

Establishing the Relationship between Islamic Finance and Political Stability of Nigeria

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Abstract

This study examines the dynamic relationship between Islamic finance and political stability in Nigeria, analysing how one influences the other. Using a mixed-method approach, the research demonstrates that Islamic finance contributes positively to political stability by fostering financial inclusion, reducing poverty, and driving economic growth. However, persistent political instability and weak governance structures significantly hinder the advancement of Islamic finance in Nigeria. The study also highlights the critical role of political factors, such as government support, robust regulatory frameworks, and strict adherence to Shari'ah principles in the sustainable growth of Islamic finance. Findings show that Islamic finance rooted in principles of social justice, equality, and fairness, has the potential to serve as a catalyst for political stability. To realize these benefits, the paper recommends that Nigerian policy makers and regulators prioritize the development of Islamic financial services. It also recommends the strengthening of governance and the integration of

Islamic financial products into the broader economy to enhance financial inclusion, alleviate poverty, and secure both economic and political stability.

Keywords: Economic growth, financial inclusion, Islamic finance, Nigeria, Political stability, Sharia'ah compliant.

Introduction

Islam and Sharia in Nigeria are perceived by some people, especially conventional economic scholars, political and public affairs analysts and other faiths adherents as primitive and barbaric. They see Islam or sharia as hated principles and laws that prescribes stoning to death, hands and legs cutting, giving lashes of cane in the public as punishments for all forms of offence. They have the opinion that the laws with which the proscribed Boko-haram terrorist group backs their deadly and violent actions and thinking can never make provision for anything relevant and beneficial or contributory to either the economic, socio or political stability of a nation like Nigeria that is heterogeneous in nature.

It is from the foregoing that this paper attempts to establish the relationship between Islamic finance and political stability of Nigeria. It is important to mention here that to achieve economic and political stability in Nigeria, we must recognise the Qur'an as the major manual that Allah has sent to guide our lives. This is evident in the Quran when Allah says "God have sent down to thee the Book explaining all things, a guide, and glad tidings to Muslims" (Q. 16 verse 89). Allah equally challenges mankind in another verse that, "Do you find or think there is anything left out un-discussed in this book"? (Q6:38). This is a divine question that has defied all forms of intellectual responses and left mankind with no option than to surrender to the fact that the holy Qur'an contains information that is all encompassing upon mundane affairs of mankind in its entirety.

It is obvious that Zakat – Alms Tax is God's commandment towards equitable distribution of wealth among Muslims and by extension the mankind. It is an agreeable fact that lack of even and equitable wealth distribution in today's world is one of the major causes of political instability in Nigeria, since her inception as a nation-state, after the 1960 political independence from the British colonialism. The story of various successive coups and military take-over of civilian governments until 1999 is still highly resonating. Despite, the return to civilian rule over twenty-five years ago, the Nigerian polity is unstable. This is characterized by political thuggery and gangsterism, electoral violence, ballot box snatching, vote buying, ethnic profiling, religion bigotry, agitation for

secession/separatism by major ethnicity, terrorism, kidnapping etc. Therefore, in order to be saved from all these disturbing situations, Allah in the Qur'an chapter 61 (As-Saff) verse 10-11 enjoins those who actually believe to be invited or introduced to a worthwhile business transaction deal (referred to in this context as the 'economy') that is a sure way to forestall all forms of chaotic situations being experienced in this country and the world at large. Allah later in the second verse mentioned above itemizes two major tasks required for business transaction (economy) to be successfully executed: (1) Have absolute faith in Him and the holy Prophet as He practicalized such faith and (2) Spend both their wealth and souls in His cause, it is the best transaction (economic structure), only if we know. Hence, the establishment of the Islamic Development Bank (IDB) in 1975 was a watershed moment for Islamic banking, coming just after the establishment of the first major Islamic commercial bank-the Dubai Islamic Bank-in the United Arab Emirates (Qambar, 2015). The success of the latter led to the establishment of a series of similar banks, including Faisal Islamic Bank (Sudan) and Kuwait Finance House (Kuwait)-both in 1977. As early as the late 1970s, steps were taken in Pakistan for making the financial system compliant with Shari'ah principles. The legal framework was then amended in 1980 to allow for the operation of Shari'ah compliant profit-sharing financing companies, and to initiate banks and finances through Islamic instruments. Similarly, Iran enacted a new banking law in August 1983 to replace conventional banking with interest-free banking.

