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**Faith, Finance, and Inclusion: The Need and Value of Islamic Banking in  
Ghana's Evolving Economy**

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**Abstract**

This article explores the role that Islamic banking can play in Ghana's more inclusive and ethical financial future. It argues that while the conventional banking system has fostered growth, it still fails to bring a sizeable segment of the population especially in the rural and the Northern parts of the country under its ambit. Islamic banking, based on the principles of fairness, risk-sharing, and transactional protections that secure the value of transactions in their asset base, is a viable alternative to conventional banking because it unifies and harmonises finance with social responsibility. Drawing on international experiences in countries ranging from Malaysia to Nigeria to the United Kingdom, the article shows that Islamic finance is not limited to religious practise but is a more comprehensive system capable of contributing to stability, transparency and sustainable development. For Ghana, the potential benefits include broadened financial inclusion and support of small and medium sized enterprises, attracting foreign investment, and fomenting the economic diversification. At the same time, the study identifies challenges in the areas of regulation, public awareness, and capacity that will have to be tackled to ensure successful implementation. The article concludes that introducing Islamic banking in Ghana is not simply anything about offering another financial product but re-imagining finance as a tool for achieving equity, resilience and social progress.

**Keywords:** Conventional Banking; Ethical Finance; Financial Inclusion; Financial Literacy; Islamic Banking; Sharia Law; Sustainable Development.

## **1. Introduction**

In every society, the financial system plays a decisive role in shaping economic growth, reducing poverty, and providing opportunities for individuals to improve their livelihoods. Around the world, banking has become more than just a mechanism for storing money; it is a powerful tool for inclusion, investment, and development. Yet, in many contexts, the conventional banking model has shown limitations, especially in reaching marginalized groups and in addressing ethical concerns surrounding the charging of high interest rates and the prioritisation of profit above social responsibility. These shortcomings have given rise to alternative systems of finance, among which Islamic banking has become one of the most visible and rapidly growing.

Islamic banking is not merely a religiously inspired alternative; it is an ethical financial system grounded in principles of fairness, equity, and social justice. Primarily, it forbids interest (riba) and non-acceptable transactions (gharar), favouring rather risk sharing through joint gains and losses (Alam et al., 2017). These are aspects which make the Islamic banking model stand out as one that attempts to bring financial practises into alignment with moral and social values without necessarily compromising on its commercial viability. The world has witnessed the emergence of Islamic finance as a multi-trillion-dollar sector that has been positively received in not only Muslim majority countries but also the financial centre of world such as London and Singapore (Iqbal & Mirakhor, 2011).

For Ghana, the question of Islamic banking is both timely and necessary. The country has made significant progress in modernising its financial sector, yet challenges remain. A considerable proportion of the population is still unbanked or under banked, particularly within rural communities and among the northern regions where Muslims form a significant proportion of the population (Bank of Ghana, 2021). In many instances, conventional banks do not exhibit cultural and religious sensitivity to these societies, further alienating them financially. Islamic banking is one way to fill this vacuum and provide increased customers with products that will appeal to the religious and ethical insurance customer.

Other than the religious aspects, there are other reasons why Islamic banking could be of value to Ghana, including diversification of the financial system, improvement of financial inclusion, and international Islamic finance markets bringing investments into Ghana. In Ghana, currently as it seeks to establish itself as an economic hub in West Africa, pursuing alternative concepts like an Islamic banking system may prove to be revolutionary. This paper therefore argues that the introduction of Islamic banking in Ghana can and indeed should be part of a more inclusive and resilient financial future.

## **2. Conceptual and Theoretical Foundations of Islamic Banking**

Islamic banking, although it is presented to us as something modern in appearance, takes its essence from the financial practises which have been present in Muslim societies for centuries. The bases are in **Shariah law**, the laws which regulate not only the acts of worship but social, commercial and financial dealings as well. Central to Islamic finance is the pursuit of justice and

fairness, ensuring that economic transactions do not exploit one party at the expense of another. This ethical orientation makes Islamic banking stand out in an era when the global financial system is frequently criticised for greed, speculation, and instability (Chapra, 2000).

