

# **A PROPOSED STRATEGIC VISION FOR FUTURE RESEARCH IN ISLAMIC ECONOMICS**

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**Abstract.** This paper proposes a tentative about a strategic vision for research in Islamic Economics. It identifies the current state of the world economic scene, and argues that the world is in a state of disarray. It needs a reform agenda to correct the imbalances and create a healthy atmosphere that lays the ground for a solid platform upon which the betterment of mankind can be attained. It goes on to argue further that Islamic Economics (IE) can be a viable paradigm. This is because IE incorporates values that are enduring, universal and suitable for the whole human race. However, the task is not easy and the road ahead is cumbersome. Unless IE is ready for the task by addressing the problems of mankind regardless of faith color and race, and making the necessary adjustments from within to build on what has been achieved in the Islamic world and from other parts of the world as well, the task might not be accomplished effectively. The proposed research agenda has to be carried out in an innovative and creative way. Hence the paper identifies some of the shortcomings that the current and previous literature in IE suffers from—and tries to answer specific questions relating to research quality, new generation of researchers in IE and the mobilization of funds.

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## **Part One: Towards a Strategic Vision for Future Research in Islamic Economics**

Research is focused on new knowledge, knowledge we do not have. Ideas and institutions that served us well in the past may not suit the future, a future likely to be very different from the past. Our vision for future research in Islamic economics should be guided by our view of the future itself.

## **New Concerns of Economics**

At the top of the consciousness of mankind are a few perceptions about the future. Globalization and the interconnected world resulting from it is one. Environmental concerns, a loss of confidence in continued availability of such essentials of life as a place to live, water to drink and air safe for breathing are widely shared. Rapid technological changes, flexible labor markets, hot money and flying capital..., all add up to rising anxiety levels outpacing rising living standards. Gender relations are in a flux, family is no longer the same, and an aging population is throwing challenges: financial, sociological and moral, that mankind is ill-equipped to meet with dignity and grace.

That is a far cry from the scarcity focused “dismal science” we inherited from the past. During the last half century Islamic economics tried to do economics in an Islamic way. With the emphasis on the latter part of the job --- doing it in Islamic way. There was hardly any attention paid to the changing nature of economics itself. This has to change as both economics and the ground reality economics is supposed to handle is fast changing. We proceed to elaborate this with reference to some of the new concerns of economics in the twenty-first century listed above.

## **Globalization’s Dimmed Image**

Much of the enthusiasm for globalization during the late nineties of the twentieth century and early years of the twenty-first century has subsided. The increased commerce between nations it brought did not prove to be a blessing for all, leaving the poorest of the world still reeling under abject poverty. Nation states still guard their sovereignty and cling to their (imperial) privileges with tenacity. Ethnic and racial biases still dictate policies and self-interest still masquerades as moral missions at the national as well as individual levels. Yet the distances are dissolving, communications are improving, making it a different world. But whether this has made ensuring peace and prosperity for all any easier, remains debatable. At the root are certain behavioral norms, certain policy goals that have to gain universal acceptance before the paradox of poverty amidst plenty can be resolved. Islamic economics is well equipped for arguing in favor of these goals and norms. What is missing is convincingly to demonstrate that globalization’s failures are rooted in its moral deficit, that self-centered profit-maximization cannot usher in a humane society, even in the age of plenty. We have to demonstrate that caring for others and adjusting one’s behavior to environmental exigencies can work in tandem with rationality. Does there exist any historical evidence in favor of this claim? Are there any empirical data on current situation favorably indicating such a possibility? Novel research projects indeed.

If there is one lesson to be learnt from the combined challenge of environmental threats and the opportunities thrown up by globalization it is that no people can do it alone. Peoples of the world, of various faiths, ethnicities and cultural traditions have to join their efforts in making the world safer and saner. The juristic legacy of the Islamic past from which much of Islamic economics till date has been drawing sustenance does not prepare one for dealing with the “other” at par. But there is plenty in the *Quran* and *Hadeeth* to sustain a new posture towards humanity that is positive, welcoming and forward-looking. Going directly to the divine, brushing aside the dated human elements

in our heritage: that is the challenge Islamic economics of the future has to face. All parties to the needed human cooperation have to shed any superiority complexes, any notions of entitlement to hegemony. Can Islamic economics take the initiative in introducing an approach that prepares the *Ummah* for this noble and formidable task? Once again it may need both history and ground reality to be called in for supporting its diagnoses and prescriptions, no ordinary research projects.

