EMBRACING BOTH SIDES OF THE FINANCIAL COIN FOR A SUSTAINABLE FUTURE AND INCLUSIVE GROWTH**,** by Zunaidah Sulong, Hartini Ab. Ghani, and Salman Lambak (Eds.). 2022. Penerbit UniSZA, Universiti Sultan Zainal Abidin: Malaysia. 191 pages. ISBN: 978-967-2750-32-1.

This book aims to provide conceptual clarification on the theoretical and practical issues surrounding conventional and Islamic finance, Islamic philanthropy, financial institutions, and big data analytics. There are nine chapters in the book that are divided into two parts based on their common themes. The first part is on Islamic finance and financial institutions with six chapters, while the remaining three chapters are grouped under part 2 on finance, banking and big data analytics.

The editors managed to choose chapters that cover a variety of financial issues including cash waqf, waqf-endowment, zakat, sales of debt, Shariah-based stock market, and equity risk management. This diverse content is in line with the title of the book which on two different sides of the financial sector. At the same time, the chapters in the book cover the issues of sustainable future and inclusive growth: poverty eradication, people's welfare and socio-economic care, education sector, financial and stock market, banking sector, tourism sector, big data.

The phrase 'two sides of the same coin' is an idiom used to describe two things that may seem different but are very closely related or interconnected in some way (Cambridge Dictionary, 2023). However, it is not clear what are the two sides of the financial coin from the content of the book due to the diverse themes covered in the chapters. Furthermore, the editors did specify what the two things are, which leave readers to make their own guess. From the title, the two things could be sustainable future and inclusive growth, which are common macroeconomic goals. The two parts of six and three chapters in the book may also represent the two sides of coin although they are not clearly distinct. Perhaps, the correct interpretation is to view financial issues from two different sides, which are the profitability aspect and the sustainability aspect of inclusive development.

The first two chapters are on *waqf*. Chapter 1 highlights the potentials of cash *waqf* as an Islamic social finance instrument to enhance the socio-economic development in Kelantan. The authors conducted library research on previous studies and organized the potential benefits of cash waqf into six areas, which are economic development, strengthening religious purposes, education improvement, healthcare and welfare enhancement, agriculture sector, and social wellbeing. However, these studies are *waqf* examples and practices from elsewhere and recommended by the authors to be emulated by the Kelantan State Religious Council (MAIK). Chapter 2 provides an overview of contemporary waqf-endowments developments to finance higher learning institutions (HLIs). The author compares the differences between waqf and endowment, followed by reviews on the funding methods particularly waqf and endowment practiced by five universities: Al-Azhar, Oxford, Cambridge, Harvard, and Umm Al-Qura. These practices are still effective to provide funding for HLIs today.

Chapter 3 is on zakat, where the authors highlight the mismatch between accounting standard and business zakat practices. The chapter begins with a historical perspective on the evolution of zakat in Malaysia since the arrival of Islam, through colonization and independence, privatization of zakat administration in 1990s, and the issuance of various zakat standards to address the confusion and discrepancy in business zakat computation. The authors believe that more need to be done to harmonize zakat and accounting practices but did not provide details on how to do it.

Chapter 4 reviews the sale of debt practice in the Malaysian Islamic capital market from the shariah perspective. Conflicting opinions between permissibility and prohibition of sale of debt from classical and contemporary scholars including shariah bodies are presented and linked with the Malaysian practice. The authors conclude that the sale of debt practice in Malaysia is dubious and should be avoided.

An empirical study in Chapter 5 investigates the effects of Dow Jones index and four selected macroeconomic variables: exchange rate, money supply, interest rate, and inflation, on Kuala Lumpur Shariah Index (SI) during the 2007-2009 financial crisis period. Using monthly data, the authors found that Dow Jones index and SI are highly correlated, and SI is affected by exchange rate and inflation but not money supply and interest rate. Despite performing several diagnostic tests to ensure data reliability and correct model specification, the estimated models suffer from serial correlation. This can be the consequence of using ordinary least squares (OLS) which underestimate the standard errors (StataCorp, 2023). Furthermore, using OLS to estimate a time series model require strict exogeneity among the explanatory variables (Wooldridge, 2020) or it may not be able to capture the systematic fluctuations (Shin, 2017).

Chapter 6 is a review of equity risk management in Islamic banks from three countries: Indonesia, Iran, and Saudi Arabia. Among the good practices of risk mitigation discussed are increased monitoring, introduction of incentive-compatible constraints, adoption of debt-based contracts, and implementation of focused and selective measures at the pre-investment and post-investment stages. The authors suggest Islamic Development Bank and the central banks of Muslim countries to set an institutionalized and systematic mechanism to provide efficient monitoring of equity investments, and a united effort between the religious scholars and Islamic financial community to promote equity-based investment in Islamic banks.

The second part of the book starts with Chapter 7 on ownership contestability and corporate expropriation. The authors constructed three hypotheses on the relationship between controlling and large shareholders with the payout dividend and proposed a model to examine them. Unfortunately, the chapter stopped at model specification and no data analysis was done to verify the model. This is shocking since financial data are generally readily available and could be used by the authors in their proposed model for hypothesis testing.

Chapter 8 explores the potentials of machine learning approach to expedite financing facility application approval in the Malaysian banking sector. This issue is timely since there is no guideline on the usage of machine learning techniques for financing approval by Malaysian banks. The authors proposed a binary model that depends on applicant personal attributes, bank-level characteristics, and macroeconomic indicators to analyze financing approval status between

approved and declined. They recommended at least 2000 observations of various competing variables for the machine learning process to calculate the performance indicators for each model and select the model with the highest predictive power. Unfortunately, like chapter 7, the authors stopped at the proposed flow of model building and did not perform any data analysis to substantiate the claimed benefits of machine learning to enhance the financing application approval process.

In the last chapter, a model to forecast tourism revenue in Terengganu using big data analytics is proposed. In the model specified by the author, the Terengganu's tourism sector contribution to the state GDP depends on sentiment analysis from online reviews of Terengganu's hotels, Google search keyword trend data, and macroeconomic variables. A total of 18 keywords are listed for sentiment analysis from social site data scraping and search engine data. However, similar to the previous two chapters, the suggested model and proposed research flow are developed from the literature review and there is no data analysis and field research conducted to achieve the objectives of the chapters. This made the last three chapters to resemble research proposals that are yet to be implemented.

In general, the content of many chapters in the book is limited to overview on issues and proposed models based on literature review. Although the limited content is sufficient to realize the book's objective of delivering conceptual clarification on these issues, readers must be careful when using the findings from these chapters since many of the claims are not supported by proper data analysis. Furthermore, the editors are not meticulous in their editing works, where there are spelling and grammatical mistakes in several parts of the book. For instance, the title on the cover page uses the word 'coins' in its plural form, which is incorrect; while the title as provided inside the book uses 'coin' in its singular form, which is correct. Few names of authors and government agencies referred in the chapters are incorrect, such as Mohd Bakar Daud instead of Mohd Daud Bakar (p. 58), and JAUHAR instead of JAWHAR for the Department of Waqf, Zakat and Haj (p. 59). Other examples, the English translation of *riba* is wrongly spelled as 'usuary' instead of 'usury' (p. 71), while Malaysia is described as country that consists of 11 states only instead of 14 (p. 164). The reference styles used in the chapters are also inconsistent and do not fully comply with the APA citation style. These numerous simple mistakes unfortunately lower the quality standard of the book.

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