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Islam and the Norwegian Housing Market

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Preface

My interest in the ethical lines in Islam that lead to barriers for Muslims in Norway to establish themselves in the housing market was influenced by the fact that I am personally affected by the issue based on my affiliation with Islam. Another influence on my interest is witnessing how my near and dear acquaintances face challenges establishing themselves in the housing market. Although I personally try to avoid interest-bearing loans, I do consider it a necessity to own a home. The European Islamic Consulate issued a fatwa stating that taking a home mortgage that bears interest is permissible if it is out of necessity. However, my two brothers hold quite different opinions concerning homeownership since they do not consider owning a home a necessity and refuse to seek homeownership if it involves an interest-bearing loan. As the research in the study will show, the inability to realize homeownership often means that individuals who rent and who are forced to move and find a new home, often must uproot from the community in which they have established themselves and their children in school and move to a different community. When that occurs, the social fabric of the family's lives and their community is negatively impacted. My experience also increased my interest in this subject as I have worked as an estate agent for DNB Eindom and have witnessed people's suffering and frustration since residents with a foreign background face enormous challenges finding their way into the housing market. The research in this study is essential for highlighting the struggles that Muslim immigrants face in Norway to establish themselves in the housing market particularly since the avenues for obtaining loans that adhere to the principles of Islam are few. Although many countries have begun to offer Shariah-compliant mortgages and financial products, Norway has not done the same. Norway claims to have a focus on homeownership as being critical for welfare and happiness. Therefore, with the large population of Muslim immigrants in Norway, it is important that some type of assistance be developed to assist that population in realizing homeownership without having to go against their deeply held ethical beliefs and religious principles.

Islam and the Norwegian Housing Market

How do Ethical Lines in Islam Lead to Barriers for Muslims in Norway to Establish Themselves in the Housing Market/Ownership Line, and What Consequences Does This Entail?

Chapter One: Introduction

Introduction

The Islamic prohibition on interest-bearing loans has resulted in Muslims in Norway facing difficulties when it comes to homeownership and, in turn, impacts their housing choices (Borchgrevink & Birkvad, 2021; Peace Research Institute, 2021). However, those belonging to the Muslim faith in Norway are only second to the largest group of those adhering to Christianity (Borchgrevink & Birkvad, 2021). Eriksen (2013) noted that while under one-third of the total immigrants to Norway are from countries that are predominantly Muslim, “it is Muslim immigrants who find themselves at the center of the most heated political and social debates” (p. 1). However, the policies in Norway have trended toward equality for immigrants (Eriksen, 2013). According to Qureshi (2020), although Norway has a specific focus on homeownership as being critical to happiness and welfare, Muslim immigrants are much less likely to own their own than are non-immigrants. Therefore, globally and in Norway, Muslims do not realize inclusion in the financial system (Brekke, 2018). Although the immigrants who have been in Norway since the 1970s are not so tightly bound to their religious beliefs, the most recent arriving groups of Muslims have a much stronger attachment to their faith (Brekke, 2018). However, it is certain that Norway’s increase in Islamic immigrants is driving the need for new financial products (Brekke, 2018). Some countries, such as France do offer halal banking for Muslims, however, that is not the case in Norway (Shariabanking.com, 2022). In 2017, a Norwegian bank did begin offering loans that were based on Islamic principles, however, that initiative only involved testing the idea and it never went forward due to receiving negative feedback from customers who were not Muslim and some of the customers quit their relationship with the bank (The Local, 2017; Sputnik International, 2017).

Research Objective

The objective of the research in the present study is to examine how it is that ethical lines lead to barriers for Muslims in Norway to establish themselves in the housing market/ownership line and what consequences are entailed.

Research Questions

The research questions that the present study seeks to answer are those stated as follows:

- (1) How do ethical lines present barriers for Muslims in Norway to establish themselves in the housing market/ownership line?
- (2) What are the consequences of the barriers for Muslims in Norway to purchasing homes and becoming homeowners?

Hypotheses

The hypotheses in the present study include those stated as follows:

H1: Muslim immigrants in Norway prefer to use Islamic banking for mortgages

H2: Many Muslim immigrants have been forced to use conventional banking to obtain mortgages and realize homeownership.

Statement of the Problem

The economic choices of Muslims in Norway are often influenced by their religious convictions, specifically when it comes to finance and money (Borchgrevink & Erdal, 2021). Islam prohibits ‘riba’ or interest on loans, and the necessity associated with purchasing a home for Muslims in Norway is set against the need not to do so due to the religious convictions of Muslims, which can either result in exclusion or inclusion in Norway (Borchgrevink & Erdal, 2021). Although economic thought has been an important aspect of the jurisprudential discourses in Islam, Islamic banking and the financial sector is a modern phenomenon that only began culminating in the 20th century (Borchgrevink & Erdal, 2021). In Europe, countries that have large populations of Muslims, including Germany, France, and the United Kingdom, have offered Shariah-compliant and interest-free financial products, which include mortgages for home loans (Borchgrevink & Erdal, 2021). The approach that is the most common is that of *murahaba*, which involves the bank purchasing the property and then selling it to the customer at a higher price than they purchased it for, with the customer paying in installments (Borchgrevink & Erdal, 2021). The Nordic countries have not banned Islamic banking, yet none are existent (Borchgrevink & Erdal, 2021). The attempts that have been made by private actors who are Muslim to formulate “private savings collectives have been unsuccessful. Government housing finance is interest-based, and market surveys conducted by conventional banks have concluded that the market appears

insufficient for them to invest in this product development area” (Borchgrevink & Erdal, 2021, p. 2). Therefore, Muslim immigrants in Norway have difficult decisions to make concerning whether they will adhere to their faith or step outside of the boundaries of their faith and take on interest-bearing mortgage loans.

Overview of the Methodology of the Study

The methodology in the present study is a mixed-methods study and will involve the conduction of an interview with a community worker in Norway, interviews with representatives of a company in Norway, and will involve administering a survey to immigrants living in Norway. Mixed-methods research is a method that is complementary to the more traditional qualitative and quantitative approaches to research (Dawadi, Shrestha, & Giri, 2021). Moreover, the mixed methods approach to research “is a design that has its own philosophical assumptions and methods of inquiry. As a methodology, it includes philosophical assumptions to provide directions for the collection and analysis of data from multiple sources in a single study” (Dawadi et al., 2021, p. 27). Quantitative research is such that involves using numerical data to “answer questions like who, how much, what, where, how many, and how” (Apuke, 2017, p. 40). However, qualitative research is focused on gathering in-depth information that is not analyzed using numbers (Pessoa et al., 2019). The researcher in the present study prepared 17 survey questions, which were administered to a total of 79 immigrant Muslims who reside in the country of Norway. The survey was aimed at Muslims in Norway in a private group <<Halalguide>> on Facebook with close to 25,000 Muslim members who are ethnically from various Muslim countries. The survey and was uploaded to Survey Monkey, and respondents answered the questions online. The survey responses were analyzed by percentages of responses and will be presented in the findings of the present study. No further statistical analysis was conducted on the surveys, and the information obtained in the surveys and the interview with the community worker and company representatives in Norway will be used to answer the research questions in the present study and to test the hypotheses. According to Frampton (2020), survey data analysis is the process of drawing conclusions from what you’ve gathered” (para. 3).

Background of the Study

According to the International Monetary Fund (IMF) (2018), there has been a continued growth and evolution in Islamic finance globally, with the Islamic financial assets on a global scale

reaching around USD\$2 trillion and the banking sector accounting for approximately 85 percent of those total assets. The IMF (2018) revealed Islamic banking currently “exists in more than 60 countries, and the industry has become systemically important in 13 jurisdictions” (p. 4). The Islamic financial segment has been acknowledged as holding great potential in several countries, and authorities are offering encouragement for Islamic finance as a way to bring about improvements in financial inclusion (IMF, 2018). It is held that Islamic finance has the power to deepen both inclusion and financial markets through its offering of new finance modes, as well as in attracting populations that are presently unbanked (IFM, 2018). Islamic finance further makes the provision of a strengthening of the ties between the real economy and finance via the emphasis it places on risk-sharing, and the outcome is that Islamic banks are, for the most part, leveraged less than are the conventional banks (IMF, 2018). The key principles that govern Islamic banking are those of: (1) the principle of equity, which provides the rationale for prohibiting riba (interest-bearing loans). It is noted that the term riba speaks of a wealth increase that is derived from sources that do not involve the individual’s engagement in an activity that is productive; (2) the principle of participation, which is generally known as financing that is interest-free; however, it does not mean that there is no reward on capital but that the return on the investment is earned in combination with the activity that is productive, rather than simply the passage of time. Return on capital is viewed as legitimate due to taking risk and based on the performance or productivity of an asset, which links real activities and financing activities; (3) the principle of ownership, or where no one can sell what they do not own. In other words, Islamic finance is asset-based financing, and as such, it means that a link that is strong exists between the real economy and finance, which makes a requirement for property rights to be respected and contractual obligations to be upheld as contracts are viewed with sanctity (IMF, 2018).

According to Brekke (2018),

“there are two opposing strands in the modern Islamic debate about finance. The core of the disagreement is the Quaranic ban on riba, translated in the wildest sense as ‘interest’. On the one hand there are the modernists who want to adjust an Islamic perspective on economics to the modern world. They are of the opinion that riba in the Quran refers only to a particular kind of usurious interest on loans

taken by moneylenders in pre-Islamic Arabia. On the other hand, there are the traditionalists who cast the net wider and insist that *riba* in the Quran covers all kinds of interest on money, which makes the most types of conventional banking practices prohibited” (p. 2).

However, Norway has not stepped up to offer Shariah-compliant financing options for Muslim immigrants, although many other countries have done so (Daehlen, 2022). The lack of financing in Norway for business and mortgage loans results in Muslim immigrants being forced to take out interest-bearing loans in many cases and leaves them with anxiety and stress about having gone against their religious beliefs (Borchgrevink & Erdal, 2021; Daehlen, 2022). As the Muslim population has continued to grow in Norway (Brekke & Larsen, 2020), there is a need for banks and the financial system to take the needs of immigrant Muslims into account, particularly toward ensuring they experience inclusion rather than exclusion, and become a contributor to the economy of Norway (Daehlen, 2022). Moreover, as Muslims represent the second largest religion in the country of Norway, it is certain that the need to ensure the financial inclusion of that population is further addressed (Norway Statistics, 2020). Although research has been conducted to examine the economic barriers that present to immigrant Muslim homeownership, the religious and cultural factors that impact immigrant housing have been little examined (Borchgrevink & Birkvad, 2020). It is important to understand the barriers experienced by immigrant Muslims since homeownership in the country of Norway symbolizes belongingness for those immigrants (Borchgrevink & Birkvad, 2021). At present, the immigrant population lives in dense populations, and just a small percentage of immigrants own their own homes (Boarch, 2019). Muslims in Norway struggle to find safe housing that is adequate (Soholt, 2022). When immigrants arrive in Norway, they generally choose rental housing (Boarch, 2019). Moreover, the life quality of immigrants in Norway is lower than the general population (Dalen & Larsson, 2022).

Significance of the Study

The significance of the present study is the information that will be added to the already existing knowledge base concerning the views of immigrant Muslims in Norway about the barriers that are present in obtaining mortgage loans and realizing homeownership and the consequences of the lack of interest-free mortgages in Norway.

Organization of the Study

Chapter one has introduced the research in the present study, including the research questions, hypotheses, the statement of the problem, an overview of the methodology of the study, the background of the study, and the significance of the study. Chapter two will be comprised of a review of the literature. Chapter three will present the methodology of the study, and chapter four will present the data analysis and findings of the study. Chapter five of the study will be comprised of the discussion and conclusions of the study.

Chapter Two: Literature Review

Introduction

Previous research has cited two reasons it is incredibly important to understand the religious and cultural norms that work in shaping the financial behaviors and attitudes of Muslims, including: (1) the possible political implications due to the potential for financial exclusion and how that presents a critical challenge to social and economic participation and equality; and (2) how the issue of money can work to reveal the broader and interesting issues of religion, culture, and politics (Brekke & Larsen, 2020). It is important to understand how Muslims in Nordic countries and specifically in the present study, how those in Norway view the importance of access to or the lack of access to Islamic banking practices. The numbers of Muslim individuals and the number of mosques in the Nordic countries are shown in the following figure.

Country	Muslim population	Number of mosques
Sweden	700,000	150
Denmark	300,000	170
Norway	200,000	150
Finland	80,000	80
Total	1,280,000	550

Figure 1. The Number of Muslims and Mosques in Nordic Countries (Source: Brekke & Larsen, 2020).

Ostby and Dalgard (2017) stated an estimate of 622,000 individuals who belonged to religions other than the Church of Norway. However, more recent research indicated a higher number for 2021 (Norway Statistics, 2020). The following figure shows the religions in Norway outside of the Norway Church.

År	Kristendom	Islam	Livssyn	Buddhisme	Hinduisme	Sikhisme	Baha'i	Jødedom
2010	245 664	98 953	82 890	13 376	5 175	1 037	1 012	818
2011	266 834	106 735	84 481	14 580	5 858	2 975	1 064	819
2012	289 018	112 236	84 722	15 426	5 690	1 133	1 088	153
2013	312 925	120 882	86 061	16 001	6 797	3 323	1 122	788
2014	337 316	132 135	86 444	17 087	7 382	3 363	1 127	781
2015	296 521	141 027	88 216	17 977	8 181	3 429	1 134	747
2016	349 083	148 189	89 758	18 817	8 882	3 545	1 149	770
2017	339 492	153 067	92 919	17 351	8 965	3 654	1 146	769
2018	355 070	166 861	95 030	20 077	10 427	3 704	1 115	789
2019	365 851	175 507	96 276	21 044	11 405	3 984	1 118	809
2020	372 651	182 826	99 468	21 555	12 153	4 080	1 091	794
2021	370 997	169 605	97 260	21 567	11 970	4 208	1 085	761

Figure 2. Religion Statistics in Norway Outside of Norway's Church (Norway Statistics, 2020)

As shown in the above figure, the number of adherents to Islam has grown exponentially between 2010 and 2021, and presently there are more Muslims living in Norway than any other religious group, with the exception of Christianity. The following figure shows where the most of population lives cramped located in capital of Norway - Oslo, along with the percentages of immigrants living in each area. Districts with marked dark green colors such as Nordre Aker, which have a high percentage, can be justified by the fact that many students live in this area.

The largest proportion of Muslims live in districts such as Alna, Stovner, Grorud and Sondre Nordstrand in Oslo. the map section reflects that residents' living conditions are densely populated. It is worth pointing out that immigrants, especially Muslims, have a higher birth rate than ethnic Norwegians. One of the reasons why there are many people living under the same roof is that Muslims usually live together with their parents, even if the children get married. But more and more people move, especially when they get married. This is my impression based on my observations in my network.

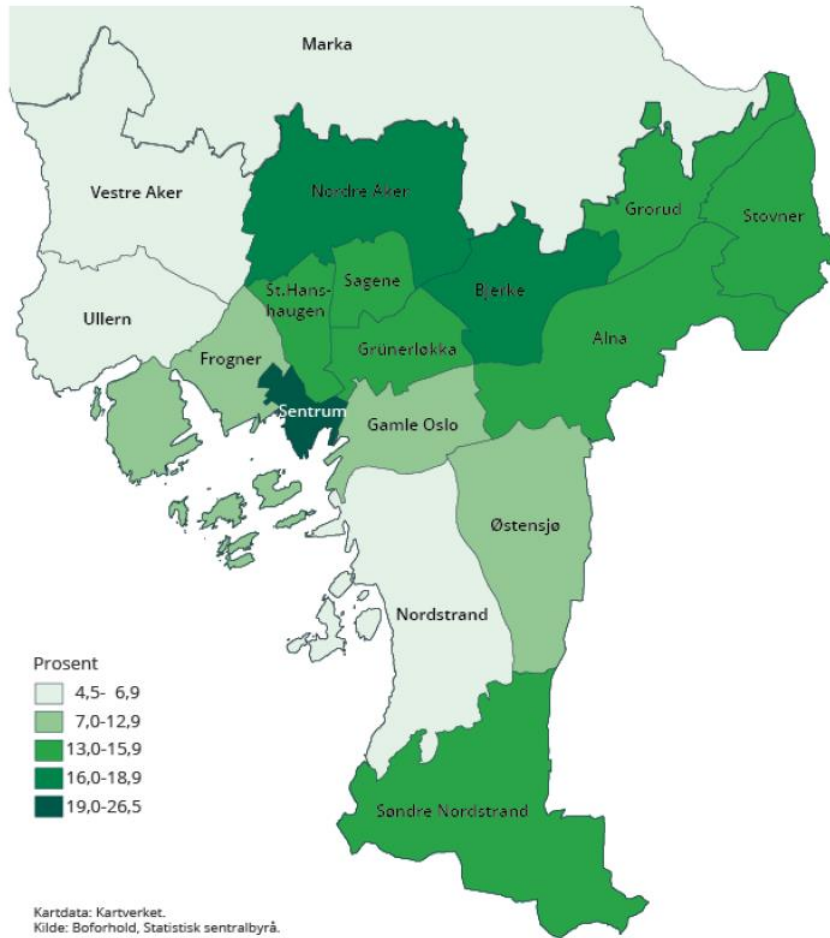


Figure 3. Proportion who lives narrowly by district in Oslo by Percentages (Source: Revold, 2020)

The majority of research that has been conducted has focused on the economic barriers to homeownership among immigrants but has failed to give due attention to cultural and religious factors when it comes to immigrant housing (Borchgrevink & Birkvad, 2021). However, according to Borchgrevink and Birkvad (2021), “homeownership becomes a symbolic marker of belonging and for immigrants, it constitutes the ‘ultimate proof of successful integration’” (p. 5). According to Boarch (2019), the immigrant population of Norway generally resides in conditions of dense populations with only a small percentage owning their home, and the immigrants are concentrated in certain neighborhoods that have cooperatives. The first choice for immigrants in Norway is rental housing, although the great number of loaners who are not professionals indicates that immigrants have to seek rentals in a market that is weakly organized and complex

(Boarch, 2019). Social housing is lacking in Norway, despite the government's claim to ensure everyone should have secure housing; and moreover, in Norway, homeownership requires that individuals acquire mortgages that charge interest (Boarch, 2019). Taking out loans with interest is in direct opposition to Islamic religious laws (Brekke, Larsen, and Kozaric, 2021). The research in the literature review will include information on the life quality of immigrants in Norway, an understanding of the Islamic finance and banking system, and an examination of the status of immigrants in Norway concerning whether they are renting or own a home. The research in the literature review will additionally present information concerning the views and attitudes of Muslims in Norway relating to conventional banking versus Islamic banking.