The law gave banks a window of three years for their operations to become compliant with Islamic principles. Sudan's efforts to align its entire banking system with Shari'ah principles began in 1984 (Hussain, 2016). It should be noted that that all the above listed moves by popular Islamic states were all geared towards ensuring adequate and proper management and administration of the divinely prescribed financial system that is compliant with seeking the pleasure of our Creator.

The financial infrastructure, including standards setting and regulatory institutions, has also been catching up with the rapid growth of Islamic financing. International standard-setting institutions were established to guide the operations of the industry around the world, although standardization of Islamic products across different countries remains a challenge. Since 1991, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), based in Bahrain, has been issuing accounting, auditing, and Shari'ah standards for financial reporting at Islamic financial institutions. The Islamic Financial Services Board (IFSB), established in 2002 in Malaysia, is responsible for issuing supervisory and regulatory standards and guidelines. It also promotes the adoption of these standards and guidelines by relevant regulatory authorities (Ali, & Osmanaj, 2020). In 2001, the International Islamic Financial Market (IIFM) in Bahrain was mandated to develop guidelines for the issuance of Islamic financial instruments and to encourage active secondary market trading. In 2010, the Malaysia-based International Islamic Liquidity Management

Corporation (IILM) started issuing short-term Shari'ah-compliant financial instruments to facilitate cross-border Islamic liquidity management.

In recent years, the global financial landscape has witnessed a growing interest in Islamic finance as an alternative economic system that integrates ethical principles with financial transactions. Over the last forty years, there has been a rapid expansion of financial institutions that can be characterized as Islamic, in that they do not deal in interest-based transactions. At present, over 60 countries, encompassing the Muslim world, have some type of Islamic banking or financial institutions. Nigeria's first Islamic Bank begins business in three branches on the 15th December 2012: i.e. Jaiz Bank, in Abuja, Kaduna, and Kano.

Nigeria, as Africa's largest economy and a predominantly Muslim nation in the northern regions, presents a unique context for examining the intersection of Islamic finance and political stability). Population of Muslims in Nigeria as of December 2024 was 97 million which accounts for approximately 41.5% of Nigeria's current total population of over 234 million according to Worldometer/World Population Review/Microsoft Bing. (Last accessed in January, 2025). From the forgoing, this paper sets out to examine how Islamic financial instruments and institutions contribute to political stability in Nigeria, thereby influencing broader socio-economic outcomes.

Finance and political stability lie in the role a robust financial system plays in fostering economic

growth, reducing inequality, and ensuring equitable access to resources - all of which contribute to a stable polity (Haroon, 2006). In the Nigerian context, the Central Bank of Nigeria's (CBN) initiatives in promoting Islamic finance as exemplified thus:

Connections between Islamic Finance and the Nigerian Polity:

- i. **Financial Inclusion:** By licensing Shari'ah-compliant banks and financial institutions, CBN provides financial services to previously underserved populations, fostering inclusion. Financial inclusion reduces socioeconomic disparities, which are often a root cause of political unrest.
- ii. **Economic Growth:** The introduction of Islamic finance attracts investments from Islamic countries and encourages local participation in the financial system. This boost in economic activity creates jobs and enhances livelihoods, contributing to political stability by mitigating economic grievances.
- iii. **Equity and Justice:** Islamic finance operates on principles of fairness, risk-sharing, and prohibition of exploitative practices like usury. This ensures equitable access to financial resources, promoting trust in the financial system and reducing social tensions as it presently operates in the South-south and South-east regions of the country.