At the conceptual level, Islamic banking is guided by several distinctive principles. The most well-known is the prohibition of **riba**, commonly translated as interest. In Islamic thought, money is not considered a commodity in itself but a medium of exchange. Earning money from money, without engaging in productive activity, is therefore seen as exploitative (Iqbal & Mirakhor, 2011; Usmani, 2002). Islamic banks often avoid fixed interest charges in favour of such models as *mudharabah* (profit-sharing between investor and entrepreneur) and *musharakah* (joint partnership with equal distribution of risks and rewards). Such arrangements place stress upon risk-sharing rather than the conventional banking approach of assigning high risk to the borrower.

The other important aspect is that, transactions which are supported by physical assets are a critical requirement. Included under products are *murabah* (cost plus financing), *ijara* (leasing) which puts financing tied to actual economic action, but no longer to highly speculative trading. It results in a low probability of bubbles and financial crisis, so Islamic banking is not only ethical, but may also be more stable (Ayub, 2007). Additionally, the Islamic banks will not invest in sectors that may cause negative social implication to the society such as gambling, alcohol, and weapons production among others hence the direction of money flows merged with that of large-scale societal values (El-Gamal, 2006).

On theoretical grounds, researchers have debated on whether Islamic banking constitutes an entirely new paradigm or is simply a remodelled conventional banking. It is said that most Islamic products are copying their conventional counterparts with just a few changes, unbelievably, throwing down challenges on whether the system in actuality reflects the moral concepts (Kuran, 2011). However, proponents might press the line that the ethos of risk sharing and social responsibility inherent in Islamic finance has a meaning context in contrast to conventional frameworks, especially when used in good faith and with openness.

The other significant level of theory postulation is its expanded economic ideology. An Islamic finance is an envisaged system in which wealth does not remain with a small number of people. This sense of social justice and commitment to reduce the levels of poverty is emphasised by the introduction of *zakat* (obligatory almsgiving) into the financial system (Iqbal & Mirakhor, 2011). Such principles may help bring a moral compass to finance in societies such as Ghana, where people with lots of money and those with little have been living in opposition to each other.

In short, the conceptual and theoretical basis of Islamic banking is in age-old values of equitability, justice, ethics, and social responsibility. As its future location in the world financial structure remains a contentious topic, it offers an interesting paradigm of its focus on ethical behaviour, backing its assets and sharing risks. These attributes provide the basis of investigating

how Ghana can use Islamic banking to address the unique financial and developmental problems facing Ghana.

### **3. The Global Landscape of Islamic Banking**

In the last 40 years, the practise of Islamic banking has evolved such that, what was once a niche banking activity in some of the Muslim majority countries, is now one of the major contributors in the international banking sector. By today, the total amount of Islamic finance assets is measured in trillions of dollars, and Islamic finance is present in over 80 countries (World Bank, 2020). The international growth of Islamic banking proves that Islamic banking is not just a religious choice but a rational system which can be adopted by the clients regardless of their religious beliefs and find ethical and transparent financial solutions.

Countries such as Saudi Arabia, the United Arab Emirates and Kuwait continue to lead Islamic finance in the Middle East. These states have a high concentration of Islamic banks in proportion to the total share of banking assets, and in many of these states exist a dual banking system with conventional banks in operation alongside Islamic banks (Iqbal & Mirakhor, 2011). Outside the Middle East, Malaysia has become an international pioneer of Islamic financing and has developed a solid system of regulation and brought Islamic banking into the core of their financial system. It has also been argued that Muslim finance has worked well in Malaysia because of well-institutionalised policies, education, and robust government encouragement (Shanmugam & Zahari, 2009).

