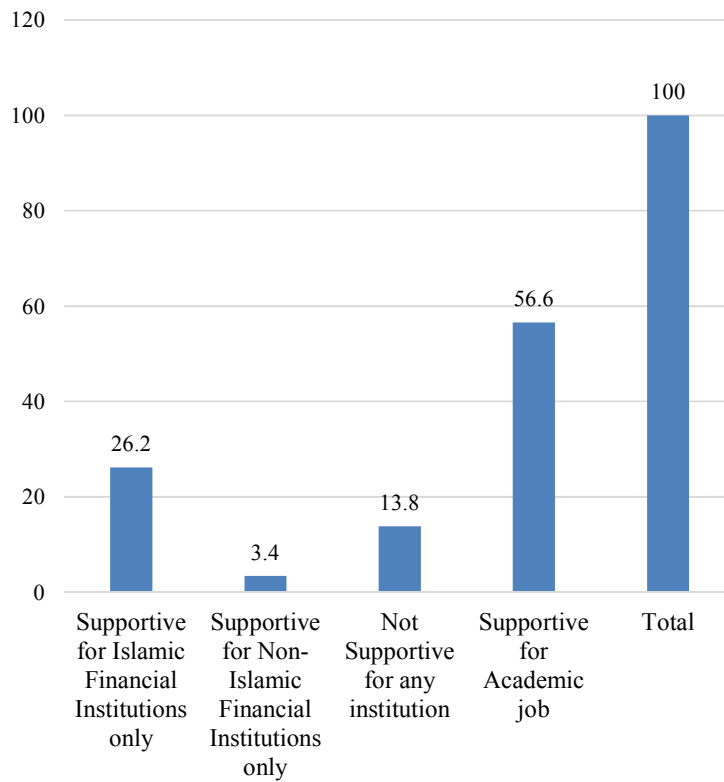


Chart 1. Research process





**Fig. 4. Analysis of problems for working women**

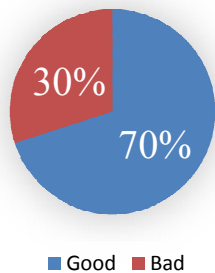


**Fig. 5. Analysis of Parent's attitude towards their daughters to join financial institution**

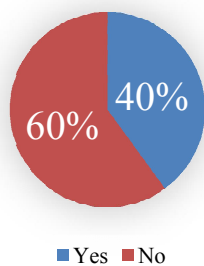
### 3.3 Analysis and Findings

This chapter highlights the examination and detailed description of methods. As the objective of the study is “Islamic Finance and empowerment of women” to point out the ways to reduce the Gender gap. The study conducts the data from 160 individuals who were from Universities, Employees from Islamic Financial Institutions, Madrasas and Households. The survey-questionnaire was analyzed by utilizing inbuilt parameters of SPSS. A total number of 160 responses participated in the survey.

Our first objective was to examine IFIs role in empowering people especially females. In Fig. 4, 66.9% female said that there are few problems for women. It means the IFIs are doing well for women, but Fig. 5 is showing need of more efforts to encourage the women so that women would be more empowered, because just 26.2% parents allow their daughters to go to IFIs.



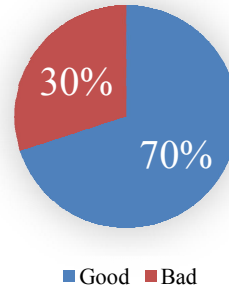
**Fig. 6. Analysis of your management capability**



**Fig. 7. Analysis of Islamic financial institutions having safe/favorable environment for female workers**

The second objective was, to review the perception of women as a customer and as an employee in IFIs in Pakistan. These three tables are showing the perception of employees of IFIs.

Fig. 6 is showing, 70% women employees are happy with their management due to take action immediately and resolve their problems and 70% women said that they have equal opportunity this result showed in Fig. 8, but Fig. 7 is showing, 60% are not happy with environment.



**Fig. 8. Analysis of women having equal opportunity for promotion in your organization**

In Fig. 9, 63.4% those women who do not know actual picture of environment of IFIs said, the environment is safe and favorable for women. It seems that they are inspired with the name of Islamic, but those women who have job in Islamic Financial Institutions are not happy with it as we have known in Fig. 7.

