

ISLAMIC ECONOMICS EDUCATION  
IN SOUTHEAST ASIAN UNIVERSITIES

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This book discusses and analyzes an area of contemporary Islamic economics and finance that is relatively under-written, i.e., Islamic Economics Education. It provides a conceptual introduction by experts in Islamic Thought and Education on the urgent need for curriculum reforms in university education that is represented by integration between Islamic heritage (*al-Turath al-Islami*) and modern knowledge/disciplines. In this context, the Islamization of knowledge agenda, properly understood and undertaken by qualified academics, is a legitimate process required in the teaching of economics. *Islamic Economics Education in Southeast Asian Universities* presents the case studies and experiences of selected universities in Malaysia and Indonesia offering Islamic economics programs, reflects critically on these experiences, identifies important issues and challenges, and offers recommendations for the future progress of Islamic economics education.

## Editors

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## Centre for Islamic Economics, IIUM

In line with the vision and mission of the International Islamic University Malaysia (IIUM), the *Centre for Islamic Economics* (CIE) was established to promote the discipline of Islamic economics at both theoretical and policy levels. One of the focus areas of the centre is Islamic economics education, related specifically to curriculum and human resource issues. For further information about the CIE, please visit [www.iium.edu.my/cie](http://www.iium.edu.my/cie).

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Centre for Islamic Economics  
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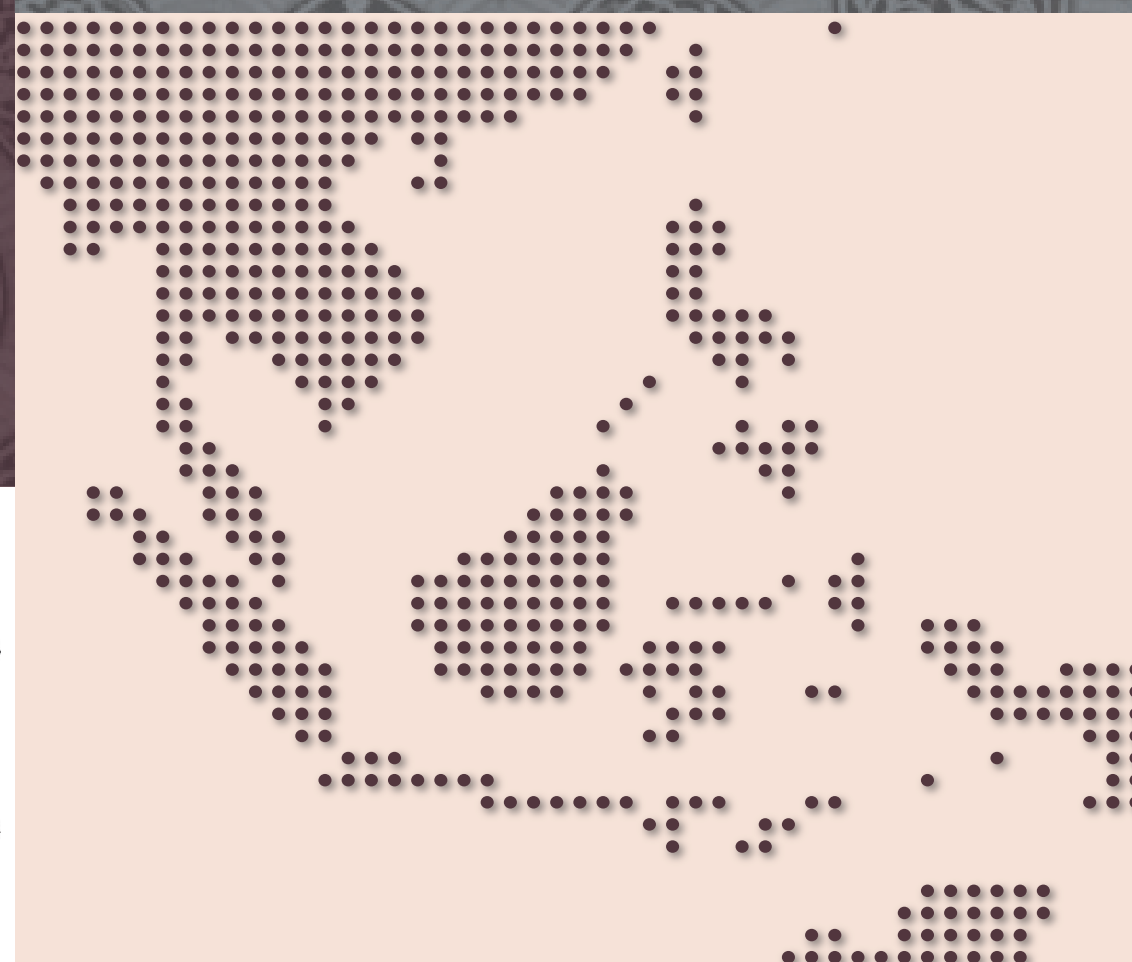


