

Awareness and Attitude of Pakistani Public towards Islamic Bonds (Sukuk): A Survey Report

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Abstract: *This study employs a survey-based methodology to investigate the awareness and attitudes of individuals towards Islamic bonds, particularly Sukuk. The survey questionnaire utilizes a Likert Scale approach, allowing participants to express their perspectives through five response options ranging from "strongly disagree" to "strongly agree." The findings reveal significant insights into participants' perceptions of Islamic bonds. For instance, a noteworthy 64.4% of respondents agree that Sukuk are based on mutually beneficial contracts, while 73.9% express a willingness to shift from conventional to Islamic bonds. Additionally, 57.5% of participants endorse the idea that Sukuk are not exclusively designed for Muslim investors. The study also highlights how demographic variables, such as age and education, contribute to variations in attitudes. In summary, this research enhances our understanding of public perceptions regarding Islamic bonds, offering valuable insights into the nuances of attitudes towards Sukuk.*

Keywords: Bonds, Sukuk, Awareness, Survey, Attitudes, Pakistan, Islamic

Introduction

Islamic finance has emerged as a pivotal player in the global economic landscape, underpinned by its principles rooted in Shariah law. A cornerstone of this financial paradigm is Sukuk, commonly referred to as Islamic bonds, which represent a unique form of financial instrument that adheres to the principles of Shariah while meeting the diverse financial needs of both individuals and entities. In recent years, the awareness and

attitudes of various societies towards Sukuk have garnered significant attention due to their potential to reshape conventional financial practices and contribute to sustainable economic development.

The concept of Sukuk is not limited to a specific region but resonates across diverse geographical contexts, evoking interest and contemplation among researchers and market participants alike. Notably, scholarly endeavors have sought to delve into the awareness and attitudes of the public towards Sukuk, unraveling intricate layers that influence their adoption, perception, and efficacy. This article delves into a comprehensive exploration of the awareness and attitudes of the Pakistani public towards Islamic bonds, Sukuk, unraveling insights garnered from a plethora of studies spanning different regions and contexts. Studies such as Ahmad and Isah (2018) have illuminated the interplay between awareness and perceptions in regions such as Nigeria, showcasing how heightened awareness can positively influence public perceptions of Sukuk (M. S. Ahmad & Isah, 2018) . This observation resonates with the overarching principle that the dissemination of knowledge about Sukuk is instrumental in fostering public understanding, subsequently fostering an environment conducive to their acceptance and utilization. Furthermore, Rahman et al. (2020) delve into the development of socially responsible investment (SRI) Sukuk in Malaysia, indicating a broader global trend towards sustainable finance (Rahman et al., 2020). As the world grapples with mounting environmental and social challenges, SRI Sukuk emerge as a vehicle to channel financial resources towards socially impactful endeavors, thereby reflecting a shift in the attitudes of market participants towards more ethically aligned investment avenues.

While the potential of Sukuk remains significant, their legitimacy and adherence to Shariah principles remain paramount. Studies such as those conducted by Ahmed, Islam, and Amran (2019) emphasize the importance of Shariah compliance and the role of Shariah supervisory boards in shaping the legitimacy disclosure of Sukuk structures (Ahmed et al., 2019) . These findings underscore the crucial role of religious authorities in influencing the public perception of Sukuk, thereby highlighting the intersection between religious principles and financial decisions.

In tandem with this, investigations into the determinants of Sukuk issuance, such as Shahida and Saharah's (2013) research on Malaysian firms, underscore the significance of regulatory improvements and facilitative infrastructure to foster the growth of the Sukuk market (Shahida S & Sapiyi Saharah, 2013). This implies that an environment conducive to Sukuk issuance hinges upon both regulatory frameworks and market dynamics, thereby framing the attitudes of potential issuers and investors alike.

