

Curriculum and Pedagogy

Foundation of Islamic Economics

(This course is offered at the Department of Economics,
Kulliyah of Economics & Management Sciences (KENMS),
International Islamic University Malaysia)

Foyasal Khan¹

In International Islamic University Malaysia, PhD researchers are allowed to teach a section of a course. I have been teaching 'Foundation of Islamic Economics' or FIE since February 2014. FIE is a core course of the Kulliyah (Faculty) taught at undergraduate level, which means that every student of Kulliyah of Economics & Management Sciences (KENMS) must take this course in order to complete the undergraduate degree from IIUM whether his/her major in economics, accounting, finance or business administration. The importance of this course to the faculty as well as the university can be understood from this policy. This is obvious because this course gives the students an exposure to Islamic economics at its foundation level and the rationale for the inclusion of the course / module in the program is, "[T]his course is expected to develop the capability of students to enter into positions in government, business, and consulting firms, which call for the analysis of economic problems and variables from an Islamic perspective (Course outline: FIE)". I do not fully agree with the rationale because I believe that whether government, business, and consulting firms, which call for the analysis of economic problems and variables from an Islamic perspective or not, students will be capable of recommending an Islamic approach to the government, business, and consulting firms in such a scientific manner that these

¹PhD researcher and Graduate Teaching Assistant, the Department of Economics, Kulliyah of Economics & Management Sciences (KENMS), International Islamic University Malaysia, Email: foyasal.khan@gmail.com

institutions take the Islamic approach at least on the ground of efficiency, stability and sustainability if not from the ground of spirituality.

As it is a core course and every student must take the course, generally number of students who register for attending the course is many and merely one or two sections are not enough to accommodate all. So, all registered students are divided into seven sections in every semester. Generally, instructors are chosen from the regular faculties and some sections are offered to GTAs. One of the faculties plays role as ‘the course coordinator’ who calls for meetings with other instructors and design course outline, methods of teaching and assignments, prepare questions for final examination.

The objectives of this course are: (1) to provide a conceptual introduction to Islamic economics; (2) to enable the understanding of how Islam and its worldview permeate all aspects of economics. In this course, therefore, it is not possible to discuss any topic in great details rather instructors try to give students an overall overview on the pressing issues under any topic that ignite students’ inquisitiveness to search further knowledge in his/her areas of interests.

Every semester I spent the first lecture to discuss ‘the course outline’ in details as I feel that understanding the course outline is very important because it can motivate them and give them a big picture about what is Islamic economics and what is meant to be an Islamic economist. In addition, I explain what are the roles and responsibilities in pursuing career as an Islamic economist.

This course has following learning outcomes that are expected to attain at the end of the course. The students should be able to: (1) Explain why Islamic economics is a legitimate body of knowledge and to understand how it is developed using Islamic sources of knowledge; (2) Identify and explain the general features of an Islamic economic system; (3) Apply Islamic perspective to the main area of economics, including production, consumption, distribution and some selected issues in Islamic banking and finance; and (4) Recognize the ideal Islamic economics as a viable alternative to the conventional economic system.

This course helps student achieve some transferable skills because they are required to form groups, undertake and develop a small project, and present in the class. This enables them to develop

team work and communication, presentation, problem solving and analytical skills.

In a nutshell, the ‘Course Synopsis’ according to the course outline as follows:

“This course introduces students to the basic premise that the study of Islamic economics proceeds from the Islamic worldview and has to be developed according to a methodology that is founded upon this worldview. Therefore the foundations that need elaboration are the Islamic worldview, Islamic economic methodology and features of an Islamic economic system. Since economics deals with the production, consumption and distribution activities of person and these areas will be addressed in this course too. Other significant areas of contemporary Islamic economics, such as the prohibition of *riba* and issues in Islamic banking are also discussed.”

There are six topics covered in this course in varying degrees of emphasizes. First topic, entitled ‘Islam, its worldview and Islamic Economics’, is taught in the first 3 weeks. While week 4-5 is dedicated to the second topic, entitled ‘Methodology of Islamic Economics’, week 6-7 gives exposure to the third topic, entitled ‘The Islamic Economic System’. Topic four, entitled ‘Allocation of Resources in an Islamic Economic System’, is taught in week 8-10 and topic five, entitled ‘Distribution’ is discussed in week 11-12. The discussion of final topic, entitled ‘Islamic Financing’, in week 13-14 puts the end of the course. From my experiences of teaching the course, I must point out that first two is the most challenging topics because these two topics consist with some highly philosophical as well as methodological concepts such as worldview, ontology, epistemology, axiology which are needed to discuss in a way that is easily understood by the students. In order to orient readers the sub-topics under each topic, a table is formulated below:

Table: Topics and Sub-topics of Foundation of Islamic Economics

Topic	Sub-topics
Islam, its Worldview and Islamic Economics	<i>Islam</i> : Definition of Islam: iman, ‘amal, ihsan. <i>The Islamic Worldview</i> : God, man, nature/universe, religion; the nature and

