

Islamic Economics and Finance Education: Consensus on Reform

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Abstract

This paper aims to provide points of consensus on Islamic Economics and Finance Education (IEFE) based on the combined efforts of experts in the field by summarizing the findings from significant conferences on IEFE since 1975. Conference data is collectively treated as a survey of experts in the field. The conferences are analyzed in the context of current scholarship to understand is the field's evolution. Findings include a need to develop the methodology of IEFE and evolve the paradigm of IEF. Recommendations embrace curriculum standardization, global institutional collaboration, an international coordination body, improvement of the quality of publications in the field through government supported teacher training and student participation, assistance to emerging countries in IEFE, support for curriculum and talent development multi and interdisciplinary skill development, and correlation of curriculum and industry practices. Future conferences in the field can use the findings to tackle unresolved issues and avoid conference duplication.

Keywords: “IEF Education”, “IEF Conference”, “International Council of Islamic Finance Educators”, “IDB-IRTI”, “IEF Higher Education”, “Education reform”

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Introduction

Islamic Economics and Finance Education (IEFE) has shown recent growth due to a resurgent interest in the development of an Islamic economic system in Muslim countries and consequent proliferation of Islamic banks, as well as a significant global consumer base interested in Islamic banking products that , attract the notice of conventional banks looking to capitalize on the market Although the beginning of Islamic banking and nance can be traced to the early years of Islamic civilization, as Islam through the teachings of the Prophet Muhammad aimed to regulate and shape economic and nancial activity according to the moral norms and values of Islam (Asutay, 2012), significant interest in interest free products features in literature from around the world (Dar & Presley, 1999).

Muslim scholars who pioneered Islamic finance innovations were motivated by the desire to offer alternative financing based on principles of Islamic economics including economic justice, social justice, prohibition of interest (riba), financing based on real economy, and the intents of Islamic law (maqasid shari'ah). To this end, Islamic economists have sought to present the Islamic ethos as an ideal through which social and economic policies can be assessed (Ahmad 1980, 1994, 2003; Ariff 1989; Chapra 2000; El-Ghazali 1994; Naqvi 1981, 1994; Siddiqi 1981; Asutay, 2007). The Islamic economic system has been proven to be more successful than conventional economics in resource allocation, distribution, justice, and stability (Nienhaus, 2015).

The perception of many observers however, is that Islamic banking today is driven by the desire to access the Muslim market through offering the same financial services of conventional banks but in a nominally shari'ah-compliant form (ibid). It is cautioned that in order for society to reap true social benefit from this Islamic finance industry, the path of growth chosen must not be strictly captialistic or it risks seriously undermining the industry (Hasan 2009). It is only within the system of Islamic economics that Islamic Banking and Financial Institutions are considered viable in terms of raising and pooling the necessary funds and nancing for economic activity, progress and development.

On the market side, the potential of Islamic finance products is exponential and the sector has attracted investment by non-Muslim countries and institutions seeking to capitalize on this market. The interest is expressed not only in the field of business but in education as well (ibid). Responding to the needs for greater understanding of the field, and to respond to the increasingly diversified needs of the market, both Western and Muslim institutions of higher education developed Islamic economic and finance (IEF) programs. However, while the theory and practice of IEF has been wide spread among Muslim countries since the 1980s, discussions and debates on IEF education (IEFE) have been scarce (Haneef & Amin 2013; Barom et al 2013). As a result the field

is still struggling under the burden of self-definition, ideological dissonance and consumer discontent. To combat these issues, there have been a number of conferences aimed at gathering top academics, shari'ah scholars and banking professionals in the field of IEF to discuss issues, understand the status of education today, and ensure minimum standards in the field. The importance of IEF cannot be emphasized enough as despite the expansion of IEF the field is poorly understood across the Muslim world and remains a mystery to much of the west (Hassan & Lewis 2012). Educational institutions remain the most important vectors of this knowledge and they must rely on the collective wisdom of experts in the field to get the educational formula right.

Methodology

This paper analyses the findings of significant conferences on the topic of IEF and locates the findings in the context of relevant scholarship in the field, as well as external evaluation criteria concerning development of a field of study based on the World Bank's analytical framework for education reform. The conferences discussed are "Islam in the 21st Century," which led to the book *Islamic Finance in Higher Education in the West*; an Islamic Economics curriculum conference that culminated in the book project *Islamic Finance in Southeast Asian Universities*, and the "IEF Education Symposium" held as part of the 10th International Conference on IEF (ICIEF) in 2015, as well as findings from the nine previous ICIEF conferences. These conferences collected a variety of data including case studies, ex post facto research and descriptive data. It is collectively treated as survey data of experts in the field as to current problems and their solutions in IEF. The aim of the findings is to reduce duplication in further conferences and move the field along on its path towards self-definition, sustainability and achievement of its goals.