One respondent from Islamic Financial Institution [1]<sup>1</sup> said:

*“Women usually face sexual harassment from the colleagues and management, but women cannot tell to anyone due to self-respect.”*

Our third objective was, to study the problems and causes that women face in getting employment in the IFIs.

In Fig. 10, we can see that 44.8% relatives are positive about the job and 26.2% are natural. It means that they can be positive, if the environment is provided well. But if we see the Fig. 11, we found, when we talk about women’s job, 62.8% relatives go against.

Similarly, in Fig. 12, 52.4% women said, moral values of the society become hurdles in job. Society easily allows to women to become a part

<sup>1</sup> We cannot show her name and institution’s name due to privacy.

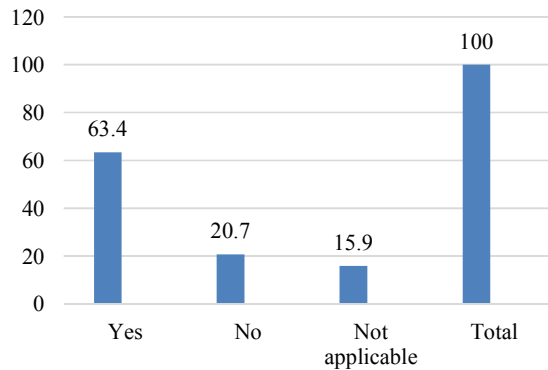
of education sector, but when we talk about IFIs, they deny.

Now we discuss the married women and check the result which we got in survey.

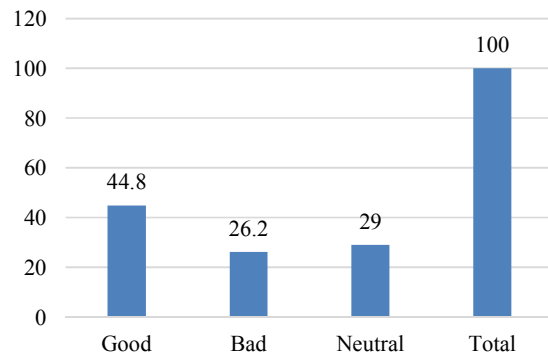
Total married population is 61.4% and 21% is unmarried. So, Fig. 13, 24.4% women said 'their husbands are supportive regarding job in IFIs' and 13.1% women said "Husbands are not

supportive". 53.1% women said "they are not applicable due to education age and any other reasons". If we subtract 53.1% who are not applicable, 9% missing population and calculate 24.4% and 13.1% population who are applicable, we have big picture can see;

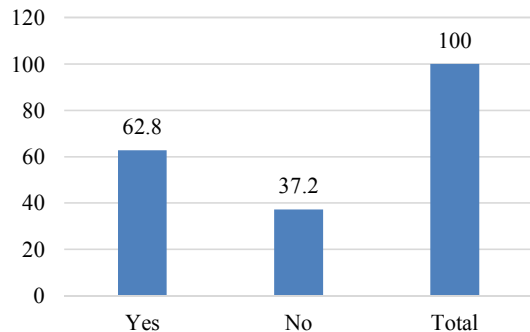
$24.4\% + 13.1\% = 37.5$ . We assume 37.5% is 100%. Now we divide 24.4% from 37.5% the result is,  $24.4\% / 37.5\% * 100 = 65.05$ .



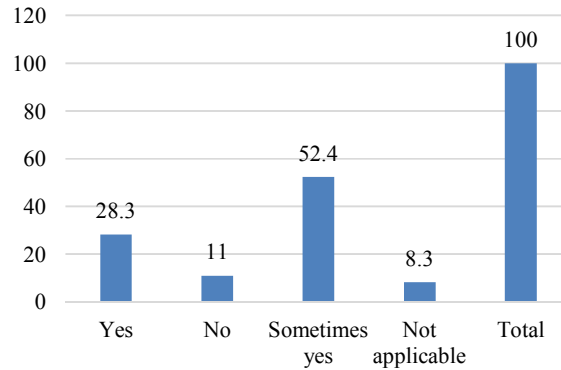
**Fig. 9. Islamic financial institutions have safe & favorable environment for female workers**