Furthermore, the evolving landscape of Sukuk necessitates a critical assessment of their inherent risks. Al-Sayed's (2013) study underscores the unique attributes of risk within Islamic finance, including Sukuk, and emphasizes the need for Shariah-compliant risk management practices (Al Sayed, 2013). As Sukuk continue to gain traction within diverse economies, the assessment and management of risks are poised to shape attitudes towards these instruments.

As Pakistan continues its journey toward becoming a hub for Islamic finance, Sukuk stand as a cornerstone of this endeavor. By undertaking a survey-based study that delves into the awareness and attitudes of the Pakistani public toward Sukuk, we strive to provide a nuanced understanding of the current perceptions surrounding these Islamic financial instruments. This exploration serves not only to contribute to academic discourse but also to inform the development of Islamic finance strategies that resonate with the beliefs and preferences of the Pakistani populace.

Literature review

Unlike conventional bonds, which are based on the framework of a loan enforced with interest, sukuk is a unique investment vehicle with an adjustable framework depending on Islamic financial contracts (Bhuiyan et al., 2020). Sukuk is a dynamic and feasible financial tool for prosperity, particularly in the area of developing infrastructure. It encourages equitable growth and lowers poverty by establishing economic connections that provide many people access to the economy and lead to the creation of employment (Al Madani et al., 2020). Sukuk, or Islamic investment certificates, have become more popular since 2000. In contrast to a traditional bond, which has a contractual duty for the issuer to pay principal and interest to bondholders on certain dates, a sukuk represents an ownership claim rather than a cash flow requirement (Mseddi, 2023).

Research has shown that the growth of the sukuk market would benefit the Islamic financial sector and have a favourable impact on the financial welfare of Muslim nations as well (Yıldırım et al., 2020). Better efficiency offered by the sukuk structure helps to cut down on waste and fraud since investors need to use productive assets to make money. Furthermore, Sukuk offers investment diversification, particularly for those who choose not to participate in traditional bonds with an interest component (AbdulKareem, Mahmud, & AbdulGaniyy, 2021). In Islamic finance, sukuk are seen as an alternate option. Sukuk, though, differs from bonds in terms of its framework and conditions. Comparing the outcomes and integration of sukuk and bonds issued simultaneously is challenging in the available research (Balli et al., 2021). Owing to its moral and Islamic

tenets, sukuk have drawn a lot of interest recently from a variety of investors, including governments, businesses, institutional investors, and fund managers (Uluyol, 2023). It is interesting that Islamic finance might be used in both Muslim and non-Muslim countries. As everyone is aware, Islamic finance continues to be growing rapidly in recent years. Despite having a tiny share in the worldwide economy, it draws every professional in the industry with an average annual growth rate of 20% (Siswantoro, 2018). Sukuk has been extensively used globally over the last 20 years to fund government infrastructure projects as well as corporate operations. Sukuk shares a structure with conventional bonds, much like Islamic banks that have provided alternative financing options to traditional banking since the 1980s. However, sukuk allows both local and foreign businesses to raise cash via Islamic capital markets in accordance with Islamic principles (Godlewski et al., 2013).

Ahmad et al. in his article explores the awareness and perception of Nigerian Muslims in Kano State towards Sukuk financing as an alternative to conventional bonds for infrastructure development (M. S. Ahmad & Isah, 2018). Through a sample of 200 respondents and questionnaires, the study reveals a positive correlation between Sukuk awareness and perception among Nigerian Muslims. It emphasizes the need for increased awareness efforts by both government and market stakeholders to enhance understanding and recognition of Sukuk. The study employs the Theory of Planned Behaviour (TPB) and draws from prior research indicating the influential role of awareness on Islamic banking perception. To promote Sukuk adoption, the article underscores the necessity of enlightenment campaigns to familiarize the Nigerian populace with Sukuk's structure and benefits, aligning with the observed positive impact of awareness on Sukuk perception among Nigerian Muslims.

