Evaluation of some key features of Islamic finance in non-Islamic economies: Bulgarian perspective

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Abstract— **In recent years Islamic finance has steadily increased in popularity. In this respect, the research sets itself a task to evaluate some key features of Islamic finance in the Bulgarian financial market. To achieve this Fuzzy AHP method and deductive, inductive reasoning are used. The results show that the understanding of Islamic banking principles in Bulgaria has social banking characteristics. These characteristics are related to consumer expectations that can be defined as fundamental or basic such as the provision of a financial product or service, interest-free loans and securities with a social function for stakeholders. The results are unique and representative of the Bulgarian experts' opinions, processed scientifically to showcase the potential of Islamic finance in the local financial market. Hitherto, presumably, no other research concerning Bulgaria has done such an evaluation. The main limitation of this research is the lack of Islamic financial institutions operating in the Bulgarian market. The research relies on the knowledge of local banking experts on Islamic finance principles. The findings can be applied in the decision-making process in the Islamic finance context.**

Keywords- Islamic finance; Fuzzy AHP; social responsibility; social impact financing

I. INTRODUCTION

Islamic finance has caught the attention of scholars and experts all over the world. There is evidence showing continuing growth of the sector worldwide. There is a diverse range of Islamic financial institutions that are active not only in Islamic countries, but also in some European countries as well. The scope of the activities of financial institutions and banks offering Islamic financial services is expanding. Today, approximately 150 financial institutions in more than 45 countries are developing, expanding, and implementing various forms of Islamic financing [1].

One of the more popular paradigms of Islamic finance is the social impact which it has on society. Bearing this in mind, there are a few emerging questions. What are the perceptions towards the guiding principles of Islamic finance in non-Islamic economies? What are the key features of those principles and what are the preferences towards them on the Bulgarian market?

A study conducted to evaluate the interrelation between Islamic finance and sustainable development [24] demonstrates the academic world's initial interest in the relationship between Islamic finance and the Sustainable Development Goals. The author of the research also reveals that this contribution is not being systematically interpreted by different stakeholders and in different countries.

In this line of thought, the hypothesis that Islamic finance has the potential to be socially responsible finance in the Bulgarian financial market could be advanced. The practical implications of such an evaluation could be a possibility for future implementation of similar principles in the Bulgarian financial market.

In order to prove or disprove the raised hypothesis, the Fuzzy AHP method has been applied. The goal of applying the Fuzzy AHP method is to make measuring the arrangements in decision making easier for professionals in the field of finance. Whether to a lesser or greater degree, these individuals are familiar with the principles that govern the functions of Islamic finance. Because of this, the principles and methods of operation of Islamic finance serve as indicators and sub-indicators in accordance with Islamic terminology.

II. LITERATURE REVIEW

A review of literature has been conducted to summarize the scientific research in the areas of Islamic finance and socially responsible finance and to specify the research gap and aim.

The Islamic law 'Shariah' is based on the mutual benefit of individuals and communities. Its mission is to protect human rights through the Prophet's guidance to bring mercy into people's lives on Earth. One of the concepts of maqasid al shariah (shariah underlying objectives) upholds the principle of serving the public interest. This should be done by maximizing benefit and minimizing harm to the community [25; 26; 27]. One of the main goals is poverty alleviation. From the maqasid al shariah perspective, the social constituent of Islamic finance is vital. Some authors [28] studied circular economy considering maqasid al shariah. The circular economy and the human well-being are closely tied to and are in the core of

social agenda. Circular economy goals include environmental sustainability, economic prosperity, and social equity [29; 30; 31]. Human, social, economic, and environmental development are all part of the circular economy model and are scientifically linked with Maqasid al-Shariah [28]. There is a significant overlap between socially responsible investment principles and Islamic principles or Maqasid-al-Shariah objectives [43].

Social finance is a new financial market that stems from the rise of the social economy and social entrepreneurship. It is linked to the limitations of government policy and the inability of markets to create efficient solutions to social and environmental problems. Several authors have linked Islamic finance to a social agenda. Such a relationship is researched in [32]. It is possible to improve the process of social innovation by combining Islamic and social finance instruments [33].