Life Quality Among Immigrants in Norway

According to Dalen & Larsson (2022), one of the greatest shifts in the demographics of the population in recent decades has been due to the processes of migration, as well as those of integration. Previous research has demonstrated that the quality of life is poorer among immigrants than in the general population (Dalen & Larsson, 2022). Research is lacking on the quality of life possessed by immigrants living in Norway (Dalen & Larsson, 2022). However, Dalen & Larsson (2022) conducted a study that examined the life quality of individuals who were immigrants to Norway and sought to understand if life quality varies depending on the immigrants' country of origin, as well as the differences by income, age, primary activity, and household type. It was found that immigrants generally have as high of a quality of life as the general population; however, the immigrants from South and Central Asia and the Middle East were found to have the least life satisfaction, scoring 6.2 on a 10-point scale (Dalen & Larsson, 2022). Immigrants between the ages of 25 to 44 scored higher on life satisfaction than did those in the age group between 45 and 66 (Dalen & Larsson, 2022). The lower quality of life among immigrants is attributed, in part, to them having an income that is lower on the average than the general population, stated at approximately 13 percent lower for immigrants (Dalen & Larsson, 2022). The findings stated by Dalen and Larsson (2022) are that the life quality of immigrants' experiences variations based on their socioeconomic status and income.

Understanding Islamic Finance and Banking

Islamic banking first started when the Mit-Ghamir Islamic Savings Bank (MGISDB) was established in the decade of the 1960s (Saeed, 2016). The purpose of the bank was to work in mobilizing the savings of the Muslim population of Egypt without defying Shariah laws and to make provision of halal returns on the bank's customers' savings (Saeed, 2016). In the decades of the 1970s, more Islamic banks were established, and in the decade of the 1980s, even more, Islamic finance houses and banks were established in various countries, including Sudan, Qatar, Malaysia, Bahrain, Guinea, Senegal, Switzerland, Denmark, Jordan, Turkey, Mauritania, and Tunisia (Saeed, 2016). By the decade of the 1990s, enough momentum was gained by the market to gain the attention of institutions and public policymakers that had an interest in the introduction of products that were characterized by innovation (Saeed, 2016). The need was acknowledged for Shariah standards and established was the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), but following market growth, a regulatory agency that was dedicated was established in the early years of the 2000s by the supervisory and regulatory authorities and the support of the Islamic Financial Services Board (IFSB) (Saeed, 2016). The IFSB was tasked with addressing regulatory and government issues and the systemic stability of the Islamic banking industry (Saeed, 2016). The following figure shows the evolution of the Islamic banking industry.

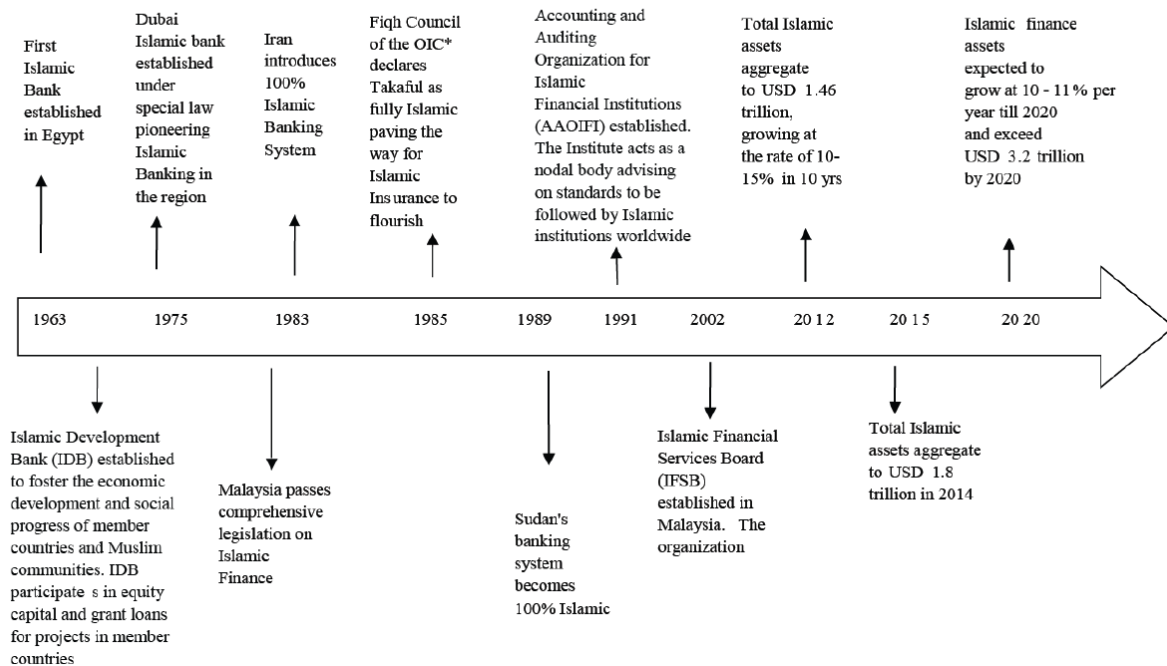


Figure 4. Evolution of Islamic Banking Industry (Source: Saeed, 2016)

The primary principles of the Islamic banking industry include those of: (1) interest is prohibited; (2) money is viewed as potential capital; (3) risk-sharing is the norm because those who provide funds are not creditors but rather are investors; (4) speculative behavior is prohibited; (5) the sanctity of contracts, as the obligations of a contract and information disclosure are viewed as duties that are sacred; (6) only activities that are Shariah-compliant are approved; and (7) social justice, in that any transaction that results in social injustice or that results in exploitation is prohibited (Saeed, 2016). The Islamic banking and finance system includes sukuk, which are Islamic bonds, and takaful, which is Islamic insurance, as well as Islamic financial institutions and mutual funds (Saeed, 2016).

Globally, the Islamic banking assets as of 2014 were USD 1.35 trillion, and the sukuk market was approximately USD 295 billion as 2014 closed (Saeed, 2016). The sukuk market share globally was witnessed to have risen more than 16 percent over the total Islamic finance assets and is viewed as a growing sector of importance in the Islamic financial landscape (Saeed, 2016). Islamic banking was practiced in more than sixty countries globally as of 2016 (Saeed, 2016). And the whole banking industry in Sudan and Iran is based on the principles of Islam, and

interest payments are completely forbidden (Saeed, 2016). Islamic bank assets realized growth from the 2007 amount of over 1.3 trillion by 14 percent in the period from that year to 2014 (Saeed, 2016). Saeed and Izzeldin (2013) examined the relationship that exists between default risk and efficiency, comparing it between conventional and Islamic banks in non-GCC and in Gulf Cooperation Countries (GCC). The 2008 financial crisis is reported to have indicated the need for the banking industry's health to be monitored (Saeed & Izzeldin, 2013). The following figure shows a comparison of the conventional and Islamic banking frameworks.

Characteristics	Islamic banking	Conventional banking
Nominal value guarantee of		
Demand deposits	Yes	Yes
Equity-based system where capital is at risk	Yes	No
Rate of return on deposits	Uncertain, not guaranteed	Certain and guaranteed
Mechanism to regulate final returns on deposits	Depends on banks' performance	Irrespective of banks' performance
PLS principle is applied	Yes	No
Use of Islamic modes of financing		
PLS and non-PLS modes	Yes	N/A
Use of discretion by bankers with regard to collateral	Possible for reducing moral hazard in PLS modes; yes in non-PLS modes	Yes always
Banks' pooling of depositors' funds to provide depositors with professional investment management	Yes	No

Source: Errico and Farahbaksh (1998, p. 10).

Table 2
Theoretical balance sheet of an Islamic bank based on maturity profile.

Assets	Liabilities
Maturity profile	
Short term trade finance (Cash, Murabahah, Salaam)	Demand deposits (Amanah)
Medium-term investments (Ijarah, I'tisnah)	Investment accounts (Mudarabah)
Long-term partnerships (Musharakah)	Special investment accounts (Mudabah, Musharakah)
Fee-based services (Joalah, Kifalah)	Reserves
Non-banking assets (Property)	Equity capital

Figure 5. Comparison of Conventional and Islamic Banking Frameworks (Source: Saeed & Izzeldin, 2013)

As shown in the above figure, the characteristics of the Islamic and conventional banks both include demand deposits; however, only the Islamic banks have a system that is equity-based in which capital is at risk, which is not the case for conventional banks. The return rates on deposits are guaranteed and certain for conventional banks, while that is not the case for Islamic banks (Saeed & Izzeldin, 2013). For conventional banks, there is a mechanism in place to regulate the final returns on deposits, but that is not the case for Islamic banks because it depends on the performance of the bank (Saeed & Izzeldin, 2013). The above figure also shows that the profit and loss sharing principle is applied in Islamic banking practices but not in those of conventional banking practices, and the Islamic modes of financing include both profit and loss sharing and nonprofit and loss sharing practices, while that is not the case for conventional banks (Saeed &

Izzeldin, 2013). Although Islamic banks allow bankers to use discretion concerning collateral, that is not the case for conventional banks, and the Islamic banks pool the funds of depositors to make provision of professional investment management for depositors, while that is not the case for conventional banks (Saeed & Izzeldin, 2013). The balance sheet for Islamic banks is quite different from that of conventional banks. The following figure shows the balance sheet for Islamic banks.

Assets	Liabilities
Maturity profile	
Short term trade finance (Cash, Murabahah, Salaam)	Demand deposits (Amanah)
Medium-term investments (Ijarah, I'tisnah)	Investment accounts (Mudarabah)
Long-term partnerships (Musharakah)	Special investment accounts (Mudarbah, Musharakah)
Fee-based services (Joalah, Kifalah)	Reserves
Non-banking assets (Property)	Equity capital

Figure 6. Balance Sheet of Islamic Banks (Source: Saeed & Izzeldin, 2013)

According to Saeed et al. (2021), the increases in the past several years of economic turmoil have not affected what has been huge stability and growth in sukuk, and furthermore, “Islamic finance assets have shown a compound annual growth rate of 4% since 2012, with capital market assets as the fastest-growing assets” (p. 1). Concerning sukuk, it is reported to be the second-fastest-growing class of assets, with a compound annual growth rate of 7 percent since the year 2012 (Saeed et al., 2021). Furthermore, research has indicated that advantages relating to diversification are realized through sukuk when it is combined with Eurobonds (Saeed et al., 2021). The following figure shows the differences between conventional debt and sukuk.

<i>Sukuk</i>		Conventional Debt
Asset ownership	<i>Sukuk</i> give the investor partial ownership in the asset on which the <i>sukuk</i> are based.	Bonds do not give the investor a share of ownership in the asset, project, business, or joint venture they support. They are a debt obligation from the issuer to the bond holder.
Investment criteria	The asset on which <i>sukuk</i> are based must be Sharia-compliant.	Generally, bonds can be used to finance any asset, project, business, or joint venture that complies with local legislation.
Issue unit	Each <i>sukuk</i> represents a share of the underlying asset.	Each bond represents a share of debt.
Issue price	The face value of <i>sukuk</i> is based on the market value of the underlying asset.	The face value of a bond price is based on the issuer's credit worthiness (including its rating).
Investment rewards and risks	<i>Sukuk</i> holders receive a share of profits from the underlying asset (and accept a share of any loss incurred).	Bond holders receive regularly scheduled (and often fixed rate) interest payments for the life of the bond, and their principal is guaranteed to be returned at the bond's maturity date.
Effects of costs	<i>Sukuk</i> holders are affected by costs related to the underlying asset. Higher costs may translate to lower investor profits, and vice versa.	Bond holders generally are not affected by costs related to the asset, project, business, or joint venture they support. The performance of the underlying asset does not affect investor rewards.

Figure 7. Differences Between Conventional Debt and Sukuk (Source: Saeed et al., 2021).

There are three requirements in Islamic finance that are needed to be in compliance with Shariah law: (1) the instrument must be representative of ownership in assets that are tangible or that represent services from firms that are revenue-generating; (2) the payments made to the investor must necessarily accrue from profits after tax; and (3) the amount repaid on maturity must be aligned with the asset's current market price rather than the amount that was originally invested (Saeed et al., 2021).

Renting and Homeownership Among Muslim Immigrants in Norway

According to Revold and Arnesen (2021), the percentage of individuals in Norway who rent their place of living has grown by one percentage point or 90,000 more tenants who are renting across six years, with the percentage of homeowners falling the same amount. Although the increase in the percentage of renters is largely due to the numbers of self-employed individuals, self-employment among individuals has, in reality, fallen between 2015 and 2020 by 1.4 percent, with the number of homeowners having fallen from the previous 11.8 to 11.4. (Revold & Arnesen, 2021). Moreover, twice as many renters are among those who are immigrants when

compared to the general population in Norway, and although just 14.3 percent of the general population rents, more than 42 percent from Africa, Asia, and other such countries, along with more than 39 percent of EU and EEA immigrants rents their home (Revold & Arnesen, 2021). Those who rent their home who immigrated from Africa, Asia, and other countries have grown by 2.6 percent (Revold & Arnesen, 2021).

It is notable that the government of Norway founded the Human-Etisk Forbund (HEF) in 1956; described as an organization that has a religious type of worldview and, as such, receives financial support from the government, and other religious organizations are also on the receiving end of financial support relative to the size of their membership (Repstad, 2021). Given the size of the Muslim population in Norway, the question begs to be asked as to whether such funding could be granted to establish Islamic banking institutions for that population? The government of Norway provides economic support to the Church of Norway, as well as other primary adversaries to the Church (Repstad, 2021). As the vision that has been set for the housing policy in Norway is one calling for secure and adequate housing for everyone, it would seem that there would also be a focus on paving the way for homeownership among the Muslim population (Quershim 2020). According to Borchgrevink and Birkvad (2021), “Norway is described as homeownerland as 78% of Norwegians live in housing owned by themselves or someone in their household, a percentage which is high compared with the Nordic region and internationally” (p. 3). However, homeownership among the population of immigrants in Norway is stated at just 53 percent (Borchgrevink & Birkvad, 2021). Homeownership in Norway has been a post-war policy goal; however, the rental market in Norway, in terms of its structural features, results in renters experiencing financial disadvantages when compared to homeowners (Borchgrevink & Birkvad, 2021).

There are benefits to homeownership, including: (1) building equity; (2) interest is tax-deductible; and (3) the wealth of the homeowner increases across time as they build more equity in the property (Qureshi 2020). However, homeownership also has social benefits, including: (1) links to the job market that is characterized by stability and that is better; (2) social integration that is better; and (3) protection against marginalization and social stigmatization (Qureshi 2020). Homeownership promotes self-respect among individuals and builds responsibility among those who own a home (Qureshi 2020). Despite Norway’s focus on homeownership and the

expectation that everyone will become a homeowner, in truth, the focus creates a potential for the marginalization of certain groups who do not own a home (Qureshi 2020). Renters in Norway are marginalized because they are excluded from the tax schemes that are quite generous that homeowners can access (Borchgrevink & Birkvad, 2021). Furthermore, Norway, with its emphasis on homeownership, has developed various financial and legislative mechanisms to support homeownership; however, Muslim immigrants are left out of the loop and experience socio-economic consequences unless they take out an interest-bearing home loan (Qureshi 2020). The divide that exists between renters and homeowners impacts social citizenship and ultimately has negative effects on civic engagement and social integration (Borchgrevink & Birkvad, 2021).

Nordic Muslims View of Conventional Banking Versus Islamic Banking

Brekke et al. (2021) revealed that the Islam tradition is one that views *haram* or interest on money to be prohibited. Research exists showing that some Muslims residing in Europe tend to have limited involvement with the conventional types of banks based on moral and religious reasons (Brekke et al., 2021). Two strands in the debates concerning finance among Muslims include those centered around the ban contained in the Quran concerning *riba*, which may be translated as interest (Borchgrevink & Birkvad, 2021; Brekke et al., 2021). *Riba* is described as an Arabic word that is taken from the word *raba*, a verb, which has the literal meaning of ‘to expand’, ‘inflate’, or ‘increase’ (Ahmad & Hassan, 2008). One strand of belief on interest is held by modernists who desire to change the perspective of Islam's view of modern world finance and who hold that the Quran's view of *riba* only refers to a specific type of usurious interest charged on loans such as the moneylenders took in Arabia that was pre-Islamic (Brekke et al., 2021). The other view is held by traditionalists who hold that *riba* in the Quran is relevant to all types of interest charged, thereby prohibiting the majority of conventional modern banking practices (Brekke et al., 2021). *Riba* is expressly forbidden according to Islam (Ali, 2016; Borchgrevink & Erdal, 2021; Ahmad, Rehman, & Humanyoun, 2011). The European Council of Fatwa and Research (ECFR) 1999 issued a fatwa, which is a religious edict, which gave Muslims permission to obtain a mortgage that bears interest when it is necessary for them to purchase a home ‘out of necessity’ and where no alternative options exist (Borchgrevink & Birkvad, 2021). However, there is a division between Muslim scholars supporting the fatwa and those rejecting it and advising against those types of interest-bearing mortgage loans (Borchgrevink & Birkvad, 2021).

