

**DEVELOPMENT OF ISLAMIC BANKING AND FINANCE: THE CONTRIBUTION OF
AHMED ABDUL AZIZ AL NAJJAR**

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ABSTRACT

This paper aims to present and analyze the contributions of the "father of Islamic banking", Ahmed Abdul Aziz al Najjar to the development of Islamic economics and interest-free banking in the 20th century. His successful experiment of establishing the Mit Ghamr microfinance saving and investment bank in 1963 in Egypt is a good prototype model that has, since then, sown the seed of the spread of Islamic banking all over the globe. Many were the prominent pioneering scholars, who wrote, during the 20th Century, about the concept of interest-free banking. They contributed significantly to the theory of Islamic banking and the suggestion of elaborate and relevant financial instruments, that are based on *Shari'ah* (Islamic law). However, it was Ahmed al Najjar, who practically established a successful experiment in Egypt in the 1960s, that was ceased, not because it failed to achieve good results, but it was its success that paradoxically brought it to an end to the legal issue and political reasons. Al Najjar spent his entire life building, creating, establishing, supporting, educating, guiding, and supervising many Islamic banks and financial institutions in different parts of the Muslim World. He helped to establish Islamic Development Bank in Jeddah, Dubai Islamic Bank in the UAE, Faisal Islamic Bank of Egypt, Faisal Islamic Bank of Sudan, Kuwait Finance House, Jordan Islamic Bank, and many others.

Keywords: Ahmed Abdul Aziz al Najjar; al Najjar; Mit Ghamr; Interest free-Banking; Islamic Banking and Finance; Development of Islamic Banking

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İSLAMİ FİNANS VE BANKACILIĞIN GELİŞİMİNDE AHMET ABDÜLAZİZ EN-NECCAR'IN KATKILARI

ÖZET

Bu makale, 'İslami bankacılığın babası' olarak bilinen Ahmet Abdül Aziz en-Neccar'ın 20. yy.'da İslam ekonomisi ve faizsiz bankacılığın gelişimine yaptığı katkıları ortaya koymayı ve incelemeyi amaçlamaktadır. En-Neccar'ın 1963 yılında Mısır'da bir mikrofinans tasarruf ve yatırım kurumu olarak Mit Ghamr'ın kurulmasına dair başarıyla sonuçlanan girişimi sonraki yıllarda İslami bankacılığın tüm dünyada yayılması ile sonuçlanacak gelişimin ilk tohumlarını atan örnek bir model olmuştur. Yirminci yüzyıl boyunca pek çok önemli araştırmacı ve ilim insanı bankacılık kavramı üzerine yazdıklarıyla bu konuda İslami bankacılığın teorik altyapısının ve İslam hukukuna dayanan finansal araçların geliştirilmesine öncülük etmiştir. Bu çalışmaları 1960'ların Mısır'ında pratiğe dönüştürecek olan bir denemeyi Ahmet en-Neccar gerçekleştirmiş, ironik bir biçimde bu girişimin sonuçlarının başarılı olması onun hukuki ve siyasal nedenlerle sonunu da hazırlamıştır. En-Neccar tüm yaşamını İslam Dünyası'nın farklı köşelerinde pek çok İslami banka ve finans kurumunun kurulması, desteklenmesi, gerekli eğitim faaliyetlerinin yürütülmesi, bu çalışmalara rehberlik edilmesi ve bu kurumların idaresine adanmıştır. Cidde'de İslam Kalkınma Bankası, Birleşik Arap Emirlikleri'nde Dubai Islamic Bank, Mısır'da Faisal Islamic Bank, Sudan'da Faisal Islamic Bank, Kuveyt'te Kuwait Finance House ve Ürdün'de Jordan Islamic Bank gibi pek çok finans kurumunun oluşumuna katkı sağlamıştır.

