

The Necessity of Taking a Loan, and the Necessity of Not Doing So: Islamic Finance among Muslim Minorities in Denmark and Norway.

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Abstract

Economic choices may be influenced by religious convictions, and for practicing Muslims, Islamic norms on money are likely to matter. Yet, we know little about how Muslims in minority contexts understand these norms. This article addresses this question with original focus group data, with Muslims in Denmark and Norway. We analyse how they understand ‘Islamic finance’ and its consequences in everyday life. We find that the Islamic prohibition of ‘*riba*’ (translated as interest) matters, but in different ways. The necessity to take an interest-bearing loan to buy a home is set against the necessity not to, based on religious convictions. Our participants fall into two categories, those who obtain mortgages, and those who do not, primarily, or solely on religious grounds. The socio-economic impacts differ. However, our participants reflect on the two contrasting necessary choices which they face, and link this emotionally to questions of inclusion/exclusion in Denmark and Norway.

Key words: Islamic Finance, Muslims, religion and finance, Norway, Denmark

Introduction

Studies of lived religion among Muslims in the West increasingly analyse how Muslims’ everyday practices are informed by religious beliefs, norms and values, ranging from food preparation to shopping (Dessing et al., 2014; Knott, 2016). Yet, religious influence on the economic aspects of Muslims’ everyday lives remains largely unexplored. Thus, in this article we ask: How do Muslims living in minority contexts understand ‘Islamic finance’ and Islamic norms regarding money? How does this translate into everyday financial choices, and how does it impact people’s lives and their experiences of inclusion or exclusion in the societies where they live?

The prohibition of *riba*, commonly translated as usury or taking interest on money, is strictly prohibited in the Quran (Q 2:275, 3:130; 4:161, 30:39). How this principle is interpreted and practiced, however, varies and is widely debated. The prohibition of *riba* is a central topic in Islamic economic thought, with different interpretations in alternative legal schools. While, the question is prominent in Muslim minority jurisprudence, little is known about how *riba* is interpreted among Muslims living in Europe and about how it impacts their lives.

While economic thought has formed an integral part of Islamic jurisprudential discourses through the ages, the institutionalization of an Islamic banking and finance sector, is a modern, 20th century phenomenon (Hefner, 2008). Over the past decades Islamic banks have opened in

European countries with sizeable Muslim populations (e.g., the UK, France and Germany). These banks offer interest-free, 'Sharia-compliant', financial products, including housing mortgage alternatives (Shavit, 2019). The most common approach is *murahaba*, where the bank buys a property and sells it to the customer at a higher price, paid in instalments. While Islamic banking is not banned in the Nordic countries, to date no functioning Islamic financial services exist (Brekke, 2018). Attempts by private Muslim actors to initiate private saving 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 product development in this area (DNB, 2007).

The economic choices people make in their everyday lives, impacted in some ways by their religious convictions, relate to a broad range of economic matters. However, home ownership is crucial among these. In the context of this article, it is pertinent to mention that in both Norway and Denmark, the housing market and state regulation thereof, are largely premised on two-income households which take a mortgage to own a house. There are associated tax benefits, and the rental market is limited, relative to owning a home.

Following a lived religion approach we seek to understand our research participants ways of making sense of Islamic finance. We do not look for authentic or true definitions of what Islamic finance *is* or *should be*, nor is our aim to study the Islamic scholarly debates. Instead, we set out to explore how lay Muslims interpret religious norms about money and finance, and how these influence their everyday financial practices.

In the next section we discuss central concepts and place these within the analytical context of a lived religion approach, drawing on recent contributions from the sociology of religion. Thereafter we present our methods and data, before sharing our analysis and conclusions.

Islamic financial norms and Muslims' everyday economic practices

In recent years, studies of 'lived religion' (Ammerman, 2016; McGuire, 2008), and especially 'everyday lived Islam' (Dessing et al., 2013), have gained interest – allowing attention to 'the ways people of all religious groups navigate among the expectations of the worlds in which they live and the traditions they have to draw on' (Ammerman, 2016, p. 3). Inspired by this approach, we focus on lay Muslims' everyday sense-making of Islamic norms about money, which, following Dupret et al (2012), open for a 'a more precise and complex understanding of practices and discourses that constitutes the realities constructed and perceived as Islamic by those who live in them" (p. 3). Following this, we emphasize the meaning people give to their actions in everyday life, giving attention 'to laity, not clergy or elites; to practices rather than beliefs; to practices outside religious institutions rather than inside; and to individual agency and autonomy rather than collectivities or traditions' (Ammerman, 2016, p. 1).