### **The Problem with Capitalism**

Capitalism to which are ascribed the astounding levels of material progress humanity witnessed in recent decades, recognizes no limits to growth. It lacks self-correcting self-regulating mechanisms when it comes to excessive greed and exploitation of the weak and the poorly informed. Reformers have been grappling with these issues since early nineteenth century with mixed results. But the 'new economy' has aggravated these deficits threatening personal well as well as international peace. Socialism has failed. Do we have a solution? A solution that does not take away the ease and comforts modern man has become addicted to yet give man back the peace of mind and stability of human relations one feels to be missing. Again it is not philosophical musings or moral exhortations that will convert people. They need models of behavior and frameworks of policy well grounded in the current realities with some support in history.

### **Islamic Economics: the Stakes are High**

The vision is for Islamic economists to break loose from doing it for Muslims only in the current framework of majority states and minority communities. The guidance from Allah is for all the peoples of the world for all the times. Let them seize the opportunity the current deficits of conventional economics offer them. Let Islamic economics be for each and all, declaring their problems to be its problems, taking up the causes of humanity as its causes. This will call not only for changes in contents and priorities but also in language and style---culture-determined traits not easy to shake off.

Islam does not offer only ideas, norms and goals of public policy but also institutions and rules. *Zakat*, *waqf* and *takaful* offer immense possibilities of social reconstruction from below, based on voluntary action rather than state regulation. Designed for caring and sharing, these institutions have sustained the community of Islam in various scenarios. They have, over the centuries, demonstrated great potential in adjusting to changes and responding to new needs. Even now efforts are on to integrate them with the Islamic finance industry with possible benefits to both, the voluntary for-service sector and the business for-profit sector. Once again, an innovative approach to age-old institution will call for support from field studies as well inspiration from historical records.

### **Islamic Finance at Crossroads**

This brings us to the most dynamic expression of Islamic economics during the last half-century: Islamic banking and finance. The world at large recognizes only this face

of Islamic economics. All claims and promises of Islamic economics will naturally be evaluated on that basis. While the progress of Islamic financial industry is a source of satisfaction for many, and a source of pride for some, the stakes are very high insofar as its being rooted in the ideas, norms and policy goals of Islamic economics is concerned. Future research in Islamic economics may well be advised to devote quite some energy in evaluating the experience, paying special attention to innovative examples like that of Malaysia in financial markets and the Sudan in monetary management. This evaluation need not be conducted within the framework of received doctrines of Islamic jurisprudence. In harmony with the universal approach indicated above, the latest in human thought and experience on justice, equity and efficiency must be brought to bear on the enquiry. In the end we must be looking for what will be good for all human beings, not what will satisfy a certain set of criteria drawn from a jurisprudence not expressly designed for this age. The real test is to realize the *maqasid al- Shariah*, taking note of received wisdom and without violating any limits set by the Word of God. A progress on this front can secure a place for Islamic economics in the consciousness of contemporary humanity that is ill at ease with things as they are but knows not what to do about it.

### **Research Areas Priorities**

The following areas for research are proposed for the coming years:

1. Economic history of Muslim peoples during the first 500 years.[May be divided into: Contributions to economic thought, and history of Institutions and practices such as *Mudarabah*, *Qard Hasan*, and building and construction, international trade, etc.]
2. Impact of Islam on Muslim economic behavior in different regions during the last few decades. [Charitable giving, ethical investment and *Waqf*-making may be taken up, to begin with.]
3. Compilation of Syllabuses, Course Outlines, Question Papers, and Reading Materials of all institutions teaching economics in Islamic perspective. A critical survey of this material will be useful.
4. A study of debt- creating Islamic financial instruments, their currency, impact and desirability on the criteria of declared objectives of Islamic economy. A study of the practice of *Einah* in Malaysian Islamic finance, and of recent changes in the practice will be useful.
5. A study of Monetary Management in contemporary Muslim economies claiming to be doing it the Islamic way. Separate projects on Sudan and Iran will be useful.
6. A study of poverty, poverty removal policies and their impact in selected Muslim economies. Separate projects on Malaysia, Pakistan and one of the Arab countries will be useful.

