**Transcending the Trend of Financialization: The Heterodox vs. Islamic Economics View**

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**Abstract**

The paper aims to link three prominent issues relevant to the financial world today – the mounting level of *financialization*, heterodox perspective on functionless investors, and compatibility of Islamic principles to heterodox thinking particularly in regards to interest and uncertainty. Examining the vast array of burgeoning literature the paper argues that the trend of financialization in the capitalist countries has created a new class of capitalist with huge accumulation of wealth ensued merely from financial transactions. Income gap between the rich and poor has widened which is at odd with heterodox perception of equality among social classes. In the Marxian and Keynesian traditions, there is little room for functionless investors to expropriate surplus earned by working and entrepreneurial classes particularly through financing means or rent. We find Islamic prohibition of interest and uncertainty compatible with this heterodox thesis. Islam does not allow rentier income from interest; rather it encourages profit and loss sharing financial contracts so that uncertainty involving with the future income is shared by contracting parties.

**Keywords:** Financializaiton, Heterodox economics, Islamic finance, Interest, Uncertainty

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