Interestingly; the Western financial centres like London have seen Islamic banking also pick up with financial institutions like HSBC, Standard Chartered venture with an Islamic financial product offering. The good news is that the UK is ready to tailor its regulatory framework towards Shariah-compliant finance, which demonstrates that Islamic banking is a legitimate and valuable industry in the global market (Wilson, 2012). In the same manner, Singapore has oriented itself as an Islamic financing hub in Asia to serve not only domestic requirement, but foreign investors as well.

Some countries of Africa already make some steps in the direction of creating Islamic banking. As a country with high Muslim values, Nigeria already has existing Islamic banks and has seen the increasing demand in Islamic products that fulfil Shariah requirements (Aliyu et al., 2017). Kenya and South Africa have advanced in a great way along with the addition of Islamic windows to the conventional banking model to fulfil multiple customer requirements. Such cases in Africa are especially pertinent to Ghana here, as care must be taken to demonstrate that Islamic banking is not an upheaval to secular and pluralistic financial systems. The result of this world outlook is the flexibility of Islamic banking in terms of culture, religion, and economy. Its performance under varying conditions points to the fact, the model is not attracted only by religious devotion but also by its ethical and socially responsible values. The lessons apply to Ghana: with the right policies, education, and backing of institutions, Islamic banking could work and play a valuable role nationwide.

#### **4. Ghana's Financial and Socio-Cultural Context**

Since 1980s and 1990s, economic reforms in Ghana have dramatically changed its financial system with liberalisation of bank industry, new entries by foreign banks and enhancement of economic regulation under Bank of Ghana. The country today boasts of a fairly dynamic financial industry consisting of conventional banks, rural banks, microfinancial institutions, and mobile cash services. Along with this gain, however, much of the population is still out of institutional banking. The most recent financial inclusion reports indicate that while mobile money has widened access, nearly one-third of Ghanaian adults are still unbanked (Bank of Ghana, 2021).

This exclusion is more of an uneven distribution of the country, with it being more pronounced in the northern regions, which are historically weaker in terms of infrastructure, industrialization and financial penetration. Importantly, much of the Muslim community in Ghana also lives in these areas, which is estimated to comprise more than 20 percent of the entire national population (Pew Research Centre, 2017). The conventional banking model does not augur very well with the culture or religious beliefs of many in such societies. Our case of the ban of interest in the Muslim faith affects the proposed think-tanks lives of the devout Muslims who might be willing to engage credit services that are not charged on Riba basis. This discrepancy ensures they remain dependent on informal savings plans or using communal financial schemes, which lack the larger and more secure nature of conventional banking.

Ghana is a pluralistic cultural society; in which religion is openly elicited in day-to-day activities (Amenga-Etego, 2024). Christianity and Islam coexist alongside indigenous traditions, each shaping attitudes towards money, debt, and social responsibility (Opoku-Okuampa, 2024). Within such a setting, banking cannot be viewed purely as a technical activity; it also carries social and ethical weight (Mintah et al., 2024). The growing awareness of ethical finance worldwide has made many Ghanaians more open to alternatives that emphasise fairness and transparency, even beyond religious boundaries (Al-Hassan, 2025). This implies that Islamic banking will not necessarily only be attractive to Muslims should they be introduced but to people and companies who may need more socially acceptable financial products.

Meanwhile, the Ghanaian economy remains unstable and continues to struggle with numerous problems that allow to lower the innovative value of financial solutions. The economic growth is hampered by high interest rates, lack of good access to cheap credit, and high participation in the informal sectors. SMEs are the main stakeholders of the Ghanaian economy; this group of individuals struggles to borrow funds because of the security requirements and high-interest rates charged on loans (Quartey et al., 2017). A possible alternative to eliminate these gaps might be the Islamic form of banking, based on its focus on partnerships, asset-backing and risk-sharing. Therefore, the Ghanaian financial and social-cultural environment can serve as a challenge as well as an opportunity. The marginalisation of substantial population groups, the moral necessity of a religiously diverse community, and the necessity of other financing vehicles and mechanisms all suggest the timeliness of examining Islamic banking. This background is important to understand why the concept of Islamic finance might resonate uniquely in Ghana,

and why the debate is not solely about religion but instead a question of money and financial justice and inclusivity.