The Islamic banks, as a main pillar of Islamic finance and economy, should perform on a stable and increasing level. The maqasid al shariah index measures Islamic banks' activities [34; 35] and improves Islamic social reporting in terms of justice and benefits, requiring Islamic banks to design and implement programs that are in line with the index's rise. Furthermore, to expand Islamic social reporting, Islamic banks must increase profitability and firm size [36].

The appeal of Islamic finance to Western countries stems from the fact that it operates ethically, similar to socially responsible investments [37]. Islamic finance is not limited to Muslims but rather is available to everyone. This is supported by its ability to attract the attention of financial institutions, regulators and investors as a viable alternative to traditional methods.

With the introduction of environmental and social policies in recent years, sustainability has changed both the behaviour of the company and the approach of the adopted model [39]. Qoyum et al. [38] studied the effect of an Islamic label on environmental, social, and governance (ESG) performance. The research was conducted on the Indonesian and Malaysian financial markets. The conclusions show that Islamic firms perform better on environmental and social issues than non-Islamic firms. Some authors [42] studied corporate social responsibilities (CSR) in the Malaysian banking sector and discovered that stakeholders of two full-fledged Islamic banks in Malaysia have positive views on CSR. The findings indicate that CSR is accepted in Islamic banking because it is capable of promoting CSR in banks that conduct business in accordance with Shariah principles.

Over the last thirty years, Islamic banks have gradually been introduced alongside conventional banking institutions in a number of countries [40]. Conventional financial institutions have expanded their operations to offer Islamic financial products to Islamic investors. Bank-financed entrepreneurs have been gradually increasing in most of the countries where Islamic banks operate [25]. The potential for Islamic finance to grow in Europe is extremely high [31]. Research on the Ugandan market [44] shows, that the intention to use Islamic banking is heavily influenced by attitude, subjective norms,

and religiosity. Islamic banking is a much more prominent platform than conventional banking. It provides financial inclusion and leads to stronger market mechanisms, preventing the predominance of finance over the real value sector [45; 46].

A research study of Islamic finance in Russia [47] indicates that more than thirty projects in the field are underway, demonstrating stable growth and enlargement. Russia has a conventional economic system and around 10-17% of its population is Muslim. Nonetheless, the Islamic finance market in the country is still in its infancy. Due to fragmentation and geographical distortion, there is little internal competition.

There has been consistent scientific production on ethical banking, finance impact, and social impact in the literature. Following the theories and processes of the bank's development in parallel with finance, it is undeniably of utmost importance to investigate the social impact it creates in ethical banking [48]. Overall, it can be concluded that the papers place insufficient emphasis on sustainable and ethical development, which distinguishes Islamic Banking from its traditional counterpart [49].

The conducted literature review also shows that such a topic has not been examined in the Bulgarian scientific field. So far, no one has studied key features of Islamic finance in the Bulgarian financial market. A few researches have been done internationally combining Islamic finance and the Fuzzy AHP method [2; 3; 4]. Meanwhile, the researches cited differs from that conducted here. The following research could be the basis for further studies in other non-Islamic markets.

III. METHODOLOGY

People are guided and make decisions in many situations in life based on their attitudes and understandings. Decision-makers preferences are difficult to calculate due to their subjective nature. Accurate evaluation data collection can be difficult in some situations. In a number of management situations, the assessment is based on the decision makers' knowledge and experience. Fuzzy set theory and its associated fuzzy logic offer numerous opportunities in this regard.

The method applied is a double comparisons measurement, which relies on an estimate dictating the extraction of priority scales. In the process of applying AHP, the goal is first to construct a hierarchy, then to establish estimates or conduct measurements of pairs of elements according to the criteria for extracting preference scales, which are then synthesized in the overall structure so that a preferred alternative can be chosen [5].

Depending on the context of the decision-making, certain problems may arise as the process can often be hindered by the restricting and ambiguous nature of incomplete and unreliable data. The ambiguous and subjective information acquired from a reliance on the opinion of experts and their conveyance of linguistic variables could cause some distortions. In this regard the Fuzzy Logic method is suitable in such instances. There is sufficient research available, based on amendments to AHP in the context of FAHP.