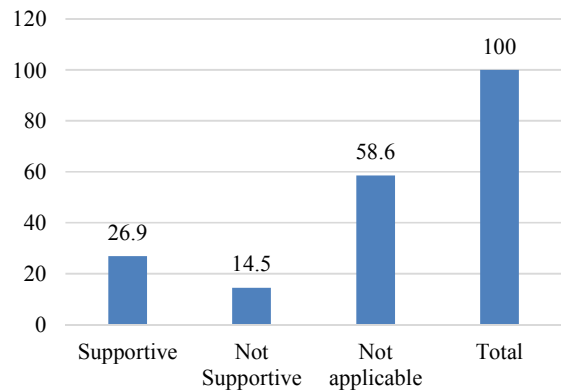
**Fig. 10. Relatives think about jobs in Islamic financial institutions**



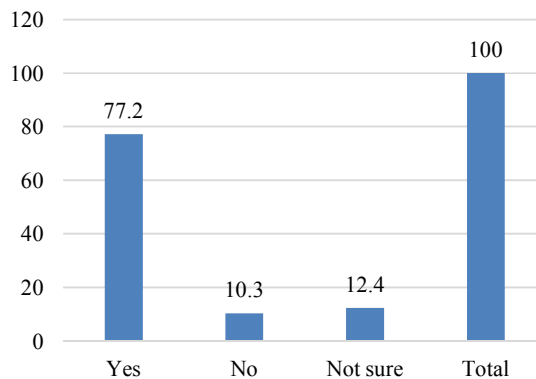
**Fig. 11. Analysis of relatives create problems for females to join IFIs**



**Fig. 12. Analysis of moral values of the society become hurdles in performing your duties**



**Fig. 13. Analysis of husband's behavior with wife who is working in IFIs**

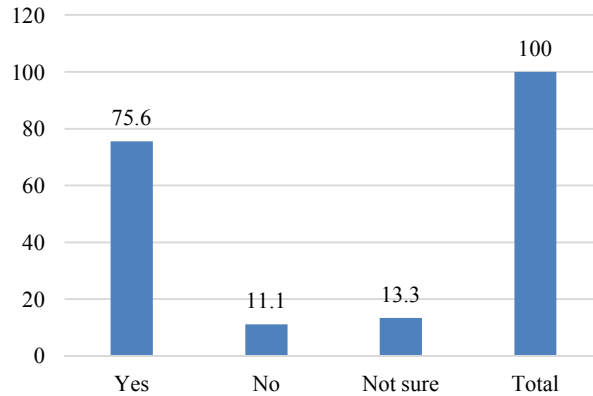


**Fig. 15. If there established an Islamic financial institution especially for women, will you prefer to join it**

So, 65.05% husbands are supportive, even then Islamic Financial Institutions have low number of women.

We tried to know the reasons are behind it. We got by their suggestions. Lots of women suggested that Financial Institutions should

review on the job timing. There should not be late sitting in the institutions, because they have to make food for their family and if they are married, they have to look after their children. So, this is another factor which stops women to enter in Financial Institutions.



**Fig. 16. Analysis of question that, 'if there established an Islamic Financial Institution especially for women, will you prefer to join it'**

Our fourth objective was, to examine the need of women and the numbers of in IFIs, to answer, how can be fulfilled their need for their empowerment. Every Islamic IFIs have Sharia Board that guides them regarding sharia issues, but all boards are included male scholars. We discussed with our audience about sharia board included women, in Fig. 14, 69.4% women said there should be.

In Fig. 15, 77.2% women said 'if there a separate Islamic Financial Institution just for women in Pakistan they will join.

If we focus a particular population which belongs from Madrasas, we got the result in Fig. 16, 75.6% of women from Madrasa said they will join easily and their parents do not go against it.

#### 4. RESULTS

Women empowerment leads gender inequality and this will be achieved till 2030. We found from this survey that, if regulatory or Islamic Financial Institutions mitigate the problems, it may improve the environment of the institutions and develops some rules for betterment of women which will be implemented, prepare easy/doable procedures specially for women to get the job that also comprise the female Sharia scholar in Sharia board and establishment of separate financial institution only for women (like first women bank in conventional banking), the numbers of women would be increased consequently.