Anahtar Kelimeler: Ahmet Abdülaziz en-Neccar; al Najjar; Mit Ghamr; Faizsiz Bankacılık; İslami Bankacılık ve Finans; İslami Bankacılığın Gelişimi

INTRODUCTION

The students of economics in the modern period have a good understanding or concern associated with the basic concept of contemporary economic analysis (Islahi, 2005). The emergence of the Islamic banking movement in the last quarter of the twentieth century marked the most crucial development in the global financial event. Although the history of Islamic banking goes back to the early concept of Islamic economics and finance having its origin based on the belief of Islamic society, which can be dated back to over 1400 years ago (Chachi, 2005). The movement is somehow so powerful to the extent that its progress has surprised those who believed that banks and the financial system could not operate in modern times, without relying on the interest rate mechanism. The development of the Islamic economics and banking system has shown the entire world that the market share of Islamic banking can grow in harmony with the world financial order and that it can make a substantial contribution to it.

The principles of Islamic economics and finance (Islamic banking) are now widely understood and recognized by both the Muslim and the Western financial community that is getting into dealing and interest with it. Islamic banking is a highly emerging financial market within the global banking industry (Hassan, Kayed, & Oseni, 2013) and then, widely spreading from regional to international level in growing of 15-20 per annual in Islamic financial assets (Franzoni & Allali, 2018; Musari, 2016, p-46; Sheikh, 2006). Besides, the volume of Islamic finance was growing on average 15% per annum and was expected to surpass USD 2.6 Trillion by 2020 as well.³ However, due to the Covid 19 Pandemic, the rate of growth has slowed down to around 2% and the size of the Islamic finance market has reached the United States Dollar (USD) 2.4Trillion (S&P Global Rating, 2020).⁴

This study discusses the ideas of Islamic banking and the contribution of the prominent scholar and banker, Ahmed Mohammed Abdul Aziz al Najjar, the pioneer and father of Islamic banking. It is the role model of the practical implementation of modern Islamic finance (banking) in its developmental history. However, regarding al Najjar's contributions, particularly, in the English language, there are not enough references in the field. And this work is the first as far as the authors' understanding.

The purpose of this work also aims to fill this gap in the literature as well as to show the individuals' significant contribution. Consequently, section one of the study starts with a brief introduction. Section two present the methodology of the study. The next section three gives an overview development or history of banking operations, followed by section four discusses the literature review of Mit Ghamr microfinance or Saving Banks including a subsection that provides a relation to Ahmed al Najjar Professional experience, appreciation, publications, and disappointment. Finally, the last section is the conclusion and recommendation.

In the Islamic banking literature, there is no reference found regards to the prominent scholars Ahmed Abdul Aziz al Najjar particularly in the English language as a source of reference for students, academicians, and other stakeholders. The problem of the study is mentioned by using a single question as follows: What is the impact of the contribution of prominent scholars like Ahmed Abdul Aziz al Najjar in Islamic Banking and Finance for the others?

Even though various research executed in several Islamic economics and finance across the globe, there are still a few studies in the Arabic language related to Ahmed Abdul Aziz al Najjar who is known as the father of modern Islamic banking it is a crucial issue for Islamic thought and Islamic banking development as well.

³ Middle East and North Africa, March 28, 2019, <https://www.globalethicalbanking.com/islamic-finance-rapidly-growing-multifaceted-industry/>

⁴ Sarmad Khan, June 15, 2020, <https://www.thenationalnews.com/business/banking/growth-of-global-islamic-finance-industry-to-slow-in-2020-21-due-to-pandemic-s-p-says-1.1034001>

This study aims endeavor to illustrate how an individual's contribution is valuable. Besides, it elaborates on how Islamic banking developed and performed at the beginning of the second half of the 20th Century. The study presents that Ahmed Abdul Aziz al Najjar played a significant role in establishing the Islamic banks model worldwide, so much so, that he is considered as the father of modern Islamic banking.

1. MOTIVATION OF THE STUDY

In this section, the papers are summarized on secondary data resources collected from different literature reviews and other sources. By using some prominent scholars' work and further reading, it's trying to investigate and discuss its contributions in the area of Islamic history and economics. To gather and collect further information related to prominent scholars, Ahmed Abdul Aziz al Najjar, qualitative and literature review methods of approach are utilized to elaborate on his contribution through Islamic banking development, historical backgrounds, and practical activities. Most of the source materials as a reference and frameworks are mainly obtained from Abdelkader Chachi (2005), Zeynab Hafza Orhan (2018a&b), and some other working papers, as well as the internet sites including some Arabic sources, translated to English.

