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# **CURRICULUM DESIGN OF MASTER PROGRAM ON ISLAMIC ECONOMICS**

Case Study of Postgraduate Program in In Indonesian, Pakistan,  
Turkish and Malaysian Universities

By:

**Hamid Fahmy Zarkasyi**

**Khoirul Umam**



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ECONOMICS**

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May this research be valuable and useful for the readers and for the development of Islamic Economics.

## **Authors**

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## Chapter One:

# Introduction

The idea of Islamic economics emerged from numbers of international conference, seminar and workshop and turned into study program only within four decades. The *First International Conference on Islamic Economics* was held in Jeddah, in 1976. The following year the *Second Conference on Islam and New Order of International Economics* was held in London in 1977. In 1978 the third Conference entitled *The Monetary and Fiscal Economics of Islam* was held in Mecca, and was followed by the same seminar in Islamabad in 1981. More specific step for the development of economic discourses was marked by the *International Conference on Islamic banking and Strategy for Economic Collaboration* was held in Baden-Baden West Germany in 1982. A year later, in 1983, Islamabad became host for the second time for *International Conference on Islamic Economics*.

After series of conferences and seminars, the idea of Islamic economics was developed from theory into practice, yet the practice preceded the theory. The Muslims established financial institution in various Muslim and non-Muslim countries such as free interest of Islamic bank, Islamic insurance, and the likes before they develop a theory. Therefore, the development of Islamic economics theory was not as rapid as its practice. Be that as it may, papers and books on Islamic economics had been published within last four decades and gave significance contribution for the establishment of departments of Islamic Economics in some universities in the Muslim world. In 1983 in International Islamic University, Malaysia open for the first time *Kulliyah of Economics* where three *Departments of Islamic Economics* were offered. In the same year International Islamic University, Islamabad Pakistan, open *International Institute of Islamic Economics*. In Indonesia, number of state and private universities also offered department of Islamic Economics for undergraduate and post-graduate level. Interestingly, Europe also takes part in offering programs of Islamic economics with UK as the pioneer. In this case, *Durham Centre for Islamic Economics and Finance* claimed to be the pioneer in research and education in Islamic finance, economics and management for over 25 years.

Leaving aside the practice of Islamic economics, the issue that needs further elaboration is the curriculum design for the study of Islamic economics at university level. Serious study on Islamic economics curriculum has been intensively held in many places and different times during last three years. In 2011, the workshop on Islamic economics curriculum was held to check the efforts carried out by universities in Indonesia and Malaysia especially at the undergraduate level. The workshop held at the *Kulliyah of Economics and Management Sciences*, IIUM in July 2011 had resulted in the recommendation to develop a concept in Islamic economics education from its philosophical foundation, curriculum structure and design as well as developing a 'minimum standard' benchmark for an Islamic economics major.

There was also consensus that Islamic economics education program must contain knowledge or courses from various domain covering both modern discipline and Islamic heritage. Therefore, it also proposed programs in the area of Islamic management, banking, finance and accounting to have some foundational courses on Islamic economics along with the Shari'ah based course.

The workshop was continued and held at University of Muhammadiyah Yogyakarta on November 2013 which raises the theme "Towards an International Standardization of Islamic Economics Curriculum". In general, there is consensus that the program of Islamic economics must contain knowledge/courses from various domains covering both modern discipline and Islamic heritage (*al-turāth al-Islāmī*). The obvious problem is that all attempt to develop curriculum and reference materials for Islamic economics requires a 'qualified human capital', namely "*people who understand both inputs required, who know what to do, why they are doing it and how to do it.*"<sup>1</sup>

So the crucial task of education institution to produce a qualified human capital as required above, should be accomplished through appropriate curriculum design. It is a curriculum that integrates both *al-turāth al-Islāmī* and modern knowledge. The problems that should be resolved during the preparation of such a curriculum concern primarily on epistemology of Islamic economics and on teaching methodology. Building epistemology of Islamic economics requires good comprehension not only on legal aspect, but also on social aspect in wider sense.<sup>2</sup> Accord-

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<sup>1</sup> Mohamed Aslam Haneef and Ruzita Mohd. Amin, "Islamic Economics Education in Malaysia: A Comparative Analysis of the Bachelor of Sharia (Shari'ah and Economics), University of Malaya, and the Bachelor of Economics, International Islamic University Malaysia" in Mohd. Nizam Barom et.al (ed) *Islamic Economics Education in Southeast Asian Universities*, Malaysia: CIE KENMS, 2013, p. xvi.

<sup>2</sup> Mustafa Omar Mohammed, "Integrating Al-Turath al-Islami to Modern University Curriculum: Issues and the Need for a Benchmark" in Mohd. Nizam Barom et.al (ed) *Islamic Economics Education in Southeast Asian Universities*, Malaysia: CIE KENMS, 2013, p. 80-8221.

ingly, *Uṣūl Fiqh* (Islamic Legal Philosophy) as *Sharia* tools to derive laws (*aḥkām*) is usually limited when it deals with social sciences. Hence, the idea of Shātibi to have a macro level of reason (*'illah*) compared to *qiyās* which is known as *maqāṣid sharīah* (Legal Objectives) should be put into our consideration. In short, a curriculum design that can bring the students to be ready for this integration of *turāth* (classical heritage) and modern knowledge is badly needed.

Proper education level that could prepare for developing of human capital is postgraduate, in which students could master Islamic economics from philosophical and epistemological basis. Various attempts to develop curriculum at postgraduate level has been done by many universities, both in Indonesia and overseas. In Indonesia, Islamic University of Indonesia (UII), in 1997, was considered the first who offered Master degree for Islamic Studies with specialization in Islamic economics. This postgraduate program divides the courses into basic courses, analytical courses, and specialization courses. The basic courses comprise of Study of Quran and *Hadith* (Prophetic Tradition), Islamic Studies Approaches, History of Islamic Civilization, and History of Islamic Thought. The analytical courses include *uṣūl Fiqh* (Islamic Legal Philosophy), Philosophy of Science, and Methodology of Research. This kind of division is not found in Master of Islamic Economics of University of Airlangga. However, UII and University of Airlangga offer the same courses such as philosophy of science and research methodology and some specialization courses. Their experiences on teaching philosophy of sciences in relation to Islamic economics are interesting object of study.

In overseas, there are number of universities that also offer postgraduate program on Islamic economics. International Islamic University Malaysia (IIUM) in Malaysia and International Islamic University Islamabad (IIUI) in Pakistan are two universities that were reputed with their faculty (*Kulliyah*) of economics from early establishment of their universities.

At IIUM the core courses for Master degree of Economics



consist of 1) Microeconomics, 2) Macroeconomics, 3) Islamic Economics Thought, and 4) Econometrics. Whilst, the courses for Master degree on Finance consist of 1) Managerial Finance, 2) Advanced Quantitative Methods, 3) Money, Banking & Capital Markets, 4) Business Economics, 5) International Finance. At *Durham Centre for Islamic Economics and Finance*, the core courses for M.Sc on Islamic Finance are 1) Islamic Banking and Finance, 2) Islamic Law and Financial Transactions, 3) Islamic Political Economy, 4) Advanced Financial Theory, 5) Econometrics I, 6) Portfolio Management, and 7) Corporate Finance; While for Master of Science in Islamic Finance and Management, the core course include 1) Islamic Banking and Finance, 2) Islamic Law and Financial Transactions, 3) Islamic Political Economy, 4) Islamic Accounting, 5) Organizational Behavior, 6) Islamic Management, and 7) Financial Management. What is interesting is to elaborate how they put the label “Islamic” on certain subjects taught. There must be a process of integration.

Finally, IIUI offer more credit hours and the core courses for M.Sc Economics & Finance. They are 1) Mathematics for Economics and Finance, 2) Statistics for Economics and Finance, 3) Microeconomic Theory, 4) Macroeconomic Theory, 5) Islamic Economics, 6) Islamic Banking and Financial Markets, 7) Econometrics, 8) Financial Accounting I, 9) Financial Accounting, 10) Corporate Finance, 11) International Trade and Finance, 12) Computer Packages for Economics & Finance, 13) Project Appraisal and Management, 14) International Business Strategy, 15) International Development and Finance, 16) Financial Economics. Other than M.Sc Economic and Finance IIUI also offers M.Sc of Economics, M.Sc of Banking and Finance, and M.Sc of Rural Development. The problem as to whether these varieties of subjects are leading to comprehensive understanding of Islamic economics is quite interesting issue.

On the basis of this preliminary analysis, the researchers may infer that two universities in Indonesia represent universities that emphasize their curriculums on epistemology; International

Islamic University Islamabad, Pakistan exemplifies overseas university that stresses its curriculum on the orientation of *al-turāth al-Islāmī* (Islamic heritage). However, this inference needs further comprehensive research especially on the issue of integration. The most pivotal issue to be researched, disregard their respective emphasis, is to what extent they integrate the concept of conventional economic with Islamic values and concepts. What is their method of integration and their method of teaching?

On the basis of the above *rationale* this research focuses three main problems: 1) What is the epistemological basis of curriculum design of universities in Indonesia, Pakistan, Turkey, and Malaysia? 2) What are their methods of integrating conventional economic concept with Islamic concept and values? 3) What is their method of teaching? On the basis of those problem the research is aimed to achieve three objectives namely 1) To know the epistemological basis of the curriculum design developed by universities in Indonesia, Pakistan, Turkey, and Malaysia. 2) To know their methods of integrating conventional economic concept with Islamic concept and values. 3) To know their methods of teaching.

With regard to the previous studies carried out by other researchers, the survey suggested that the works in the area of Islamic economics education are still scanty, especially on the study that focuses on collecting and comparing the curriculum design of postgraduate program of Islamic economics.<sup>3</sup> One published book compiling papers presented in the Workshop of Islamic Economics Curriculum held by Kulliyah of Economics and Management Sciences IIUM has discussed intensively both conceptual issues in Islamic economics education and experience of Southeast Asian Universities in Islamic economics education. As the conclusion, Haneef and Barom highlight the need

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<sup>3</sup> Mohd. Nizam Barom and Mohd. Mahyudi Mohd. Yusop, "Islamic Economics Education in Southeast Asian Universities: An Introduction" in Mohd. Nizam Barom et.al, (ed) *Islamic Economics Education in Southeast Asian Universities*, Malaysia: CIE KENMS, 2013, p. 3.

for qualified lectures and reference materials. Furthermore, in the epistemological and methodological aspects, they argue for the importance of developing *uṣūl* for economics. Interestingly, these qualified human capital, reference materials, and *uṣūl* for economics are philosophical matters. Hence, the appropriate education should at postgraduate level and not undergraduate one. Unfortunately, this book published by IRTI and IIIT is focusing on undergraduate level.

Theoretically, Hassan (2013) gives guidelines in facing different schools of thought in regard with Islamization of Knowledge or Islamization of Human Knowledge. *First* is to emphasize the common ground, take the best ideas from all sources and deemphasize or discard the irreconcilable differences. *Second* is to keep the discourse of IOK/IOHK open to new and useful ideal as long as they are based on authoritative Islamic sources of knowledge. *Finally*, IOK/IOHK should be regarded as a most noble intellectual and ethical jihad.<sup>4</sup> Relating to IOK/IOHK curriculum, Hashim (2013) argues that Muslims in designing curriculum has to be creative and innovative and then share it to key players of Muslim society, the industry and the experts. The rigidity of curriculum should be avoided; however, the designers of curriculum should really know the theory and foundations of Islamic curriculum. In more specific theme of IOK/IOHK, Mohammed (2013) raises the issues<sup>5</sup> of integrating *al-turāth al-Islāmī* to modern curriculum and the need for a benchmark. The main issue of *turāth* is the narrow meaning of *Sharia* and *fiqh*. Furthermore, he proposes Integrated Islamic *turāth* Curriculum Index (IITC-Index) to measure how far *al-turāth* has been integrated into the curriculum.

In practice, Haneef & Ruzita (2013), Antonio (2013), Harmain & Sugianto (2013), Sukmana & Rasyidi (2013), Muqorobin

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<sup>4</sup> Kamal Hassan, "Islamization of Human Knowledge" in Mohd. Nizam Barom et.al (ed) *Islamic Economics Education in Southeast Asian Universities*, Malaysia: CIE KENMS, 2013, pg. 45-46

<sup>5</sup> Rosnani Hashim, "Higher Education Curriculum Development for Islamization of Knowledge" in Mohd. Nizam Barom et.al (ed) *Islamic Economics Education in Southeast Asian Universities*, Malaysia: CIE KENMS, 2013, p. 72.

(2013), Beik (2013), Hoetoro (2013), Nurzaman (2013), and Shaharuddin (2013) have discussed the curriculum of Islamic economics practiced at IIUM compared to UM, STEI Tazkia, IAIN North Sumatera, UNAIR, UMY, IPB, UB, UII, and USIM respectively. They have tried to develop curriculum integrating both Islamic heritage and modern knowledge/human knowledge, however, it seems still difficult to find an integrated picture of curriculum in regard with epistemological basis and syllabus. Another applied research on curriculum is what has been done by Mohd. Amin, Yusof, & Haneef (2011). This study takes IIUM's alumni as the object to check whether the curriculum is effective or not through their alumni in society.<sup>6</sup> Among those valuable works done by respectable scholars, this research tries to explore the pearl hidden below the hard efforts of Muslim economists who develop the best curriculum for preparing their students ready to serve the Ummah.

This empirical study is focused on curriculum designs developed by universities in Indonesia, Pakistan, and Malaysia. The universities taken as sample are Master Programs in Indonesia are University of Airlangga Surabaya, Indonesia, Islamic State University Sunan Ampel Surabaya, Indonesia, Islamic State University Sunan Kalijaga Yogyakarta, Indonesia, School of Islamic Economic Tazkia, Jakarta Indonesia. The overseas universities taken as sample are International Islamic University Islamabad, Pakistan, Istanbul Sabahatain Zaim University Turkey, International Islamic University of Malaysia and Universiti Sains Islam Malaysia. The data are compiled by documenting the syllabus, and interviewing the experts.

This research is a combination of pedagogical explication and process in which structured subject matter of Islamic eco-

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<sup>6</sup> Ruzita Mohd. Amin, Selamah Abdullah Yusof and Mohamed Aslam Haneef, "The Effectiveness of Integrated Curriculum: The Case of the International Islamic University Malaysia" in 8th International Conference on Islamic Economics and Finance: Sustainable Growth and Inclusive Economic Development from an Islamic Perspective, Qatar National Convention Center – Doha, Qatar, 19-21 December 2011.

nomics are taught in postgraduate programs of Indonesia, Pakistan, Turkey, and Malaysia universities. The finding of the research will give valuable contribution for the development of curriculum in Islamic economics, especially on postgraduate level. However, workshop on curriculum standardization that had been carried out at University of Muhammadiyah Yogyakarta, Indonesia could give pivotal contribution especially for undergraduate level. Hopefully the finding of this research will facilitate universities to develop their postgraduate curriculum in the future.

This study is divided into five chapters. The *first* chapter contains the research introduction with the research outline as background of study, problem formulation, purpose of study, significance of study, literature review, theoretical framework, system of study. The *second* chapter contains theoretical framework, that elaborates the Islamization of knowledge in relation to curriculum design. The *third* chapter contains methodology of research. It discusses the research design, data collection and data analysis. The *fourth* chapter contains the result of analysis and elaboration of research. The *fifth* chapter contains the research conclusion and suggestion.

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*‘ilm* is the representation of the true meaning of reality, its form, mode, quantity, substance and essence of thing by rational and tranquil soul (*al-nafs al-natiqah al-mutma’innah*). So the subject or *al-‘Alim* is he who knows, grasps and understands, whereas the object or *al-ma’lum* is the essence of thing graven in the soul. When those realities are reasoned and graven in the rational soul, those realities become *‘ilm* (knowledge).

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Chapter Two:

## **The Need of Islamization and Curriculum Design**

The rise of system of Islamic economics in numbers of country either in the form of financial institution or department at universities is an interesting phenomena. The system had undergone longstanding process starting from scholar criticism towards capitalist and socialist system of economics that subsequently turn into general consciousness on the need of independent Islamic discipline of economics. Just as the issue concern not only on the Islamization of economics but also on all modern knowledge, the theory of Islamization invented by Muslim scholars cover all branch of contemporary knowledge. Consequently, the need of Islamization extend to other discipline of knowledge other than economics. However, this chapter explicates the problem of economic and followed by the theories of Islamization in

general and then by the theory of Islamization of economics. This theory could, hopefully, be enough for designing the curriculum. The next point that will be expounded in this chapter is the curriculum design orientation.