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## Chapter 14

# Developing *Muamalat* Curriculum: USIM's Experience

**Amir Shaharuddin**

### **1. Introduction**

The rapid growth of Islamic banking and finance industry has spurred the development of Islamic education in business and economics. Institutes of higher learning in Malaysia, both public and private enthusiastically offer Islamic business and economics programs at various levels (professional certificate, advanced diploma, degree, masters and doctrate). The demand for graduates of these programs is huge. It is reported that Malaysia alone needs more than 10,000 workforces in this industry by 2015. Considering the steady expansion of 300 Islamic financial institutions worldwide, the demand definitely would become much greater. Islamic Science University of Malaysia (USIM) is fully aware of this positive scenario; hence, USIM is serious in trying to produce competent, knowledgeable and trustworthy talents for this fast growing market.

Faculty of Economics and Muamalat (FEM) is established to accomplish such important task. USIM hopes that FEM would uphold the principles of Islam in creating more opportunities for students, intellects and scholars to engage in research efforts and expand the knowledge on Islamic economics and *muamalat*. The philosophy behind all academic activities in FEM lies on the integration of *naqli*

and *'aqli* knowledges. The former refers to the original sources of Islam (the Quran and Sunnah) while the later denotes the contemporary experience. This means teaching and research undertaken by academics in the faculty are based on solid understanding of the roots of Islam and then try to adapt them in the modern economic environments for the noble purpose of society's progress and nation building.

In addition, the academic activities at FEM are motivated by the framework of *muamalat* based on man-man relationship. Figure 1 below shows the framework, illustrating the Islamic economy within the context of mankind's relationships to God, man and universe.

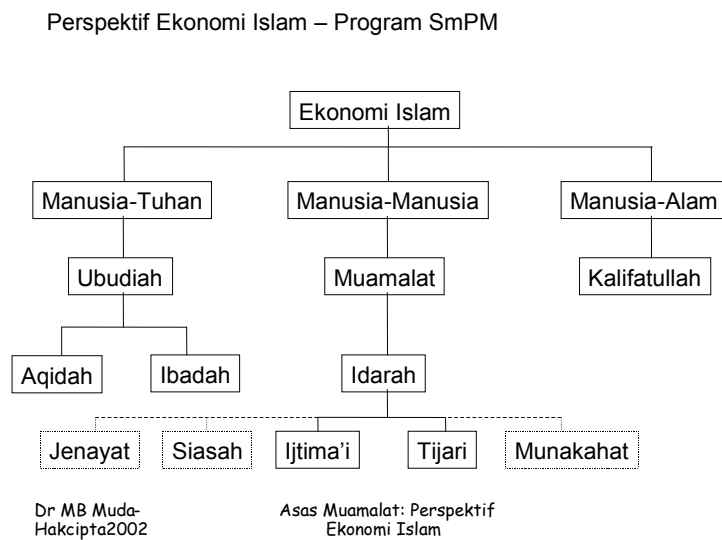


Figure 1: Framework of Mankind's Relationship

At FEM, we believe that the Islamic economic discipline should be examined from the paradigm of man-man relationship. Under the classical *fiqh* framework, the relationship is governed by *fiqh muamalat* doctrine. However, the current economic affairs suggest that the man-

man relationship should not be confined to the legal aspect but should be discussed from a much broader viewpoint such as the issues related to production, distribution and consumption of resources. Based on the analysis of primary Islamic resources (the *naqli* knowledge), economic activities of mankind can be categorized into two main divisions; *ijtima'i* and *tijari*. *Ijtima'i* is non-profit oriented activities such as *waqf*, *zakah*, *sadaqah*, *hibah* and *baitul mal*. In contrast, *tijari* is profit seeking activities implemented by an exchange of two valuable counterparties either by the virtue of sale, hire or partnerships contracts. Both *ijtimai'i* and *tijari* divisions are incorporated in the curriculum design at the faculty. Thus, the programs offered not only concentrate on the business profit element but also give equal consideration on the social and religious obligations. The approach is hoped to be able to produce distinctive graduates of Islamic economy and *muamalat* schools who possessed Islamic worldview and necessary skills in managing business organization. Teaching activities are carried out based on the lesson drawn from *surah al-Qasas* 28:76 which emphasizes that Islamic economy is universal in nature and is practised based on the balanced approach between the needs of the world and the hereafter.