Additionally, descriptive methods are also used to explore and identify the nature and the characteristics of the entity. Descriptive research aims to provide a notion of a phenomenon as it naturally occurs. Similarly, this kind of research tries to answer questions about the current status of the subject of study. Similarly, this research works attempts to answer questions about the contribution of Ahmed Abdul Aziz al Najjar to the development of Islamic Banking and Finance. Document analysis is the main way to combine qualitative research methods. Document analysis is a systematic method for reviewing/evaluating documents, both printed and electronic materials (Bowen, 2009).

2. DEVELOPMENT OF ISLAMIC BANKING

Muslim scholars began their intellectual journey equipped with revealed knowledge from a divine source and learning from the existing human experiences through a scientific approach as well (Islahi, 2005). The development of the Islamic bank relies on the indispensable various seminars, conferences, meetings, and symposia that undertaken since the 1970s in four corners of the entire worldwide via the alliance between Shari'ah scholars and Islamic economists plus a professional banker and experts (Kahf, 2002). The history of Islamic banking practices goes back to the twelfth century of age in Baghdad, Damascus, Fez & Cordoba, which is connected with Muslim civilization. At that time, significant use of *Mudarabah* financing trades was not only in the Mediterranean but also between Indians and Scandinavians through Arab Caravans (Kahf, 1999).

As discussed under the title of “*Towards Interest-Free Banking, by Shaikh Mahmud Ahmad*”; the Muslim scholars and economists put effort and a great deal of attention into the elaboration of these ideas in search of an alternative institutional framework. Although opinions about Islamic banking are found in earlier works since the 1960s saw several studies that pleaded for the establishment of interest-free banks based on profit-loss sharing and Mudarabah (Khan, 2017). The development of Islamic economics and banking was realized by the awareness of a few visionary individuals rather than Ahmed al Najjar include such as Sami Hamoud, Prince Mohammad al-Faisal, Issa Abdu Ibrahim, and Abd al Halim are all those who play a crucial role. Particularly, the close relationship between Ahmed al Najjar and Prince Mohammad al Faisal highly contributed to and enhanced the establishment of Faisal Islamic bank in Egypt and IsDB in the direction of the Shari’ah operation (Kahf, 2002).

(M. U. and H. A. Chapra, 2002; M. U. Chapra & Khan, 2000; Kalaycı, 2013) Muslims were, from the beginning of Islamic history, has been created and build a financial system without interest in mobilizing resources to finance service and consumer needs. The system is primarily associated with profit-loss sharing modes of *mudarabah* and *musharakah* or joint venture as well as partnership.

Consequently, Siddiqi's model of interest-free banking was the first and the crucial model that is outlining the microeconomic and macroeconomic functioning of a financial system based on the profit/loss sharing (PLS) instead of interest (*Riba*) within the institutional framework of a market economy (Siddiqi, 1976). On the other hand, Shaikh Mahmud Ahmad claims that in his prominent studies, and challenges the concept of the profit-loss sharing principle as an institutional basis for providing interest-free credit. According to his arguments, profit-loss sharing has some inherent limitations. That means it does not offer any solution for “*short-term loans, consumer loans, government loans, and discounting of commercial papers.*” Thus, it does not cover several major areas of institutional credit. As evidence, he has traced that the history of profit-loss sharing brings back to Babylonian civilization, Jewish, and Christian attempts in the past. The efforts by other nations to eliminate interest-based (i.e., profit-loss sharing did) not bear fruit and resulted in the practice to retain an interest in one form or the other. Thus, he recommended that as Muslim Ummah, who should transcend the concept of profit-loss sharing and look for some other method must be eliminated interest or *Riba* from their business activities gradually (Baykal, 2104; Khan, 2017).

After the fall of the Islamic civilization and the newly emerging of Islamic banking notions, *Mit Gahmr* was established as the first Islamic banking and a prototype model to mobilize small savings for local investments to generate the return or growth rate of more than hundred percent annual during operation for the three years and serve as a financial intermediary between demand and supply-side for the microfinance capital level in Egypt in 1963 (Hussain et al., 2015). Ahmed al Najjar, an Egyptian economist, and prominent scholar established the Mit Ghamr savings association or social bank, which is the first experimental Islamic banking in the globe.

