

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.

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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.

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Chapter 5

Teaching of Economics at IIUM: The Challenges of Integration and Islamization

Mohamed Aslam Haneef

1. Introduction

The teaching of Islamic economics, in both theory and practice, has not been a widely discussed and debated area among Islamic economists. Islamic reforms in education have taken place in many parts of the world since the 1977 First International Conference on Muslim Education in Makkah. While the ‘theory’ and practice of Islamic economics (mainly banking and finance) has become a relatively wide-spread feature in many Muslim countries since the 1980s, discussions and debates on Islamic economics education have been rather scarce. In fact, issues relating to curriculum and teaching of Islamic economics is at most, an internal matter, rarely discussed at international Islamic economics conferences and meetings. In this chapter, we discuss the practice of teaching modern economics, within the agenda of integration and Islamization of knowledge, including some observations on the current practice and relevant issues that need to be addressed.

One of the earliest attempts at the ‘practice’ of teaching Islamic economics began formally in 1983 with the setting up of the International Islamic University Malaysia (IIUM). The *Kulliyyah*

(Faculty) of Economics (later, Economics and Management Sciences) has been offering degrees in economics (later, in business administration, accounting and Islamic Finance) at both the undergraduate and graduate/post-graduate levels for the last 30 years. This chapter discusses some issues relating to the agenda of 'Islamization and Integration' of knowledge as applied to the discipline of economics and looks specifically at the B.Economics program offered at the IIUM since 1983. The analysis uses the framework developed by Haneef and Amin (1997 and 2005)¹. It then presents some 'overall comparative facts' regarding the extent of Islamization and Integration between 2001 and 2010. A couple of major issues are discussed in this chapter, but many others are taken up in the concluding chapter of the book (Chapter 15).

2. Integration and Islamization of Economics

There is unanimity among all credible contemporary Islamic economists that contemporary Islamic economics requires an integration of Islamic heritage and modern economics/knowledge. In addition, within these two sources/inputs, each has within it two types of knowledge:

1. Substantive knowledge- economic concepts, models and theories in modern economics; and economic teachings or views on those concepts, 'theories' and other economic matters in the heritage,

¹ The author apologises if there is some overlap between this article and the Haneef and Amin article (Chapter 6 of this volume). However, while the latter discusses many curriculum issues and compares the two programs as offered by IIUM and the University of Malaya, the issues raised in this article deal specifically with the efforts of Islamization and integration in the teaching of economics.

that range from very cursory overviews to more detailed elaboration of the subject matter.²

2. Technical/methodological knowledge such as the various qualitative and quantitative research methods and techniques and those that discuss methodology³. The latter would include the different methodologies of different schools of modern economics and '*usul*' studies in the heritage.

For example, in the first type and in modern economics, one would find knowledge of the various theories of consumer behaviour or theories of producer behaviour. In Islamic heritage, one would find general concepts relating to consumption in the Qur'an, plus the more detailed views of the jurists regarding rules of consumption (usually called *fiqh*). One however, would not find a readily available theory of consumer behaviour in our historical traditions as there was no discipline of economics at the time.

In the second type of knowledge, one would find the different methodologies used to develop those theories of consumer behaviour or

² Keep in mind that even within western intellectual history in economics, there is a vast difference between the writings of say Milton Freidman in the mid 20th Century and that of Alfred Marshall at end of the 19th Century, let alone if we were to compare it with earlier scholars such as Adam's Smith whose *Wealth of Nations* (1776) would not be called 'economics' (and in fact was not called that). Hence, trying to compare the 'economic teachings' of the Qur'an, Sunnah or even the writings of Muslim scholars of the 12th -15th century with that of modern western economists, is occasionally like comparing 'general principles' to specific detail operation manuals. Wisdom is needed in this process.

³ There is quite a significant amount of confusion regarding the term methodology (mistakenly used for methods or techniques). For a more detailed discussion on this in Islamic economists' writings, see Haneef and Furqani (2011) that also gives a selected bibliography of references in modern economics and philosophy of science.

producer behaviour. There are different methodological schools in modern economics that used different approaches, methods and criteria to develop and evaluate the soundness of theories. On the Islamic heritage side for example one could find the knowledge of *usul al-fiqh* (foundations/methodology of *fiqh*). Just as in any human intellectual endeavour, one would find different positions/methodology regarding the *fiqh* rulings on consumption. However, as will be pointed out later, the understanding of *fiqh* and *usul al-fiqh* in our scholarship- in fact of our general understanding of 'scholars and scholarship'- has been narrowed down to legal aspects and discourse. When this is seen as the Islamic views of economics, the result is an overly legalistic orientation rather than viewing the *shari'ah* as guiding a social/behavioural science. This will be discussed further in a later section.

