

ISLAMIC ECONOMICS EDUCATION  
IN SOUTHEAST ASIAN UNIVERSITIES

# ISLAMIC ECONOMICS EDUCATION IN SOUTHEAST ASIAN UNIVERSITIES

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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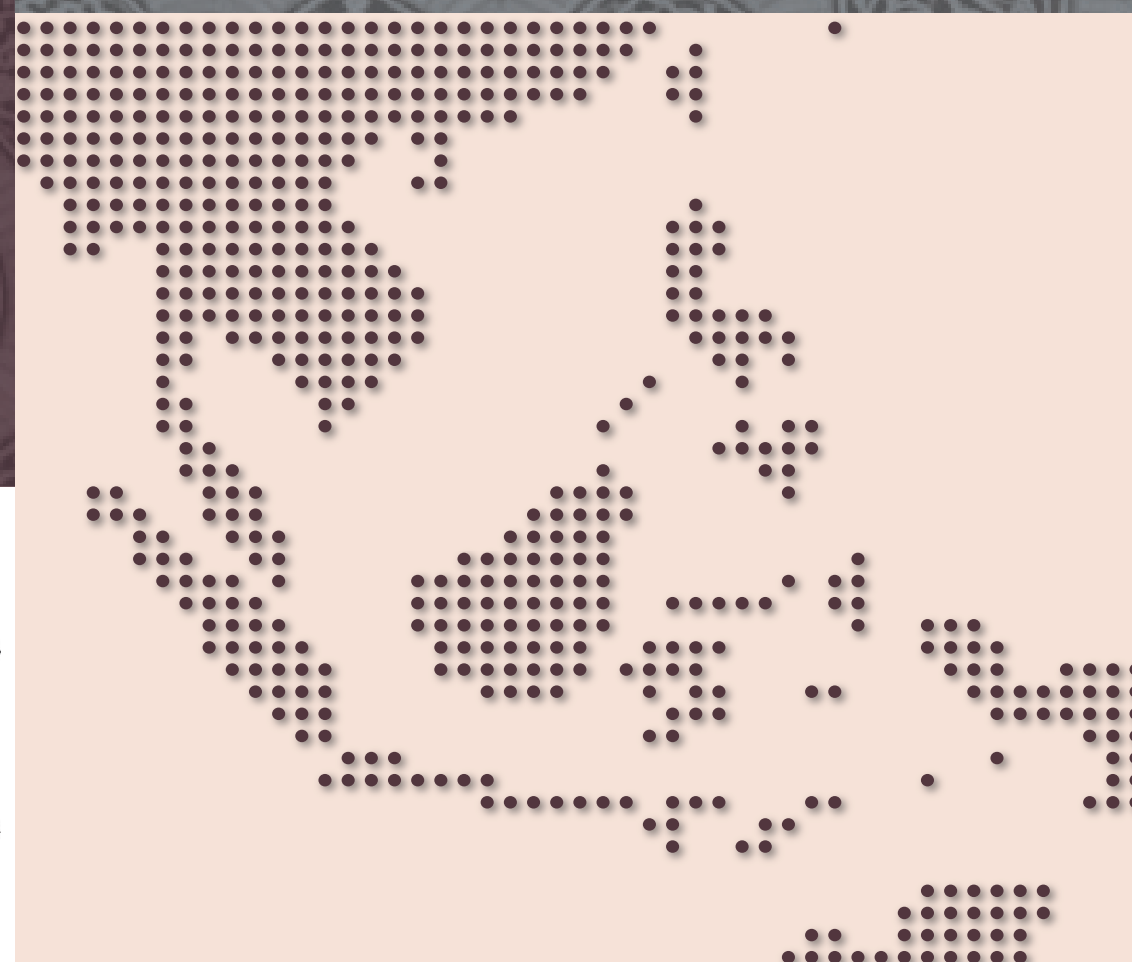


INTERNATIONAL INSTITUTE OF ISLAMIC THOUGHT

ISBN 978-983-44600-1-3



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## Chapter 7

# The Teaching of Islamic Economics: The Experience of STEI Tazkia

**Muhammad Syafii Antonio**

### **1. Introduction**

Tazkia University College of Islamic Economics or also known as Sekolah Tinggi Ekonomi Islam (STEI) Tazkia is an educational institution established in the aftermath of the economic crisis of 1997-1998 in Indonesia. The crisis, which saw the resilience of Islamic banks in the midst of severe economic downturn and the collapse of the national banking industry, was an eye-opener to the potential of Islamic economics as a 'system of choice' in the increasingly volatile economic environment.