Historically speaking, another experiment called *Tabung Hajji* started about the same period in Malaysia in 1962 (Kahf, 2002; Sheikh, 2006), and it is still operating with 8 million account owners customers as well as it has more than a deposit of \$12 billion (Hussain et al., 2015). On the other side, the interest-free *Philippine Amana Bank* was established in Pakistan at the same time and break out later it could not continue more (Ariff & Iqbal, 2013). Similarly, another bank known as *Adapazar bank* which was established in 1923 and ran until 1928 in Turkey was another pioneer example works. However, both *Tabung Hajji* and *Adapazar* banks did not mention or are not cited as the first Islamic banks in any source of the literature yet.

The Mit Gahmr saving bank operated only between 1963-1967 (Orhan, 2018b; Sheikh, 2006). Even though the dream of al Najjar doesn't forward further via Mit Ghamr banking service rendering, however, his contribution is prolonged after Mit Ghamr bank is ceased as well. Hence, he was looking forward again and again to better production, contribution, and provide service in higher education at various universities, consulting with a senior government official as well as participating in several conferences associated with Islamic banking and finance fields. For instance, some of his tasks are the establishment of Islamic Development Banks (IsDB, 1975) in Jiddah, Kingdom of Saud Arabia, the first commercial bank of Islam operated in UAE, Dubai Islamic Bank in 1975 (Kahf, 2002), Kuwait Finance House (KFH, 1976) in Kuwait, Faisal Islamic Bank of Egypt (FIBE, 1977) in Egypt as well as Faisal Islamic Bank of Sudan (FIBS, 1977) in Sudan. Moreover, many more number of dozens banks and branches were established as full-fledged Islamic transactions, subsidiaries, and window services opened in many countries including in the United Kingdom (UK) and the United States of America (USA), such as Citibank.⁵

Nowadays, "Islamic banks operate mainly in Muslim countries such as Albania, Algeria, Bahamas, Bahrain, Bangladesh, Brunei, Djibouti, Egypt, Guinea, Indonesia, Iran, Iraq, Ivory Coast, Jordan, Kazakhstan, Kuwait, Lebanon, Malaysia, Mauritania, Morocco, Niger, North Cyprus, Oman, Pakistan, Palestine, Qatar, Senegal, Saudi Arabia, Sri Lanka, Sudan, Trinidad & Tobago, Tunisia, Turkey, UAE Abu Dhabi, Dubai, Sharjah, and Yemen. The total banking system has been Islamized in Iran, Sudan and Pakistan utmost high since 2000" (Aburime & Alio, 2009; Ariff & Iqbal, 2013; Sheikh A Hamid, 2006) and from far the middle east to Genie Conakry (Kahf, 2002; Pehlivan, 2016).

Even though the establishment and operation of Islamic banking and financial institution spread across the globe so far as aforementioned to various countries and continents the achievement and its contribution to the entire world are seems nothing when it was compared to the mainstream economic sector as a whole. On the other hand, it attempts to provide something vital to the community that was not undermined at all (Usmani, 2007). Eventually, it shows a remarkable and gives hope to emerging economical practices, particularly by enhancing the business transaction and economic activities towards the real economy system though back out of interest-based.

⁵ <http://www.al-waie.org/archives/article/2866>

The full-fledged Islamic banking service was first operated in Pakistan in early 1980, and then, followed by Sudan and Iran in 1982 and 1983 respectively (Kahf, 2002; Sheikh, 2006).

3. LITERATURE REVIEW

This section particularly focuses on the work of prominent scholars, economists, and bankers Ahmed Abdul Aziz al Najjar's professional work experience, an appreciation he received from various scholars and others, his personal feeling regards to Islamic banking development and progress or disappointment as well as personal publication and the progress of Islamic banking growth which it is structured as follows:

3.1. Mit Ghamr Microfinance|Saving Banks And Al Najjar

Mit Ghamr Saving Bank is a pioneering experiment microfinance institute and started in Egypt on 25th July 1963 (Asutay, 2014; Orhan, 2018a; Tuncay, 2018). The name of the saving banks comes from, Mit Ghamr, which is an Egyptian center of producing Aluminum mining for more than 70 percent of Egypt's total production. The Mit Ghamr microfinance saving banks model was transformed from the German saving banks, and it was adapted to the farming environment of an Islamic developing country, *Egypt*. The firm aims to utilize the abundance of the raw material (idle resource) in line with a savings of the variations of the Egyptian Muslim society via Shariah-compliant, *Islamic laws*, to provide them halal returns on their savings.

