

Social Responsibility by Islamic Banks in Palestine

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Abstract

This study aims at exploring the idea of the Islamic banks in Palestine, wherein it focuses on the social role of these banks towards the community. As well, it explains different aspects of the Islamic banking sector, for instance, it clarifies the features of the offered services and the dedicated social responsibility by this eminent sector. In this study, the customers' perspectives regarding Islamic banks are considered as a corner stone for conducting this study. Hence, it develops a questionnaire that aims at exploring the reasons of preferring dealing with Islamic banks in Palestine. Hence, Palestine in particular is given wide focus regarding this issue so as to recognize why Islamic banking is dominating, whereas the economy in general is unstable in terms of growth and performance. Meanwhile, this paper states that the Islamic banks play a significant role in the society growth in terms of market share as well as their international widespread. These elements altogether lead to attract Non-Muslims' banking transactions, too. As well, Islamic banks provide different services, wherein these services depend ultimately on the 'Islamic Sharia' in their functions. Socially, the Islamic banks are oriented toward the achievement of different financial goals set by banks as well as their customers. Thereupon, the idea that social responsibility by the Islamic banks is considered as basic element is because they consider their customers as the most important asset a business can have. Hence, different reasons might be behind the customers' attraction to the Islamic banks in Palestine. These reasons include the employee's satisfaction with working in these banks because of applying 'Islamic Sharia' in their operations and transactions. However, the social responsibility by Islamic banks is put under scrutiny in order to examine the developed benchmark, and whether it is suitable to use by other Islamic banks in other countries. One of the most important findings about the social responsibility shows that banks tend to reveal few details regarding some activities that might harm their reputation like education, health, relief, cultural services, economic services, and environmental issues. Thus, a little information is found about how they deal with insolvent.

Keywords: Islamic banks, Social responsibility, Islamic bank services, Palestine, 'Islamic Sharia'.

1. Introduction

Islamic banks are identified as non-interest banks, wherein they adopt Islamic Sharia' in their transactions. Hence, the Islamic finance system becomes increasingly significant in all aspects of the economic transactions. Thus, this important issue is explored and discussed through various books and articles. These studies target exploring the aspects of Islamic banking system starting from the laws that control these activities, international views of theoretical and practical surveys; in addition to the differences existing between Islamic banks and the other (interest-based banks). However, the idea behind the Islamic banks which first emerged in the early 1970's [Archer & Abdel Karim, 2007] shows that the topic is one of the most highly debated issues recently.

As well, these debates show the reasons why these types of financial services are vary and in a growing popularity. Among these is the fact that such services are based on Islamic Sharia' [El-Gamal, 2006]. Hence, the bank is actually considered as a partner sharing the risks and rewards of this partnership with customers [Khan, 2000]. In this research, the researcher discusses what Islamic banks are. Then, the study provides some background and theory behind their success in the global markets moving from the first bank [Mit Ghamr Savings, 1975] to more than 300 within the last three decades [Al-Qasmi, 2008].

After that, this manuscript tends to explain how such institutions are socially performing and their role in society, where the main objectives of them are actually socially oriented. Thus, this research aims at investigating the degree to which Islamic banks manage to perform their social role in the Palestinian society through developing a suitable model that enables the researcher to perform such investigation by using the available data and information. Hereinafter are the objectives of this study:

1. Measuring the reality of social responsibility applications in Islamic banks in Palestine.
2. Identifying the areas of accountability and social responsibility that are taken in account by Islamic banks in Palestine in terms of the degree of application.
3. Identifying the ways by which different Islamic banks are actually performing their duties and achieving their social objectives.

Hence, as an eminent part of achieving the main objective of this study, it answers the following questions:

1. What is the reality of social responsibility in the working Islamic banks in Palestine? The answers are elicited from the viewpoint of both the employees and the customers whether they are classified within the following areas services:

- 1.1 Educational services
- 1.2 Health services
- 1.3 Relief services
- 1.4 Cultural services
- 1.5 Economic services

2. What are the problems that face Islamic banks in Palestine?

Hence, the theoretical framework and the previous studies formulate the following hypotheses:

Hypothesis 1: The customer's view shows that Islamic banks in Palestine do not have high degree of social responsibility.

Hypothesis 2: The banker's view states that Islamic banks in Palestine do not have high degree of social responsibility.

Hypothesis 3: According to the correspondents (bank's customers and bankers), there are no significant differences at (α 0.05) for reaching the degree of social responsibility by Islamic banks in Palestine.