These six priority researches conducted over the next decade or so, are likely to produce sizable amount of new literature that serves the cause of Islamic economics. Detailed projects for the above-mentioned researches can be prepared at a later stage.

## **Advantages that New Technologies Provide**

In these days of the Internet and other means of fast communications, scholars residing in different countries can be made part of the teams working on an institution based in certain geographical location. The crucial elements are sufficient incentives, efficient networking and a decision making process that can be fast and flexible.

## **Cooperation**

At the present we have half a dozen institutions sponsoring research in Islamic economics. They are, besides the KAAU center, the Islamic Research and Training Institute (Jeddah), the *Kulliyah* of Economics at IIUM (Kuala Lumpur), the International School for Islamic Economics, International Islamic University (Islamabad), the Markfield Institute for Higher Education (Leicester), and the Islamic Finance Program in the Harvard law School (Cambridge, Massachusetts). An imaginative mechanism for cooperation between these (and yet others to come) can help a lot in streamlining Islamic economic research and pushing farther the frontiers of knowledge. Exchange of information on approved projects, Cross-evaluation of completed works and sitting around a table once a while, to share visions for the future, are badly needed.

## **The Vision Thing**

No plan is worth the name without a vision, an imagined state of the world at the end of the tunnel. Looking back at the last thirty years of the some of the aforementioned institutions, it is advisable to be modest in our expectations. Research institutions are not for working miracles, though they can help understand the impact of one if it takes place. We are passing through a critical stage in human development when explosion of knowledge and fast technological changes have thrown humanity off balance. Past memories and a better understanding of what is going on will help in maintaining some composure. Meanwhile innovative thinking on how to manage our economy will keep us abreast in the competitive race between peoples of the world in which everyone is learning from everyone else. The important thing is to keep the lofty ideals in human existence, the *maqasid al-Shariah*, in view, so that the goals do not get submerged in an avalanche of means.

The Center envisages that at the end of this century the current wave of consumerism and the race to attain higher and higher standards of living will have yielded place to greater attention towards environmental safety and sustainable, balanced living. It is plain to see a demotion of “finance” from the lofty pinnacle it occupies currently in man’s life. An obsession with quantity and speed may yield the priority of place to a care for quality and balance. These newer concerns will call for fairer distribution of what we have and a less aggressive drive to add more to it. Cooperation rather than rugged individualism may well be the next ethos. An exit from the current anxiety ridden competitive existence into a saner, slower world of cooperative coexistence seems to be on the cards. It is time we see the signs and readjust our priorities.

We shall conclude by noting that these newer trends are more in harmony with the essential Islamic vision of living a contented peaceful life, a life in which one is at peace with the Creator, with one's inner self, with one's fellow humans and with the environment. For long the Islamic economic agenda has been decided under compulsions of a competitive world, ruthlessly in pursuit of more and the sooner the better. Now that this stranglehold seems to be loosening, a little courage, self confidence and faith is needed to take the initiative in reverting to a *maqasid*-guided approach to economics and finance. Once we start upon that quest we may find innumerable similar initiatives being taken by peoples of every faith, in all corners of the world. The future lies in joining hands with them.

### **Human Resource Management**

The generation that launched the project of Islamic economics in the middle of twentieth century has almost retired. Bound by the priorities of the second half of the last century and worried by the insecurities facing the project in that period they tried to build institutions capable of continuing the project. Circumstances in early twenty-first century are very different from those in which existing institutions for the promotion of Islamic economics were established. Country level projects have little chances of success, thanks to globalization. Nationalistic approaches too are doomed, mainly for two reasons. Added to the universalistic approach of Islam which sits ill with parochial nationalism is the fact of Muslims having spread all over the globe (including the developed west) as they were not before. As in the past, when Islamization of economy project is part of an overall nationalist political agenda (and narrower hidden agendas) it puts many people off, hurting the long term cause of Islamic economics.