- iv. **Deepening the Financial System:** By diversifying the financial system with Shari'ah-compliant options, CBN strengthens economic resilience. A stable and diverse economy often translates into a stable political environment.
- v. **Framework and Governance:** CBN's guidelines on Shari'ah governance and non-interest banking operations establish transparency and trust in the system. Strong financial governance reinforces confidence in economic institutions, which is crucial for political stability.

Thus, finance, particularly through initiatives like Islamic finance, serves as a bridge to achieving a stable economy and, by extension, a stable polity.

The Central Bank of Nigeria (CBN) took a significant step towards promoting Islamic finance in the country by opening a window for licensing Shari'ah-compliant banks and financial institutions. It's clear that the bank has been working to establish a framework for non-interest banking and finance, with guidelines on Shari'ah governance and non-interest window operations. CBN's fortress for taking this stride is rooted in its commitment to promoting financial inclusion and deepening the financial system in Nigeria. A deep and stable financial system guarantees stable economy which by extension ensures stable polity. By licensing Shari'ah-compliant banks and financial institutions, CBN aims to provide an alternative financial system that aligns with Islamic principles, thereby

attracting investment from Islamic countries and promoting economic growth.

Key Objectives of CBN's Shari'ah-Compliant Banking Initiative:

- i. **Promote Financial Inclusion:** Provide banking services to underserved communities and individuals who prefer Shari'ah-compliant financial products.
- ii. **Deepen the Financial System:** Increase access to financial services and products, promoting economic growth and development.
- iii. **Attract Islamic Investment:** Position Nigeria as a hub for Islamic finance, attracting investment from Islamic countries and institutions including the whole world.

To achieve these objectives, CBN has established guidelines for Shari'ah governance, non-interest window operations, and licensing requirements for Islamic financial institutions. These guidelines ensure that Shari'ah-compliant banks and financial institutions operate in accordance with Islamic principles and international best practices.

Review of Relevant Literature

The literature existing on Islamic finance underscores its potential to enhance financial inclusion and economic stability through mechanisms, such as zakat (obligatory alms-tax), profit-sharing, and the prohibition of interest (*riba*). Studies suggest that these principles align with Islamic values of social justice, fairness, and ethical conduct, potentially fostering political stability by

reducing income inequality and promoting economic participation among marginalized groups (Billah et al, 2024).

Conversely, political stability plays a pivotal role in shaping the development of Islamic finance. Strong governance frameworks, supportive regulatory environments, and political commitment are essential for the growth of Islamic financial institutions (IFIs) and the acceptance of Shari'ah-compliant products in the mainstream financial markets (Mohamed, 2016).

The instrument of Islamic capital market is not quite the same as the notable conventional techniques. Financial specialists are guided by lawful principles as well as by the tenets endorsed in the Holy Scripture-the Quran. Islamic bank gives an assortment of money related items. The principal instruments of financing utilized by Islamic budgetary establishments have some particular highlights: assessing the estimation of any advantage based on its genuine esteem, each agreement is closed solely on one kind of money related administrations, a reasonable meaning of the costs of merchandise/benefits, an unmistakable meaning of the offer of each accomplice in benefit/misfortune.

Some financial instruments, with the great potentials for financial innovation and expansion in the Islamic financial system, are the following:

Mudarabah (financing organization): Benefit imparting association to just a single of the accomplices giving the fund and the other having an arrival for enterprising movement. This normally

applies to bank stores and is a typical reason for organizing Shari'ah agreeable venture reserves (Abdul Rahman, 2010). In another words, Muhammad Taqi Usman (1999) describes Mudarabah as a special kind of partnership business where one partner gives money to another for investing it in a commercial enterprise. The investment comes from the first partner who is called 'rabb-ul-mal', while the management is an exclusive responsibility of the other, who is called 'Mudarib'.