## 2.1. Problem of Modern Economics

Chapra observes that no country around the world has been able to realize even the material elements of human well-being. Scarcity of resources is usually held responsible for the failure. However, most economists consider that the resources are not scarce in an absolute sense. Resources are only scarce relatively to the claims on them. Most economists would tend to agree that, in spite of the relative scarcity of resources, it is possible to realize material goals and to minimize instability and imbalances if the available resources are used 'efficiently' and 'equitably'<sup>7</sup>. Empirically, Piketty analyzes a unique collection of data from twenty countries, ranging as far back as the eighteenth century, to uncover key economic and social patterns. The finding shows that the world is leading expert on income and wealth inequality in which the income in the hands of a small economic elite. In this regard, Paul Krugman comments on the work of Piketty that *"we're on the way back to 'patrimonial capitalism,' in which the commanding heights of the economy are dominated not just by wealth, but also by inherited wealth, in which birth matters more than effort and talent."*<sup>8</sup>

This reality of modern economy leads to a conclusion that the modern economics is not able or sufficient to bring the welfare wanted by the world society. In other words, there are fundamental problems of modern economics. These problems can be traced through the worldview, vision, and mechanism of modern

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<sup>7</sup> Muhammad Umer Chapra, *Islam and the Economic Challenge*, USA: IIIT, 1995, p. 3.

<sup>8</sup> Thomas Piketty, *Capital: in the Twenty-First Century*, translated by Arthur Goldhammer, London: The Belknap Press of Harvard University Press, 2014, p. back cover



economics. Hereby, the discussion on those problems will be discussed below.

Chapra argues that the modern economics worldview was greatly influenced by the 'Enlightenment' movement, a term often used interchangeably with the 'Age of Reason'. Stretching over approximately two centuries, from the early 17th century to the beginning of the 19th, the movement provokes repudiation, and in some respects an antithesis, of much of Christian belief<sup>9</sup>. This enlightenment movement affects different philosophical influence to Europe, British, and Germany. In Europe, philosophers believe that knowledge is primarily acquired by a process of reasoning. This view is known as rationalism. On the contrary, philosophers in England think that knowledge is acquired by experience and the evidence provided to the senses. This is known as empiricism<sup>10</sup>. On the other hand, in Germany, the philosophers try to bring together both views. This movement is known by German idealism<sup>11</sup>. All these philosophical movements lead Enlightenment thinkers crowning human reason as the absolute sovereign of human affairs in place of faith and intuition. Finally, reason replaces religion in establishing the ultimate metaphysical truths and knowledge was to be derived from only sense.

Consequently, Chapra believes that the replacement of religion brings materialism and determinism as the core philosophical basis of modern knowledge. Materialism holds that matter is the only fundamental substance in nature, which is not governed by intelligence, purpose or final causes. Everything is to be explained in terms of material entities or processes. Accordingly, wealth, bodily satisfactions, and sensuous pleasures were either the only, or the greatest, values one could seek or attain.

On the other hand, Determinism which is the philosophical position that for every event, including human action, there

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<sup>9</sup> Chapra, *Islam and .....*, p. 20.

<sup>10</sup> Marcus Weeks. *Philosophy in Minutes*. London: Quercus, 2014, p. 12.

<sup>11</sup> *Ibid*, p. 25.

exist conditions that could cause no other event. "There are many determinisms, depending upon what pre-conditions are considered to be determinative of an event."<sup>12</sup> In regard with materialism, determinism implies that all the facts in the physical or material universe, and hence also in human history, are absolutely dependent upon and conditioned by their physical, social or psychical causes. Locke considered the human mind to be a "tabula rasa" which had no inner nature of its own and which served as raw material for the external social and economic forces to shape and design. Marx, Freud, Watson and Skinner, all emphasized that human beings are conditioned by their environment, by factors outside their conscious control. Human behaviour was thus explained as being determined by mechanical and automatic responses to external stimuli as in animals (Watson and Skinner), by unconscious mental states beyond their conscious control (Freud), or by social and economic conflict (Marx). Besides ignoring the distinctiveness and complexity of the human self, determinism led to a repudiation of moral responsibility for individual behaviour. This was in sharp contrast with the religious view that human beings are responsible, and hence accountable before God, for their acts.<sup>13</sup>

On the basis of these materialism, and determinism, 'right' and 'wrong', 'desirable' and 'undesirable', or 'just' and 'unjust' are not determined by divine values or religious moral values. In the absence of these revealed values, the hedonist utilitarianism becomes the approach to determine values. Accordingly, 'good' is what gives 'pleasure', 'bad' is what causes 'pain', and 'right' or 'wrong' are also determined by the criteria of 'pleasure' and 'pain'<sup>14</sup>. As the result, utility becomes the unquestioned basis to assess 'good' and 'bad' in modern economics. A good man is who can maximize his utility, and the good society is who

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<sup>12</sup> A list of a dozen varieties of determinism is provided in Bob Doyle, *Free Will: The Scandal in Philosophy*, I-Phi Press, 2011, p. 145-146.

<sup>13</sup> Chapra, *Islam and.....*, p. 23.

<sup>14</sup> George Miller, *Psychology: The Science of Mental Life* (1962), pg.230-1, see also Bertrand Russell, *A History of Western Philosophy* (1945), p. 773-82.

has the maximum total of all utility. Indeed, the utility meant here is materialist or physical utility which has no relationship with metaphysical utility. Therefore, the criterion of developed or undeveloped society according to modern economics is mainly about how far the physical utility is gained and nothing related with metaphysical utility.

In this regard, Kahf argues that consumer behavior in modern economics has emerged from economic rationalism and utilitarianism. In this way, the theory of consumer behavior considers the utility maximization as a postulated objective of consumer. The sole goal of consumer is to achieve the highest level of economic satisfaction which the only stimulus is the sense of money. Therefore, the theory of consumption considers income as the constraint for maximization of utility<sup>15</sup>.

In conclusion, the enlightenment worldview which is the mainstream worldview of modern economics excludes metaphysical as well religious aspect in its worldview. This atheistic worldview produces modern economics which its main characteristics are materialism, determinism, and utilitarianism which are neglecting religious criterion in developing economics. Therefore, the theories developed are partial and will never achieve the real welfare of human being which is actually covering both physical and metaphysical aspects.

On the basis of the worldview which has main characteristics such as materialism, determinism, and utilitarianism, the vision of modern economics is partial materialistic and hedonistic. In this regard, Chapra (2000) argues that the vision of any economic system is "well being". Modern economics defines "well being" in materialistic and hedonistic perspective. Indeed, the well being is actually concerning both material and non material matters. Thus, the modern economics is failed by its own philosophical basis to bring the real "well being". In other words,

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<sup>15</sup> See Monzer Kahf, *The Demand Side or Consumer Behavior: Islamic Perspective*, p. 9-10.

the modern economics will never bring the well being for human being as in the very beginning, it confuses to understand what human being is. This failure in defining the well being results the wrong and failed economic system or mechanism.

Chapra (2000) states that there are three important mechanisms those determine the use of resource in any society or economic system namely filtering, motivation, and socio-economic and political restructuring. In regard with filtering mechanism, Socialist economics uses central planning, and capitalist economics prefers market mechanism. Central planning is proved to be ineffective mechanism, and abandoned by almost socialist countries, except may be Cuba, while market mechanism is considered to be more successful<sup>16</sup>.

However, does market mechanism through price filter bring the fulfillment of the need of society in equitable and stable condition? It is proved that market mechanism cannot fulfill the hope of equitable distribution of income. Piketty's findings are one of the proofs that equitable distribution of income cannot be reached but even the condition is worse. Indeed, the central planning mechanism came to solve the problem. Unfortunately, it brings the same problem but worse.

Market mechanism believes that self interest motivation that is able to bring a condition of optimum well being could be reached by society. Individuals in society are believed to perform a fair competition and then the market will bring a just price mechanism, and then individuals of society are able to attain their best income and well being. In practice, self interest cannot perform as well as the theory says, but on the contrary, it breaks the market, and the just price mechanism is just illusion which is never gained. In this rationale, socialist economics offers social interest instead of self interest. Ironically, the social interest does not give the space of self interest and then brings a system which is

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<sup>16</sup> M. Umer Chapra, Is It Necessary to Have Islamic Economics?, *Journal of Socio-Economics* 29 (2000) 21-37, p. 7-8.

no competition in society to gain their well being. Finally, the system fails to provide society well being, as the sources are poorly utilized, and there are not enough production can be distributed to the society.

By these failed worldview, vision, filter mechanism and motivation, the socio-economic and political restructuring will follow the same path of failure. These systemic and natural failures of modern economic system open the importance of having another system which can bring the optimum well being. This other economic system must be built by a comprehensive worldview, providing a holistic vision and mechanism.

It is believed that Islam could provides a holistic worldview, vision, and mechanism. By putting Islam as the basis of developing sciences of economics, which is known recently by Islamization of Modern Knowledge or Integration, a holistic economic system will be developed and emerged. Islamic economic system will bring the optimum economic growth with equal distribution of income and stable or non inflationary economy. In conclusion, there is a need for Islamization modern economics.

## **2.2. The Theory of Islamization**

The foregoing discussion suggests that the living issue in building Islamic economics is about the way how to deal with conventional economics. Whether Muslims should re-build their own discipline and system disregarding the existing system of conventional economics, carry out integrative approach or what else possible to be done. This issue also prevails in other disciplines of secular sciences, such as sociology, psychology, politics and others. In fact, since 1970s there had been growing consciousness among Muslim intellectuals to re-build their own discipline of knowledge distinct from secular discipline of knowledge. However, Muslims realize that there are some positive and negative elements within contemporary knowledge that should be taken into consideration when they re-build their own

discipline. Therefore different opinions in response to this issue appear in different nomenclature such as Islamization of contemporary knowledge, Islamization of knowledge, integration of knowledge, assimilation, scientification of Islam, interconnectedness of sciences, de-secularization of knowledge and the like. The following discussion will elaborate the nomenclature and its rationale in re-building the discipline of Islamic sciences. Islamization of contemporary knowledge is an agenda of Muslim ummah that is now going on in some discipline of knowledge, yet some Muslim intellectuals misunderstood, while others are suspicious. The agenda of Islamization of contemporary knowledge was proposed for the first time in 1970 by Prof. Dr. Syed Mohd. Naquib al-Attas and was known as his theory of Islamization of Malay worldview. The idea was made popular by the late Prof. Dr. Ismail R al-Faruqi in 1980st, in the form of socio-intellectual movement throughout the Muslim world.<sup>17</sup> The idea was responded by some Muslim intellectual such as Prof. Dr. Fazlur Rahman, S.H.Nasr, Ziauddin Sardar and the likes. The animated debate that prevailed among Muslim intellectuals is about the theory of Islamization, whether the theory is really relevant to the epistemological discourses or not. However, the prevalent discourse among the exponent of Islamization is on the epistemological process of Islamization in each discipline of knowledge.

### 2.2.1. The Rationale of Islamization

Before elaborating the concept of Islamization we shall explicate the rationale behind the concept. It is imperative since the *rationale* would determine the concept that will be developed in the theory. There are common views among Muslim intellectuals on the *rationale* of Islamization of contemporary knowledge.

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<sup>17</sup> For further discussion on the origin of Islamization of contemporary knowledge see Wan Mohd Nor Wan Daud, *Educational Philosophy and Practice of Syed Muhammad Naquib al-Attas*, ISTAC, 1998, translated into Bahasa Indonesia by Hamid Fahmy et al, *Filsafat dan Praktik Pendidikan Islam Syed M.Naquib al-Attas*, Mizan Media Utama, 2003, p. 386-405.

The most common one is regarding the discrepancies of Islamic and Western worldview, especially on the problem of knowledge and their consequences in educational practices.

According to al-Attas, contemporary knowledge, is generally, established based on Western worldview which is colored by Western intellectual vision, culture and psychological perspective. Therefore, al-Attas identified the essential spirit of this Western civilization into five characteristic: a) Reliance upon the powers of human reason alone to guide man through life b) Adherence to the validity of the dualistic vision of reality and truth c) Affirmation of the evanescent aspect of existence projecting a secular worldview d) Espousal of the doctrine of humanism e) Emulation of the allegedly universal reality of drama and tragedy in the spiritual, or transcendental, or inner life of man, making drama and tragedy real and dominant elements in human nature and existence.<sup>18</sup>

Al-Faruqi who proposed the idea after al-Attas, does not identify the essence of Western civilization, but he detects its impact on education. According to him the malaise of ummah in all walks of life, either in political, economics and religio-cultural field is due to the lost of Muslim vision and that is caused by the dichotomic system of education.<sup>19</sup> Al-Faruqi does not elaborate further this cause, but he mentions its consequences or impacts. Among the consequences are that Muslims can no longer have the ability to elaborate and appreciate the Islamic intellectual heritage that had played significant role in the rise of modern sciences. The backwardness in the field of economics is also the other consequence, especially economics as sciences. Therefore, according to him, all those fields should be saved from the malaise by the process of Islamization. However, he reminds us that to Islam-

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<sup>18</sup> Al-Attas, *Islam and Secularism*, ISTAC, Kuala Lumpur, 1993, p. 127-132. See also al-Attas, *The Concept of Education in Islam* (Kuala Lumpur: Muslim Youth Movement of Malaysia, 1980), p. 45.

<sup>19</sup> Ismail Raji al-Faruqi, *Islamization of Knowledge: General Principles and Work-plan*, (Viginia: IIIT, 1982), p.1-5.

ize knowledge one needs some pre-requisites, among them are ability to identify Islamic worldview as well as understanding Western culture and civilization.<sup>20</sup> Al-Faruqi's target is to reform dichotomic system of education, it is traditional system on the one hand and modern system on the other. The reform is the amalgamation of these two system of education by integration of Islamic worldview and achievements of modernity.<sup>21</sup>

The impact of the foregoing spirits of Western civilization in the Muslim minds, especially the educated middle class is so manifest that al-Attas identified them as an effective spirit for de-Islamization of Muslim minds.<sup>22</sup> Syed Hossein Nasr the exponent of the development of Islamic sciences has the same criticism towards the dichotomic spirit of Western worldview. He is in the opinion that putting back holistic epistemology that integrates physics and metaphysics would be good direction for achieving the highest and absolute reality which is unlimited. He says that sensualist and empirical epistemology that dominated the horizon of Western people in the modern era, have successfully reduced the experiential world into the world of sense perception, posited the reality in limited meaning and abolished divine reality. The consequences of doing this is menace...<sup>23</sup> In this hazardous impact men would be dominant in searching the truth and forget the Highest, who is God. In other words there is no other authority than human being, yet due to the claim of each individual to have their absolute viewpoint, the conflict between individual ego with other is unavoidable.

Muhammad Iqbal also realized the infusion of Western culture into Islamic intellectual tradition had resulted in stagnancy of Islamic thought for about five hundred years. The spirit of scholarship in Islam has shifted to the West and gave significant

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<sup>20</sup> *Ibid*, p.313-14.

<sup>21</sup> *Ibid*, p.1-5.

<sup>22</sup> al-Attas, *Aims and Objectives of Islamic Education*, London/Jeddah: Hodder & Stoughton/King Abdul Aziz University, 1979, p. 10.

<sup>23</sup> S.H. Nasr, *The Need for a Sacred Science*, New York: SUNY Press, 1993, p. 7 & 20.



contribution, but now Western culture that superficially incredible has dominated Muslim intellectual tradition with secular and dichotomic perception.<sup>24</sup>

Detailed explication of the aspect of Western worldview is to be found in al-Attas works, especially in his *Islam and Secularism* and *Risalah Untuk Kaum Muslimin* (Message for Muslim Ummah). The five spirit of Western civilization have not only grave impact on Islamic culture, but also on the concept of Islamic sciences. Therefore al-Attas bluntly states:

I venture to maintain that the greatest challenge that has surreptitiously arisen in our age is the challenge of knowledge, indeed, not as against ignorance; but knowledge as conceived and disseminated throughout the world by Western civilization..... It seems to me important to emphasize that knowledge is not neutral, and can indeed be infused with a nature and content which masquerades as knowledge. Yet it is in fact, taken as a whole, not true knowledge, but its interpretation through the prism, as it were, the worldview, the intellectual vision and psychological perception that now plays the key role in its formation and dissemination.<sup>25</sup>

The focal point of al-Attas' opinion that worth underlining here is that Western science is not neutral. Sciences in the West were produced by their worldview, including in which values, intellectual vision, tradition, culture and psychological perception. The impact of worldview in various sciences can be seen from the methodology in the study of social sciences, such as language and culture that employed linguistic and anthropological methodology. The literary studies and history in Islam are still employing values and Western models derived from orientalist's scholarship, philology and the like. Muslims also learn social sciences that have been secularized such as sociology, anthropology, and principles of pedagogy and psychology.<sup>26</sup>

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<sup>24</sup> Muhammad Iqbal, *The Reconstruction of Religious Thought in Islam*, Lahore, SH. Muhammad Ashraf, 1971, p. 7.

<sup>25</sup> Al-Attas, *Islam and Secularism*, p. 133.

<sup>26</sup> *Ibid*, p. 12.

The consequence of learning such a kind of knowledge according to al-Attas is the lost of *Adab*, or in terms of Seyyed Hossein Nasr is *de-sacralization of knowledge*.<sup>27</sup> The lost of *Adab* implies the lost of justice and lead to *intellectual confusion* that is the incapability of differentiating the true knowledge from knowledge that has been infused by Western worldview. Now, it is these kinds of situations that is prevailing in Muslim higher education. To enable Muslim to face this problematic situation al-Attas reminded that if the basic principles and methods of these sciences cannot be substituted by a form of principle that could Islamize, it would be very dangerous for the welfare of Muslim ummah.<sup>28</sup> The situation had been realized by al-Attas since 1960st and presented the issue in *The First World Conference on Muslim Education*, held in Mecca in 1977.