Then there is the fact of shared concerns of humanity that Islamic economics has also to address: ecology, sustainable development and equity. The departing generation was focused on establishing Islam in chosen regions---an approach now passé. The target now is the whole world accepting the norms and policy goals that ensure balanced living, with regions opting for styles they prefer on account of their cultural heritage, etc. This approach should better be entrusted to a generation of scholars much younger than the founding generation. We hope a fresh round of Seminars, a better use of the Internet, and greater interaction with the economics profession can help attract the needed manpower. But what can be most effective in attracting younger scholars is greater relevance. The more relevant we make Islamic economics to the environment (including the market) the more manpower we attract.

## **Developing High Quality Research**

Transparency of means and clarity of ends plus following the well- established traditions for scientific research like peer review, are the ways to ensure quality. Avoiding populism and catering to the widest audience rather than playing to a captive gallery, is the trick to stay scientifically acceptable. At the present Islamic economics lacks a tradition of self-criticism. That has to be encouraged.

## **Part Two: Answering Specific Questions**

### **Preparing the Next Generation of Researchers in Islamic Economics**

It is quite natural to be worried about preparing a new generation of contributors to Islamic economics in view of the dwindling stock of this nascent discipline. In answering the question how to energize the field and bring forth a new wave of significant contributions to Islamic economics we must begin by recalling what brought the first wave of contributions.

As documented elsewhere (Siddiqi 1988; Siddiqi 2006) the nascent discipline of Islamic economics was born during the second and third quarters of the twentieth century, even though its antecedents are rightly traced to the *Quran* and *Sunnah*. The contributions made during that period were mostly ideological, detailing the economic system of Islam as distinguished from capitalism and socialism. These brought forth a new wave of contributions during the third quarter of the last century, mostly by economists. These were more narrowly focused on aspects of Islamic economic living such as money, banking, finance, public finance, property rights, consumer behavior, labor relations, international trade, etc. It is these contributions that triggered a wave of legislations in countries like Pakistan, Iran and Sudan operationalizing Islamic economic teachings. Inspired by the same literature, the private sector had already seized the initiative by establishing Islamic banks, insurance companies and *zakat* houses in several Arab countries as well as in South-east Asia.

It is around such themes that a number of conferences and seminars were organized that brought together economists, *ulema*, bankers, businessmen and statesmen. Universities and colleges vied with one another in including Islamic economics in their curriculums. Publishers started issuing books on Islamic economics in all major languages of contemporary Islam: Arabic, English, Urdu, Persian, Malaysian, Indonesian, Bengali, Turkish, etc. All this came to pass, it is important to note, in response to challenges Muslims were facing during the above periods. Their colonial masters departed, leaving them free to shape and manage their economies. As Muslims they wished to do that according to Islamic teachings. As modern nations and communities, competing with other nations and communities, there were other dimensions to be kept in focus. As poor developing countries devastated by colonial exploitation they had priorities and alliances to mind. These were the challenges that produced the generations of researchers that ushered us into the first decade of the twentieth century.

The key to revival and reinvigoration lies in looking for challenges. Are there any new ones? Is there any old challenge not fully met? The answer to both the question is in the affirmative. There are new challenges to meet. There are old ones still calling for more effective response. We proceed to elaborate in what follows.

