

## Postgraduate Curriculum of Islamic Economics and Finance in the World

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## ABSTRACT

Although the national incomes of Islamic countries and developing countries have increased over the years, their relative economic situation has not improved. The dominant research on economics in the universities of these countries as well as policy recommendations have not produced a solution to the economic crisis they face. Shortly after the independence of Islamic countries, the theory and practice of the Islamic economics began to emerge. As a result, postgraduate programs on Islamic economics and finance began in universities. In this article, we will try to identify the main trends in Islamic economics and finance postgraduate curriculum in the world, and we will make a general evaluation of these trends. The curriculum applied by the universities are explained in their web sites, which are used in this research. The compiled information shows that there are three main trends: Full-fledged curriculum, curriculum within the mainstream, and research and course-based curricula. When curriculums are evaluated, it is seen that they are shaped in the direction of two main approaches. While the full-fledged curriculum is a product of an original Islamic economic approach, the curriculum within the mainstream is a product of the acceptance of the dominant scientific paradigm. It is seen that research or course-based programs has been constructed within these approaches.

**Keywords:** Islamic economics, educationi teaching, curriculums

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He received his bachelor's degree from the Faculty of Economics of Istanbul University in 1992, his master's degree from Clark University's Department of Economics in 1997, and his doctorate from George Mason University's Department of Economics in 2003. Since 2004, he has been giving lectures and researches in Zonguldak Karaelmas University Faculty of Economics and Administrative Sciences. Saribaş is working on institutional economics, and on the effects of institutions on economic growth and mathematical economics in particular.

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Research Center for Islamic Economics (IKAM) which is established within ILKE Association for Science, Culture and Education in 2016, aims at promoting a new economical mindset formation and its application enabling. IKAM, which organizes theoretical and empirical researches, publications and education and training activities, aims at supporting researchers, business world and policymakers with its outputs in terms of knowledge. Thus, IKAM hosts many activities in the field of Islamic Economics to introduce and increase acceptability of the field in public. In this context, IKAM reports; a serial publication, is an attempt to share the research results in the field of Islamic economics.

### Introduction

Production in the world has grown significantly for the last two centuries, and as a result, the level of general welfare has risen in comparison to previous centuries. However, the weight of the economic issue that mankind has had to solve is felt in different dimensions throughout different parts of the world. Economic success achieved in a region cannot be achieved at the same level in another region, and this situation continues. However, the increase in general welfare has not been costless, and has led to serious negative externalities, especially in terms of the destruction of nature.

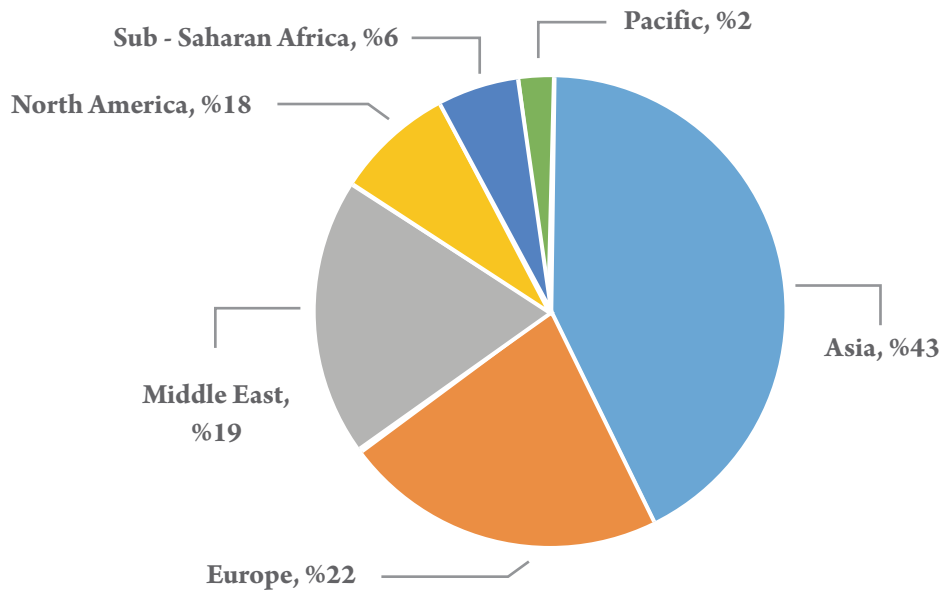
The science of economics says that these income differences among countries are not due to the proximate causes such as saving, and the technology and population growth rate, but largely due to the fundamental causes that affect them. Accordingly, formal and informal institutions, culture, geography and luck are the fundamental causes for determining economic success. It is thought that the fundamental causes supporting the immediate causes lead to success while the obstructers lead to an economic failure. Therefore, economic approaches that do not take into consideration the institutions and cultures of a country are moving away from the existing scientific standards, and their policy suggestions fail to solve economic issues. As is known, religion is the primary force that constructs institutions and culture.