The rationale behind al-Attas' theory of Islamization is more about the problem modern epistemology. His rationale can summarized in three pivotal points, that 1) the most important problem faced by Muslim in this era concern about knowledge, 2) modern knowledge is not neutral but value laden, for it has some bearing on religious belief, culture and philosophy that reflect the Western experiences and consciousness. 3) Muslim ummah, has therefore, to Islamize contemporary knowledge by Islamizing its linguistic symbol on reality and truth.<sup>29</sup> However, al-Faruqi's solution that emphasizes the integration of Western contemporary knowledge with the Islamic one is a seminal concept that

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<sup>27</sup> According to al-Attas "the characteristic of the lost of adab in the society is the occurrence of leveling, meaning that people regard everyone is similar to the other in thought and deeds. This finally become the abolision of formal authority and social hirarchi in knowledge. It is this attitude that encourage the modernis and reformer who pretend to be Muslim scholar (*ulama*) to criticize the scholars and the pious people in the past who gave greate contribution to knowledge in Islam. It is not about criticism towards ulama, but to place the position of ulama in the past with the ulama of the present time is really mistake. S. M. N. al-Attas, *Islam, Secularism and the Philosophy of the Future*, London, Mansell, 1985. p. 104 - 5.

<sup>28</sup> *Ibid*, p. 12.

<sup>29</sup> Wan Mohd Nor Wan Daud: *The Educational Philosophy*, p. 291.

needs further explication. What is then his short term program is to prepare textbook for each discipline of knowledge.

### 2.2.2. Definition, Approach and Process

From different responses to the idea of Islamization of contemporary knowledge, they seem to be misunderstood the idea. Some perceive Islamization of contemporary knowledge as Islamization of technology and technological product. Others regard knowledge as already Islamic and need not the process of Islamization. Due to those misunderstanding it is imperative that we define the meaning of Islamization and knowledge, yet al-Ghazzali denied the possibility of defining knowledge in comprehensive manner.<sup>30</sup> According to al-Ghazzali:

*'ilm* is the representation of the true meaning of reality, its form, mode, quantity, substance and essence of thing by rational and tranquil soul (*al-nafs al-nāṭiqah al-mutma'innah*). So the subject or *al-'Alim* is he who knows, grasps and understands, whereas the object or *al-ma'lum* is the essence of thing graven in the soul.<sup>31</sup> When those realities are reasoned and graven in the rational soul, those realities become *'ilm* (knowledge).<sup>32</sup>

In little bit different from previous scholars al-Attas see *'ilm* as attribute (*ṣifah*) of rational soul (*al-nafs al-nāṭiqah*), when the soul understand the meaning of the object of knowledge, that is at the moment when one who knows is able to put the object properly or relate the object with key elements in his worldview. So *'ilm* is located in the mind, while the extra-mental reality is the object of knowledge (*al-ma'lūm*).<sup>33</sup> The scholars in Islamic intel-

<sup>30</sup> Al-Imām Abū Hāmid Al-Ghazali, *al-Mankhūl min Ta'liqāt al-Uṣūl*, ed. Mu'ammad Ḥasan Hitu, (Dār al-Fikr, Damascus, 1970), p. 92 and 97.

<sup>31</sup> Al-Ghazali, *al-Risālah al-Laduniyyah*, in *Majm'āt Rasā'il*, vol. III, 58; English translation by Margaret Smith, *The Journal of the Royal Asiatic Society*, 1938, Part II-April, p. 191.

<sup>32</sup> Al-Ghazali, *Al-Mustasfā min 'Ilm al-Uṣūl*, Beirut: Dār al-Ṣādir, (1322) vol. 1, p. 69.

<sup>33</sup> This statement should not be understood literally, for the Qur'an some times talk about soul as the object of knowledge and as the sign of Allah that should be discerned. Cf. *Fussilat* (41): 53; *al-Dhariyat* (51): 21.

lectual tradition were also in the opinion that knowledge is not in the books, but in the heart, the place of consciousness (*al-‘ilmu fī al-ṣudūr lā fī al-sutūr*). However, it cannot be inferred that Islam agrees with the idea of pure subjectivism and relativism. In Islam human cognition is subjective and objective. It is subjective because the soul participate in the interpretation of the object of knowledge, and it is objective because the interpretation of the soul is not merely imagination of the object of knowledge that really exist independently of human reason. The truth of a particular object of knowledge is similar to everyone, even though its *degrees of certainty* could be different. The difference has been anticipated by the Qur’an through its category *‘ilm al-yaqīn*.<sup>34</sup> *‘ain al- yaqīn*,<sup>35</sup> and *haqq al- yaqīn*.<sup>36</sup> Even though human soul is the locus of knowledge it is subject to socio-cultural injustice. It is now become clear that the object of Islamization of knowledge is not the external realities let alone technologies. The object of Islamization is knowledge within the human soul or human mind.

Now, let us expound the definition of Islamization from al-Attas and al-Faruqi in order to grasp the true meaning of Islamization of contemporary knowledge. According to al-Attas:

Islamization is the liberation of man first from magical, mythological, animistic, national-cultural tradition opposed to Islam, and then from secular control over his reason and his language.....it is also liberation from subservience to his physical demands which incline toward the secular and injustice to his true self or soul, for man as physical being incline towards forgetfulness of his true nature, becoming ignorant of his true purpose and unjust to it.... Islamization is a process not so much of evolution as that of devolution to original nature.<sup>37</sup>

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<sup>34</sup> *Al-Takāthur* (102): 5.

<sup>35</sup> *Al-Takāthur* (102): 5.

<sup>36</sup> *Al-Hāqqah* (69): 51; *al-Waqi’ah* (56): 95.

<sup>37</sup> Al-Attas, *Islam and Secularism*, hal. 44–45; juga Al-Attas, *The Concept of Education in Islam: A Framework for an Islamic Philosophy of Education*. International Institute of Islamic Thought and Civilization (ISTAC), 1991, p. 45–46.

The foregoing definition implies two meanings of Islamization: 1) Islamization of mind that has been influenced by external factors and 2) Islamization of mind that has been dominated by unjust internal drive. The first is by liberation of Muslim mind from external factors such as mythology, magic, animism and idea of secularism. The second is liberation of human mind from secular and unjust attitude towards his own self that inclines towards forgetfulness of his true nature.<sup>38</sup>

In a rather different tone from al-Attas, Ismail R al-Faruqi emphasizes the meaning of Islamization on integration of Islamic value with modern knowledge. Therefore, he stated that:

Islamization of modern knowledge (is) integrating the new knowledge into the corpus of Islamic legacy by eliminating, amending, re-interpreting and adapting its components as the worldview of Islam and its values dictate.<sup>39</sup>

Islamization is a comprehensive, normative framework for individuals and society, for thought and action, for education and practice, for knowledge and organization, for the ruler and ruled, for this world and the world to come.<sup>40</sup>

Al-Faruqi's definition suggests that Islamization is not simply infusing the revealed knowledge into *modern* sciences. It is an effort to form a new discipline of knowledge which is in consonance with the principles of Islam based on *tauhid* (Divine Unity). However, this definition has no clear indication on how this process of infusion should be carried out. The process is to be found in the definition of al-Attas that clearly states that the object to be Islamized is the philosophical basis and the method of thinking that leaves aside metaphysical aspects of knowledge. The same idea was proposed by Muhammad Iqbal who suggested to develop an epistemology that integrates physics with metaphysics and abolish the problem of dichotomy.<sup>41</sup>

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<sup>38</sup> *Ibid.*, 42

<sup>39</sup> Al-Faruqi, *Islamization of Knowledge...* p.30

<sup>40</sup> *Ibid.* p.84.

<sup>41</sup> Muhammad Iqbal, *The Reconstruction of Religious Thought in Islam*, La-

### 2.2.3. Process of Islamization

Leaving aside the definition of Islamization now we shall elaborate the process of Islamization according to two figures.

#### 2.2.3.1. Al-Attas' concepts

According to al-Attas the process of Islamization involve two main steps that are inter-related. First is the process of isolating aspects and key concepts of certain Western knowledge, and second, infusing Islamic aspect and concepts into Western knowledge.<sup>42</sup> The explication is the following:

*First* isolating elements and key concept that form Western culture and civilization, as has been mentioned previously, from all branch of present day knowledge, especially the human sciences, although physical sciences and other applied sciences must also be Islamized, especially in its interpretation of facts and in its formulation of theories. In other works he states:

A critical examination of the methods of modern science; its concept, presuppositions, and symbols; its empirical and rational aspects, and those impinging upon values and ethics; its interpretations of origins; its theory of knowledge; its presuppositions on the existence of an external world, of the uniformity of nature, and the rationality of natural processes; its theory of the universe; its classification of the sciences; its limitations and inter-relations with one another of the sciences, and its social relations.<sup>43</sup>

One might argue that knowledge is from God, and thus it is already Islamic and no need for Islamization. However, this argument is not strong enough, because all sciences are created by human being who has belief, culture, tradition and worldview. Al-Attas, in this regard, argues that not all fact – especially those created by human being – are true if it is not placed in the correct and proper place, and incompatible with the worldview

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hore, SH. Muhammad Ashraf, 1971, p. 7.

<sup>42</sup> al-Attas, *The Concept of Education in Islam*, p. 43.

<sup>43</sup> al-Attas, *Prolegomena to the Metaphysics of Islam*, (Kuala Lumpur, ISTAC, 1995), p.114.

of Islam.<sup>44</sup>

*Second*, infusing elements and key concept of Islam into every modern branch of knowledge.<sup>45</sup> The basic concept of Islam infused into the body of modern knowledge learned by Muslim are the concept of religion (*dīn*), human being (*insān*), knowledge (*ilm* and *ma'rifah*), justice (*'adl*), good deed (*amal* as *adab*) and all term and concept related to all.<sup>46</sup>

Further step in al-Attas' theory is to infuse elements and Islamic key concepts into every discipline of contemporary knowledge.<sup>47</sup> The key concepts that should be infused into discipline of knowledge vary from one to another. The key concept relevance for the discipline of economics are different from those for that of politic, psychology, sociology and the likes. Which key concepts are compatible for each discipline are not given in further detail. It seems al-Attas leaves this task and other detail steps for us to elaborate further. However, he exemplifies the importance to substitute Western concept of knowledge with the Islamic one, for unlike the Western concept knowledge in Islam is closely related to the concept of *adab*. Knowledge, say al-Attas "comprise of faith (*aqīdah*) and belief<sup>48</sup>... and knowledge must be accompanied by deed (*amal*), because knowledge without deed is useless, and deed without knowledge futile.<sup>49</sup> Therefore, the objective of seeking knowledge should be based on Islamic worldview that for becoming good human being, which is quite distinct from Western worldview that simply aims at producing good citizen in a secular state.<sup>50</sup>

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<sup>44</sup> Al-Attas *Islam and the Philosophy of Science*. Kuala Lumpur: International Institute of Islamic Thought and Civilization (ISTAC), 1989, p. 17–19, 21–25; al-Attas, *Prolegomena*, p. 125–127, 128–132.

<sup>45</sup> Al-Attas, *Islam and Secularism*, p. 155–156; al-Attas, *Aims and Objectives*, hal. 43–44; al-Attas, *The Concept of Education in Islam*, p. 43.

<sup>46</sup> Al-Attas, *Islam and Secularism*, p.153; al-Attas, *Aims and Objectives*, p. 43; al-Attas, *The Concept of Education in Islam*, p. 41–42.

<sup>47</sup> *Ibid*, p. 43–44.

<sup>48</sup> Al-Attas, *Islam dan secularism*, p. 141.

<sup>49</sup> *Ibid*, p. 140.

<sup>50</sup> *Ibid*, p. 141.

### 2.2.3.2. *Model of Ismail Raji al-Faruqi:*

The concept of Islamization proposed by al-Faruqi is to be found in his paper published in 1982 that emphasized the Islamization of the science of humanity. The twelve steps is based on the definition of Islamization as follows:

“To recast knowledge as Islam relates to it.. i.e. to redefine and reorder the data, to rethink the reasoning and relating of the data, to reevaluate the conclusions, to reproject the goals - and to do so in such a way as to make the disciplines enrich the vision and serve the cause of Islam”<sup>51</sup>

The foregoing definition suggest that Islamization is reformulating knowledge that closely related to Islam... by redefining and restructuring the data and its analysis, evaluating the conclusion, re-directing the objectives and finally come up with new discipline of science which is compatible with Islam.

This section contains a summary of the twelve-step work plan formulated al-Faruqi. The work plan, as explained in Al-Faruqi's *Islamization of Knowledge: General Principles and Work Plan* published in 1982, is not only an explanation of the Islamization process, but also a model for implementing the Islamization of knowledge program. The twelve-step work plan which al-Faruqi termed as the necessary steps leading to Islamization of Knowledge is as follows:

- a. **Mastery of the Modern Disciplines:** The categories, principles, problems and dominant themes of Western disciplines need to be mastered.
- b. **Detailed Survey of Disciplines:** The genesis and historical development of a discipline and its methodologies as well as existing works need to be surveyed.
- c. **Mastery of the Islamic Legacy-The Anthology:** Anthologies are collections of literary works of different writers. The anthologies of past Muslim scholars will provide present Mus-

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<sup>51</sup> Ismail R al-Faruqi, *Islamization of Knowledge: The Problem, Principle and th Workplan*, Herndon: International Institute of Islamic Thought, 1982, p. 15.



- lim scholars with an easy access to the Islamic legacy in their areas of specialization.
- d. **Mastery of the Islamic Legacy - The Analysis:** The Western trained Muslim scholar requires an analysis of the anthologies so that their contributions and relevance to problems of the present can be highlighted.
  - e. **Establishment of the Specific Relevance of Islam to each Discipline:** The contribution and relevance of Islamic legacy to each modern discipline, with regards to its principles, methods, objectives, achievements and shortcomings, need to be established.
  - f. **Critical Assessment of Modern Discipline:** A state-of-the-art review of each discipline is required from the stand point of Islam. The methodology, data and problem of each discipline, as well as its dominant themes need to be analyzed critically and tested for reductionism, adequacy, reasonableness and consistency with Islamic precepts.
  - g. **Critical Assessment of the Islamic Legacy:** The legacy includes the Holy Qur'an and the Sunnah of Prophet Muhammad (S.A.W.): these are not to be subjected to criticism and assessment. The Muslim's understanding of these two sources of the Sharia, however, are objects of criticism and assessment, so is any intellectual endeavor made by Muslim scholars. The task of assessing the legacy's contributions to a given field of human activity falls upon the shoulders of experts in that field.
  - h. **Survey of the Ummah's Major Problems:** The complex of causes, manifestations, dialectic with other phenomena and the consequences of the *Ummah's* problems should all be surveyed and analyzed critically. At the same time, attention should be devoted to the *Ummah's* political, cultural, moral, intellectual and economic problems.
  - i. **Survey of the Problems of Humankind:** The problems of humankind in general include the problems being faced by both Muslims and non-Muslims. Examples of these problems are

drug-abuse, deterioration of family ethics, rape of nature and threats to the ecological balance of the earth.

- j. **Creative Analysis and. Synthesis:** The synthesis serves as a means of bridging the gap between the Islamic legacy and modern disciplines.
- k. **Recasting the Disciplines under the Framework of Islam and the Production of University Textbooks.**
- l. **Dissemination of the Islamized Knowledge:** Every work produced should be made available to Muslim academics and thinkers.

The methodology of Islamization introduced by al-Faruqi requires further research especially on the true and correct understanding of human being from perspective of Islam. This should also be connected with more comprehensive concept in the worldview of Islam that consists of the concept of God, man, society and universe. The above steps were simplified by Ibrahim Ragab into two important phases:

**First Phase:** Integral theorization that includes three steps:

- a. Survey and accurate studies on social sciences that might give contribution to the Islamic sciences that will be developed. This can be done by a) identifying all conceptual framework and research result related to the field of knowledge under consideration. b) criticizing seriously the field studied from the perspective of Islam (epistemologically or ontologically) especially in relation to God, man and universe; c) changing concepts, empirical generalization, and observations that had been subject to criticism and regarded as irrelevant to Islam
- b. Survey and accurate studies on revealed knowledge related to the discipline that will be studied. This can be done by the following steps. a) identifying all verses of the Qur'an and Hadith related to the discipline of knowledge studied. Including in this step is finding the standard of interpretation for getting true and acceptable interpretation. b) finding the works of

Muslim scholars in the past and in the present that discusses directly or indirectly, certain discipline of knowledge. Those works should be examined in order to determine whether it is relevant to our current situation or not. c) combining the views of the Qur'an and Hadith and Muslim scholars in one theoretical framework that might be presented as the representation of Islamic perspective on the field.

- c. Developing integral theoretical framework that combines the view from the revelation and valid experience of human being. This is by way of
  - a) Restructuring all research result and valid concepts of social sciences, at the same time it will become the follow up of the process in point A and B. The interpretation of all those finding also employ theoretical framework obtained from point A and B.
  - b) Explication of those synthesis in the form of clear and formal proposition that form component of coherence deductive system. This is in turn will be useful for the process of hypothesis for measuring the research and its application at the Second Phase.