### **The Challenges of Globalization**

The periods in twentieth century mentioned above belonged to a world divided into warring blocks. It was a world of limited mobility across national borders and slow, tardy communications, where communication was possible at all. It is a changed world we are living in now. In this globalized world of fast communication and greater mobility, age old systems of capitalism and socialism are fast changing colors as they adapt themselves to empowerment of individuals, international flow of capital and the rise of new economic powers in Asia. From accelerated growth the emphasis has shifted to balanced growth that keeps the ecological poise and saves the environment from further destruction. Mankind is bothered, far more than it was ever in the past, by increasing disparities in the distribution of income and wealth within nations as well as between nations. It is no longer a matter of presenting Islamic economics as a viable alternative to socialism and capitalism (that are now extinct insofar as their old forms are concerned). Man needs a new approach to economy that harmonizes with living together in the global village while saving the planet from man-made devastation. From being perceived largely as an issue in management, as the mechanistic sciences of the Nineteenth century made it to appear, economics is increasingly being posited as a moral- spiritual issue calling for man to redefine his relationship with environment. From maximum “exploitation” of natural resources to assuage man’s greed and vanity, economic enterprise is being redefined in the holistic sense of living together in peace and harmony. Islamic economics needs to redefine its priorities, may be undergo lot of changes in its idiom, to convey the wisdom enshrined in divine guidance to the contemporary humanity.

As already hinted above, two crucial changes have occurred between then and now making the current challenge different from the one Muslim intellectuals - *ulema*, economists, poets and philosophers--faced in the last century. It is no longer the question how Muslims are going to manage *their* economies. It is one world, one economy. The new economic order has to be conceived and executed at the global level. It has to be an Islamic economics for all, the entire humanity, rather than a Muslim manual on how to conduct your economy, as the contemporary Islamic economics largely happens to be.

There is a crucial difference between discipline and management. Discipline, in the first instance, relates to the subject. Management largely relates to the object. As long as the economy was perceived as some thing out there to be managed by man the master, economics remained materialistic in its concerns and priorities. It had little to do with values. Rather its focus was interests: individual, national, of “our” allies. The devastating response of ecology and environment to that attitude during the last few decades has given a rude shock. It has destroyed the ill-conceived confidence and arrogance characterizing modern economics. Maybe it is a matter of discipline rather than management. Maybe the problem lies in our-selves more than out there. Maybe



values are prior to interests. Is Islamic economics ready to seize the opportunity provided by these new perceptions? That is the challenge.

Values are universal, often eternal, while interests are mostly parochial, shifting focus with the passage of time. Values like truthfulness, honesty, justice and compassion inculcate economic behavior and policy very different from those resulting from pursuit of interests. When economic agents----- consumers, producers, employers, employees, lenders, borrowers-----tend to maximize their advantages we end up with the state of the world we are in now. The same attitude at the national level creates hegemonic tendencies resulting in exploitation of weak by the strong. This is ill suited to the social creature that man happens to be. It makes economic agents uncaring for the good of fellow humans, focused as they are on their own good. In contrast values teach care for the other while one strives to secure ones own interests. Projected at the international level values work for coexistence and cooperation among peoples. In place of the hard, aggressive approach towards environment that came with materialism, values that thrive best in spiritual paradigm, give us a softer, gentler approach towards nature. But values imply a measure of self-discipline coupled with a vision different from the one modern economics was founded on.

Islamic economics of tomorrow has to come up with a new message for humanity. At the center of this message is a world-view that brings humility rather than arrogance. In the complex web of relationships between man and environment and man and man, one has to tread with care lest integration and balance are destroyed by disruption and un-equilibrium. Moderation rather than maximization would be the new creed. Greed will yield to a quest for coordinated sufficiency. Competition conducted within the framework provided by moral values internalized by economic agents would result in efficient solutions without jeopardizing requirements of justice. Enterprise will be free, as nobody will be coerced into morality, Social Authority intervening only to protect others from harmful effects of exercise of freedom. Projecting a vision of balanced global economy with the promise of meeting all the challenges of technological changes, recent as well as those yet to come is no easy task. It cannot be done by recycling old policies and past strategies. Earlier ways of chaperoning individuals not empowered by modern technologies can hardly do now. What was good enough for regulating city-states, even country-size nations, may not work in the global village. A surge in creativity and innovation is called for.