### **5. The Need for Islamic Banking in Ghana**

The necessity of Islamic banking in Ghana might be interpreted on multiple levels: the ethical, social and economic one. Islamic banking, at its core, reveals an approach to finance that is responsive to the disjunctures and constraints of conventional banking, and specifically in those societies where masses of people are marginalised or under-served by the conventional banking system. This is not just an imaginary issue in Ghana, this is a reality experienced by millions of the population.

Financial inclusion is one of the urgent rationale behind Islamic banking in Ghana. Otherwise, although much progress has been made to provide greater access to banking, many Ghanaians, particularly rural and north, continue to depend on informal systems of savings and credit. These deals prove to be untrustworthy and can expose the victim to fraud or a loss of money. Organisational components of conventional interest-based banking produce dilemmas on morality and religion especially in Muslim circles. Taking a bank loan may be discouraged e.g. by the prohibition of *riba* - a Muslim trader in Tamale or Wa that needs to expand his business will hesitate to do so. Islamic banking is a way that such individuals could engage in such formal finance without having to forgo their religion. This would enhance access as well as foster trust and confidence in the financial system (Obaidullah & Khan, 2008).

Other than inclusion, Islamic banking also will be significant in solving ethical issues of finance. Most conventional banking in Ghana, as in other African countries, is regarded as highly charged, full of hidden fees and with the underlying mark of profit-taking nature, rather than being driven by social duty. The conditions sound exploitative to many Ghanaians especially because most of them operate small businesses. In its sensitive focus on equitable practises, transparency, and risk sharing, Islamic finance appears as a more humane option. It is more closely aligned with the reality of life that ordinary people have to grapple with; it is based on tangible assets, and discourages all forms of speculation behaviour and encourages other people to actually have some share of the benefits (Chapra, 2000).

The other area of need is within the entrepreneurial and SME sector of Ghana. More than 70 percent of jobs in Ghana are held by small and medium-sized enterprises that substantially contribute to GDP (Quartey et al., 2017) However there is always the issue of accessible credit. Conventional banks would require collaterals, which small companies are unable to offer, and the loans they do offer are at excessive interest rates. The Islamic banking model like *musharakah* (joint venture) and *mudharabah* (profit sharing) may enable the businesspeople to secure the much-needed capital and all risks and benefits are shared equally between the lender and the borrower. This would give strength to SMEs, enhance and boost innovation, and improve the economy bottom-line.

The Ghana development agenda also resonates well with the social justice orientation of Islamic banking. The nation still struggles with disparity between the urban and rural, rich and poor, south and north. Economies that strengthen marginalisation increase these lines. Islamic banking, which enjoys the mandate of fostering justice and social benefit, may be used as a measure to iron all these differences out. Some of these practises, like zakat (obligatory almsgiving) and qard hasan (benevolent loans), also constitute a religious obligation, but are systemic redistribution of wealth and alleviation of poverty as well. Integrating these principles into the Ghanaian financial system would allow pursuing wider aspects of social development needs, especially those of the underprivileged.

Lastly, Ghana needs to have an economic and strategic diversification of its financial system. As Islamic finance has become a multibillion-dollar business spawning a global industry and subject to global trends, Ghana has a high chance of being left behind as it fails to make room in its market to Islamic compliant products. The country that further in the future will be involved in this process is already taking such a step and oriented itself to capture Middle Eastern and Asian capital inflow (Aliyu et al., 2017). Through Islamic banking Ghana would access the streams as well and build its financial strength besides boosting its competitiveness across the world.