The lived religion approach has gained prominence within the sociology of religion because it allows researchers to better study and conceptualize the empirical realities of religion, whereby 'individuals do not simply 'copy' institutional religious prescriptions; instead, [...] people have an active and reflexive role in shaping, negotiating and changing their own beliefs and practices' (Nyhagen 2017: 395). Nevertheless, understanding the institutional religious context

remains important, as scholarly discourse in the Islamic tradition also shapes Muslims religious practices (Ammerman, 2021).

The growing Muslim minority in the West in recent decades has made questions about how Islam can be practiced in minority contexts central to both Muslim scholars and ordinary Muslims living in Europe (Caeiro, 2004; Shavit, 2019). Islamic jurisprudence for Muslim minorities in the West¹ has emerged as a distinctive, and much debated, field among Islamic scholars (Duderija and Rane, 2019). The European Council for Fatwa and Research (ECFR)², a transnational body of Islamic scholars, has taken a lead in advancing Muslim minority *fiqh*, issuing fatwas³ on matters of relevance to Muslims in the West (Shavit, 2019, 2012). Of relevance to our study is the ECFR's 1999 fatwa on the purchase of a house through an interest-bearing mortgage in the West. This fatwa underlines the prohibition of *riba* in Islam, considered one of the seven greatest sins, where Allah and His Prophet will wage war against those who charge or earn from interests. It encourages Muslims to find alternatives to buying, such as renting, and to try to establish Sharia-compliant financial services in the West. When no alternatives exist, however, a Muslim living in Europe who does not own a home and has no means to purchase without a loan, is permitted to take a mortgage.⁴

The 1999 *fatwa* created significant debate among Muslim scholars and has been given different weight by *muftis* (Islamic legal scholars) in different contexts (Shavit, 2019; Shavit and Spengler 2018, 2017). As noted by Shavit (2019, p. 336), *fatwas*, as other texts, are subject to interpretation and, with time, gaps may develop between what they say and what people believe they say. Their social impact will also vary depending on their spread, the authority of those issuing them, and on the context in which they are interpreted (ibid.)

The question of religious authority for and among European Muslims has drawn considerable academic interest. While scholars have found that religious authority has become fragmented and individualized among second generation Muslims in Europe, describing young Muslims as shopping for religious identities and lifestyles (Cecari, 2002; Roy, 2004), this thesis has been modified in recent years: it is not the case that religious authority has weakened, but rather Muslims are presented with more choice and to choose their authority and group associations (Bendixsen, 2013; Vertovec and Rogers, 2018). Religious norms, as other social norms, are collective, produced and reinforced in specific social contexts (Bicchieri, 2006). As such, adhering to or breaking with religious norms is not only a matter of individual faith, but has clear social dimensions, including potential social sanctions. This dynamic makes religious vs.

¹ Known as *fiqh al-aqalliyat* in Arabic.

² Established in 1997, the ECFR has been an influential body in debates on Muslim minority *fiqh*. Headed by Yusuf al Qaradawi it represents the revivalist *wasati* ("harmonizing middle ground") approach in Muslim minority *fiqh*, often placed in contrast to the stricter *Salafi* approach associated with the Saudi establishment (Shavit, 2012). For more in-depth discussion of the ECFR, the development of 1999 fatwa and the debated it stirred, see Caeiro, 2004 and Shavit, 2019.

³ *Fatwas* are non-binding legal advice issued by experts on Islamic law (*muftis*) in response to questioners (Shavit, 2019).

⁴ The argument in the fatwa is based on the necessity of Muslims to have a home for the family, and the need for the Muslim community to establish itself in Europe. For a more detailed discussion of the legal argument behind the fatwa see Caeiro (2004) and Shavit (2019).

social dimensions of Muslims actions and behaviours nearly inextricable from a research perspective, and makes empirical, contextual analysis necessary when wanting to understand the meaning and impacts of Islamic norms on Muslims' everyday life.

Data and methods

We build on data from 18 focus group discussions (FGDs) with 74 individuals, 12 of which were held in Norway and six in Denmark, between February and December 2018. The informants range from 21 to 65 years of age, with the majority between 30 and 50 years. Our sample consists in large part of individuals who have completed their studies, are gainfully employed, and settled with families.

