# Research proposal: Exploring the usage of social media to promote Islamic Finance in Nepal

Proposed Research Title:

Exploring the usage of social media to promote Islamic finance in Nepal and cover the following:

1) Introduction

2) Background of study

3) Aim and objectives

4) Resaerch question

5) Data collection and analysis techniques

6) Possible resaerch outcome

7) Timeline

8) Resaerch Gap

## Answer

****Introduction****

The notion of Islamic Banking has earned a considerable prominence in the Asia-pacific region, which can be considered as the expected aftermath of the reforms in the Banking Act 30 of 1998 and the following verdict of International Monetary Fund (IMF) about the imperativeness of global attention towards the respective notion. Furthermore, the stringency towards Sharia principles and other prime moral impulse will definitely discourage the investors to go for rogue stocks might be the reason behind the increasing popularity of Islamic Finance (Gheeraert and Weill, 2015). It is a predominant practice in Nepal to overcharge the investors in order to facilitate the individual gain in the name of revenue might be one of the reasons that justify the absence of Islamic and several other foreign banks in Nepal. The pocketed revenue has not been intended further to invest in the educational and Welfare sectors and several other sectors of Nepal. However, the moral inhibition of assessing Islamic finance as an analogue of their religious regression is potentially vague and as the virtual domain is flooding with blogs seeking for Islamic financial assistance, it can be posed that the cumulative sentiment is in the favor of the Notion of Islamic Banking.

The moot pursuit of the recurring study is to evaluate the potency of social media as a tool to promote Islamic banking principles in the underprivileged sectors of Nepal. Furthermore, the moral obligation that this suite serve is to respond to Islamic finance assistance seekers and developing several methods that can enable them to address their views directly to the relevant authority.

****Background of study****

Islamic finance is also known as Sharia-Compliant finance where the pro-Islam financial institutions are supposed to invest in certain sectors, which exhibits docility towards the moral Islamic principles. However, the initial intent of this notion is to revive the declined global identity of Islam simply by patronizing the Islamic economies, several countries (such as Sri Lanka) in the Asia-pacific region has been able to acquire the requisite legislative eligibility to be a prospective recipient of the economic assistance of Islamic Banking. This is an expected circumstance after the legal reforms in The Banking Act 30 of 1998 and the verdict of International Monetary Fund (IMF) to increase the accessibility of Islamic Finance across the globe since the notion has appeared potent to cater the underprivileged sectors of the respective recipient countries (Pradhan and Paneru, 2017).

In this advent, it is shocking to discover the absence of Islamic banking and several other foreign banks, which exhibits nothing but the moral inhibition of the relevant authorities. Moreover, there exists an established practice in the Nepalese trade sector to overcharge the potential investors substantially. The surplus capital aka revenue has been seen to be pocketed by the authoritarian individuals instead of investing it or looking for alternate market and several other scopes for employment. This is supposed to undermine the potential investors that can be addressed as the prime reason for the flagrant collapse that has been prevalent in the education, welfare and several other sectors in Nepal.

Moreover, instead of encouraging the inclusion of Islamic Banking, it has been discovered that most of the Nepalese does not even aware of the prevalence of Islamic banking which is globally criticized as an act of majority biasness since the Nepalese Muslims are supposed to be minority of the comprising sections of Nepal (Demirgüç-Kunt *et al.*2013). This heinous act of biasness has been attempted to justify from the authoritarian side simply by conveying that it pertains a possibility to hurt religious sentiments and practices of Hindus and Buddhists, which are majority in Nepal.

 However, the practical scenario is something else where the virtual domain has been discovered brimming with blogs of the Nepalese Muslims anxiously seeking financial assistance from the Islamic Banks especially for the underprivileged sectors since the relevant authority appear ignorant towards the development of those sectors (Grira *et al.* 2016). In this note, it can be addressed that it is a potential rumor that the economic climate of Nepal is not completely prepared to as not only the Nepalese Muslims but several Non-Muslim natives also appear convinced regarding the inclusion of Islamic Finance. Moreover, it is also evident that they appear comfortable to address their view in the virtual mode of social media since they are possessed by the belief that this is a potent way to earn the requisite prominence to juxtapose the notions of Islamic Finance with the Nepalese financial structure (Fadahunsi, *et al.*2013).

