

Can God stop the next financial crisis? Prospects for a consequentialist ethics of Islamic financial engineering

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Abstract

Ryan Calder, PhD, has been awarded funding by the JHU Exploration of Practical Ethics program for his project titled, "Can God stop the next financial crisis? Prospects for a consequentialist ethics of Islamic financial engineering." Dr. Calder, Assistant Professor of Sociology and Islamic Studies, will complete a qualitative analysis of the ethical arguments underlying Islamic banking. Islamic banks hold high market share in some of the largest economies in the Middle East and Southeast Asia, including Saudi Arabia (49%), Kuwait (45%), Qatar (24%), the United Arab Emirates (21%), and Malaysia (21%).

By studying the practical ethics of these institutions, Dr. Calder will investigate the stability of Islamic banking, and whether or not Islamic law demands that Islamic banking be stable. This inquiry will provide insight into the potential for a future financial crisis within Islamic banking, or the effects of a larger crisis on this growing sector. It will also provide insight into potential approaches to mitigating the risk that a financial crisis will occur.