However, both these inputs are needed in Islamization/integration efforts. At the same time, as the Islamization of Knowledge requires, both these types of knowledge in each of these inputs as well as the variations found in these inputs (and implications of these), have to be 'mastered' for genuine integration and Islamization to take place. This, as one can imagine, is no simple task. This can be seen in contemporary writings of Islamic economics where the substantive content of Islamic economics more often than not 'overly replicates' conventional economics, with modifications made (at varying degrees) depending on the ability of the writer. This has led to criticism that Islamic economics is merely patchwork rather than genuine integration. Many reasons can be given for this: the inability to understand the Islamic vision and worldview and to develop these in 'economics'; lack of serious attention to the elaboration of the technical/methodological (and we add philosophical) aspects of the discipline (mainly due to their training and education) and also the lack of understanding of the whole spectrum of schools of thought in both inputs.

Integration requires us to understand and utilize the ‘Islamic legacy/heritage’ in developing contemporary Islamic economics. While this in itself is challenging, we cannot limit the rich heritage of Islamic scholarship to only legal/*fiqh* areas. The Islamic heritage relevant to economics must include wider areas of ethics or *akhlaq*, epistemology and methodology. Our failure to give sufficient attention to all aspects of scholarship has resulted in, for example, critics of contemporary Islamic banking and finance saying that ‘Islamic banking may be legally compliant’ but is not necessarily as ethically rich as modern ethical banking/finance. Widening our scope of Islamic heritage would have significant implications on our curriculum development requirements at universities as well as in the training programs. We now take a look at the undergraduate economics program at the IIUM.

3. The B. Economics Program

In terms of graduates, the objective of the B. Economics is ‘to produce graduates who are competent in Economics and concomitantly blended with Islamic vision and character so that they can play a meaningful role in the society in which they live’.⁴ Hence, right from its inception one can find the explicit recognition that academic credentials, while being a necessary condition for graduation, was not sufficient. Instilling proper values, ethics and attitudes were also put forward as a central goal of the program. The frequent financial and economic crises as well as the numerous instances of ‘ethically questionable’ conduct in the global economic scene over the last two decades clearly points to the wisdom of the early formulators of the curriculum.

The program structure of the Bachelor of Economics at the KENMS requires students to go through various courses at the

⁴ See Haneef and Amin (1997, 2005).

University level, Kulliyah level and Department level. In addition, the curriculum consists of various categories of courses representing on the one hand, courses in economics and economics-related areas (such as accounting and management), and on the other hand, courses that represent the Islamic heritage (*al-turath al-Islami*). This stems from the philosophy of IIUM in which knowledge from revelation is to be taught in an integrated way with knowledge acquired through sound reason and sound senses. It is this need for translating the Islamic philosophy of education into practice that has led scholars to discuss the whole Islamization of Knowledge agenda since the 1970s.⁵

Table 1: B. Economics Curriculum by Type of Courses and Integration/Content (2001, 2010)

	2001		2010	
	Total Cr Hours	% of Total	% of Hours	Total Cr Hours
Economics (includes Business and Accounting)	87	68.0	68.0	87
Conventional (Conv.0%)	39	30.5	23.4	30
Minor Integration (MinIn 1-20%)	12	9.4	11.7	15
Moderate Integration (ModIn 21-40%)	9	7	11.7	15
Comparative (Comp 41-70%)	9	7	7	9
Complete Islamic Content (CIC 71-100%)	18	14.1	14.1	18
Fiqh and Usul al-Fiqh (F/UF)	18	14.1	14.1	18
Other Islamic Courses (OI)	12	9.3	9.3	12
Courses from Other Disciplines (OD)	11	8.6	8.6	11
Total	128	100.0	100.0	128

⁵ For example, see Al-Attas (1980) and Al-Faruqi (1982)

As far as our discussion is concerned, Table 1 categorizes courses into the following 4 categories utilizing course outlines provided by lecturers and compiled at the Department. In deciding which category courses would fall under, course content and references were the main focus.