2. Islamic Banks in Palestine

Islamic banks play a major role in the Palestinian economy, mainly because of their direct investments that aim at developing the community socially and economically [Meqdad & Halas, 2005]. Islamic banks are growing bigger each year, with an estimated annual growth about 30% worldwide. This rising in growth results from the increased demand for such services in Islamic countries [Al-Shananeer, 2008]. He also explains how Islamic banks started working in Palestine beginning with the establishment of the Arab Islamic Bank in 1996. The number of Islamic banks within the Palestinian Territory has grown since then reaching five banks with 13 branches in order to cover the increasing demand of their services.

However, Islamic banks in Palestine provide many alternatives for dealing with traditional banks, for instance, they fund individuals as well as companies in their projects. Nevertheless, they face many problems like the high risks associated with unstable economy, political environment, and lacking of a strong authority which could help apply regulatory framework for Islamic banks. Therefore, the little experience of the Islamic banks is another angle that weakens them; especially when comparing them with the traditional banks (about four decades only worldwide and just over one decade in Palestine). This also presents another problem regarding the number of the Islamic banks in Palestine. Only 13 out of 114 branches provide Islamic Banking services. Thus, Islamic banks experience little about the Palestinian economy as well as their experience about investing modes and credit ability of costumers is limited, too [Meqdad & Halas, 2005]. Another important reason of why Islamic banks are facing many problems in Palestine is the lack of knowledge about the banking sector in general within the society and especially about Islamic banks system. In addition to this is the regulation set by the Israeli Monetary Authority regarding the transfer of funds between banks to finance different financial activities [Al-Shananeer, 2008]. Islamic banks in Palestine, on the first hand, operate their transactions through three different sources; wherein they depend on the Islamic sharia'. These sources are: Wadiah, capital finance and financial insurance (Takaful).

More than 90% of the contracts that made by the Islamic banks are Murabahah contracts. This is due to the continuous need for cash and short term structure of this service. On the other hand, Mudarabah is just about 7% of the contracts issued by the Islamic banks. This is due sign such contracts with complete trust between the bank and the customer, who is not thought off as a credit worthy party within the Palestinian changing environment. Many sectors deal with the working Islamic banks in Palestine; wherein the biggest sector is the transportation one. In contrast, trading comes second, and then followed by funding the public services. In the final stage come the tourism and the production sectors (animals and crops).

3. Review of Related Literature and Studies

This section summarizes the relevant international recent and previous literatures and references available in Palestine. These references facilitated the research thrust, and construction of the questionnaire.

3.1. Definition of the Islamic Banks

In point of fact, Islamic banks established, on the first hand, as a reaction towards the tendency of the customers to get rid of dealing with the traditional banks that deal with "Riba" (Interest). Hence, the Islamic banks are "banks that follow Islamic Sharia' when dealing with costumers and based on sharing both gains and losses and acting as an agent for those customers". On the other hand, Islamic Banks are identified in terms of the governing performance tools as "banks that perform in consonance with the ethos and value system of Islam and governed through the conventional noble governance and risk management rules and principles of Islamic Sharia". Apparently, literatures about Islamic banking continue to develop different definitions, tools, and services through the past few years by depending on different perspectives. The development in the Islamic banks is also identified in terms of their social role. For instance, [Al-Kabisi, 2005] describes Islamic banks as the other "Islamic organizations that interacts in different businesses to build society and benefit individuals based on Islamic principles". He also adds that the Islamic banks are "financial institutions that collect money from individuals and companies in order to invest it in areas that benefit all individuals within the Islamic society based on Islamic sharia."

Another perspective of exploring the Islamic banks is the legal point of view. Hence, the established Islamic banks are classified into three groups. The first group includes the banks that developed by the non-Muslim countries; in addition to the Islamic countries that depend on the traditional banking system. However, this group gains special treatment in which it is not obliged to follow the traditional banking system. The second group is the one which is developed under a complete Islamic financial structure which controls all of the financial operations and transaction. This is found in some countries like Iran, Pakistan, and currently Sudan. The last set of banks includes one bank (the International Islamic Bank) in Denmark which is obliged to perform its operations under the traditional banking system.