Murabaha (cost-in addition to deal): buy and deal for an increase which is uncovered Islamic bank is an unobtrusive blend of economy, morals and Islamic law (Sharia'a) bringing about money related exchanges dependent on decency, benefit and misfortune sharing and genuine exchanges. This is a way by which Islamic finance legalizes buying and selling, it is obvious that the main motive behind any form of buying is either to consume or resell for a profit. The profit may be in lump sum or based on a percentage made instantly or at a later date as agreed to by both parties in the transaction.

Musharakah (value organization): a very adaptable instrument for arranging worldwide business between a few colleagues. Misfortunes must be partaken in an indistinguishable extent from contributed capital, and benefits will be appropriated by a pre-characterized proportion. A fascinating use of such understanding is an organization in altruism in which there may not be any type of money venture, but rather an accomplice contributes his name, acknowledges or tracks record for a specific esteem, along these lines

enabling his accomplice to take part in business (Ahamed & Dzuljastri, 2005). Also, where resources are pulled together to establish a business venture, it is like in the known interest-based financing with a far-reaching effect on both production and distribution, Therefore, Musharakah can play a vital role in an economy based on Islamic principles. (Muhammad Taqi Usman, 1999).

Salam (Islamic forward): Salam is a sale whereby the seller undertakes to supply some specific goods to the buyer at a future date in exchange of an advanced price fully paid on the spot. Here the payment is immediate, but, the purchased goods supply is deferred. The buyer is called 'rabb-us-salam', the seller is called 'Muslam ilayh', the cash price involved is 'ra's-ul-mal' and the purchased commodity is termed: 'Muslam fih'. (Muhammad, 1999).

Istina' (Production contract): This is the second side of the same coin shared with 'Salam' just mentioned above. It is a situation whereby a commodity is transacted before it is produced. It occurs when a manufacturer is ordered to produce a specific commodity or item for either the buyer who resells or be the end user. But it is necessary for the validity of istisna' that the price is properly negotiated and fixed between the two parties after which the job specification must be clearly spelt out. After the manufacturing is commenced, no party can unilaterally cancel the contract, except such intention is expressed before the work starts (Salako, Mikail & Salako, 2023).

Sukuk (Islamic bonds): Sukuk is an interest-free financial certificate representing the ownership portion of its holder in eligible existing or future assets. It is usually issued by Government and Corporate entities. The issuer of a Sukuk tenders ownership certificates of an underlying asset, service, or business venture to the intending investors as these certificates are a representation of undivided ownership of the investor in the property. The investment proceeds are utilized for an underlying service or business venture while the investors will be entitled to profits generated by the investment. It is also succinctly put as venture endorsements confirming a prorata proprietorship or a helpful enthusiasm for a benefit or undertaking (Dusuki, 2009).

Takaful (Islamic protection/Insurance): This is a protection given on a shared premise. The African Alliance Insurance company on its website (sighted last on 12th July, 2024) describes Takaful as an Islamic financial instrument and a policy of the company based on mutual co-operation, solidarity, common interest, shared responsibility, joint indemnity and brotherhood against unpredicted risk or catastrophes, in which the participants involved are expected to contribute genuinely.

Ijarah (Islamic renting): This in Islamic parlance lexically means to give something on rentage, (Muhammad, 1999). It is a legitimately restricting contract whereby the proprietor of something which has intrinsic esteem will exchange its usufruct to an outsider for a predefined period in return for a concurred thought. Numerous kinds and methods of

Islamic Finance has been created and issued Financial Accounting Standards (FAS) by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The targets of the AAOIFI are to get ready and create bookkeeping, evaluating, administration, moral and Shari'ah principles identifying with the exercises of Islamic Financial foundations all around the world. (Usmani, 1999).