Academic conferences, workshops and symposia play a critical role in allowing academics to meet and present research that impacts teaching and learning in their field. However, the impact of the knowledge generated can be limited by being repetitive of other similar conferences, or a lack of effective sharing through conference reports or post-event presentations (Goodfellow & Graham 2007). In addition, the conference proceedings and content analysis could have limited impact because "how conference papers are interpreted and which papers are considered of interest will be influenced by personality, experience and learning style" (Fourie 2012, p. 198). This research paper seeks to combat that by offering a more universal comparative study of the conference findings and examining them in the context of the greater disciplines of education and Islamic studies.

Conference Evolution on the topic of IEF

IEFE has been on the agenda of the International Association of Islamic Economics (IAIE) since their first meeting in 1975. The result of these conferences has been the establishment of several research centers and educational programs including the IAIE itself. Tracing the findings of these conferences shows how knowledge and teaching curricula in the field have developed.

Among the objectives of the 1975 IEF Conference held in Makkah was the need for teaching Islamic jurisprudence pertaining to human relations in transactions and its principles in the faculties of commerce, economics and administration in the universities of Muslim countries. Universities were advised to focus on Islamic economics, supporting research and providing facilities for this purpose. The philosophy was that it is duty of all universities and educational institutions of the Muslim world to develop their economics curricula along Islamic lines to help create an Islamic outlook in the new generation and bring about conformity between the faith and practice of the Muslims (Iqbal n.d.).

Key to the development of the field was the conference's initiative to establish an international center for the study of Islamic economics under Saudi Arabia's King Abdul Aziz University. This center operates under the guidance of a Supreme Council composed of Muslim scholars in shari'ah and economics from various countries with the aim to coordinate and support international research. It issues resource catalogues to research scholars, and conducts and supports theoretical and applied research in various fields of Islamic Economics, publishes textbooks and organizes training courses for practitioners and educators (Islahi n.d.).

In 1983, IAIE held its first conference in Islamabad, Pakistan, providing the first open forum to discuss Islamic economics education. As a result, a working group on teaching Islamic economics was established. The group reviewed development in the field and found that several universities in the Middle East and Asia had started a full-fledged degree in Islamic economics in various universities (Iqbal, n.d.).

Kuala Lumpur, Malaysia was home to the third IAIE conference. Building upon the efforts by the working group established in the second IEF forum, this forum highlighted the importance of integration between various stakeholders (economists, shari'ah scholars and other professionals) in developing standards and material through a process of consensus (shura). Consensus was deemed the most important characteristic of creating an environment for IEF to flourish (ibid).

The emphasis on innovative and original research, as well as Islamic education in universities and colleges was evident in the fourth IEF Conference held in London 2000. As the field of IEF grew to a larger audience beyond the Muslim world, and

Western banks began taking an interest in the growing Islamic product market, the pressure to present truly Islamic products that fit the traditional banking model increased. This prompted a need for a greater range of Islamic economic and finance course offerings, as well as a more concrete definition on the core elements of this education (ibid).

At the fifth IAIEF conference in 2003 in Bahrain, the attention turned to development of human resources in the field. It was noted that the sustainability of achievements within IEF depends on strong research, teaching and training support. The industry and its support institutions require a stable supply of trained professionals and continued applied research concentrating on the challenges faced by the industry. In a push to establish their country as a global leader in Islamic Banking and Finance, the University of Bahrain agreed to establish degree programs in IEF (ibid).

Two years later in 2005, the sixth IAIEF conference was held in Indonesia. Again the focus was on human resource development for the field. It noted how training in Islamic finance was commonly provided on an ad hoc basis, and there was a need for systematic training that is based on well prepared training material supported by the use of information technology. Additionally, Islamic universities, educational institutes, and business enterprises were called upon to establish an entity capable of producing textbooks and training material of general acceptability among the academic and professional communities. Other recommendations included the establishment of chairs for the teaching of Islamic Economics, scholarships for research in this field, and more lectures, conferences and regional symposia (ibid).

In 2008, the conference returned to Saudi Arabia. This conference found that a greater variety of textbooks and study materials needed to be developed, and that existing efforts could benefit from more collaborative effort between institutions. To this end, they advocated the creation of more resource centers in the field, and a consensus on areas of research.

The eighth conference was held in Qatar in 2010. The role of educational institutions in producing basic and applied research to support the Islamic financial industry was highlighted. For the first time in this conference an initiative was made to incorporate IEF as part of the social science research agenda. Within this framework it discussed the challenges it faced globally including e-learning initiatives. It reiterated the role of an “International Academic Coordination Committee” which was established earlier to work as a platform for coordination of academic programs and sharing of experiences among the IEF education institutions.