We aimed to recruit an equal number of men and women; the gender imbalance in the data set (29 women, 45 men) reflects the fact that more men participated in each focus group. Meanwhile, the Muslim populations in Norway and Denmark are highly diverse in terms of country backgrounds, religious denomination, and reasons for, history and time of migration. Wanting to capture some of this diversity, we recruited participants from mosques and organizations associated with immigrants from Albania, Bosnia, Gambia, Pakistan, Palestine, and Somalia. Our sample includes representatives from some of the larger and smaller Muslim communities in Denmark and Norway.

While the category 'Muslim' is an identity category ascribed by self and others (Brubaker, 2013), it is – for good reasons – not a statistical category. We rely on our informants' self-identification as Muslims. Like other faith traditions, Muslims are not a homogenous group; they interpret and practice Islam in multiple ways and give different importance to religion. As we recruited participants partially through mosque networks, we anticipate that our data includes more individuals who are religiously active than those who are not. A study of Islamic finance and Muslims economic practices has an inbuilt bias: it is likely to attract those who have an interest in the topic. We acknowledge this bias and make no claims about our study as representative of Muslims in Denmark and Norway, nor of the immigrant groups included in the sample. Instead, we aim to shed exploratory light on a topic about which very little is known (see also Brekke and Larsen, 2020).

Increasing Islamophobia in Europe has made some Muslims wary of participating in research (Elgvin, 2013). Wanting to study people's ideas and practices related to religion and money, we experienced some difficulties in recruiting focus group participants. This difficulty may have been accentuated by the fact that we are two white, non-Muslim females. To remedy this, we took measures to build trust among potential participants by sharing information on the project website and Facebook and presenting the project in mosques.⁵ We have long-term experience from doing research with Muslims in Norway and Denmark and have utilized our existing contacts and relationships of trust to reach potential research participants.

⁵ This article is a product of a larger project FINEX: Financial Exclusion, Islamic Finance and Housing in the Nordic Countries. The project formally collaborated with the Islamic Cultural Centre (ICC) in Oslo, provided research assistants to parts of the project. While not directly involved in our focus groups study, the ICC collaboration provided valuable advice and facilitated contacts to other mosques and religious networks in Oslo and Aarhus.

The FGDs were conducted by the authors and research assistants in Aarhus and Oslo, each one running between 1.5 and 2 hours. The discussions were structured as interactive sessions where the informants were asked to brainstorm on specific terms and concepts and discuss statements (e.g. on the non-availability of Islamic finance in the Nordic countries). We used the FGDs as a data collection mode to facilitate discussion among people with similar backgrounds. The discussions were recorded, translated, transcribed and extensively coded based on themes partly drawn from the research design (e.g. the topics explored in the focus groups) and partly identified inductively from the empirical material (e.g. feelings of belonging, the ECFR fatwa).

Ideas about Islamic finance

When setting out to explore the meaning of Islamic finance, we cast a broad net, asking our informants what they understood to be Islamic finance or Islamic norms about money and finance. Some informants expressed a keen interest in the field of Islamic finance and had engaged quite extensively with the topic. These informants revealed in-depth knowledge on the prohibition of interest, and some demonstrated expert knowledge on Islamic financial models. These persons, however, were few and predominantly found among individuals who had actively been looking into the possibilities of making Islamic finance available to Muslims in the Nordic countries. Most participants were not very familiar with 'Islamic finance' as a concept, but this does not mean that they did not care nor were unaware of Islamic principles related to money. They expressed primary concern with the prohibition of interest and how this related to their own life situation.

When asked what they understood by 'Islamic finance,' nearly all participants noted 'the prohibition of interest'. Other recurring themes can be grouped in the following seven categories:

- Islamic principles and Sharia law
- The legality/illegality of conduct and practice (*halal/haram*)
- Redistribution of resources through *zakat* and other forms charity
- Just and ethical banking and investment
- Transparency in financial transactions
- Alternatives to the existing capitalist economic system
- The non-availability of Islamic finance and Muslims need for interest-free loans

Most informants believed adherence to Islamic rules about money and finance to be an integral part of living a Muslim life. Asked to reflect upon the meaning of Islamic finance, Aisha⁶, a woman in her late 20s, explains:

I think about everything related to finance within Islam (...) It's also about Islamic laws and regulations, Sharia laws in particular. I think it's very clear

⁶ All names are pseudonyms.

within Islam what is right and what is wrong (...) So, I think about inheritance, economics, rights, saving, sharing.