The Islamic finance industry has shown a rapid growth over the past decade with annual growth rates between % 10-12 . As a result of this growth, the sum of the financial assets (bank and non-bank institutions, capital and money markets, insurance- takaful) that are in line with Islamic law reached 2 trillion dollars. In many Islamic countries, the growth rate of Islamic banking assets is higher than the growth rate of conventional banking assets. Interest in Islamic finance around the world is increasing, and Islamic financial practices are seen even in countries such as the United Kingdom, South Africa and Hong Kong. Over the past decade, Islamic finance has been recognized as an effective means of financing economic development both in Islamic countries and across the world, and is included in mainstream finance (World Bank, 2015). To alleviate economic problems, economic program and policies must be suitable to the institutions and culture of a society. In the case of Islamic countries, Islamic economics scientific research program run parallel to the societal tissue, and its economic approach and policies have the power to overcome the problems.

The mainstream economics program, which is one of the scientific research programs, dominates the world economics postgraduate programs and curriculums are created in accordance with this program. In this article, Islamic economics and finance graduate curriculum, which are relatively few in the world, are evaluated.

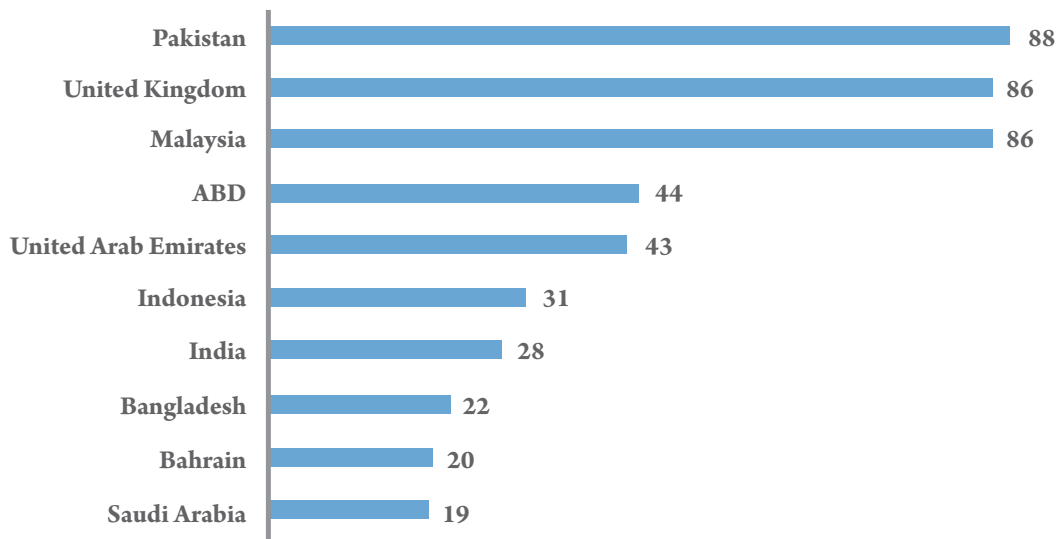
### An Overview of Islamic Economics and Finance Education and Training in the World

Islamic education and training include many activities in addition to undergraduate, master and doctoral programs. In general, short-term education and training activities consist of corporate training courses, diploma and certificate courses, seminars, workshops and awareness programs. When all these activities are collected, the percentage of activities according to regions and countries is given in Figure 1.



**Figure 1.** Islamic Economics and Finance Programs in the World  
 Source: Yurizk (2013).

The two regions where education and training activities are most common are Asia and Europe. 43% of the total activities are in Asia and 22% in Europe. 66% of the activities realized in these two regions.