**Second Phase:** Validation of integrated theoretical framework through serious research and practices.

This phase could develop further and lead to the classification of integration theory like activities in normal sciences. The third phase is the continuation of point C in the first phase. If the hypothesis is denied, it implies that i) our research method and its procedural practice is not adequate or efficient or; ii) our understanding or interpretation towards revelation in the first phase is incorrect and needs reformulation.<sup>52</sup>

So, Islamization of contemporary knowledge is epistemological process and therefore the process of isolating the Western concept and infusing the Islamic concepts is not mechanical work or physical work beyond our mind and soul. Faculty of reason

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<sup>52</sup> Ibrahim A. Ragab, *Towards a New Paradigm for Social Science Research*, paper presented at the *Fourth International Social Science Methodology Conference*, di the University of Essex, Colchester, UK, 1-5 July 1996.

in the human soul is not physical container and the Western and Islamic elements are physical entity in it. The process we are under discussion is about the concepts and not about physical objects. Therefore, Islamization of contemporary knowledge is not dealing with external object, like the product of technology.

Perhaps this process is comparable with Muslims' confession *Lā ilāha illaʾl-Lāh* (No God except Allah) where negation (no God) and affirmation (except Allah) is articulated once. There is no gap of time when we negate god and affirm the existent of Allah, similarly when we negate god, our mind is not empty at all, because when we say the first sentence our mind already has the second sentence. Within the context of Western knowledge, the Islamization does not mean that all concepts in contemporary Western knowledge are useless and should be abolished. All those concepts are still useful for our understanding the whole concept in Western worldview.

Since the process of negation and affirmation involve conceptual process, profound understanding of Islam as religion, culture and civilization, and also about Western culture and civilization are required. Therefore, this process and approach cannot be simplified by attaching Islamic symbol into secular sciences, because it will not abolish the secular aspect, while the aspect of Islam cannot be infused only by that attachment. The goal of Islamization is to protect Muslims from distorted knowledge that lead to confusion. Islamization is aimed at developing the true knowledge that could revive the thought and spirit of Muslims and increase the belief to Allah. Islamization will result in security, righteousness, justice and power of belief.

In addition, al-Attas also stresses that Islamization is initiated with the Islamization of language and this was what has been proven by the Qur'an when it was revealed to the Arab. It is because, he argues, "language, thought and rationality are closely related to and inter-dependent in projecting worldview or vision of reality to human being. The Islamization of language

will result in the Islamization of thought and reason.<sup>53</sup> In other words, in each language there is term and in each term there is concept that must be perceived by reason. If the thought and reason has been Islamized, then it in itself means Islamization.

The foregoing exposition suggested that the idea of Islamization of contemporary knowledge has at least two models: the first is initiated by SNM al-Attas, whereas the second proposed by Ismail R al-Faruqi. Islamization in the opinion of al-Attas is Islamization of the way of thinking and the way of looking everything. It is because knowledge is what is in mind and not beyond it. Therefore, Islamization of knowledge cannot be perceived as Islamization of technology or the product of technological engineering. The problem behind this concept is that the Muslim minds and perspectives are filled with or influenced by the Western worldview, so Islamization of contemporary knowledge mean infusion of worldview of Islam and key concept of Islam into the Muslim mind, to replace the Western worldview incompatible with Islam. However, Islamization in the opinion of al-Faruqi is integrating two discipline of knowledge, namely Islam and the West. Islamization of knowledge simply refers to an attempt through which those aspects of the body and purpose of knowledge and of the process and methodologies of discovering, validating, imparting and applying it, which oppose to Islam are identified and made subservient to the Islamic worldview. Islamization of knowledge does not stop at recasting or remoulding past achievement in the field of knowledge; it requires that all future endeavours to acquire and impart knowledge have to conform with Islam.

The two concept of Islamization have different foundation, the former based on the epistemological background, where the correct way of thinking is quite important. However, the later emphasized the integration of two discipline of knowledge and hence the emphasis in on the production of university textbook.

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<sup>53</sup> Al-Attas, *Islam and Secularism*,... p. 42-43.

### 2.3. ISLAMIZATION OF ECONOMICS

Having discussed the theory of Islamization of contemporary or modern knowledge, now we shall turn to focus on the Islamization of economics. Like other sciences, the Islamization of economics should procedurally follow the scientific steps proposed by two prominent figure discussed above.

Referring to al-Attas' theory of liberation of Muslim mind from five elements contradictory to Islam such as magical, mythological, animistic, national-cultural tradition, physical demands which is secular in nature and injustice attitude to true self,<sup>54</sup> there should be the procedure applied for conventional economics. In the field of economics, this implies the isolation of elements in conventional economics which are incompatible to Islam. In this procedure al-Attas told us that our attitude towards modern sciences should be critical. Number of aspects that should be criticized in modern sciences are "its methods; its concept, presuppositions, and symbols; its empirical and rational aspects, and those impinging upon values and ethics; its interpretations of origins; its theory of knowledge; its presuppositions on the existence of an external world, of the uniformity of nature, and the rationality of natural processes; its theory of the universe; its classification of the sciences; its limitations and inter-relations with one another of the sciences, and its social relations".<sup>55</sup>

The above aspect that should be taken into the object of criticism could be classified into three main aspects namely worldview, theoretical and methodological aspect. The *worldview* aspect is presuppositions of external world, of universe, of knowledge and of values, ethics and the likes. The *theoretical* aspect includes concept, symbols, theory of empirical and rational aspect as well

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<sup>54</sup> Al-Attas, *Islam and Secularism*, International Institute of Islamic Thought and Civilization, ISTAC, Kuala Lumpur: 1993, p. 44–45; Al-Attas, *The Concept of Education in Islam: A Framework for an Islamic Philosophy of Education*. International Institute of Islamic Thought and Civilization (ISTAC), 1991, p. 45–46.

<sup>55</sup> Syed Muhammad Naquib al-Attas, *Prolegomena to the Metaphysics of Islam*, ISTAC, Kuala Lumpur 1995, p.114.

as of natural processes, the classification of sciences, its limitations and inter-relations form one to another sciences, and its social relations. The methodological aspect includes interpretations and other general aspect in methodology. Those points are areas that should be liberated from Western values incompatible to Islam, in other words those areas to be de-Westernized and then Islamized.

In economics, Khurshid Ahmed has clearly given example of what should be criticized or even be rejected from the conventional system of economics as he stated:

.. we must reject the archytype of capitalism and socialism. Both this model of development are incompatible with our value system; both are exploitative and unjust and fail to treat man as man, as God's vicegerent (*khalifah*) on earth. Both have been unable to meet in their own realms the basis economic, social, political, and moral chalenges of our time and the real need of a humane society and a just economy.<sup>56</sup>

Not only has Khurshid Ahmad questions the value system in the Western system of knowledge, but more directly he criticizes economic system of capitalism and socialism. The two are not compatible with Islamic teaching and its form of society. He even does not propose to criticise certain elements in the economic system of capitalism and socialism, but to reject the whole system on the ground that the fundamental values of these two ideologies are opposing fundamental values of Islam, exploitative, having injustice values and failed to fulfil the real human needs.

In connection with the effort to develop the science of Islamic economic, many aspects should be taken into consideration. MA Mannan pointed seven aspects that should be studied for developing Islamic economics, namely: ideological, economic, social,

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<sup>56</sup> Khursyid Ahmad, *The Challenge of Islam*, ed. Althaf Gauhar, London: Islamic Council of Europe, 1978), p. 341-345. dalam John Calvert, *Islamism: A Documentary and Reference Guide*, (Np: Greenwood Publishing Group, 2008), p. 78.

moral and ethic, politic, history, and international aspects.<sup>57</sup> This implies that Islamic economics is a discipline of knowledge that based on ideology, worldview, values and norms, and hence any policy of Islamic economics should be applied on the ground of values in the Qur'an and the Prophet tradition. So, Islamic economics is an independent system for its goal is to realize the welfare of human being based on the objective of sharia (*maqāṣid*).<sup>58</sup>

### 2.3.1. Methodology

The pivotal point that worth discussing here is the problem of methodology. In this point al-Faruqi gives special emphasis, for according to al-Faruqi, it is one of three malaise of ummah. The core of crisis of Muslims ummah in economics, politic and culture are the malaise of thought and methodology.<sup>59</sup> It is also proposed that the methodology of Islamic economics should be developed in the form of theories compatible to Islam.<sup>60</sup> Umar Chapra suggests that the method of Islamic economics especially the technical procedures of a discipline should be in detail and specific but consistent on achieving the final objectives with variety of means.<sup>61</sup> He also in the opinion that the core of methodology of Islamic economics is to prepare the standard of methodology for accepting or rejecting the research result of conventional system. By this way Muslims will not be confuse when they find concept similar to that of the conventional one.<sup>62</sup> Just as there are number of methodologies that could be employed, Chapra proposed to employ any methodology that is compatible to the

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<sup>57</sup> Muhammad Abdul Mannan, *The Making of Islamic Economic Society*, (Jeddah: International Center for Research in Islamic Economics, King Abdul Aziz University (KAU), 1984), p. 3-21.

<sup>58</sup> Mohammad Umar Chapra, *What is Islamic Economics?*, (Jeddah: IRTI-IDB, 1996), p. 33.

<sup>59</sup> Ismail Raji al-Faruqi, *Islamization of Knowledge: Problems, Principles and Prospective*, (USA: IIIT, 1982), p. 2-9.

<sup>60</sup> Mohammad Anwar, "Islamic Economic Methodology," dalam *Essays in Islamic Economic Analysis* (ed.) FR. Faridi, New Delhi, 1991, p. 15.

<sup>61</sup> Chapra, Mohammad Umar, *What is Islamic Economics?* p.36

<sup>62</sup> *Ibid*, p. 37.



objectives.<sup>63</sup> This position is supported by Siddiqi who says that:

the Islamic tradition in economics has always been free of formalism, focusing on meaning and purpose with a flexible methodology... contemporary Islamic economic thought is an extension of this well-established tradition...economics must be open to contributions from other disciplines and both science and art must join hands to realize, in economic affairs, the Islamic vision of good life.<sup>64</sup>

What is meant by *Free of formalism* is not liberalism but rather flexibility of applying Islamic method and values. In reality it is quite possible that an approach or method is applicable in one place but not in the other. So, the method could be varied but the objectives which are the essence of Islamic economics should be limited to the sharia or in wider send to the worldview of Islam. In this sense Islamization that has been started with the establishment of Islamic bank could be justified, but it would be better if the practice is bound to the clear conceptual and epistemological foundation or after the passage of time the practice resulted in new theories of Islamic finance.

Unlike al-Attas who is concerned on building epistemology, al-Faruqi emphasizes more on methodology. His methodology of Islamization is reflected in his definition of Islamization where he states that Islamization is recasting modern knowledge based on Islamic concept, that is by redefining, reordering the data, rethinking the reasoning and relating of the data, reevaluating the conclusions, re-projecting the goals.<sup>65</sup> Therefore, the detail the meaning of Islamization can be grasped from his twelve steps mentioned above.

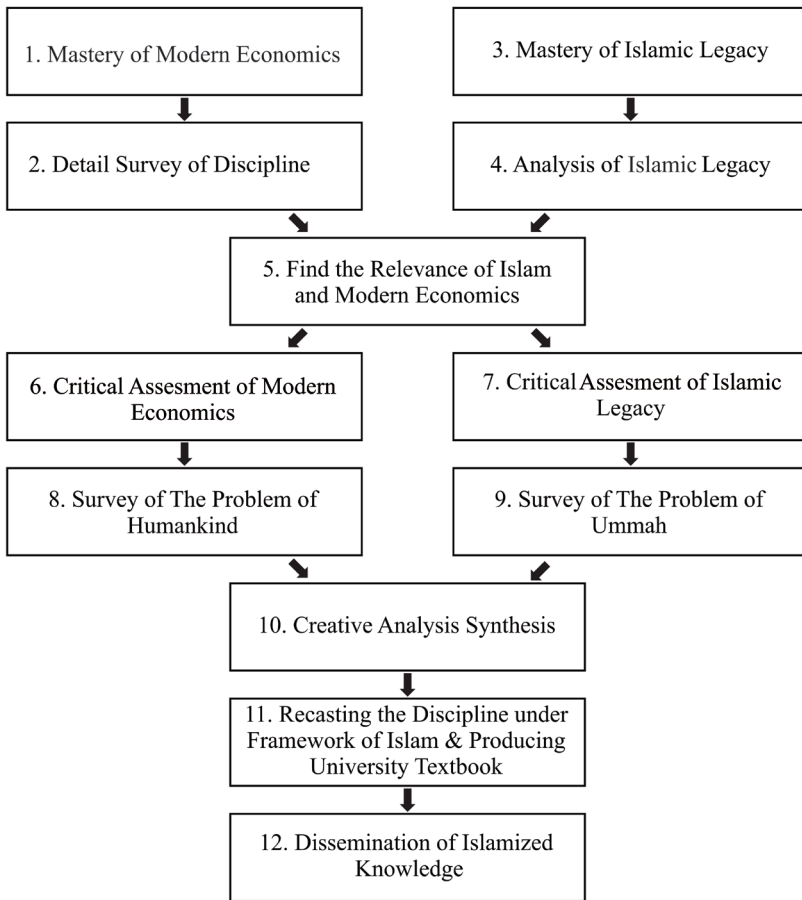
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<sup>63</sup> *Ibid*, p. 35-38.

<sup>64</sup> M. Nejatullah Siddiqi dalam Mohamed Aslam Haneef and Hafas Furqani, "Contemporary Islamic Economics: The Missing Dimension of Genuine Islamization," in *Thoughts on Economics*, vol.19, no.04, p. 31-32.

<sup>65</sup> Ismail Raji al-Faruqi, *Islamization of Knowledge...* p. 15.

**Diagram 1 Al-Faruqi's Framework**



However, the steps introduced by al-Faruqi are not the only step agreed upon by all scholars of Islamization.<sup>66</sup> There are other

<sup>66</sup> Sardar accuses al-Faruqi as emulating the Lakato's research programme and this cannot be regarded as scientific. It is because Lakato's model of research programme had been demolished by Thomas Kuhn and Feyerabend. See Sardar, Ziauddin, "Islamization of Knowledge: A State-of-The Art Report" in Sardar, Ziauddin (ed) *An Early Crescent: The Future of Knowledge and the Environment in Islam*, London: Mansell Publishing Ltd, 1989, p. 33; Another critique came from Maiwada, see Maiwada, Danjuma A. *Islamization of Knowledge: Historical background and Recent Development*, International Institute of Islamic Thought, Nigeria Office, Kano, Nigeria 1999

scholars and even group of scholars who propose their own step or methodology. Safi for instance while arguing that al-Faruqi's twelve steps of work plan was not very practicable, he replaces it with his own step that comprises of three-step work plan: 1) Mastery of substantive knowledge 2) Mastery of methodological knowledge and 3) Production of University textbook and other intellectual works which require critical examination by Muslim community before being regarded as Islamic.<sup>67</sup> Safi steps are so simple that can hardly find the epistemological process. However, he realizes that the process involves two disciplines of knowledge: the conventional economic and the Islamic one, the two should be dealt with proportionally, where the conventional that oriented towards changes should be understood critically, while the Islamic one which is still in the form of classical and unorganized works should be developed into scientific body of knowledge.<sup>68</sup> Taha Jabir al-Alwani introduces his own step well known as *six discourses*, while Shehu Salisu proposes his *four tasks*.<sup>69</sup> Another group of scholars such as Zi'uddin Sardar, Parvez Manzoor, Munawar Ahmad Anees, Gulzar Haidar, dan Ibrahim Sulaiman introduce their own steps. The five steps of Islamization proposed by this group are: *first*, examining different form and substance of methodology employed by Muslim during classical period. *Second*, reevaluating fundamental objective, values, axiom and hypothesis of those differences in Islamic methodology. *Third*, finding methodology that could be developed in Islam. *Fourth*, finding the relationship between theory and methodology. *Fifth*, identifying the role of methodology in building alternative of social structure.<sup>70</sup>

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<sup>67</sup> Louay M. Safi, "The Quest for an Islamic Methodology: The Islamization of Knowledge Project in its Second Decade," dalam *American Journal of Islamic Social Sciences*, vol.10 no.1, p. 34.

<sup>68</sup> *Ibid*, p. 23-48.

<sup>69</sup> See: Sa'idu Sulaiman, *Islamization of Knowledge: Background, Models and the Way Forward*, (Nigeria: IIIT, 2000), p. 34-42.

<sup>70</sup> See: Sa'idu Sulaiman, *Islamization of Knowledge: Background, Models and the Way Forward*, (Nigeria: IIIT, 2000), p. 34-42.

What is actually our concern in building Islamic Economics as an independent science is academic programs that lead towards the development of theory and methodology that can give great contribution to the practice of Islamic economics. Looking at those methods of integration and steps of Islamization we may simplify them into two main stages that should be carried out during the process of Islamization.