Aisha's view of Islamic finance is all-encompassing and provides concrete direction on how to live. The view of Sharia as a guiding principle for everyday activities was one shared by other participants. How to interpret Sharia, and especially the prohibition of *riba*, however, was the subject of much debate in the focus groups.

Nearly all participants believed *riba* to be illegal (or *haram*). Discussions about *riba* focused primarily on interpretation and the existence of legitimate exceptions for Muslims living in a minority setting. Most understood *riba* as interest and the prohibition of *riba* was related to all types of interest, including mortgages, but also student loans, consumer loans and credit cards. A few participants also included the interest earned on savings and current accounts. Most commonly, however, our FGD participants focused on the prohibition of *riba* in relation to taking an interest-based home mortgage.

We find that the 1999 *fatwa* issued by the European Council of *Fatwa* and Research (ECFR) is important in the Nordic context. In our material, we can distinguish between participants who refer to the 1999 *fatwa* to legitimize taking an interest-based loan 'out of necessity', and those that do not. Participants also expressed awareness of different interpretations of the prohibition of *riba* among Muslims. Adnan, a Norwegian-Pakistani in his mid-30s explained the differences:

We are Muslims, we're not a homogenous group... we have different views. Some think it's okay right [to take an interest-bearing loan], we live in Norway, we will adapt, we will try to buy [a home] in the normal way and use that argument... Others think religion comes first and that they're afraid. It's a personal thing. Most people who don't want to buy [property because it involves obtaining an interest-bearing loan], they are practicing [Muslims]... or even if they are not really practicing, they have gotten information about the fact that this is haram.

The question of necessity is central to religio-legal discourses about *riba* (Shavit, 2019) and figured prominently in our focus group discussions. Among the participants who considered interest bearing mortgages permissible with reference to the 1999 *fatwa*, it was frequently underlined that taking an interest-based loan is something that is permitted when it is 'really necessary' – such as to get a house for the family – thus mirroring the religio-legal debates in the ECFR (Shavit, 2019).

Among those participants who do not refer to the 1999 *fatwa*, we find both persons who had never heard of the *fatwa* and those who had heard of it, but who did not consider it valid. To Alba, a Norwegian-Somali woman in her 30s, the prohibition of *riba* is very clear, it pertains to all sorts of interest and she rejects the validity of the 1999 *fatwa*. Alba explains:

In Islam it's forbidden to do business with interest, either taking interest or demanding interest. So, it is a felony, it's a sin. People fear life after death, that you can be punished for it... and it's very strict compared to other thing. Interest is at the top of what is sinful if you are a practicing Muslim, so interest comes first in line among the biggest sins; it's a big deal... Other sins you might

commit, having sex outside of marriage or something similar, that's a sin, but interest is above everything else. It is the greatest sin you can commit.

Alba is unequivocal about the ban on *riba* and she considers the psychological consequences of having to live with committing that sin as too much to bear. Alba believes there is no legitimate exception to the prohibition of *riba* given in the Quran. For Alba, and other of our informants who rejected the validity of the *fatwa*, a frequent argument was that since it is possible to rent housing in Norway and Denmark, buying is not strictly necessary.

We find that Islamic norms about money and economics matter a lot to our informants, but there is great variation in how these norms are interpreted. Our material reveals clear differences in the interpretation of *riba* between different focus groups. The most significant difference relates to endorsement/non-endorsement of the 1999 ECFR *fatwa* on housing mortgage. We find that opinions on this topic broadly follow country of origin lines. According to our informants of Pakistani and Bosnian backgrounds, many religious leaders in Norway and Denmark refer to the ECFR 1999 *fatwa* when giving advice on *riba* and the legality of taking a mortgage. In contrast, our informants with backgrounds from Somalia and Palestine, report that religious authorities reject the authority of the ECFR *fatwa*. While these are clear tendencies we observe in our material, we do not claim them to be generalizable to all Muslims belonging to these immigrant groups. We find variations also within these immigrant groups. One significant variation relates to intergenerational differences; reflecting the increasing significance attached to Islamic finance in recent decades.

