

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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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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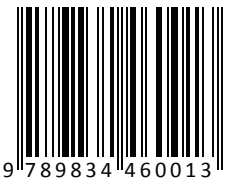


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## Chapter 15

# Selected Issues in Islamic Economics Education and the Way Forward

**Mohamed Aslam Haneef & Mohd Nizam Barom**

### **1. Introduction**

The past recent decades witnessed a steady growth of 'Islamization of knowledge' efforts in the wake of intellectual resurgence of the Muslim world, not least in the discipline of economics. Since the 1980s, there have been an increasing number of institutions around the world attempting to offer courses and programs in Islamic economics (and since the 1990s in Islamic Banking and Finance). Despite the encouraging progress so far, literature specifically in the area of Islamic economics education is rather limited. As an important contribution to the literature in this area, Part I of this book aimed at providing some guiding lights on developing a conceptual framework for the process of integration and Islamization of knowledge in the discipline of economics.

Part II specifically was designed to provide an insight on the development and experience of Islamic economics education in selected Southeast Asian universities situated in Malaysia and Indonesia. The focus given on the region is timely as it has become one of the leading centers of Islamic economics education (and related fields including Islamic banking, finance, management, and accounting) in the world. The experiences starting from the establishment of the IIUM in 1983 and later the setting up of Islamic

economics programmes in Indonesia in the last 5 years provide valuable lessons on integrated curriculum reform in Southeast Asia. These lessons cover various approaches adopted, curriculum structure and contents of Islamic Economics curriculum. As a whole it provides an overall picture of the process of Islamization and integration of knowledge in the teaching of Islamic Economics. It also serves as an important reminder of the various issues faced by these institutions in implementing the curriculum at the undergraduate level.

As a conclusion to this volume, this chapter seeks to highlight selected critical issues that have arisen in the teaching of Islamic economics. Based on the experiences and discussions, two critical issues come up repeatedly: Quality of human resources involved in the delivery of the integration and Islamization efforts and the availability of reference materials to support the teaching and learning process.

In view of these issues, this chapter also attempts to offer some possible avenues to find solutions, as well as planning for the future of Islamic economics education. In this context, the chapter discusses the importance of developing an *Usul* (methodology) for Islamic economics, which takes into account various aspects of Islamic heritage concerning economic dealings, behavior and institutions beyond the realm of the *fiqhi* (legalistic) aspect of the *Shari'ah*. The chapter also highlights the need for regional cooperation to further strengthen the collective efforts in the development of Islamic economics education.

## **2. Qualified Human Resources in Islamic Economics Education**

As can be seen from the discussions throughout the second part of this book, qualified human capital has been, and is still a problem for institutions teaching Islamic economics. We could ask about the depth of and understanding of all the components necessary to be a teacher for Islamic economics courses. What level of mastery of

modern economics? What level of *Islamic economics* possessed and mastered as opposed to qualifications in *Shari'ah* or *fiqh*? In other words, are we currently able to ensure that the teachers of Islamic economics are having all the necessary components to qualify as Islamic economists? Generally, the answer is negative.

In these institutions, what is found are mainly conventionally trained economists who are interested in Islamic economics- *at varying degrees*- on the one hand; on the other hand, we find *Shari'ah*-trained scholars interested in economics/banking issues- *at varying degrees*. As a short-term measure, training modules in the 'deficient' areas must be given. There is also a third category of lecturers, i.e. those who themselves are graduates of Islamic economics programs, where the curriculum itself was a 'mixed' or integrated one. While this third group can and does play the role of bridging between modern economics and the Islamic heritage, even in this group one can find varying degrees of competence. Hence we are not only talking of a new curriculum in economics that needs to be developed and improved, but also recruiting the best people to take up teaching positions. Only this would meaningfully help in overcoming the shortage and quality of human resources with all requisite components and expertise. This teacher component must be satisfactorily addressed if Islamic economics education is to make any real impact.