Rahman et al. in his study examines the development of socially responsible investment (SRI) Sukuk in Malaysia, investigating motivating factors for investors and issuers as well as challenges faced (Rahman et al., 2020). Through semi-structured interviews with 19 experts, 10 of whom participated, the research identifies social contributions through business activities as key incentives for stakeholders. Challenges encompass investment risks, absence of performance measurement standards, high transaction costs, return uncertainties, Islamic bond scarcity, low investor confidence, and limited awareness. While the study suggests broader research to validate findings, its contribution to Sukuk literature and policy implications for enhancing SRI Sukuk attractiveness resonate. The study underscores the global shift toward sustainable finance, and despite limitations, its insights offer valuable guidance for addressing challenges and promoting socially impactful investments in the Malaysian market.

Awn and Azam investigate the influence of awareness and Sharia compliance as moderators on Libyan

investors' intention to invest in Islamic Sukuk, using the Theory of Reasoned Action (TRA)(Awn & Azam, 2020) . The study examines the relationship between attitude and investment intention through modified questionnaires and PLS SEM analysis. Empirical evidence highlights the impact of Sharia compatibility and attitude on investment in Islamic Sukuk, with 'Ulamaa' playing a pivotal role in raising awareness and encouraging Sharia-compliant investments. The research contributes to Sukuk legitimacy discourse, promoting awareness of halal investment principles and advocating potential adjustments to regulatory frameworks to enhance risk-reduction in asset-backed structures.

Ahmed and others delve into the legitimacy of Sukuk structures through Shariah pronouncements(Ahmed et al., 2019) . Analyzing 54 Islamic Sukuk in Malaysia, the study explores the presence and extent of legitimacy disclosure in Shariah pronouncements. The empirical findings underscore the role of Shariah supervisory boards in shaping legitimacy disclosure. By addressing the relationship between Shariah boards and Sukuk legitimacy, the study contributes to the existing Sukuk structure literature, highlighting the significance of promoting Shariah compliance and increasing awareness of its importance. The research suggests potential regulatory adjustments for enhancing the market's movement toward asset-backed structures.

Ahmad and Isah reexamine the awareness, perceptions, and infrastructure needs concerning Sukuk in Nigeria (S. M. Ahmad & Isah, 2018) . Assessing the relationship between awareness and perceptions using a sample of 200 respondents in Kano state, the study underscores the positive influence of Sukuk awareness on perceptions among Nigerians. The findings accentuate the necessity for enhanced enlightenment campaigns by government and market stakeholders to increase awareness and understanding of Sukuk, thereby facilitating its greater adoption as an alternative mode of financing infrastructural development in Nigeria. The study contributes to the discourse on promoting Sukuk awareness and encouraging its utilization.

Ahmed and others introduce a novel measurement of Sukuk legitimacy based on content analysis, emphasizing the role of Shariah committees in ensuring compliance with Shariah principles (Ahmed et al., 2014) . Investigating the components of Shariah pronouncements, the study highlights the importance of structure, documentation, and Shariah agreements in establishing the legitimacy of Sukuk. Shariah committees are identified as crucial for accurate auditing and control, safeguarding against noncompliance with Shariah principles that could result in legal consequences for Sukuk issuance. The research accentuates the need for knowledgeable committee members who understand the complexities of capital market instruments, ultimately contributing to improved Shariah disclosure and the overall legitimacy of Sukuk.

Hidayat conducts a comparative analysis between asset-based and asset-backed Sukuk structures from a Shariah perspective(Hidayat, 2013) . The study addresses why asset-based Sukuk structures remain dominant

despite critiques since 2008. Through a qualitative approach using library/literature sources, the study finds that asset-backed Sukuk structures are more Shariah-compliant in both form and substance. The study uncovers three categories of reasons for the continued prevalence of asset-based Sukuk: Shariah considerations, legal frameworks, and market demand. The research underscores the importance of promoting Shariah compliance and raising awareness about the significance of adhering to both form and substance, suggesting regulatory adjustments to encourage a shift toward asset-backed structures.

