

## **SOLUTIONS TO CHALLENGES OF ISLAMIC BANKING IN GHANA: A QUALITATIVE STUDY**

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### *Abstract*

*The purpose of this study is to propose solutions to challenges affecting the take-off of Islamic banking implementation in Ghana. This qualitative research uses interviews to measure the opinions of 10 experts with Islamic finance backgrounds conveniently and purposively selected from higher learning/research institutions in Ghana and abroad. The data analysis is thematically done. The findings from the research propose human resource development, collaboration among stakeholders, high advocacy, a comprehensive framework, and a top-down approach as solutions. Muslims dominate the interviewees, and this should be considered before generalization over the entire country. Islamic banking can be implemented in Ghana if deliberate efforts are made to implement the proposed solutions. The study is the first to interview local and foreign experts on solutions to the challenges of IBF in Ghana. This study will contribute to the meager literature on Islamic banking.*

**Keywords:** *Solutions, Islamic banking (IB), Islamic banking and finance (IBF), Challenges, and Ghana*

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## Introduction

Islamic finance rests on the implementation of Shari'ah, which is the law extracted from the Quran (*believed to be Allah's divine revelation to Prophet Muhammad [peace and blessings be upon him]*) and the Hadēth (*teachings and practices of Muhammad [peace and blessings be upon him]*). Muslims are firmly convinced that the Shari'ah as a complete way of life is the only right path to follow to gain salvation in the next life and a successful worldly life. The central principles of Islamic finance are: 1. Wealth must be created from legitimate trade and with an underlying asset (it is not permissible to use money to make money). 2. The general good of society or the public interest must be considered when investing. 3. Risk sharing cannot be compromised. 4. Haram (forbidden) activities should be avoided (Institute of Chartered Accountants, Ghana - ICAG, 2019).

The global geographical breakdown of IF products and services patrons is highlighted as follows: The GCC region remains the highest patron of global IF assets. The Gulf States alone have investments to the tune of about 45.4%. The Middle East and South Asia follow the GCC with investments of about 25.9%; Southeast Asia is about 23.5%, and the remaining percentage is for Africa and others. The remaining 5.2% is shared by other geographical areas, including Africa and the Western World (BNY Mellon, 2019).

Conventional loans are increasingly becoming more expensive in Africa due to their high interest rates. The former president of Nigeria by name Olusegun Obasanjo expressed his opinion on the conventional finance system after the G8 Summit in Okinawa, Japan, which featured famous global leaders like Clinton of the USA, Putin of Russia, and Toni of the UK in the year 2000. "All that we had borrowed up to 1985 was around \$5 billion, and we have paid about \$16 billion, yet we are still being told that we owe about \$28 billion. That \$28 billion came about because of the injustice in the foreign creditors' interest rates. If you ask me, what is the worst thing in the world? I will say it is compound interest" (Ethica, 2019).

Kenya is one of the African countries that have successfully established Islamic banks. Aden (2014) confirmed that Islamic banking establishments will help to instigate competition between conventional and Islamic banks, ultimately leading to the benefit of customers through better services. Competition in the Ghanaian banking sector is among conventional banks alone due to the absence of Islamic banks. Some researchers have established Islamic finance institutions as an opportunity to reduce the rising unemployment situation in Nigeria. Ghana is no exception to this opportunity. However, Mooneeram-Chade (2020) observes that there needs to be a comprehensive regulatory framework for Islamic banks in Mauritius. Aliyu (2020), however, believes the challenges of Islamic banking establishments in Nigeria, which is currently the hub of Islamic finance in the West African sub-region, are unique. Ghana may not be forgiven for some of these challenges either.

Ghana is a Muslim minority country with the second-largest economy, next to Nigeria, in the West African sub-region. It is a country with a mixture of diverse ethnic groups living together peacefully. The Dagombas (a Mole-Dagomba ethnic group or tribe located in Northern Ghana) are the dominant adherents of the Islamic religion in the country. The current vice president of the country, Alhaj Mahamudu Bawumiya, is from the Mole-Dagomba extract, as is the former minority leader in the legislative arm of government, the Honorable Haruna Iddrisu. Additionally, Muslims are found in almost all the other regions of the country as minorities, with very significant minorities in some territories.