Ahmed al Najjar academia chosen carefully the bankers (bank workers or staff) from Muslims who have an expert in their professional and those he trusts alone. All recruited or selected bank workers have had banking experiences with commercial institutions before joining the Mit Ghamr saving bank and they were conservative, well-known, and respected by the community. The society was suspicious of outsiders and only a few of them used conventional banks, which were involved as institutions in the cities, and mainly to serve around the western Egyptian regions. The newly established bank and bank staff, mainly work based on the community norms, culture, and they shared similar sight and moral values with the farmers (Orhan, 2018a).

From the scope of institutional management as well as in terms of coping with the undertaken activities in a proper way, the way that the al Najjar followed/utilized during the selection of Mit Ghamr saving staff is a good practice in the contemporary Islamic financial institution. For instance, prominent scholar Muhammad Taqi Usmani suggested/argued that being "*Islam*" is not enough to provide suitable goods and services in Islamic principles; however, it is very crucial if that staff, as well as the entire outlook of the institution, is to fit the Islamic identity or its features illustrate that separate Islamic institution from the classical institution as well (Usmani, 2007).

As mentioned by al Najjar, the founder of the Mit Ghamr saving bank, the main goals of Mit Ghamr banks were on three issues:

“Firstly, to act as an efficient intermediary tool between the demand and supply side of capital; secondly, to serve as an educational center for economic efficiency, saving education and banking habit; thirdly, to adjust a dynamic factor in mobilizing the ideal resource for investment, thus, reducing hoarding and the obstacles of capital formation” (Chachi, 2005).

Various literature shows that bank loans were utilized for a variety of objectives include house construction and maintenance, to purchase light machinery that serves in industries like handicrafts, sewing machines, etc. On the other side, it is financing farmers or investors who are working in the agricultural sectors and helps to enhance the irrigation systems' work efficiencies. Al Najjar, in the short period of finance service operation, undertaken vital services to the economy emerging in the local community, particularly in the development and the growth of small industries as well as in providing new opportunities for job creation for unemployed workers in entire of Mit Ghamr in 53 incorporated villages. Mit Ghamr Islamic Saving Banks within only three and a half years, the number of depositors were reached more than 251,000, and the deposits raised by unanticipated higher rates. On the other hand, different groups and professionals such as students, workers, pensioners, civil servants, housewives, peasants, merchants, and others are the highest deposits in Mit Ghamr Islamic saving banking (Chachi, 2005; Orhan, 2018a).

The utmost objectives of the Mit Ghamr banks are to support and encourage the real economy. Accordingly, the success of these local saving banks relies on seven conditions⁶. There are: firstly, savings should be based on the foundations of local banks, at the level of the city or village. Secondly, it is necessary to derive the idea, the desire, and motivation from the conviction of the people of the region, first and foremost, a decision not to be imposed from the top. Thirdly, develop savings awareness among the population of the region and invest the savings in the same area under the control of parents. Fourthly, build strong relationships between the savings bank and local authorities engaged in a mass essential and widespread. Fifthly, ensure the administration and financial independence of local savings banks, to be able to make the right decision at the right time. Sixthly, training should be employed in these banks to be adequately trained to the ideas of the bank and the nature of this work, and this is a specialized task institute. And lastly, provide all banking facilities for local citizens, especially the owners of small and medium-sized enterprises (SMEs), agricultural or industrial.

Scholars of Shari'ah suggest that Islam has a suitable solution for each problem raising or emerging under any conditions every time. The means not equal to the Holy Quran and the Sunnah of the Prophet (pbuh) as well as the ruling of the Shari'ah provide for the specific answers in every specific/detail of humankind's Socio-Econo-Political life problems. However, it means that the Holy Quran and the Sunnah of the prophet always guide us to the general and broad principles in the light of the Ulema/scholars' guidance to approach the right and appropriate answers by exercising the ijthihad for the new conditions/situation emerging at their period (Usmani, 2007).