As an indicator of the development of the field in western countries, a conference entitled “Islamic Finance in the 21st Century” was offered as the first conference by

the newly inaugurated Spanish Saudi Center for IEF (SCIEF) in 2011. This conference was aimed at developing the role of Islamic Finance in Western Universities and resulted in the 2012 book *Islamic Finance in Western Higher Education*. The keynote speaker for the conference was the president of the Islamic Development Bank, one of the major sponsors for the IEF Symposium in 2015. Findings from the resulting project focused on the mismatch between student expectations and the reality of Islamic finance in terms of the nature of Islamic concepts being implemented and the availability of jobs upon graduation.

In the same year as the Islam in the 21st century conference, the International Islamic University of Malaysia held a workshop on the Islamic economics curriculum. It resulted in the 2013 book *Islamic Economics Education in Southeast Asian Universities*. The conference was attended by representatives from 10 Universities in Indonesia and Malaysia, with a focus on undergraduate education. The conference found that although developing a unified curriculum was a critical need area, this was inhibited by the lack of Human resources adequately qualified to make executive decisions about curriculum development within the context of Islamization of Knowledge (Haneef, 2013). In addition their recommendations go into significant detail about addressing how to fill the gaps in materials and methodology.

At the ninth IAIE Conference held in Istanbul in 2013, the role of educational institutions in enriching the literature and the agenda for contemporary research in Islamic economics was reemphasized, as well as their role in promoting and enhancing the production of basic and applied research to support the Islamic financial industry. A need for a full assessment of the field was established.

Building on the efforts to identify needs and facilitate knowledge transfer, a special IEF Symposium was held in Qatar in March 2015 as part of the 10th ICIEF, The IEF Symposium aimed at understanding and addressing the challenges faced by the global IEF education sector. The objectives were to assess the current challenges and opportunities, transfer knowledge and experience, explore needed institutional reforms affecting IEF education, and explore technical assistance and collaboration opportunities for areas needing to develop or expand their IEF education sector. For proper understanding of the issues, the education sector was divided into countries where IEF education is well established, growing, and not well established. It was a major attempt at addressing the gap in knowledge concerning how programs are being implemented and what their goals are.

Prior to the symposium, short summary papers were solicited on the ground realities of IEF education in five African, six Middle Eastern, three Western and six Asian participant countries. The result was a roundtable discussion that resulted in an initial framework for sector growth to be discussed and further improved. During the

discussion, participants briefly summarized their findings, which led to the identification of issues and challenges, a discussion on possible solutions, and a list of recommendations for further development of the field. These findings will be discussed in the context of other scholarship on the subject later in the paper.

Status of IEF in the world

According to Ali (2008) the number of theses and dissertations completed in the United States and United Kingdom, as reflected in IFP Data Bank, started with only four in the 1970s. The figure shoots up to 66 during the next decade, presumably because the number of students interested in undertaking research on the topic of IEF increased. During the subsequent decade of 1990-1999 the figure rose again to 104. The question to be asked is what is driving this growth and interest in the field?

Current scholarship on IEF has found that educational institutions usually respond to markets and the sort of knowledge and skills the market seeks largely determine the form and level of instruction for various academic disciplines (Hasan 2009). The majority Muslim country of Malaysia for example, has responded to the needs of the market by offering a wide range of IEF courses in combination with conventional finance for their Islamic economics and business programs. The courses in money and banking hedged with relevant fiqh positions are sufficiently integrated with those in mainstream economics, management and accounting (Hasan 2009). Public support means that there are public financing options and scholarships and a national accreditation body to ensure the quality of courses. The International Centre for Education in Islamic Finance (INCEIF) and The International Islamic University Malaysia (IIUM) offer IEF at the Bachelor's, Master's, and PhD levels. They also provide overseas technical assistance to institutions in the Southeast Asian region that offer IEF. However, while experiencing growth, the sector globally still suffers from lack of human resources, public sector funding and government support, curriculum, and accreditation mechanisms (Abdullah, 2015), as is seen in Malaysia where education in Islamic finance at the undergraduate level is in better shape compared with the post-graduate level.

Market forces also determine IEF implementation in the West. For example, in an effort to be the Islamic finance hub for the West, the United Kingdom has established IEF programs at the Master and Doctorate levels (Guttman 2014). Quite a number of universities offer these courses including Durham University, Aston University, University of East London, and Bangor University. The leading center for IEF is the Durham Centre for Islamic Economics and Finance (DCIEF).

When the quality of IEF is considered as a whole, it is observed that programs for education in Islamic finance were hastily drawn up to meet the expanding demand and

the rush resulted in unsuitable curricula frames and course designs; much of the research tended to be confirmative; and the dearth of competent teachers worsened the situation further by compromising the quality of instruction (Hassan 2009). The field is criticized for not developing existing human resource talents, allowing internal disagreements between the business world and shari'ah scholars to stop knowledge transmission (Abdullah 2013). Studies have found that IEF learning has to take place in a higher education setting because the industry is not equipped to train workers in all they need to know about doing their job professionally (Alhabshi 2013).

