

REVIEW

of the official reviewer for dissertation work

Kuanova Laura Aibolovna on the theme «The social effectiveness of Islamic finance: theory and practice» presented for the degree of Doctor of Philosophy (PhD) in the specialty «6D050900 - Finance».

№	Criteria	Eligibility (one of the options must be checked)	Justification of the position of the official reviewer
1.	The topic of the thesis (as of the date of its approval) corresponds to the directions of development of science and/or state programs	<p>1.1 Compliance with priority areas of science development or government programs:</p> <p>1) The thesis was completed within the framework of a project or target program financed from the state budget (indicate the name and number of the project or program)</p> <p>2) The thesis was completed within the framework of another state program (indicate the name of the program)</p> <p>3) The dissertation corresponds to the priority direction of the development of science, approved by the Higher Scientific and Technical Commission under the Government of the Republic of Kazakhstan (indicate the direction)</p>	<p>The research topic <u>corresponds</u> to the priority direction of science development “Research in the social sciences and humanities”, approved by the Higher Scientific and Technical Commission under the Government of the Republic of Kazakhstan, has a close connection with the Strategic plan for development of the Republic of Kazakhstan 2050. The topic of the thesis is relevant and meets the needs of science and practice.</p> <p>The dissertation <u>corresponds</u> to the priority direction of the development of science. The thesis uses the provisions of the following state programs and regulatory documents: 1) The Strategy "Kazakhstan-2050"; 2)The Message of the President of the Republic of Kazakhstan – K.K.Tokayev “New Kazakhstan: the path of renewal and modernization” dated March 16, 2022; 3) "Unity of the people and systematic reforms are a solid foundation for the nation’s prosperity". Message of the President of the Republic of Kazakhstan K.K. Tokayev dated September 1, 2021; 4) The State Program "Digital Kazakhstan" approved by December 12, 2017, No. 827 as amended by the Decree of the Government of the Republic of Kazakhstan dated December 20, 2019, No. 949.</p>
2.	Importance for science	The work <u>makes</u> /does not make a significant contribution to science,	<p>The dissertation work makes a significant contribution to science, and its importance is revealed.</p> <p>Proposed the criteria for different economic hierarchy levels for assessing the social effectiveness of Islamic finance.</p>

		and its importance is <u>well disclosed/not disclosed</u>	The methodological recommendations put forward and reasoned in the work are aimed at improving the effectiveness of the application of the proposed methods for assessing the social effectiveness of Islamic finance. The thesis examines the possibilities of using financial technologies in Islamic social financial tools in the interests of the Digital development of the country.
3.	The principle of independence	Self-reliance level: 1) <u>High</u> ; 2) Medium; 3) Low; 4) No independence	The dissertation is a complete independent study. The author's approach can be traced both in the theoretical and methodological study of social effectiveness of Islamic finance, and in the practical analysis and development of recommendations based on the results of a comprehensive review of the problems of the dissertation topic.
4.	The principle of inner unity	4.1 Justification of the relevance of the thesis: 1) <u>Justified</u> ; 2) Partially justified; 3) Not justified.	The dissertation thesis is <u>relevant and justified</u> . There has been gained new theoretical knowledge of the methods of assessing the social effectiveness of Islamic finance. The dissertation research results can become the basis for setting new research tasks for both domestic and world science.
		4.2 The content of the thesis reflects the topic of the thesis: 1) <u>Reflects</u> ; 2) Partially reflects; 3) Does not reflect	The content of the dissertation <u>reflects</u> the topic of the dissertation. The theoretical aspects of the social component of Islamic finance, the specific Islamic social financial tools, justification of methodological approaches for assessing the social effectiveness of Islamic finance are considered. The analysis of Islamic finance development, the estimation of potential Islamic finance amount, and potential zakat collection in Kazakhstan, the analysis of the role of Islamic financial institutions of the country in solving social issues are carried out, appropriate recommendations based on the assessment of the effectiveness of financial technologies in the form of crowdfunding and blockchain in Islamic social finance are proposed.
		4.3. The purpose and objectives correspond to the topic of the thesis: 1) <u>correspond</u> ; 2) partially correspond; 3) do not correspond	The purpose and objectives <u>correspond</u> to the topic of the thesis. The purpose of the dissertation is to study the theoretical and methodological foundations of the social effectiveness of Islamic finance and development practical recommendations for the successful implementation of Islamic financial instruments in the financial system of the Republic of Kazakhstan. The objectives set contribute to the achievement of the research purpose and are aimed on: - the study of theory of the social component of Islamic finance, its economic nature and functional forms;