Combined, these are valid reasons why Islamic banking is applicable in Ghana. It does not merely have to do with serving a religious minority, but afforded a more inclusive, moral and developmental financial service. In the case of Ghana, it is not a question of whether or not the country needs a system of Islamic banking, but rather how fast a system could be established to make Islamic banking a reality in Ghana.

## **6. The Value Proposition of Islamic Banking for Ghana's Economy**

The adoption of Islamic banking in Ghana is not simply a matter of providing an alternative for Muslims; it carries broader economic value that can benefit the country as a whole. In fact, the introduction of a well-structured Islamic banking framework could help diversify Ghana's financial sector, deepen access to capital, and foster inclusive development. Its value proposition exists in a number of dimensions such as growth, stability, investment, and social impact.

First of all, Islamic banking could make a significant contribution to **GDP** (Gross Domestic Product) **growth and diversification of the financial sector**. Ghana's banking regime is highly biased towards conventional interest-based models, which are inclined to favour large scale borrowers and corporate clients. By bringing in Islamic financial products, the banking sector would find access to new sets of population sections which have remained outside the circle so far. Mobilisation of deposits from communities resisting conventional banking for religious/ethical reasons would augment the pool of capital available to be deployed to generate productive investments. Countries such as Malaysia and Nigeria have proven that Islamic banking can exist alongside conventional banking models and provide positive contribution to national economic growth (Shanmugam & Zahari 2009; Aliyu, et al. 2017).

A second field of value is **attracting foreign investment**. Islamic finance is a multi-trillion-dollar industry worldwide, and there are large investments of capital from the Middle East and parts of Asia. Many of these funds are specifically designed for Shariah investments (Baloch & Chimanya, 2023; Fitch Ratings, 2024; Paltrinieri & Kutan, 2019). The Government could take advantage of this potential by setting up a favourable environment for Islamic banking so that Ghana can act as a gateway for such funds into West Africa. This would not only enhance the financial sector but also generate much needed capital for infrastructural development, energy development, and industrial development. For a nation whose objective is to develop an industrial sector and move away from a dependency on commodity exports, it could well be an advantage to tap into Islamic finance.

Islamic banking is also valuable in perspective of **financial stability**. One of the criticisms against conventional banking is its heavy reliance on interest and speculative practises, which causes bubbles and meltdowns as seen in the global financial crisis of 2008 (Nützenadel, 2020). By contrast, Islamic banking has a mandated regulation for transactions to be based on real assets and promotes risk sharing by the banks and the clients. This foundation of concrete and robust economic activities helps discourage excess speculation and can encourage a higher level of resilience in times financial shocks (Chapra, 2000; Ayub, 2007). In the case of Ghana, continuously susceptible to external environmental cues and the fluctuating exchange rate, asset-backed finance would hold sway in stabilising the country's economy, through ensuring long-term financial health.

Additionally, Islamic banking may have profound implications on SME development and employment. Small firms are the foundation of the Ghanaian economic system, but they often have restrictive access to borrowing funds through conventional banking due to associated prohibitive borrowing costs. Islamic financing tools like musharakah (joint venture) or mudharabah (profit sharing) offer a more relaxed solution where lender and borrower share the risk of the enterprise. Islamic banking would also unlock entrepreneurship, encourage innovation, and by providing SMEs with more equal access to capital, the banking system would open the vast pool of young people entering the workforce in Ghana.

Equally essential is the fact that there is social development value of the Islamic finance. Financial tools such as zakat (compulsory almsgiving) and qard hasan (loans without interest) are aimed to promote financial literacy and empowerment among help the poor and needy in society on a wider scale. Although the specifics of these may not be applied straight onto the ground in the Ghanaian environment, redistribution and social responsibility can be used as the driving beliefs behind financial products specifically designed to deal with poverty and inequality. Such mechanisms would complement the government's work of inclusive development in a country whose disparities are an extant problem.