Initially started as an Islamic finance consultancy, Tazkia has conducted various trainings on Islamic banking to bankers and officials in the Bank of Indonesia, as well as actively involved in the advisory process in the conversion of commercial banks into Islamic banks. Motivated by the aim to further develop Islamic banking in particular and the Islamic economics in general, Tazkia extended its effort by committing to produce competent human resources for the development of the industry. The forerunner towards the establishment of STEI Tazkia was the creation of the Tazkia Cendekia Foundation in the middle of 1999. The main factor that encouraged the establishment of the foundation is the scarcity of human resources

who are well balanced and expert in both conventional and Islamic economics.

Based on discussions with various parties and experts, it was then concluded that the required human resources for the industry cannot be produced through short-term training programs or courses but must go through a systematic educational process. Based on this consideration, STEI Tazkia was established in 2001 with the aim of producing competent human resources for the development of Islamic banking industry and the discipline of Islamic economics, business management, accountancy, and microfinance.

To date, STEI Tazkia offers three types of programs, namely Diploma in Islamic Microfinance, Bachelor of Islamic Economics (four Departments: Islamic Economics, Business Management, Accounting and Muamalat) and Master of Islamic Economics and Finance. This chapter aims to discuss the educational philosophy of STEI Tazkia and examines its program and curriculum structure in the teaching of Islamic economics at the undergraduate level, particularly the Bachelor of Islamic Economics program.

## **2. The Educational Philosophy of STEI Tazkia**

The main value instilled in the educational process in STEI Tazkia is that all activities of human being, including in economic affairs, must be guided by the laws and provisions of Allah SWT. Only by this, human being will be able to attain prosperity and success in a civilized society. The name of Tazkia literally comes from Arabic word, *Tazkiyyah*, which means growth and purification. Hence, consistent with this value, STEI Tazkia aims to produce graduates who can contribute to sustainable economic growth in a manner that can increase the well-being of the society, in line with the ethical and moral values of Islam. Additionally, it also aspires to produce a generation of Muslim professionals who have the competence and commitment to do business creatively while maintaining the purity, sanctity of the process, and the sanctity of the output.

'Tazkia' itself stands from Tawhid, Amanah, Zero defect, Knowledge and Competent, Innovative and Istiqamah, and Achievement through Teamwork. These values form the pillars of the educational process at STEI Tazkia. Regular meetings and gathering with staffs and students (e.g. weekly meeting for staff on Mondays and for students on Tuesdays) are conducted in order to communicate and inculcate these corporate values among the staffs and students of STEI Tazkia. A special program among the academic staffs is also conducted in every semester to remind them on the vision, mission, and goal orientation of the institution.

### **3. Bachelor of Islamic Economics at STEI Tazkia**

#### **3.1 An overview of the educational process**

The educational process in STEI Tazkia begins with a matriculation program which takes 10 months to complete. The students are required to stay in dormitory for the whole length of the program. In the first two months, students are provided with Arabic lessons as this will be an important requirement in order to access relevant materials in certain *shari'ah* related courses such as *fiqh* and *usul fiqh*. In the following two months, students take intensive English classes. For the remaining six months, they start their formal classes; three months for their first semester and the next three months for their second semester.

In the matriculation program, students are not only required to attend regular classes, but also other relevant activities including congregational prayer five times per day, daily Islamic study, and daily *tahsin* and *tahfidz* of the Quran. Once in a week, they are also required to do Sunnah fasting (Mondays and Thursdays). In order to successfully complete the matriculation program, the students have to attend a minimum of 80% of all the classes and Islamic activities. Otherwise, the students have to repeat the matriculation program.