			<ul style="list-style-type: none"> - the analysis of the methodological approaches for the assessment of Islamic finance's social effectiveness; - the assessment of the potential social effects of Islamic finance in the Republic of Kazakhstan; - the analysis of the role of Islamic financial institutions in solving social problems of the Republic of Kazakhstan; - the proposal of organizational mechanisms for the institutional support for the Islamic finance development in the Republic of Kazakhstan.
		<p>4.4 All sections and provisions of the thesis are logically interconnected:</p> <ol style="list-style-type: none"> 1) <u>completely interconnected</u>; 2) the interconnection is partial; 3) there is no interconnection 	<p>All sections and provisions of the thesis are logically <u>completely interconnected</u>. In the first chapter, the theoretical and methodological foundations of the topic under study are considered, in the second chapter, the analysis of the current situation of Islamic finance and assessment of social effects of Islamic finance in Kazakhstan are carried out and the potential of Islamic finance and its social tools are evaluated, in the third chapter, organizational and economic mechanisms for improving the existing system are proposed.</p>
		<p>4.5 The new solutions (principles, methods) proposed by the author are reasoned and evaluated in comparison with the known solutions:</p> <ol style="list-style-type: none"> 1) <u>there is a critical analysis</u>; 2) partial analysis; 3) the analysis does not represent one's own opinions, but quotes from other authors 	<p>The author suggests new approaches and solutions based on a critical analysis of the of previous domestic and foreign research. And the new solutions proposed by the author (principles, methods) are reasoned and evaluated in comparison with the known solutions.</p>
5.	Scientific novelty principle	<p>5.1 Are the scientific results and provisions new?</p> <ol style="list-style-type: none"> 1) <u>completely new</u>; 2) partially new (25-75% are new); 3) not new (less than 25% are new) 	<p>Scientific novelty is reflected in the formulation, theoretical justification and practical solution of a complex of methodological and scientific-practical issues related to social effectiveness of Islamic finance:</p> <ul style="list-style-type: none"> - the concepts of the social function of Islamic finance and Islamic social finance have been clarified and delineated; - by identifying the role of specific Islamic social financial instruments - zakat, waqf, and Islamic microfinance, considering the peculiarities of the foreign countries' experience, the forms range of Islamic social finance for Kazakhstan has been expanded;