Despite the above dynamics, there is not a single Islamic bank in Ghana, even in the Muslim-dominated regions, despite the significant number of Muslims forming about 17% of the Ghanaian population (Ghana et al., 2021 Census). Ghana recently faced a financial sector disaster, officially termed a financial sector clean-up exercise, which affected most customers, some of whom have yet to recover from the shock fully. This has drastically reduced confidence in the

sector (the purely conventional finance system). The clean-up exercise in the financial industry between 2017 and 2019 affected some financial institutions, numbering up to 436 institutions. The details of those institutions are as follows: eight banks, 23 savings and loan companies, over 400 microfinance companies, and five banks merged to form one bank by the regulator (Graphic Online, 2022).

The Bank of Ghana (BoG) represents the country's central bank and has overall supervisory and regulatory authority in all banking and non-banking financial business matters. According to the new banking act dubbed the Banks and Specialized Deposit-Taking Institutions Act 2016 (Act 930), the Bank of Ghana is the only institution in the country that can grant a license for banks to operate after it is satisfied with the requirements to qualify an institution to operate as a bank. *"Requirement of a license: 6. (1) A person shall not accept a deposit from the general public or carry on a deposit-taking business in or from within the country without a license issued in accordance with this Act".*

The financial atmosphere of the country comprises the following categories of institutions: banks, savings and loans, finance houses, leasing companies, mortgage finance, remittance companies, microfinance institutions, financial NGOs, Forex bureaus, microcredit institutions, rural and community banks, representative offices in Ghana, and other banks. There are 23 banks registered and licensed by the BoG to operate as banks in the country (BoG, 2020).

As if that were not enough, the country is battling a considerable debt, partly due to compound interest, which forms the backbone of the conventional finance system. For instance, according to the Bank of Ghana report for the first half of 2021, the total public debt stock rose from US\$ 45.6 billion (representing 67.55% of GDP) in the middle of 2020 to US\$ 57.9 billion (representing 76.4% of GDP) (BoG, 2021).

Due to various factors, Ghana needs help establishing an Islamic Bank. Some of these factors include a need for sufficient knowledge or doubts about the potential benefits of Islamic finance, legislative or regulatory issues, misconceptions about Islamic finance, and so forth. The recent financial sector clean-up, which negatively affected many customers ranging from Muslims to non-Muslims, has intensified the need for Ghana to have an alternative system of finance. Islamic finance is the only known alternative available to the country. Moreover, Ghana is facing a debt management crisis, which has compelled the government to return to the IMF for the 17<sup>th</sup> time, per Bloomberg report, for a financial bailout and sustainable debt management.

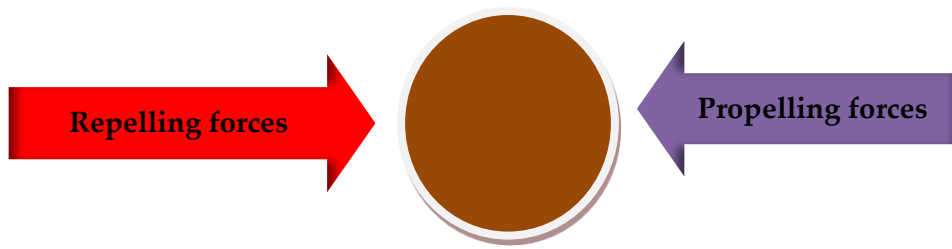
The current paper intends to answer the question of the solutions to the challenges militating against the implementation of Islamic banking in Ghana. The ultimate aim of the study is to interact with experts to profess strategic solutions to the research problem.

## Literature Review

### *Theory of Force Field Analysis*

This research is guided by the theory of force field analysis propounded by Kurt Lewin, which theorizes that the reaction between opposing and supporting factors creates an equilibrium situation during the change process. This theory was initially applied to managing organizational change, as its proponents described. This is where the idea of "unfreeze, change, and – refreeze" arises. Resistance to change is a common trait among people; hence, the change process must be applied cautiously to succeed. Nantogmah (2017) assessed the potentials and challenges of IB in Ghana, guided by the theory of force field analysis.