In order to avoid uncertainty and inaccuracy Fuzzy AHP hybrid method has been developed. This method is characterized by a membership function [6] as is shown on Figure1.
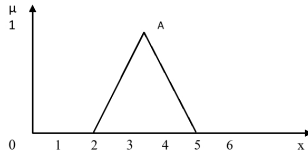

Figure 1. Fuzzy group A membership function.

A membership function characterizes the fuzziness and depicts the degree of truth to the fuzzy logic. Of course, the function can take on a form other than the one shown in Fig. 1, however, in most cases it is more convenient to use a simpler form depicted in the same figure - see Figure 2, 3, and 4 [7].
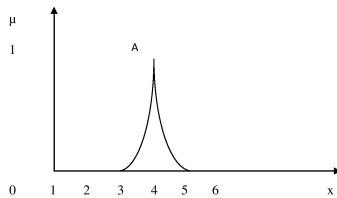

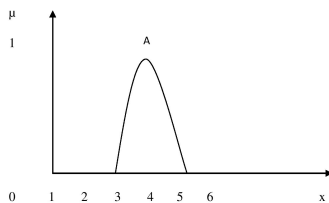Figure 2. Fuzzy group A membership function.

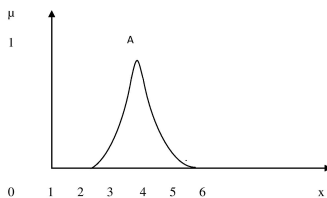Figure 3. Fuzzy group A membership function.

Figure 4. Fuzzy group A membership function.

According to Zadeh [8], "let X be a space of points (objects), with a generic element of X denoted by x. Thus, X = {z}. A fuzzy set (class) A in X is characterized by a membership (characteristic) function fA(x) which associates with each point in X a real number in the interval [0, 1], with the value of fA(x) at x representing the "grade of membership" of x in A. Thus, the nearer the value of fA(x) to unity, the higher the grade of membership of x in A. When A is a set in the ordinary sense of the term, its membership function can take on only two values 0 and 1, with fA(x) = 1 or 0 according as x does or does not belong to A. Thus, in this case fA(x) reduces to the familiar characteristic function of a set A".

IV. RESULTS

In view of the aforementioned postulates about fuzzy sets in an analytical hierarchy and with the intent of measuring the arrangements in professional decision-making in the field of Islamic finance, a unique model is developed, based on Fuzzy AHP (See Fig. 5), which is to be tested by Bulgarian experts. The experts interviewed were middle and high level bank employees from four different Bulgarian banks. Two of the financial institutions are held by Turkish entities, one by an Austrian entity and one by a Bulgarian entity. In order to process the received data, the R-program is used.
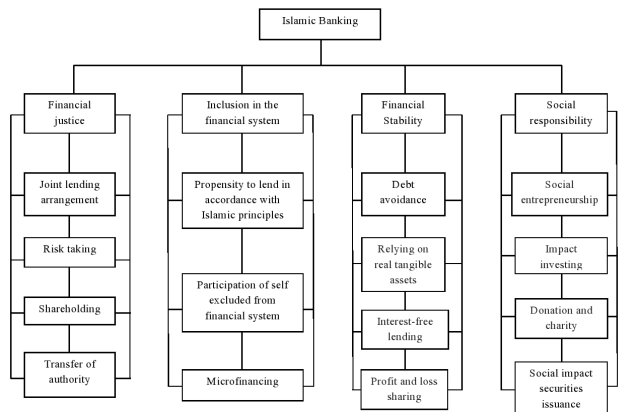
Figure 5. Model of fuzzy sets in the analytical hierarchy of Islamic banking by criteria and sub-criteria. Source: author

On Figure 5 there are four principal criteria for evaluation of Islamic banking suggested - Financial equity, Participation in the financial system, Financial stability, and Social responsibility - each of which is comprised of particular sub-criteria. An expert's evaluation is used to prioritize the derived criteria and sub-criteria.