According to Brekke et al. (2021), “Islamic banks are a relatively recent phenomenon, and the proliferation of Islamic banks from the 1970s can be understood as an element in a global revival of Islam” (p. 103). Although Islamic banking was introduced in Europe in the decade of the 1990s, the availability of Islamic banking is still limited (Brekke et al., 2021). There has been a growth in the awareness of the values of Islam in the financial world, but at the same time, little is known about how Muslims that live in the West manage to resolve the tension that exists between the Islamic norms prohibiting *riba* and the necessity with the use of convention loans that bear interest and most pointedly when it comes to purchasing a home or attempting to begin a business (Brekke et al., 2021). Brekke et al. (2021) conducted a study among 1747 participants who were Muslim in the countries of Norway, Denmark, Finland, and Sweden, and who were from various countries of origin, with 65 percent of the participants were born in other countries besides the Nordic countries they lived in. Interviews were conducted by Brekke et al. (2021) with 40 of the original group of participants. The respondents in the study were asked in the survey portion of the study if the interest charged by conventional banks constitutes *riba*. The following figure shows the responses among entrepreneurs and non-entrepreneurs in the study.

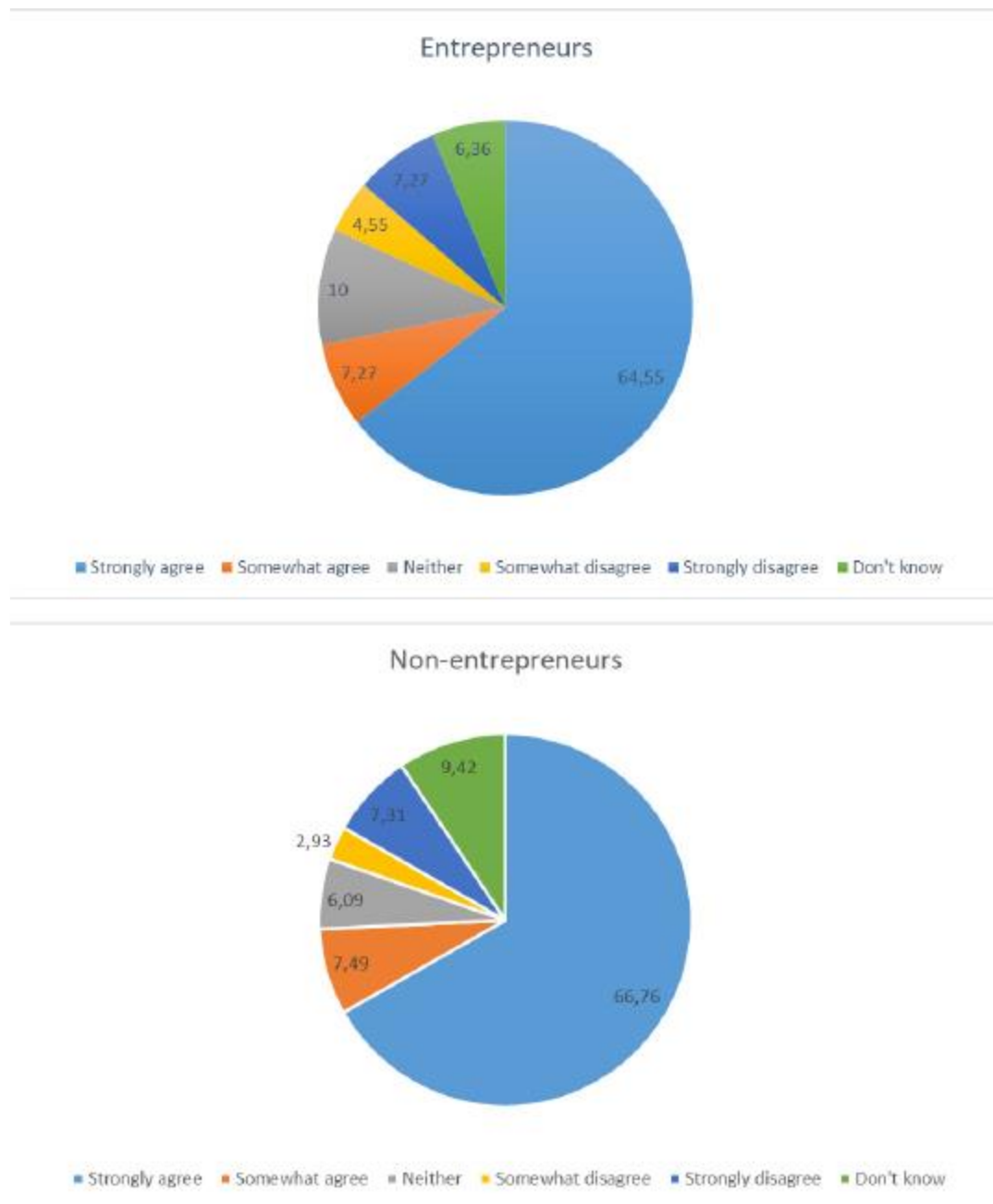


Figure 8. Responses to Whether the Interest Charged by Banks is riba (Source: Brekke et al., 2021).

The responses of the participants in the study indicated that those participating held “moral qualms about interest-bearing finance” (Brekke et al., 2021, p. 107). The second and third statements in the study that the participants responded to were those of:

- Islamic finance is an important issue for Muslims in the country where I live

- If an Islamic bank were established here, I would become a customer (Brekke et al., 2021, p. 106).

The participants in the study strongly agreed with each of those statements.

Brekke et al. (2021) revealed that skepticism existed among the Muslim participants and that there was a stigma linked to interest-bearing finance. One of the entrepreneurs interviewed during the study indicated that he avoided business loans in part because of his religion because he “would prefer to avoid having a loan and interest, because it was perceived as ...it isn’t good for business” (Brekke et al., 2021, p. 108). The study found that the primary reason for not taking loans from conventional banks was the forbidding of interest in Islam, as shown in the following figure.

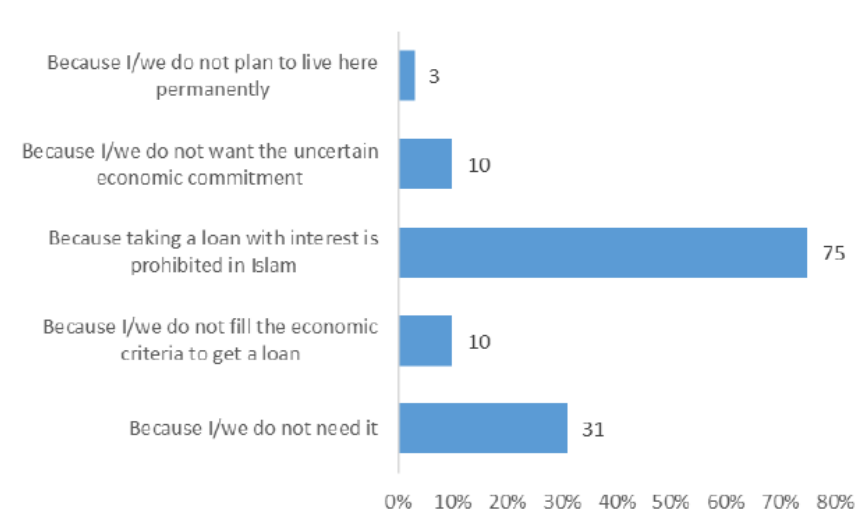


Figure 9. Primary Reasons that Muslims Do Not Take Out Conventional Bank Loans (Source: Brekke et al., 2021).

The hesitation of Muslims in using the conventional banking system is not surprising considering the ongoing transformation in the banking industry on a global scale wrought by trends such as deregulation, new technology, economic integration, and the economy’s globalization (Saeed et al., 2020). All the forces have resulted in competition and financial integration increases, and when added to the issues with the most recent financial crisis and the debates on public policy concerning the banking regulatory environment, many questions remain about stability and efficiency (Saeed et al., 2020). The competition between the banks, along with market

concentration, has resulted in banks being a risky endeavor since “increased competition reduces the market power of banks, which leads to a decrease in their charter values” (Saeed et al., 2020, p. 1). In a study that examined the role of capitalization on the behavior of risk-taking of conventional and Islamic banks, Saeed et al. (2020) noted that Islamic banking had emerged and is aligned with the principles of Shariah and is considered a development that is of key importance in the financial world. The Islamic banks have a purpose that is somewhat similar to conventional banks, but the deposit and standard loan products are differentiated since interest is prohibited. However, Islamic banks cannot provide a fixed rate but instead, conduct their operations based on profit-sharing arrangements and other types of financing that are permissible according to Islamic law (Saeed et al., 2020). Although the conventional banking system has been characterized by a loss of confidence, there has been rapid growth in Islamic banking (Saeed et al., 2020). Islamic banks are different from conventional banks in a substantial way, especially concerning deposit agreements, since “from the liabilities side, the principle of profit and loss sharing is applied through profit-sharing investment accounts” and are different from those in conventional banks (Saeed et al., 2020, p. 2). The profit and loss sharing in the Islamic banks refers to the holders of that arrangement as *mudurabah*, and the Islamic banks share loss or profits with those holding accounts, and the result is that the Islamic banks have the risks that are lowered when compared to conventional banks (Saeed et al., 2020). Islamic banks do not charge interest but instead, are required to conduct their banking operations based on arrangements for profit-sharing or other types of financing that Islamic law permits (Saeed & Izzeldin, 2016).

Larsson and Willander (2021) conducted a study among Muslims in Sweden to examine their attitudes toward the conventional versus the Islamic banking system and noted that Islamic finance is:

“defined as financial transactions in compliance with Islamic principles. This means that Muslim businesses should be guided by Islamic law (cf. Quran, Sura 2, verse 275), that Muslims should not pay or receive interest, and that contracts should pay attention to Islamic principles” (p. 78).

However, the meaning of Islamic principles in terms of how they are applied experiences variation across time and from one location to another (Larsson & Willander, 2021). The Islamic financial sector was revealed by Larsson and Willander (2021) to have worked in developing

various financial platforms and instruments that enable Muslim entrepreneurs and businesses in the United States and Europe to engage with the financial sectors that are conventional and those who desire to follow the principles of Islamic law (Larsson & Willander, 2021). However, Larsson and Willander (2021) emphasized that the Islamic financial sector has had no success in identifying a market share in the country of Sweden and that no Islamic banks exist in that country due to the financial regulations of the country and their tight rules on financial liquidity. Additionally, Sweden has a requirement for previous experience before a bank can be started (Larsson & Willander, 2021). Larsson and Willander (2020) conducted surveys among ten mosques in Sweden with 339 respondents. However, there were limitations in the study because the responses could not be generalized to the entire population of Muslims in Sweden. The study found that 96 percent of the respondents had an account with a bank, and 62 percent of the respondents had a credit card, yet just 24 percent of the respondents reported having taken out a loan with their bank. The following table shows the responses; however, the questions did allow for more than one answer.

	Bank account	Credit card	Loan with interest
No	4	38	76
Yes	96	62	24
Total (%)	100	100	100
Total (n)	276	266	271

Figure 10. Respondents Reporting Whether They Had a Bank Account, Credit Card, or Bank Loan (Source: Larsson & Willander, 2021).

The reasons stated for not having a bank loan by the participants in Larsson and Willander’s (2021) study are shown in the following figure.

	Do not need a bank loan	Because I/we do not fulfil the economic criteria to get a loan	Because taking a loan with interest is prohibited in Islam	Because I/we do not want the unpredictable economic commitment
No	71	92	13	88
Yes	29	8	87	12
Total (%)	100	100	100	100
Total	203	203	203	203

Figure 11. Reasons Respondents Did Not Have a Bank Loan (Source: Larsson & Willander, 2021)

As shown in the above figure, more respondents (87%) stated they did not have a bank loan since interest is prohibited in Islam than any other reason stated (Larsson & Willander, 2021).

However, the use of mosques in research studies such as Larsson and Willander (2021) and other studies using the Financial Exclusion, Islamic Finance, and Housing in the Nordic Countries (FINEX) has been criticized for methodological reasons (Brekke et al., 2019). The primary criticism is centered on how research has failed to examine the lived experiences of Muslims and has a greater focus on religious institutions and Islamic rules (Brekke et al., 2019). For example, some individuals who go to the mosque might be more conservative when it comes to Islamic religious laws than others who visit mosques (Brekke et al., 2019). Therefore, using the mosques as the beginning point in a research study might result in the study being skewed if the researcher is reliant on the mosques' leaderships' collaboration in choosing participants for a study (Brekke et al., 2019).

Kuhle and Larsen (2021) noted that interest among the population of Muslim professionals in Denmark in Islamic finance had experienced growth, and while a finance company had previously made provision of mortgages that had no interest, it is not possible any longer in Denmark due to the Supreme Court ruling it out. Denmark was the first Nordic country to make advances in Islamic banking when the Islamic Bank International in Denmark (IBI) was established in 1983; however, it was short-lived (Kuhle & Larsen, 2021). The article published by Kuhle & Larsen (2021) drew on the FINEX study, which had the intent to examine to what extent the Islamic norms concerning finance and the lack of financial products that were Sharia-compliant worked to exclude Muslims in Norway, Denmark, Sweden, and Finland. However, there are questions as to whether Muslims are indeed excluded or if the lack of Islamic banking

in Nordic countries comes from self-exclusion (Brekke & Larsen, 2020). The European Council of Fatwa and Research (ECFR) is reported to have set out a fatwa allowing mortgages that bear interest under some conditions and essentially relieved Muslims in Europe from the ban on interest and held that mortgages were both a personal and collective necessity to fulfill Muslims' role in the community of spreading the Islamic message (Kuhle & Larsen, 2021). The express focus of the research conducted by Kuhle & Larsen (2021) was to examine the situation in which the previously available Islamic financial products became no longer available and to understand how Muslims in Denmark view the hindrance to obtaining halal loans and their reactions to taking loans considering the interplay that exists between religious authority and individualization. There has been the emergence of a new generation of European Muslims who are entrepreneurs and possess backgrounds as bankers, financial consultants, financial lawyers, and insurance brokers, all of whom try to integrate into the capitalist culture of Europe but still try to maintain their Islamic identity (Kuhle & Larsen, 2021). However, Islamic finance is viewed as a very "specific niche...has experienced a growing appeal throughout the world and has proliferated across Europe" (Boubekour, 2016, p. 430 in Kuhle & Larsen, 2021, p. 91).

Individualization has been viewed as such that undermines religious authorities and institutions, and while religious individualization is clear in Muslims in Europe, it does not serve to "invalidate the status of religious authority per se, though its form may be fundamentally transformed" (Kuhle & Larsen, 2021, p. 91). Although theories on individualization have stated that it involves a complete separation of self from others, it is held that the self that is individuated is not a self that is de-institutionalized (Kuhle & Larsen, 2021). The study conducted by Kuhle & Larsen (2021) involved conducting semi-structured interviews with 20 Muslim professionals to examine whether financial exclusion occurs by not taking out interest-bearing loans. There was some evidence of individualization among the participants in the study; however, it is noted that they made the best choices available about taking out loans and attempted to align with being good Muslims. One of the participants noted that they had to keep their studies continuing, and

"different people prioritize differently. And that is an individual assessment, which is completely legitimate according to Islamic law, as I see it, because when you find yourself in a situation of necessity, you can't stay rigid on rules, as I

understand Sharia. Then you have to relate it to reality and try to choose the less problematic solution” (Kuhle & Larsen, 2021, p. 95).

However, another participant expressed their problems when it came to buying a house, especially since his family desired to live in a house, and noted he had received pressure from others to purchase a house, although he did not want to take out an interest-bearing loan (Kuhle & Larsen, 2021). Although individualization plays a key factor in the decisions about what to do about taking on loans that charge interest, and while one participant noted that even an Imam had done so, that participant did not feel comfortable doing so and believed that individual choices need to bring one closer to Islam and not the opposite. (Kuhle & Larsen, 2021).

Individualization, according to the participant, is about an individual making their own personal choices and did not view the religious authorities or institutions as a challenge for individual choice (Kuhle & Larsen, 2021). One participant noted as follows:

“I could search for people who would give me the answer that I want, but my conscience, and I am to answer to my god. I could find a sheik that would say, if you need it, I understand you. We live in this society, and so on; everyone does it. God knows that I don’t want to do it. It is what resides within me. I haven’t asked anyone. I haven’t consulted anyone. I already know it. I know that you are not permitted to deal with interest” (Kuhle & Larsen, 2021, p. 96).

The statement of that participant highlights the struggle of Muslims when it comes to taking out loans that have interest to purchase homes. Although loans for homes may be needed, the Muslim has to struggle with the inner knowing that doing so is in violation of what they know in their heart is wrong according to their faith. The following figure shows the attitudes of the respondents in the study to issues concerning banking.

'Somewhat agrees + strongly agrees' to	Religion is highly important (n = 307)	All (n = 458–467)
The interest charged by banks is <i>riba</i> .	76	73
Islamic finance is an important issue for Muslims in Denmark	82	84
If an Islamic bank is established here, I would become a customer	87	87
Having a loan with interest may lead to negative reactions from others	45	43

Figure 12. Respondents Attitudes to Issues Concerning Banking (Source: Kuhle & Larsen, 2021)

As shown in the above figure, interest is considered *riba* by 76 percent of the participants, Islamic finance is a key issue for Muslims (82%), and were an Islamic bank to be established, 87 percent of the participants reported they would become a customer.