**Figure 2.** Number of Institutions Providing Islamic Finance Education  
 Source: Yurizk (2013).

In Figure 2, countries having the greater number of institutions giving Islamic finance education in the world are shown. Accordingly, Pakistan, the United Kingdom, Malaysia and the United States have the greater number of institutions. The number of institutions in Europe and North America, which are not related to the Islamic world in terms of institutions and culture, is more than many Islamic countries.

## **Classification of the Curriculums**

When examining Islamic economics and finance graduate programs around the world, it is possible to make a three-fold classification: full- fledged curriculum, curriculum in the mainstream program, and research and course-based postgraduate curriculum.

The programs that offer graduate degrees under the name of Islamic Economics and Finance can be referred to as full- fledged undergraduate programs. The Islamic Banking and Finance program has the capacity to offer a full- fledged postgraduate curriculum, and the number of these programs is steadily increasing. The leading universities offering full- fledged programs include Malaysia International Islamic University, Islamabad International Islamic University, Malaysia INCIEF Global University, Yarmouk University, Durham University and Malaysia Utara University.

The full- fledged postgraduate curriculum predominantly covers Islamic economics and finance courses. Corollary to this, the thesis subject is to be determined entirely in the field of Islamic economics, so that it definitely makes a contribution to one of the research subjects of the Islamic economics and finance.

In the curriculum of the mainstream program, the courses are mainly selected from the mainstream economics program, while the Islamic finance and finance courses are concentrated in a specialization area. When these programs are examined closely, it is seen to be formed on the structure that “mainstream economics is the dominant paradigm, while Islamic economics and finance is its sub-division”.

Research and course-based postgraduate curriculum consist of two groups: a research-based curriculum and a course-based curriculum. In the research-based postgraduate curriculum, students write a thesis in one of the research fields of Islamic economics and finance available in the program, after studying the techniques and methods of research. The requirements for the thesis are broader than they are in other curriculums. Since course-based postgraduate curriculums are specific to the master programs they can also be said to be “A master without thesis”.

Course-based postgraduate programs under the heading of Islamic Economics without integrating banking and finance are not common. Universi Kebangsaan Malaysia is the institution that differs from the others in this regard. There is a Master of Islamic Economics program at the faculty of Economics and Management in this university. In Ph.D., Islamic Economics, Islamic Banking and Islamic Finance are special areas of expertise.

Research-based postgraduate work is more common. Master-by-research and PhD-by-research are available. The following universities are examples which offer Master-by-research and PhD-by-research. Utara University (Universita Utara Malaysia-UUM), Mara Technology University (Universita Teknologi MARA Malaysia-UITM), Durham University, and Kebangsaan University Malaysia (Universiti Kebangsaan Malaysia).

## ***Curriculum in the Full- fledged Postgraduate Curriculum – IIUM Case***

Founded in 1983, the International Islamic University of Malaysia has a special place because it was established by an agreement of Islamic countries. The position of the university and the agenda it follows shows the current trend and direction of the ummah.

In addition to traditional graduate programs such as medicine, science, economics and business sciences, engineering, Islamic sciences and humanities, the university also offers Islamic banking and finance masters and doctoral programs. The courses taught in these programs are entirely on the issues of Islamic banking and finance, and the theses written contribute to the field. The objectives of the programs are threefold: 1) to develop high-potential talents with appropriate knowledge and skills in Islamic banking and finance with an interdisciplinary approach, 2) to develop the theoretical and practical knowledge of Islamic banking and finance within the framework of Islamic goals (Maqasid Al-Shariah) and 3) training of the experts and professionals globally demanded in the field of Islamic banking and finance. Given these targets, it is aimed to acquire the knowledge of both the theoretical and practical needs of economic life with a positive approach and to train specialists who can apply them.

The Islamic banking and finance master program consists of two modules. 42 credit hours must be completed by selecting one of the modules. The first module consists of 7 compulsory, 5 elective courses and one research essay. The second module consists of 7 compulsory, 3 elective courses and a thesis study. The Master program can normally be completed in two years on a full-time basis and four years on part-time basis. The maximum periods are three years in full-time study and five years in part-time study. Students who need scientific preparation must take 5 undergraduate courses of conventional economics before starting the program.