3.2. Features of the Islamic Banks

Many features and reasons why one should deal with the Islamic banks have been discussed throughout the past few years. The Institute of the Islamic Banking and Insurance (IIBI) suggests that silent features of Islamic sharia that brings attention to this sector include:

- Islam forbids all forms of economic activity, which are morally or socially injurious. Thus allowing those who seek their economic well-being through applying Islamic Sharia' to their activities to feel more comfortable when dealing with Islamic banks.
- Individuals have the right of ownership which is legitimately acquired, but have the obligation to spend this wealth judiciously and not to hoard or squander it. Islamic banks offer the solution for both acquiring and spending within Islamic Sharia' boundaries.
- Islam allows for participation in Zakat which is a form of social responsibility of individuals towards society and especially deprived sections of community. Islamic banks play a major part in this by allowing for suitable distribution of Zakat collected from customers to those in need for financial help within the society.
- Islam doesn't allow for accumulation of wealth in a few hands because this would lead to many social and economical problems. When Islamic banks are dealt with, easier conditions of lending are applied, thus enabling a larger part of the community to participate in economical activities which is reflected in better wellbeing of society in general.

Moreover, [Siddiqi, 2002] explains some of comparative advantages of dealing with Islamic banks. Primarily, he states their link to the real economic activity that creates facilitating value and financial activity. He also describes Islamic finance and banking as an open to the financial innovation worldwide and that Islamic banks allow for no additional risks to profit thereby. In 2001, at a series of lectures hosted by UCLA, Siddiqi mentioned other advantages such as: Islamic banks are able to help to bring more financial stability to the society by means of being more efficient in which they allocate investable funds on the basis of the expected value productivity of projects rather than on the criterion of the creditworthiness of those who own the projects, which is the case in traditional banking system.

[Ishak, 2006] describes other advantages of Islamic banking. He states that they are a growing sector with a significant untapped business potential. A sector which is proven to be a viable financial intermediation channel in supporting economic growth, and that it works as catalyst to fill the gap to mobilize the funds for productive purposes within the society.

[Clement and Henry, 2004] state that many drawbacks exist for Islamic banks, mainly their lack of ability to mimic some of traditional banks activities due to Islamic banks short history, their relatively small share within different international markets. In addition, they offer lower rates of return on investments. Besides, Islamic banks assume riskless partnerships with customers who seem far riskier than going into a lending activity within traditional banks.

3.3. Services Provided By Islamic Banks:

Services provided by Islamic banks are categorized under two different groups. Firstly, services for activities that are credit transactions. Secondly, services for activities that are non-credit transactions. However, the following table shows a summary of some of these provided services; whereas a brief explanation is shown latterly.

It is important to understand the concept of each of these two services within the social frame, where it governs all activities of Islamic banks. The researcher explains the meaning of each of the above services. In contrast, he focuses on presenting some features and how actually they are used to improve the financial performance of individuals as well as businesses within the community. Thus, achieving the overall objective of Islamic banks which target developing the economy of the country based on Islamic Sharia'.

Bai' al-Inah: [Rosly and Sanusi, 1999] state that in the bai' al-Inah asset securitization, the financier purchases an asset from the issuer and sells it back to the same party at a credit price. This buy-back agreement will ensure that the issuer will receive the money in cash while financier will be paid a prefixed or contracted amount in a future date. Debt payments will be made by installment through bond issues. The difference between cash and mark-up price will represent the profit due to the financier.

"Musawamah": [The State Bank of Pakistan, SBP: 2004] describes Musawamah as a general kind of sale where the price of commodity traded is stipulated between parties with no reference to the price actually paid or costs incurred by the bank. [Ayub, 2007] argues that these contracts are more suitable for huge contracts wherein decision is made at top level and price is bargained between parties. This allows for banks to take risks of acquiring the commodity and receiving installments until price agreed upon is satisfied.

"Qard Hassan": [Hussein, 2004] Chapra, 1996 defines Al-Qard Al-Hassan which is simply a loan that is paid at the end of the period agreed upon without paying any additional expenses (interest) or participating in the profits or losses of the business. He also describes some objectives of this service which is considered one of the most common socially oriented services of Islamic banks. This includes helping needy people, establishing better relation between the rich and poor within the community, strengthening the national economy, and to eradicate unemployment dilemma in the society.

"Bai' Bithaman Ajil": This is a deferred payment sale where the payment is made in a single installment called Bai' Bithaman Ajil [Mirza, 2006]. The customer approaches the bank asking it to buy a certain asset which the bank would receive its price after a specified date in the future. The received amount would include the cost of the asset plus a profit margin which is agreed upon earlier. This type of services is useful for businesses when starting up with huge costs they cannot afford because this contract initial fixed future payment and thus cash installments are known too, this enables the businesses to plan future cash flow related to this contract.

"Bai' Salam": On its website, Prime Bank Ltd describes the meaning, features and rules and conditions of using this service.