Despite some previous research on Muslim finance and some housing statistics being available, according to Borchgrevink and Erdal (2021), “religious influence on the economic aspects of Muslims’ everyday lives remains largely unexplored” (p. 117). Furthermore, the study conducted by Borchgrevink and Erdal (2021) that involved focus group discussions totaling 18 sessions, among 74 individuals who were Muslim and living in Denmark and Norway noted that Islamic finance was not available, although the participants cited the need for loans that were interest-free. The participants in Borchgrevink and Erdal’s (2021) study also cited the importance of Shariah law and Islamic principles, the legality or illegality of practice and conduct (halal/haram), ethical investment and banking that was just, financial transaction transparency, and the need for alternatives to the capitalist economic system that exists. The participants held that adhering to the Islamic rules concerning finance and money was an inherent and critical aspect of living the life of a Muslim (Borchgrevink & Erdal, 2021). Moreover, the study found that the participants’ ideas around Islamic finance and how *riba* is interpreted “and how these ideas are made sense of and translated into practice, are shaped not only by religious authority but by social norms prevalent in different immigrant communities” (Borchgrevink & Erdal, 2021, p. 124).

However, research has indicated that Muslims not only have a concern about the morality of finance but that the religious authority in the Islam faith concerning financial manners is high

fragmented (Brekke & Larsen, 2020). Despite the social influences, in reality, many Muslim individuals in Denmark and Norway still take out mortgages that have loans that charge interest, even though they know it is contrary to their Islamic beliefs, and it is held that the variations in homeownership among those immigrants may be explained to some extent “by socio-economic position, time of arrival, length of residence in the country, and reason for migration” (Borchgrevink & Erdal, 2021, p. 125). Nevertheless, many of those who purchased homes with interest-bearing mortgages reported having done “so out of necessity and that they see it as permissible because the alternative, interest-free financial services are not available. For the others, investing in a home is not possible because taking an interest-bearing loan is unthinkable to them” (Borchgrevink & Erdal, 2021, p. 125).

Barriers to Business Ownership Among Muslims in Norway and the Need to Re-Examine Banking Practices and the Burden of Debt in Norway

Daehlen (2022) revealed the many barriers that exist to Muslim immigrants when attempting to establish themselves in the country of Norway, including social rules and norms, language, cultural differences, and the system of welfare. However, one of the most critical barriers is the culture of loans in Norway, because loans are required to obtain housing, purchase cars, acquire education, for the purpose of general consumption, and even when Muslims want to start their own business (Daehlen, 2022). When Muslim immigrants and refugees come to Norway and have an interest in starting a business, they experience incredible difficulty in raising funds to start the business and moreover, all the financing available in Norway is based on interest, so Muslims have little in the way of opportunities to gain funding (Daehlen, 2022). There are some informal methods of raising the needed funds to start a business, and for example, some of the mosques in Norway do offer small loans to members for the purpose of entrepreneurship, and as well, Muslims may be able to borrow the needed money from members of their family or other contacts who might want to offer their support (Daehlen, 2022). Additionally, there is the existence of loan circles that are informal that involves people grouping together to raise funds, and each month the money is distributed to someone in that group (Daehlen, 2022).

However, the reality that exists is that Muslims in Norway have few options to gain the necessary funding for a business start-up (Daehlen, 2022). Yet, it is important to understand that not all of the leaders of the mosques in Norway are equal in their restrictive stance on interest-

bearing loans, although in the most conservative of all interpretations of the laws of Islam, interest is strictly forbidden (Daehlen, 2022). However, in the more pragmatic and liberal interpretations of Islamic law, some types of loans are considered acceptable in some cases (Daehlen, 2022). For example, some of the mosques that are located in Oslo are more liberal concerning interest-bearing loans, and religious leaders have stated that mortgage loans that are interest-bearing are permitted if it is an absolute necessity (Daehlen, 2022). In addition, the rate of interest on a mortgage plays a role since interest rates at five percent would not be acceptable, although those at one percent would be acceptable (Daehlen, 2022). However, for those Muslims who do take out interest-bearing loans and mortgages, they cope with anxiety because it goes against their moral and religious beliefs (Daehlen, 2022). Therefore, in the context of Norway, immigrants other than Muslims have a higher level of participation in entrepreneurship because, in addition to facing challenges with getting jobs in a new place and finding a place to live, Muslim immigrants have problems with access to financing. (Daehlen, 2022). Making things even more problematic for Muslim immigrants is that they are not viewed, with their small businesses, such as cafes and grocery stores, to be major contributors to the economy of Norway (Daehlen, 2022). However, it is noted that they could be major contributors to the economy if they had access to financing that aligned with Shariah principles (Daehlen, 2022). There are actions that banks can take in Norway, which is a strategy utilized in other countries in the form of offering an ‘Islamic Window’ which involves the bank presenting customized offers to their Muslim customers that either reduces or altogether eliminates the interest and instead they end up paying administration costs that are higher (Daehlen, 2022). Using this method, the bank gets paid, but it is not in interest, and it involves the loan being structured differently to align with Islamic law. However, those adaptations for Islamic consumers in Norway have not been made, and a great deal of skepticism exists about taking this approach (Daehlen, 2022). Research has concluded that it is necessary for banks in Norway to offer Islamic financial products (Brekke, 2018), and most specifically, mortgage loans (Daehlen, 2022). Research has demonstrated that approximately 90 percent of Muslims in Nordic countries cite the reason they do not take out a bank loan as the Islamic ban on interest (Daehlen, 2022). However, the Islamic window is an area in finance that is experiencing growth with a large industry expressing interest in that type of financing; however, Norway has failed to exploit that huge potential (Daehlen, 2022). It was revealed that failure means that Norway is not participative in the larger and international

financial market, and that Muslims are excluded from equitable financial participation. However, if banks in Norway would step out and make a change by investing in the Muslim loan schemes, it is likely that they would witness growth, and ultimately, supporting Muslims in business with Shariah-compliant laws would create more taxable income and jobs (Daehlen, 2022). There is a project ongoing in Norway toward that end that will involve interviewing religious leaders, entrepreneurs, and business councils in order to examine the views of the religious leaders and understand better how the informal loan system works among Muslims. One of the individuals involved in the project has asked why large debt is preferable in Norway since, in various cultures, including in Norway, conditions that are debt-based are not viewed as entirely positive (Daehlen, 2022). Presently in Norway, no incentives exist to achieve debt-free lives or to save money, and even savings are taxed (Daehlen, 2022). The idea that debt is a burden that is acceptable in society needs to be questioned and changed (Daehlen, 2022).

Summary of the Literature Review

The literature reviewed in this study has acknowledged the reasons that are important to understand the religious and cultural norms that shape the financial behaviors and attitudes of Muslims, and this is particularly true in Norway, where there is a large Muslim population. Although previous research has been conducted to examine the barriers to exist to Muslim home ownership in Norway, little examined has been on the cultural and religious factors relating to immigrant housing (Borchgrevink & Birkvad, 2021). Homeownership is symbolic of belonging for Muslim immigrants and is representative of the proof they have been integrated into society. However, a high percentage of immigrants in Norway rent their homes, and many are concentrated in specific neighborhoods (Borch, 2019). Taking out conventional mortgages that bear interest is directly opposed to Shariah laws against *riba* or paying interest (Brekke et al., 2021). The life satisfaction of immigrants in Norway is generally high but depends on various factors, and immigrants from certain countries have a lower life satisfaction (the Middle East and South and Central Asia) (Dalen & Larsson, 2022). Islamic banking is quite different from conventional banking in terms of the way that the Islamic and conventional banks make profits. However, despite the fact that the Islamic banks use profit and loss sharing rather than interests, the banks are very stable, and earnings on *sukuk* and other financial products have soared in recent years (Saeed, 2016, Saeed & Izzeldin, 2013). *Sukuk*, when compared to conventional debt, provides the investor with partial ownership in the asset, while conventional bank bonds do

not give the investor any ownership and are a debt obligation, whereas investment in sukuk involves Shariah compliance, while conventional bonds may be used for financing any type of venture that aligns with local legislation. Profit and loss sharing are evident in sukuk, while conventional bondholders are on the receiving of interest payments (Saeed et al., 2021). There are a huge number of individuals who rent their homes in Norway, and as renting has risen, homeownership has fallen, as well there are twice as many immigrant renters when compared to the general population (Revold & Arnesen, 2021). Although the government of Norway has an express focus both in terms of policy and financial support to promote homeownership, that has not translated to Muslims in Norway, although it should since the government does provide funding for other religions outside of the Church of Norway (Repstad, 2021). There are incredible social benefits to homeownership that many Muslim immigrants are failing to realize in the absence of Islamic banking in Norway (Quershim, 2020). The result is that those who cannot realize homeownership are marginalized in society (Borchgrevink & Birkvad, 2021). The views and attitudes of Nordic Muslims toward conventional versus Islamic banking varies, although the ECFR issued a religious edict providing Muslims with the needed permission to access interest-bearing mortgages out of necessity. While some Muslims have taken out interest-bearing mortgages and believe they should not have, according to Shariah law, they also acknowledge the necessity of doing so. However, others are strongly averse to interest-bearing mortgages, which stands in the way of their realization of homeownership. However, among the Muslim population in one study, the majority of the participants strongly agreed that interest constitutes *riba* (Brekke et al., 2021). In the same study, the majority of the participants will not apply for an interest-bearing mortgage due to loans with interest being prohibited under Shariah law. In a separate study that involved Muslim participants in Sweden, the participants (92%) noted that they would not take out an interest-bearing loan because interest is prohibited under Shariah law (Larsson & Willander, 2021). The literature review in the study indicates the lack of Islamic banking in Nordic countries, and for the purpose of this study, specifically in Norway, not only stands in the way of Muslim immigrants realizing homeownership but feeling a sense of belonging and realizing social integration.

Additionally, the literature reviewed revealed that some banks are using what is called an Islamic Window to provide low- or no-interest financing for Muslims using what are adapted loans that add to the purchase price rather than charging interest (Daehlen, 2022).

Those types of loans are enabling Muslims to participate in the economy of the country, remove financial exclusion, and to support Muslims in gaining business and home mortgage loans. There is presently a project underway in Norway to attempt to bring about the financial inclusion of Muslims, but the study is still underway, so no findings have been reported (Daehlen, 2022).

Chapter Three: Methodology

Introduction

The objective of the research in the present study is to examine how it is that ethical lines lead to barriers for Muslims in Norway to establish themselves in the housing market/ownership line and what consequences are entailed. The research in the present study is a mixed-methods design that involved the conduction of interviews with ten participants in a company using a semi-structured interview to gain an in-depth understanding of the challenges and barriers faced by Muslim immigrants in Norway in realizing financial inclusion and the ability to purchase a home gaining financing that aligns with their religious beliefs. The research questions that the present study seeks to answer are (1) how do ethical lines present barriers for Muslims in Norway to establishing themselves in the housing market/ownership line? and (2) what are the consequences of the barriers for Muslims in Norway to purchasing homes and becoming homeowners? The hypotheses in the present study are (1) Muslim immigrants in Norway prefer to use Islamic banking for mortgages; and (2) many Muslim immigrants have been forced to use conventional banking to obtain mortgages and realize homeownership.

Sampling

Purposive sampling was used to acquire the participants in the interviews and survey portions of the study. Purposive sampling is a technique that is nonrandom and involves the researcher making a choice of participants based on the qualities those participants possess (Etikan, Musa, & Alkassim, 2016). Purposive sampling has also been referred to as judgment sampling (Etikan et al., 2016). The researcher in the present study sought to understand the attitudes and perceptions of Muslim immigrants in Norway about obtaining mortgage loans, so the researcher intentionally chose Muslim immigrants to participate in the present study because the choice of other participants would not have yielded the information desired for the study. Purposive sampling also requires that the participants are available and willing to participate, so that was a consideration of the purposive sampling technique in the present study (Etikan et al., 2016). Purposive sampling is focused on obtaining participants that possess the experience or knowledge necessary to inform the research (Etikan et al., 2016).

Methods

The present study will use a mixed-methods approach, which will combine qualitative and quantitative dimensions (Dawadi et al., 2021). The quantitative aspect of the mixed-methods study will involve conducting surveys with approximately 80 Muslim immigrants in Norway to understand their views and attitudes about taking out interest-bearing mortgages.

Data Collection and Analysis

Survey questions were prepared by the researcher in the present study and were uploaded to Survey Monkey, and respondents answered the questions online. The respondents' demographic information was collected. The responses to the questions were yes and no answers. Survey Monkey prepared charts with the responses of the participants, which will be presented in the study, along with the percentages of the responses, although no further statistical analysis was conducted. The survey questions included those as follows:

1. Sex (Male, Female)
2. What generation of immigrants in Norway are you? (1st, 2nd, or 3rd)
3. What is your ethnicity (Afghanistan, Alegria, Balkans, Bangladesh, Egypt, India, Iraq, Iran, Jordan, Lebanon, Libya, Morocco, Palestine, Somalia, Syria, Pakistan, Palestine, Turkey, Iraq, Arabia, None of the options, or other)?
4. What is your age?
5. Do you live in Islo? Which District?
6. Do you own a home? (Yes/No)
7. Do you have an ordinary mortgage in a bank? (Yes/No)
8. Do you have a mortgage according to guidelines in Islam? (Yes/No)
9. Do your parents own a home? (Yes/No)
10. Have your parents taken out an ordinary mortgage in a Norwegian bank? (Yes/No)
11. Do your parents have mortgages according to guidelines in Islam? (Yes/No)
12. Do you want to take out an ordinary mortgage in a Norwegian bank? (Yes/No)
13. Do you want to take out a loan according to guidelines in Islam (if it is possible)? (Yes/No)
14. Do your parents want to take out an ordinary mortgage in a Norwegian bank? (Yes/No)
15. Do your parents want to take out a loan according to the guidelines in Islam (if it is possible)? (Yes/No)

16. Level of education (primary school, secondary school, college, university, none of the options)

17. Have you heard of a real estate company (Global Housing AS(GH)) that is in the process of offering mortgages according to Islamic guidelines? (Yes/No)

The interviews with the company representatives and community worker will involve the conduction of semi-structured interviews. The researcher will ask open-ended questions to gain the most in-depth responses possible to the interview questions. The interviews will be analyzed using the thematic analysis method. The thematic analysis involves identifying patterns and themes in data (Maguire & Delahunt, 2017). There are six specific steps in thematic analysis, as shown in the following figure.

Step 1: Become familiar with the data,
Step 2: Generate initial codes,
Step 3: Search for themes,

Step 4: Review themes,
Step 5: Define themes,
Step 6: Write-up.

Figure 13: Thematic Analysis: Six Steps (Source: Maguire & Delahunt, 2017)

Thematic analysis that follows the steps shown in Figure 12 aligns with Braun and Clarke's (2006) framework for analysis. It is important to realize that the steps do not specifically take place in the order listed, as the process is circular rather than linear (Maguire & Delahunt, 2017).

Chapter Four: Data Analysis and Findings

Introduction

This chapter of the study will describe the data analysis and findings of the survey portion of the study and the interviews portion of the study. However, the many attempts to contact the company Global Housing AS (GH) failed, so no interviews were conducted with the company. I also received some feedback from the Muslim community that they are no longer in operation and that the customer portfolio is very unsatisfied. However, an interview was conducted with one community worker in the Muslim community. The data analysis and findings will be presented in the following section, followed by a section that presents the findings from the interview.

Survey Results

The demographics of the respondents who took part in the survey portion of the study were collected. The following figure shows the ages of the respondents in the survey.

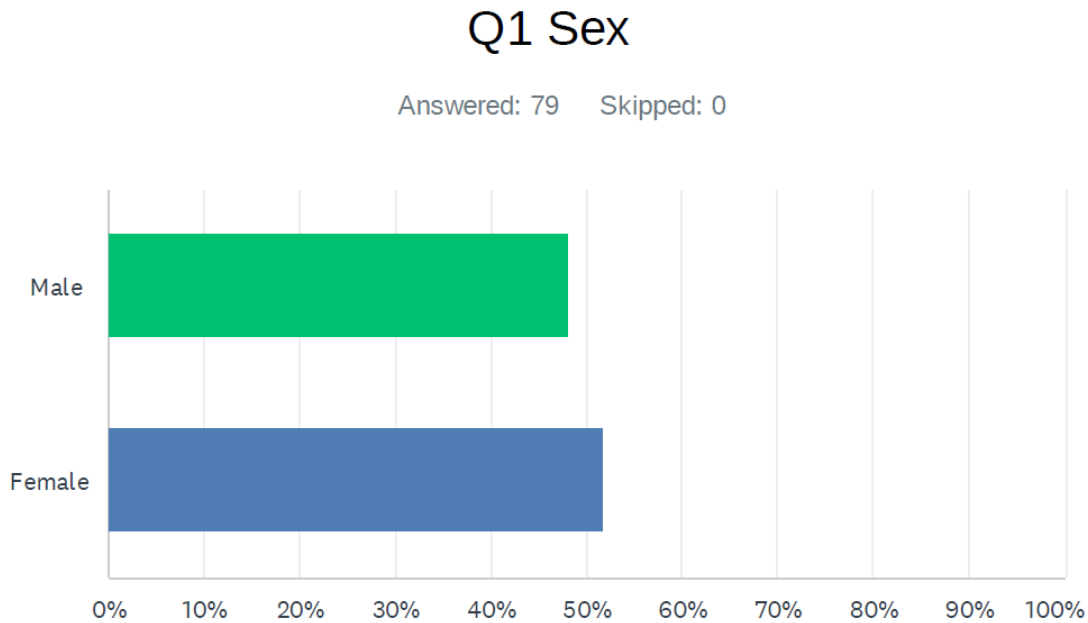


Figure 14. Sex of Respondents in the Survey

As shown in the above figure, 48.10 percent of the respondents were male, 51.90 percent of the respondents were female, and there was a total of 79 respondents. The respondents were also

asked about how many generations of their family had lived in Norway. The following figure shows the responses of the participants.