- a. Economics courses, further divided into 5 sub-categories⁶
 - i. Conventional economics (Conv) where there is no attempt to bring in any inputs from the heritage or where courses may be 'technical' in nature.
 - ii. Minor integration (MinIn) where there is approximately 1%-20% inputs from Islamic heritage.
 - iii. Moderate integration (ModIn) where there is approximately 21%-40% inputs from Islamic heritage
 - iv. Comparative Courses (Comp) where there is approximately 41%-70% inputs from Islamic heritage
 - v. Completely Islamic Courses (CIC) where there is more than 70% inputs from Islamic heritage.
- b. *Fiqh* and Usul al-Fiqh courses (F and UF) referring to Islamic law of transactions and their methodology
- c. Other Islamic courses (OI) referring to Islamic heritage courses other than F and UF, such as those offered by the General Studies covering Islamic worldview, ethics, Qur'an and Sunnah.
- d. Courses from other Disciplines.

4. The Teaching of Economics Courses in the B.Economics Program

At the outset and with reference to Haneef and Amin (1997, 2005), it should be reiterated that the program is an economics program and has the nomenclature Bachelor of Economics. About two-thirds of the

⁶ It should be noted that the categorization is a quantitative one. In no way does it necessarily correspond to the quality of integration that is found in various courses in different categories.

program is 'economics' and it is to be expected that graduates of the program have all the requisite knowledge and technical skills required of an economics program. However, since the university itself is an Islamic University, the economics that is taught is one that manifests the integrated philosophy of education in Islam and if done correctly would be teaching 'Islamized' economics or Islamic Economics. Hence, besides courses that are conventional economics (approximately 30%), other economics courses are integrated- at different levels- with heritage. In a nutshell, this is done because of the assumption made that economics as a discipline, developed and taught in universities all over the world is not value neutral.

It has at its base, the values, experience and worldview of mainly western Europe from where it was conceived and developed over the last 300 years. Many fundamental concepts and assumptions made in mainstream economics represent this Eurocentric bias. It has also been acknowledged by the founding fathers of modern economics that this underlying vision of modern economics is not necessarily true or universal. Hence, what becomes the challenge for teaching economics courses at the IIUM is to be able to critically evaluate existing mainstream economics courses and to decide if the content is acceptable, needs to be modified or rejected outright. This in a nutshell is what has taken place at the Department of Economics since its inception in 1983.

Table 2: Overall Number of Courses According to Categories

Category	2001	2010
Conventional (Conv)	11	9
Minor Integration (MinIn)	6	6
Moderate Islamic content (ModIn)	3	5
Comparative (Comp)	2	2
Islamic economics (IE) (excludes F and UF)	5	5
Total Courses	27	27

Table 2 above gives an overall picture of the types of categories of economics courses offered by the Department of Economics. Of the 27 courses offered at the Department, 5 courses are considered to be Islamic Economics and these have remained constant between 2001 and 2010. Purely conventional courses have declined from 11 in 2001 to 9 in 2010. This decline has been transferred to the increase in the number of courses that have attempted integration, especially for ModIn, which increases from 3 in 2001 to 5 courses in 2010. This process of integrating economics courses with Islamic perspectives is an important feature of the IIUM B.Economics program stemming from its philosophy.

Therefore, the 'integration' and/or 'islamization' that takes place in economics courses is meant to critically evaluate those value based foundations and to replace them with values that stem from an Islamic worldview. This process is not one of blatant rejection; on the contrary, it is by definition a process of selective assimilation and creative synthesis. Based on Table 1, another way one could generally divide the Bachelor of Economics program is as follows: conventional subjects (economics and other conventional subjects, approx 35%), Islamic heritage (including the Fiqh, usul fiqh, other Islamic courses and completely Islamic economics courses, approximately 35%) and integration/comparative (all the sub-categories of MinIn, ModIn and Comp, approximately 30%).⁷ While the figures in these categories may vary over the years, what is important to keep in mind is that an important feature of Islamic economic education is the category where integration/comparative economics is attempted and that this has increased from 2001 to 2010. See Appendix 1 for the full listing of

⁷ See Haneef and Amin (1997, 2005). These figures may differ slightly with the table in this paper in which the last category may be about 25%, while the other two may be in the range of 37%- 38%. However, this should not be the main concern as it has to be acknowledged that the percentages may vary over the years.

economics courses (excluding fiqh, usul al-fiqh, objectives of shari'ah and economics in the Qur'an and sunnah) with their level of integration in 2010.