Another aspect of a longer term solution to the human resource challenge is the graduate studies planning of the department. The issues of where young academics are sent and the importance of having a good blend of both economics and *Shari'ah*/heritage as well as a good mix from different schools of thought in economics need to be addressed effectively. In the majority of cases, staffs were sent to doctoral programs in economics either in the US or the UK, with no clear agenda for the 'mix' of schools. Hence, this measure has

produced qualified economists, but not those critical of modern economics, let alone promoting a new approach of Islamic economics. One way to achieve this goal is to have a more purposive policy of allowing staff with undergraduate economics degrees to pursue higher degrees in Islamic economics/*Shari'ah* (and *vice versa*) as well as sending them to Universities that have 'alternative' schools of economics, i.e., schools that are well known to have a strong heterodox orientation.

Much more discussion and human resource planning has to be undertaken to overcome this huge challenge in producing the teachers of Islamic economics, both in terms of quantity as well as in quality.

### 3. Reference Materials

Apart from the human capital challenge, we also do not have sufficient materials on Islamic economics for both the lecturers and for the students. While 'textbooks are always targeted, it is probably more practical and realistic to start with more modest goals. There should also be a concerted effort to produce reference materials that can immediately be used in class. These can be as follows:

#### *a. Review articles*

As a starting point, lecturers could attempt to write review articles in certain areas of economics/Islamic economics. Alternatively, they could assign students at senior undergraduate, but preferably at the graduate level, to write these review articles for their assignments or as their research papers. The latter is also suitable since these review articles can take up to six months and will enable the collection of relevant materials/articles in a particular area. For example, one could have review articles done in Consumer Theory, Theory of the Firm or Theory of Distribution or even in sub-areas of the above such as Functional Distribution. These review articles then form the basis of

further refinement that can lead to a more organized treatment of topics or areas from Islamic perspectives.

*b. Books of readings*

From the collecting of reference materials in an area of economics as in (a) above, it is just a short step away to produce books of readings that make up an acceptable collection of articles written in a certain area or that cover the various topics in a course. One challenge in this effort is that the collection of articles can sometimes be confusing to students since they are written by different authors that may have different or even contradicting views on the subject matter. Hence, some effort of 'coordinating' or clarifying needs to be done by lecturers in addressing these differences.

*c. Critical readers*

As a result of (a) and (b) above, one could go the next step and produce 'Critical Readers' in those areas chosen. The added advantage of the Critical Readers is that it provides selected 'main references' in a chosen area, has the extended bibliography of references in that area, but more importantly, includes the review article now enhanced by the lecturer or graduate student.

The practical use of the above three is that these efforts can include students in the process. By doing this, students are exposed to the array of writings in the subject and are taught to have a 'critical' mind. It will also assist lecturers who themselves are not coming from an Islamic economics background and also help in having more organized reference materials for the various courses to increase efforts at integration. It is felt that attempts to write textbooks will be enhanced if we follow the steps given above. In addition, all efforts to produce reference materials must be based on research efforts. Academic staffs should take the initiatives to apply for grants where more research activities to integrate Islamic perspectives with

economics can be undertaken. In the research process, we must utilize the full expertise of the academic staff, both those trained in economics and those trained in heritage, as well as students who could be hired as research assistants in the process.

One more type of reference material that is required – and also mentioned later in this chapter is the need for well researched and written ‘anthologies’ of both the Islamic and western intellectual traditions. This could also be in the form of critical readers. These anthologies can then be the reference point for exposure of our current and future Islamic economists to get a better and wider understanding of the intellectual and scholarly traditions in human civilizations, thus helping in the integration process.

#### **4. The Need to Develop an *Usul* for Islamic Economics**

As a continuation of the last point, a constant complaint among academic staff is that they are not confident of undertaking ‘integration’. Those in economics are not confident with their ‘Shari’ah base, while those in *Shari’ah* have very little exposure to economics. In order to bridge this gap, training modules can be designed so that both sides can contribute to the development of Islamic economics.