One focus group included Norwegian-Pakistani males, all in their thirties, who had all grown up in Norway. Sohail explains that although he was given a religious upbringing, the prohibition of *riba* was not followed in his family:

I have never heard this discussion [about riba] in my home. Again, I can only talk about myself and my family... it was only when I started at university and we started talking about Islamic banking, it's in the last few years... My dad bought his home in the 80s I think (...) I don't think he cared; I don't think he even knew about it.

Sohail's parents arrived in Norway as labour migrants in the 1970s and, at that time, were unaware or unconcerned about the religious prohibition of taking interest-bearing loans. Like many other Muslims immigrants to Norway, they bought property with a conventional mortgage. We find that some Muslims in the younger generation who grew up in Norway and Denmark express more concern with the prohibition of *riba* and are interested to find ways to comply with it.

Three Palestinian-Danish women in their twenties, grown up in Denmark, discussed the prohibition of *riba* and what it meant to them:

Rana: I am sure you know that it [riba] is completely forbidden in Islam.

Asma: It is stated so clearly in the Quran. Then they have made a fatwa for the situation in Europe, and that makes good sense, because Muslims are never going to be strong in a society when we are paying more than half of our salary

to an apartment. On the other hand, I know a hadith⁷⁷ (...) that I am not able to translate 100 %, but it says that if you are in doubt about something, ask your heart.

Hannan: Follow your heart.

Asma: Yes. Listen to your heart. I know this hadith, and my father has mentioned it to me a hundred times, even though he is the one who has been telling me afterwards 'just do it, buy a house' (...) I ask my heart, and my heart says no, and then I am just not able to do it.

This exchange illustrates some of the individual evaluations we found our informants made when discussing the meaning of *riba* and reflecting upon its relation to their economic decisions. Here, Asma is encouraged by her father to buy a house, but she overrules him to abide with her personal interpretation. We find that our informants emphasized that relating to the fatwa should be an individual decision because it is the individual who is responsible for their actions and will be answerable to God on the Day of Judgment. The importance placed on personal responsibility resonates with research that argues religious authority in Islam has become fragmented and individualized among second generation Muslims in Europe (Cecari, 1998; Roy, 2004), including a recent study of Muslims and finance in the Nordic countries, which finds a strong notion of individual responsibility on questions of religion and morality (Brekke and Larsen, 2020).

Meanwhile, in our informants' considerations about finance, we find that social norms and values play in. Hannan, a 35-year-old Norwegian-Somali woman in Oslo, elaborates:

I also think many people are worried about what others might think if you're buying a flat with interest, that they'll think 'oh you've done something haram' and someone might say it's haram to even enter your flat, it's haram to pray in that flat... and you don't want to subject yourself to that, you don't want that your mum or your family stops visiting you because you've bought a flat with interest.

Our informants' ideas about Islamic finance and interpretations of *riba*, 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 and Birkvad, 2021).

Islam and finance in Muslims' everyday life

In this section, we turn to how Islamic norms about money and finance are translated into practice and influence our informants' everyday economic decisions and financial priorities. We find our participants take one of three approaches: (1) '*riba* is not an issue'; (2) the pragmatic approach (legitimized by the 1999 *fatwa*, which permits taking a conventional mortgage out of necessity); and (3) the strict approach (where *riba* is considered illegal and exceptions are not permitted).

⁷⁷ *Hadith* (Ar. lit., speech, narrative) is the technical term for the Muslim tradition about the exemplary practice of the prophet Muḥammad, his words and deeds.

Khalil, a Danish-Pakistani man in his 50s, illustrates the first position: *riba* is not an issue:

I haven't met even a single person amongst those that I know in all of Denmark, who has said that they won't buy a house right now because it entails interest. All Muslims who have bought a house, have obtained a loan. I think that you [the research team] have been trying to find a problem which doesn't really exist. Of course, there is someone somewhere, but I really don't believe that this is a very big problem.

Khalil is correct that many Muslims do take conventional interest-bearing loans⁸ and many informants in our study reported as such. Still, we find that independent of whether they have taken such a loan or not, the prohibition of interest in Islam figures in their decision-making process. The fact that they have taken an interest-bearing loan does not mean it is their preferred option or that they consider the Islamic norms unimportant (Fadil and Fernando, 2015).