Hamzah et al. (2018) examine risk shifting behavior in bonds and debt-based Sukuk, addressing the potential threats posed by this behavior in the global financial system (Hamzah et al., 2018) . The study highlights the presence of risk shifting not only in the bond system but also in debt-based Sukuk, indicating the need for risk-sharing features in equity-based financing to mitigate such behavior. The research emphasizes the necessity for global awareness regarding the dangers of debt and imitation Sukuk, urging regulatory focus on curbing risk shifting and promoting stability through equity-based financing mechanisms.

Shahida and Saharah investigate the determinants of firms issuing Sukuk over conventional bonds in Malaysia (Shahida S & Sapiyi Saharah, 2013) . By analyzing 79 listed firms from 2001 to 2010, the study identifies factors such as firm size, past Sukuk issuance experience, and tax incentives that significantly influence the decision to issue Sukuk. The research suggests the importance of regulatory improvements and facilitative infrastructure to foster the growth of the Sukuk market, aiming to encourage firms based on the identified determinants. The study contributes to understanding the dynamics of Sukuk issuance and the factors driving its adoption.

Ahmed et al. (2013) addressed the contemporary challenges and prospects of Sukuk in Islamic investment and finance (Ahmed et al., 2013) . Highlighting its influential position in various economic and banking transactions, the research underscores Sukuk's success and rapid growth in the global financial landscape. The study identifies challenges facing Sukuk on different fronts: as a market, in its development, and in its mechanisms. By exploring these challenges, the research contributes to a comprehensive understanding of the current landscape and potential future directions for Sukuk.

Abdul Karim explores the awareness and understanding of UiTM Dungun Terengganu Branch students regarding the effectiveness of Sukuk in contributing to the welfare of society in Malaysia (Abdul Karim, 2022) . The study aims to assess students' comprehension of Islamic-based investment systems, particularly Sukuk, and their awareness of welfare Sukuk contracts' role in supporting Malaysians' daily lives. Conducted among 110 students from various courses, the research employs a Likert scale questionnaire distributed through Google Form. Data analysis involves Microsoft Excel and SPSS for descriptive analysis, reliability tests, and

Mean Score Interpretation Table by Nunnally and Bernstein (1994). The study seeks to provide insights into students' perceptions and understanding of Sukuk's potential impact on societal welfare in Malaysia. The abstract of the article by Lahsasna and Lin (2012) discusses the Shariah issues present in Islamic capital markets, specifically in Sukuk (Lahsasna & Lin, 2012). It highlights the replication of conventional bond features in Sukuk structures, such as late payment penalties, trading of debt-based Sukuk, purchase undertakings in equity-based structures, and ownership status in asset-based transactions. These issues raise concerns from a Shariah perspective, and the paper compiles various references to illuminate the diverse range of Shariah viewpoints. The authors emphasize the need for balance between the growth of the Sukuk market and the adherence to Shariah principles. In the conclusion, the authors note that the highlighted Shariah issues extend beyond Sukuk and can also affect Islamic banking practices. They underline that the replication of conventional bond features in Sukuk structures has led to ongoing discussions, which are addressed by fiqh academies and regulatory bodies. The article suggests a comprehensive, long-term solution to ensure the successful development of Islamic finance, including Sukuk, within Shariah boundaries while remaining attractive to investors and corporations.

In "The contracts, structures and pricing mechanisms of sukuk: A critical assessment" by Razak, Saiti, and Dinç (2019), the study addresses the contracts, structures, and pricing mechanisms of sukuk, focusing on various sukuk instruments and their pricing mechanisms (Razak et al., 2019). The paper highlights the importance of technical elements in differentiating sukuk from conventional bonds and discusses solutions to critical issues related to sukuk. The findings indicate that sukuk have demonstrated resilience and maintained growth despite challenges. Sukuk's potential benefits over conventional bonds include return expectations tied to principal assets, lower volatility, transparency through information disclosure, and their ability to weather crises. The authors suggest that sukuk's expansion into both Islamic and conventional markets requires continued promotion and education. The research identifies key issues of different sukuk types and provides recommendations for addressing them, though further research is needed for their implementation.