Q2 Generations in Norway

Answered: 79 Skipped: 0

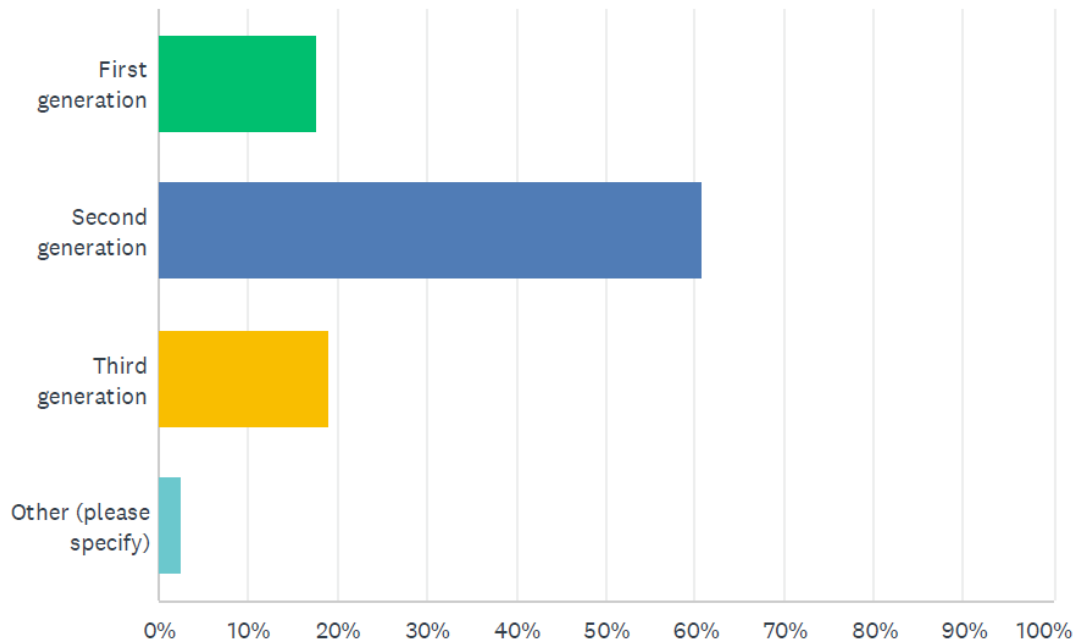


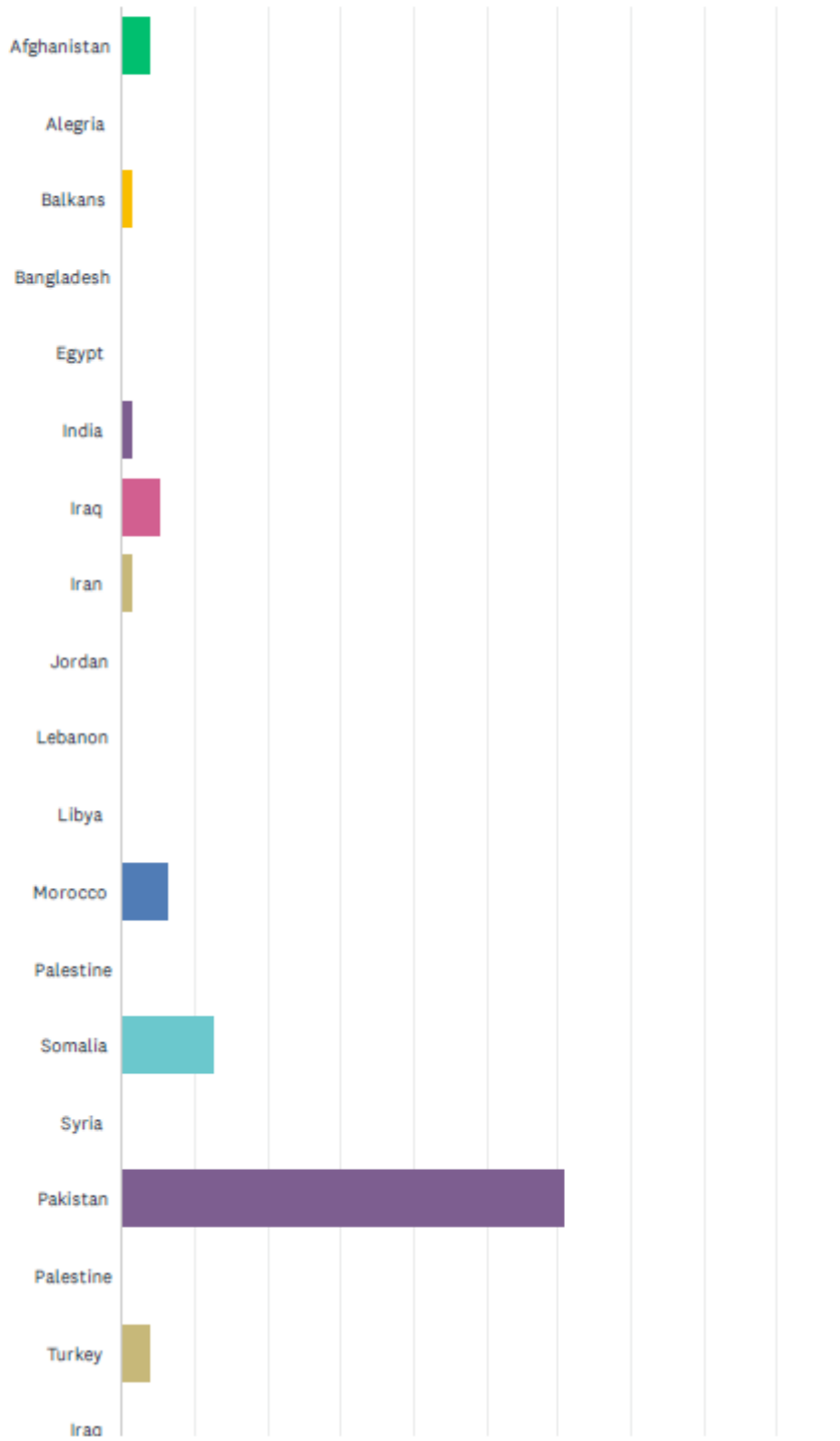
Figure 15. Generations of Respondents' Families Living in Norway

As shown in the above figure, 17.72 percent of the respondents in the study were the first generation of their family to live in Norway, 60.76 percent of respondents were the second generation of their family living in Norway, 18.99 percent of respondents were the third generation of their family living in Norway, and 2.53 percent of respondents stated 'other' indicating that more than three generations of their family had lived in Norway. The majority of the respondents in the study were the second generation of their family to live in Norway.

The participants in the study were also asked about their ethnicity or country of origin. The following figure shows the ethnicity or country of origin of the respondents who participated in the survey.

Q3 Ethnicity (origin)?

Answered: 79 Skipped: 0



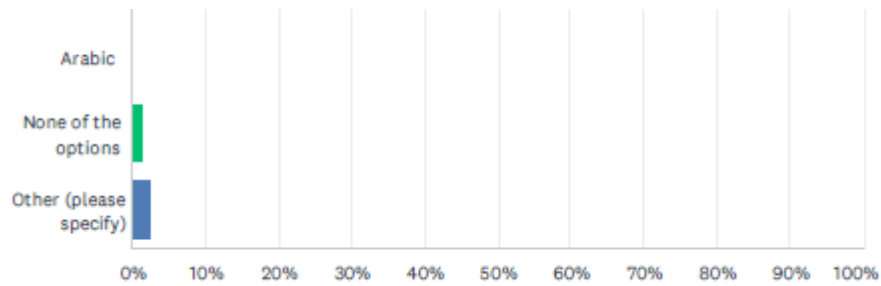


Figure 16. Ethnicity or Origin of Respondents in the Survey

The percentages of the participants from each of the countries include those stated as follows:

- Afghanistan – 3.80 percent
- Balkans – 1.27 percent
- India – 1.27 percent
- Iraq – 5.06 percent
- Iran – 1.27 percent
- Morocco – 6.33 percent
- Somalia – 12.66 percent
- Pakistan – 60.76 percent
- Turkey – 3.8 percent
- None of the above 1.27 percent
- Other – 2.53 percent

The majority of the Muslim immigrants were from Pakistan, followed by Somalia, although not closely, and then followed by Morocco and other countries.

The respondents in the study were asked about their ages. The age of the respondents in the study is shown in the following figure.

Q4 Age

Answered: 79 Skipped: 0

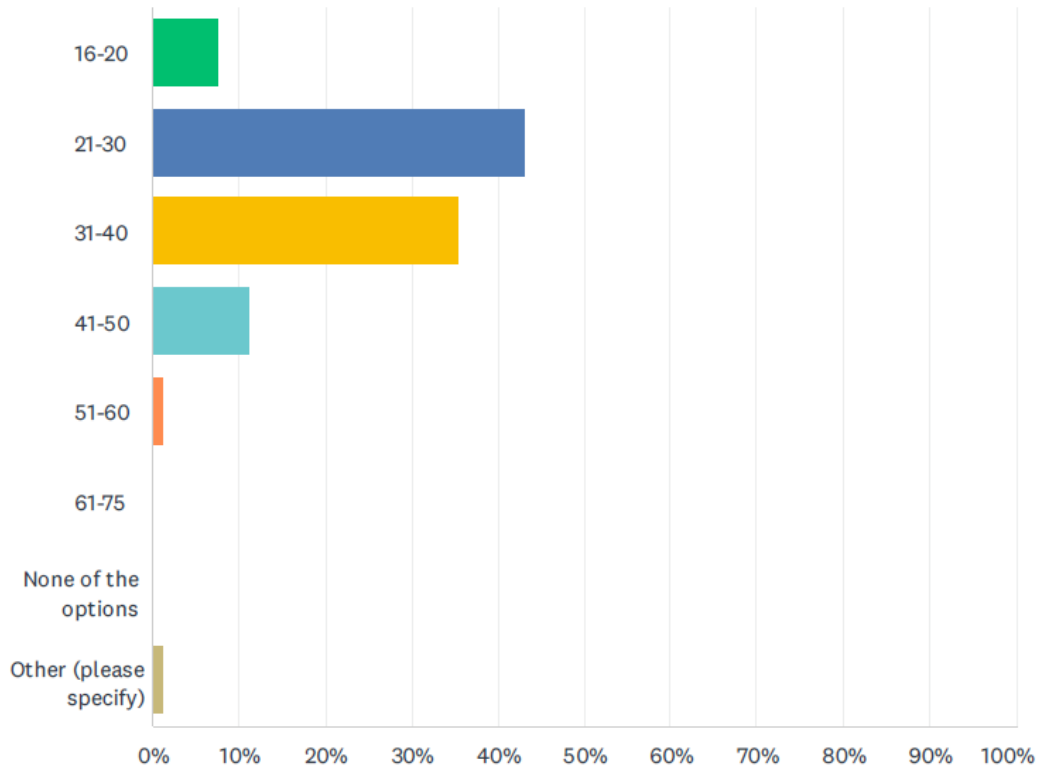


Figure 17. Age of Respondents in the Survey

As shown in the above figure, 7.59 percent of the respondents were between 16 and 20 years of age, 43.04 percent of the respondents were between 21 and 30 years of age, and 35.44 percent of the respondents were between 31 and 40 years of age. Additionally, 11.39 percent of respondents were between 41 and 50 years of age, 1.27 percent of respondents were between 61 and 75 years of age, and 1.27 percent of respondents stated 'other'. The majority of the respondents in the survey portion of the study were between the ages of 21 to 40 years of age, as the group between 21 and 30 and the group between 31 and 40 combined represent the largest number of respondents in the survey.

The research wanted to understand where the Muslim immigrant respondents in the study reside in Norway, so the respondents were asked whether they live in Oslo and which district of Oslo they live in. The responses to that question are shown in the following figure.

Q5 Do you live in Oslo - Which district?

Answered: 74 Skipped: 5

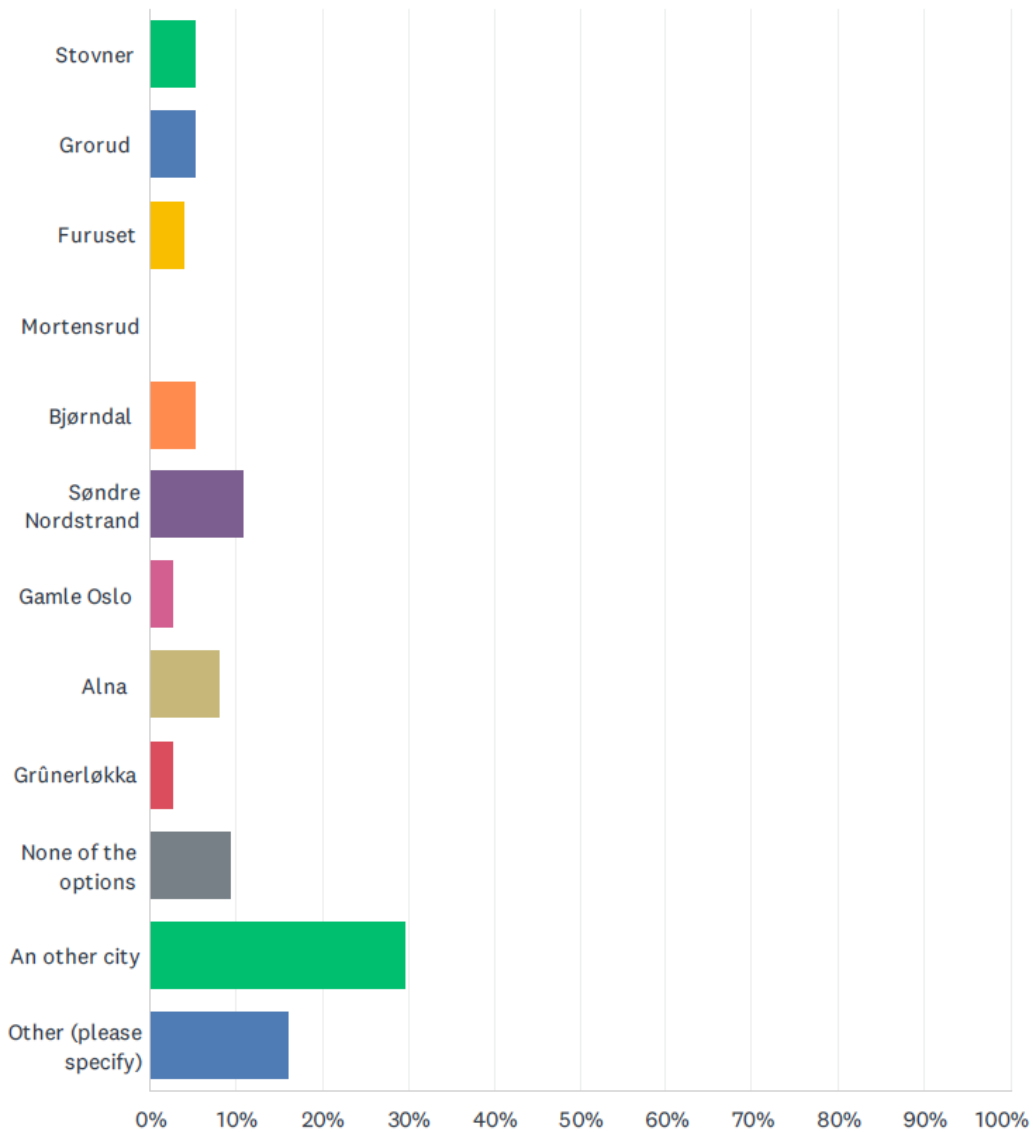


Figure 18. Do You Live in Oslo? Which District?

The districts in which the participants reside in Oslo include those of:

- Stovner – 5.41 percent
- Grorud – 5.41 percent
- Furuset – 4.05 percent

- Bjorndal – 5.41 percent
- Sondre Nordstrand – 10.81 percent
- Gamie Oslo – 2.70 percent
- Alna – 8.11 percent
- Grunerlokka – 2.70 percent
- None – 9.46 percent
- Another city – 28.73 percent
- Other – 16.22 percent

A total of 45.6 percent of the respondents lived in Oslo in the districts listed above. Among those who responded with ‘other’ the locations included, Lillestrom, Nordre Aker, Bor I Stavanger, Opprinnelig fra Onsol (sondre Nordstrand), Lorenskog, Baerum, Nannestad, Roa, Ostensjo, Bydel nordre Aker, Drammen, Asker, and Sandnes.

The research study sought to understand the level of education among the respondents in the present study, so the level of education of the respondents was also collected in the demographic information, which is shown in the following figure.