It may also be appropriate to mention at this point that there has been no indication that the economics/professional content of the B.Economics program is in any way insufficient. On the contrary, all reviews and external assessments find the economics content globally benchmarked. Graduates have no problem entering the market and/or furthering studies in the best Universities all over the world. From various Tracer studies done by the IIUM, it was found that Economics graduates were well sought after by employers. These and other studies point to the fact that what is being put forward in the program is actually a 'value-added' curriculum, i.e. the integrated curriculum and approach taken gives our graduates an advantage.⁸

5. Integration/Comparative Economics in the B. Economics Program

As far as the integration efforts are concerned, based on Table 1, two main findings come out from the data collected.

- a. Integration efforts increased by about 7%. The total % of MinIn, ModIn and Comparative approaches has increased from 23.4% in 2001 to 30.5% in 2010. This also corresponds to the reduction in conventional courses from 30.5% in 2001 to 23.4% in 2010.
- b. Another way of putting this is that 2 courses that were previously conventional in 2001, incorporated moderate integration in 2010, while one conventional course in 2001 incorporated minor integration in 2010.

⁸ Studies by Abdul Rahman et al. (2005) and Abdullah, Amin and Haneef (2008) seem to indicate an added 'value' advantage. This is in addition to the relatively better communication ability since the program is in the English language.

As mentioned earlier, the criteria used to determine the category and sub-category of courses was limited to the course content over the 14 week course outline as well as the references used and the extent to which these had 'heritage inputs'. The approach taken is primarily just a quantitative measure; it does not capture the quality of integration efforts. That issue requires greater discussion and will be taken up in the next section.

It must also be clear that the figures of integration between 2001 and 2010 do not mean that courses that were in one sub-category in 2001, always remained in the same category in 2010. It is quite possible that some courses declined in integration, while many more courses increased in integration since the figures given do not highlight individual courses. However, from the more detailed data analyzed, it was found that levels of integration depended almost exclusively on the lecturers who taught those courses. This issue of quality of human resources will also be discussed in the next section.

6. Quality of Islamization and Integration: The Quality of Lecturers

The entire integration process depends on the ability of the lecturer to critically evaluate conventional economics courses from an Islamic perspective, then to know what to do- accept, reject and or modify- and how and what to modify. This is basically an attempt to modify the content of existing economics courses that reflect a mainly neoclassical orientation, or even to develop new courses utilizing both modern western knowledge and Islamic heritage. Whether courses fall under the MinIn, ModIn or Comp sub-categories, i.e. the extent of integration largely depends on the ability of the lecturers concerned.

In the case of economic theory, it was found that two courses in each Intermediate Microeconomics and Intermediate Macroeconomics were needed if both conventional and Islamic perspectives were to be given, while also attempting to offer a critique of the conventional

topics. Despite having two courses each, it can be shown that the first course i.e. Intermediate Microeconomics 1 (ECON 2110) and Intermediate Macroeconomics 1 (ECON 2310) have a comparative (Comp) status, while the second course Intermediate Microeconomics 2 (ECON 2111) and Intermediate Macroeconomics 2 (ECON 2311) are ModIn courses. While the 'lecturer' factor could be one reason for this, it is probably also due to the subject matter of the courses. ECON 2110 and ECON 2310 being first courses in intermediate economics would involve dealing with the assumptions made in economics as well as more common topics of Consumption and Production, hence familiarity and availability of materials written by Islamic economists that could be used in the course. ECON 2111 and ECON 2311 possibly involve lesser written areas of Islamic economic theory and could even involve more 'applied' areas, something that Islamic economists have generally found more difficult to 'Islamize'.

The same challenge is found in many other courses, where alternative perspectives have not been fully achieved, rather only some topics are examined, albeit cursorily. The main problem is the ability of the academic staff to confidently provide a critique of modern economics while at the same time having a good grasp of our heritage. Here, one possible way to improve the level of discourse and ultimately integration is to learn from the writings of heterodox economics. In many cases, what is being done in these alternative discourses of economics is a critique of the foundations of mainstream neoclassical economics. Much can be learned from these initiatives to assist in integration/Islamization efforts.