**Figure 1:** Diagram of Force Field Analysis



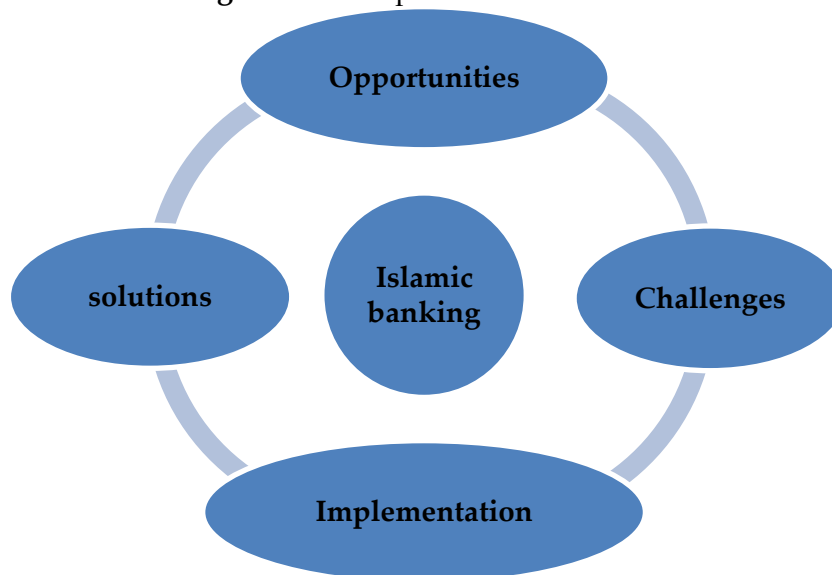
**Source:** Authors owns, 2023

In this study, the researcher views the driving forces in theory as the opportunities and benefits of IBF in the country. In contrast, the opposing forces are the challenges that may affect the country's ability to make these changes. The change is found in the middle ground (green sport) and is regarded as the expert solution to challenges.

#### *The Conceptual Framework*

This section seeks to explain essential concepts in the study and relate or link them to one another. The flow chart below represents the conceptual mechanism for easy understanding of the research topic and problem.

**Figure 2:** Conceptual Framework



**Source:** Author's own, 2022

- Some opportunities can be tapped by implementing IB; likewise, opportunities are created for implementing IB.
- There are challenges to implementing IB; likewise, some challenges come to bear through the implementation of IB.
- Opportunities created through IB can be used to overcome some of the challenges, just as challenges created through IB.
- The introduction of solutions can minimize the challenges and promote opportunities.

### *Review of Empirical Literature*

Europe and North America consist of communities with mainly minority-Muslim populations, just like Ghana, and hence encounter challenges in implementing IBF. According to Alharabi (2016), the West showed interest in Islamic banking and finance not because of religion but because of economic opportunities and perhaps the stability and transparency established by Ikra et al. (2021). However, Brekke (2018) contends that religion influences the participation of Muslims in Islamic finance. Alharabi (2016) further noted that Islamic finance in the West dates back more than four decades, and the increasing number of Muslim minorities in the Western world is enough to attract financial service providers. Alharabi (2016), however, concluded that some challenges may affect the opportunities. One such challenge is the need for clear regulations from the regulatory bodies to facilitate growth.

Zouari and Abdelhedi (2021) highlight digitalization as one of the critical determinants of customer satisfaction in Islamic banking. At their end, Azad, Azmat, and Hayat (2020) believe that over-reliance on fee-based earnings may hamper the long-term prospects of Islamic banks. Most non-Muslims are skeptical about Islamic banking due to their fear of violence. However, Shabbir and Rehman (2019) argue that Islamic banking is not a threat but has numerous opportunities and manageable challenges. They arrived at these findings by distributing 132 questionnaires to investors in Islamic financial institutions. They found that threat as a variable was insignificant to investors' portfolios compared to the other two variables, opportunities and positively significant challenges.