Finally, Islamic banking would benefit Ghana by improving its image as a progressive, open-minded and innovative economy. By serving the varied financial interests, not only Ghana would show its receptivity to the international trends in finance, but it would also strengthen its national

cohesion. This would not only be beneficial to both Muslim and non-Muslim groups, but it would also send the message of Ghana being a financial hub able to integrate ethical finance into the mainstream system.

The case for Islamic banking in Ghana goes beyond the promotion of religious value. It offers economic diversification, start-up of more investments, financial stability, empowering of the SME, creation of jobs, and equity. Islamic banking could become the cornerstone of the next stage in Ghana financial and economic restructuring, should it be well executed.

### **7. Challenges and Considerations for Implementation**

Though the advantages of Islamic banking to Ghana are quite compelling, the road to realisation is not a smooth sail. There are legal, institutional, and social hurdles that must be very cautiously manoeuvred to launch such a system and make it long-lasting and well received.

One of the biggest hurdles is around the regulatory and legal framework. Ghana's financial system is operated under laws and guidelines that are adapted to conventional interest based banking. The Bank of Ghana as a regulatory apex body, for instance, doesn't even yet have comprehensive policies specifically designed for accommodating Shariah compliant financial products. This legal gap has the potential of creating uncertainties for both investors and clients. Without a clear framework for its inclusion, formation and operation, Islamic banks may struggle with operating effectively and may face skepticism, especially from regulators who are more familiar with conventional standards (Aliyu et al., 2017). Establishing new regulations or revising existing ones would be an essential step to meaningful implementation.

A second challenge is **awareness and public understanding**. Many Ghanaians, including Muslims, are not fully informed about how Islamic banking works. Misconceptions abound—for example, some assume it is exclusively for Muslims, while others fear it may politicise religion within finance. In reality Islamic banking products are available for anyone who is listening for the call of fair finance. Hence, in order to overcome misconceptions of the sort, there would have to be a widespread public education and financial literacy campaign. This calls for cooperation and partnerships between policymakers in regulation, religion bodies and banking institutions to establish trust and clarity (El-Gamal, 2006).

The availability of skilled human capital is another issue to ponder over. Islamic banking companies have the support of professionals familiar to both the principles of Shariah and modern finance. Ghana has so far little expertise in this area. Without proper training courses at universities and banks, there may be a lack of adequate staffs in the industry to design, implement, and monitor Shariah compliant banking products. Building capacity through special education and exchange with other countries who have experience of the Islamic finance system, such as Malaysia or the UAE, would therefore be important.

There is also the problem of competition and integration into convention bank as well. Established banks, rather than viewing Islamic finance as a complement system, may see it as a

rival or competitor system and, therefore, may resist such reforms (or may lobby against it). To mitigate this, there is a need for policymakers to encourage dialogue and help introduce a level playing field for both systems to coexist. Examples from other countries, such as Nigeria and the UK indicate that it is possible for dual banking systems to co-exist if the banking regulators acted with clarity and fairness (Wilson, 2012).

Finally, there is the risk for politicisation and sectarian interpretation. If not managed well, the introduction of Islamic banking could get misinterpreted that it will give a head start to one religious group and discriminate against the other religious groups. This would remove any cohesion of the nation, and make adoption detestable. A careful narrative must therefore be cultivated - emphasising the fact that Islamic banking is not about religion per se, instead it's about offering ethical and inclusive financial alternatives which benefit all Ghanaians.

In summary, although the challenges are real, they are not insurmountable. With proper regulation, education, capacity building and sensitive communication to the public, one can safely say that Ghana can provide a strong groundwork for the successful integration of Islamic banking in the country's financial system.

## **8. Policy Recommendations and Way Forward**

For Islamic banking to grow and be established in Ghana, there need to be deliberate and well-structured policies. While the opportunity exists, without careful planning, the system could suffer setbacks that will limit its credibility and longevity. A number of recommendations can be outlined to help guide the way forward.