Therefore, the assessment process for the matriculation program is not only based on the students' academic performance, but also based on their behavior and moral conduct.

After successfully completing the matriculation program, students continue for the bachelor program with a total of 6 remaining semesters (semester 3-8). The students join a department of their choice in the 3rd semester, which becomes their home for the remaining semesters at STEI Tazkia. During the long break between the 6th and 7th semester, students are required to do internship at Islamic financial institutions or research institutes which conducts research on Islamic economics. Finally, the students are required to write their thesis in the 8th semester, especially during the final month where they will be attending final boarding program to prepare them entering the workplace. In order to graduate from STEI Tazkia, the students need to fulfill few other requirements. They have to pass TOEFL English test, *tahfidz* test (*juzu*' 30), comprehensive examination, and the Thesis examination.

### **3.2 Program requirements for Bachelor of Islamic Economics**

Students in the Bachelor of Islamic Economics program in STEI Tazkia are required to fulfill 149 credit hours of coursework, 2 credit hours of internship program, and 6 credit hours of thesis, with a total of 157 credit hours. The coursework is made up of four different components; university required courses, department required courses, concentration required courses, and elective courses. Table 1 below shows the breakdown of the program structure based on these components.

**Table 1: Program Structure for Bachelor of Islamic Economics, STEI Tazkia**

	<b>Courses</b>	<b>Credit Hours</b>	<b>Percentage</b>
University Required Courses	31	80	50.96%
Department Required Courses	19	57	36.31%
Concentration Required Courses	2	6	3.82%

Elective Courses	3	6	3.82%
Internship	1	2	1.27%
Thesis	1	6	3.82%
Total	57	157	100%

**Source:**

*Buku Panduan Akademik* (Academic Handbook), STEI Tazkia, Academic year 2010/2011

As shown in Table 1, from the total of 157 credit hours, university required courses constitute 80 credit hours and form half of the degree requirement for the Bachelor of Islamic Economics program. This is then followed by the department's required courses with a total of 57 credit hours, representing 36.31% of the degree requirement.

The current program allows students to choose from 2 concentrations: Islamic Development Economics and Islamic Monetary and Finance. They have to take 2 courses in the concentration area of their choice, which represent 3.82% of the degree requirement. The students are also required to take 3 elective courses which constitute a total of 6 credit hours or 3.82% of the degree requirement. In order to graduate, the students have to undergo an internship program worth 2 credit hours and complete a thesis for another 6 credit hours.

**3.3 Classification of courses according to curriculum contents**

Similar to other Islamic Economics Program in other universities, Bachelor of Islamic Economics Program in STEI Tazkia also adopts the integration of Islamic knowledge and perspective in the teaching of economics. Basically, the courses in the program can be classified into 4 groups: Conventional Courses (CC), Islamized Courses (I), Modified Courses (MC), and Islamic Courses (IC). The different components in the curriculum structure enables the students to grasp economic theories and their applications from both the conventional and Islamic perspectives, and hence produces well-rounded and

qualified human resources for the Islamic economics and finance industry. The subsequent discussions will further analyze these courses based on this classification.

**a. Conventional Courses**

Courses in the Conventional category are common courses taught in any other universities offering economics program. As shown in Table 2, there are 22-24 conventional courses included in the program, equivalent to 63-69 credit hours or 40-44% of the degree requirement.

**Table 2: Conventional Courses by Program Requirements**

	<b>Courses</b>	<b>Credit Hours</b>	<b>Percentage</b>
University Required Courses	13	36	45%
Department Required Courses	9	27	47.37%
Concentration Required Courses			
Elective Courses	0-2	0-6	0-100%
Total	22-24	63-69	40-44%

**Source:**

*Buku Panduan Akademik (Academic Handbook)*, STEI Tazkia, Academic year 2010/2011

Conventional courses which are university required include English for Economics, Bahasa Indonesia, Mathematics for Economics, Principles of Business and Management, Information Technology, Principles of Economics, Statistical Methods, Principles of Accounting I, Money Banking and Financial Institution, Applied Statistics, Principles of Accounting II, English for Academic Purposes, and Financial Management. On the other hand, conventional courses that are department required are Principles of Microeconomics, Principles of Macroeconomics, Intermediate Microeconomics, Monetary Economics, Econometrics I, Intermediate Macroeconomics, History of Economics Thought, Econometrics II, and research methodology. Please refer to the Appendix for the details.