			<ul style="list-style-type: none"> - the methodology for assessing the social effectiveness of Islamic finance at different levels of the economic hierarchy has been proposed; - the methods of assessing the potential Islamic finance assets and potential zakat amount have been proposed, and their impact on the welfare of socially vulnerable groups of the population of the country has been determined; - the role of Islamic financial institutions and non-financial organizations in solving social problems in Kazakhstan has been substantiated; - the measures for improving the social effectiveness of Islamic finance in the Republic of Kazakhstan based on the application of information technologies such as crowdfunding and block chain have been proposed; - the recommendations on institutional support for implementing the social function of Islamic finance in the Republic of Kazakhstan have been developed.
		5.2 Are the dissertation findings new? 1) <u>completely new</u> ; 2) partially new (25-75% are new); 3) not new (less than 25% are new)	The findings of the dissertation thesis are new and serve as the logical conclusion of the conducted research.
		5.3 Technical, technological, economic or management decisions are new and reasonable: 1) completely new; 2) <u>partially new (25-75% are new)</u> ; 3) not new (less than 25% are new)	The proposed organizational mechanisms for the institutional support for the Islamic finance development in the Republic of Kazakhstan, the developed conceptual model of institutional support for implementing the social functions of Islamic finance, and predicted effects of application of financial technologies prospects to enhance the social effectiveness of Islamic finance in the Republic of Kazakhstan are partially new, and complement, systematize and expand existing mechanisms.
6.	The validity of the main findings	All main conclusions <u>are</u> /are not based on scientifically significant evidence or well-grounded (for qualitative research and areas of training in the arts and humanities)	The scientific results, conclusions and recommendations of the dissertation are justified and reliable. This is confirmed by compliance with the requirements for scientific research, determined by the use of general scientific research methods, the use of the works of foreign and domestic scientists who have made a great contribution to the theory and practice of the problem under consideration, publications of the main provisions.
7.	The main provisions for the defense	It is necessary to answer the following questions for each provision separately: 7.1 Is the provision proven?	The First provision – systematization and justification of social benefits and competitive advantage in crises of Islamic finance compared to conventional finance, based on the primary sources and previous research. 7.1. proven;

		<p>1) proven; 2) rather proven; 3) rather not proven; 4) not proven</p> <p>7.2 Is it trivial? 1) yes; 2) no</p> <p>7.3 Is it new? 1) yes; 2) no</p> <p>7.4 Application level: 1) narrow; 2) medium; 3) wide</p> <p>7.5 Is it proven in the article? 1) yes; 2) no</p>	<p>7.2. no; 7.3. no; 7.4. wide; 7.5. yes – L.A.Kuanova, R.K.Sagiyeva, N. Shirazi. Islamic social finance: a literature review and future research directions,/ Journal of Islamic Accounting and Business Research, 2021 Vol. 12 No. 5, 707-728 Emerald Publishing, The second provision - specific Islamic social finance - zakat, waqf and microfinance, play a crucial role in addressing the social problems of the population.</p> <p>7.1. proven; 7.2. no; 7.3. no; 7.4. wide; 7.5. yes - L.A.Kuanova, N. Shirazi, A. Zhuparova. Islamic Social Finance and the impact of the Covid-19 pandemic / Economy: Strategy and Practice Journal, Issue 1 (16), 2021, 106-116, Institute of Economics, the Science Committee of Ministry of Education and Science RK. The fourth provision - assessment the social effectiveness of Islamic finance at different economic hierarchy levels.</p> <p>7.1. proven; 7.2. no; 7.3. yes; 7.4. wide; 7.5. yes - L.A.Kuanova, Shirazi, N.S., Ryskulov, A. and Mukusheva, A.G. The experience and the prospects of Islamic finance in Kazakhstan / Qualitative Research in Financial Markets, Emerald Publishing. The fifth provision – evaluation of the potential assets of Islamic finance in the country, and the potential zakat collection.</p> <p>7.1. proven; 7.2. no; 7.3. yes; 7.4. wide;</p>
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8.	The principle of reliability Reliability of sources and information provided	8.1 Choice of methodology - is justified or the methodology is described in sufficient detail 1) <u>yes</u> ; 2) no	The choice of methodology is <u>justified</u> and detailed in the thesis. The following methods were used in the dissertation: generalization, systematization, comparison, historical and logical methods – to study the economic essence of the concept of the Islamic finance’s social component (section 1.1); analysis of foreign experience in the development of Islamic finance and the use of social tools (section 1.2); analysis of the legislative framework of Kazakhstan for the activities of Islamic financial and non-financial institutions (section 2.1); narrative and statistical analysis - for investigation the state of the Islamic financial system (section 2.1); SWOT analysis and the method of expert assessments - for determining the priority directions of the development of Islamic finance in solving social problems (section 2.2); interview and questionnaire (section 2.2, 2.3); financial analysis – for assessing the social effectiveness of Islamic finance (section 2.3) and its impact on the social well-being of the country (section 3.1).
		8.2 The results of the thesis were obtained using modern methods of scientific research and methods of processing and interpreting data using computer technologies: 1) <u>yes</u> ; 2) no	The results of the thesis were obtained <u>using modern</u> methods of scientific research.
		8.3 Theoretical conclusions, models, identified relationships and patterns have been proven and confirmed by experimental research (for areas of training in pedagogical sciences, the results have been proven on the basis of a pedagogical experiment): 1) <u>yes</u> ; 2) no	Theoretical conclusions, models have been <u>proven and confirmed</u> by assessment of the effectiveness of Islamic finance and social-economic efficiency of social projects based on Islamic social instruments. As the result of the study, the Act on the implementation has been signed by the Public Foundation "UME Social Services" for realization in the social market activities (Appendix A).
		8.4 Important statements are confirmed / partially confirmed / not	Important statements are <u>confirmed</u> by references to relevant and reliable scientific literature. The list of references contains 149 sources, which are referenced in the dissertation.