**First stage.** The *first* stage is within the domain of worldview, that consist the examination of theories, assumptions, assimilation, elimination and the like. *Second* stage is within the domain of methodology or even technology. The steps that could be included in the first stage are examining assumption, hypothesis, theories, definitions of conventional economic etc. according to the logic of Islamic paradigm that had been practiced in Islamic intellectual tradition. In these steps rational and systematic understanding of the Qur'an and the Sunnah that projected the worldview of Islam is compulsory.<sup>71</sup> The core of subject matter that should be maintained in this stage is something fundamental, unchangeable (*thawābit*) and essential in Islam, especially the fundamental concept related to economic such as values, objectives (*maqāṣid*) and social interest (*maṣlahah*).

Unlike the step introduces by al-Attas, Anas Zarqa' also proposes the process of Islamization. In his theory he introduces two kinds of Islamic assumption namely: *first*, Islamic Normative Assumption and *second* Islamic Descriptive Assumptions. The *first*, is assumption where lies the bulk of authoritative Shari'ah texts from the Qur'an and the Sunnah. It is because all Shari'ah commands and prohibitions (in their various degrees of obligation, abomination and strict prohibition) are normative. Some of these normative assumptions are not, however, economic in nature, such as God's command "Turn not thy cheek away from men in scorn, and walk not in the earth exultantly" (3 1:18); others are (category 3), such as God's command "O believers, fear you

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<sup>71</sup> M. Nejatullah Siddiqi dalam Mohammad Umar Chapra, *What is Islamic Economics?...* p. 38.

God; and give up the usury that is outstanding" (2:278) or "...pay the alms" (2:1 10). All the rules governing the economic system of Islam fall within this category. There are aspects in any science that should rely necessarily on certain normative assumption. The selection of research topic to be discussed is within the category of assumption. One can notice that the subject of productive efficiency (which roughly refers to achieving maximum production with the least possible cost) is one of the most important issues of interest to economists, thus by virtue of such interest they implicitly express a normative preference. Also when someone prohibit waste and squandering (loss of productive efficiency is but a form of waste) he actually keeping Islamic viewpoint, namely one of the the five major objectives of Shari'ah safeguarding wealth (*hifz al-māl*).

The *second*, Islamic Descriptive Assumptions is assumptions that describe a reality, refer to a relation obtaining among variables or classify facts in a certain manner. Here are a few examples of non-economic assumptions (see category 2 in the diagram below). The example given by Zarqa is the verse about honey, "In it there is healing for people" (16:69). This verse is a descriptive statement showing the relation between the use of honey and the healing of certain diseases, a statement that falls within the realm of medical science. Another example is the verse of the Quran "Our Lord, take us not to task if we forget, or make mistake" (2:286), a supplication that is indicative of the fact that there is a voluntary side to some types of forgetfulness that can be avoided, otherwise there is no justification for asking God's forgiveness for committing them. This is a descriptive statement that falls within the realm of psychology. There some other similar verses in the Holy Qur'an, emphasize the importance of classifying people into followers and followed when analyzing society's reaction to new situations or ideas. This is a descriptive statement that falls within the domain of sociology.

Among the economic-related Islamic assumptions (category 4), the following could serve as examples: God says in Verse

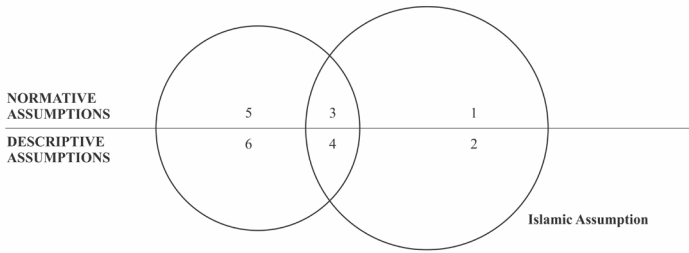
*al-'Alaq*, which was the first Verse to be revealed, "Nay, but man doth transgress all bounds. In that he looketh upon himself as self-sufficient" (96:6-7). He also says in Verse *al-Shura*, "If God were to enlarge the provision for His servants, they would indeed transgress" (42:27). There are many traditions that also link wealth or richness to transgression, such as the Prophet's saying "Take the initiative to do (good) deeds...or else you would be waiting for either poverty that would make you forgetful about (initiating) such good deeds or richness that would make you transgress all bounds" (12). This is a descriptive economic statement that links affluence and richness to transgression, a statement that, as far as the author knows, has not caught the attention of economists.

God says in Verse *Ali Imrān*, "Fair in the eyes of men is the love of things they covet: women and sons; heaped-up hoards of gold and silver; horses branded (for blood and excellence); and (wealth of) cattle and well-tilled land. Such are the possessions of this world's life; but in nearness to God is the best of the goals (to return to). Say: Shall I give you glad tidings of things far better than those? For those that fear God are, with their lord, gardens underneath which rivers flow, therein dwelling forever, and spouses purified, and God's good pleasure. For in God's sight are (all) His servants" (3:15-16). In these verses of the Holy Qur'an there are two descriptive statements: the first is man's unlimited love of wealth. An authentic tradition has the same meaning: "Should the son of Adam possess two valleys of money, he would still love to have a third..."<sup>72</sup>. The relation between these two assumptions can be seen from the following diagram:

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<sup>72</sup> Narrated by Al Tirmidhi, who classified it as a 'good' *hadith*. It is quoted also by Nawawi in his *Riyad al-Salihin*. Narrated by Ibn Majah in his *Sunan* (1984), (Vol. 2, p. 435, traditions # 4289).

**Diagram 2 Islamic Assumptions and Economic Assumptions**



From the diagram above we have six distinctive categories of assumptions that have been numbered from 1 to 6. Category number 1 includes Islamic normative assumptions; number 2 includes Islamic descriptive assumptions. These two category are values that should be infused into the discipline of conventional economics. Categories 3 and 4 are shared between Islam and economics, where 3 includes normative assumptions that are confirmed by both Islam and economics, whereas 4 includes Islamic descriptive assumptions that are confirmed by economics. Category 5 includes normative economic assumptions about which no mention was made in the authoritative texts of Shari’ah and cannot be derived from such texts. They constitute normative assumptions that are exclusively the property of economics. Category 6 includes the descriptive assumptions of economics. Category 5 and 6 are elements incompatible with Islam and even against the worldview of Islam, and hence must be eliminated from Islamic economics system.<sup>73</sup>

**Second stage.** Second stage is concern about the practice of Islamic economics that includes various issues, the detail of which is within the domain something changeable (*mutaghayyirāt*). In Islamic laws it is included in the domain of assumptions (*zanniyāt*) thus it is subject to innovation (*ijtihād*), one of which

<sup>73</sup> Islamization of Economics: The Concept and Methodology,” in *J.KAU: Islamic Economics.*, Vol. 16, No. 1, yr. 1424 AH / 2003 AD, p. 11-12.

is either true (*ṣawāb*) or false (*khata'*). The standard of developing this domain is public interest (*maslahat*). So, what is required in this stage is construction new legal philosophy (*Uṣūl al-Fiqh*) that specifically making rules and principles of deriving law for all possible cases occurs in Muslims economic activities. By this legal principle Muslims could propose or invent theories of economic attitude, production, distribution, consumption. Since this is the domain of innovation (*ijtihād*) Umar Chapra reminds us that in this stage there are possibilities of adapting theories of conventional economics as long as they do not contradict the fundamental teaching of Islam or the worldview of Islam.<sup>74</sup>

Apart from this technical process but closely related to the practice of Islamic economics there are complementary things to be done, that is utilizing the Islamic heritage (*turāth*) by reading, reproducing and re-conceptualizing them so as to be relevant to modern needs.<sup>75</sup> This process is quite necessary for strengthening the theories of Islamic economics, without which the foregoing step could not be realized.<sup>76</sup> However, the Muslim scholars nowadays have difficulties in understanding those precious heritage for some reasons: *first*, those who studied conventional economic had lack of mastery of Arabic language as well as of sharia; *second* for those who master Arabic and sharia are not conversant of conventional economic so that they are unable to produce new theories for the substitution of the conventional one.

However, in practice the exponents of Islamic economics pay more attention to the second stage. Their emphasis is on something social, political, organizational and profit oriented rather than to epistemological aspects. The fact is that nowadays discourse on Islamic economics concern more about finance rather than Islamic economic as a theory, a concept or a discipline of knowledge. As a result, economic institutions such as

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<sup>74</sup> Mohammad Umar Chapra, *What is Islamic Economics?...* p. 35-38

<sup>75</sup> Ibrahim Ragab, 'On the Methodology of Islamizing the Social Sciences', *Intellectual Discourse*, vol. 7, no.1, yr. 1999, p. 35.

<sup>76</sup> *Ibid*, p. 57-113.



bank and other financial institutions in society are established. Ziauddin Sardar who bluntly criticizes this prevailing practice of Islamic economics says that Islamization is understood simply as *patchwork* and finding the relevance between conventional and Islamic economics and seems that the later emulate the former. In reality, what happens is just changing conventional bank into Islamic bank with fundamental different on the abolition of interest and introducing *muḍārabah*.<sup>77</sup> In fact, there are numbers of conventional bank opens sharia counters or establishes sharia bank or Islamic bank disregarding the theory of Islamic finance. If Islamic economic is developed in such a way, says Sardar, it would be counter-productive, while for Monzer Kahf, it would become Marxis and capitalist system of economics.<sup>78</sup> Sardar and Monzer might exaggerate in his criticism, but they might be right for if Muslims emphasize on practical aspects and forget the development of epistemology and methodology, Islamic economics could be simply branch or interpretation of conventional economics.

So the stage of Islamization of economics that we have achieved is still at pre-methodology,<sup>79</sup> for there are still no authoritative figure of Muslim scholar on Islamic economics who could present Islamic economic in comprehensive manner.<sup>80</sup> In term of producing new discipline of science, Islamic economic is still between initial stage called problematic and second stage named disciplinary.<sup>81</sup> Even though the last stage could come at

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<sup>77</sup> Ziauddin Sardar, *Rediscovering Islamic Epistemology' in Islamic Futures: The Shape of Ideas to Come*, Kuala Lumpur: Pelanduk Publication, 1988, p. 203.

<sup>78</sup> For further reading see "Islamic Economics: Notes on definition and Methodology", *Review of Islamic Economics*, vol. 13, p. 23-48.

<sup>79</sup> See: Louay M. Safi, "The Quest for an Islamic Methodology: The Islamization of Knowledge... p. 23-48.

<sup>80</sup> Mohamed Aslam Haneef, et al., "Some Conceptual and Practical Dimensions of Islamization of Knowledge: A Case Study of the Economics Program at the IIUM," in *American Journal of Islamic Social Science*, vol.14, no.2, p. 188-207.

<sup>81</sup> Alparslan classifies that there are three stages in the process through which a body of knowledge may come to be established: first stage of prob-

the initial stage, but the stage of disciplinary where Islamic economic already become real branch of sciences need longstanding process.

### 2.3.2. Islamization of Economic in Curriculum

It is for this conceptual background and other reason that al-Attas also emphasizes the necessary to develop the Islamic concept of university (*kulliyah*, *jāmi'ah*) for it is the place where those key concepts should and would be implemented in an Islamic model of education.<sup>82</sup> Practically university should reflect the concept of man and not state. Since university represents the higher learning education, it should be designed in such a way that reflects something universal, and hence reflect a Perfect and Universal Man (*al-Insān al-Kāmil*) the realization of which is to be found in the personality of the Prophet Muhammad.<sup>83</sup>

Further step in al-Attas' theory is to infuse elements and Islamic key concepts into every discipline of contemporary knowledge.<sup>84</sup> The key concepts are those of religion (*dīn*), human being (*Insān*), knowledge (*ilm* and *ma'rifah*), justice (*'adl*), correct deed (*'amal* as *adab*) and all related concepts. The key concepts that should be infused into discipline of knowledge vary from one to another. The key concept relevance for the discipline of economics are different from those for that of politic, psychology, sociology and the likes. Which key concepts are compatible for each discipline are not given in further detail. It seems al-Attas leaves this tasks and other detail steps for us to elaborate further.

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lem, where scattered and discrete studies of various problem are carried out for a period of time; second stage is scientific tradition, which arises as a result of conventional consensus among scholars; general subject matter and method may be determined at this stage. It is also called disciplinary stage. Third stage is the stage of giving name to certain body of knowledge and called naming stage. Alparslan Acikgenc, *Islamic Science Towards Definition*, ISTAC Kuala Lumpur, 1996, p. 68.

<sup>82</sup> al-Attas, *Aims and Objectives*, p. 43.

<sup>83</sup> *Ibid*, p. 199.

<sup>84</sup> *Ibid*, p. 43–44.

However, he exemplifies the importance to substitute Western concept of knowledge with the Islamic one, for unlike the Western concept knowledge in Islam is closely related to the concept of *adab*. Knowledge, say al-Attas “comprise of faith (*aqīdah*) and belief<sup>85</sup>... and knowledge must be accompanied by deed (*amal*), because knowledge without deed is useless, and deed without knowledge futile.<sup>86</sup> Therefore, the objective of seeking knowledge should be based on Islamic worldview that for becoming good human being, which is quite distinct from Western worldview that simply aims at producing good citizen in a secular state.<sup>87</sup>

In his concept of education al-Attas offered not only the production of good man, but also categorization of sciences into *farḍ ‘ayn* (compulsory knowledge) understood as religious knowledge and elective knowledge (*farḍ kifāyah*) that consists of rational, intellectual and philosophical knowledge). So the knowledge and the sciences that must be Islamized are those sciences under the category of the knowledge of *farḍ kifāyah* and not the compulsory one (*farḍ ‘ayn*). All branch of contemporary knowledge must be infused with elements and key concepts of Islam...the process of infusing those elements is called Islamization.<sup>88</sup> The reason behind the infusion of those concepts into the contemporary knowledge is mainly due to incompatibility of those concepts with the teaching of Islam,<sup>89</sup> and even irreconcilable.

## 2.4. CURRICULUM DESIGN

Having discussed the theory of integration or Islamization of conventional economic and the Islamic one, it is now imperative to explicate the method of its implementation of this Islamization in the curriculum design. Curriculum design is part of curriculum development that had already long historical process and

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<sup>85</sup> al-Attas, *Islam dan secularism*,... p. 141.

<sup>86</sup> *Ibid*, p. 140.

<sup>87</sup> *Ibid*, p. 141.

<sup>88</sup> *Ibid*, p. 203

<sup>89</sup> Al-Attas, *Islam dan Secularism*, p. 156.

resulted in so many theories. Discussing theories of curriculum design requires first the meaning of curriculum, the process of developing the curriculum and various theories of curriculum design, and the method of teaching of those curriculum designs.

### 2.4.1. Definition

Before we deal with the theory of curriculum design, it is worth mentioning some definitions of curriculum in general sense. Scholars of education have different definition of curriculum but they agree on certain point. Terry Page et al, in his *International Dictionary of Education* defines curriculum as organized course of study undertaken by a student in or under the aegis of a college, school, university or other institute of learning. It is also defined as “set of studies organized for a particular group of student (eg. One age-group) by school, college, etc.”<sup>90</sup> while Terry definition emphasize on organization of course, Saylor, Alexander and Lewis identify curriculum as a plan, therefore they define the concept of curriculum as a plan to be followed to help individuals acquire learning experiences.<sup>91</sup> This definition is in line with Taba’s definition that refers to it as a learning plan.<sup>92</sup> Defined as such curriculum could be understood as the means and materials with which students will interact for the purpose of achieving identified educational outcomes. This means that any materials used by the teacher to drive instruction in a classroom that includes textbooks, workbooks, fiction/non-fiction books, online printable, technology based activities, etc. are curriculum. However, in wider and modern sense, curriculum consists not only organized course of study, but also all the planned experiences offered by the school or unplanned experiences that implicitly exist within extramural activities. In another perspective curricu-

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<sup>90</sup> Terry Page, G & JB Thomas, *International Dictionary of Education*, English Language Book Society and Kogan Page, 1979, p. 95.

<sup>91</sup> Saylor, J. G., Alexander, W. M., & Lewis, A. J. *Curriculum planning for better teaching and learning*. New York: Holt, Rinehart and Winston., 1981, p. 8.

<sup>92</sup> Taba, H. *Curriculum development: theory and practice*. New York, Harcourt, Brace, and World, 1962, p. 11.

lum could also be discerned as organized experiences according to desired objectives. What is something in common in the foregoing definition is that curriculum deal with something organized or planned, which means that it is an operational concept that should be developed constantly. So the subsequent issue concern about the way how curriculum is developed and designed.

### 2.4.2. Curriculum Development

Curriculum development is the process of determining structured set of learning experience; and elements to cover in the curriculum in the form syllabus. In the *International Dictionary of Education* Curriculum development is defined as:

... course of action designed to produce a structured set of learning experience; the field of study may or may not be new or may cross traditional subject boundaries; the outcome may include any or all of student resource material, guides to study, teachers' guide, syllabus, program of learning experiences, structured set of objectives and set of evaluation technique and instruments.<sup>93</sup>

So curriculum development could be regarded as the process of putting those elements in a containable *pedagogical* form or in an organized form of learning experiences. However, the foregoing definition implies what has been agreed by the scholars of education that curriculum development constitutes three dimensions: curriculum design, its application and evaluation.