Bai' Salam, 'is a contract between a buyer and a seller under which the seller sells in advance certain commodities at an agreed price payable on execution of contract and delivery of commodity. The contract specifies date, place and features of commodity delivered and if conditions are not met, the buyer has the right to refuse to receive the commodity and the seller has to suffer the losses. [Ayub, 2007] goes further in explaining the need of the seller for this contract; this is because sellers would enter such a contract to finance their operation now on the basis of future delivery of the commodity. This also means that the buyer would get commodity in a cheaper price and thus be secured from fluctuations of price.

"Sukuk" (Islamic Bonds): [Tariq, 2004] identifies Sukuk as asset-backed, stable income, tradable and Sharia' compatible trust certificates. To issue Sukuk, the issuing party, whether government, corporate or financial institutions should back these issued papers by the suitable assets that appear in their balance sheets. He also describes in his pioneering paper different types of Sukuk and reasons for issuing and using them. On the first hand, Dar Al Istithmar defines Sukuk as asset-backed trust certificate (2008), it also describes the main difference between Sukuk and conventional bonds, the later is contractual debt obligation, whereby the issuer is obliged to pay at specific date interest and principle. Sukuk holders on the other hand, are entitled to share in revenues generated by the asset backing the paper, as well as having the right to share in proceeds from realization of the Sukuk assets.

"Bai' Muajjal" (Sale on deferred Payment): A financing technique adopted by Islamic banks. It is a contract in which the seller allows the buyer to pay the price of a commodity at a future date in a lump sum or installments. The price fixed for the commodity in such a transaction can be the same as the spot price or higher or lower than the spot price. Furthermore, [Alam, 2003] explains the meaning of Bai' Muajjal as a Murabahah contract with an exception that the sale under this cost-plus sale is made on credit basis rather than cash. He also mentions that the main feature of this technique is the procurement of goods at the request of the client and selling it to him on credit.

"Hibah" (Gift): It is the amount paid by the bank to costumers in return for holding their saving accounts. It is voluntary and banks do it because they use the saving as loans to fund different operations and thus, another way of looking at this is as interest on loan.

"Takaful" (Islamic Insurance): Takaful is based on the idea of sharing risks between parties by pooling needed funds for individuals to go into different projects. Within the context of Islamic banks, [Ayub, 2007] describes Takaful as a contract that provides solidarity in respect of any tragedy in human life and loss to the business or property. The Takaful partners pay subscription to assist and indemnify each other and share the profits earned from business conducted by the company with the subscribed funds. He also notes that the main difference between this service provided by Islamic banks and conventional insurance is more visible with respect to investment of funds. Whereas Islamic banks distribute profit which is generated through investment in accepted areas by Islamic sharia' based on percentages in the Takaful agreement, conventional insurance on the other hand, invest in interest-based avenues which are not accepted by Islamic Sharia'.

"Mudarabah" (Capital Finance): [Alam, 2003] states that it is a type of service in which the bank invest all funds necessary to finance a project, whereas the customer gives his time and expertise, thus forming a type of partnership where the bank and customer share profits and losses. In contrast, [Usmani, 2005] identifies Mudarabah as an investment from a partner (rabb-ul-mal), while the management and work comes from another party called (Mudarib). This contract is set within a business area normally determined by the bank on the condition that the Mudarib has got the needed experience in that field.

"Ijarah": [Usmani, 2005] describes Ijarah in two parts: firstly, to employ the services of a person on wages given to him as a consideration for his hired services. The second part relates to usufructs of assets and properties and not to the services of human beings. Ijarah in this sense means "to transfer the usufruct of a particular property to another person in exchange for a rent claimed from him." In this case, it is similar to the term Leasing. A major advantage of using this service is that the leasing bank must own the leased object for the duration of the lease and that there are no compound interest payments that are normally charged under conventional banking. Thus, conventional banks customers tend to use this service through Islamic banks more often [Greuning and Iqbal, 2007].