From the 2015 Education symposium in Qatar, a detailed overview of the IEF field emerged. Many of the participants in the IEF symposium were previously engaged in projects concerning IEF education, most notably Mohamed Aslam Haneef, who co-edited the 2013 book *Islamic Economics Education in Southeast Asian Universities*. The moderator, S. Nazim Ali was also involved in the *Islamic Finance in Western Higher Education* book project that resulted from the 2011 conference on "Islamic Finance in the 21st Century." Both of these projects recommended a more thorough investigation of the field, to which the 2015 symposium responded.

This symposium elaborated on the findings of the two earlier projects, broadening the scope to include African, Middle Eastern, and Western institutions teaching at all levels, and addressing issues beyond just curriculum and job prospects, although the discussion confirmed that the issues identified such as standardized curriculum, human capital, industry linkage, and available course offerings and materials, continue to be problems in IEF education implementation (Center for Islamic Economics and Finance 2016).

Challenges identified from The IEF Symposium came from pre-prepared country reports, subsequent discussion, and post conference reports solicited to fill gaps. Countries represented at this conference where IEF is well established were Bahrain, Egypt, Indonesia, Malaysia, Pakistan, Qatar and Saudi Arabia. Here the majority of reports concurred that a lack of Human Capital, standardized curriculum, graduate programs, and adequate course materials were the major problems, as well as a need for providing market relevant skills. Countries where the IEF sector was not as well established include India, Algeria, Morocco, Oman, Spain, Tunisia, and Kazakhstan. Here country representatives noted a greater variety of issues, with the most common issues stemming from a lack of available Human Capital to run these programs and the fact that Islamic Finance is not well understood or recognized in the countries, which results in a lack of demand for programs (ibid). The symposium also further discussed the methodology and paradigm of IEF and how it should be implemented, the findings of which are discussed below in context of the other conferences.

At the Islamic Finance in the 21st Century conference, participants noted lingering disagreements about IEF implementation which means that there is a continued need to clarify and develop the underlying methodology of IEF. From the Workshop on Islamic Economics Curriculum, Haneef and Barom (2013) intimated that integration of shari'ah and conventional economic teaching is hindered by the lack of a common understanding by professors. Islam is under-represented with shari'ah being viewed as merely laws, neglecting the human sociological dimension. They advocate the production of anthologies of both the cultural heritage (turath) and modern disciplines requiring collaboration with scholars across many fields. Hasan (2009) opined that IEF methodology usually takes a negative and positive filters approach. The former refers to finding scathing criticism of mainstream economics to claim if not establish the superiority of the Islamic economic system and in the latter case assimilates all that is useful in the growing stock of mainstream economics. Both approaches have to be considered critically and balanced in light of the fact that secular economics and Islamic economics will continue to interact in a fast paced globalized world.

The Islamic economic paradigm and disciplinarity

At the IEF Symposium, participants addressed lingering disagreements raised in the previous conferences. In addition to a discussion about methodology participants also shed light on the paradigm of IEF-whether it should be integrated within the mainstream economics or be its own unique educational stream. This question provoked debate with participants observing that despite problems with IEF itself, many of the assumptions made by mainstream economics are not correct and consequently, the discipline of Islamic economics has an important role to play in addressing these flaws (Center for Islamic Economics and Finance, 2016). This takes introspection and evaluation of products and theories currently used in IEF. With regards to education, most participants agreed that a new paradigm of Islamic economics that integrates and harmonizes existing curricula must be developed. Understanding Islamic economics in the light of the maqasid al-shari'ah is essential in theorizing a new model and would ensure that the original value proposition of Islamic economics remains intact (ibid.).

Participants also discussed whether IEF is multidisciplinary or interdisciplinary and what the impact of this is on education. They concluded that it is both multidisciplinary in that it must meet the varied needs of the industry falling in discrete disciplines, and interdisciplinary in that the curriculum must integrate many fields. It was also suggested that IEF could also be trans-disciplinary. Overall, participants agreed on that because many different competencies are essential in IEF education, shari'ah scholars, lawyers and economists should work together to develop the field. As a result, the curriculum should reflect these related disciplines as well as the

multidisciplinary requirement of the industry.

Analysis of Developments in Islamic Economics and Finance Education

Approaches to IEF

From the literature and conference findings above, it emerges that shari'ah, law, economics and business are the chief disciplines that dominate IEF programs. The conference data collectively shows that most professors in IEF institutions come from the traditional political economy fields of economics and law. Finance is based on contracts, and Islamic finance uses shari'ah compliant legal structures as defining elements. This legal methodology is very different from that of mainstream finance, and as a result it is important to create better understanding and continuous communications between Islamic economists and Shari'ah scholars. For the time being, it seems that shari'ah scholars are mainly influenced by bank practitioners who often have a conventional mindset and search for legal structures that replicate conventional products. Islamic economists are rarely engaged as consultants, so their understanding of the human side of economics is often superseded by the conventional mathematical approach to structuring the political economy.