The criteria and sub-criteria presented further below in the text together with their corresponding latin denominations (in brackets) for the purposes of mathematical calculations, are as follows:

Criteria:
1. Financial justice (fsp)
2. Inclusion in the financial system (ufs)
3. Financial stability (fst)
4. Social responsibility (so)

Sub-criteria:
1.1. Partnership lending (kr)
1.2. Risk taking (pr)
1.3. Shareholding (du)
1.4. Transfer of authority (dp)
2.1. Propensity to lend in accordance with Islamic principles (si)
2.2. Participation of self excluded from financial system (us)
2.3. Microfinancing (mf)
3.1. Debt avoidance (id)
3.2. Relying on real tangible assets (zm)
3.3. Interest-free lending (bk)
3.4. Profit and loss sharing (spz)
4.1. Social entrepreneurship (sp)
4.2. Impact investing (iv)
4.3. Donation and charity (db)
4.4. Social impact securities issuance (zk)

The data used in the application of Fuzzy AHP is obtained using every respondent comparing sub-criteria and criteria as double comparisons, expressing relative significance with language configurations (just equal, equally important, weakly more important, moderately more important, strongly more important, extremely more important). As a result, the estimates are transformed into fuzzy numbers using Table 1.

TABLE I. TRIANGULAR FUZZY COLLOQUIAL SCALE.

Linguistic scale	Triangular fuzzy conversation scale	Triangular fuzzy reciprocal scale
just equal	(1,1,1)	(1,1,1)
equally important	(2/3,1,3/2)	(2/3,1,3/2)
weakly more important	(1, 3/2, 2)	(1/2, 2/3,1)
moderately more important	(3/2, 2, 5/2)	(2/5, 1/2,2/3)
strongly more important	(2, 5/2, 3)	(1/3, 2/5,1/2)
extremely more important	(5/2, 3, 7/2)	(2/7, 1/3,2/5)

Source: [9]

According to Chang's method [9], for each level in the constructed hierarchy the double language estimates are transformed into triangular fuzzy numbers and are organized into fuzzy relative matrices, as follows:

$$\tilde{A} = \left(\tilde{a}_{ij}\right)_{n \times n} = \begin{bmatrix} (1,1,1) & \cdots & (l_{1n}, m_{1n}, u_{1n}) \\ \vdots & \ddots & \vdots \\ (l_{n1}, m_{n1}, u_{n1}) & \cdots & (1,1,1) \end{bmatrix} \quad (1)$$

where

$$(\tilde{a}_{ij}) = (l_{ij}, m_{ij}, u_{ij}) = \tilde{a}_{ji}^{-1} = \left(\frac{1}{u_{ji}}, \frac{1}{m_{ji}}, \frac{1}{l_{ji}}\right) \quad ij = 1, \dots n; \quad i \neq j \quad (2)$$

represents the linguistic estimate for the variables i and j, while Ã is a square symmetrical matrix.

The initial verification for cohesiveness of the data gathered from the opinions of various experts shows a discrepancy in the acceptable limits. For this purpose, we use the following equations:

$$CI = \frac{(\lambda_{max} - n)}{n-1} \quad (3)$$

$$CR = \left(CI - RI(n)\right)100\% \quad (4)$$

where λ_{max} is the biggest own value of the matrix for comparison, n is the size of the matrix, and RI(n) is the random index depending on n. That is why we are continuing the process under the scheme in question [9]:

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Islamic banking - Islamic banking is a suitable alternative form of banking for Muslims and non-Muslims alike. That is why it is considered a guiding principle in Islamic economics and finance. The demand on Islamic banking today is increasing constantly [10]. Therefore, it is important to evaluate this phenomenon in conjunction with the religious affiliation of the potential participants on the market.

l
	fsp	ufs	fst	so
fsp	1.0	0.55	0.53	0.45
ufs	1.1	1.00	0.68	0.70
fst	1.2	0.90	1.00	0.53
so	1.4	1.13	1.40	1.00

m
	fsp	ufs	fst	so
fsp	1.0	0.78	0.76	0.59
ufs	1.5	1.00	0.90	0.81
fst	1.6	1.20	1.00	0.61
so	1.9	1.40	1.80	1.00

u
	fsp	ufs	fst	so
fsp	1.0	1.1	1.1	0.83
ufs	α2.0 β = χ.	1.0(1)	(1) 1.2	1.00
fst	2.1	1.6	1.0	0.77

| so | 2.4 | 1.7 | 2.2 | 1.00 |

==

Financial justice - it is also among the basic principles of the Islamic model. Financial justice guarantees equal rights for the participants in a transaction. Islamic finance provides such opportunities so that the risk of engaging in a transaction can be allocated fairly among the partners. The result of a business project financed by an Islamic bank is then distributed according to the predetermined contract conditions [11; 12].