In line with the spirit of integration of knowledge, lecturers are expected to incorporate Islamic values in the teaching of these conventional courses. They are required to use up to 33% of the class time to instill Islamic values and to relate the need to study the subject from the Islamic perspective.

#### b. Islamized Courses

**Table 3: Islamized Courses by Program Requirements**

	<b>Courses</b>	<b>Credit Hours</b>	<b>Percentage</b>
University Required Courses	1	2	2.50%
Department Required Courses	5	15	26.32%
Concentration Required Courses			
Islamic Developmental Economics	1	3	50%
Islamic Monetary and Finance			
Elective Courses	0-2	0-6	0-100%
Total	7-9	20-26	12.7-16.56%

**Source:**

*Buku Panduan Akademik (Academic Handbook)*, STEI Tazkia, Academic year 2010/2011

Islamized Courses are defined as conventional courses which are infused with some Islamic input. The percentage of Islamic input introduced in these courses could be up to 30 percent. There is only one course under the university required courses that falls under this category (Legal Aspects of Economics), while Islamized courses which are department required include Public Finance, Development Economics, internship, Research Methodology, Indonesian Economy, Industrial Economics, and International Economics.

#### c. Modified Courses

Modified courses are defined as courses which combine mainstream theory and Islamic tradition. Compared to Islamized courses, the



percentage of Islamic contents introduced in these courses are much more significant (could be up to 75%). As shown in Table 4, there are 7-9 courses falling in this category with a total of 22-28 credit hours, representing 14.01-17.83% of the degree requirement.

**Table 4: Modified Courses by Program Requirements**

	<b>Courses</b>	<b>Credit Hours</b>	<b>Percentage</b>
University Required Courses	2	5	6.25%
Department Required Courses			
Concentration Required Courses			
Islamic Developmental Economics	1	3	50%
Islamic Monetary and Finance	2	6	100%
Elective Courses	0-2	0-6	0-100%
Internship	1	2	100%
Thesis	1	6	100%
<b>Total</b>	<b>7-9</b>	<b>22-28</b>	<b>14.01-17.83%</b>

**Source:**

*Buku Panduan Akademik (Academic Handbook)*, STEI Tazkia, Academic year 2010/2011

Modified courses that are university required subjects include Islamic Leadership Studies and Entrepreneurship, while department required is Human Resource Development. On the other hand, Islamic Capital Market and Islamic Monetary System are the two courses in this category that are part of the required courses for Islamic Monetary and Finance concentration. In addition to that, internship and Thesis are also considered as part of modification courses. This is due to the fact that students have to do their internship at Islamic financial institutions or research institutes which conduct research in Islamic economics, and are requested to submit internship report with analysis from Islamic economics perspective. Similarly, in writing the thesis, students are also required to do

research on specific area of Islamic economics or conduct case studies on Islamic financial institutions and their practices.

#### d. Islamic Courses

Islamic courses are defined as the courses which focus on the teaching of different aspects of Islamic knowledge and constitute the core to the Islamic economics program at STEI Tazkia. Based on Table 5, there are 20 courses falling in this category with 15 of the courses are part of the university required while the other 5 courses are from the department required courses. This is equivalent to a total of 64 credit hours or 40.76% of the degree requirement.