The conditions for admission to the Islamic banking and finance doctoral program are to have good BA and MA diplomas besides language skills. The courses of “Research Methodology”, “Contemporary Issues in Islamic Finance” together with an elective course must be taken. Elective courses are “Qualitative Methods” and “Quantitative Methods”. In the first year of the doctoral program, compulsory courses are completed and then doctoral dissertations are prepared and presented. The PhD program is normally completed in 3-years on a full-time basis and 6 years on a part-time basis. The maximum periods are 6 years for full time and 8 years for part-time.

Starting the Islamic banking and finance doctoral program after the completion of the Islamic banking and finance master degree program guarantees the integrity of the course and research. A compulsory master degree for a PhD indicates that solid course background and research experiences are sought.

### ***Curriculum within Mainstream Program - IIUM Example***

The International Islamic University of Malaysia offers a full-fledged curriculum as well as the option of Islamic economics and finance postgraduate specialization in the mainstream economics program. Within the faculty of Economics and Business Management, the name of the economics master program specialization is Islamic economics and finance, while the name of the field of specialization in the PhD program is Islamic economics.

The common aims of both postgraduate programs are as follows: 1) to combine contemporary and Islamic aspects/concepts, 2) to educate experts who are familiar with both the conventional and Islamic economics, and 3) to encourage Islamic economic research in the direction of adapting to a rapidly changing economic environment. The area in which the department is strong is strong are: Islamic Economics, International Economics, Monetary Theory, Macroeconomics and Economic Development.

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When we look at the purposes and structure of the program, we see that this approach views Islamic economics and finance as a field of the mainstream economics.

In the master program consisting of 42 credit hours, students are offered three different choices: 24 hours of course and 18 hours of thesis; 33 hours of course and 9 hours of research topic, and 39 hours of course and 3 hours applied research methods and techniques. While full-time students take a minimum of 9-12 credits each semester, part-time students are registered to 6 credits. Acceptance conditions are a cumulative average of 3.0 (3.0 included), BA diploma and a certificate English proficiency.

Compulsory courses in the masters programs are Econometrics, Microeconomics, Macroeconomics and Islamic Economic Thought. Trade and Economic Development, Industrial Economics, Finance, Financial Economics, and Islamic Economics and Finance are fields of optional specialization. In each specialization field, 4 to 6 courses are given including research methods and techniques. The specialization field of Islamic economics and finance has the most number of courses with 6 courses. Once the students have completed the compulsory courses, they can take their specialization courses and write their thesis.

It is necessary to have GPA of 3.0, BA and MA diplomas and English proficiency to be admitted to the doctoral program of economics. The doctoral program consists of 72 credit hours, 12 hours of which are compulsory courses (4 courses) and 60 hours are thesis. The compulsory courses are Microeconomics, Macroeconomics, Islamic Economics and Research Methods. It is mandatory for all compulsory courses to be completed with a minimum GPA of 3.0 and a qualification examination must be passed before the thesis. The qualification consists of written and oral exams and exam subjects are Islamic Economics, Microeconomics and Macroeconomics. Two failures in the qualification require removal from the program.

Because Islamic economics and finance is one of the many fields in the mainstream program, it is up to students to select this field. Students who do not choose them will not contribute to the issues of Islamic economics; rather, with thesis and studies, they will contribute to the issues defined in the mainstream theories and methods. The ability of a single course in Islamic economics to construct an Islamic world view is highly questionable.

### ***Research Based Curriculum - UITM Case***

Contemporary Islamic Research Academy in Mara University of Technology Malaysia (Universiti Teknologi Mara Malaysia - UITM) has Master and PhD programs in Contemporary Islamic Studies. The programs are entirely research-focused. A comprehensive research education is introduced before the start of theses so that candidates can produce original contribution to the field. The theses can be written in the languages of Malay, English and Arabic. The condition for acceptance to the master program is a bachelor's degree with a minimum of 2.75 GPA. The full-time master program can be completed between 1.5 and 3 years.

The purpose of the master and doctoral programs offered at the academy is to educate specialists in the field of contemporary Islamic sciences and to integrate Islamic law and theory into contemporary disciplines. The research areas for thesis are Islamic Contracts and Exchanges (Muamalat), Islamic Economics, Islamic Banking and Finance, Sharia and Law, Islamic Law and Judiciary System, Ha-



lal Science and Management, Islamic Civilization, Islamic Thought, Comparative Religions, Islamic Education and Management, Islamic Administration and Management. Students write their theses in these areas. The acceptance conditions of the thesis are much more comprehensive than others.