Celebrating its 10 years anniversary in 2011, FEM is proud to offer 4 undergraduate programs, 2 taught masters and 2 postgraduate research programs. The programs are as follows:

#### *Undergraduate*

1. Bachelor of Muamalat Administration
2. Bachelor of Accounting
3. Bachelor of Corporate Administration and Relations
4. Bachelor of Marketing for Financial Services

#### *Taught Master*

1. Master of Muamalat Administration
2. Master of Muamalat Administration (Halal Product)

*Post-graduate Research*

1. Master in Economics and Muamalat
2. PhD in Economics and Muamalat

**2. Bachelor of *Muamalat* Administration**

For the purpose of this chapter, we shall concentrate on the Bachelor of Muamalat Administration program. The program is offered since May 2002. Basically, its educational outcome is to produce graduates who are able to synthesize the integration of *naqli* and *aqli* knowledge in *muamalat* and applied them in the real business environment. With the integration of Islamic knowledge, graduates of this program are hoped to be able to contribute towards the betterment of current practice of Islamic banking and finance industry. They are supposed to have a clear vision regarding Islamic economic system and the *maqasid al-shari'ah* (objectives of the *shari'ah*). In addition to that, the element of *muslimpreneurship* (i.e. entrepreneurship with the Islamic worldview) is embedded in several business courses which aim to equip students with necessary skills in managing small and medium enterprises. The faculty highly encourages students to develop their entrepreneurship skills through organizing various activities such as convention of Islamic Entrepreneurship.

The total credit hour of this program is 138 and displayed in Table 1.

**Table 1: Program Requirement for Bachelor of Muamalat Administration**

Category	No. of Courses	Credit Hours
Compulsory University Courses	11	22
Compulsory Faculty Courses	9	24
Compulsory Program Courses	21	63
Elective Courses	10	29
Total	51	138

### **3. Analysis of the Bachelor of Muamalat Administration Program by Type of Courses Offered**

In this analysis, the 51 courses offered to the students are divided into 4 categories. The categories are (1) conventional business courses, (2) Islamic banking and finance courses, (3) Muamalat courses and (4) other Islamic courses. The classification of the courses is based on the topics covered during the class as demonstrated in the teaching modules. Conventional business and management courses are defined as courses in which the contents are purely based on conventional theory and paradigm. On the other hand, courses which consist of more than 50% of Islamic inputs are considered as Islamic banking and finance courses. Islamic inputs are described as discussions regarding business, economics and finance from the Islamic point of view. Meanwhile *muamalat* courses refer to courses which concentrate more on the Islamic law (*shari'ah*) aspect. Other than the said three categories are courses which are not directly related to business, Islamic banking and finance or *muamalat*. These courses are complimentary in nature where they are aimed to enhance students' communication skill and their understanding regarding Islamic values.

#### **3.1 Conventional business courses**

FEM really encourages its lecturers to develop a truly Islamic business module. Based on the philosophy of integration, lectures are expected to incorporate Muslim scholars' writings and discussions on various business issues in their teaching instructions. However, as shown in Table 2, 19 courses are still taught purely based on the conventional framework. This represents 40.5% of the total credit undertaken by students of Bachelor of Muamalat Administration. We believe that the incorporation of Islamic inputs can be increased in several courses such as the Principles and Practice of Marketing, Consumer Behavior, Risk Management, Human Resource Management and Business

Economics. There are considerable academic writings which examine these issues from an Islamic perspective.

**Table 2: Conventional Business Courses in Bachelor of Muamalat Administration Program**

Category	No.	Course Code	Courses Name	Credit Hour
Conventional Business Courses	1.	MAB1033	Business Accounting	3
	2.	MAC3013	Management Accounting	3
	3.	MCA2013	Principles and Practices of Marketing	3
	4.	MCA3023	E-Commerce	3
	5.	MCB3013	Consumer Behavior	3
	6.	MDB2013	Business Statistics	3
	7.	MDC4013	Operations Management	3
	8.	MEA2013	Business Economics	3
	9.	MEA3023	Malaysian Economy	3
	10.	MFA2013	Principles of Financial Management	3
	11.	MDB2023	Business Mathematics	3
	12.	MFC4013	Risk Management	3
	13.	MHB4033	Commercial Law	3
	14.	MHB4013	Corporate Law	3
	15.	MGB4013	Strategic Management	3
	16.	MCD4013	Marketing of Financial Services	3
	17.	LAA1063	Comparative Law of Contract	3
	18.	AAM3033	Human Resource Management	3
	19.	MDB3023	Research Methodology	2
		Total		56

### 3.2 Islamic banking and finance courses

As can be seen from Table 3, the Islamic banking and finance courses represent 21.7% of the degree requirement. Basically, the courses cover Islamic banking, Islamic capital market and *takaful* issues. In terms of the delivery of the courses, lecturers depend on various references (i.e. local text books, articles in journal and Bank Negara Malaysia reports etc.) to elucidate the industry development. In addition to the existing references, FEM lecturers are increasingly adapting to the case study method to enhance their teaching method. Lecturers are actively involved in case studies writing to be used in the classroom. Despite good participation from the lecturers, the continued support from the faculty administration is vital to maintain the case study writing project. It is hoped the number of case studies will be increased in foreseeable future.