Be that as it may, certain scholars include methodology and measurement as part of curriculum design, and hence curriculum design looks similar to curriculum development. Ralph Tyler, for example, identifies the need of curriculum design in four steps: purposes, experiences, organization and evaluation. Curriculum designs are made up of basic elements that form the curriculum, and different designs occur when the differences regarding the relationships between these elements are revealed. The basic elements of a curriculum include (i) objectives, (ii) content (subject

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<sup>93</sup> Terry Page, G & JB Thomas, *International Dictionary of Education*, English Language Book Society and Kogan Page, 1979, p. 95.

field), (iii) teaching-learning processes, and (iv) measurement.<sup>94</sup> However, Tyler reminds us that the designer of curriculum should base his decision of data selection on the analysis of the needs of individuals, the society and the *subject* field. The priority should be given to the educational philosophy or model that the design is based on. For instance, if the design is centred on the subject field, then the subject field has the priority; if it is student-centred or experience-centred, then the individual has the priority; and if it is society-centred, then the data to be collected from the society are of great importance and priority.

However, emphasizing on the relationship of one element to another Hilda Taba define curriculum design as:

... A statement which identifies the elements of the curriculum, it states what their relationships are to each other, and indicates the principles of organization and the requirements of the organization for the administrative condition under which it is to operate. A design, of course, needs to be supported with and to make explicit a curriculum theory which establishes the sources to consider and the principle to apply.<sup>95</sup>

What could be discerned from Taba's definition is that curriculum designs are formed by identifying elements, the relationship of one element to another and to the principle of the education institution. Different education institution could give different weights to these elements. Generally the biggest weight is given to the dimension of content (subject field), yet some curriculum developers give weight to the dimension of teaching-learning processes or of measurement-evaluation. In a curriculum design focusing more on process evaluation, the organization of learning experiences is given more emphasis, while in a curriculum design that focuses more on product evaluation, measurement techniques come into prominence.<sup>96</sup>

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<sup>94</sup> Tyler, R. W., *Basic principles of curriculum and instruction*. Chicago, Illinois: The University of Chicago Press. 1950, p. vii-viii, and 126.

<sup>95</sup> Taba, H. *Curriculum development: theory and practice*. New York, Harcourt, Brace, and World, 1962, p. 421.

<sup>96</sup> Gökhan BAŞ, *Curriculum Design Orientations Preference Scale of Teachers:*

Curriculum design is, in a sense, an indicator of what kind of a structure the curriculum to be developed will have, which questions it will address, which behaviour and characteristics it will help individuals gain and which information, skills, understanding and attitudes individuals will acquire with the help of the curriculum. As can be seen, preparing a curriculum design does not mean merely gathering the curriculum elements. The design should have a structure which will allow helping individuals gain the desired behavior, skills and attitudes.

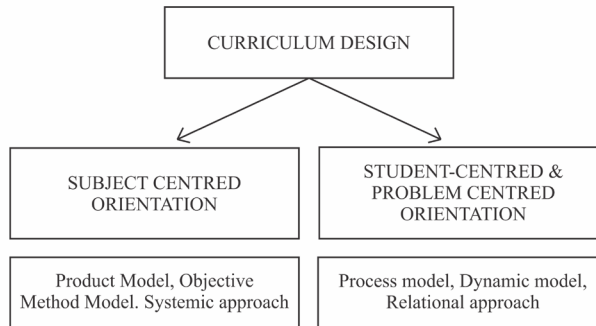
### 2.4.3. Model of Curriculum Design

Having discussed the meaning of curriculum design, now we shall elaborate the model of curriculum design that proposed by some expert of educations at present and in the last century. There are at least three prominent models of curriculum design in the past namely: product or objectives model by Tyler, 1949; interactive model by Taba, 1962; and process or dynamic model by Walker, 1967 and Hawes, 1979. However, recent development of curriculum design is related to the basis of the curriculum that can be categorized into three orientations: (i) subject-centred curriculum design orientation, (ii) student-centred (learner-centred) curriculum design orientation, and (iii) problem-centred curriculum design orientation.<sup>97</sup> The former three models could be included in the recent model and the final category can be seen in the following diagram:

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*Validity and Reliability Study, Curriculum Design*, Educational Sciences: Theory & Practice – 13 (2), Educational Consultancy and Research Center, Spring, 2013, p. 982.

<sup>97</sup> Ornstein, A. C., & Hunkins, F. P. *Curriculum: Foundations, principles and issues* (5th ed), Needham Heights, MA: Allyn and Bacon, 2009, p. 190-206.

**Diagram 3 Curriculum Design**

### 2.4.3.1. *Subject-Centred Curriculum Design Orientations*

This curriculum design focuses on courses and subjects in an organized manner. In this design courses like mathematics, physics, chemistry, biology and other information are designed as well-organized disciplines or organized according to the disciplines. The subject matters organized within these disciplines constitute the basis of the curriculum.<sup>98</sup> Usually, these curriculum design orientations are employed based on certain philosophy, or designed in connection with the traditional understanding and culture by which people find it easier to teach the content which has been traditionally approved for ages. This curriculum designs is regarded as the oldest and most common curriculum designs and thus widely accepted in the world since it is an easy approach.

There are many types of subject-centred curriculum design but the most common design that worth mentioning here are three designs, namely Discipline Design, Wide Field Design, Product design, Interactive design and Process or Cyclical design. How-

<sup>98</sup> Saylor, J. G., Alexander, W. M., & Lewis, A. J. *Curriculum planning for better teaching and learning* (4th ed.). New York: Holt, Rinehart and Winston, 1981, p. 28-29.



ever, there are only two models of design that will be explicated here, namely Product model, Interactive models.

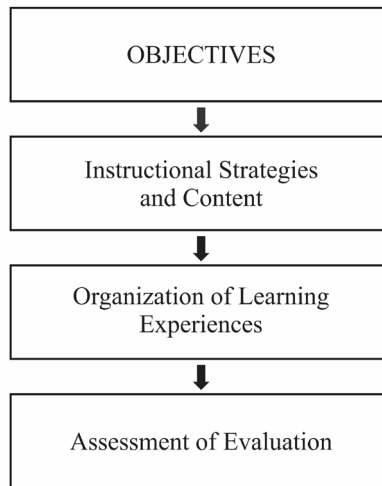
a. Product Model

Product model of curriculum design is the model introduced by the prominent American curriculum scholar Ralph W. Tyler. Tyler's model that was become reference of later curriculum designer was known in different term such as 'Tyler Rationale', or objective model. Print, also names this model as linear product. This model starts with the availability of an agreed body of knowledge that students need to learn. Subsequently, it should formulate objectives followed by descriptions of content and method (selection and organization of teaching and learning activities), and finally with the process of evaluation that include both assessment strategies and evaluation of the curriculum. In this model, the basis for devising subsequent elements is the objectives of learning while the degree of achievement of those objectives is evaluated and assessed. So, the focus of this design is on teaching.

As has been alluded in the explanation of the meaning of curriculum design above, the model of curriculum design introduced by Tyler consist of four elements that originally refer to four question he poses i.e. 1. What educational purposes should the institution seek to attain? (Objectives) 2. What educational experiences are likely to attain these objectives? (Instructional strategies and content) 3. How can these educational experiences be organized effectively? (Organization of learning experiences) 4. How can we determine whether these purposes are being attained? (Assessment or evaluation).<sup>99</sup> See the diagram below

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<sup>99</sup> Tyler, R. W., *Basic principles of curriculum and instruction*. Chicago, Illinois: The University of Chicago Press. 1950, p. 1.

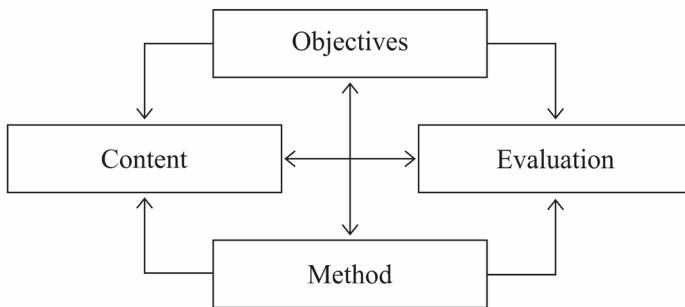
**Diagram 4 : Product Model**

This model heavily rely on needs of assessment, task analysis, stating instructional objectives, matching assessment instruments and devising appropriate instructional strategies. Therefore, this model used to be named objective model.

**b. Interactive Model**

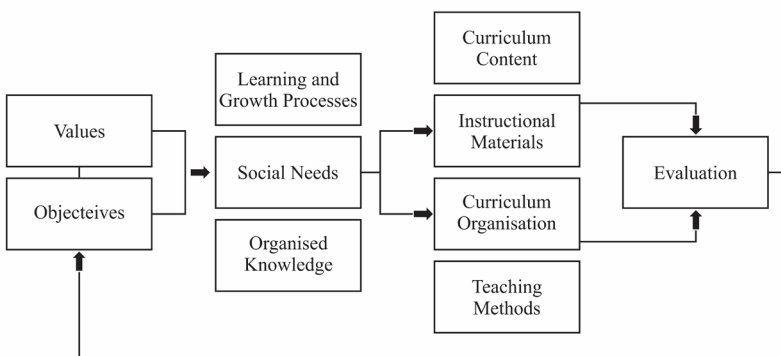
The product or objective model of Tyler was modified by Hilda Taba, who proposed an interactive model and adds the idea of a needs analysis, but Taba's model reflects more accurately. Following Tyler, Taba also describes the design into four elements such as objective, content, method and evaluation, but, as has been mentioned in the definition above, she emphasizes on the relationship of the four elements. The relation can be seen in the following diagram.

**Diagram 5 : Interactive Model**



However, the four elements above are broken down into seven procedures: 1. Diagnosis of needs. 2. Formulation of objectives. 3. Selection of content. 4. Organization of content. 5. Selection of learning experiences, 6. Organization of learning experiences 7. Determination of what to be evaluated and what ways or means for doing it. This procedure became little more than a determination of goals, activities, content, delivery systems and assessment techniques that became little more than an exercise in solving a series of problems.

**Diagram 6 : Procedures of Interactive Model**



The product, linear and interactive models are in one group of subject centre design orientations and these designs are known also as systematic approach that implies the logical design sequence of orientation, development, evaluation and implementation. This approach, when skilfully applied, leads to a well structured and logically ordered curriculum design with a strong internal consistency. This design on paper is referred to as the formal curriculum.

**Competencies:** The skilful application of the systematic approach requires specific competencies of the curriculum designer. Competencies of systematic approach in curriculum design consists of :

- 1) Develop *performance measurements*. Transform needs, performance requirements and objectives into evaluation criteria and appropriate assessment instruments.
- 2) Sequence the performance objectives. Draw a blue-print for the desired *learning environment*, appropriate for achieving the desired changes of performance.
- 3) Specify the *instructional strategies*. Devise instructional interventions to put the blue-print learning environment into action.
- 4) Design *instructional material*. Develop print, audio-visual or electronic-based learner materials, job aids, simulation devices, trainer guides and plans to facilitate the instructional interventions.
- 5) *Evaluate* the educational interventions. Appraise the instructional methods, sequences and materials, and improve.
- 6) *Assess* results, performance improvement and the related impact on the organization.

However, the systematic and analytical approach to curriculum design, and the resulting formal curriculum is not very often found in reality. Even when developers apply the prescribed systematic design procedures, program implementation remains problematic. Apparently, the unilateral, systematic approach

does not guarantee success.

### ***2.4.3.2. Student or Learner and Problem-Centred Curriculum Design Orientations***

The student-centred design is a relational approach that takes individual differences into consideration or to have the student view as a whole. The basis of this design orientation is the idea that learning can only be achieved with the learner's participation in learning, where the student is in the centre of the curriculum design. In this design, no previously-prepared curriculum is available, and in general, students are involved in the process of curriculum development, and the curriculum is shaped according to their views.

The other design orientation is problem-Centred Curriculum Design. This Curriculum design is centred on the problems of the individual and of the society. The content of curriculum, thus, includes the existing situation of social life, its problems, its structure, its values and life. The decision on which social problems should be included has to consider its relevance to students' interests, their abilities and their needs. Consequently, organizing a curriculum design based on social problem is more than simply gathering curriculum elements, but it should have a structure that will help students acquire the desired behavior, skills and attitudes. Since the purpose of the curriculum designed is to train individuals who have the necessary knowledge and skills to solve the important social problems, the philosophy underlying curricula should be in line with the principle philosophy dominating the society. By this way, the solution of the social problem will not deviate from the way of life of society. If the curriculum design orientation contradicts or deviates from the way of life of the society, it will not be possible at all to achieve the goals set within the scope of the curriculum. In a sense, recognition of the philosophy dominant in the society determines which curriculum design to use in a curriculum. A number of

studies conducted demonstrated that teachers' beliefs and philosophy they have adopted influence their behavior, their teaching practices in the class.<sup>100</sup> Therefore, it is plausible to infer that whichever philosophy attached to curriculum or become the basis of the curricula developed, these curricula should comply with the understandings of teachers who will apply them. Otherwise, it would be quite difficult to reflect these curricula into practice and sometimes impossible. So there is close relationship between philosophy of the society and the curriculum that should be designed. However, these two curriculum designs comprise of Process or Cyclical and Naturalistic model.

#### **2.4.3.2.1. Process or Cyclical Model**

This process or cyclical model is also called dynamic models, but in fact, this model is similar in many ways to the Interactive, rationale, objective and linear product. It is because they incorporate the same or similar elements initial situation analysis, identification of aims and objectives, selection and organization of content, selection and organization of learning activities, followed by an assessment / evaluation process.<sup>101</sup> However, the difference is that in the cyclical, process, or dynamic models which are student-centred models, the teacher plays his role as facilitator rather than content authority. Therefore these models assume curriculum design to be an ongoing process, depend-

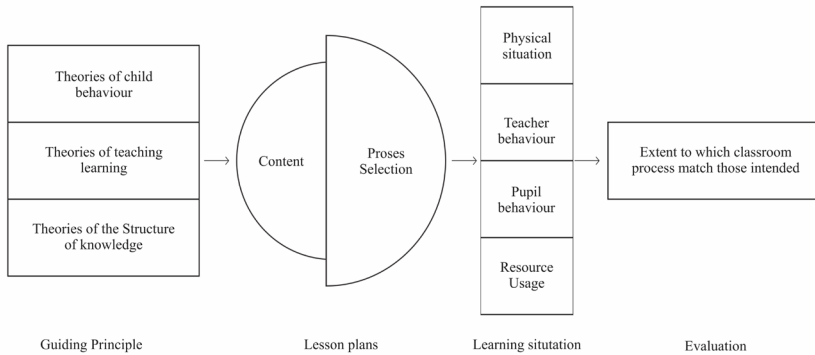
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<sup>100</sup> Klein, D. S. R. "Needed: Educational philosophy as a guide for decision-making in the public schools". *Education*, 97 (3), 290-293; see also Quinlan, K. M. (1997, July). "Case studies of academics' educational beliefs about their discipline: Toward a discourse on scholarly dimensions of teaching", Paper presented at the Annual conference of the higher education research and development society of Australasia, Adelaide, South Australia, in Gökhan BAŞ., Curriculum Design Orientations Preference Scale of Teachers: Validity and Reliability Study, *Educational Sciences: Theory & Practice* - 13(2) • Spring • 981-991; Woolley, S. L., Benjamin, W. J., & Woolley, A. W. (2004). Construct validity of a self-report measure of teacher beliefs related to constructivist and traditional approaches to teaching and learning. *Educational and Psychological Measurement*, 64 (2), p. 319-331.

<sup>101</sup> Wheeler, D.K. *Curriculum process*. London, University of London Press, 1967, p. 1-10.

ent on emerging information and practice, shaped by the beliefs, experiences, theories and philosophies held by those planning the learning environment. These models go beyond the core elements of objectives, content, method, and assessment / evaluation, although these are recognized as part of the process. (see diagram below) consequently, there can be problems with classrooms designed along these lines. For example, it may be difficult to ensure consistency of content coverage from group to group, and the quality of learning is very dependent on the quality of teaching.

**Diagram 7 : Cyclical Model**



### 2.4.3.2.2. Naturalistic Model.

In almost the same as relational approach Walker found a new model called naturalistic model. This model was found by Walker who studied the practice of many curriculum designers, and drew our attention to the fact that course design often does not show the step by step approach. Walker then introduces three basic planning phases: platform, deliberation and design.<sup>102</sup> He named his finding naturalistic because he developed a framework for the process of curriculum planning not in a normative sense, but a descriptive model of how it often occurs in reality. In

<sup>102</sup> Walker, D. F. *The Process Of Curriculum Development: A Naturalistic Approach*, School Review, 1971, 80, p. 51-65.