⁶ <http://giem.kantakji.com/article/details/ID/146#>

3.2. Professional Work Experiences of Al Najjar

In the early development of economic thought and the history of Islamic banking, mainstream economics literature writers ignore the contribution of Muslims for a long period. The cause of this ignorance sourcing comes from economic thinking. Different studies indicate that the awareness of modern economics increases from time to time and started to recognize the accumulated past contribution of knowledge that helps to fill in the gap and support the fact (Islahi, 2005, 2014). The economic thought begins with the philosophy of ancient Greece writers and Rome scholars whereas their prime notions are associated with the Christian ideologies. Then, following the middle age of the European civilization outcome of the dark period as well as various natural and social sciences-based thinking that is quite a great gap almost for five centuries (Islahi, 2014).

Later in the late 1960s and the early 1980s, developmental economics was commencing to attract attention and evolve after world war second particularly following some of the emerging countries that are getting into independence and began to solve and analyze their problems associated with development issues (Chapra, 1992). Some literature reviews argued that Islamic banking and finance developed via translating theory into practice. The concept of withdrawing interest from a financial institution and adopting an interest-free financing build rely on an environment of former practice based on Shari'ah by the drop out the concept that it claims financial institutions can work through interest to gain profit (Usmani, 2007).

The Mit Ghamr savings bank has the first experimental Islamic banking model in the world (Orhan, 2018a). It was found and underlined by Ahmed al Najjar, who was contributed to the development of Islamic banking as well as Islamic economics and finance though, cannot be discussed and mentioned further. His full name is "Ahmed Mohamed Abdul Aziz al Najjar". And also, he is known for the Nike name of Abu Al-Bunuk Al Islamiyah (*Father of Islamic banking*). Al Najjar was born on May 17, 1932, in Al-Gharbiya Governorate, in Egypt, and died on January 01, 1996⁷. He studied his BA in Commerce, and Master of Political Science at Cairo University (1952 and 1954), respectively as well as he received his Ph.D. in Economics from the University of Cologne, Germany, in 1959. Then, he served in higher education at various universities including the universities of Cairo and Al-Shams as Professor of Commerce & Economics (1961-1962); Founder and Director General of the local savings banks of Mit Ghamr project, (1963-1967); Professor of Islamic Economics at Omdurman Islamic University in Sudan (1967-1969); and finally, he was a vice president of the international savings and investment institute of West Germany (1969- 1971).⁸

⁷http://archive.aawsat.com/details.asp?section=58&article=528478&issueno=11193#.W_mvXugzbIV

⁸<https://archive.aawsat.com/details.asp?section=58&article=528478&issueno=11193#.X4tLhNAzZPa>

Even if there are multiple deficiencies in the operating system or practices of contemporary Islamic banking systems, one of the primes he contributes is working in the direction to linking themselves to the network of the international market hub and starting to detach from the classical banking system gradually across the globe (Usmani, 2007). Thus, Mit Gihmr is the best role model for this crucial achievement for Islamic financial institutions. Consequently, it is connecting moral values with business ethics which is another great achievement and a prime objective of Islamic principles (Usmani, 2007). Building social justice, promoting small-scale businessmen's society, and working for development is also indispensable goal to improve community living standards.

3.3. Appreciation For Ahmed Abdul Aziz Al Najjar Contributions

Due to his high contributions and prominent work some western academicians, scientists, and writers at that time extended their appreciation to him. For instance, T. K. Reddy, the Dean of the International Institute of Behavioural Sciences in Washington, said:

*"I have been attracted to the project and grew up in the days of my admiration and appreciation to al Najjar and many workers with him. How much you are interested and eager to find a group of people learning to develop themselves and their communities and embody quickly ideas embraced by the full faith and tried to teach them, but I often despaired to seeing it into practice but despaired that I see from talking about it outside the scope of specialized departments or some specialists in the social sciences..."*⁹

Even though it was the first experimental Islamic banking, the Mit Ghamr did not serve for a long period. As mentioned by Orhan (2018), the reason for the ceasing of Mit Ghamr banks is two: *legal issues* and *political reasons*. The legal issue/reason is that the bank was working under the guidance of a savings association, but it was not received approval from the Central Bank of Egypt to gather the essential deposits. That means al Najjar does not acquire or fulfill the necessary document from the Central Bank during the operational time of the Mit Ghamr banks. On the other side, the political reason is also associated with the fact that the government was very sensitive to any Islamic political activity during that time.