The first step is creating a robust regulatory environment according to Islamic banking. The Bank of Ghana working with the lawmakers should come up with some guidelines for developing products, licencing and supervision of Shariah-compliant financial services. This framework must not start reinventing the wheel but learn lessons from countries such as Malaysia, Nigeria where Islamic Finance has been successfully incorporated in a dual banking system (Shanmugam, 2009 and Zahari, 2009; Aliyu, 2017, et al.). Establishing a Shariah Advisory Council at a national level could also help ensure consistency, credibility and alignment with international best practise.

Secondly, there is need to increase financial literacy and awareness programmes. Islamic banking will only gain traction if the public understands what it is and what it offers. Campaigns should stress that Islamic banking is open to everyone, not only Muslims, and highlight its ethical principles of fairness, transparency, and social responsibility. Such awareness efforts could be spearheaded by the Bank of Ghana in collaboration with religious leaders, universities, and civil society organisations to dispel misconceptions and build trust.

Another very important recommendation is capacity building. Ghana needs trained professionals who can bridge the gap between Shariah principles and modern banking practices. Universities and banking institutes could launch special courses in the field of Islamic finance and

professionals in the field could benefit from exchange programmes with countries experienced in the sector. Building local expertise will ensure that the Islamic banking landscape in the country is not dependent on foreign consultants and that the system is grounded in Ghanaian realities.

Partnerships also matter. The government and private sector should look into collaborations from established Islamic finance institutions abroad, especially in the Middle East and Southeast Asia. These partnerships could attract investment, technical expertise and even corporations which can support and help grow Islamic banking in Ghana at a fast rate.

Finally, it is important for policymakers to pay attention to communication and the inclusion of the general public. The narrative around Islamic banking should always ensure that Islamic banking is presented as an opportunity for the entire nation and not merely a sectarian privilege. By focusing on the benefits of Islamic banking to SMEs, job creation and social development, Islamic banking linkage can apiece be made a part of broader Ghana's strategy towards inclusive growth.

Taken as a whole, these recommendations point in the direction of a practical road map. If Ghana invests in regulation, education, and sensible communication, Islamic banking can form a viable, respected and impactful part of the country's financial system. The way forward is not without challenges but the rewards for the economy and society could be substantial.

## **9. Conclusion**

The topic on Islamic banking in Ghana is not a matter of putting one more financial product in the shelves of one bank. It is a question of changing finance so that it works differently, in more inclusive, ethical and sustainable ways, for society. Through this article, we see that Islamic banking is grounded on principles of fairness, risk-sharing, and asset-backed transactions-time tested principles that address some of the major challenges within the Ghanaian current financial system.

The case for Islamic banking in Ghana is very compelling. On one hand it addresses head on the problem of financial inclusion by providing access to millions of unbanked Ghanaians, particularly Muslims who live in Muslim-dominated areas, thus giving the people an opportunity to engage in formal finance without compromising their religious convictions. On the other, it goes beyond faith by appealing to broader concerns about **ethical and socially responsible finance**, which resonate with many who feel alienated by the high interest rates and profit-driven orientation of conventional banks.

Economically, the introduction of Islamic banking could expand capital mobilisation, empower small and medium-sized enterprises, and attract foreign investment from thriving Islamic finance hubs. Socially it holds the promise of closing the gap of inequality and helping interpretations oriented towards welfare. Taken together, these benefits inherent in Islamic banking make it a strategic piece in the quest for inclusive and resilient development in the Ghana.

Yet this promise will only be realised if the challenges that exist in regulation, awareness and human capacity, are dealt with. Islamic banking is not to be pushed as an agenda for division and as a sectarian agenda, but as an opportunity to be progressed at national level as an alternative to strengthen the whole financial system to the benefit of every citizen of the country.

In conclusion, Ghana is at a crossroads where there is a triangle of faith, finance and development. By a thoughtfully inclusion-based approach towards Islamic banking, the country can achieve an important step towards a financial future that is just and prosperous.

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