Jurisdictionally, institutional responses to the need for IEF education vary. Western institutions focus on legal and regulatory training in Islamic finance, along with IEF training for existing Economics and Finance professors (Archer 2012 & Aldohni 2012). In Asia, the focus is on ensuring competency in both conventional and Islamic Finance (Antonio 2013). In this multidimensional context, it is important to track progress and expert opinion on the development of the field to better understand developments in the field and not tread the same ground moving forward.

Human Capital Development

At the Islamic Finance in the 21st Century conference, participants noted a lack of qualified tutors to guide students toward PhDs in the subject, and general lack of knowledge in both the Islamic and standard finance aspects of education. This is also confirmed by Hasan (2009) who concluded that the teaching faculties in many cases lacked the needed knowledge, scholarship, and commitment due to either the newness of the offering institution, or the program itself. The conference found that the solution lies in greater collaboration in training between Western and Muslim institutions, with concomitant government support for these collaborations.

The workshop on Islamic Economics Curriculum echoed the findings of the Islam in the 21st century conference, identifying human resources as a critical need area. According to Haneef and Barom (2013) those trained in Islamic finance have varying levels of interest and competency, whether they were trained in conventional finance

with an interest in IEF, shari'ah trained scholars interested in IE/IB issues, or IEF graduates who can bridge the two worlds but still may lack competency. They find therefore that curriculum needs to be improved, but also professor selection is critically important. They also identify a need to send promising scholars to a mix of schools for their further education- those specializing in conventional finance, shari'ah, and Islamic economics to help diversify the knowledge base.

This finding presents a more detailed solution to creating an adequate mix of professors in the field. Not only should there be research support to develop the research capacity, but also support for training of scholars in applicable fields. This suggests both a macro level approach of collaboration between universities in sharing and developing talent, interfacing with Western universities to develop curriculum and train scholars, as well as agreement on what is being taught and relevant expertise needed to teach these subject and micro level support from individual universities in identifying talent, and lowering barriers to collaboration.

The significant difference between the two conference findings is that the Islam in the 21st Century conference focused on creating scholars capable of supervising PhD theses. Although the methods may not differ in identifying and supporting research talent, it may require more collaboration with Western universities in the short term while existing professors gain the experience and credentials necessary to supervise PhDs.

The IEF symposium reconfirmed that the demand for IFEE is high but that supply remains weak some five years later. In addition it emphasized that there is a need for a "right" kind of talent that possess multiple competencies from disciplines such as shari'ah, economics, finance, law, as well as qualifications as trainers and educators. There is therefore a need for a talent development program to develop the next generation of professors and trainers for the industry.

Research Quality and Materials

At the Islamic Finance in the 21st Century conference, participants noted limited quality research output in the field due to limited reference materials, funding, expertise or a combination of factors. The IEF Education Symposium added that the quality of journals in the field needs to be raised, and academics should work on publishing in "A" journals as a priority. At the Islamic Finance in the 21st Century conference, participants noted a lack of reference materials, which means a lack of scholarly production in the field. Related to this is a lack of appropriate course materials, including textbooks.

At the workshop on curriculum development, the lack of reference materials for programs is addressed through cascading levels of research production that will lead to

materials development. Beginning with the production of review articles by higher level students, and the production of books of readings on selected topics related to IF by professors. These will naturally lead to the production of critical readers which expand the books of readings with an extended bibliography and the review article. This process will help students develop their writing while simultaneously helping lecturers whose background is not in Islamic Economics, and could lead to the development of textbooks and anthologies (Haneef and Barom, 2013).

Zero-Sum budget for Research and Human Capital development

There is a general consensus at the conferences that human capital and research quality both require improvement. However, improving both at the same time is problematic because the amount of money to spend on teaching and teacher development takes away from the amount of money spent on research. In addition, research quality and quality of students also seem to exist in a zero-sum game where the improvement of research quality via funding research necessitates raising the quality of students admitted which are acknowledged as being less costly to educate (Hare and Wyatt 1992). Mitigating factors are the ability of the university to generate research funding through alternative means such as corporate sponsorship, commissioned research, alumni giving, or external grants.

Participant representatives from many countries identified the need for higher quality students which corroborates their need to increase research quality and invest in teacher training and research (Center for Islamic Economics and Finance, 2016). However, in order to maintain access to a broader range of students in this field, further emphasis must be placed on the economic benefit of building industry-education linkages to generate additional revenue through commissioned research, conference sponsorship and the like. So although student skill development to meet market needs may be important in light of curriculum development, for sustainability, the primary focus of industry-educational partnerships is monetary.