Q16 Level of education

Answered: 67 Skipped: 12

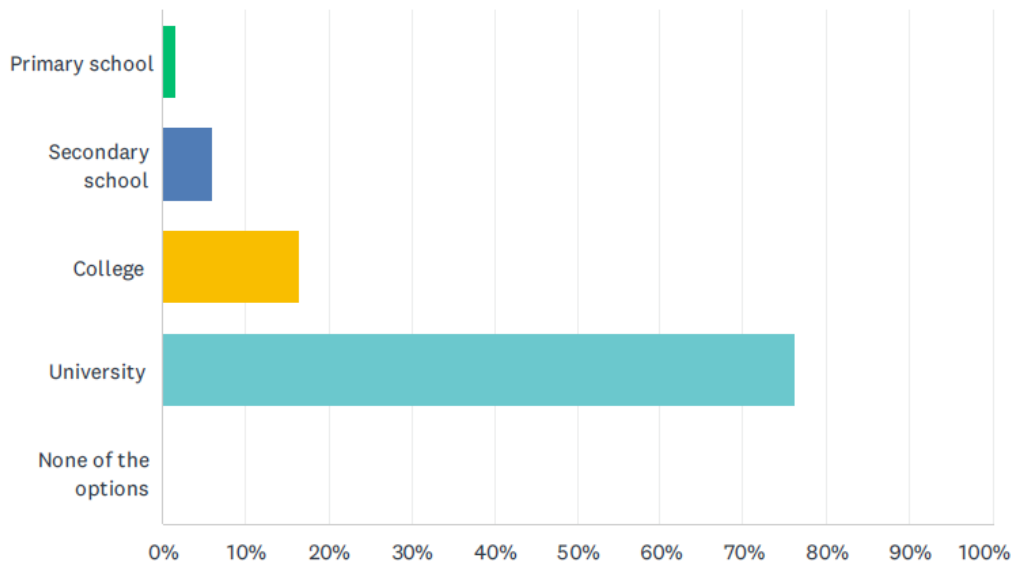


Figure 19. Level of Education Among Respondents

As shown in the above figure, 76.12 percent of respondents had a university-level education, 16.42 percent of the respondents had a college-level education, 5.97 percent of the respondents had a secondary school education, and 1.49 percent of respondents had only a primary school level of education. Therefore, the respondents in the study were, for the greatest part, educated at the higher levels.

The research in the study sought to examine how many Muslim immigrants own a home, so the respondents were asked the question of whether they own a home. Only 74 of the 79 respondents answered the question, and the results are shown in the following figure.

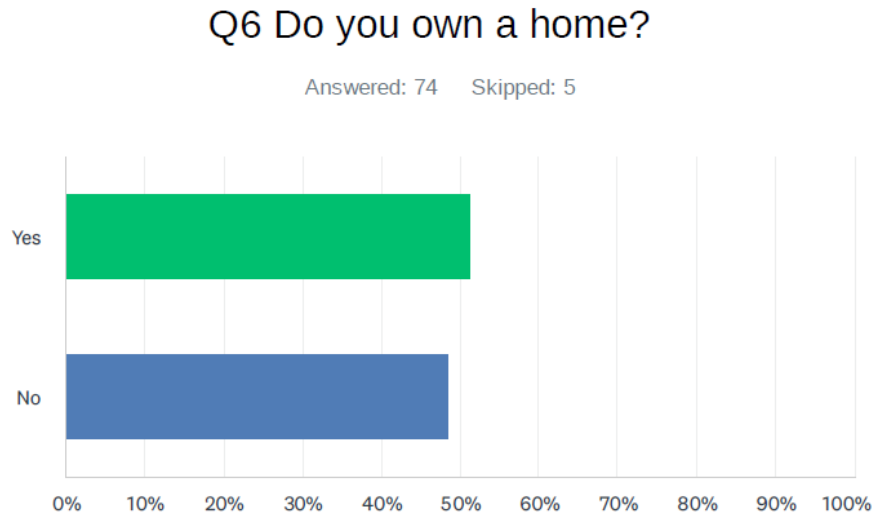


Figure 20. Respondents Who Own a Home

As shown in the above figure, 51.35 percent of the respondents stated yes that they do own a home, while 48.65 percent of respondents stated no, that they do not own a home. It is clear from this finding that Muslim immigrants are taking out mortgages for homes in Norway due to their desire to own a home.

The research in the present study sought to understand how many Muslim immigrants have taken out an ordinary mortgage in a bank. The participants were asked whether they have an ordinary mortgage in a bank, and the responses to that question are shown in the following figure.

Q7 Do you have an ordinary mortgage in a bank?

Answered: 74 Skipped: 5

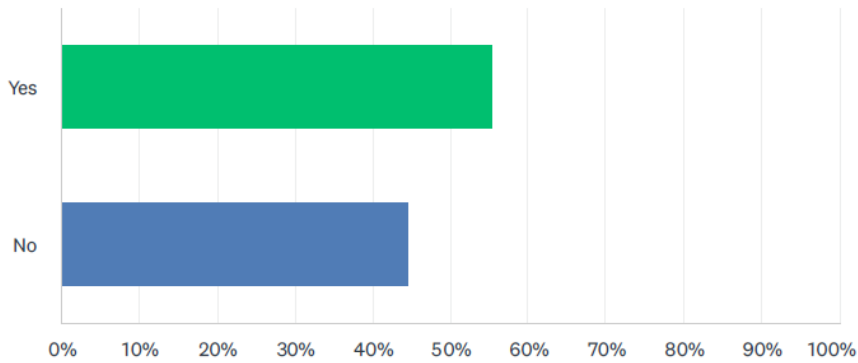


Figure 21. Do You Have an Ordinary Mortgage in a Bank?

As shown in the above figure, 55.41 percent of the respondents stated that they do have an ordinary mortgage with a bank, although 44.59 percent of respondents stated they do not have an ordinary mortgage with a bank.

The respondents in the survey portion of the study were asked whether they have a mortgage according to the guidelines in Islam, and the responses provided are shown in the following figure.

Q8 Do you have a mortgage according to guidelines in Islam?

Answered: 74 Skipped: 5

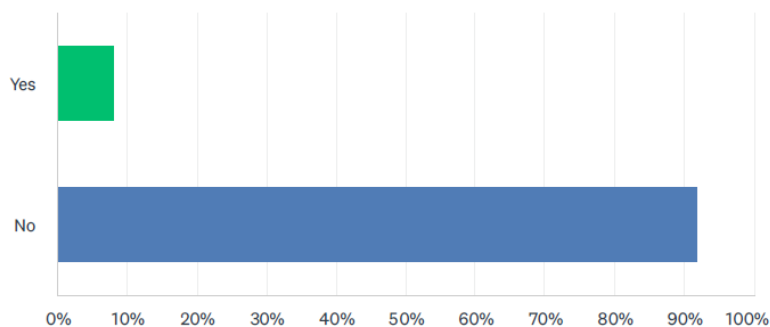


Figure 22. Do You Have a Mortgage According to the Guidelines in Islam?

As shown in the above figure, only a very small percentage (8.11 percent) have a mortgage according to the guidelines in Islam, while 91.89 percent of the respondents do not have a mortgage according to the guidelines in Islam.

To extend the understanding in the present study concerning Muslim immigrants and home mortgage loans, the researcher asked the respondents the question of whether their parents own a home. The responses provided include those shown in the following figure.

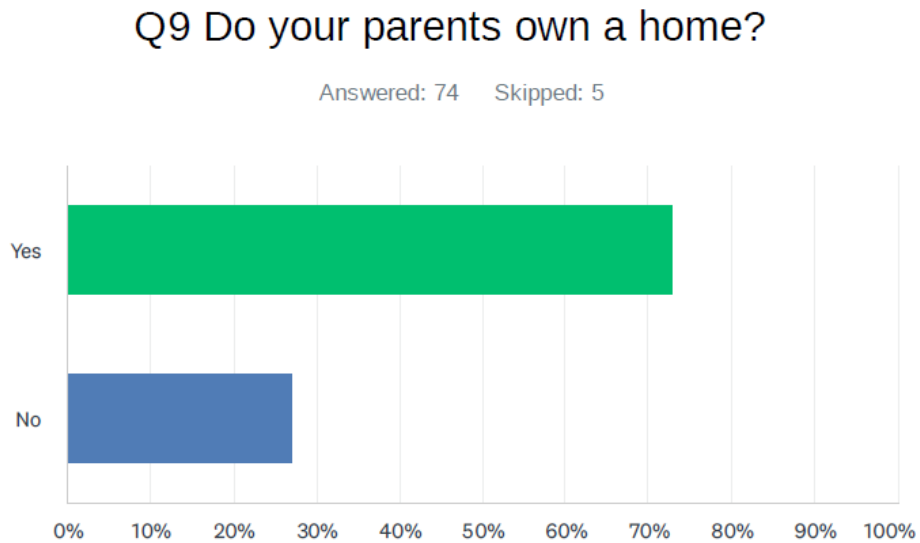


Figure 23. Do Your Parents Own a Home?

As shown in the above figure, 72.97 percent of the respondents stated that their parents do own a home, although 27.03 percent of the respondents stated that their parents do not own a home. A high percentage of the parents of the respondents in the study do own a home, indicating that ordinary mortgages in Norwegian banks are being used by the respondents' parents. The research sought to understand if that was the case, so the respondents in the study were asked whether their parents had taken out an ordinary mortgage in a Norwegian bank. The respondents answered as shown in the following figure.

Q10 Have your parents taken out a ordinary mortgage in a norwegian bank?

Answered: 74 Skipped: 5

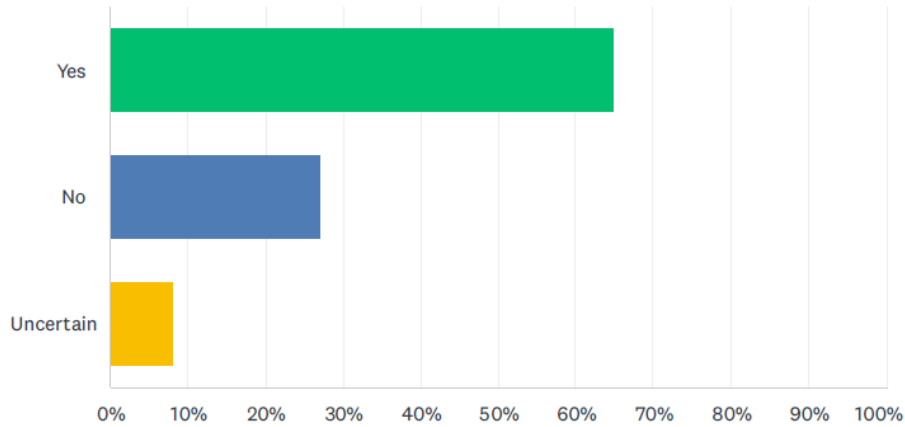


Figure 24. Have Your Parents Taken Out an Ordinary Mortgage in a Norwegian Bank?

As shown in the above figure, 64.86 percent of respondents revealed that their parents had taken out a mortgage in a Norwegian bank, 27.03 percent of respondents revealed that their parents had not taken out a mortgage in a Norwegian bank, and 8.11 percent of respondents were uncertain if their parents had taken out a mortgage in a Norwegian bank. Therefore, among the respondents' parents that do have home mortgages (72.97 percent), 64.86 of the respondents' parents have taken out an ordinary mortgage in a Norwegian bank.

The respondents in the study were asked the question of whether their parents have mortgages according to guidelines in Islam. The responses to that question are shown in the following figure.

Q11 Do your parents have mortgages according to guidelines in Islam

Answered: 74 Skipped: 5

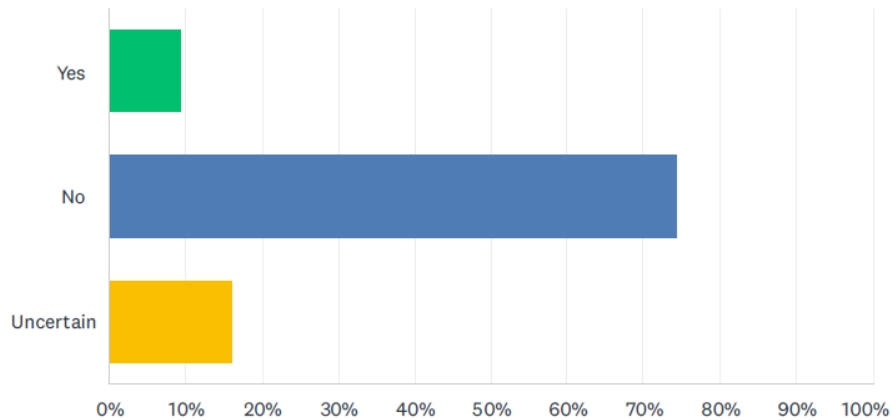


Figure 25. Do Your Parents Have Mortgages According to Guidelines in Islam

As shown in the above figure, 9.46 of respondents revealed that their parents do have mortgages according to the guidelines in Islam; however, the majority of respondents (74.32 percent) revealed that their parents do not have mortgages according to the guidelines in Islam. A total of 16.22 percent of respondents revealed that they are uncertain if their parents have mortgages according to the guidelines in Islam. Therefore, obtaining mortgages according to the guidelines in Islam is effectively barred for Muslim immigrants due to the unavailability of that type of mortgage in Norway.

However, the respondents were asked whether they would want to take out an ordinary mortgage in a Norwegian bank. The respondents answered as shown in the following figure.

Q12 Do you want to take out an ordinary mortgage in a norwegian bank?

Answered: 67 Skipped: 12

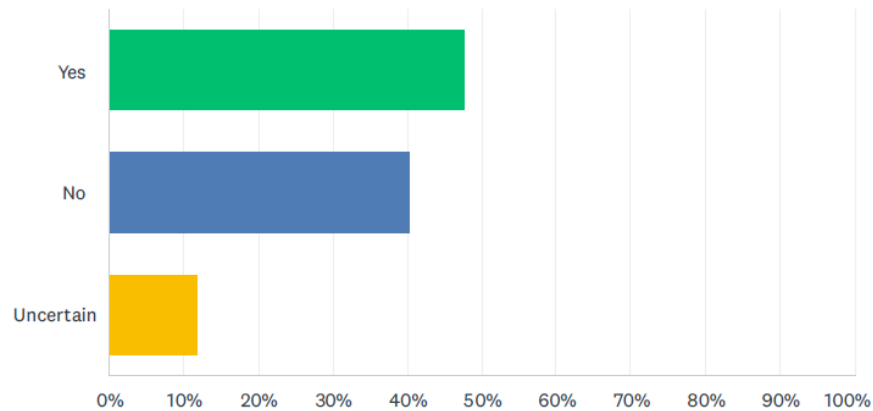


Figure 26. Do You Want to Take Out an Ordinary Mortgage in a Norwegian Bank?

As shown in the above figure, 47.76 percent of respondents revealed that they do want to take out an ordinary mortgage in a Norwegian bank; however, 40.30 percent of the respondents revealed that they do not want to take out an ordinary mortgage in a Norwegian bank, while 11.94 percent of respondents revealed that they are uncertain about whether they want to take out a mortgage in a Norwegian bank. Clearly, nearly one-half of the respondents would prefer a mortgage according to the guidelines of Islam when purchasing a home. Therefore, respondents in the survey were asked whether they wanted to take out a loan according to guidelines in Islam if it is possible. The responses provided to the question are shown in the following figure.

Q13 Do you want to take out a loan according to guidelines in Islam (if it is possible)?

Answered: 67 Skipped: 12

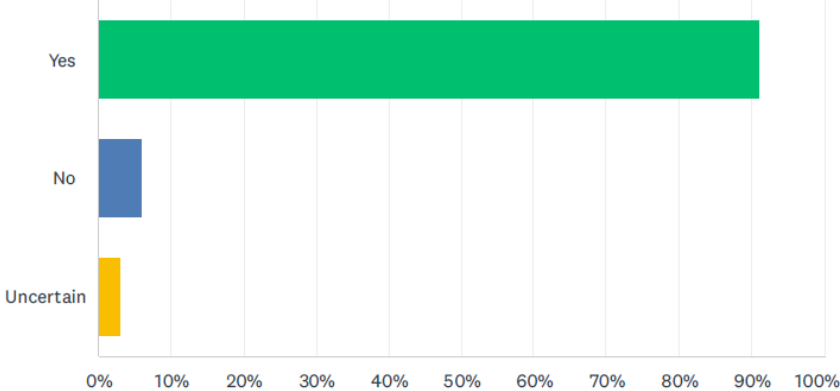


Figure 27. Do You Want to Take Out a Loan According to Guidelines in Islam (if it is possible)?

As shown in the above figure, the majority of the participants (91.04 percent) do want to take out a loan according to guidelines in Islam if it is possible. Only a minority of the participants (5.97 percent) do not want to take out a loan according to guidelines in Islam if it is possible. As well, 2.99 percent of the participants stated they were uncertain whether they wanted to take out a loan according to the guidelines in Islam if it is possible. Although more than one-half of the respondents indicated they did want to take out a mortgage in a Norwegian bank so they could own a home (47.76 percent) when asked whether they would prefer to take out a loan according to guidelines in Islam, it becomes clear that the majority of Muslim immigrants would prefer to take out a mortgage according to the guidelines of Islam.

In order to increase the understanding of how the parents of the respondents feel about taking out an ordinary mortgage in a Norwegian bank, the respondents were also asked the question of whether their parents want to take out an ordinary mortgage in a Norwegian bank. The responses to that question are shown in the following figure.

Q14 Do your parents want to take out an ordinary mortgage in a norwegian bank?

Answered: 67 Skipped: 12

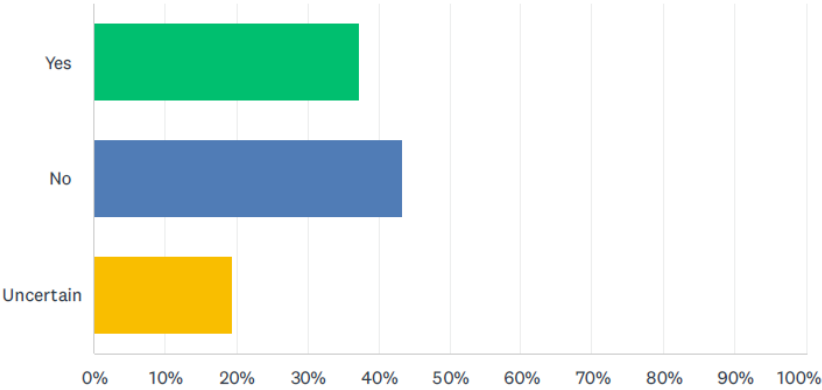


Figure 28. Do Your Parents Want to Take Out an Ordinary Mortgage in Norwegian Bank?