The minimum acceptance condition of Contemporary Islamic Research Academy is a minimum 2,75 GPA and bachelor's and master's degree diplomas. Although the aims and research areas of the program are the same, the scope of the thesis is made much broader than the master thesis. The doctoral program is completed between 3 and 5 years of full-time study.

The full-fledged or mainstream curriculums may be designed either research-based or course-based. Other examples worth mentioning here are Utara University (Universiti Utara) and Yarmouk University.

The Islamic Business School at Utara University has master programs of Islamic Finance, Islamic Banking, Islamic Banking and Finance, and Islamic Business Studies. The programs are divided into two separate parts as research-based and course-based. Students can earn a master's degree by enrolling in research-based or course-based modules. The doctoral program at the Islamic School of Business is solely research-based.

The Faculty of Islamic Sciences of Yarmouk University in Jordan has an Islamic Economics and Banking Department. The department has undergraduate, graduate and doctoral programs. The Islamic Economics and Banking department appears to have been structured under the Islamic Sciences.

### General Evaluation

There are academic studies and views in the world that assess the current experience of Islamic economics and finance postgraduate curriculums. While Zubair Hasan and Sayyid Tahir are looking from within the Islamic world, Timur Kuran is from outside the Islamic world and is the name that the West respects most for his views on Islamic economics.

According to Zubair Hasan (2009), there are two dominant positions in the approach and direction of the post-graduate curriculum: Negative Filter and Positive Filter. The Negative Filter is the puritan religious approach, in all-or-nothing behavior, and defines the actual life solely with Islamic rules. They express the supremacy of the Islamic system by harshly criticizing the mainstream economics. They defend the separation from the mainstream and the originality. The Positive Filter, on the other hand, is a step-by-step approach. The researchers of the last two decades in the field of Islamic economics have increasingly taken this path. This approach captures and assimilates what is useful from the information contained in the continuously growing mainstream economics. It wants to adapt to and embrace the mainstream.

In the same article, he notes that the application of Islamic banking and finance is getting closer to the position of the mainstream economics, and this convergence has reached to a remarkable level. This convergence is one-way from Islamic banking and finance to the mainstream economics, and the Western world expresses great interest in this convergence. According to him, the convergence has reached the no-turn point. He claims that the Positive Filter has gained strength and will not allow the originality quest of the Negative Filter, which is the rival.



The behavior of the Positive Filter against the mainstream economics has not been the way Zubair Hasan describes. Step-by-step approach against the product of the other civilizations and assimilative of beneficial ones is a methodological attitude adopted by the past kalamists. This attitude of *mutakallimun* is not the same attitude of the Positive Filter authors of the last two decades. It is observed that there is no filter in the Positive Filter approach; everything is passed just by changing the name without the questioning. The Positive Filter is a bad practice of Islamization of the information as it is put forward by Ismail Faruki. It has no problem with the mainstream. It does not have a purpose of building an original paradigm. The reason why the Positive Filter (or being unfiltered) has gained ground in the last two decades is due to the fact that the so-called negative filter approach could not form a “paradigm” or a “research program” around a school as it is in the Islamic tradition. Besides, before we can talk about the filter, there should first be an “advanced filter”. There is no such scientific filter, but “ad hoc expressions”.

Sayyid Tahir (2009) says that Islamic banking theory lags behind Islamic banking in practice. There are two major problems in the operation of the programs: Teaching Arabic and Islamic law to economics students. Students come with important infrastructure problems in these two areas. According to him, the major challenges in Islamic finance education and training are 1) paradigm, 2) Islamic law and education, 3) curriculum, 4) teaching materials, and 5) faculty members.