"Wadiah" (Safekeeping): In Islamic finance, Wadiah defines a bank as a keeper and trustee of funds. A person deposits funds in the bank and the bank guarantees refund of the whole deposit amount, or any part of the outstanding amount. When the depositor demands for the deposit, Islamic banks rely on different sources for funding their operations, mainly: transaction deposits which are risk free but yield no return and investment deposits (Wadiah). Four main types of deposits exist: current accounts, savings accounts, investment accounts and special investment accounts. These are used to collect money from customers in order for the bank to fund different operations and services provided to other customers [Suleiman,2000]

"Murabahah": [Alam, 2003] describes Murabahah as a cost plus profit financing, where the bank agrees to purchase for a client who will then reimburse the bank in a stated time period at an agreed upon profit margin. The mark-up price is based on the market price of commodity, thus allowing the bank to receive a riskless profit. Murabahah is a form of sale not related to financing in its original sense, because it is an agreement between a buyer and a seller to go into such transaction while one party would purchase a commodity and then sell it to another party with an added profit margin. This means that such service would help many individuals and businesses go into projects while not thinking much about financing because banks would be able to purchase their needs of machinery or materials at a cheaper price and then sell to those people who asked for it without the need to face transaction problems [Usmani, 2005].

3.4. Relevance of the reviewed related studies

None of the reviewed local and foreign studies match the depths of the current study in terms of the research objectives and questions. In addition to the intervention between the Islamic banking and the commercial banking; this study focuses on the theoretical and practical parts of Islamic banks services and application. Hence, the researcher believes that the current topic interested him and the researching community because it becomes an important current issue.

In fact, the researcher could claim without much fear of contradiction that no prior study could equal the magnitude. The reviewed studies focused on the Islamic banks services, which are just the component of the present study.

4. Methodology

This section represents and discusses the researching strategies, the used methodology, sources of data, utilized instruments, in addition data gathering procedures that are employed in the study. It also aims at explaining the studied population and the used instrument in gathering the data. Then, the process of data collection is presented.

4.1. Research Methodology

There is no doubt that the ability to test the hypotheses of this study requires the research to be designed on a mixed base methodology. Hence, the quantitative tool for investigation uses a questionnaire and the qualitative tool is the benchmark. It is important to note that mixed methodology is considered useful when a researcher is trying to expand a discussion about relatively a new area and where numbers support theories related to such area (Bryman & Bell, 2007: P.641-658). Determining the research design enables better understanding of how the researcher is planning to collect different data which would, eventually help to achieve the research objectives.

4.2. Research Population and Sample

This manuscript divides the study population into categories. The first one is the customers who deal with Islamic banks regardless their age and sex (Bryman & Bell, 2007: P.182). The second category presents the employees of the Islamic banks operating within the Palestinian Territory which are limited to two banks. These banks are the Arab Islamic Bank and the Palestine Islamic Bank. (Saleem, 2008: P.47).

The researcher identifies a specific sample that surveys 200 customers who deal with Islamic banks so as to hand out a questionnaire with different topics discussing their perspective towards the services of the Islamic banks, in addition to a sample of a 150 employees who work at Islamic banks, 2007 (Bryman & Bell, 2007: P.183).

5. Statistical Results

This section comes to display the statistics outcomes. The statistical analyses are divided into two parts. The first part shows the descriptive statistics. In contrast, the second part shows the outcome of hypotheses testing.

5. 1. The Descriptive Statistics

Presented below are the outcomes of the descriptive statistics that describe the characteristics of the two sub-samples of this paper.

Table 1: Summary of descriptive statistics

Variables		Panel A: Customers		Panel B: Employees	
		Frequency	%	Frequency	%
Gender	Male	73	48.7	39	30.7
	Female	76	50.7	16	12.6
	Missing	1	0.7	4	6.8
	Total	150	100	59	100%
Age	21-30	41	27.3	6	10.2
	31-40	61	40.7	26	44.1
	41-50	41	27.3	16	27.1
	50 or above	6	4.0	3	5.1
	Missing	1	0.7	8	13.6
Total	150	100	59	100%	
Qualification	Diploma	17	11.3	1	1.7
	BA	86	57.3	44	74.6
	Master or above	41	27.3	9	15.3
	Missing	6	4.0	5	8.5
Total	150	100	59	100%	
Experiences	3 or less	47	31.3	8	13.6
	4-6	51	34.0	12	20.3
	7-9	8	5.3	14	23.7
	10 and more	5	3.3	18	30.5
	Missing	39	26.0	7	11.9
Total	150	100	59	100%	
Bank	PIB	75	50.0	27	45.8
	AIB	75	50.0	32	54.2
	Total	150	100	59	100%
Correspondent workplace	Government	51	34.0		
	Private	52	34.7		
	NGO	24	16.0		
	Free work	6	4.0		
	Missing	17	11.3		
Total	150	100			

Table (1) shows the outcomes of the descriptive statistics of the two sub-samples of the correspondents (customers and the bankers).