In "A critical assessment of retail sovereign sukuk in Indonesia", the paper evaluates retail sovereign sukuk in Indonesia as a unique instrument for raising government funds (Sukmana, 2020). The study employs qualitative research methodologies, combining literature review, data from sukuk.com, official documents, and interviews with government officials. The study identifies competitive rates, individual accessibility, and risk-free funding as specific sukuk features. Additionally, economic growth and large populations contribute to sukuk's success. This research is expected to serve as a reference for other governments interested in adopting similar funding instruments, potentially leading to improved wealth distribution due to individual

eligibility for purchasing the sukuk.

In "A Thematic Literature Review On Sukuk" (2019), the paper addresses the lack of comprehensive literature on sukuk within the field of Islamic finance (Morni, 2019). It presents a thematic review, covering themes such as the structure and nature of sukuk contracts, theories employed in sukuk research, a comparison between sukuk and bonds, investors' perceptions of sukuk, and the impact of sukuk on economic growth. The paper not only summarizes the main points covered in existing literature but also identifies trends, issues, and limitations in sukuk research. It provides insights into the potential for future research directions in this area. In "Sukuk risk: analysis and management" by Al-Sayed (2013), the paper explores the concept, sources, causes, and mechanisms of dealing with and controlling risks associated with Sukuk (Al Sayed, 2013). It emphasizes the unique attributes of risk in Islamic finance and discusses whether Sukuk are less risky than conventional bonds. The study highlights the importance of asset risk management practices and suggests steps for regulators, such as product innovation, documentation, monitoring, and audit of Sukuk to ensure Shariah compliance. Conventional risk measurements and management strategies, including diversification and hedging, can be applied to Sukuk with consideration of Shariah rules.

In "Market reactions towards the announcement of sukuk issuance: Evidence from Malaysian market", the study investigates market reactions to the announcements of sukuk issuance in the Malaysian market (Mohamed et al., 2017). It uses event study methodology and considers different time windows, including before, during, and after the financial crisis. The study finds that the market reaction is significantly negative a day before and on the announcement date, and positive 30 days after the announcement. The positive reaction during the crisis period suggests that sukuk issuance might have signaled financial strength during economic downturns. The study recommends using the findings to form better investment strategies and highlights the potential impact of sukuk offerings on wealth distribution and high-income aspirations in Malaysia.

In "Shari'ah-compliant Sukuk versus conventional bond announcements: is there a wealth effect?", the researchers employ event study methodology to analyze the stock price reactions to issuance announcements of Islamic bonds (Sukuk) and conventional bonds in multiple economic settings across different markets (Khartabiel et al., 2020). The analysis concludes that, before to the 2008 global economic meltdown, the market's response to Sukuk and conventional bond announcements was negligible. Both categories see a markedly poor market response during the crisis. Following the crisis, the market has responded positively and significantly to Sukuk, perhaps as a result of growing consumer knowledge of and demand for Islamic

financial instruments, whereas the response to conventional bonds has remained negligible. Additionally, the research finds that variables like leverage, offer size, and company size affect stock returns at various times, corroborating models like unbalanced facts and signalling.

In 2020 a study conducts a bibliometric analysis of socially responsible investment (SRI) Sukuk literature to identify trends and research clusters (Khartabiel et al., 2020) . The analysis covers 232 peer-reviewed papers published from 1970 to May 2019. The study suggests that there's a need for research on the determinants of SRI Sukuk investment and cross-country studies to explore the impact of SRI Sukuk on economic development.

