

EconWorld2016@London

Role of Islamic Banking on Entrepreneurship: The Key to Global Prosperity and Employment

Hafiz Mushtaq Ahmad¹, Shazia Mushtaq²

¹Bahria University, Pakistan

²SZABIST, Pakistan

ABSTRACT

This research endeavors to answer the question and general perception in the west that Islam hinders entrepreneurship. The second objective is to explore the relationship between Islamic banking and finance and entrepreneurship. The paper also intends to investigate the prospective of Islamic banking and finance as a substitute source of funding and promoting entrepreneurship for all mankind irrespective of race, color, religion, and region. Albeit every country has its exclusive defies, the global economy is facing a common threat is rising unemployment specifically among youth. Regimes all over the world have recognized the harshness of the crisis and are working hard to reverse the condition. There is a robust requirement to stimulate the entrepreneurship. Entrepreneurship has the capability to influence evolving tendencies to create business value and in the process, create more jobs. The study intends to explore the role of Islamic Banking on Entrepreneurship. The study used survey based questionnaire for primary data gleaning. A sample size comprising of 228 Islamic banking clients/users engaged in running their own ventures. The convenience sampling technique was applied to generate data from the respondents. The study results were encouraging. The study reveals that Islamic banking is promoting entrepreneurship and offering its services to all without any discrimination of caste, color, and religion. The study showed that it popular amongst all because it is interest free generous to all and not only providing capital but sharing loss and profit which is a strong motivation for establishing new ventures. Hence, generating economic activities and creating jobs.