Curriculum Development

At the Islamic Finance in the 21st Century conference, participants noted that there were many programs in the West that tackle Islamic Finance in different ways, which leads to a difficulty in student expectations and outcomes. The Workshop on Islamic Economics Curriculum was part of a greater project and series of six conferences that took place in Malaysia and Indonesia from 2006-2008. Curriculum development at universities such as Universitas Muhammadiyah Yogyakarta Indonesia shows evidence of careful consideration of previous work in the area, benchmarking and emphasis on UNESCO's 1998 declaration on Higher Education in the 21st Century that advocates Student centered learning and encouragement of inquiry (Muqorobin,

2013). The IEF Education Symposium noted a general lack of coordination and information-sharing among institutions. Solving this problem requires academics to decide on the nomenclature of several key terms in Islamic Finance so as to create a systematic body of knowledge. In addition, the Islamic Finance and Economics curriculum needs to be standardized especially at the undergraduate level. As a result of the previously detailed conferences and additional efforts, the Indonesian Association of Islamic Economics has accomplished standardization at the regional level between Indonesia and Malaysia. It is the consensus that there needs to be an international accreditation body overseeing this.

The IEF Education Symposium Curriculum development efforts should be focused on the “right” kind of educational programs, with appropriate curriculum and coverage that prepares human capital for the industry. For example the innovative program Master in Zakat is being developed at King Abdul Aziz University. Participants observed that one hindrance in developing an appropriate curriculum in the field is the belief that IEF is more a doctrine than a science of its own. Additional gaps to be overcome include the language barrier that prevents students from capably engaging with English and Qur’anic texts, and the general negative perception of IEF as it is seen to be a mere “preaching” of shari’ah laws than a science on its own. As such, there is a need for quantitative skill training for students to develop the “science” of the field.

Standardization

For curriculum development, the repeated calls for curriculum coordination were answered by the presentation of an international Islamic Finance Curriculum coordination body as offered by Malaysia. The participants in the 2015 IEF Symposium commended the efforts of the Malaysian government to establish the ICIFE as a Global Body for Professional Certification and Accreditation for Islamic Finance Education. Its mission is to design and develop curriculum for IEF, ensure it is relevant to market needs, develop training modules for students and professors in IEF, offer professional development and certifications in the field, develop a globally recognized accreditation program courses and programs, organize conferences, and publish resources in the field. So far ICIFE has produced an internationally acceptable curriculum for Islamic finance education and it is working on all standard modules and textbooks. The ICIFE model may be used for a global standardization of IEF curriculum development (ICIFE, 2015).

The scope of IEF covered by ICIFE is Islamic finance, Islamic economics, shari’ah and law, Islamic management and marketing, Islamic accounting and research methodology/ICT. These categories were used as a means of identifying strengths and weaknesses in existing professors of IEF to determine human capacity development target areas.

The acceptance of these efforts by the international representatives of IEF professors at the 2015 IEF Symposium means that the sector is on its way towards standardization of the IEF curriculum. Considerable research has been done on the effect of standardization and accountability in Higher Education. Moving toward curriculum standardization surely has its benefits including ensuring a minimum standard of student outcome, and in an environment such as IEF where there is a noted lack of adequately trained teachers, standardized curriculums can have the effect of mitigating potential harm from untrained teachers. It also serves to enforce the status quo, which can be helpful when trying to implement change while not undermining the stability of the IEF institutions themselves (Wiles & Bondi 2011).

However, these benefits must be weighed against the possibility that the constraint of curriculum under standardization will limit a professor's ability to innovate and perhaps interfere with their ability to meet student needs if they fall outside the spectrum of the curriculum (Kemmis & Smith 2008 and Macintyre et al. 2008). Attempts must therefore be made to encourage innovation in teaching in learning at the same time that curriculum is standardized. As a possible alternative, standardization of expectations of what students can do as a result of any equivalent curriculum (i.e. establishment of standards) can be a useful tool as the IEF industry moves forward (McNeil, 2009). In addition, the standardization of data collected to help improve the industry's ability to self-assess and develop further can be both a useful and dangerous tool, as intrusion on student privacy may be a byproduct (Bejerede, 2013). Finally there is some concern expressed by practitioners in this field that since the idea of what is Islamic is not standard, there should be different approaches to what is IEF (Hayat, 2015). Overall however, the preliminary adoption of this governing body represents a critical step towards the ability of the industry to incentivize and provide public accountability about IEF programs.

For the future pursuit of standardization curriculum reform and teacher training, an additional type of training cannot be overlooked: the training of effective school and department administrators capable of implementing the change (Spillane and Kenney, 2012). Important lessons can be drawn from well documented institutional changes due to standardization in secondary schools. These administrators have historically been focused on meeting external standards which is in opposition to the teacher's need for autonomy, which can be destructive to the overall educational environment. As Spillane and Kenney write, "in a changing institutional environment, legitimacy is increasingly tied to student achievement... The standardization advances by these policy initiatives demand a particular sort of organizational integrity that is tied to externally imposed standards" ('managing in the middle' para 2).