The findings of Kitamura (2021) allege that Islamic finance is a surreptitious protection of the economic interests of Muslim Malays at the expense of other groups. Before this conclusion, the study interviewed parties related to the Central Bank of Malaysia (Bank Negara Malaysia). In the case of Iran, the entire financial architecture is Shari'ah-compliant. Despite the country's experience level in IBF, it still has some challenges to be fixed and opportunities to tap into. Meisamy and Gholipour (2020), in their work, attempted to prioritize the challenges confronting the Islamic banking industry in Iran, which has over three decades of experience.

They reveal five leading challenges, which are: (1) Government seriousness towards the smooth operation of Islamic banking; (2) absence of competition in the industry; (3) lack of revision of the banking act to cope with changing times; (4) inadequate Shari'ah supervision; and (5) absence of financial reporting and auditing standards. The role of the government is crucial to the success of Islamic banking and finance in any country. The level of seriousness of the government determines the smooth running of the industry. This finding of Meisamy and Gholipour (2020) agrees with that of Badruddin (2015).

Mulli (2020), in his work, *Factors Affecting Uptake of Islamic Banking Services in Kenya*, concluded that the level of advocacy concerning Islamic finance products still needs to be higher, paving the way for misleading myths and misconceptions about Islamic banking. This is attributed to the high information asymmetry between the sector and potential clients. The study further found that customers have a high perceived risk regarding Islamic banking due to high liquidity risk, unpredictable market risk, and an unprecedented level of non-performing loans. Finally, a finding is also made regarding the regulatory status of IFB in the country that leads the researcher to conclude that the regulatory framework for the sector is young, resulting in a lack of confidence in the market and pushing consumers away from investing in Islamic banking and finance products, similar to what Mooneeram-Chade (2020) observes about the regulatory framework in Mauritius. The study population comprises three full-fledged Islamic banks and 11 conventionally licensed commercial banks with Islamic banking windows in Kenya. From this

population, a simple random sampling technique was used to come up with a sample size of 384 customers who responded to self-administered questionnaires administered to them.

The findings of Hamid and Worthington (2021) disagree with the widely acclaimed socialistic nature of Islamic banking. They assert that even in cases of improvement in social outcomes, this is at the expense of other equally important objectives. Aliyu (2020) stated that the challenges confronting Nigeria in implementing Islamic finance are unique compared to those in the Asian and Middle Eastern worlds that have passed the advocacy stage and are now in the research and innovation stage. He concludes that there are abundant opportunities Nigeria can tap from Islamic banking, such as cross-border capital, advancement of the financial market, high financial inclusion, monetary policy effectiveness, and reduction of the unemployment rate. He admitted, however, that there are challenges to Islamic banking operationalization confronting both regulators and investors.

Mbawuni and Nimako (2016) establish that critical factors in the Ghanaian economy predict future progress for Islamic banking and finance in Ghana. They highlight opportunities such as employment, a democratic system of governance, a flexible regulatory framework, flexible agrarian sectors, high demand for banking products, a high interest rate, a Muslim population, and the quest for sound business practices. A few challenges are also highlighted, such as governance issues, consumer behavior, and the performance of Islamic banking and finance institutions. The researcher's methodology is gathering data from secondary sources like Islamic banking and finance literature. The personal views of the researchers are also part of the findings. The current study professes solutions to the challenges.

Wilmot (2017) maintains that the entrepreneurial nature of Islamic banking and finance will appeal more to the Ghanaian investing populace. This indicates the level of youth unemployment in the country, which now arouses interest in creating jobs instead of looking for non-existing ones. Most unemployed youths need more starting capital, which is a factor that frustrates their entrepreneurial plans since most of them are equipped with different levels of entrepreneurial skills in the course of their studies.

He further notes that another differentiating factor that will make Islamic banks work successfully in Ghana is their non-interest nature. He reveals that the most significant motive for borrowing from Islamic banks is their interest-free nature. This shows the level of hatred for interest, especially on the payer's part. IBF is for the general welfare of society, primarily assisting the weak, unlike conventional banking and finance, which charge not only simple interest but compound interest to make the rich richer and the poor poorer. The study, however, highlighted the low awareness level of Islamic finance, as confirmed by previous studies like Ezeh and Nkamnebe (2020).