As shown in the above figure, 43.27 percent of the respondents revealed that their parents would not like to take out an ordinary mortgage in a Norwegian bank; however, 37.31 percent of the respondents revealed that their parents would like to take out an ordinary mortgage in a Norwegian bank. Yet, 19.40 percent of the respondents were unsure whether their parents would like to take out an ordinary mortgage in a Norwegian bank. However, despite the large percentage of parents who were believed by the respondents to desire to take out an ordinary mortgage in a Norwegian bank, as shown in the following figure, mortgages, according to the guidelines in Islam, are greatly desired.

Q15 Do your parents want to take out a loan according to guidelines in Islam (if it is possible)?

Answered: 67 Skipped: 12

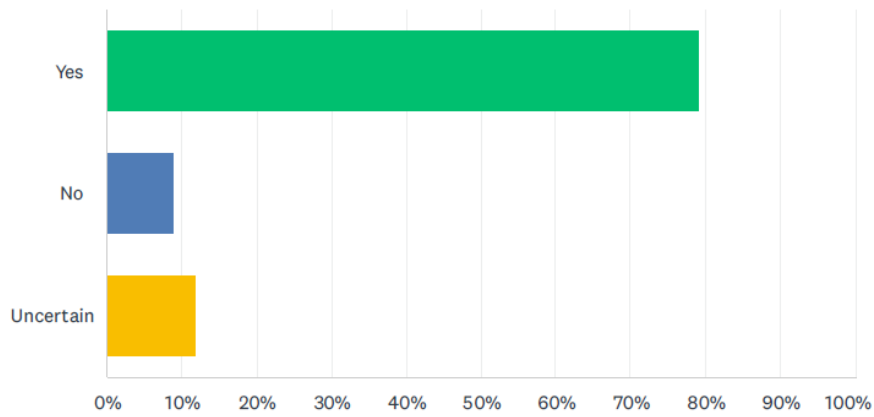


Figure 29. Do Your Parents Want to Take Out a Loan According to Guidelines in Islam (If it is Possible)?

As shown in the following figure, 79.10 percent of the respondents revealed that their parents would like to take out a loan according to guidelines in Islam if it is possible, whereas, only 8.96 percent of the participants stated no that their parents would not like to take out a loan according to guidelines in Islam, if it is possible. However, 11.94 percent of the respondents were not certain whether their parents would want to take out a loan according to the guidelines in Islam if it were possible.

The final question asked of the participants was whether they had heard of the real estate company (Global Housing AS (GH)), which is in the process of offering mortgages according to Islamic guidelines. The responses to that question are shown in the following figure.

Q17 Have you heard of real estate company (Global Housing AS (GH)), that are in the process of offering mortgages according to Islamic guidelines.

Answered: 67 Skipped: 12

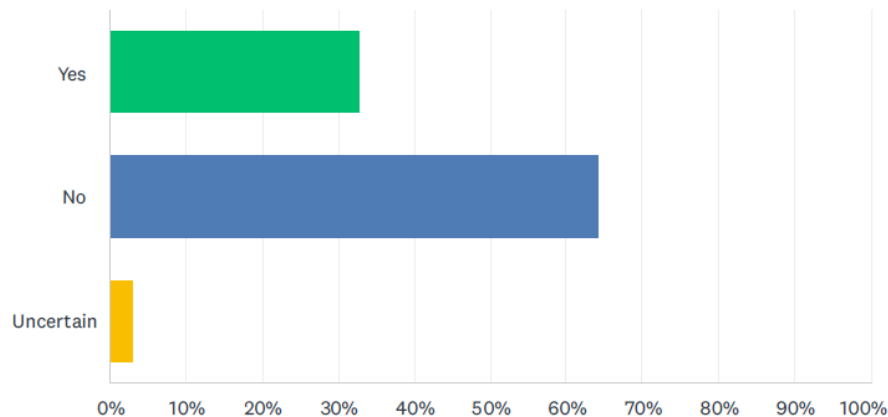


Figure 30. Have You Heard of the Real Estate Company (Global Housing AS (GH)), that Is in the Process of Offering Mortgages According to Islamic Guidelines?

As shown in the above figure, only 32.84 percent of the respondents had heard of the company, while 64.18 percent of the respondents had not heard of the company, and 2.99 percent of the respondents were uncertain about whether they had heard of the company.

Summary of Surveys

The gender of the respondents in the study was nearly equally divided between male and female respondents, so there was no undue effect of any gender in the study. The majority of the respondents were the second generation in their family to live in Norway, although more than 17 percent were first-generation, and nearly 19 percent of respondents were the third generation in their family to live in Norway. The majority of the Muslim immigrant respondents in the study were from Pakistan, although smaller percentages were from other countries, including Afghanistan, Balkans, India, Iraq, Iran, Morocco, Somalia, Turkey, and others; therefore, the responses in the survey may be slightly skewed toward the view of Pakistani immigrant Muslims. The ages between 21 and 30 and 31 and 40 were the dominant age groups in the study, so it is possible that the views of those in other age groups are not proportionately represented in the responses to

the survey questions. Nearly one-half of the respondents in the survey lived in Oslo. The majority of the participants in the study were educated at the university level or college levels, with only a small percentage having a low level of education; therefore, the participants in the study, for the largest part, possessed a sound educational background. More than 51 percent of the respondents to the survey do own a home, and among those, 55.41 percent have an ordinary mortgage in a bank, although a small percentage have a mortgage according to the guidelines in Islam. The majority of the respondents in the study revealed that their parents are homeowners, although it was revealed that the majority of parents who do own a home have taken out an ordinary mortgage with a Norwegian bank, with only a small percentage of the respondents' parents having a mortgage according to the guidelines in Islam. Although nearly one-half of the respondents in the present study stated they desired to take out an ordinary mortgage in a Norwegian bank, more than 90 percent of respondents stated a desire to take out a mortgage according to the guidelines of Islam, if it were possible. The respondents further revealed that their parents would not like to take out an ordinary mortgage with a Norwegian bank at a rate of more than 43 percent and that nearly 80 percent of the respondents' parents would like to take out a mortgage according to the guidelines in Islam. The majority of the participants had never heard of the real estate company Global Housing AS (GH), which was in the process of offering mortgages according to Islamic guidelines.

Interview with Community Worker

An interview was conducted with an employee in the Oslo municipality District Stovner on June 18, 2022. The interview was conducted in Deichmann's library department in Stovner. The community worker revealed that they work

“as a case officer in Oslo municipality, the tasks are to facilitate adult education for residents living in the district Stovner in Oslo. Not only this, I get a job for the target group with little education and experience in the labor market”.

When asked whether the community worker works primarily with non-ethnic Norwegians, they confirmed, “yes, that's right”. The Stovner district of Oslo was described by the community worker as being one that is “very exciting every day with a steep learning curve where I get to

know many different people. People who have partially dropped out of society and need a helping hand to feel included”.

The community worker described the Stovner district as “ a multicultural local area with many advantages, there are people from different nationalities who make Stovner what it is”. The community worker also revealed that they have a large network in the area, both professionally and privately. I explained to the community worker that the reason I contacted them was due to the high proportion of residents in the Stovner district that are foreign and, most particularly, Muslims and asked them what impression they have of citizens who do not take out a mortgage loan based on restrictions from Islamic guidelines. The community worker responded by stating the following: “It is very frustrating for many; a good part of the inhabitants has a solid income, but still have to enter the rental market due to insufficient opportunities for borrowing”. The community worker was asked whether they have a mortgage and they confirmed they did because “it is a necessity to have a home”. I then asked the community worker about what challenges it poses for those who refuse conventional mortgages and they responded by stating:

“the main challenge is that the majority of Norway’s population owns housing and the authorities have adapted a housing policy where the intention is to get on the owner’s side. It does something to your own self-esteem where you feel ignored and not included. Furthermore, they put God’s word before worldly pleasures. Although many feel left out and little included but still feel peace of mind since they follow the guidelines of Islam”.

I asked the community worker whether there could be other reasons why the target group (Muslims) does not feel included, and they responded by stating the following:

“Another reason is that those who rent often must move, most often you want to move within Stovner district, but there is a high competition in the market with few rental properties. This means that you do not get ownership of the neighborhood/area, which characterizes families with children and leads to challenges in the children’s upbringing”.

I asked the community worker what advice would be offered to those in such a situation, and they responded by stating the following:

“I recommend everyone to get in touch with a well-known scholar within Islam who can get advice and guidance. Fatwa has also been granted by the European Council where it is considered to own a home in Europe, but Norway, in particular, is a necessity, and permission has been granted to invest in only one home to settle. Furthermore, I have heard that some take out loans with fixed interest rates on mortgages since some scholars recommend this, since this provides a better risk distribution for consumers. Some invest in housing associations’ apartments where the joint debt is high, but the price estimate is low. Many have savings, and some get help from their loved ones to take out private loans without interest to cover the size of the price suggestions. The joint debt will always be linked to the home if you sell the home”.

I then asked the community worker about the fact that they mentioned savings and indicated how it must have taken a very long time to save a sum equivalent to a price estimate, and they responded by stating the following:

“People are generally good at saving; some get gifts in the form of money from their near and dear ones. There are several in the Pakistani community who have set up the committee. This means that maybe 5 to 12 people form a joint collection group where for example, each member deposits NOK 10,000 in a month. Each month, a new member is drawn who receives the entire amount collected. This is a well-known collection method that has worked incredibly well throughout history”.

Interview with a Well-Known Muslim Scholar

An interview was conducted with a well-known Muslim scholar, on June 26, 2022, in Oslo. I had two particular questions I wanted to clarify with the Muslim scholar following my interview with the community worker and the surveys. Firstly, I told the scholar that I have the impression that some of the Muslims who live in Norway believe that it is permissible to take out a conventional mortgage with a binding fixed interest rate and asked if that was right according to Islamic principles. Aslim responded to the question and stated the following:

“It so happens that Islam prevents the relationship with interest rates. Even if the interest rate is binding and the risk to the consumer is linear. It is still prohibited.

The European Muslim Association has given permission to buy a home with interest regardless of whether it is a floating or binding interest rate if the purchase of a home is considered a necessity; despite this, most scholars disagree and are still very skeptical about this”.

The scholar provided an example and stated the following:

“You have 100 dates that you give credit to a consumer. You agree that the consumer will return 100 + 10 dates in 1 month. With this example, this falls under interest (riba) since you demand more than what you had given in credit. Another example, say you give 100 dates in credit but require 2 sacks of rice grains in return in 1 month. This is legal since you demand something completely different such as repayment, than what you have given credit for. This is allowed since you do not demand more than what you had given in credit. This falls under negotiation, and under negotiation, there are not as strict restrictions as at Riba. Let’s say you own a home that has a value of 5 million, but you require 7 million from the pre-buyer. It is also allowed since the buyer and seller are aware of the prerequisites, and there are not hidden costs that can put the consumer in a difficult situation”.

I then asked the scholar whether one could purchase a condominium apartment where the suggested price is one million and a joint debt of four million. The scholar responded by stating the following:

“This is considered permissible as long as you have saved funds through savings, loans from family or loved ones without interest to pay the price suggestion. The joint debt will always be on the home and accompanies the home to the next buyer when sold. The joint debt is usually taken up by the client/business manager and rests on the home. This is considered permissible, and many scholars agree on this. It is worth pointing out that one million in savings is not easy to collect for private individuals, but if some achieve this, it is allowed. Hadith (what prophet Muhammed PBUH has told us through revelations) ‘Ubadah bin As-Samit and Muawiyah met at a stopping place on the road. Ubadah told them: The Messenger of Allah forbade selling gold for gold, silver for silver, wheat for wheat, barley for

barley, dates for dates – one of them said: salt for salt’ but the other did not say it ‘unless it was like for like, hand to hand’. And he commanded us to sell gold for silver and silver for gold, and wheat for barley and barley for wheat, and to hand, however, we wanted. And one of them said ‘whoever gives more or asks for more has engaged in Riba’. (Suna an-Nasa’I 4560)”.

Thematic Analysis

Theme 1: Loans from Family and Friends and Using Savings to Help with Mortgages

The first theme identified in the interview portion of the study was that it is permissible under Islamic principles for individuals to get loans from family and friends to help with mortgages. Each interviewee both noted that this is a practice that is used by many Muslims and that it is acceptable. The practice of saving money for purchasing a home is another practice that aligns with Islamic principles, and it was noted that people are generally good at saving, although others receive gifts of money from their loved ones.

Theme 2: Housing Associations, Condominiums, and Other Joint Debt is Allowed

The second theme identified in the responses of the participants in the interviews was that it is acceptable according to Islamic principles to purchase homes that have joint debt attached. Although the joint debt is high for such purchases, the purchase price is sometimes low, although the joint debt is always linked to the home or condominium when it is sold.

Theme 3. There is Disagreement About Whether Fixed Interest is Allowed

The third theme identified in the responses of the participants in the interviews portion of the study was that disagreement exists about whether fixed interest rates are allowed according to Islamic principles. Although the community worker believed that fixed interest rates might be allowed, the scholar was clear that fixed interest rates are most definitely not allowed under Islamic principles citing Suna an-Nasa’i 4560.

Summary of the Interviews

The responses of the participants to the interview questions highlight the disagreement that exists among various scholars and religious leaders in the Islamic faith about the issue of interest (riba) and emphasize the difficulties faced by Muslim individuals when attempting to determine whether fixed interest loans are allowed according to Islamic

principles. However, the interviews did yield some useful information about the precise scripture in Islam that prohibits interest and made provision of some clarity for the research in the present study.

Findings

As noted in the introduction of the study, previous research has indicated the importance of understanding the religious and cultural norms that shape the financial behaviors and attitudes of Muslims, which include the possible practical implications due to the potential for financial exclusion and how that presents a serious challenge to social and economic participation and equality, and how the issue of money can work to reveal the broader and interesting issues of religion, culture, and politics (Brekke & Larsen, 2020). Therefore, this study conducted research to understand how immigrant Muslims in Norway view the importance of access to or the lack of access to Islamic banking practices; an important issue considering the large population of immigrant Muslims in Norway (Brekke & Larsen, 2020; Norway Statistics, 2020; Ostby & Dalgard, 2017). The findings in the present study included that Muslim immigrants in Norway do desire to become homeowners, so much so that they have been willing to take out ordinary mortgage loans with Norwegian banks. However, the findings in the present study indicate that Muslim immigrants greatly prefer to take out loans that are adherent to the guidelines of the Islamic faith and those that do not have *riba* or interest.

The literature reviewed in the study revealed that life quality is lower among immigrants in Norway than among the general population, and evidence of that was presented in the interview portion of the study, as the community worker revealed how Muslim immigrants feel they do not belong and are not included in the society due to their inability to access mortgage financing that aligns with their religious beliefs. In turn, that lack of belongingness impacts their self-esteem, and although they are following God's word rather than the ways of the world, they feel left out. The feeling of not belonging aligns with what was discovered in the literature review, as it was revealed that home ownership in the country of Norway symbolizes belongingness for immigrants (Borchgrevink & Birkvad, 2021). Additionally, the interview with the community worker revealed how the Muslims live in tight communities in and around Oslo and particularly in the Stovner district, a fact highlighted in the literature review (Boarch, 2019). In addition, homeownership in Norway is considered to provide proof that immigrants have become

successfully integrated into the society and culture (Borchgrevink & Birkvad, 2021). As well, the interview in the study revealed that many of the Muslim immigrants in Norway do not own their homes, are forced to rent, and not only experience housing insecurity but experience community and neighborhood insecurity when they are required to find new housing within the community in which they are accustomed to living, revealing one of the reasons why the life quality of immigrants in Norway is lower than the general population (Dalen & Larsson, 2022).

The research in the present study also aligns with the finding that despite Islamic banking being introduced in Europe several decades ago, the availability of Islamic banking is still very limited (Brekke et al., 2021), and in Norway, it is nonexistent. However, as noted in the study, nearly 50 percent of the Muslim immigrants who responded to the survey in the present study have taken out ordinary mortgages in Norwegian banks, and although not specifically revealed in the survey, it is likely, and according to the information obtained in the interview with the community worker, that the European Council of Fatwa and Research in its issuance of the 1999 fatwa handing down a religious edict giving Muslims permission to obtain mortgage loans that bear interest has had a bearing on those Muslim immigrants who did obtain such loans. However, not all Muslim immigrants who participated in the study have been willing to take out an ordinary interest-bearing mortgage with a Norwegian bank, and that is likely due to the division that exists between Muslim scholars, with some of them supporting the fatwa, while others reject the fatwa (Borchgrevink & Birkvad, 2021). It is clear from the statement of the scholar, that interest-bearing loans are strictly prohibited in the Islamic faith. However, since the fatwa was issued that seems to allow interest-bearing mortgages, there is likely some trepidation and confusion among Muslim immigrants about what they should do about interest-bearing mortgage loans, and moreover, those who most strictly adhere to Islamic guidelines are less likely to take on those types of loans since the conservative interpretations of Islam make interest strictly forbidden (Daehlen, 2022). The fatwa also stated that interest-bearing mortgage loans are only allowed when they are required out of necessity, so it is yet uncertain and outside of the scope of this study to determine the prerequisites in the mind of immigrant Muslims about what constitutes a necessity. Yet the statements of the community worker in the interview do reveal that housing and neighborhood insecurity may constitute necessity, as oftentimes, those who are renting their homes may not be able to stay in their community if they continue to rent their

homes, and it may therefore become a necessity to purchase a home, opening up the possibility of taking out an interest-bearing mortgage with a Norwegian bank.