However, the primarily Islamic universities represented by ICIFE are taking an important step in creating this body and defining standards and boundaries of professional competency. Evidence suggests that the process of defining these standards have an important impact on authority and control. According to Abbot (1988) authority and privilege in organizations are vested by the ability to define standards of evaluation and jurisdictional boundaries. In a global setting where educational power and authority are being defined by perceived legitimacy according to standards set by western institutions (Santos 2009; Collins & Rhoads 2010), it is of critical importance that Muslim countries who most need and benefit from IEF are defining the standards and practices within the related educational field.

Industry-Education linkage

At the Islamic Finance in the 21st Century conference, participants noted limited communication between educational institutions and the Islamic finance industry which means that there is potential mismatch of relevant skills set which can lead to limited job prospects for IEF graduates. The IEF Education Symposium participants further noted that understanding industry needs is complicated by difficulties in gaining relevant information from the industry. Finding the right employment opportunities for graduates is also difficult especially in countries where IBF activities are limited. Internship programs are often the easiest way to build relationships between academic institutions and industry, but participants noted that in their experience the Islamic Banking and Finance industry does not appreciate the training opportunities/ talent development offered to them. These observations led to the conclusion that there is a need for a two-way communication between education providers and the industry about the skill set required by industry.

Education Policy and Economic Growth

Education is acknowledged to have social and economic benefits for countries and their citizens (World Bank, 2008). Investment in education is seen to have a positive effect on country development. However, the 2008 World Bank report on education in MENA, found that in terms of economic impacts, "A shortage of educated people will limit growth, but a more educated workforce will not necessarily produce economic growth" (Ibid, p. 40). Low economic diversification and high unemployment have resulted in relatively weak gains from investment in education in MENA. It is also possible that economic growth and financial sector reform is not sufficiently advanced to show growth yet, but continued reform efforts and investment in human capital will yield large results later on (Hassan, 2007).

It is clear that careful and considered investment in education combined with other social and work programs is necessary. The analytical framework for improving

education and thus affecting economic outcomes, as defined by the World Bank report is: Engineering + Incentives + Public Accountability = Education Reform. Here “engineering” refers to modifying the inputs of classroom, texts, and teachers in terms of quantity, quality or mix; “incentives” refers to rewarding teachers based on student performance, and “public accountability” refers to involving education consumers (parents/students) in educational decision making on objectives, policies, and resource allocation. The report goes on to say that focusing on engineering aspects is appropriate for the building education phase, but further reforms must include a diversified approach that includes incentives and accountability to achieve real gains. This framework is constructive for the purposes of this report because most of the tangible reforms discussed fall in the engineering category, as is suitable for developing the field, but for the field to really be successful it must also focus on the other categories as well. This report explores how the education symposium addressed engineering, as well as incentives and public accountability, and discusses how the findings supplement existing literature about IEFE.

The ultimate goal of education for a nation is to build human capital. Educational theory and policies that support the development of Human Capital hinges on the following de facto connections: 1. Good school systems develop human capital, 2. Increased human capital gives nations an economic advantage, 3. School system quality can be measured by average standardized test scores, 4. Nations with higher test scores have better schools, 5. Nations with high test scores will out compete others in the market. (Wiseman 2011, citing Letendre and Baker1999).

What this reveals is that the evaluation of educational systems in relation to their perceived impact on a countries development is of paramount importance to government and policy makers. The development and reform of the IEFE field is therefore of national and international importance, being that it exists at the intersection of education and economics. Tertiary education in this field has an important trickle-down effect through secondary and primary education, as Higher education must define acceptable test scores for admission and identify core skills necessary for successful employment post degree. These ongoing tasks help lower schools develop appropriate feeder curriculum and a cohesive educational program to develop the country’s human capacity. A successful and relevant IEFE program can therefore be of strategic importance to a country’s economic outlook, particularly where there are clear advantages to becoming an international hub of Islamic finance.

Stage of Educational Reform

At the Islamic Finance in the 21st Century conference, participants advised that the problems of human resources, research quality, methodology, program diversity and

industry involvement could be solved with the implementation of just three major recommendations:

- Standardization of educational practices,
- Collaboration between Western and Muslim institutions,
- Research Government support for fundamental and applied research programs relating to alternative finance

From the perspective of the World Bank's analytical framework, these recommendations fall squarely in the early term "Engineering" phase of educational reform. However, they could all have aspects of incentives and public accountability built in, such as including students and parents in working groups on educational practices, rewarding teachers who involve their students in collaborative programs between Western and Muslim institutions, and in instances where the education consumer is professors learning more about Islamic Finance, incentivizing universities who support their professors getting further training in the subject.