On the other hand, Bananuka et al. (2020) believe that attitude is an essential mediator between general norms or religion and the intention to adopt Islamic banking. Possumah, Appiah, and Hilmiyah (2018) note that there are six essential determinants of adopting Islamic banking and finance in Ghana by the three main religious groups: the majority of Christians, a significant Muslim minority, and a minority of African traditional Religious believers. The six determinants are perceived knowledge, perceived benefit, perceived innovativeness, perceived religious promotion, customer attitude, and readiness to comply with Shari'ah.

Many studies also agree with the findings of this research. However, Butte et al. (2018) argue antagonistically to the widely held view that religion is a significant factor that derives the demand for Islamic banking services. The awareness level about Islamic banking products is low not only for Muslims but for both Muslims and non-Muslims. However, efforts have been made since 2019 by Islamic Finance Research Ghana (IFRIG) through their monthly webinars as well as annual international conferences.

## Research Methods

The research methodology adopted in this work is the best in resolving the research problem due to its qualitative nature. Besides, explorative research design is the best for qualitative studies (Selvanathan et al., 2018). Moreover, Nantogmah (2017) also leveraged an interview in his work "Assessing Opportunities and Challenges of Islamic Banking in Ghana".

### *Research Design*

The interpretivism philosophy of research guided the researcher as a qualitative study, which requires the non-objective interpretation of the researcher to obtain more comprehension and insight into the respondents' perceptions. Interpretivism assists researchers in gaining a deeper understanding of experiences and perceptions in a given social context (Alharahsheh & Pius, 2020).

The study uses an explorative type of research design. The design is adopted since the subject area is relatively new in the realm of academics and the context of research in Ghana. Moreover, it will help uncover hidden perspectives on the topic. Selvanathan, Nadarajan, and Suppramaniam (2018) suggest that exploratory design is the best for research in Islamic banking. The researcher employed an inductive approach among the several existing academic research strategies since the study is exploratory. Awwad, Razia, and Razia (2023) adopt an analytical and inductive strategy in researching the challenges and obstacles to issuing Islamic Sukūk in Palestine.

The research is a cross-sectional study that involves data collection from sources according to institutional timelines set for the study. The nature of a data-gathering plan involves soliciting data from research objects on the subject matter via a shared medium. Wang and Cheng (2020) view cross-sectional studies as how research subjects are investigated and measured at a single point in time. Bin-Nashwan and Muneeza (2023) adopt cross-sectional research data collection to research investment decisions in digital Sukuk during COVID-19.

### *Target Population*

The population of this study is experts in finance/Islamic finance and related areas. Keshminder, Abdullah, and Mardi (2022) sampled a target population of practitioners and experts in Islamic finance. The experts were targeted due to their knowledgeable background or their promotion or publications in Islamic finance materialization in Ghana and other countries. The ICAG research unit has published on Islamic finance and its products in their journal and has also incorporated Islamic finance into the 2019–2024 syllabuses for financial management. The institute also runs diploma and certificate courses in Islamic finance. Finally, it champions research and advocacy about Islamic finance implementation in Ghana.

### *Sampling Design*

The sample frame for experts includes experts from the University of Ghana Business School (UGBS), Kwame Nkrumah University of Science and Technology School of Business (KSB), University for Development Studies (UDS), Institute of Chartered Accountants, Ghana (ICAG), Bayero University Kano, Islamic Finance Research Ghana (IFRIG), and Muslim Ummah Development Initiative Ghana (MUDIG).

The sample was obtained conveniently, purposefully, and by snowball techniques. The participants in the sample were selected based on their availability and willingness to participate. Thomas (2022) considers purposive sampling to provide the best results for qualitative studies in



the social sciences compared to random sampling. The researcher contacted experts personally, and the majority of them via phone call or WhatsApp, to inform them about the topic of study prior to the data collection date. Some of the contacted participants also recommended others for possible recruitment. A total of 10 experts were interviewed for their opinions on IBF in Ghana. Nantogmah (2017) also administered 12 semi-structured interview guides to interviewees to elicit their views on the opportunities and challenges of Islamic banking in Ghana.