Islamic economics in the past could manage with little creativity and few innovations, as its agenda was much more limited than what the future requires. Its primary focus was to enable Muslims to manage their economic affairs, especially finance, without getting involved in *riba* and *qimar* —effectively meaning bank interest and modern insurance. This it did largely by building upon *fiqh* coupled with some financial engineering. It succeeded in providing *fiqh*-legitimized alternatives to conventional financial products. But demands of the future are very different. The conventional structures in finance and business are to be revised. The whole approach towards creation and management of wealth is to change. Happily Islamic teachings are rich enough to help. That, however, requires recourse to *maqasid al-Shariah* rather than to *fiqh* and its regulations. The economic challenge faced by mankind in twenty-first century can be met by focusing on the values *Quran* inculcates and observing how their operationalization by the Prophet, peace be upon him, in seventh century Arabia can

help us do the same in twenty-first century global village. Creativity and innovation rather than casuistry and derivation should lead the way.

Once this idea fires somebody's imagination, the next step is researches producing a new Islamic economics that all may heed. It is thought that we can trigger this spark by drawing attention to two things. First there is a need have a closer look at and a better understanding of what ails the modern economy. Second there is a need to have a closer look at and a better understanding of what did the Prophet do to the economy of man in seventh century Arabia. As it stands now, little attention has been paid to either project. The Center suggests a major research project, involving senior as well as younger Islamic economists, historians and sociologists, etc. The latter project, a fresh look at how the Prophet, peace be upon him, transformed the economy of Arabia would require a team comprising Arabic knowing scholars with in depth knowledge of Islamic history as well as economists and economic historians. This team should be headed by an economist, in order to ensure relevance and give the research proper direction.

That is what research centers are to do. The task for University teaching is different. More attention to fundamentals, going to roots of human felicity and discovering the right place for wealth in a wholesome living is the thing to find, teach and explore. Economics courses should not dismiss modern economics but they should expose modern economics to criticism in the light of recent evidence and past wisdom. Students should be encouraged to think for themselves. Rather than dishing out readymade solutions (as there maybe none), the young should join the old in looking for new solutions-----something that presumes understanding of what the problems are. The same attitude should inform the study of Islamic sciences of *tafseer*, *hadees*, *fiqh* and Islamic history. Imparting skills rather than ensuring given- tasks-performance should be the target. Teachers mission must not be confined to transmitting received knowledge to new generation. It must include creation of new knowledge and training the young the art of doing so on their own. The key to new knowledge often lies in questioning received knowledge and raising new questions. Questions must not be discouraged. The most potent questions are those that a teacher cannot answer. Let the teacher take along the questioning student on to the mission of finding an answer.

Unlike in the middle of the last century when old Islamic economics was born we now have hundreds of Islamic financial institutions. One would expect them to play a role in preparing a new generation of researchers in Islamic economics. They should realize that their future depends on research. The days are about over when replicating conventional finance within the framework of *fiqh* could bring good business and ensure continued expansion of Islamic finance industry. Conventional finance itself is undergoing fundamental changes. There has been a sharp relative decline in bonds and rise in equity in international as well as domestic investments in recent past (Mirakhor 2007). Investing some of their money in promoting Islamic economic research may help them innovate and create products more responsive to new concerns of humanity. These concerns relate to social justice and balance, aims that guided Islamic finance during its first flowering more than a thousand years ago. That gives an edge to Islamic financial industry over the conventional financial industry. It would do well to seize the opportunity, dig deep into its Islamic past, look far into the future and focus on creating financial structures that are just and equitable. Who would do that other than a new generation of researchers?

## A Larger Canvas

Islamic economics is more than finance. As hinted above new research will cover all aspects of man's economy. Humanity shares concerns relating to a balance with environment as well as a balance within and between nations in provisioning individuals, families and peoples with means for living. As things stand now, we have too much disparity. How to arrive at a state of the world where no one goes without provisions and the gaps between rich and poor are far below current levels? How to do so without jeopardizing freedoms? Answering these and similar questions in a way acceptable to all, that is the challenge. The challenge had been there all along since the early days of Islamic economics. But somehow it did not get priority attention. All religions have been poor-friendly, Islam particularly so. But this cannot be claimed for Islamic economics, so far. The attention paid to *zakat*, *sadaqat* and *awqaf*, the most poor-friendly of Islamic institutions, has been sporadic and feeble. The jewel in the crown of Islamic economics, Islamic banking and finance, proved to be largely irrelevant for the poor.