Table (1), panel A displays the results of the descriptive statistics of the customers sub-sample. Panel A shows that the percentage of the male customers is 48.7%, and the percent of the female customers is 50.7%. Also, the descriptive statistics outcomes indicate that 27.3% of the customers correspondents their ages from 21-30 years. 40.7% of the customer's correspondent their ages from 31-40 years. 27.3% of the customer's correspondent their ages from 41-50 years. 4% of the customer's correspondents their ages are more than 50 years. In addition, 11.3% of the customer's correspondents have Diploma degree. 57.3% of the customers' correspondents have BA degree. In contrast, 27.3% of the customers' correspondents have master or PhD degree. In addition, 31.3% of the customer's correspondents have experience for three years or less. 34% of the customer's correspondents have experience from 4-6 years. 5.35 % of the customer's correspondents have experience for 7-9 years. In addition, 3.3% of the customer's correspondents have experience for ten years or more. In addition, 50% of the customer's correspondents are from the PIB bank. 50 % of the customer's correspondents are from the AIB bank.

Besides, 34% of the customer's correspondents are working in the governmental units. 34.7% of the correspondents are working in the private sector. 16% of the correspondents are working in the NGOs. 4% of the correspondents are working in free work.

Table (1), panel B displays the results of the descriptive statistics of the banking employees sub-sample. Panel B shows that the percent of male employees in the banking sector rate 30.7%. In contrast, the percent of female employees in the banking sector is 12.6%. Furthermore, the outcomes indicate that 10.2.3% of the banking employees' correspondents their ages from 21-30 years. 44.1% of the banking employees' correspondents their ages from 31-40 years. 27.1% of the banking employees' correspondents their ages from 41-50 years. 5.1% of the banking employees' correspondents their ages more than 50 years. In addition, 1.7% of the banking employees' correspondents have Diploma degree. 74.6% of the banking employees' correspondents have BA degree. 15.3% of the banking employees' correspondents have master or PhD degree. Also, 13.6% of the banking employees' correspondents have experience for three years or less. 20.3% of the banking employees' correspondents have experience for 4-6 years. 23.7% of the banking employees' correspondents have experience for 7-9 years. 30.5% of the banking employees' correspondents have experience for more than ten years. In addition, 45.8% of the banking employees' correspondents are from the PIB bank. 54.2% of the banking employees' correspondents are from the AIB bank.

The abovementioned descriptive statistics of the two sub-samples show that the study sample is relevant and comprehensive. Accordingly, the outcomes of this paper can be generalized.

5. 2. Hypotheses Testing

This part comes to display the outcomes of hypotheses testing. This paper investigates three hypotheses as follows:

5.2.1. The outcomes of hypothesis number 1

Hypothesis number one comes to examine the extent to which the Islamic banks in Palestine have high degree of social responsibility from the customer's view. Statistically, table (2) shows that the Islamic banks play a vital role regarding the social responsibility in the following domains:-

1. The customers' correspondents show that the Islamic banks in Palestine support the educational organizations; wherein the mean is 4.046, wherein the standard deviation is 0.547.

Table 2: explains the level of social services by the Islamic banks in Palestine according to the customers' point of view.