***Data Gathering Tools and Strategies***

This study relies on qualitative data obtained from primary sources. The data collection instrument employed in obtaining the primary data in the study is a written interview guide. The open-ended and closed-ended questions pave the way for unanticipated responses. The questions were designed based on modified data collection tools from similar studies, such as Nantogmah (2017), and under the guidance of experienced researchers in the field of IBF.

The researcher leveraged Google Forms in administering the data collection tools to the respondents due to its prospects for qualitative research (Opara et al., 2023). It was set to make it impossible for one respondent to respond more than once. Also, the interview was selectively shared with participants via their private WhatsApp lines. For ethical reasons, respondents in this study are assured of total confidentiality in their responses and opinions expressed in the research work. They are also informed that the research is for academic purposes. Moreover, the personal details of participants, such as names, income levels, date of birth, place of birth, height, complexion, etc., were not included in the demographic measurements.

The researcher also complied with all the ethical guidelines prescribed by the IOU research department and Islamic tenets. This enabled respondents to be open-minded and free to express their opinions without bias, adding strength to the findings. Codes were used to codify the interviewees instead of names or other confidential details that can compromise confidentiality and for data analysis and discussion.

***Data Analysis Methods***

The data obtained were analyzed thematically. Thematic analysis is qualitative data analysis that involves six-step processes after transcription, in the case of voice data. The steps are data familiarization, data coding, searching for themes using codes, theme review, labeling and definition of themes, and finally, drafting the report. Thematic analysis is the most widely used analysis method in qualitative data (Kiger & Varpio, 2020).

**Finding and Analysis**

***Demographic Background of Respondents***

**Table 1: Respondent Education Level**

QUALIFICATION	FREQUENCY	PERCENTAGE
PhD	4	40%
Masters	5	50%
Postgraduate Diploma	1	10%
<b>TOTAL</b>	<b>10</b>	<b>100</b>

Source: Field data, 2022

From the table above, most interviewees have had advanced academic qualifications, as 9 out of the 10 respondents have acquired PhD and Master's degrees, representing 90 percent of the



total number of experts interviewed. Only one, representing 10% of the respondents, has a postgraduate diploma; however, it is essential to mention that he is a veteran journalist reporting on Islamic finance in West Africa, which the research jurisdiction is part of. Experts' academic backgrounds and experience show they are qualified to be interviewed on the subject matter. Moreover, aside from the informants' educational qualifications, many are professionals from ACCA and ICAG.

The table below uses the color red to represent advocacy statements; blue is used for the theme of human resource development, green is used for a comprehensive framework, yellow is used for collaboration, and brown is used for a top-down approach. A frequency of 8 – 10 is *typical*, 6 – 7 is *general*, 3 – 5 is *average*, and 1 – 2 is *rare*.