The poor were supposed to become less poor as a result of development, so went conventional wisdom. But many countries in Asia and Africa developed with little improvement in the condition of the poor. The disparities increased universally. Even the developed countries of the North can hardly claim their overall felicity has increased much. It is *tanmiyah* without *tazkiyah*, material growth without improvement in the human beings. Islamic economics focuses on man as well on matter. It inculcates values conducive to mutuality without discouraging entrepreneurship. But this message made little headway during the past half century. It was hardly heeded by economic agents. It was rarely picked up by statesmen, even by those bent on "Islamizing". There is little by way of research and publication to show on that count.

There is reason to believe in the potential of Islamic approach. One need not be dubbed as utopian if one seeks to bring motives and objectives into models of development. It is not the intention to rely on them exclusively, even largely. But they play a role that we neglect at our peril. Attention is now paid to these in the wake of environmental deterioration and increasing disparities. Once again it requires Islamic economists to look back and forth. We look back for inspiration and guidance. We look forward as we try to create new structures and innovate for meeting the newer challenges. The research agenda for poverty removal and development has more long-term importance than the research agenda for Islamic finance. It too is to be conceived as a universal quest of *tanmiyah* with *tazkiyah* for all in the global village rather than for Muslim countries and communities.

Universities and research centers have a greater responsibility with regard to the second agenda focusing on poverty removal and development. But Islamic financial institutions must not keep aloof. The two agendas are inter-related, one cannot deliver without the other. The young scholars may be motivated for researches relating to poverty removal and balanced growth if they are sufficiently aware of the changing geo-political realities. It is not a clash of civilizations but some civilizational change is in the offing that would cut across all civilizations. It is thrilling to partake in that process, these being no ordinary times.

Men are moved more by ideas than by money. Institutional arrangements, howsoever efficient, serve a purpose only to the extent the relevant goals are internalized. The recipe for raising a new generation of Islamic economics researchers is: Reiterate the challenges, illuminate the potentials and promises of Islam, emphasize the gravity of current human situation, then make it rewarding for those who take up the cause.

### **How to Improve the Quality of Islamic Economics Research Products?**

The quality of research output depends on the competence of the researcher, the amount of hard work he or she puts in and on the advice given by the advisors or referees. But prior to these is the matter of getting the attention of potential scholars. If we get the attention of a sufficiently large number of potential scholars we can pick and chose, otherwise we face stagnation when we draw on the same pool again and again.

It is suggested that we try to reach out to economists and students of economics and other social sciences the world over. This is possible because of the shared concerns of humanity mentioned in the answer to the first question above: a quest for social justice and the necessity of preserving the environment while we grow. Whether it is readership of our journals and other publications (including websites and blogs) or reviews and refereeing, we need not, in fact must not, limit our reach to Muslims. The new emphasis should be on universalizing Islamic economics rather than on Islamizing economics.

It is also suggested that holding narrowly focused seminars attended by about 20 scholars, no more, in different countries, including Europe and the Americas. At least half the participants must be new in each seminar. Preference should be given to the young. The purpose should be discovering talented scholars. As regards the themes of these seminars we should avoid our traditional ones and select what is currently in vogue. For this purpose I suggest commissioning a survey of economics seminars and conferences held in 2006 and 2007 in various parts of the world—Europe, the Americas, Japan, China, India and South-east Asia.

Having selected researchers of proven competence through the above process we should invite research proposals from them. Simultaneously we should draw up our own list of subjects and supply it to potential scholars. Once a subject is selected and a scholar is identified for research on that subject, a generous grant should be made to enable him or her to complete the work. Parallel to the other existing arrangements a new category of grants needs being created. Once a research project is approved, the scholar should be free to pursue studies and complete research at places of his or her choice.

When the completed research is received it should be sent to advisors/referees. These should be selected carefully and paid handsomely. Their comments should then be forwarded to the scholar. When the finalized research is received it should be published in suitable ways. It must be realized that, more than money, publication in reputed journals and /or by respectable centers/institutes serves as a great incentive to researchers.