In "Factors influencing Nigerians to invest in Sukuk for infrastructure development" the researchers investigate the elements impacting the decision to make a sukuk investment for infrastructure development in Nigeria (AbdulKareem, Mahmud, & Oyetunji, 2021) . Using a quantitative research approach with survey questionnaires, the study finds that attitude, subjective norms, perceived behavioral control, and religiosity have a positive relationship with the aim to make investments in Islamic bonds. However, the amount of information has a negative relationship with this intention. The study can guide Sukuk issuers in understanding the factors influencing potential investors' intentions and contribute to Islamic financial institutions' understanding of the adoption of Sukuk.

In "Sharia accounting standard for sukuk (Islamic bond) accounting in Indonesia", the paper analyzes the need for specific accounting standards for Sukuk accounting in Indonesia (Siswantoro, 2018) . The study discusses the conflict between International Financial Reporting Standards (IFRS), which require interest rate-based valuation, and Islamic principles that prohibit interest. The Indonesian Institute of Accountants issued SFAS No. 110 to address this issue. The study highlights the conflicts between the global recognition of IFRS and the locally adopted SFAS No. 110 in Indonesian Islamic banks' management. It also observes the differences in sukuk accounting treatments before and after the standard's adoption.

These studies collectively explore various aspects of Sukuk, including socially responsible investment, investor intentions, and accounting standards, providing insights into the evolving landscape of Islamic finance and Sukuk.

Survey Methodology

Our study employed a survey-based approach to gather insights directly from individuals within our immediate circles. The survey questionnaire was adopted (Buchari et al., 2015) and modified according to our objectives to comprehensively explore participants' awareness and attitudes towards Islamic bonds, specifically Sukuk. The questionnaire comprised a series of questions, each accompanied by five response options: "strongly disagree," "disagree," "neutral," "agree," and "strongly agree." This utilization of the Likert Scale was chosen as the framework for analyzing the collected responses. Through this approach, participants were given the opportunity to express their degree of agreement or disagreement with various statements concerning Sukuk, allowing for a nuanced and comprehensive assessment of their perceptions and attitudes.

Interpretation of Likert Scale Data:

In this study, Likert scale data is employed to gauge respondents' attitudes and perceptions regarding Islamic bonds (Sukuk). The Likert scale, a commonly used tool in survey research, facilitates the measurement of respondents' opinions through a range of options, each assigned numerical values. These values help quantify the degree of agreement or disagreement with a particular statement or question. To interpret the collected Likert scale data, the average value of responses will be calculated, utilizing a scale where 1 represents "Strongly Disagree" and 5 signifies "Strongly Agree."

Interpreting the Average and Contextual Insights:

The calculated average offers a central indicator of respondents' collective sentiment toward the subject matter. An average closer to 1 or 2 suggests a more negative sentiment or disagreement, while an average closer to 4 or 5 indicates a more positive sentiment or agreement. An average near 3 reflects a neutral or uncertain viewpoint. This quantitative approach is complemented by considering the spread of responses using measures like standard deviation and frequency distribution, allowing for a comprehensive understanding of response variability.

It's important to note that while the average provides quantitative insight, the context of the survey statement is vital in accurate interpretation. Additionally, qualitative insights from open-ended comments are pivotal in gaining a deeper understanding of respondents' opinions. By combining quantitative averages and qualitative insights, a holistic interpretation of the Likert scale data will be achieved, contributing to a nuanced understanding of respondents' attitudes and perceptions toward Islamic bonds (Sukuk).

Findings and discussions

Descriptive analysis

Frequency of demographic profile

The demographic profile of the survey participants encompasses several key aspects, including gender, age, education level, occupation, and marital status. Out of the total of 75 respondents, 45 individuals (60%) identified as male, while 30 respondents (40%) identified as female. The age distribution reveals that the majority of respondents, 56 participants (74.7%), fall within the age range of 20 to 30 years, demonstrating a prominent representation of young adults. A smaller percentage, 9 individuals (12%), are aged between 31 and 40 years, and only one participant (1.3%) falls within the 41-50 age group.