l

	kr	pr	du	dp
kr	1.0	0.47	0.36	0.44
pr	1.4	1.00	0.44	0.33
du	1.8	1.56	1.00	0.34
dp	1.6	2.00	2.00	1.00

m

	kr	pr	du	dp
kr	1.0	0.63	0.43	0.60
pr	1.8	1.00	0.60	0.40
du	2.3	2.00	1.00	0.41
dp	2.0	2.50	2.50	1.00

u

	kr	pr	du	dp
kr	1.0	0.89	0.56	0.83
pr	2.3	1.00	0.83	0.50
du	2.8	2.50	1.00	0.52
dp	2.5	3.00	3.00	1.00

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Inclusion in the financial system – many Muslims avoid participation in the financial system for religious reasons. One of the sins for them is to deal with riba. Usury is strictly forbidden by Sharia. Some sources [13; 14; 15] indicate that for this reason, more than three-quarters of Muslims worldwide are left without suitable banks. Therefore, full-fledged Islamic banks or Islamic windows give that opportunity for many people to benefit from the financial system. Many entrepreneurs can find funding for their business this way.

l

	si	us	mf
si	1.0	0.48	0.39
us	1.4	1.00	0.67
mf	1.7	1.22	1.00

m

	si	us	mf
si	1.0	0.67	0.49
us	1.8	1.00	0.80
mf	2.2	1.50	1.00

u

	si	us	mf
si	1.0	0.97	0.67
us	2.3	1.00	1.00
mf	2.7	1.83	1.00

==

Financial stability - according to this principle, Islamic investment is approached with caution, and the decision-making process is carried out in-depth because of the bank's participation in entrepreneurship. If the business plan is too risky, the financial institution stays away from the project. Through careful audits and analyzes in recent years, Islamic financial institutions have been working to reduce risks and improve financial stability in the field of Islamic banking [16].

l

	id	zm	bk	spz
id	1.0	0.50	0.67	0.61
zm	1.2	1.00	0.43	0.56
bk	1.2	1.72	1.00	0.61
spz	1.3	0.89	0.78	1.00

m

	id	zm	bk	spz
id	1.0	0.69	0.80	0.69
zm	1.7	1.00	0.58	0.78
bk	1.5	2.17	1.00	0.89
spz	1.7	1.33	1.17	1.00

u

	id	zm	bk	spz
id	1.0	1.0	1.0	0.83
zm	2.2	1.0	0.8	1.17
bk	1.8	2.7	1.0	1.33
spz	2.0	1.8	1.7	1.00

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Social responsibility - the ethical and moral values of the Islamic banking system not only serve as guiding principles, but also as basic characteristics of the Islamic economy. Social responsibility is an important part of the Islamic economic environment. It plays an important role in promoting socially valuable investments, improving relationships and partnerships; gives a chance to many people at a better life and improves welfare [17; 18].

l

	sp	iv	db	zk
sp	1.00	0.40	0.52	0.58
iv	1.50	1.00	0.58	0.43
db	1.06	0.94	1.00	0.47
zk	0.94	1.33	1.17	1.00

m

	sp	iv	db	zk
sp	1.0	0.5	0.72	0.83
iv	2.0	1.0	0.83	0.56
db	1.5	1.3	1.00	0.61
zk	1.3	1.8	1.67	1.00

u

	sp	iv	db	zk
sp	1.0	0.67	1.1	1.22
iv	2.5	1.00	1.2	0.78
db	2.0	1.83	1.0	0.89
zk	1.8	2.33	2.2	1.00

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The first verification is for the individual leading areas (from the Criteria level) (from columns 1 through 6 of the raw data). It examines how much more significant from the point of view of Islamic banking the leading criteria of financial equity, Participation in the financial system, financial stability, and social responsibility are.