**Table 5: Islamic Courses by Program Requirement**

	<b>Courses</b>	<b>Credit Hours</b>	<b>Percentage</b>
University Required Courses	15	37	46.25%
Department Required Courses	5	27	47.37%
Concentration Required Courses			
Islamic Developmental Economics			
Islamic Monetary and Finance			
Elective Courses			
<b>Total</b>	<b>20</b>	<b>64</b>	<b>40.76%</b>

**Source:**

*Buku Panduan Akademik (Academic Handbook)*, STEI Tazkia, Academic year 2010/2011

Islamic courses which are university required include Islamic Studies, History of Islamic Civilization, Arabic for Economics, Fiqh Muamalah I, Verses and Hadiths of Economy, Fiqh Siyasah, Usul Fiqh I, Fiqh Muamalah II, Islamic Business Ethics, Usul Fiqh II, Fiqh Mawarits, Foundations of Islamic Economics, Fiqh Zakat, Practices of Islamic Mini Bank, and Fahmul Maqru. On the other hand, Islamic courses which are department required consist of Islamic

Microeconomics, *Maqasid as-Shari'ah*, Islamic Macroeconomics, History of Islamic Economics Thought, and Seminar in Islamic Economics.

Since 2008, Islamic religious activity; which is part of the requirements and assessments for the students in the matriculation program, has been extended to students in the bachelor program as well. They are required to attend weekly student dynamic session (SDS) which comprises 30% of the final assessment for a selected course in each semester. So far, SDS has been introduced as part of the requirements and assessments for Islamic Studies, Islamic Civilization Studies, Usul Fiqh I, Usul Fiqh II, and Fiqh of Zakat.

The contents of all the courses offered in the Islamic economics program are reviewed every semester by the lecturers teaching the course, while the overall structure of the curriculum is reviewed every 4 years. To facilitate the review process, a study will be conducted to gather suggestions and recommendations from various parties such as experts in Islamic economics, professionals, students, as well as graduates and their employers on the courses and the curriculum structure of the program. These feedbacks will be an important source of information in the process of improving the quality of the Islamic economics program at STEI Tazkia.

#### **4. Conclusion**

This chapter has discussed the experience of STEI Tazkia in the teaching of Islamic economics and outlined its program structure. The educational process starts with a matriculation program which emphasizes on language and character development along with other relevant knowledge in the area. This chapter also highlights the efforts towards the integration of Islamic knowledge and values in the Islamic Economics program at STEI Tazkia. Throughout the whole educational process, Tazkia puts a high commitment to instill and implement Islamic values. The philosophy of STEI Tazkia is to make

the Islamic Tradition as the foundation of the Islamic Economics teaching. The graduates are not only expected to be professional academicians, practitioners, or entrepreneurs, but they must also possessed ethical and moral values in line with the Islamic knowledge and worldview.

There are a lot of rooms for improvements and innovations to bring the teaching of Islamic economics to a higher level. Nevertheless, the challenge lies in producing qualified lecturers in the area, quality references and materials for the program, and a balanced curriculum structure that can produce well-rounded and competent graduates in both conventional and Islamic economics. These are essential ingredients in the development of the discipline of Islamic economics and its practice in the real world for the betterment of the society at large.

## Appendix

### University Required Courses

Course Code	Courses Title	Credit Hours	Type
AEM1101	Islamic Studies	2	IC
AEM1201	English for Economics	3	CC
AEM1202	Bahasa Indonesia	2	CC
AEM1301	Mathematics for Economics	3	CC
MGT1207	Principles of Business and Management	3	CC
AEM1401	Information Technology	3	CC
ECO1205	Principles of Economics	3	CC
AEM1102	History of Islamic Civilization	2	IC
AEM1203	Arabic for Economics	3	IC
AEM1302	Statistical Methods	3	CC
ACC1101	Principles of Accounting I	3	CC
AEM1103	Fiqh Muamalah I	3	IC
AEM1104	Verses and Hadiths of Economy	2	IC
AEM1401	Fiqh Siyasah	2	IC
AEM2105	Usul Fiqh I	3	IC
AEM2303	Money Banking and Financial Institution	3	IC
AEM2304	Applied Statistics	3	CC
AEM2106	Fiqh Muamalah II	3	IC
ACC2102	Principles of Accounting II	3	CC
AEM2305	Legal Aspects of Economics	2	I
AEM2204	English for Academic Purposes	1	CC
ACC2701	Islamic Business Ethics	2	IC
AEM2107	Usul Fiqh II	3	IC
AEM2108	Fiqh Mawarits	3	IC
AEM2109	Islamic Leadership Studies	2	MC
AEM2110	Foundations of Islamic Economics	3	IC
MGT2201	Financial Management	3	CC
AEM3205	Fahmul Maqru	1	IC