Turning to the education level, 31 respondents (41.3%) reported having a Bachelor's degree (BS), while 24 participants (32%) hold a Master's degree (MS). Additionally, 10 individuals (13.3%) indicated having an educational background classified as "Others," signifying diverse educational paths within the sample. The occupational distribution showcases that the largest segment, 30 participants (40%), are students, followed by 22 respondents (29.3%) employed in the private sector. Notably, 13 individuals (17.3%) identified as self-employed, and 6 participants (8%) are government employees.

Examining marital status, a significant proportion of respondents, 58 individuals (77.3%), reported being unmarried, while 17 participants (22.7%) indicated that they are married. The absence of divorced or widowed respondents in the current sample further underscores the composition of the surveyed population. These demographic insights provide a comprehensive overview of the participants' characteristics, aiding in contextualizing the subsequent analysis of their awareness and attitudes towards Islamic bonds (Sukuk).

Item	Category	Frequency	Percentage(%)
Gender	Male	45	33.3
	Female	29	40.4
	Total	74	100
Age	Below 20	8	10.7
	20-30	56	76
	31-40	9	12
	41-50	1	1.3
	51-60	0	0
	61-above	0	0
	Total	75	100
Educational background	Secondary School	5	6.7
	Diploma	1	1.3
	BS	31	41.3
	MS	24	32
	PhD	4	5.3
	Others	10	13.3
	Total	75	100
Occupation	Student	30	40
	Self Employed	13	17.3
	Government Employee	6	8
	Private Employee	22	29.3
	House wife	4	5.3
	Retired	0	0
	Total	75	100
Marital status	Unmarried	58	77.3
	Married	17	22.7
	Divorced	0	0
	Widowed	0	0
	Total	75	100

Results of awareness and attitudes

1. A significant 64.4% of respondents agree that sukuk operate on the basis of mutually beneficial contracts.
2. A substantial 46.6% of participants agree that sukuk enjoy widespread recognition both within their local context and on a global scale.

3. An encouraging 73.9% of respondents express willingness to transition from conventional bonds to Islamic bonds, reflecting a positive sentiment towards the latter.
4. Among the surveyed group, a substantial 63% of respondents assert that sukuk adhere to the principles of Shariah law in their functioning.
5. Surpassing half of the participants, 57.5% of respondents agree that sukuk are not exclusively offered to Muslims, challenging the perception of their target audience.
6. Embracing the principles of risk-sharing, 44.5% of respondents support the notion that sukuk are structured based on a risk-sharing model.
7. Offering an evaluative perspective, 54.2% of participants concur that sukuk advertisements maintain transparency and do not mislead.
8. A considerable majority, accounting for 66.7% of respondents, hold the view that the sukuk offerings available in Pakistan differ significantly from conventional bonds.
9. Expressing the perceived positive impact, 67.1% of participants agree that sukuk backed by tangible assets contribute to enhancing the stability of financial systems.
10. Reflecting a commitment to ethical financial practices, 60.2% of respondents acknowledge the prohibition of exploitative interest within sukuk structures.
11. Underlining the contract dynamics, 57.5% of participants agree that profit-sharing ratios within sukuk arrangements are determined in advance.
12. Highlighting the principles of equitable sharing, 59.7% of respondents express agreement with the premise that sukuk returns are founded on a combination of gift and profit-sharing principles.
13. Recognizing the risk management approach, 62.5% of participants acknowledge that sukuk prohibit significant uncertainties in their operational mechanisms.
14. Echoing the intertwining of financial matters and religious beliefs, a notable 65.2% of respondents agree that financial considerations cannot be separated from religious values.
15. Demonstrating a positive perception of sukuk's capabilities, a considerable 69% of participants agree that sukuk offer superior solutions to contemporary financial challenges.
16. Reflecting a sense of security, 61.2% of respondents express agreement that investments made in sukuk are effectively safeguarded.
17. Affirming the accessibility and clarity of information related to sukuk, 61.6% of participants highlight an overall understanding of these financial instruments.