An intermediate result after applying the formulas is calculated thus:

$$w_{i=}S_i(\tilde{S}_i) = \frac{l_i+m_i+u_i}{3}$$ (5)

where

$$\tilde{S}_i = (l_{ij}, m_{ij}, u_{ij})$$ (6)

and

$$W = (w_1^{'}, w_2^{'}, \dots w_n^{'})$$ (7)

[5]

	l	m	u
fsp	2.522222	3.122222	4.055556
ufs	3.722222	4.388889	5.333333
fst	3.522222	4.222222	5.222222
so	4.666667	5.666667	6.666667

	l	m	u

fsp	0.1747498	0.1794381	0.1906005
ufs	0.2578907	0.2522350	0.2506527
fst	0.2440339	0.2426564	0.2454308
so	0.3233256	0.3256705	0.3133159

The weight of each indicator (obtained through the application of equations 5, 6 and 7) (in relation to Islamic banking) shows a predominance of the criterion of social responsibility:

Financial justice (FinJustice)	0.18
Inclusion in the financial system (InclusionFinSys)	0.25
Financial stability (FinStability)	0.24
Social responsibility (SocResponsibility)	0.32

Now we continue with calculations at the level of the sub-criteria:

1. In relation to financial justice (columns 7-12)

	l	m	u
kr	2.266667	2.666667	3.277778
pr	3.166667	3.833333	4.666667
du	4.728571	5.744444	6.855556
dp	6.555556	8.000000	9.500000

	l	m	u
kr	0.1355868	0.1317234	0.1348880
pr	0.1894227	0.1893524	0.1920439
du	0.2828523	0.2837541	0.2821216
dp	0.3921382	0.3951701	0.3909465

The weight of each indicator (obtained through the application of equations 5, 6 and 7) shows that the most significant sub-criterion from the point of view of Financial justice is the one related to transfer of authority:

Partnership lending (PartnLend)	0.13
Risk taking (RiskTak)	0.19
Shareholding (Share)	0.28
Transfer of authority (TransfAut)	0.39

2. In relation to Inclusion in the financial system (columns 13-15)

	l	m	u
si	1.873016	2.155556	2.633333
us	3.055556	3.633333	4.333333
mf	3.888889	4.666667	5.500000

	l	m	u
si	0.2124212	0.2061637	0.2112299
us	0.3465347	0.3475027	0.3475936
mf	0.4410441	0.4463337	0.4411765

The weight of each individual indicator (obtained through the application of equations 5, 6 and 7) shows that the most significant sub-criterion from the point of view of Participation in the financial system is the one related to microfinancing:

Propensity to lend in accordance with Islamic principles (PropenIsl)	0.21
Participation of self excluded from financial system (PartSelfExcl)	0.35
Microfinancing (MicroFin)	0.44

3. In relation to financial stability (columns 16-21)

	l	m	u
id	2.777778	3.177778	3.833333
zm	3.206349	4.022222	5.133333
bk	4.555556	5.555556	6.833333
sp	4.000000	5.166667	6.500000

	l	m	u
id	0.1910480	0.1773094	0.1718984
zm	0.2205240	0.2244265	0.2301943
bk	0.3133188	0.3099814	0.3064275
sp	0.2751092	0.2882827	0.2914798

The weight of each individual indicator (obtained through the application of equations 5, 6 and 7) shows that the most significant sub-criterion from the point of view of financial stability is the one related to interest-free lending:

Debt evasion (DebtEv)	0.18
Pledging of real tangible assets (PledgTangAss)	0.23
Interest-free lending (IntrestFree)	0.31
Profit and loss sharing (ProfLostSh)	0.28

4. In relation to social responsibility (columns 22-27)

	l	m	u
sp	2.500000	3.055556	3.944444
iv	3.511111	4.388889	5.500000
db	3.466667	4.444444	5.722222
zk	4.444444	5.833333	7.333333

	l	m	u
sp	0.1795690	0.1724138	0.1753086
iv	0.2521947	0.2476489	0.2444444
db	0.2490024	0.2507837	0.2543210
zk	0.3192338	0.3291536	0.3259259

The weight of each individual indicator (obtained through the application of equations 5, 6 and 7) shows that the most significant sub-criterion from the point of view of social responsibility is the one related to issuance of securities with social impact.