3.4. Ahmed Abdul Aziz Al Najjar Disappointment

The spread of Islamic banking is accompanied by deviations from the theoretical approach to the practical Islamic banking approach based.¹⁰ Therefore, after many trials and errors in the fields of Islamic economics and finance, he could not be so much satisfied with the progress of Islamic banking development performance during the period. Thus, he displayed his frustration and disappointment in various ways. For instance: the book entitled: "*Islamic Banking Movement Facts of origin and illusions of the image*" expresses several issues. To quote some he said: "*Since Islamic banking experiences have started, the imbalance is in reality, and the paradoxes exist between theory and practice. That is what I mean by saying and repeating that Islamic banks have not yet started*".¹¹

⁹ <http://giem.kantakji.com/article/details/ID/146#>

¹⁰ <https://archive.aawsat.com/details.asp?section=58&article=528478&issueno=11193#.X4tLhNAzZPa>

¹¹ <http://www.al-waie.org/archives/article/2866>

And also, at the Islamic Conference of the Muslim World League in October 1987, he added an argument that “*it was impossible to correct the course of the existing Islamic financial institutions via the traditional practices of the conventional banking system*”.¹²

The merit of his disappointment, feeling, and his books’ title illustrate that an entire Muslim Ummah should be aware of the benefit of not only hard work but also working smartly to realize and fill in the gap between conventional banks and Islamic banks system as soon as possible in all aspects. So, there is still too much-unfinished homework and assignment for Islamic economics and finance academician, students, researchers, policymakers, experts, and scholars as well as the entire Muslim Ummah’s leaders of various Islamic organizations or institutions like universities, research, and development centers, as well as Muslim state governmental institution and rulers to acquire and ascertain the Islamic economics and finance which linked/connected to the real economy¹³(Ariff & Iqbal, 2013).

3.5. Publications of Ahmed Abdul Aziz Al Najjar

He published more than 13 books on Islamic economics and Islamic banking. Some of his prominent publications are: Towards a new strategy for economic development in developing countries (1969); Banks interest-free Caster Tejah economic and social development in Islamic countries (1972); The entrance to the economic theory in the Islamic curriculum (1973); The methodology of Islamic Awakening -banks without benefits (1976); One hundred questions and one hundred answers on Islamic banks (1978); Scientific and practical Encyclopaedia of Islamic banks (1977-1984); and Islamic bank’s movement ... origin and illusions image Facts in (1993). Hence, he participated, advised, supervised, and supported various Islamic Banking including the Islamic Development Bank (IsDB), Dubai Islamic Bank, Kuwait Finance House, Faisal Islamic Bank in Egypt and Sudan, etc in the foundation and operational stages.

CONCLUSION AND RECOMMENDATION

To sum up, after numerous trials and errors, many prominent scholars like Qureshi, Ahmed, Siddiqi, Uzair, and others, in their research and studies found that there is an alternative instrument that can be used to avoid interest or *Riba* from the banking business transactions. That is also known as the method of *Profit and Loss Sharing* (PLS). However, they called for further research and investigation for the issues of several unsolved issues/problems.

Thus, Ahmed Mohammed Abdul Aziz al Najjar is one of those, who contributed significantly to the history of Islamic economics and financing thought, by putting PLS in practice through the establishment of Mit Ghamr Saving Bank. Mit Ghamr is a prototype experimental model of the first microfinance in Islamic saving banks and investment history.

¹²<https://archive.aawsat.com/details.asp?section=58&article=528478&issueno=11193#.X4tLhNAzZPa>

¹³ Ibid.

Al Najjar wrote and published many books, contributed to the literature of Islamic economics and Islamic banking, participated in many conferences and meetings discussing Islamic economics, banking, and finance. As well, he was one of the great scholars to the development of Islamic economics and finance and hence to the prosperity of the Muslim Ummah as a whole in his best role model contribution. Finally, his prominent work and valuable role model contribution shows us individual contribution has great value and if a group of scholars works together as a team, it is better to solve the issue of the ummah associated with Islamic financial instrument special in the contemporary time more than ever through Islamic financial engineering.

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