18. Expressing a preference for fairness, 58.9% of respondents concur that sukuk arrangements exhibit a higher level of fairness in comparison to conventional bonds.
19. Underscoring the perceived inevitability of their benefits, 57% of participants agree that the advantages offered by sukuk are integral and cannot be overlooked.

Summary of average weighted mean

The analysis of the Likert scale data based on various demographic parameters reveals interesting insights into respondents' attitudes and perceptions towards Islamic bonds (Sukuk). With a total of 74 respondents, the calculated averages provide a valuable overview of how different demographic groups view this financial instrument.

When examining the data by gender, both male and female respondents show a relatively positive stance towards Islamic bonds, with average scores of 3.57 and 3.58, respectively. This suggests a relatively consistent sentiment between the genders.

Regarding age groups, respondents aged below 20 and those aged 20-30 display favorable attitudes towards Islamic bonds, with average scores of 3.68 and 3.56, respectively. While the 31-40 age group exhibits a slightly lower average of 3.3, indicating a somewhat less positive sentiment, the 41-50 age group's average of 3.53 aligns more closely with the positive trend seen among younger respondents.

Looking at education levels, respondents with Secondary education and Diploma holders express the highest levels of positivity towards Islamic bonds, with remarkably high averages of 3.89 and 4.42, respectively. Those with MS and PhD degrees show lower average scores of 3.37 and 3.58, suggesting a slightly more neutral stance. Notably, the "BS" category displays a relatively positive average of 3.64, contributing to the overall favorable sentiment.

Considering marital status, both Unmarried and Married respondents indicate favorable attitudes towards Islamic bonds, with average scores of 3.49 and 3.7, respectively. Unfortunately, data for the Divorced and Widowed categories is not available for analysis.

Lastly, when examining occupation, Self-Employed individuals and Housewives demonstrate notably positive attitudes towards Islamic bonds, with average scores of 3.86 and 4.01, respectively. Private Employees and

Government Employees show somewhat lower averages of 3.21 and 3.52, respectively, while the Retired category has no available data for analysis.

Overall, the Likert scale averages underscore a generally positive sentiment towards Islamic bonds across various demographic categories, with certain groups displaying particularly high levels of favorability. However, it's important to note that the absence of data for certain categories limits a comprehensive analysis of all demographic groups. The calculated averages provide valuable insights that contribute to a more nuanced understanding of respondents' attitudes within the context of their demographic characteristics.

Conclusion

The survey-based exploration of individuals' awareness and attitudes towards Islamic bonds (Sukuk) has yielded valuable insights. Through the application of a Likert Scale approach, participants' perceptions have been quantified, offering a nuanced understanding of their sentiments. The findings highlight a significant degree of positivity towards various aspects of Sukuk. For instance, 64.4% of participants agree that Sukuk are based on mutually beneficial contracts, and 73.9% express willingness to switch from conventional bonds to Islamic bonds. Moreover, 57.5% agree that Sukuk are not exclusively offered to Muslims, and 65.2% acknowledge the inseparability of financial matters and religious beliefs.

Furthermore, the survey results underscore the importance of demographic variables in shaping respondents' attitudes. Gender, age, education, marital status, and occupation all contribute to variations in perception. Younger respondents and those with secondary education or higher exhibit particularly favorable attitudes. For instance, respondents below 20 years of age have an average agreement rate of 3.68, and those with a diploma express strong agreement (4.42) with Sukuk principles. While the study provides comprehensive insights into the awareness and attitudes towards Sukuk, it also underscores the need for further research to encompass a wider demographic range and explore the dynamics in more depth. Overall, this research contributes to the understanding of public perceptions of Islamic bonds and their potential role in modern financial systems.

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