Social entrepreneurship (SocEntr)	0.18
Impact investing (ImpactInv)	0.25
Donation and charity (DonChar)	0.25
Issuance of securities with social impact (SecSocImp)	0.32

V. Discussion

As is evident from the resulting data, according to Bulgarian experts, Islamic banking has a certain potential for development. That potential is undoubtedly subject to the criterion of "Social responsibility". The empirical study corroborates the conclusions outlined in other studies conducted in the European banking market [19; 20], according to which the goals of Islamic banking coincide with those of Corporate Social Responsibility. This creates a serious prerequisite for a better managerial banking system, which is subject to certain stable rules. In our case the key rules outlined by Bulgarian banking experts are connected to four main sub-criteria intended to make embracing the principles of Islamic banking in Bulgaria easier, which are as follows: transfer of authority, interest-free lending, the practice of microfinancing and issuance of securities with social impact. All four sub-criteria outline clearly the relationship between the Islamic practice of microfinancing, the decrease in social inequality, and the development of the economy. These conclusions are in line with a published study by the banking sector of Kyrgyzstan as well as the role of the maqāsid al-shari'a as a factor for the well-being of society [21].

The analysis shows that the topic of corporate social responsibility (CSR) is relevant in the field not only of conventional but also of Islamic finance. The one integral element which stands out between conventional corporate social responsibility and its Islamic counterpart is the role of philanthropy. The Sharia law encourages charity and philanthropy by preaching very specific acts in the performance of these obligations - both at the individual and institutional levels: zakat, an obligatory financial act meant to promote charity towards those in need; sadaqah, a voluntary act of charity of varying forms; and others [22].

CSR refers to the companies' obligation to preserve and contribute to the well-being of the society in which they operate. That is why CSR is considered a crucial principle in Islamic business. From the empirical data we can see that there is a correlation between the local and international attitudes of the corporate entity concerning social responsibility.

From among the sub-criteria of social responsibility, according to the data from the research on fuzzy sets, the criterion with the greatest weight is "Issuance of securities with social impact". Experts favour this tool, which is in direct relation to the attitudes of a wide range of global investment and public organizations.

According to a study by OECD [23], the growing interest among investors, institutions and individuals with a blended

value or investments with double the lowest value - which means doing good while benefiting from a moderate return on investment - stimulates them to engage in impact investing. Investment institutions have an additional incentive as they are obliged to represent the interest of their investor-clients in the social return on investment. Investors, such as foundations or other organizations that provide grants as part of their CSR or community participation programs, consider investments with social impact as an opportunity to transform grants after the end of the project or to weigh social benefits.

VI. Conclusion

The results support the initial hypothesis. It is also evident that the Fuzzy AHP shows potential for evaluation of key features of Islamic finance. Transforming verbal variables into numerical ones is a promising method for evaluating perceptions and attitudes.

In the context of increasing interest in Islamic finance and economics, similar researches are important in order to evaluate possible outcomes for society. The fundamental principles of Islamic finance could be implemented in non-Islamic economies. Moreover, some of them already exist in the conventional economic environment. Corporate Social Responsibility has already had a positive impact on people's wellbeing.

The way the principles of Islamic banking are perceived in Bulgaria has the characteristics of social banking. These characteristics are related to consumer expectations that can be defined as fundamental or basic such as the provision of a financial product or service, interest-free loans and securities with a social function for stakeholders. But there is room for further development. The potential for this development it should be associated with some more innovative aspects of social banking. However, this can only be expected in the long term as social responsibility is more closely linked to ideas such as green Islamic banking and the use of smart IT tools and networks in Islamic banking. To this end, knowledge of the social aspects of Islamic banking in Bulgaria must be continuously enriched.

Meanwhile, due to the current legal schemes, there are several difficulties and complex profiles that impede the spread of Islamic banks in Europe in general [50]. Bulgaria in particular faces the same obstacles in implementing Islamic finance. In such purely secular jurisdictions, changes in legislation are being made to ensure a level playing field for Islamic financial products without necessarily incorporating elements of Muslim religious law into the country's commercial law [51].

The findings of the research could be taken into account in the decision-making process. Policymakers and practitioners in the financial sector of the economy usually rely on such data.

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