Timur Kuran (2013) says that the appropriate place where the Islamic finance practitioners will be educated at the university level are the faculties of theology. According to him, economics, business and law faculties are not suitable places for Islamic finance. Since Islamic finance takes place in real life and deals with billions of dollars, it must be studied and an interdisciplinary approach is required. Faculties of Business must examine such a large resource, but this examination must be framed within their own principles. He notes that a vast majority of the universities in Islamic countries teach conventional economics and business administration. Very few offer Islamic courses and lectures. He claims that there is usually no practical counterpart of these course and lectures. Timur Kuran further states that the financial source of Islamic economic programs is oil revenues, and they will continue as long as oil prices are high. Leading authors of the mainstream do not express their views on Islamic economics as required by their programs. In this respect, the views of Timur Kuran are interesting because they represent the view of the mainstream towards the Islamic economics.

As it can be seen in our curriculum explanations above, postgraduate curriculum of Islamic economics and finance in the world are formed by two basic approaches. The first approach is the one that seeks for an original Islamic economics and finance, which is embodied in the full-fledged program and referred to as the negative filter by Zubair Hassan. In this approach, there are no or few mainstream courses while the courses are on Islamic economics and finance. The curriculum within the mainstream is the second approach and sees itself as a branch of mainstream economics (Positive Filter). The two approaches have expressed themselves in the IIUM. The same tendency is seen in other Islamic countries as well. Curriculums built around these approaches can be course-based or research-based.

The simultaneous presence of these two approaches in universities and the full dominance of mainstream economics are clear indications that there is still no paradigm for Islamic economics and finance. Islamic economists doing research in the field agree on the lack of a paradigm. The reason of

the lack of a paradigm is not the acceptance that the mainstream is a universal science, so there is no need for another paradigm. There are many important reasons. These include the suppression and prevention of efforts to create paradigms and not allocating adequate institutional and financial support for Islamic economic research in Islamic countries and other countries. For example, there is still no academic career in Islamic economics and finance in Turkey. Until recently, undergraduate and postgraduate programs in Islamic economics and finance were not opened due to obstacles. In this area, academic researchers were exposed to judicial and administrative investigation, thus prevented from ascension. Even today, Islamic economics and finance are not included in the field of associate professorship. That is, it is not possible to become an associate professor or professor of Islamic economics.

The legal regime and system do not allow Islamic economics. This must be overcome. Our world of existence must fully emerge. We have to take part in the world economic system. One of the applications of the construction of the world of existence can be the establishment of an Islamic common market, so that we can improve the practice of our economic life. If we do not take part in the world system, that is, if we do not exist in the new life, then the science paradigm is impossible and there is indeed no point in establishing it.

After the expression of people's preferences to the government and the legal system in Turkey through the political institution, programs started to be opened slowly. In order for the brightest students to opt for Islamic economics and finance, it is absolutely necessary to increase the incentives. Reforms of institutional and fiscal regulations should be made first. Among the courses taught in the graduate programs, there is no Islamic Economic History and Islamic Ethics and Sufism, and these are serious shortcomings. Islamic Economic History should be given in depth. We must teach our experiences in our economic history and they should be reflected in the education.

Academic collaborations among faculty members should be increased by schooling as it was in the Islamic science tradition. The pedigree and diplomas in the Islamic tradition were playing an important role in the formation of the genealogy of ideas, which allows the emergence of school of thought. When we look at the articles written in the field of Islamic economics and finance today, we see that this tradition has disappeared. There is a need for organized work and cooperation in the framework of the scientific research program.

In order to overcome the deficiencies in the teaching and learning materials, the works have to be carried out as school of thought, and the funding of course materials should be covered by the scientific research projects in the universities. In order to improve the quality of our programs, we can combine lecturers from different universities to create at least one very high-quality postgraduate program. New postgraduate programs can be opened with graduates of this core program to be established.

## Conclusion

In this article, we have tried to identify the common trends in the postgraduate curriculum of Islamic economics and finance throughout the world. The main source of our research is the information that the universities present on their web pages.

There are three main trends in postgraduate curriculum of Islamic economics and finance in the world. Full-fledged curriculum, curriculum within mainstream economics, and research and course-based curriculum. In the full-fledged curriculum the mainstream courses are rarely involved, while

the Islamic economics and finance is seen as a specialization in the curriculum within the main-stream. In addition, curriculums are designed as research-based or course-based.

It is seen that developing countries are unable to develop and catch-up and the massive economic injustice of the world is stubbornly persisting. Islamic economics and finance has the potential to solve the economic problems and widespread economic injustice experienced by developing countries. The first step in bringing this potential to life begins with the universities and the postgraduate curriculums, which have a vital importance.

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