Rizwan sits with a group of friends who were all raised in Denmark with family backgrounds from Palestine and all belong to the same mosque. He discusses the lack of alternatives to interest-based financing:

Yes, it doesn't affect that many Muslims, that we don't have Islamic banks or institutions today. But the reason isn't that they don't believe that conventional banking is haram, it's because we have the fatwa. So, we have been given permission to buy one flat, a house that meets our needs, right? and that's the reason why more and more buy housing... there's still a lot of people who don't take a loan from the bank... when it comes to short-term consumer loans when it comes to car loans, student loans... then most people are quite conservative.

Ahmad, a middle-aged banker who immigrated to Denmark from Pakistan in the 1970s, explains how many Muslim migrants approach this dilemma:

I know people in Denmark who say [they] won't buy a house, because [they] don't want to pay interest under any circumstances. But this is very, very, very few people. The majority in Denmark, and I know this because I have been working in a bank for more than 30 years, so I know what people do, they opt for the easy solution. And the easy solution is that you close your eyes, go to the bank, obtain a loan, sign, and then you buy the house that you want. Then you wrap the Islamic rules about not obtaining loans with interest in tin foil and hide it in the freezer. Then you try not to open the freezer, because every time that you do, you'll see this tin foiled Islamic rule.

Reviewing survey data about home ownership among different immigrant groups in the Nordic countries, which includes many Muslims, reveals that many do become homeowners and for

⁸ Although we do not have data on Muslims and housing, we can deduct from available homeownership rates among immigrants and their decedents from Muslim majority countries living in Norway, that many - likely to be Muslims - have obtained conventional interest-bearing loans to finance property (see Vrålstad 2017, Carling and Erdal, 2021).

most this is impossible without a mortgage. There is, however, great variation in homeownership rates among different immigrant groups. In Norway, for instance, the homeownership rate is 85 percent among those of Pakistani origin, while only 19.8 percent of Somalis origin (Vrålstad, 2017). The reasons for the variations in immigrant homeownership are complex and may be to a large extent be explained by socio-economic position, time of arrival, length of residence in the country, and reason for migration (Erdal and Carling, 2020). But it is also evident that religious and cultural norms matter when our informants give meaning to Islamic principles on money and finance in their everyday lives.

Our informants thus fall into two categories: Those who have taken an interest-bearing loan and those who have not. Of those who have taken a loan to buy a house or flat, many emphasize they did it 'out of necessity', and that they see it as permissible because 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.

At the same time, we find that our informants seek ways to deal with the prohibition of *riba* in a context where there exists no interest-free alternative to conventional interest-bearing loans. For instance, they pay back the mortgage faster than their payment plan dictates. With credit cards, they never miss payments to prevent an interest from accruing on their purchases. They donate the interest gained on savings and current accounts to charity. Some report not taking student loans and using informal savings and credit circles to save for cars, household appliances, and other larger expenses, such as weddings, dental bills, and funerals.

Economic and social effects of non-homeownership

The negative effects of non-homeownership are well-established in the housing literature (Vassenden, 2014; Grødem and Hansen, 2015). Similarly, our informants who are unable to buy a home report feeling stress and financial insecurity. Omar, a Danish-Arabic man in his 40s, describes what it would mean to him to be able to secure a mortgage for purchasing a home:

'I think of no more money into black holes. It is like throwing money into a black pitch when you are in rented housing.'

Omar's sentiment reflects common feelings about having to rent a home as a waste of resources and missed opportunities. In Denmark and Norway, rising property values is a common way of saving and passing on wealth to the next generation. Buying property is also about settling down, deciding where and how to live. This desire creates some tensions, which we heard expressed in this discussion of Danish-Palestinian men in their late 20s, who had decided not to take mortgages for religious reasons:

Abdul: We are kept in a situation and a neighbourhood that we don't want to be in.

Amir: Then you belong to a certain school district.

Adnan: There are many consequences to it. School. Social environment. All those things in relation to one's children, which is what you spend a lot of time thinking about.

These men connected the lack of alternative Islamic financing to a lack of social mobility. They viewed the negative effects not only in economic terms but also in social and emotions ones related to the feelings of belonging on equal term as other citizens to the societies in which they live. Mustapha, a 40-year-old man living in Denmark described it this way:

The act of buying a house shows that you are here. Otherwise, you feel like, I don't know how to put it, but like some sort of guest. You're here on the same terms as anyone else, contributing to society and these things, but because you don't have this kind of opportunities (to buy property) you feel a bit like you're missing a step.