#	Statement	Customers	
		Mean	St. dev
1	Islamic banks offer Physical installment for the needy university students.	4.35	0.860
2	They offer grants for the excellent university students.	4.33	0.790
3	They offer in-kind assistance for school students.	4.22	0.778
4	They offer assistance for students with disabilities.	3.97	0.872
5	They support the infrastructure of educational institutions.	3.84	0.868
6	They offer free literacy courses.	3.76	0.978
7	They sponsor honoring celebrations of high school certification graduates (Tawjehi).	3.83	0.950
Educational Social Services		4.0463	.54751
1	They facilitate daily life requirements for people with disabilities.	3.78	1.080
2	They fund free health-days activities.	3.77	0.886
3	They fund workshops about healthy education.	3.80	.945
4	They offer free health insurance for the poor families.	3.74	1.068
5	They support the health sector in general.	3.73	1.154
6	They support the health institutions by giving them medicines.	3.62	1.143
7	They offer wheelchairs for people with disabilities.	3.66	1.175
Healthy Social Services		3.73	0.6354
1	They offer relief aid for the clients during the month Ramadan.	4.39	0.801
2	They are better than others at the participation of community services.	4.24	0.774
3	I deal with Islamic banks because they provide interest-free loan.	4.20	0.742
4	They fund workshops about environmental education.	3.96	0.944
5	They offer in-kind assistance for the population of the areas of disasters.	3.77	1.019
6	They offer interest -free loan in the field of agriculture.	3.67	1.093
7	They offer interest-free loans for the livestock breeders.	3.72	1.128
8	They support projects that work in the field of environmental pollution.	3.70	1.122
Relief Social Services		3.95	0.485
1	They offer the same services which others offer, but by applying Islamic Law.	3.96	1.074
2	They offer many services; the most important one is interest-free loans.	3.95	1.012
3	They fund workshops about Palestinian women's empowerment.	3.75	0.976
4	They fund cultural centers and GYMs.	3.72	1.069
5	They support heritage articles in the villages.	3.68	1.211
6	They sponsor local sports activities.	3.87	1.137
7	They sponsor cultural events.	3.83	1.134
8	They help in the planting of the vicinity.	3.67	1.138
Cultural Social Services		3.81	0.678
1	They offer job opportunities in the local market.	4.11	1.031
2	They improve the economic activities in Palestine.	3.95	0.975
3	They employ many people with disabilities.	3.79	1.011
4	They fund projects to help poor families.	3.77	1.027
5	They trade in companies shares in the financial market to improve the economy.	3.79	1.022
6	They offer facilities for the Palestinian government's employees.	3.67	1.078
7	They offer services more than others for the private sector.	3.83	1.110
8	They draw the investors' money toward economic projects.	3.83	1.103
Economic Social Services		3.86	0.561
Social responsibility		3.90	0.399

2. The customers' correspondents show that the Islamic banks in Palestine support the healthcare organizations as explained in table (2), where the mean is 3.74 and the standard deviation is 0.635.

3. The customers correspondents show that the Islamic banks in Palestine support the relief social services as explained in table(2), where the mean is 3.95 and the standard deviation is 0.485.
4. The customers' correspondents show that the Islamic banks in Palestine support the cultural social services as explained in table (2), where the mean is 3.82 and the standard deviation is 0.678.
5. The customers' correspondents show that the Islamic banks in Palestine support the economic social services as explained in table (2), where the mean is 3.86 and the standard deviation is 0.562.

Furthermore, table (2) displays the outcomes of the Islamic banks customers' view regarding the social responsibility. The customers show that the Islamic banks play an important social role, where the mean is 3.9 and the standard deviation is 0.399.

5.2.2. The outcomes of hypothesis number 2

Hypothesis number two comes to examine the extent to which the Islamic banks in Palestine have high degree of social responsibility from the bankers' view. Hence, table (3) shows that the Islamic banks play a vital role regarding the social responsibility in the following domains:-

1. The bankers' correspondents show that the Islamic banks in Palestine support the educational organizations, where the mean is 3.968 and the standard deviation is 0.456.
2. The bankers' correspondents show that the Islamic banks in Palestine support the healthcare organizations, where the mean is 3.75 and the standard deviation is 0.377.
3. The bankers' correspondents show that the Islamic banks in Palestine support the relief of social services, where the mean is 4.165 and the standard deviation is 0.427.
4. The bankers' correspondents show that the Islamic banks in Palestine support the cultural social services, where the mean is 4.269 and the standard deviation is 0.426.
5. The bankers' correspondents show that the Islamic banks in Palestine support the economic social services, where the mean is 4.355 and the standard deviation is 0.365.

In addition, table (3) displays the outcomes of the of the Islamic banks bankers' view regarding the social responsibility. The bankers show that the Islamic bank play an important social role, where the mean is 4.11 and the standard deviation is 0.276.

5.2.3. The outcomes of hypothesis number 3

Hypothesis number three comes to examine the extent to which the correspondents (customers and bankers) agree that the Palestinians Islamic banks have a high degree of social responsibility. This hypothesis is examined using the two independent samples t test. Hence, table (4) shows the outcomes of t test, where the value of t is 6.885 and statistically is significant at 0.05. The previous results show that there are no significant statistical differences among the correspondents (bank's customers or bankers) regarding the social responsibility role of the Islamic banks in Palestine.

Table 3: explains the level of social services by the Islamic banks in Palestine according to the bankers' point of view.