**Table 2:** Recommended solutions to IBF Challenges

<b>THEMES</b>	<b>FREQUENCY</b>
<b>High Advocacy</b>	Typical
<i>Respondent 1: Awareness creation</i>	
<i>Respondent 3: Creating public awareness</i>	
<i>Respondent 4: Advocacy by groups</i>	
<i>Respondent 5: Proper education of the public on the need to adopt and embrace IBF</i>	
<i>Respondent 6: Strong advocacy</i>	
<i>Respondent 6: Sensitization through once-in-a-while discussion on media outlets.</i>	
<i>Respondent 7: Stepping up advocacy</i>	
<i>Respondent 7: Awareness creation</i>	
<i>Respondent 7: Education on the benefits both the public and private sectors tend to derive from the implementation of IBF</i>	
<i>Respondent 8: Dispel misconceptions and misunderstandings some still hold about IBF that is out to rival or, to say the worst, replace conventional banking</i>	
<i>Respondent 8: Advocacy to ensure all stakeholders are on the same page when it comes to Islamic finance</i>	
<b>Human Resource Development</b>	General
<i>Respondent 1: Human resource development,</i>	
<i>Respondent 3: Regulatory and Operators capacity development in the area of Non-Interest Finance</i>	
<i>Respondent 4: Gradually introduce IBF in the educational curriculum</i>	
<i>Respondent 5: Train experts in IBF modules</i>	
<i>Respondent 7: Stepping up of knowledge and technical expertise acquisition in IBF</i>	
<i>Respondent 7: constant capacity building on the part of technical staff of BOG, Securities Exchange Commission, National Insurance Commission, etc.</i>	
<b>Comprehensive Framework</b>	General
<i>Respondent 1: Law amendments</i>	
<i>Respondent 3: Amendment to Acts where necessary</i>	
<i>Respondent 3: Development of rules and regulations guiding the operation of the Non-Interest Finance sector</i>	
<i>Respondent 5: Appropriate regulatory frameworks be established</i>	
<i>Respondent 8: Push for the review of the banks and Specialized Deposits taking Act 930 to accommodate Islamic finance</i>	
<i>Respondent 9: regulation</i>	

<b>Collaboration</b>	Average
<i>Respondent 1: Collaboration</i>	
<i>Respondent 2: Strong lobby</i>	
<i>Respondent 3: cross border relationship with other Jurisdictions that have a structure in Islamic Finance, such as Nigeria</i>	
<i>Respondent 3 participated in the Islamic Development Bank to attract grants and aid in developing frameworks, Sukuk Investment, etc.</i>	
<b>Down-Top Approach</b>	Average
<i>Respondent 1: Innovation</i>	
<i>Respondent 1: Start on a small scale and upscale with time</i>	
<i>Respondent 8: Start at implementation at the micro level, as this will be less risky and will require little or no supervision</i>	
<i>Respondent 10: We could start with a cooperative society act</i>	

Source: Field data, 2022

From the table above, experts profess the following as some of the recommended solutions to the potential challenges of IBF:

### **High Advocacy**

Almost all the respondents typically recommend increasing awareness creation and advocacy about IBF in Ghana. This should be extended to all relevant stakeholders within the financial space. For instance, one of the respondents put it as follows: *"A much better, well-crafted, and thought-out narrative for effective marketing of IBF to Ghanaians is needed on the part of advocates, protagonists, and enthusiasts. A narrative that seeks to dispel misconceptions and misunderstandings some still hold about IBF that is out to rival or, to say the worst, replace conventional banking"*. This will help sell the benefits of IBF and clarify misconceptions.

This solution agrees with Mulli's (2020) assertion that misinformation about IBF results from the asymmetry between the sector and potential clients. On the other hand, Jahan et al. (2021) argue that the deficiency of financial intermediaries and low awareness level are militating against the progress of Islamic financial markets (Social impact investment) in the Arab world, despite the advancement in Islamic banking. This assertion agrees with the theory of forcefield analysis. High advocacy can be regarded as one of the changes introduced after holding the two opposing forces constant to mitigate the challenges of Islamic banking.

### **Human Resource Development**

Experts generally recommend capacity building for all relevant stakeholders regarding the IBF operation in Ghana. Critical institutions like BoG, conventional banks, the Securities and Exchange Commission, the Ministry of Finance, parliamentarians, investors, businesses, the National Insurance Commission, and educators should be enlightened about IBF through workshops, conferences, webinars, etc. This is what IFRIG has been doing for the past few years. Another way is the gradual introduction of IBF into the educational curriculum. ICAG takes this direction in their 2019–2024 syllabuses. This should be extended to the universities. IBF institution establishments will require both skilled and unskilled staff to operate successfully. This finding aligns with that of Oumaima and Haf (2021). This is also one of the changes that can be introduced in the theory of force field analysis. Both the repelling and propelling forces are frozen first, and the change (building human resources in Islamic banking) is introduced, and then the forces are released.