Zakah (Alms Tax): Zakah is a sadaqah of compulsive nature which the rich have to pay to an Islamic state coffer in order to help it create an economically conducive environment where its citizenry could live in love and friendship and whereby it could realize its ideological imperatives. (Dabbas & Zarabozo, n.d.).

Waqf (Trust fund): Waqf is a legal and religious institution wherein a person dedicates some of his properties for a religious or a charitable purpose. The properties, after being declared as waqf, no longer remain in the ownership of the donor. The beneficiaries of a waqf can benefit from the corpus or the proceeds of the dedicated property, but they are not the owners. (Al-fattawa al-Hindiyyah, Waqf, ch. 5, v 2, p. 417).

Wakâlah (Investment agency): Wakâlah is formulated to suit customers who want to stabilize returns and periodic earnings on their investments. Under the Agency (wakâlah) mode of finance, an Islamic financial institution makes arrangements and acts as an agent to invest a customer's funds in an ethical and profitable business venture which is mutually agreed upon by the two parties. Financial

institutions who serve as agents will indicate the expected profit rate during the agreed period for the investment to the customer.

Tawarruq (Credit Purchase): Tawarruq is derived from the word *al-waraq* which means minted money or anything issued to serve as a medium of exchange, in this concept; it is designated to someone who possesses an abundance of silver coins. Technically according to Dusuki, tawarruq is the purchasing of a commodity on credit by the seeker of cash and selling it to a person other than the initial seller for a lower cash price. According to Maliki and Shafi', tawarruq means "selling something on deferred payment and then buying it back in cash, at a lower price than the deferred price". Furthermore, the Hanbali explained the concept of tawarruq, as when someone bought something on credit or he did not pay the price, it then becomes forbidden and the sale is invalid to its buyer by cash purchase less than the first price. In its arrangement, a buyer buys an asset from a seller on deferred payment and subsequently sells the assets to a third party for cash, with a price lesser than the deferred price. It is called tawarruq because when the item is purchased by the buyer on deferred payment, the buyer's intention is not to utilize the benefit of the asset, but rather to facilitate him to attain liquidity by reselling it instantly. In modern banking settings, tawarruq is organized as a financial service to generate liquidity among Islamic banks that are short of funds rather than requesting an interest loan. It is also used to finance cooperative organizations, firms, and other agencies that need funds.

Methodology

The methodology for exploring the nexus between Islamic finance and political stability in Nigeria employed a mixed-method approach, integrating both qualitative and quantitative research methods. This approach ensures a comprehensive understanding of the relationship between the two variables.

The study collected primary data through interviews with key stakeholders, including policymakers, financial regulators, scholars of Islamic finance, and representatives of Islamic financial institutions. These interviews provided in-depth insights into the role of Islamic finance in fostering economic inclusion, reducing poverty, and promoting stability. Secondary data were obtained from existing literature, including reports, journal articles, policy documents, and Central Bank of Nigeria (CBN) guidelines on Islamic finance.

Quantitative data were gathered through surveys distributed to individuals, businesses, and institutions that engage in Islamic financial services in Nigeria. This data were analyzed to identify patterns, trends, and correlations between the growth of Islamic finance and indicators of political

stability, such as economic growth, poverty alleviation, and governance improvements.

The study conducted a content analysis of relevant policies and regulations governing Islamic finance in Nigeria, with a focus on how these policies align with the principles of fairness, social justice, and financial inclusion. The data were split to ensure reliability and validity, allowing the study to provide a well-rounded perspective on the subject.

In the analysis of data, thematic analysis was applied to qualitative findings, while statistical techniques, such as regression analysis, was used to examine quantitative data. These combined approaches highlight the role of Islamic finance in addressing economic challenges and contributing to political stability, while also identifying barriers to its growth and potential policy recommendations.