#### 5. DISCUSSION

Women empowerment leads gender inequality and this will be achieved till 2030. We found from

this survey that, if regulatory or IFIs mitigate the problems, it may improve the environment of the institutions and develops some rules for betterment of women which will be implemented, prepare easy/doable procedures specially for women to get the job that also comprise the female Sharia scholar in Sharia board and establishment of separate financial institution only for women (like first women bank in conventional banking), the numbers of women would be increased consequently. This chapter summarizes the results, conclusion on overall work done throughout the thesis and recommendations/ policy matters for the help/benefit of financial institutions, regulators and researchers to update this study with the inclusion of latest data and by enhancing the coverage of the targeted audience. This study analyzed Islamic financial institutions and empowerment of women to identify the ways to minimize the Gender gap. The study conducts the information from 160 Individuals using survey-questionnaire. The targeted audience comprised Universities, female employees from Islamic Financial Institutions, Madrasas and Households. The survey targeted 160 women, i.e. 50 women from Universities, 50 house-women, 10 working-women employees of IFIs and 50 women from Madrasas.

#### 6. RECOMMENDATIONS

Women of Pakistan have full capacity and aptitudes to participate in economic activity. Empowerment of women can be accomplished by giving them more chance to join IFIs. This will upgrade women's regard, esteem, salary, working output, wellbeing, and financial status and consequently, this improve overall GDP of

the economy. Regulator should consider the following recommendations given by this study:

Institutions should investigate the problems this study identified women facing as customer, employee or student with possible solutions and let the people aware through seminars/road-shows, conferences and workshops in educational institutions and through electronic media to help them learn the innovations favorable to them to join IFIs.

Regulator may take more steps to improve the environment of IFIs for safe and favorable for female workers and customers to encourage more women to join IFIs. The environment can be free of men domination if Sharia board of IFIs includes a woman scholar.

Women face moral values and disliking of relatives (due to man-dominated environment) when they try to join IFIs to look after their houses and children. Hence, it is recommended that, Institutions/regulator may make policies for relaxed environment for women. For married women, Institutions may introduce a policy for babies to provide the nursing-place, so that, women can stay for more time in the institution.

Study found the most important recommendation for regulator to establish an IFI only for female. Taking into account the environment and working strategy of First Women Bank (conventional bank), regulator may develop strategic policy by smearing Islamic Financial Engineering to establish 'First Women Islamic Bank' so that, more and more females can be encouraged, specially graduates from Universities/Madrasas, to benefit them play a role to help Pakistan achieve the SDGs' goal of Gender Equality.

## 7. CONCLUSION

This research revolves around the examination of issues/challenges and the plausible solutions to the identified problems of Islamic Finance and empowerment of women in Pakistan. Study analyzed primary data collected (through Questionnaires and Interviews) from various female workers from diversified disciplines like, Islamic Financial Institutions, University students, households and Madrasas. After analyzing the data, the following conclusions are drawn:

Majority of the respondents assumed that there are few problems women face in Islamic Financial Institutions; however, their parents are

not supporting them to join Islamic Financial Institutions. It is also found that, working women of Islamic Financial Institutions are happy with their management, but they are not comfortable with the man-dominated environment provided to them in IFIs. Contrary to this, if we consider the female customer perception, they prefer those Islamic Financial Institutions that have safe and favorable environment for women employees.

Majority of the women's relative are positive or neutral regarding their education and independence but they do not favor their work in Financial Institutions. Similarly, women face moral steeplechases to get the job in Islamic Financial Institutions.

Married women are more conscious for their children's upbringing due to man-dominated management in institutions. Majority, of women surveyed, need separate institution for women workers where they have liberty of females in policy making that is based on doable solutions to the problems faced by working women.

Women of Madrasas are demanding the establishment of a separate Islamic Financial Institution for women to help them join to work in relaxed and productive environment. They and female workers of Islamic Financial Institution want a moderate-sharia board that includes both male and female with majority of women representation.

Conclusively, around 40% female said that there are no problems for them to work in Islamic Financial Institutions that's why only 24% of their parents allow them to go to Islamic Financial Institutions. There found mix response of interviewees regarding the management of IFIs. Due this, they demand women-dominated management even separate IFIs for women. The perception of women, as a customer on environment of institution where they go for transactions, is not in the favor of man-dominated managerial facilities available to them, similarly, the perception of women as an employee is also against the environment man-dominated management of IFIs. They demand the creation of separate IFIs.

## DISCLAIMER

The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely

no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

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### COMPETING INTERESTS

Authors have declared that no competing interests exist.

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