In comparison, at The IEF Education Symposium, the discussants identified the following recommendations for the field of IEF Education:

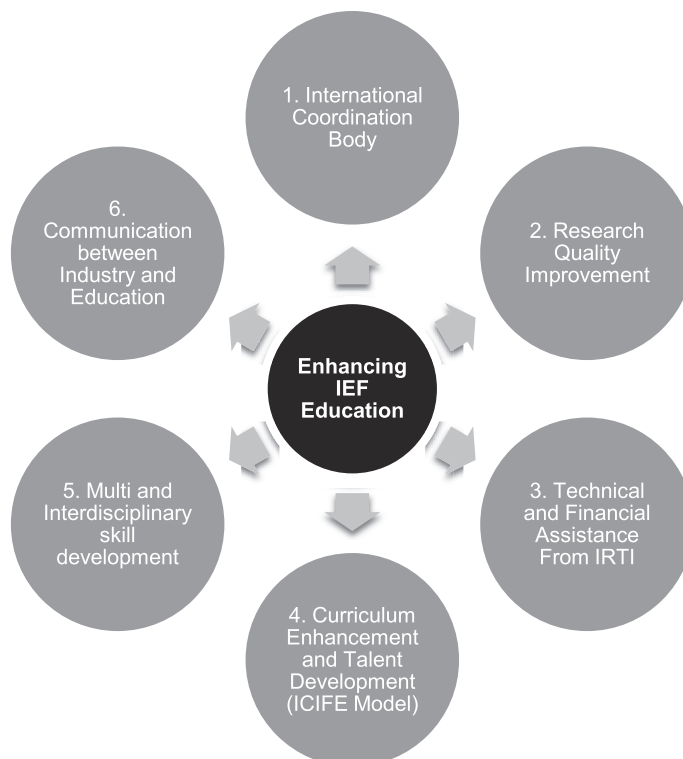


Figure 1: Key Recommendations to Improve IEFE from 2015 IEF Education Symposium (Source: Author drawing)

1. Establishing an International Coordination Body to foster cooperation and coordination of existing efforts in enhancing the IEF education.
2. Improving the quality of research and publications relating to IEF.
3. Emphasizing IRTI's role in assisting emerging countries in IEF education through technical and financial assistance.
4. Endorsing in principle the IIUM proposal "The Way Forward" for IEF curriculum and talent development currently spearheaded by International Council of Islamic Finance Educators.
5. Developing multi and interdisciplinary skill sets from all related disciplines is necessary for IEF to advance as an academic discipline.
6. The IEF curriculum should reflect industry practices in a two-way relationship where inputs come from both sides.

This conference finding, while still in the engineering phase, is also moving toward establishing public accountability by requesting more detailed analysis from individual countries. Focus on standardization and a move toward accreditation ensures that seekers of IEF education can be assured that they are getting the quality of education they are promised and are paying for. More industry linkage means that there is more assurance that the skill set they are developing is beneficial to the community.

The conferences all engaged in discussions concerning the viability of the field of IEF as a whole. Proponents focus on the growth in the industry as evidence of the importance of training workers for this field, while opponents focus on the Islamic authenticity and its real economic and social value (Hayat & Malik 2014).

Conclusion and Recommendations

This paper aims to provide a vision for IEFE development based on the combined efforts of experts in the field by summarizing the findings from significant conferences on IEFE in light of scholarship in the field. Conferences are important venues for intellectual exchange and development of the field but their findings can be lost or misinterpreted and further conferences can be repetitive. This paper aims to reduce repetition and highlight the major findings. Overall the field has shown major growth and global adoption and is moving beyond the strictly engineering phase of its development and is moving toward public accountability.

Scholars generally agree that there is a continued need to clarify and develop the underlying methodology of IEF as well as its paradigm based on the intents of Islamic law that serve to help people as well as provide financial structure for economic growth. A further problem identified is that IEF institutions suffer from a general lack of coordination and information sharing. Solving this problem requires academics to decide on the nomenclature of several key terms in Islamic Finance so as to create a systematic body of knowledge.

The implementation of education around IEF must draw from different fields and meet the needs of diverse industries. To do this, scholars must be developed by enabling them to attend a variety of schools such as those specializing in conventional finance, shari'ah, and Islamic economics to help diversify the knowledge base. More competent researchers and professors in turn will lead to more in depth research to develop the field.

Research development recommendations focused on supporting collaboration between young academics, professors and students in both Western and Muslim countries to write review articles, books of readings, critical readers and anthologies to organize scholarship in field from Islamic perspective; develop anthologies integrating turath and modern disciplines; and institutionalize local and global curriculum collaboration.

One recurring recommendation was to standardize the IEF curriculum, and steps were made toward that goal through the establishment and support of ICIFE as a global body for professional certification and Accreditation for Islamic Finance Education support out of Malaysia. Research shows however that what to standardize and how to monitor this standardization requires careful consideration in order to maintain focus on teaching and learning innovation and development.

It is suggested that implementing these recommendations will help that IEF address the gap between Islamic economics and finance theory and practice. This is particularly important as the aim of Islamic economics is unique because of its emphasis on social justice and well-being. As social conflicts between religious, racial, and economic groups, continue to be on the forefront of news across the globe, IEF has a central role to play in helping this and the next generation deal with the issues of the time. It is hoped that this paper targets the areas of needed improvement, prevents duplicative discussions and encourages students and professors to take IEF to the next level of development.

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