Another factor that comes into play is the stance of the leaders in the separate Mosques in Norway, as some are very restrictive concerning their stance on interest-bearing loans, while others are not so restrictive (Daehlen, 2022). However, as shown in the literature reviewed in this study, among those immigrant Muslims who do take out interest-bearing loans, they experience anxiety since taking out such loans goes against their moral and religious beliefs (Daehlen, 2022). It is interesting that despite the huge desire among Muslim immigrants to take out mortgage loans that align with Islamic principles, none are available in Norway; although there was previously a finance company that offered such loans in Denmark, the Supreme Court ruled out those types of loans (Kuhle & Larsen, 2021). Previous studies have indicated that immigrant Muslims desire mortgage loans that adhere to Islamic principles (Brekke et al., 2021; Kuhle & Larsen, 2021; Larsson & Willander, 2021). In a large-scale study that took place among Muslims in Nordic countries, Islamic finance was shown to be of key importance, and the majority of 1747 participants would become a customer of an Islamic bank if established (Brekke et al., 2021). The findings in the previous research align with the findings in the present study that demonstrated that Muslim immigrants would, at a rate of only slightly less than 100 percent, definitely take out a mortgage with an Islamic bank or a bank that adhered to Islamic practices. As demonstrated in the findings of the present study, not only the respondents but also the parents of the Muslim immigrant respondents would much prefer to take out a mortgage with an Islamic bank or a bank that had practices that aligned with Islamic principles.

It is certain that without mortgage loans for immigrant Muslims that they have no opportunity to become fully integrated into the society and culture of Norway, which explains why the immigrant Muslims live in densely populated areas that essentially separate them from the rest of the culture and society. Muslim immigrants who are unable to obtain mortgage loans are essentially excluded from the society and culture and are unable to realize a sense of belongingness. Although the literature reviewed in the study did indicate that some forms of financing are available in Norway outside of the Norwegian banks, that type of financing is personal forms of financing, such as in the form of cooperatives, as described in the literature review and confirmed in the interview with the community worker. Although it might seem that

there is nowhere for Muslim immigrants to turn for financing, savings and cooperatives were mentioned as alternatives. However, the problem goes beyond just housing finance for Muslim immigrants because, as shown in the literature reviewed in the present study, Muslim immigrants are also excluded from becoming business owners when they do not take out interest-bearing loans (Larsson & Willander, 2021) and doing so would be questionable under the fatwa, because although owning a business may be a necessity for earning a living, the fatwa only covered mortgages that are deemed a necessity. Although participants in previous studies indicated that they could certainly search for people to provide answers they want to hear about taking out interest-bearing loans, for those who deeply desire to adhere to their faith, it is not about getting the answers they want; it is about being true to their faith and avoiding interest-bearing loans. The following chapter will provide the discussion and conclusion of the study, as well as offer any recommendations for future research and potential policy changes in the country of Norway when it comes to Islamic banking principles and practices.

Chapter Five: Discussion, Conclusion, and Recommendations

Discussion

The research in this study sought to understand how the ethical lines in Islam lead to barriers for Muslims in Norway to establish themselves in the housing market and the consequences that were entailed. The literature reviewed in the study revealed that the Islamic prohibition on interest-bearing loans had resulted in Muslims in Norway experiencing extreme difficulties when it comes to homeownership, and that affects their housing choices (Borchgrevink & Birkvad, 2021; Peace Research Institute, 2021) and those problems were identified in both the survey and the interview portions of the study. Despite there being a huge population of Muslim immigrants in Norway, only one attempt to institute Islamic banking has been made, and it did not follow through, so Muslim immigrants have no possibility to obtain mortgage loans according to Islamic principles. However, other countries throughout the world have been offering Shariah-compliant and interest-free financial products, including home mortgages (Borchgrevink & Erdal, 2021). Islamic banking currently exists in more than 60 countries throughout the world (IMF, 2018). Although Islamic banking is not banned in Norway, Islamic banks are nonexistent (Borchgrevink & Erdal, 2021). The lack of Shariah-compliant mortgage loans in Norway results in a tense situation for Muslim immigrants who desire to purchase a home. Muslim immigrants in Norway generally live in dense neighborhoods among other Muslims and have built their lives in those neighborhoods and communities; however, when forced to move from their homes there is often difficulty in finding housing accommodations in the same neighborhoods where their children attend school. The inability to purchase a home puts them at risk of having to uproot themselves and their families from the community in which they are accustomed to living and in which they have close ties.

There is general disagreement among those in the Islamic faith, including among mosque leaders, community workers, scholars, and the larger Muslim community, about whether interest-bearing loans are strictly prohibited under Islamic principles (Brekke, 2018). While some believe that *riba* just refers to usurious types of interest that were taken on loans in pre-Islamic Arabia by money lenders, others hold that according to the Quran, *riba* covers interests of all types on money, including that in the conventional type of banking practices (Brekke, 2018). Muslim immigrants in Norway who desire to purchase a home many times do take out interest-bearing loans but experience stress and anxiety concerning going against their religious

beliefs (Borchgrevink & Erdal, Daehlen, 2022). However, Muslims do need to purchase homes to establish themselves in Norway for many good reasons, including having a good place for their family to live, as well as integrating themselves into the society, and feeling a sense of belongingness (Borchgrevink & Birkvad, 2021). Owning a home in Norway is symbolic of that belongingness. Moreover, many Muslim immigrants in Norway experience a struggle in locating safe housing that is adequate (Soholt, 2022) and typically choose rental housing (Boarch, 2019). However, as noted in the literature reviewed in the study, Muslim immigrants experience a lower life quality than the general population in Norway (Dalen & Larsson, 2022).

Although the government of Norway claims that it is focused on making certain that everyone has access to secure housing, Muslim immigrants are left deciding whether to take out loans that bear interest in direct opposition to the religious laws of Islam (Brekke et al., 2021). The number of Muslim immigrants who are renting in Norway has risen over the past six years, and those who are homeowners have fallen, and twice as many Muslim immigrants rent compared to the general population of Norway (Revolv & Arnesen, 2021). Although the government of Norway founded the Human-Etisk Forbund (HEF), which is an organization that provides financial support to other religious groups and organizations, to date, no such affordances have been made to the Muslim faith (Repstad, 2021). Furthermore, the government of Norway makes provisions for economic support to the Church of Norway and other religious organizations but has yet to make any provision for the Islamic faith. The lack of Islamic banking in Norway results in Muslim immigrants missing the benefits of homeownership, including the chance to build equity, tax deductions that are available, and the potential to build wealth across time (Quershim, 2020). There are additional social benefits that Muslim immigrants in Norway are unable to take advantage of since they are barred from homeownership in the absence of Islamic banking, including links to the job market and the associated stability, better levels of social integration, and protection against social stigma and marginalization (Quershim, 2020).

The survey responses in the present study revealed that Muslim immigrants greatly desire to own a home, and to the extent that many of them have taken out interest-bearing mortgages. However, the survey in the study revealed the great desire that Muslim immigrants hold to have mortgages that are according to Islamic principles. There appears to be a great stigma attached to Islamic banking in the context of Norway, as the one bank that did try to institute Islamic

banking lost many customers and gave up on the effort. However, the literature reviewed in the present study revealed that Islamic banking has been in existence throughout the world since the 1960s, when the first Islamic bank, Mit-Ghamir Islamic Savings Bank was established (Saeed, 2016). The bank was focused on providing the Muslim population of Egypt with Shariah-compliant banking, and since that time, many more Islamic banks have been established in countries throughout the world. The hesitation of Norway to institute Islamic banking does appear to be based on some type of stigma as it cannot be said that Islamic banking is not an excellent system of banking, and it also cannot be said that it is not regulated as the Islamic Financial Services Board was established to address regulatory and government issues, as well as the systemic stability of the Islamic banking industry (Saeed, 2016). However, with the prohibitions on speculative behavior, it is likely that the modern banking industry has no appetite for that type of banking since so much of today's modern banking is speculative-based and interest-based. Furthermore, Islamic banking prohibits exploitation, such as is evidenced in modern banking's practice of variable interest rates, in which the individual taking the loan has no idea of how much interest they will be paying as that shifts with the economy and the bank stands to make huge exploitive gains on those who take out mortgage loans. However, global Islamic banking assets are huge, with market shares having risen more than 16 percent between 2007 and 2014 (Saeed, 2016). Both Islamic and conventional banking have nominal value guarantees of demand deposits, but only conventional banking has an equity-based system where capital is placed at risk. However, the rate of return, while certain and guaranteed by conventional banking, is not present in Islamic banking. The mechanisms to regulate final returns on deposits in Islamic banking are based on the performance of the bank, which is not the case for conventional banking. Although the use of discretion on the part of bankers respecting collateral is possible in Islamic banking to ensure the reduction of moral hazard that is always present in conventional banking. Finally, the pooling of the funds of depositors to make provision for professional investment management is present in Islamic banks but not in conventional banks (Saeed & Izzledin, 2013). Furthermore, investment criteria, issue units, issue prices, investment rewards and risks, and the effect of costs are different between the conventional and Islamic banks in relation to conventional debt and the concept of sukuk. The vast differences in how banking is viewed in Islamic and conventional banks have resulted in

Norway shying away from instituting Islamic banking practices, and it is likely that Norway does not have a complete grasp of what is involved in Islamic banking.

Although more than 50 percent of the respondents in the survey portion of the study reported that they do own a home, there was still more than 48 percent of the respondents that revealed that they do not own a home. It became clear in the research in the present study that immigrant Muslims are taking out mortgages for homes in Norway due to their desire to own a home. However, when asked whether the respondents have an ordinary mortgage with a bank, the majority of the participants who had responded that they owned a home did state they had a mortgage with an ordinary bank; however, a small percentage of those who own a home (8.11 percent) stated that their mortgage was according to the guidelines in Islam and was Shariah-compliant while the other 91.89 percent of those who reported they have a mortgage do not have a mortgage that is according to the guidelines of Islam. Moreover, more than 72 percent of the respondents' parents do own a home, and among those, more than 64 percent have taken out a mortgage with an ordinary bank.

However, the majority of participants (91.04 percent) would like to take out a mortgage according to the guidelines of Islam and align with Islamic principles if those types of loans were available. The same was true among the parents of the respondents who, at a rate of nearly 80 percent, would like to take out a mortgage according to the guidelines of Islam and align with Islamic principles if those types of loans were available. These findings align with previous research that has indicated that there has been a negative growth of one percent in Norway among Muslim immigrants who own their own home across the past six years, and the findings that the number of Muslim immigrants who are renting has risen by one percent (Revold & Arnesen, 2021). However, as shown in the study, it is not just mortgage loans that are holding Muslim immigrants back from becoming fully integrated into the society and developing a sense of belonging in the community and society of Norway, as business loans present huge challenges for Muslim immigrants. Not only do Muslim immigrants fear the stigma associated with interest-bearing loans, but they are also very skeptical about taking out those loans, and for potential business owners, the lack of business loans that align with Islamic principles results in their failure to enter into and contribute to the economy of Norway. Previous research has demonstrated that when it comes to taking out interest-bearing loans, the primary reservation of

Muslim immigrants is because those loans bear interest, which is prohibited in Islam (Brekke et al., 2021). However, as noted by Saeed et al. (2020) in the literature reviewed, Muslim immigrants are hesitant to become involved in the conventional banking system due to the issues that have been witnessed during financial crises and the banking regulatory environment leading to questions about efficiency and stability. Conventional banking practices are viewed by many Muslim immigrants as risky endeavors because of the risk-taking that is involved in those banking practices when compared to the risk-sharing practices of Islamic banking. Muslim immigrants understand the risk-sharing and profit-sharing that is involved in Islamic banking or *mudurabah*; however, the conventional banking practices of interest-bearing loans and the risks associated with variable interests are viewed as far too risky.

Although the Islamic financial sector has worked in developing various instruments as well as financial platforms that enable Muslim entrepreneurs and businesses to engage with the conventional financial sectors and still follow the Islamic principles, it has been difficult for a market share to be identified in the Nordic countries, resulting in no Islamic banks existing in those countries (Larsson & Willander, 2021). Surveys conducted among Mosques in Sweden revealed that only a small percentage of the Muslim immigrant population had mortgages with ordinary banks, and the same is true for the Muslim immigrant population in Norway. Despite the fact that approximately 50 percent of the respondents in the present study had taken out a mortgage with an ordinary bank, that still leaves approximately one-half of the respondents without a mortgage and remaining in the rental market, along with the various negative impacts associated with renting and lacking the benefits of homeownership. The reality for immigrant Muslims in Norway is that they will either choose to follow the Islamic principles as described by the scholar and refuse interest-bearing loans or, alternatively, take out a mortgage with an ordinary bank and violate the principles of Islam. Although the Fatwa was issued that gave Muslim immigrants permission to take out an interest-bearing mortgage if it was considered to be a necessity, the reality is that despite the Fatwa, the confusion that exists about whether interest-bearing mortgages are allowed some mosque leaders and scholars, the interest-bearing loans are in direct opposition to the principles of Islam.

It is concerning that the country of Norway, with its large population of Muslim immigrants and its' supposed focus on ensuring adequate housing for the entire population, has failed to step

forward and develop plans to institute Islamic banking in the country. Islamic banking has been instituted in more than 60 countries, so the question that remains is what is holding Norway back from moving forward and making Islamic banking available to its huge immigrant Muslim population to not only enable them to purchase homes but to fund businesses and contribute to the economy of Norway. Despite the fact that immigrant Muslims can seek alternative forms of financing such as those described by the scholar and the community workers such as borrowing from family and friends, saving money for home purchases, and even becoming involved in cooperatives or obtaining joint debt financing, the situation is still not optimal for immigrant Muslims in Norway seeking homeownership.

Conclusion

The objective of the research in the present study was to examine how it is that ethical lines lead to barriers for Muslims in Norway to establish themselves in the housing market/ownership line and what consequences are entailed. The research questions that the present study sought to answer were those asking: (1) how do ethical lines present barriers for Muslims in Norway to establish themselves in the housing market/ownership line? and (2) what are the consequences of the barriers for Muslims in Norway to purchasing homes and becoming homeowners? The hypotheses stated in the present study were: (1) Muslim immigrants in Norway prefer to use Islamic banking for mortgages; and (2) Many Muslim immigrants have been forced to use conventional banking to obtain mortgages and realize homeownership.

In answering the first research question of how ethical lines present barriers for Muslims in Norway to establish themselves in the housing market/ownership line, the research in the present study has revealed that Muslim immigrants are struggling with understanding whether the fatwa applies and allows them to take on interest-bearing mortgages and making the situation even more tenuous is the lack of agreement among scholars and mosque leaders. The research in the present study did, however, bring some clarity to the issue as the scholar did reveal that according to the Islamic laws contained in Sunan an-Nasa'i 4560, interest-bearing loans or *riba* are strictly prohibited under Islamic laws. As shown in the literature review, immigrant Muslims suffer from anxiety and stress concerning what to do about taking out homes (Borchgrevink & Erdal, 2021; Daehlen, 2022). Many immigrant Muslims rent their homes, which places them in precarious situations when it comes to remaining in the neighborhoods and communities they

have established roots in and where their children attend school, according to the community worker. As though the stress of immigrating to Norway was not enough, the immigrant Muslims are then under the stress of not knowing what to do about purchasing a home in the absence of Islamic banking.

Secondly, in answering the question of what the consequences are of the barriers for Muslims in Norway that are present in their purchasing homes and becoming homeowners, the study identified specific consequences. The first consequence that was identified of Muslim immigrants being barred from purchasing homes included the lack of their ability to become fully integrated into the society of Norway, particularly since homeownership is a significant symbol of integration. Secondly, since the immigrant Muslims have barriers to homeownership in Norway, they are not able to develop a sense of belongingness in the society of Norway, which leaves them feeling left out, stigmatized, and set apart from the society. Thirdly, immigrant Muslims are in the absence of the ability to obtain mortgages in Norway, left to live in densely populated areas with other immigrants Muslims and forced to rent their homes. Arising from that consequence is the problem associated with trying to remain in the same neighborhood when they are forced to move since more rental housing may not be available to them. Therefore, the roots they have put down, the relationships they have established, and their small sense of belonging in that specific community may be taken away from them as they are forced to relocate outside of that community. The lack of an ability to purchase a home in Norway results in marginalization and exclusion of the immigrant Muslims and ultimately leaves them unable to become fully participating members of society. Moreover, the lack of the ability to secure business financing that aligns with Islamic principles leaves immigrant Muslims without the potential to boost their family's income and not only hurts immigrant Muslims but the economy as a whole as they are left without the ability to contribute to and participate in the economy of Norway.

The first hypothesis stated in this study was one claiming that Muslim immigrants in Norway prefer to use Islamic banking for mortgages. The research in the present study has shown that hypothesis to be true, as the majority of the participants in the survey portion of the study (more than 91 percent) expressed their preference to use Islamic banking for mortgages. As well, the participants expressed that nearly 80 percent of their parents also preferred to use Islamic

banking for mortgages. The second hypothesis stated in the present study was one claiming that many Muslims have been forced to use conventional banking to obtain mortgages and realize homeownership. The second hypothesis in the study was proven to be sound as approximately one-half of the participants in the survey portion of the present study indicated that they had taken out ordinary mortgage loans in conventional banks in order to obtain a mortgage to purchase their homes.

Recommendations

The research in the present study and the findings that were revealed have led to specific recommendations, including those stated as follows:

1. Norway should take into account the large population of immigrant Muslims and their desire to purchase homes using Islamic banking that aligns with Islamic principles and do so in light of the country's claimed focus on ensuring access to secure and adequate housing for all.
2. The Human-Etisk Forbund (HEF) and the government of Norway should give due consideration to making financial contributions to organizations who assist immigrant Muslims, just as support is offered to other groups outside of the Church of Norway.

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