It was mentioned earlier that any measurement of integration and Islamization presented in this chapter is purely a quantitative measure. Therefore, a 45% score 'is better' than a 35% score, the former also being categorized as a Moderate Integration (ModIn) course while the latter is a Minor Integration (MinIn) course, meaning that there was more Islamic heritage/perspective/references

found in the 14 week course content and references. This measurement, while giving an indication of integration, has not been able to capture the **quality** of that integration. What is being done, whether it was 'right', logical and coherent, is not something that the figure can tell. Hence it is possible that a 35% MinIn course is better than a 45% ModIn course in terms of its quality. This equally and probably more important activity can only be determined by looking at the actual content and evaluating it.

One way to do this, which is already taking place, is internal and external reviews done by individuals or groups of individuals. The quality control guidelines of any credible university in Malaysia require minor and major reviews and evaluation of syllabus and curriculum to be undertaken periodically. However, even in this exercise, finding qualified evaluators who are familiar with integration and islamization efforts is a challenge in itself.

7. Concluding Comments

This article has tried to give an overview of the challenges faced in curriculum design and in the teaching of undergraduate economics at the IIUM. The 30 years experience requires much greater discussion, debate and analyses as well as comparisons with other institutions. If there is a single repeated theme that can represent the underlying challenge for the effective teaching of Islamic Economics, it is the issue of qualified human capital. All plans to develop and enhance Islamic economics as a discipline and to offer effective and relevant curriculum, hinges on the qualifications of the teachers themselves. However, as we have tried to briefly discuss in the article, the challenges in developing the human capital itself are multi-dimensional, requiring proper planning, institutional support (through correct human resource policies) as well as programs- both short and longer term- that lead to sustainable outcomes. Much more work has to be done, but correctly diagnosing some of the causes of

the challenges and providing initial recommendations to overcoming them is already a very good start.

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Appendix 1:

Integration Efforts in Economics Courses

No	Course Code	Scores 2010					Status
		Course Title	COT (100)	REF (100)	Total (200)	100%	
1	ECON 1140	Statistical Methods	0	0	0	0	Conv
2	ECON 1150	Business Mathematics	0	0	0	0	Conv
3	ECON 1510	Principles of Microeconomics	3	50	53	27	ModIn
4	ECON 1550	Introduction to Economics (For non-Economic students)	5	33	38	19	MinIn
5	ECON 1610	Principles of Macroeconomics	5	60	65	33	ModIn
6	ECON 1710	Foundation of Islamic Economics	100	85	185	93	IE
7	ECON 2110	Intermediate Microeconomics I	0	94	94	47	Comp
8	ECON 2111	Intermediate Microeconomics II	0	75	75	38	ModIn
9	ECON 2210	Managerial Economics	3	25	28	14	MinIn
10	ECON 2310	Intermediate Macroeconomics I	10	75	85	43	Comp
11	ECON 2311	Intermediate Macroeconomics II	0	52	52	26	ModIn
12	ECON 3010	Malaysian Economy	8	5	13	7	MinIn
13	ECON 3110	Econometrics I	0	0	0	0	Conv
14	ECON 3230	Economic Development	17	7	24	12	MinIn

15	ECON 3410	Money & Banking	1	0	1	1	MinIn
16	ECON 3430	Islamic Banking & Finance	100	100	200	100	IE
17	ECON 3450	Public Finance	5	48	53	27	ModIn
18	ECON 3710	International Economics	0	40	40	20	MinIn
19	ECON 4010	History of Islamic Economic Thought	100	100	200	100	IE
20	ECON 4130	Forecasting for Economics & Business	0	0	0	0	Conv
21	ECON 4220	Industrial Economics	0	0	0	0	Conv
22	ECON 4280	Environmental Economics	0	0	0	0	Conv
23	ECON 4230	Human Resource Development	0	0	0	0	Conv
24	ECON 4510	Issues in Islamic Economics	100	80	180	90	IE
25	ECON 4550	Economics of Zakat	100	100	200	100	IE
26	ECON 4730	International Monetary Economics	0	0	0	0	Conv
27	ECON 4740	International Trade & Development	0	0	0	0	Conv
	Average		21	38	59	30	ModIn