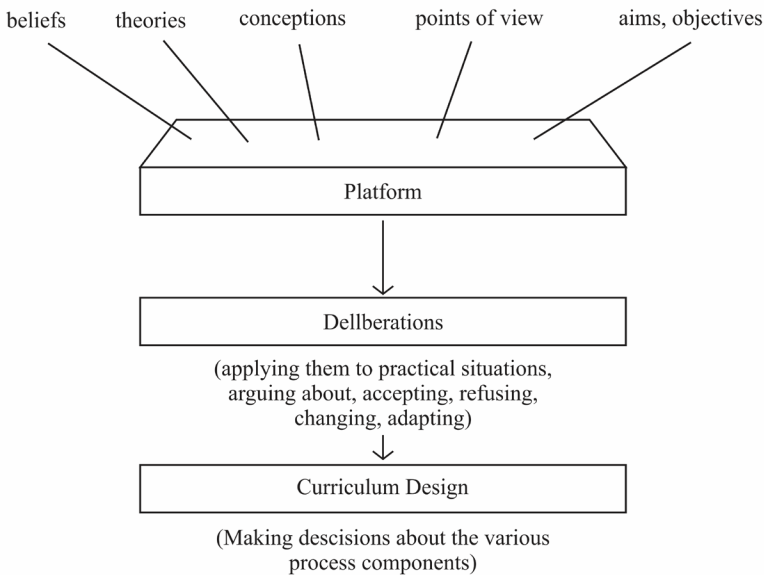
the 'platform-phase' participants talk, discuss and argue about their beliefs, ideas, theories, aims, images and potential procedures concerning the curriculum. When a group achieves clarity and consensus about these constituent elements of the platform, they move into the phase of deliberation. Walker's model specifies that the process of deliberation includes exploring specific conditions, generating alternatives, examining costs and consequences, and selecting a feasible alternative. The platform and deliberative phase involve intensive exchange of ideas and beliefs. Reaching consensus is essential for moving into the 'design-phase'. This phase can become an extremely difficult task, especially when participants hold to their fixed perceptions, or when they feel uncomfortable when the chaos of conflicting ideas and images can not be resolved in time. When the planning group does reach consensus about the basic principles of the curriculum, they move into the design activities, which include the decision making about specific content, instructional strategies and materials.<sup>103</sup> In this process of curriculum design it is extremely important that participants make their individual beliefs and values explicit as well as their perceptions of the instructional task and their assertions about how to proceed. The importance of Walker's deliberative approach is that it recognises the variety of beliefs, aims and images that participants in a project on curriculum design adhere to. This variety of perspectives may frustrate a rational, systematic and linear design process, as proposed by the various sets of design instructions that promote an unilateral internal consistency. (see the diagram below)

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<sup>103</sup> For the explication of Walker's Model see Print, M. *Curriculum development and design*, 2nd edn. Sydney, Allen & Unwin., 1993, p. 75.



**Diagram 8 : Naturalistic Model**



If the above approach is called systematic approach, these three models of curriculum design are called relational approach. This approach provides activities that challenge stakeholders to become involved in the design and implementation process, from whom the goal and how it can be achieved could be revealed. The main activity of relational approach is to communicate the curriculum developers and relevant stakeholders including senior managers, supervisors, trainers and trainees, customers, co-ordinators, sponsors and opinion leaders. By this approach the mutual perceptions can be definitely found and even can be modified. When skilfully applied, the relational approach leads to a strong external consistency: consensus among parties involved on methods of solving the problem, implementing the programme, and creating favourable transfer conditions in the day to day work environment, and even can be understood as “the process of putting a change into practice”.<sup>104</sup> In the view

<sup>104</sup> Fullan, M. *The New Meaning of Educational Change*. New York: Teachers

of Fullan, two approaches are open to the developer: the fidelity approach that strives for high quality in the developmental stages, and the adaptive approach in which further development must be worked out by individuals and groups who are involved in implementation.<sup>105</sup>

Therefore, it is not surprising that Gay states that Curriculum development in term of relational approach is a social enterprise. It involves issues of power, people, procedures and participation. It is regarded as a 'people process' with all the attending potentialities and obstacles associated with humans engaged in social interactions. The interests, values, ideologies, priorities, role functions, and differentiated responsibilities form the contours of the interactional and dynamic context in which curriculum decisions are made. So curriculum development is neither a purely rational and scientifically objective, nor a neatly sequentialised and systematic process".<sup>106</sup>

Since this model involves so many parties, the main competency required to employ this relational approach is the skilled communicative interaction. In this process the developer has not only to organise meetings and interview managers, supervisors, employees, potential trainees and trainers, but also to consult with concerned parties for problem solving, negotiating, reaching a consensus, gaining support, and strategically applying gentle pushes and decisive pulls. The goal of these efforts is to achieve a consensus among parties involved on problem definition, methods of solving the problem, implementing the programme, and creating favourable transfer conditions for learning in the work environment.<sup>107</sup>

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College Press. 1991, p. 65.

<sup>105</sup> Fullan, M. "Curriculum Implementation". In M. Eraut (Ed.), *The International Encyclopaedia of Educational Technology*, Oxford: Pergamon Press, 1986, p. 485-491.

<sup>106</sup> Gay, G. "Curriculum Development", in M. Eraut (Ed.), *The International Encyclopedia Of Educational Technology*, Oxford: Pergamon Press. 1986, p. 471-472 and p. 467-476.

<sup>107</sup> Kessels, J.W.M. & Plomp, Tj. "Course Design". In T. Plomp & D.P. Ely

**Competencies:** Many sources offer analyses of the competencies professionals should dispose of when they enter into the relational approach. The most salient competencies are listed below:

1) Communication skills: listening, observing, interviewing, relating to others, self-expression and exchanging constructive feedback. 2) Project management skills: leadership and chair-person skills, planning, monitoring and negotiating skills. 3) Consulting skills : building open collaborative relationships, clarifying mutual expectations and responsibilities, and the ability to influence others and gain commitment 4) Facilitating change: encouraging widespread participation in the design and implementation of a project, and dealing with friction and resistance 5) Experimental flexibility, self-insight and self-esteem 6) Ability to create an atmosphere of tact, trust, politeness, friendliness and stability.

Several procedures support the relational approach. On the basis of the results from the literature review, the research project investigated project management, rapport-building activities during needs assessment and task analysis, involving line management in the development process, creating similarity between learning situation and work environment, recruiting trainers with practical experience in the subject matter field, and the selection of trainees.

In conclusion, there are some differences between systematic models and relational model. The product and the process models which are of systematic models are prescriptive and descriptive respectively. The former have clear objectives and aligned assessment strategies (generally prepared before the start of classes) designed to test how well students have achieved the learning outcomes; the latter may have assessment strategies designed to find out what students have learnt, and a highly

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(Eds.), *The International Encyclopedia of Educational Technology*, 2nd edition, Oxford: Pergamon Press/Elsevier Science Ltd., 1996, p. 143-148.

diluted focus on learning outcomes. Yet the systematic approach has clear and rigorous logic.

On the other hand, the relational approach may often seem blurry, using informal networks, balancing power and influence, and striving for consensus within the limits of culturally determined feasibility.<sup>108</sup> Political awareness, cultivating support, developing relationships and gaining visibility seem to be ingredients of this aspect of curriculum design. Activities that belong to the relational approach are sometimes characterised cumbersome.

In-depth analysis of the programmes revealed a series of interesting phenomena both in systematic and relational approaches. On the systematic approach, the observations found that: 1) Reports on training needs assessment and task analysis are mostly absent. 2) Instructional objectives of unsuccessful programmes tend to be stated in terms of reproductive knowledge whereas in successful programmes tend to be stated in terms of reproductive and productive skills. 3) Evaluation criteria are neither stated nor documented. 4) Evaluation instruments are restricted to the reaction to learning processes. 5) In the successful programmes, the designed learning situations show a greater variety of activities than in those that are unsuccessful. 6) Most programmes used elaborate training materials. Successful programmes devoted more attention to guidelines for the trainers and coaches.

However, on the relational approach the observations found that a) Successful programmes show strong involvement by line managers b) The similarity between learning situation and work environment is extremely strong for the successful programmes and is correspondingly weak for the unsuccessful programmes c) Practical experience in the subject matter field of the trainer is extensive in the successful programmes and limited in the unsuccessful programmes.

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<sup>108</sup> Duncan, J. B. & Powers, E. S. "The politics of Intervening in Organizations", in H. D. Stolovitch & E. J. Keeps (Eds.), *Handbook of Human Performance Technology*, San Francisco: Jossey Bass, 1992, p. 77-93.

successful d) A majority of the successful programmes emphasised creating favourable conditions for implementation. None of the unsuccessful programmes emphasised this aspect.

Curriculum design orientations in two kinds of approaches above reflect not only educational philosophy and educational beliefs but also shape in-class practices and teachers' behavior. In other words curriculum design orientations not only reflect teachers' educational philosophies but also demonstrate which teaching methods and techniques they will apply in class, which instructional materials they will use and which assessment methods they will put into practice. However, this would not be the case all the time. When a curriculum is developed on the basis of a learner-centred design orientation yet if the teacher favors or adopts a subject-centred design orientation, he or she will reflect his or her own approach into the teaching processes in class. In other words, if the teacher has a negative attitude towards the curriculum design orientation, it does not seem possible for that curriculum to be reflected into the teaching processes in class. Therefore, determining which curriculum design orientations teachers favour is considered to be important in terms of revealing their educational preferences and their viewpoints regarding teaching processes. In this respect, determining the curriculum design orientations favored by teachers is considered to be important in terms of revealing teachers' in-class behavior, their practices, their preferences and their expectations from a curriculum.

Even though all those curriculum models were developed within the confine of school education curriculum, recently there have been some efforts to develop new models for higher education. In the late 90s, for example the traditional instructional design models have a lack of media and the provision of flexible access, but by then the tertiary level of education started employing media communication. Therefore, the new idea that was proposed at that time was learning curriculum design model that addressed decisions about media use. This new idea has become increasingly important as tertiary institutions across the world

have rolled out Learning Management Systems and started to use social networking tools.

#### **2.4.4. Method of Teaching**

1. Lecturing System: lecturer delivers subject and then opens question and discussion for student
2. Seminar system: lecturer gives a task to student such as to read, to review or to criticize a book and then for the next day, student report the result in the class with their class fellow under the supervision of lecturer, and at the end, the lecturer gives some comments and criticism.
3. Project method: it is an individualization where student choose and work on certain project and activities to facilitate and support the skill and knowledge development of student
4. Steps of project method: 1. Introductory phase: orientation (contexts, rational, and objective) 2. Constructive Phase: a) Preparation (planning, task analysis, presentation), b) making project design, c) realization of project, evaluation (assessment and critic); Culminating Phase: clarification, discussion and projection.
5. Unit system method: a large block of course that consist of theme and combined with activities, problem and project to be carried out for some weeks for the purpose to obtain the meaning of the theme and related knowledge. Example: lecturer assign student to search the issue of Dinar in the economic system.
6. The step for this method consist of: 1. Introductory Phase: orientation; 2. Constructive Phase: a) presentation and demonstration from lecturer regarding the theme in general b) student work on the theme, and present it in front of the lecturer; 3. Culminating Phase: evaluation and conclusion from lecturer.
7. Module system: an individualized learning package which

is a self-contained, independent unit of a planned series of learning activities designed to help the student accomplish certain well-defined objectives. The basic form of modules consists of: objectives, pre-test, rationale, interactivities, post-test, and resources.

### **2.4.5. Conclusion**

With regard to our current research problem, this chapter has expounded the theoretical framework for curriculum design for Islamic economics. The first issue discussed in this chapter is two points: *first* the problem of modern economics and the need of Islamization theories, including the theory of the Islamization of economics. *Second* issue is on the curriculum design that is required for the inculcation of Islamic economics. The process of the Islamization of economic can be classified into two first the Islamization of worldview and second the Islamization of methodology. The former refer to something unchangeable, fundamental and basic, while the later concern about the changeable things, innovative (*ijtihādi*) and deal with something changeable.

The curriculum design for the above subject matter, namely Islamization of economic, is the combination of subject matter curriculum design orientation and learner-centred or problem centered curriculum design orientation. The later is more suitable for university student, while the latter is suitable for secondary school student. However, in certain case the lecturers employ the combination of the two.





## Chapter Three:

# Research Methodology

Research Method means setting of research in order to get valid data according to characteristic of variable and object of research. This research data concerning fact, condition, variable and phenomenon that happened when the research was going on and presented truly without any changes and alterations. Research types were viewed from this goal is applied by researcher.<sup>109</sup>

This research is empirical study which surveys curriculum designs developed by universities in Indonesia, Pakistan, Turkish, and Malaysia. The universities taken as sample are Master Program for Islamic Economics, University of Airlangga Surabaya Indonesia, Master Program of Islamic Economics of Tazkia

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<sup>109</sup> Danang Sunyoto, *Metodologi Penelitian Ekonomi*, Jakarta: CAPS, 2011, p.16.

University, IIUI Pakistan, Istanbul Sabahattin Zaim University, Internasioanl Islamic University of Malaysia and Universitas Sains Islam Malaysia. Thus, the researchers will employ some methods of study, those are:

### 3.1. Research Design

This study uses a non-experimental design as a method of collecting, processing, and analyzing data. In view of the above mentioned statements and the perspective of the aim of the study, it is using a qualitative research design. As a start an exploratory study will be conducted to gain a better insight and understanding of the research problem.

### 3.2. Qualitative approach

The qualitative approach frequently utilizes observations and in-depth interviews; data are usually in the form of words. It involves description in words, exploring to find what is significant in the situation. The study begins without structure but becomes more structured as it proceeds, and operates in a natural setting.<sup>110</sup> Crowl further characterizes a qualitative approach as follows:<sup>111</sup>

- ✓ It takes place in a natural setting and uses the researcher as the key instrument.
- ✓ It deals with descriptive data in the form of words and pictures rather than numbers.
- ✓ It focuses on process, not merely product.
- ✓ It relies on inductive rather than deductive data analysis; and
- ✓ It focuses on how different people make sense of their lives.

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<sup>110</sup> B. Johnson and L. Christensen, *Educational research - Quantitative and Qualitative approaches*. USA. Allyn and Baconn. 2000, p.20. see also D.R. Krathwohl, *Methods of educational and social science research - An integrated approach*. New York. Longman, 1993, p. 31.

<sup>111</sup> T.K. Crowl, *Fundamentals of Educational Research*. (2nd ed). USA. Brown & Benchmark. 1996, p. 231.

- ✓ Exploration refers to discovering new situations and relationships of variables in a phenomenon and to understand the phenomenon.
- ✓ In this study, qualitative approach was used through interviews.

### **3.2.1. Data collection**

#### ***3.2.1.1. Interview***

Interviews are used to obtain in-depth information about a participant's thoughts, beliefs, knowledge, reasoning, motivations, and feelings about a topic.<sup>112</sup> Qualitative unstructured interviews consist of open-ended questions in order to allow participants to provide valid and meaningful information.<sup>113</sup> In this study an unstructured interview conducted with prominent lecturers of Islamic Economics and Finance at Pakistan, Turkish, Malaysian and Indonesian Universities. The interview schedule will consist of open-ended questions, which will be based on the research question.

#### ***3.2.1.2. Documentation***

Documentation is a method for collecting data by seeking at the several documents relating to Curriculum Design of Master Program on Islamic Economics in Master Program for Islamic Economics, University of Airlangga Surabaya Indonesia, Master Program of Islamic Economics of Tazkia University, International Islamic University Islamabad Pakistan, Istanbul Sabahattin Zaim University, Internasioanl Islamic University of Malaysia and Universitas Sains Islam Malaysia for obtaining more information.

### **3.2.2. Data analysis**

Qualitative data gathered using interviews would be ana-

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<sup>112</sup> B. Johnson and L. Christensen, O p.Cit, p. 144.

<sup>113</sup> C.S.L. Delport, *Quantitative data collection methods*. In: De Vos, A.S. (Ed.). *Research at grass roots*. 2nd ed. Pretoria: Van Schaik, 2002, p. 301.

lysed by categorizing the data into themes or meanings.<sup>114</sup> In order to help the researchers in writing this research, the researchers use the analysis techniques, they are:

### ***3.2.2.1. Deductive Analysis Method***

It means that the thinking procession begins from main idea to the specific idea. It is the analysis which is started by the theory and enclosed by the example or data. The researcher used this method to explain a brief about Curriculum Design of Master Program on Islamic Economics.

### ***3.2.2.2. Inductive Analysis Method***

It is suggestion of data or examples and the conclusion based on the theory. The researcher will suggest the mechanism of Curriculum Design of Master Program on Islamic Economics Comparative Descriptive Analysis Method.

This method will find the similarities and differences about Curriculum Design of Master Program on Islamic Economics in universities. Also find things, people, characters, working procedures, ideas and criticism about human beings, groups, ideas or working procedures. It can compares the similar views and alteration people's view, groups or country in a case and phenomenon.<sup>115</sup>

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<sup>114</sup> DR. Krathwohl, *Methods of educational and social science research - An integrated approach*. New York. Longman, 1993, p. 356.

<sup>115</sup> Suharsimi Arikunto, *Prosedur Penelitian Suatu Pendekatan Praktik*. Edisi Revisi VI, Jakarta: PT. Rineka Cipta), 2006, p. 267.