	<p>characteristics of man; man's role as `abd and khalifah; nature/universe in Islam; the concept of din and its implication to economic activity.</p> <p><i>Islamic Economics</i>: Definition of economics; scarcity and choice and the economic problems; definition and scope of Islamic economics.</p>
Methodology of Islamic Economics	<p><i>Methodology</i>: Importance of knowledge; epistemology - definition and scope; sources and channels of knowledge in Islam; definition; Shari'ah, - definition, scope, sources and issues.</p> <p><i>Methodology of Islamic Economics</i>: Fiqh, usul al-fiqh and Islamic economics; stages in Islamic economic methodology - issues; comparison with Western economic methodology</p>
The Islamic Economic System	<p><i>Economic System</i>: Definition, components, classification/ characteristics; Islamic Economic System - general introduction, philosophical foundations, operational principles and goals.</p> <p><i>Property Ownership</i>: Definitions and types; general principles and types of ownership in Islam; implications for the economic system.</p> <p><i>Motivation/Incentives</i>: Definition, types and importance; relationship between Islamic worldview and motivation; implications for rational behaviour.</p> <p><i>Organization of Decision Making</i>: Definition and types; concept of shura; implications in economic decision making.</p> <p><i>Coordination Mechanism</i> : Definition and types; importance of markets and planning</p>
Allocation of Resources in an Islamic Economic System	<p>Importance of resource allocation; the role and limitations of markets; markets under Islamic economic system; supply and demand; the role of the State; the institution of Al-Hisbah. Normative and technical aspects of resource allocation and their application in consumption and production activities from the Islamic perspective.</p>
Distribution	<p>Goals and principles of distribution in Islam; types/categories of distribution in economics;</p>

	equity, equality and justice; provision of basic needs and the reduction of poverty. Pre-production/initial distribution; Concepts of <i>khilafah</i> and <i>amanah</i> and the ownership of natural resources; arguments for public and private ownership. Post-production distribution; returns to factors of production; arguments on minimum wage rate; and minimum standard/quality of living. Redistribution; rationale; positive, voluntary, and preventive measures.
Islamic Financing	<i>Riba</i> : Meaning and scope, stages in the prohibition of <i>riba</i> and its rationale. <i>Islamic Alternatives</i> : <i>Riba</i> vs. <i>bay'</i> ; concepts of <i>mudarabah</i> , <i>musharakah</i> , <i>murabahah</i> , and <i>ijarah</i> ; selected issues in Islamic finance.

Source: Course outline of FIE

STUDENTS' CARRY MARK

There were 20 percent marks allocated for mid-term examination. Moreover, course coordinator gives us freedom to design another 30 percent according to our preference, which is altogether generally known as 'carry mark'. I introduced article review, news analysis from Islamic economics perspective, quiz includes true/ false and MCQs, presentation. For the purpose of assignments, we divide the students into several groups. Each group usually consists of four to five students. Students are usually given following instructions to prepare the assignments which carry 30 percent marks:

ARTICLE REVIEW

Criteria of selecting an article

1. Make sure that there is 'Islamic Economics' in the title of the paper
2. Must be from journals
3. From 2010 onwards
4. Not less than 15 pages
5. Students have to submit and take approval from the instructor

List of some journals are but not limited to

1. Journal of King Abdul Aziz University, Jeddah, KSA : JKAU: Islamic Economics
2. Islamic Research and Training Institute Journal: Islamic Economic Studies
3. Islamic Economics Research Bureau journal : Thoughts on Economics
4. Islamic Foundation, UK: *Review of Islamic Economics*
5. IIUM Journal: International Journal of Economics, Management and Accounting

After approval of the article from me, their task is to

- Put a cover page that has information about the section, group's name and name of each member of the group. Other required details include: matric no. and email address.
- Write a summary on the article. Length of the summary and review must be 3-4 pages and single-spaced.
- Provide the hard copy of the approved journal article.

When they write the summary and review, they are advised to use Times New Roman 12-font size and single-spaced. Marks are given based on clarity and comprehensiveness of the summary; including the grammar ability of one group's overall write-up. So, the Spelling and Grammar of the write-up must be checked which is readily available in Microsoft Word under the Review tab before submitting this assignment.

ECONOMIC NEWS ANALYSIS FROM ISLAMIC PERSPECTIVE

- Consult with the Instructor about the theme of a particular group
- Newspaper cutting / printing news from online according to the theme
- Must be an English and prominent newspapers
- Collect five (5) news related to conventional economics (consumption, production, distribution etc.)
- Write the source of the news properly
- Write a very brief summary covering what are the main points discussed in the news
- Give the Islamic perspective. Give reference from the *Al-Qur'an* and *Hadith*
- Analysis must be between 5-6 pages and single-spaced.

ARTICLE REVIEW PRESENTATION

- Group Article review will be presented by each members of the group
- Each group will be given 15 minutes followed by 5 minutes of Q/A session
- Presentation will be evaluated in accordance with the content, coherence, organization & creativity; speaking skills; timeliness; and question responsiveness.

QUIZ

- Students have to be ready to attend in the Quiz at any time of the class
- Either True/ false or MCQs may be asked
- There will be 10 questions and 10 minutes for the Quiz

MY OBSERVATION

Students generally miss the meaning of reviewing article but what they actually do is summary. Therefore, I feel that we need to give more time to students during consultation hours (three hours per week that an instructor is liable to spend with students outside class time) to teach them how to review an article. During presentation, most of the groups prepare slides in the last minutes and present without preparation. In this case, the instructor may ask to submit power point slides to him/her one week before the presentation. Economic news analysis from Islamic perspective is really helping students to critically evaluate the merit of current news and help keep updates to the present world's events.