#	Statement	Bankers	
		Mean	St. dev
1	Islamic banks offer physical installment for the needy university students.	4.07	0.553
2	They offer grants for the excellent university students.	4.07	0.521
3	They offer in-kind assistance for school students.	4.07	0.691
4	They offer assistance for students with disabilities.	4.03	0.490
5	They support the infrastructure of educational institutions.	3.71	0.789
6	They offer free literacy courses.	3.66	0.849
7	They sponsor honoring celebrations of high school certification graduates (Tawjehi).	4.31	0.503
Educational Social Services		3.96	0.45
1	They facilitate daily life requirements for people with disabilities.	3.93	0.583
2	They fund free health- activities.	4.02	0.347
3	They fund workshops about healthy education.	3.86	0.576
4	They offer a free health insurance for the poor families.	3.07	0.640
5	They support the health sector in general.	3.86	0.629
6	They support the health institutions by giving them medicines.	3.53	0.704
7	They offer wheelchairs for people with disabilities.	4.02	0.572
Healthy Social Services		3.74	0.377
1	They offer relief aid for the clients during the month of Ramadan.	4.56	0.623
2	They are better than others at the participation of the community services.	4.63	0.522
3	I deal with Islamic banks because they provide interest-free loan.	4.66	0.545
4	They fund workshops about environmental education.	4.00	0.670
5	They offer in-kind assistance for the population of the areas of disasters.	4.03	0.586
6	They offer interest -free loan in the field of agriculture.	3.78	0.622
7	They offer interest-free loans for the livestock breeders.	3.93	0.583
8	They support projects that work in the field of environmental pollution.	3.80	0.637
Relief Social Services		4.16	0.427
1	They offer the same services which others offer, but by applying Islamic Law.	4.63	0.667
2	They offer many services; the most important one is interest-free loans.	4.64	0.580
3	They fund workshops about Palestinian women's empowerment.	4.25	0.709
4	They fund cultural centers and GYMs.	4.20	0.610
5	They support heritage articles in the villages.	4.05	0.680
6	They sponsor local sports activities.	4.12	0.721
7	They sponsor cultural events.	4.25	0.544
8	They help in the planting of the vicinity.	4.00	0.643
Cultural Social Services		4.26	0.4266
1	They offer job opportunities in the local market.	4.78	0.531
2	They improve the economic activities in Palestine.	4.72	0.555
3	They employ many people with disabilities.	4.36	0.765
4	They fund projects to help poor families.	4.14	0.687
5	They trade in companies shares in the financial market to improve the economy.	3.95	0.826
6	They offer facilities for the Palestinian government's employees.	4.31	0.568
7	They offer services more than others for the private sector.	4.22	0.531
8	They draw the investors' money toward economic projects.	4.36	0.485
Economic Social Services		4.35	0.364
Social responsibility		4.11	0.275

Table 4: shows the level of social services by the Islamic banks in Palestine according to the bankers' point of view.

Paired Differences					T	DF	Alpha
Mean	St. dev	Std. Error Mean	95% Confidence Interval of the Difference				
			Lower	Upper			
0.398	0.409	0.057	0.282	0.514	6.885	49	0.00

6. Conclusion

This manuscript comes to examine the extent to which the Islamic banks in Palestine exercise their social role in the (educational services, health services, relief services, cultural services, and economic services) towards the community. Thereupon, the process of examining this issue requires employing this paper to work on handing two questionnaires that touch the aims of achieving its goals. Thus, the first questionnaire aims at surveying the opinions of the clients of the Islamic banks, where 150 questionnaires were retrieved. In contrast, the second questionnaire distributed to the Islamic banks employees where 59 questionnaires were retrieved. However, the achievement of the previous objective requires employing this paper to use different set of statistical methods (descriptive statistics and t-test). The findings of this paper are:

Firstly: The Islamic banks in Palestine have high degree of social responsibility from the customer's view. As well, the Islamic banks play a vital role regarding the social responsibility in the following domains:-

- The Islamic banks in Palestine support the educational organizations.
- The Islamic banks in Palestine support the healthcare organizations.
- The Islamic banks in Palestine support the relief social services.
- The Islamic banks in Palestine support the cultural social services.
- The Islamic banks in Palestine support the economic social services.

Secondly: The Islamic banks in Palestine have high degree of social responsibility from the bankers' view. As well, the Islamic banks play a vital role regarding the social responsibility in the following domains:-

- The Islamic banks in Palestine support the educational organizations.
- The Islamic banks in Palestine support the healthcare organizations.
- The Islamic banks in Palestine support the relief of social services.
- The Islamic banks in Palestine support the cultural social services.
- The Islamic banks in Palestine support the economic social services.

Thirdly: There are no significant statistical differences among the correspondents (bank's customers or bankers) regarding the social responsibility role of the Islamic banks in Palestine.

Based on the previous results, this paper recommends the managers of Islamic banks to play more effective role in achieving and enhancing their social responsibility.

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