These are the preliminary steps for ensuring high quality research output. There is more to be expected from economists and social scientists than people trained in *fiqh* and other Islamic sciences. This is because of the nature of the problems in hand. Also the best researchers would be those with a good command of English as well as Arabic. But in view of scarcity of this genre, English educated economists and social scientists with access to Islamic sources through translations will be more productive than scholars who cannot read English or any other western language. For scholars who know only Arabic, meaningful research projects in Islamic history can be designed as indicated in a different section of this essay. Their services can also be harnessed in empirical researches focusing on Muslim individuals, families and communities. As indicated in an earlier section, this fieldwork may involve interviewing people or getting questionnaires filled by them. The subject of enquiry may be consumer behavior, investment patterns, *waqf* administration, or economic conditions of the people (extent of poverty, causes of poverty, etc.).

### **How to Utilize the Funds Allocated for Research in Islamic Economics?**

This question seems to have in background a particular research center or institution. Otherwise the natural question to ask would have been: How to mobilize the financial resources needed for Islamic economic research. Since this matter has been addressed by other papers presented at this conference (e.g. M. A. Ha neef paper) the discussion will address here the question as framed.

The top two items in research spending should be incentives to the researcher and supply to him or her of the needed reference works, current works and empirical data or historical material that would aid the researcher. For in-house researchers that implies having a well-equipped library. But a smart researcher can get what he or she need from anywhere in the world through the Internet or library services. Location of the researcher is no longer a problem, in the advanced countries at least. For the in-house research it means providing the scholar with fast Internet connection 24/7.

Next in importance is smart state of the art secretarial services handling communications with scholars abroad. Last but not the least it is very frustrating for scholars to find their researches poorly produced, if and when they are published. Still more is the torture sensed if the distribution mechanism is poor and the research does not reach his or her peers and interested people. Having been paid for the research and with the copyright often claimed exclusively by the sponsor, the scholar is helpless to do any thing. The net result is: we lose that person, very likely never to get any other research done by him or her for us in future. Also we lose the momentum likely to be built up if (1) researches are published promptly, without any delay once they are approved,(2) they are sent for review to reputed international journals, and(3) are available on the market through some efficient mechanism[ like Amazon and other distributors]. It is here suggested that an expert committee comprising those who know the trade of circulation and marketing of academic works be asked to go into the matter and suggest means of improvement on the current situation in our institutions. Let us put it very bluntly: non-accessibility of current (and old) research works on Islamic economics is one of the major factors hampering quality research. Any amount of money spent on improving upon the current situation will be worthwhile.

## **References**

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## تجربة مركز أبحاث الاقتصاد الإسلامي في البحث العلمي

مركز أبحاث الاقتصاد الإسلامي  
جامعة الملك عبدالعزيز - جدة

**المستخلص:** لمركز أبحاث الاقتصاد الإسلامي ماضٍ ريق، وحاضر نشط. يتدرج القارئ في هذه الورقة من قسم للتعريف بالمركز (الرؤية والرسالة والهيكل التنظيمي) إلى قسم ثانٍ يشير لبعض منجزاته العلمية والجوائز العالمية التي كان له نصيب فيها، وقسم ثالث يبين إمكاناته العلمية والإدارية الحالية. إن التطور سنة الحياة، والمؤسسات التي لا يغيب عنها واقعها المتغير تمتلك من قدرة الابتكار ما تجعل مشاريعها متجددة وطموحاتها لا تتقطع. لدى مركز أبحاث الاقتصاد الإسلامي مشاريع عديدة مدروسة بعناية وجاهزة للتنفيذ في مجال البحث و التدريب و التدريس. إن أهم ما يميز أعمال المركز ومشاريعه المستقبلية رغبته الأكيدة وسعيه الحثيث للتواصل مع مؤسسات تشترك معه في الاهتمامات في الاهتمامات، لذلك سيتصل العلم بالعمل، كما تلتقي العلوم المختلفة في المساحات المشتركة. ما يزال المركز يقوم بدوره في خدمة علم الاقتصاد الإسلامي ويقدم أفكاراً ومشاريعاً جديدة متطلعا في ذلك نحو رؤيته لريادة علم الاقتصاد الإسلامي.