		confirmed by references to current and reliable scientific literature	
		8.5 Used literature sources are <u>sufficient</u> /not sufficient for a literature review	The literature sources used are <u>sufficient</u> for a literary review. The theoretical and methodological review is based on an in-depth analysis of domestic and foreign scientific publications.
9	Practical value principle	9.1 The thesis has theoretical value: 1) <u>yes</u> ; 2) no	In the thesis gained new theoretical knowledge of the methods of assessing the social effectiveness of Islamic finance. Theoretical conclusions and the results of this research are essential for developing theoretical and methodological foundations for studying social instruments of Islamic finance, the socio-economic efficiency of the application, and the expansion of the range of Islamic finance functions in solving social problems. The dissertation research results can become the basis for setting new research tasks for both domestic and world science.
		9.2 The thesis is of practical importance and there is a high probability of applying the results obtained in practice: 1) <u>yes</u> ; 2) no	The results of thesis can be useful for assessing the social effectiveness and socio-economic efficiency of social business. The conclusions, proposals, and scientific and practical recommendations can be taken into account and used in the implementation, development, and improvement of strategies, programs, concepts, and development plans of the Ministry of Labor and Social Protection of the Republic of Kazakhstan and the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market within the Ministry of Finance. The results obtained during the research will contribute to the development of instruments of Islamic finance by integrating financial technologies into the activities of the "Zeket and charity" foundation of Kazakhstan to ensure transparency and openness, which in turn, will lead to an increase in the financing of social projects and reduce the cost of state assistance for the socially vulnerable population of the country.
		9.3 Are the practice suggestions new? 1) completely new; 2) <u>partially new</u> (25-75% are new); 3) not new (less than 25% are new)	The proposals for practice are partially new and can be used by state and local authorities, scientific institutes and researchers.

10.	The quality of writing and design	Academic writing quality: 1) <u>high</u> ; 2) average; 3) below average; 4) low.	The quality of academic writing is high. The author is able to express and justify his thoughts through a brief, at the same time sufficiently convincing scientific text, gives the results of her own research. In addition to the facts, the dissertation contains logical reasoning and understanding of the effective part.
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In reviews, official reviewers indicate one of the following solutions:

- 1) to award the degree of Doctor of Philosophy (PhD) or Doctor of Specialization;
- 2) send the thesis for revision (except for cases of thesis defense in the form of a series of articles);
- 3) refuse to award the degree of Doctor of Philosophy (PhD) or Doctor of Specialization.

Copies of the reviews of the official reviewers are handed over to the doctoral student no later than 5 (five) working days before the defense of the thesis.

Official Reviewer:

**Doctor of economic sciences,
professor of Eurasian technological University
director, «AGT Global» LLP**



Abdrakhmanova Gulnar Timurovna