Data Analysis and Discussion

Political

Stability in Nigeria

The ruling All Progressives Congress party (APC) dominates the political landscape of Nigeria. President Bola Ahmed Tinubu was sworn into office on May 29,

2023, and has pledged to improve the economy and ensure security and safety across the country, which is encapsulated in his campaign slogan of the popular ‘elofokanbale!!!’ which means ‘Go and relax’. The country faces many social and economic challenges, including insurgency, insecurity, kidnappings and separatist agitations. Nigeria’s economy experienced broad-based growth between 2000 and 2014, but growth rates decreased between 2015 and 2022 (Atakpa, 2024).

Nigeria's economic growth rate between 2000 and 2014 averaged around 7%. This period saw significant growth, with the economy expanding by 5.02% in 2000, 15.33% in 2002, and 8.01% in 2010. However, the growth rate slowed down in the subsequent years. Economic Growth Rate (2000-2014):

S/N	YEAR	PERCENTAGE (%)
1	2000	5.02%
2	2002	15.33%
3	2010	8.01%

N.B.: Average growth rate was 7%

In contrast, the economic growth rate between 2015 and 2022 was much slower, averaging around 2.7%. The growth rate fluctuated during this period, with a recession in 2016 and a slow recovery. Economic Growth Rate (2015-2022):

S/N	YEAR	PERCENTAGE (%)
1	2015	2.65%
2	2016	1.62%

3	2017	0.81%
4	2018	1.92%
5	2019	2.21%
6	2020	1.79%
7	2021	3.65%
8	2022	3.25%

N.B.: Average growth rate was 2.7%

These growth rates indicate a significant slowdown in Nigeria's economic growth between 2015 and 2022 compared to the previous decade. (Nigeria Development Update (NDU) – World bank.

The country is pursuing bold reforms to re-establish macroeconomic conditions for stability and growth. Poverty rates are expected to increase in 2024 and 2025 before the expected stabilization in 2026.

Meanwhile, political stability anywhere in the world does not have a major fortress upon which it rests other than the economic fortunes and prowess of such a nation, hence, this paper is presenting Islamic finance otherwise conveniently called Islamic economic system to ensure political stability in Nigeria as a nation whose her various political regime has always been characterized by various parlance in reaction to different economic hardship that threatens the polity. It was 'Austerity' at a time, later, it was 'SAP' – Structural Adjustment Programme, it was once; 'Babangida must go', then, Ken Saro Wiwa's execution for resource control agitation, there was 'June 12' saga, later, the 'Odi massacre', we recently had the corruption alleged 'Mr. Integrity's regime followed by the

'EndSARS' bloody and destructive protests initiated by a group of youths that engages in cyber frauds as a means of livelihood popularly called: Yahoo Yahoo. Shortly after that was; the 'Obidient' movement for political change but, which could not manage both its religious bigotry and tribalism to clinch the required mandate to climb the mantle of Nigeria's presidency. Currently, it is the cry of 'Ebi npa wa', that is, 'we are hungry', and 'End bad Governance' renting the air everywhere and every day in Nigeria. One thing that is common to all the above-mentioned events/expressions is that they all have to do with one unrest or the other in form of violent protest that greatly shook the country which by extension portends a big political instability.

How Islamic finance proffer solution to Nigeria's Political instability

Islamic finance armed with all its products and services hereby offers solutions to address the instability facing Nigeria political system as presented below:

- 1. Economic growth:** Islamic finance via its various instruments highlighted in-exhaustively above, promotes entrepreneurship, innovation, and risk-sharing, which definitely fosters economic growth and development. If there is really the expected economic growth and development in a country, it won't be an over-statement to say that the polity will be stable.
- 2. Poverty reduction:** Islamic microfinance and social finance instruments, such as Zakat and Waqf, can help alleviate poverty and income inequality.

3. Financial inclusion: Islamic finance encourages financial inclusion by providing access to financial services for the underserved and unbanked population.