**Source:**

*Buku Panduan Akademik (Academic Handbook)*, STEI Tazkia, Academic year 2010/2011

**Notes:**

CC represents Conventional Courses; I represent Islamized Courses; MC represents Modified Courses; and IC represents Islamic Courses.

**Department Required Courses**

	<b>Courses</b>	<b>Credit Hours</b>	<b>Type</b>
ECO 2203	Principles of Microeconomics	3	CC
ECO2201	Principles of Macroeconomics	3	CC
ECO2204	Intermediate Microeconomics	3	CC
ECO 3401	Monetary Economics	3	CC
ECO 3603	Econometrics I	3	CC
ECO 3202	Intermediate Macroeconomics	3	CC
ECO 3103	Islamic Microeconomics	3	IC
ECO 3206	History of Economics Thought	3	IC
ECO 3104	<i>Maqasid as-Shari'ah</i>	3	IC
ECO 3604	Econometrics II	3	CC
ECO 3101	Islamic Macroeconomics	3	IC
ECO 3105	History of Islamic Economics Thought	3	IC
ECO 3106	Seminar in Islamic Economics	3	IC
ECO 3402	Public Finance	3	I
ECO3303	Economic Development	3	I
ECO 4602	Research Methodology	3	CC
ECO 4304	Indonesian Economics	3	I
ECO 4302	Industrial Economics	3	I
ECO 4305	International Economics	3	I

**Source:**

*Buku Panduan Akademik (Academic Handbook)*, STEI Tazkia, Academic year 2010/2011

**Notes:**

CC represents Conventional Courses; I represent Islamized Courses; MC represents Modified Courses; and IC represents Islamic Courses.

**Concentration Required Courses**

	<b>Courses</b>	<b>Credit Hours</b>	<b>Type</b>
ECO 4301	Islamic Developmental Economics	3	I
ECO 4306	Economic Problems and Policies	3	MC
	Human Resource Development		
	Islamic Monetary and Finance		
ECO4501	Islamic Capital Market	3	MC
ECO4502	Islamic Monetary System	3	MC

**Source:**

*Buku Panduan Akademik (Academic Handbook)*, STEI Tazkia, Academic year 2010/2011

**Notes:**

CC represents Conventional Courses; I represent Islamized Courses; MC represents Modified Courses; and IC represents Islamic Courses.

**Elective Courses**

	<b>Courses</b>	<b>Credit Hours</b>	<b>Type</b>
MGT2301	Marketing Management	3	CC
MGT3501	Islamic Banking Management I	3	IC
MGT3601	Operational Management	3	I
MGT3602	Human Resource Management	3	MC
MGT3603	Organizational Behavior	3	I
MGT3504	Management of Islamic Financial Institution	3	IC
MGT3208	International Business	3	I
MGT3202	Investment Management	3	I
MGT3203	Intermediate Financial Management	3	CC
MGT3503	Islamic Financial Management	3	IC
MGT605	Consumer Behavior	3	I
MGT3303	International Marketing	3	I
MGT4207	Financial Risk Management	3	CC
MGT4206	Seminar in Banking and Finance	3	IC
ACC 3401	Taxation I	3	CC
ACC 3501	Accounting for Islamic Financial Institution	3	IC

MGT 4702	Business Feasibility Study	3	CC
ACC 3601	Zakah Accounting	3	IC

**Source:**

*Buku Panduan Akademik (Academic Handbook)*, STEI Tazkia, Academic year 2010/2011

**Notes:**

CC represents Conventional Courses; I represent Islamized Courses; MC represents Modified Courses; and IC represents Islamic Courses.