### ***Amendment of Financial Laws***

Another meaningful way of mitigating IBF's challenges is establishing operational and regulatory frameworks through the amendment of the financial laws, such as the new Banking Act (Banks and Specialized Deposit-Taking Institution Act (2016), Act 930). A respondent expressed his view: "*Push for the review of the banks and Specialized Deposits taking Act 930 to accommodate Islamic finance.*" The Act lacks enough clarity among experts on the operationalization of IBF in Ghana. Alharabi (2016) finds that the lack of a clear-cut regulation of Islamic finance in the West can be a severe challenge to the smooth operation of institutions. Most Western countries have a minority Muslim population, just like the case of Ghana. Ishaq et al. (2020) recommend that the Malaysian regulatory framework be used to design Nigeria's framework in light of global best practices. Ghana can also use a similar approach. This is yet another change in the force field theory analysis that can be introduced to help pave the way for Islamic banking in Ghana.

### ***Collaboration***

Interviewees also argue that Ghana can collaborate with international partners with well-developed IBF structures to tap from their experiences to develop the Ghanaian model. One of the experts proposed a subscription to the Islamic Development Bank to qualify for the latter's support to member countries automatically. He puts it as follows: "*Ghana subscribing to the Islamic Development Bank (IsDB) shares as a member country would give the country further advantage as she would also automatically become a member of the Islamic Cooperation for the Development of the Private Sector (ICD), the International Islamic Finance Cooperation (IIFC), and other members of the Islamic Development Bank Group*'.

In Nigeria, for instance, Ghana can collaborate to learn from the country's experience in the issuance of Sukuk for the construction and rehabilitation of more than 75 roads and bridges across the country, financed from sukuk, since 2017 (Debt Management Organization, Nigeria-DMON, 2023). Other advanced countries in Islamic finance that Ghana can collaborate with include Malaysia, Indonesia, Saudi Arabia, Bahrain, and Qatar, most of whom already have bilateral relationships with the country. Collaboration is one of the changes in the force field theory that can be introduced to promote Islamic banking.

### ***Down-Top Approach***

Instead of focusing on the top-down approach, usually characterized by bureaucracy, some experts recommended starting on a small-scale level, such as corporative societies. This is the direction taken by Muslim Ummah Development Initiative (MUDI) Ghana, which has developed its investment packages in line with Islamic principles and within the confines of Ghanaian financial laws despite the absence of a specific comprehensive Islamic banking law. Also, in Tamale, the capital of the northern region of Ghana, a non-registered microfinance organization, Deeniyyaat Microfinance Finance Institute (DEMFI), has piloted Mudārabah contract with some selected MSMEs adopting the proposed IBF contract models by Ethica. An interviewee reiterated, "*Start at implementation at the micro level as this will be less risky and will require little or no supervision.*" Abdul-Somed (2023), in his work "*Prospects and Challenges of Sukuk Implementation in Ghana,*" recommends the down-top approach to facilitate the IBF implementation process. This is also one of the changes in the theory of forcefield analysis.

## **Conclusions and Recommendations**

### ***Conclusions***

The interview results show that Islamic banking implementation in Ghana can be materialized if the following expert solutions are considered: an increase in advocacy activities,

amendment of financial laws, especially the BSDTI Act, 2016, key stakeholder collaborations, comprehensive framework, and down-top approach (small-scale operations preceding regulations).

### **Recommendations**

The research indicates that the Ghanaian government, banks, and businesses can benefit from IBF. There is a need for more education on IBF since the awareness level still needs to be higher. The governments should engage experts to educate key government officials and private sector businesses on the operations of IBF and Islamic finance in general. Courses should be mounted at the higher learning institutions on IBF; universities can organize workshops for business studies lecturers to update their knowledge of the principles of IBF. The government of Ghana can also consider how it can use IBF products such as Sukuk at the domestic or international level to help reduce the country's ballooning debt. Finally, the advocates of IBF in Ghana should seek a proper interpretation of the new banking Act [BSDTIA (2016) 930] at the right and legitimate quarters in the country in light of Islamic banking legal status in Ghana.

Future researchers can focus on non-Muslim experts, using a mixture of Muslim and non-Muslim experts to ensure religious balance and validate the conclusions. Future researchers can also increase the sample size, and the target population can be changed to bank customers.

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