However, it must be noted here that there is another ‘internal’ challenge for integration efforts, i.e. the inability to look beyond the legal realm when considering the *turath*. Many training programs and even undergraduate/graduate programs in Islamic economics and finance found in many universities take a very narrow view of our *turath*. Whenever the ‘*shari’ah*’ is taught, it is misunderstood and reduced to the legal/*fiqh* dimension, demonstrating what Al-Attas (1980) termed as the problem of ‘corruption of knowledge’. By this he means that important concepts in the Islamic worldview have been either misrepresented or been ‘under-represented’. In this case instead of understanding *Shari’ah* as a complete path or guide for human

beings, the legal dimension has been over-emphasized as if 'life is law' and that Islamic scholarship and the scholar is limited to legal issues and the legal scholar. Since economics is a social/human science and deals with human behavior relating to 'economic' affairs, one would have thought that more emphasis should be given to questions about human nature, human needs, the ethical guidelines of human behavior etc. While these issues are often discussed in courses related to economics and Islamic economics, it is also important to be included in the discussions of courses related to *fiqh* and *usul al-fiqh* or any other *Shari'ah*-related subjects.

What makes the effort even more challenging and in some cases an obstacle, is the epistemological and methodological 'conflict' between knowledge developed in modern economics and knowledge developed in the *Shari'ah* sciences. Historically, modern science limits itself to knowledge developed via reason and observation only. On the other hand, *Shari'ah* sciences (especially those related to the legal sciences) focus extensively on the *Qur'an* and *Sunnah*. However, in the efforts to develop contemporary Islamic economics, we have to integrate the two. Put in another way, how do we use revelation as a source of knowledge to develop a social science of economics? This again brings us to the issue of how we can integrate knowledge from revelation with knowledge from the universe, via the use of sound reason.

It is quite clear that this cannot be achieved unless we give attention to developing the 'foundations' of Islamic economics, and this necessitates the development of an *usul* (methodology) for Islamic Economics. Much more work needs to be done to build a coherent philosophical base for Islamic economics that uses the best of our heritage and of modern economics. However, this effort must recognize that integration of modern knowledge and knowledge from our heritage cannot be done legitimately without a proper unified methodology. This Islamic economics methodology has to go beyond



the usually understood '*usul al-fiqh*' a very intricate area of knowledge developed by our scholars, *but for law*. For a human/social science, the methodology has to be one for a behavioral/social science.<sup>1</sup>

This effort is made more difficult since very few economists, let alone Islamic economists, are exposed to the history and philosophy of modern economics *and* the history and philosophical tradition in Islamic civilization. In contemporary times, this is not by design, but by default as most Universities in the Muslim world have followed the path of separating 'Islamic/religious studies' from 'modern/scientific disciplines'. This dichotomy in our school/university curriculum is part of the wider secularization/modernization experience in all modern societies. The Islamization of Knowledge (IOK) agenda addresses this problem of knowledge/education, but there is still a long way to go. Again, this means developing training modules and other programs for scholars exposing them to 'the other side' as well as greater interaction with scholars who are experts in those wider areas of philosophical thought in both modern knowledge and Islam: a feat relatively easy to state, but not so easy to materialize effectively.

One effective way to address this integration challenge is to follow an important, but overlooked proposal in the IOK workplan, i.e. the need to produce **anthologies of both the *turath* and modern disciplines**. However, it may be difficult for lecturers in economics to write these. This task would require collaboration with scholars from other fields such as history, philosophy and even civilization studies, all areas that are not necessarily 'flourishing' in institutions of higher learning in the Muslim world. Nevertheless, this task is needed and would require substantial resources – including financial – to be allocated to this very 'non-commercial' dimension that will have an important impact on the teaching of economics and the preparation of the future teachers of the program.

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<sup>1</sup> For a more elaborate discussion on this, please see Haneef and Furqani (2011 and 2012).

## **5. The Need for Collective Initiatives**

It is clear that there is still much more work that needs to be done for the Islamization agenda in the discipline of economics, and therefore it is beyond the capability and resources of any single organization to accomplish this mission. This necessitates collective initiatives and cooperation among academic staff and institutions teaching Islamic economics with the aim of improving the quality of curriculum, reference materials and integration and Islamization approaches. One of the efforts currently taking place particularly in the South East Asian region is the series of workshops on Islamic economics Curriculum. As mentioned in Chapter 1, the publication of this volume is the outcome of one of such workshop conducted in 2011 at the IIUM. The series of workshops on Islamic economics curriculum can serve as the initial platform to strengthen collaboration efforts among the institutions in other relevant areas. This can include issues such as the development of human capital and teaching materials, which are at present the two most pressing areas in Islamic economics education.