**Table 3: Islamic Banking and Finance Courses in Bachelor of Muamalat Administration Program**

Category	No.	Course Code	Courses Name	Credit Hour
Islamic Banking & Finance Courses	1.	MFA3023	Money and Capital Markets	3
	2.	MBA4013	Management of Banking and Takaful Institutions	3
	3.	MBB4013	Principles and Practices of Islamic Banking	3
	4.	MBB4023	Credit Management	3
	5.	MBC4013	Principles and Practices of takaful	3
	6.	MBC4023	Underwriting Management and Claims	3
	7.	MGA4033	Haj and Umrah Management	3
	8.	MGA3033	Shari'ah Audit	3
	9.	MGC4013	Entrepreneurship	3
	10.	AAM3053	Islamic Work Ethics	3
		Total		30



### 3.3 Muamalat courses

Muamalat courses form an integral part of this program. Understanding the philosophy, history, salient features and conditions of Islamic commercial law would distinguish graduates of Bachelor of Muamalat Administration with other business degrees. All the five courses are hoped to provide students with strong foundation in *muamalat* which would help them in their career and life.

Table 4 presents the specific courses categorized as Muamalat courses. It should be highlighted that three of the courses namely *Usul Fiqh* (Methodology of Islamic law), *Tarikh Tashri'* (history of Islamic law) and *Halaqah* are taught in Arabic. The use of Arabic language as medium of communication in class should enhance the students' Arabic language ability as well as employability rate. The *Halaqah* is meant to expose the students with selected classical texts in *fiqh muamalat*. It is in this course where the students will learn to read the work of Nawawi (d.676 H) on the topic of *mudarabah*.

**Table 4: Muamalat Courses in the Bachelor of Muamalat Administration Program**

Category	No.	Course Code	Courses Name	Credit Hour
Muamalat Courses	1.	LAA1042	UsulFiqh	3
	2.	LAA1022	TarikhTashri'	3
	3.	MGA2013	Fiqh Muamalat 1	3
	4.	MGA4013	Fiqh Muamalat 2	3
	5.	UTA2082	Halaqah	3
		Total		15

### 3.4 Other courses

Generally, students at USIM have to take quite a number of other courses which may be considered to be of smaller relevance to their program of study. In our case, these other courses represent 26.8% of

the total degree requirement (refer to Table 5 below). The courses include language courses (English and Arabic), information technology, critical thinking, *akhlak* and *dakwah*. As mentioned earlier, they are not directly related with business and economic subjects; but, these supplementary courses are vital to enhance students' communication skill and perspective in life.

**Table 5: Other Courses in the Bachelor of Muamalat Administration Program**

Category	No.	Course Code	Courses Name	Credit Hour
Conventional Business Courses	1.	UBE1012	English Language 1	2
	2.	UBE1022	English Language 2	2
	3.	UBA1032	Arabic Language 1	2
	4.	UBA1042	Arabic Language 2	2
	5.	AAA1012	Aqidah	2
	6.	AAA2022	Akhlak and Tasawwuf	2
	7.	LAA1012	FiqhIbadah and Munakahat	2
	8.	UTA1012	Islamic and Asia Civilizations	2
	9.	UTA1062	Ethnic Relationship	2
	10.	UTA2072	Critical Thinking and Problem Solving	2
	11.		Co-curriculum	2
	12.	UBE2032	English ESP 1	2
	13.	UBA1062	Arabic ASP 1	2
	14.	MZA3016	Industrial Training	6
	15.	UTA1082	Information Technology and Communication	2
	16.	AAA1043	Principles and Practices of Dakwah Communication	3
Total				37

#### 4. Conclusion

This chapter attempts to show that integration of *naqli* and *'aqli* knowledge is the basis for developing *muamalat* curriculum at FEM. Although it is a unique and a much desired approach, there are challenges and impediments that need to be faced. Human capital has

been identified as the main problem in integrating the *naqli* and *'aqli* knowledge. Our 10 years of experience in training academics who possess both classical and modern Islamic knowledge shows promising result. Admittedly, some courses offered to the students can be enhanced by incorporating more Islamic inputs. Besides, case study method should be adopted to make teaching and learning of the program attractive and more importantly, effective.

### **Reference**

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