Although Mustafa has grown up in Denmark, he feels like he is losing potential future economic gain because there exists no interest-free finance option that he can use to acquire property. And the economic loss engenders social and emotional loss as well (Vassenden, 2014). Some of our informants, predominantly younger Muslims born in Norway and Denmark, believe they should be entitled to have an Islamic option and perceive the non-availability of Islamic alternatives as a denial of rights to Danish or Norwegian Muslims. Thirty-year-old Aisha, who was born and raised in Norway, explains:

My parents came from a country, came to a completely new country (...) I am personally not connected to my cultural background to the same extent as them. I feel Norwegian, with the rights that a Norwegian is entitled to have. Why should I as a Norwegian, with a foreign background, not have those rights to be able to take up a loan just because I've chosen to follow my parents' religion for example? There are many of us here today, many Pakistanis who are born and raised here, many Africans, many from different backgrounds who think the same thing as me and are sitting together and are thinking 'you know what, we should have the same rights that we're entitled to because we're Norwegian, we're not going anywhere.

Aisha's sentiments are not unique and reflect a feeling among some of the participants born in Denmark and Norway. For them the lack of an Islamic alternative makes it difficult to live as 'a good Muslim' while simultaneously feeling full belonging in Norwegian and Danish society. This tension between being Muslim and being Norwegian or Danish is a recurrent theme in our focus group discussions. While the practical and economic consequences mainly affect those who avoid taking interest-bearing loans, the social and emotional effects of these dynamics are broader and influence experiences of inclusion. We find that, among our research participants, many are pragmatic and take a conventional mortgage even though they would have preferred to avoid taking interest-bearing loans. Whether or not they would actually take an Islamic loan, if such was available, but for instance was more costly, is unknown. However, their feeling of lacking inclusion in equal terms – based on religion – in mainstream society, is real.

Conclusion

In this article we set out to explore what Muslims in a minority context understand by 'Islamic finance', how they perceive the effects of Islamic norms on money and finance on their individual financial choices, and how these norms and decisions influence their sense of inclusion in these societies. Even if Islamic finance is not a concept followed and understood by all participants in our study, religious norms about money and finance, and the prohibition of *riba* (interest) in particular, are well-known. Islamic banking and finance as an ideological project, however, is rarely mentioned. We do, however, find an articulated desire for financial services in the Nordic countries that Muslims would consider legitimate.

Adopting a lived religion approach to analyse how our informants make sense of religious norms on money in their daily lives, we find that these norms matter greatly and shape their everyday economic practices, whether or not they choose to take interest-bearing loans to secure homeownership. Varying interpretations of *riba* emerge as salient as our informants aspire to make autonomous decisions based on their own interpretations. Thus, participation in financial practices involving interest is considered a personal decision, where the individual should be free to make their own choice about which authority to follow. Despite this principled stance on autonomy, we find that particular religious and social norms, dominant in specific immigrant groups and religious communities, are formative. Through applying a lived religion approach to the study of economic norms and practices, we not only gain a deeper insight into the dynamics of how Islamic teaching on money and finance is lived, we also contribute to furthering economic dimensions of the lived religion approach.

Living in a context where there are no alternatives to conventional interest-based finance, Muslims in Nordic countries negotiate the situation in multiple and creative ways. However, for those who opt out of housing ownership via mortgage, a life of renting takes an immense toll financially, but also in terms of stability. Not being a homeowner means a common investment opportunity is forgone and the chance to accumulate and pass on wealth to the next generation adversely impacted.

It is important to note that the lack of alternatives to conventional interest-bearing finance affects some Muslims' experiences of inclusion in Denmark and Norway, and that this is the case to a degree both among those who for religious reasons see it as necessary *not* to take an interest-bearing loan, and thus forego the chance to buy property, but also for those who have obtained an interest-bearing loan, but would have preferred not to do so.

Our findings highlight how presumed universal approaches to welfare, work and economic inclusion in Norway and Denmark are in fact not value free. Through a lived religion approach, it is possible to unpack sometimes subtle nuances, through the prism not primarily of dogma, but rather of everyday economic priorities, choices and constraints. While Islamic banking is not banned in Denmark or Norway, interest-free alternatives are currently unavailable. This lack of an interest-free alternative finance options matters to some Muslims in both Norway and Denmark, and for some the absence of alternatives is perceived as a lack of recognition of their religion and how it shapes their everyday lives, in their respective societies.

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