As highlighted earlier in this chapter, one of the short-term solutions to the human resource problem is to identify the areas where there is a knowledge gap or deficiency for lecturers undertaking 'integration and Islamization' in the educational process. The training modules can then be properly planned to address these deficient areas and can be hosted by different institutions. Experts from institutions that have greater experience in the particular area can be invited as resource persons. In addition to this training programmes, the ability to deliver effective integration and Islamization in teaching the courses is also a major concern. Therefore, 'teaching methodology' programs on various methodologies available for integration and Islamization should also be organized.

While there is a critical need for having relevant materials that can be used immediately in various areas of Islamic economics, coming up

with high quality textbooks must be the ultimate goal. In this context, collaboration among the institutions can help to speed up the process. Initiatives can also be channeled to harmonize interpretations of Islamic economics concepts and principles (e.g. scarcity, maximization, ownership of resources, etc.) and to widen the scope of discussions from a conceptual level to more specific operational principles and policies, particularly in the less developed areas of Islamic economics. The most effective way to achieve this is by facilitating research collaboration and joint projects between Southeast Asian institutions.

The varying degrees of expertise of lecturers and availability of relevant materials have also contributed to differences in the content and emphasis of Islamic economics curriculum in different institutions. This can have important implications on the quality of graduates of the programmes if the curriculum does not provide appropriate knowledge, exposure and competencies in the areas expected from an Islamic economics program, i.e. mainstream economics, Islamic economics, Shari'ah, quantitative techniques, some accounting and management knowledge as well as ability to have critical thinking. This brings us to the issue of the delicate balance of curriculum contents between these components. While individual institutions have the right to offer a program suited to their needs and mission, there must be a minimum standard of coverage, both in scope and depth of these various components to ensure the desired outcome in terms of the quality of graduates. This in turn, would require collective effort and consultation among the institutions offering programs in Islamic economics.

The need for strengthening regional and international collaboration in Islamic economics education also requires proper institutionalization of this cooperation in the form of the establishment of an association of institutions in Islamic economics or of academic staff having interests in Islamic economics education. This can serve as a catalyst to strengthen collaboration efforts and a

platform which can wield more organized programmes as well as having institutional support for the advancement of Islamic economics education.

## **6. Conclusion**

As an important contribution to the literature on Islamic economics education, this book has provided important conceptual and practical discussions of integration and Islamization efforts in economics. Specifically, it has presented the experiences of various institutions offering Islamic economics programs, identified important issues and challenges that have arisen in implementing the curriculum, and offered recommendations for its future development. The discussion in this concluding chapter has focused on the two chief concerns in the success of the integration and Islamization process; the quality of lecturers and reference materials. The content of the program, the relevant materials to support this content, the methods and approaches towards integration and Islamization, and the planning for human resource development are all crucial issues that must be addressed to ensure the quality of the program and the graduates.

In view of the epistemological and methodological impediments towards genuine integration and Islamization efforts, the article also argued for the need to develop a dedicated *usul* for the discipline of Islamic economics, which takes into consideration not only the legal or fiqh dimension of the *Shari'ah*, but also many other aspects of Islamic heritage, particularly those that see Islam as a civilization and one that is relevant to Islamic economics as part of that civilization. Given the early stage in the experience of Islamic economics education, and the huge task still waiting to be undertaken, there is a critical need for a collective initiative and cooperation from various stakeholders in this field, particularly the institutions and academic staff teaching the programmes in their respective institutions. In sum, the success of the Islamic economics programmes and the overall

agenda of Islamization of knowledge, require proper planning as well as financial and institutional support. While this seems to be a long journey away, identifying the impediments and the potential short-term solutions and long-term plans for the future, would significantly assist in realizing this goal.

As the well known Malay proverb says...  
'Muafakat membawa berkat'.

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