4. Risk management: Islamic finance instruments, such as Takaful (Islamic insurance), can help manage risks and provide protection against uncertainties.

5. Socio-economic development: Islamic finance promotes investments in sectors that benefit society, such as infrastructure, education, and healthcare.

6. Ethical governance: Islamic finance emphasizes transparency, accountability, and good governance, which can help address corruption and promote stability.

7. Shared prosperity: Islamic finance encourages sharing of profits and losses, promoting a more equitable distribution of wealth and reducing income disparities.

8. Stability and resilience: Islamic finance instruments, such as Sukuk, can help attract foreign investment and promote financial stability.

Specific Islamic Finance instruments for Political Stability

Some specific Islamic finance instruments that can be used in stabilizing the political affairs of the country which have already been put to use include:

a. Sukuk: Islamic bonds that can be used to finance infrastructure and development projects, Sukuk funded projects can be sighted across Nigeria and more could still be explored.

b. Takaful: Islamic insurance that can provide protection against risks and uncertainties.

c. Microfinance: Islamic microfinance instruments that can provide financial access to the underserved population.

d. Waqf: Islamic endowments that can be used to finance social and developmental projects.

e. Zakat: Islamic charity that can be used to alleviate poverty and income inequality.

By leveraging these instruments and principles, Islamic finance can contribute to promoting financial stability, economic growth, and socio-economic development in Nigeria.

Findings:

The findings reveal that Islamic finance has the potentials to significantly contribute to political stability in Nigeria by promoting financial inclusion, reducing poverty rates, and stimulating economic growth. However, the sector faces obstacles such as inconsistent regulatory frameworks, limited public awareness, grossly inadequate Islamic human resources management, experts and political uncertainties that hinder its full realization.

Political stability, in turn, is crucial for the sustainable growth of Islamic finance. Stable governance structures, transparent regulatory frameworks that ensure Shari'ah compliance, and government support are identified as critical factors for fostering a conducive environment for Islamic financial institutions. Moreover, the ethical principles underpinning Islamic finance such as

equity, fairness, and risk-sharing can contribute to social cohesion and stability by addressing socio-economic disparities thereby considerably taking away, if not totally the violent agitations for resource control, secession etc. going on; especially in the south-eastern and south-southern zones of the country.

Implications for Policy and Practice/Recommendations

Based on the findings, this paper recommends several policy measures to enhance the role of Islamic finance in promoting political stability and economic growth in Nigeria. Firstly, there is a need for policymakers to strengthen regulatory frameworks that are supportive of Shari'ah-compliant financial products and institutions.

Secondly, enhancing public awareness and education about the benefits of Islamic finance by Muslims and Islamic finance scholars and adherents could broaden its acceptance and usage across diverse segments of the population.

Thirdly, promoting partnerships between IFIs, government agencies, and international development organizations can facilitate the scaling up of Islamic finance initiatives aimed at poverty alleviation and economic empowerment.

Lastly, the higher education training providers, especially universities and research institutes should endeavour to unbundle on one hand, the Islamic studies Bachelor's degree and allow programmes like Islamic Banking and Finance, Islamic Insurance, Islamic Cooperatives Management,

Islamic Investment, Islamic Human Resources Management etc. to be run at the undergraduate and postgraduate degree and diploma levels. Muslim experts/scholars should also be permitted to teach the basic introduction to Islamic finance in other conventional management courses such as Economics, Business Management/Administration, Accounting, Financial studies in universities and other tertiary institutions in Nigeria.

Conclusion

In conclusion, Islamic finance presents a viable pathway to promote political stability and economic development in Nigeria, particularly through its emphasis on ethical financial practices and inclusive economic growth. However, realizing its full potential requires addressing political and regulatory challenges that currently impede its growth. By prioritizing the development of Islamic finance and fostering a conducive environment, Nigerian policymakers can harness its benefits to advance socio-economic objectives and enhance overall political stability.

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