****Aim and Objectives****

The prime objectives that the underlying research suite is supposed to address can be categorized as;

* To explore the potential of social media tools in order to promote Islamic banking in Nepal
* To develop or empirically recommend several other methods that might facilitate the process of admission opinions directly to the Nepalese authority
* To encourage moral pursuit of investments in order to prevent potential investors to restrict investments in Nepalese sin stocks
* To encourage the awareness of Islamic finance in Nepal in order to increase the per capita educational and financial intermittence
* To identify the sectors of Nepal which urges for the optimum attention of Islamic financial assistance
* To encourage native Nepalese to function collaboratively with the Islamic financial institutes

****Research questions****

The primary research questions can be posed as;

* What is the importance of social media as a potential tool to promote Islamic financing and banking principles in Nepal?

The secondary research questions that directly cater the causes of the absolute objectives can be categorized as;

* What can be recommended to enhance the usage of social media in order to promote Islamic finance in Nepal?
* What other steps can be taken to encourage the respective authority to enable the inclusion of Islamic Finance in Nepal?
* What is the measures that need to be taken in order to acquire the legislative approval for the inclusion of Islamic Finance in Nepal?

****Data collection and analysis techniques****

*Primary data collection:*The elementary data has been accumulated simply by conducting a interview in Kathmandu, the capital city of Nepal. In order to observe the interview properly, two cohorts consisting of the respondents has been devised. The first cohort is comprised of 15 financial experts, consultants and potential investors whereas the second cohort is also consisted of 15 respondents nominated among the correspondents of education and welfare sector which appear to be underprivileged and seek maximum assistance from the Islamic banks. The potential respondents of the interview have been enabled to undergo the secondary research questions while their remarks and individual opinions has been tracked in order to develop a cumulative opinion in this regard. In the mean time and during the interview, the respondents are promised that their opinions are not been exploited for any personal or didactic purposes and only has been used for the purpose of the recurring research only as a declaration of ethical consideration.

*Secondary data collection:*The secondary requisite data for this research suite has been accumulated from the archive of pertinent and available literature. On that note, several subject specific articles and journals has been consulted in order to compare and validate the acquired primary data.

A qualitative approach of data analysis has been adopted in order to process and interpret the data.

****Possible research outcome****

However, Nepal is not a country with the majority of Muslim population, the increased awareness of Islamic banking and financing principles might endow them with the much awaited educational and financial intermittence. The promotion of Islamic finance in the virtual domain might stabilize the Micro-credit and Micro-financial enterprises since the stagnated revenue can be percolated across a proper channel. Since social media is one of the potent tools in recent days to promote anything, as per some of the governing statements, this might enable the Islamic investors to function with the embedded informality within a climate of unbiased perspective and opinions.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Activities during research | 1st Week  | 2nd Week  | 3rd Week  | 4th Week  | 5th Week  | 6th Week  | 7th Week  |
| *Selection of research topic* | ✓ |  |  |  |  |  |  |
| *Composition of the literature   review* |  | ✓ |  |  |  |  |  |
| *Methodology followed in the research* |  |  | ✓ |  |  |  |  |
| *Collection of primary data for the research* |  |  |  | ✓ | ✓ |  |  |
| *Data analysis and interpretation* |  |  |  | ✓ | ✓ |  |  |
| *Findings* |  |  |  |  |  | ✓ |  |
| *Conclusion and Recommendation for the research study* |  |  |  |  |  | ✓ |  |
| *Final submission of the research report* |  |  |  |  |  |  | ✓ |

****Timeline****

****Fig:****Gantt chart

****Source:**** Self-generated

****Research Gap****

The recurring research suite is potentially unable to fathom the desperate attitude that the Muslim minority of Nepal is expected to be possessed by since the social media is the only virtual domain to address the requisite grievances regarding the issue. It is difficult for this research suite to suggest any potent alternative of social media that might bear the ability to target the relevant authority directly. As the financial experts suggest, the awareness regarding the sin stocks is unable to be developed by the means of social media only.

****Conclusion****

The prime significance of the attached study is to discern the domains of the public sectors of Nepal, which are coping to survive in spite of the presence of such hostility and ignorance towards them. The virtual domain is the only immediate tool that can elevate their crisis to the status of a paramount concern. This study also caters the moral obligation to restrict the expenditure in the sin stocks that might enable the deprived sectors to recover. The virtual domain of transparency appear to be the only tool to divulge the treachery of the relevant authorities as the foremost hindrance in the way of the inclusion of Islamic finance and banking principles.