## Chapter Four:

# Finding and Discussion

The finding of this research come up from various curriculum design of Postgraduate Program in four countries that consist of eight universities each of which has different department of Islamic economics. At the University of Airlangga the program is named Master Program of Islamic economics, at the Islamic State University of Sunan Ampel Surabaya the program is called Master Program of Islamic (shari'ah) Economics, at the Islamic State University of Sunan Kalijaga, Jogjakarta is named Master Program of Islamic Law with the area of specialization: Islamic Business Law, Islamic Finance and Banking, at Tazkia School of Islamic Economics the program is called Master Program of Islamic Economics, at International Islamic University Islamabad, the Islamic economics is place within International Institute of Islamic Economic (IIIE) and it has three departments: Islamic Banking and Finance, Economics and Economics and Finance; at

the University of Sabbahatain, Istanbul, the Master Program is named International Finance and Participation Banking. At the Universiti Sains Islam Malaysia (USIM) the faculty of Economic, and Mu'amalat has Master Program called Islamic Finance. Since each university has different department of Islamic economics, the subject taught in each department accordingly different. However, since the problem of this research is to elaborate the curriculum design and its epistemological basis as well as the method of integration and Islamization, such differences would enrich the model of integration. The following is the depiction of curriculum design of each department that consist of rationale, vision and mission, objectives of the program, Courses Structure, Teaching and Learning Method, Evaluation, Islamization of Economics. Having depicted the curriculum design, this chapter will discuss the finding by examining the extent to which the programs apply the process of Islamization in all aspects of curriculum. In some cases there will be depiction of synopsis of courses, the result of integration and Islamization in the form of seminar, conference and publication.

## **4.1. University of Airlangga, Indonesia**

### **4.1.1. Rationale**

The philosophical basis of the establishment of master program of Islamic Economics at University of Airlangga Surabaya is to play the role of development of Islamic economics as well as Islamic finance.

This university offers the program of Master of Science in Islamic Economics. To develop Islamic economics and finance, the program prepares students to master conventional economic theories and sciences of Syariah in order to develop Islamic economics and finance comprehensively. By this rationale, the needs of Ummah for human resources who are able to communicate the Islamic economics, the professional managers of financial institutions, and researchers of Islamic economics can be met.

### 4.1.2. Vision

To be a Program of Magister Science of Islamic Economics which is world-class, innovative, and independent, as well as based on religious moral in developing sciences in the field of Islamic economics, finance, and business in year 2020.

### 4.1.3. Mission

1. Holding education in the field of Islamic economics, finance, and business comprehensively by integrating the development of science and the problem of society based on Islamic values with international standard
2. Holding the research and development of science in the field of Islamic economics, finance, and business which is approved in national and international level.
3. Holding community service for public (domestic and abroad) that support the implementation and development of Islamic economics, finance, and business.
4. Achieving the independence in the implementation of innovative teaching and learning processes based on competency in Islamic economics, finance, and business.

### 4.1.4. Objectives

Producing graduates with the following profile:

1. Decision Maker:

An expert of Islamic economics who is able to be a decision maker for planning the future development of Islamic economics by viewing and analyzing the existing economic phenomena that exist.

2. Communicator:

People's understanding of Islamic economics is still very limited, therefore, graduates are expected to be a good communicator to explain the true Islamic economic concept to them.

3. Professional:

To produce professionals who can fulfill the need of human resources in the Islamic financial institutions.

4. Researcher:

As a relatively new discipline, the need for research that can explore the economic values of the Qur'an and the Hadith is very high. Graduates are expected to be researchers to meeting those needs.

### 4.1.5. Curriculum Design

#### 4.1.5.1. Principles of Curriculum Design

The curriculum design is based on the above objectives namely decision maker, communicator, professional, and researcher. By having these profiles of graduates targeted to be produced, the courses are designed to achieve the features of graduate below.

- a. *Decision maker – Communicator* (Who is able to develop knowledge in the fields of Islamic economics, finance and business, both in the banking and non-banking sectors, both practically and conceptually).
  - 1) Being able to combine the basic principles of knowledge, scientific reasoning and non scientific one with the principles of scientific thinking in a scientific context and in Islam as the basis for critical insights to understand and develop knowledge of Islamic economics. (Course: Philosophy of Islamic Economics)
  - 2) Being able to interpret the role of the two main sources of Islam, Qur'an and Sunnah in the context of economics. (Course: Islamic Economics)
  - 3) Being able to interpret the history of Islamic financial institutions as well as the functions of the institution's management to be implemented today. (Course: Islamic Financial Institution)
  - 4) Being able to analyze the macroeconomic objectives us-



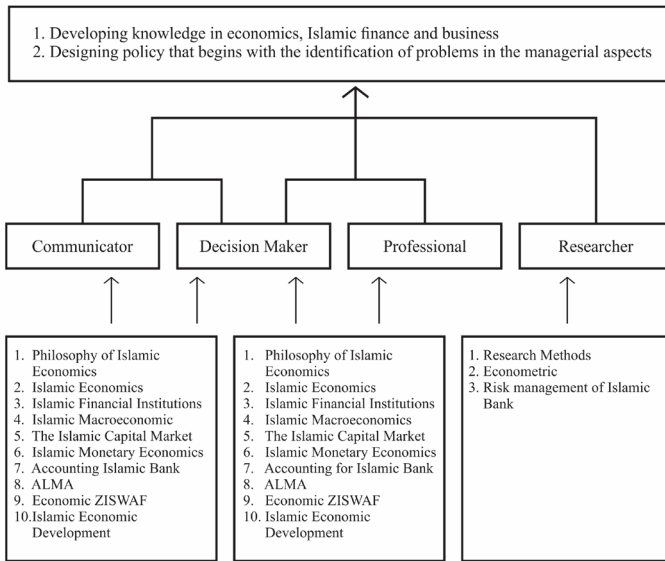
- ing the perspective of conventional and Islamic macroeconomics paradigms. This includes the view of Islam about economic growth, inflation, etc. (Course: Islamic Macroeconomics)
- 5) Being able to discuss the working mechanism and the complexity of Islamic capital markets including its *fiqh* framework, laws and regulations, and the ability to do election of series of Islamic capital market instruments so that the benefit received can be optimized. (Course: Islamic Capital Market)
  - 6) Being able to discuss the Islamic monetary economic policy, including its basic concepts, the purpose of the policy, the policy instruments, and the role of the central bank. (Course: Islamic Monetary Economics)
  - 7) Being able to compare the paradigm of Islamic accounting with the paradigm of conventional one, and to make the model of Islamic bank accounting policies in accordance with Islamic accounting standards applicable in Indonesia. (Course: Islamic Bank Accounting)
  - 8) Being able to discuss the theory of asset and liability management and distinguish it from the perspective of Islam and be able to discuss problems and strategies for the development of asset and liability management (Course: ALMA)
  - 9) Being able to discuss and conclude *Fiqh Zakat* (almsgiving) and *waqf* (endowment), to interpret the role of *zakat* and *waqf* as an instrumental value in Islamic economy, and to have basic managerial skills to manage *zakat* and *waqf*. (Course: Economics of *Zakat*, *Infāq*, *ṣadaqah* and *Waqf*)
  - 10) Being able to evaluate and criticize conventional economics and to interpret Islamic economics from primary sources of Islam, the Qur'an and Sunnah, in the context of economic development. (Course: Islamic Economic Development)

- b. *Decision Maker - Professional* (who are able to design a policy that begins with the identification of problems in the managerial aspects of Islamic finance in both banking and non-banking.
- 1) Being able to classify various forms of contracts in Islamic *Muamalat* system. (Course: *Fiqh Muamalat*).
  - 2) Being able to combine an understanding of the working mechanism and the complexity of Islamic finance including the legal and regulatory framework in various types of financial services such as banking, capital markets, insurance and so on. (Course: Islamic Financial Management)
  - 3) Being able to analyze and discuss the role of being the ideal leader as it is exemplified by the Prophet Muhammad in managing the organization. (Course: Islamic Leadership)
  - 4) Being able to analyze the history of Islamic public finance, the basic theory and application of contemporary public finances, and the concept of state financial expenditure based on the perspective of Islamic economics. (Course: Islamic Public Finance)
  - 5) Being able to analyze and compare the financial statements of Islamic banks and conventional banks in terms of liquidity, financing, collection, etc. (Course: Management of Islamic Bank)
  - 6) Being able to analyze comprehensively the issues in Islamic Micro financial Institutions. (Course: Islamic Microfinance Management)
  - 7) Being able to discuss the wealth management from the standpoint of both conventional and Islamic economics. (Course: Wealth Management)
  - 8) Being able to discuss the risks and uncertainties in the view of Islam as well as designing specific risk in the perspective of Sharia. (Course: Islamic risk management)
  - 9) Being able to evaluate the close relationship between the

activities which are in the economic sphere with activities in the realm of politics based on values of Islam. (Course: Islamic political economics)

- 10) Being able to compare the types of markets, and to provide arguments on how Islam views the types of markets and how a price is formed in the Islamic perspective. (Course: Islamic Microeconomics)
- c. *Researcher* (who are able to design methods, both quantitative and qualitative research in the fields of Islamic economics, finance, business based on problems of Islamic economics, finance, and businesses faced by society and the business world.
- 1) Being able to analyze the quantitative and qualitative research with examples related to Islamic economics. Examples of conventional economics are also discussed so that students can compare both. (Course: Research Methods)
  - 2) Being able to analyze the relationship between one variable with another variable in the context of Islamic economics studies (Course: Econometrics)
  - 3) Being able to make the pattern of risks and uncertainties in the Islamic view corresponding the arguments of Regulatory Risk Management, Risk Management Process, and Risk Management Model. (Risk Management of Islamic bank)

**Diagram 9 : Curriculum Design of Airlangga University**



#### 4.1.5.2. Course Structure

Students in the first semester are obliged to take 5 courses with 3 credits each. These 5 courses are the philosophy of science, *Fiqh Muamalat*, Islamic Economics, Islamic Leadership, and Islamic Financial Management. For the second semester, students will take a maximum of 5 courses with 3 credits depending on the GPA of first semester 1. The Five subjects are Islamic Macroeconomics, Islamic Microeconomics, Islamic Finance Institution, Islamic Public Finance, and Research Methods.

Towards the second semester completed, students will be given an offer to choose one among the three concentrations. There are 3 specializations:

- The specialization of Islamic financial and capital market
- The specialization of Islamic Banking
- The Specialization of Islamic Economics

For each specialization, students are required to take two courses: compulsory courses and elective courses. The organization of courses is as follows:

Table 1 UNAIR's Course Structure

| SEMESTER 1                    | SEMESTER 2                   | SEMESTER 3                        | Thesis |
|-------------------------------|------------------------------|-----------------------------------|--------|
| Philosophy Of Science         | Islamic Macroeconomics       | Econometrics                      |        |
| Fiqh Muamalat                 | Islamic Microeconomics       | Compulsory Specialization Courses |        |
| Islamic Economics             | Research Method              | Elective Specialization Courses   |        |
| Islamic Leadership            | Islamic Financial Public     |                                   |        |
| Islamic Financial Institution | Islamic Financial Management |                                   |        |

| No | Specialization                     | Compulsory Courses Of Specialization | Elective Courses Of Specialization            |
|----|------------------------------------|--------------------------------------|---|
| 1  | Islamic Finance And Capital Market | Islamic Financial Market             | Management of Islamic Microfinance            |
|    |                                    |                                      | Islamic Wealth Management                     |
|    |                                    |                                      | Islamic Risk Management                       |
| 2  | Islamic Banking                    | Management of Islamic Bank           | Accounting for Islamic Bank                   |
|    |                                    |                                      | Asset and Liability Mangement of Islamic Bank |
|    |                                    |                                      | Risk Management of Islamic Bank               |

|   |                   |                            |   |
|---|-------------------|----------------------------|---|
| 3 | ISLAMIC ECONOMICS | Islamic Monetary Economics | Economics of Zakat, Infaq, Shodaqoh, and Waqf |
|   |                   |                            | Islamic Development Economics                 |
|   |                   |                            | Islamic Political Economics                   |

Below is the synopsis of courses offered by Master Program of Islamic Economics of University of Airlangga.

1) Philosophy of Science

This course outlines the analytical understanding of knowledge to the students about the philosophy of science of Islamic Economics that begins by describing the historical development of science; the relationship of philosophy, science and philosophy of science; the position of the philosophy of science in the development of science; reviewing the cornerstone of science (ontology, epistemology and axiology); the method of scientific thinking; the problem of truth; the relationship between philosophy, science and technology and culture; and the status of religion in science and philosophy. In the explanation of each topic, the lecturer discuss the philosophy of science in the Islamic perspective as well as its relationship with the development of Islamic Economics.

2) Islamic Economics

This course weave further understanding to the students on the subject of Islam is more critical economic and technical. Students are also equipped with the knowledge related to the “what”, not the “how” Islamic economics. The topics in this course, for example covering the principles of Islamic economics, Islamic economic system, the role of the state and so on

3) *Fiqh Muamalah*

This course covers the basis of Islamic jurisprudence for *muamalah* and its development that starts from introduction, scope and position as well as the various concepts of Islamic jurisprudence for *muamalah* contracts and agreements as well as its

current development. Students are invited to evaluate various theories of Islamic jurisprudence for *muamalah* and the practices of it in the contemporary Islamic financial industry.

#### 4) Islamic Financial Management

This course discusses the company's financial management from the perspective of Islamic values. It explains the basics of conventional financial management in the Islamic perspective. The discussion includes the management of working capital and capital budget management and accounting of the cost of capital. Furthermore, it discusses issues relating to contemporary Islamic finance management encountered in everyday practice. Finally, it explores the the practices of financial system in Islamic countries.

#### 5) Islamic Leadership

This course discusses the Islamic leadership. After following this course, students are expected to have a conceptual understanding, theoretical and practical disciplines related to the Islamic leadership. Evaluating effective strategies led by Islamic values

#### 6) Islamic Microeconomics

Islamic Microeconomics courses provide insight to students about the importance of studying how the behavior of each individual in any economic unit that can act as consumers, workers, investors, owners of land or other resources, or the behavior of an industry.

#### 7) Islamic Financial Institution

This course provides knowledge about the various financial institutions that operate with the principles of Islam, its products, management and constraints as well as its development strategy. To follow this course the student has to pass *Fiqh Muamalah* course. After following this course, students are expected to elaborate, through a deep understanding, the management of Islamic financial institutions.

8) Islamic Macroeconomics

In the course of Islamic Macroeconomics, the structure of the discussion in this course follows the structure of the discussion in Macroeconomic standard, which includes of long-term analysis (investment and economic growth), medium term one (aggregate supply and aggregate demand, inflation and money supply growth) and short-term (market goods (goods market) and money markets). In each issue will always be discussed concepts of Islamic Economics that could be the framework in studying the macro-economic tools that are taught

9) Research Method

After attending this course, students are expected to be able to run quantitative and qualitative research with examples related to Islamic economics. Examples of conventional research are also discussed so that students can compare the two.

10) Islamic Public Finance

This course prepares students to understand public finance in the Islamic perspective. For this purpose, this course will discuss and analyze the history of Islamic public finance, and the basic theories and application of contemporary public finance. Furthermore, it explores the sources of state revenues in classical as well as contemporary practice with special review on Zakat and the concept of public expenditure in the Islamic economic perspectives.

11) Islamic Capital Market

This course covers: an Overview of the Islamic Capital Market, Indonesian Capital Market Structure, Understanding Security in Capital Market I, Understanding Security in Capital Market II, the Issuers of Stock and Bond, Corporate Action, investment and risk management, Technical and Fundamental Analysis, Fundamental Analysis for stocks, Portfolio Assessment, Assessment of Bonds and Sukuk, Securities Analysis Portfolio Management.

12) Management of Islamic Bank

Islamic Bank Management course discusses: Introduction to



Islamic Banking Management and Principles of Islamic Banking operations; Calculation of profits sharing between Islamic Bank and the depositors; Financing management; Murabaha Financing Analysis; Analysis of Musharaka and Mudaraba financing; Fee Based Income; Risk Management Supervision; Management of Assets and Liabilities; Liquidity management; Financial Statement Analysis; Analysis of the Bank; Islamic Bank Supervisory System.

### 13) Islamic Monetary Economics

Islamic monetary course discusses: Introduction; Credit Creation; Monetary Instruments and Financial Markets; The Central Bank; Financial System Stability; Price of Money; Theory of Money Demand; Theory of Money Supply; Monetary Policy Framework; Monetary transmission; Sharia Monetary Instruments; Introduction to Gold

### 14) Management of Islamic Microfinance

This course covers: the Introduction, Microfinance Models, Sustainable Islamic Microfinance Model, the Financial Statements of Islamic Microfinance Institutions, Journal, Islamic Microfinance Management, Financial Analysis.

### 15) Islamic Wealth Management

Islamic Wealth Management course discusses: Introduction to wealth planning and management, Islamic Wealth Management, Financial Planning, Wealth (assets) allocation process, Investment in Real Assets, Estate Planning, Investment in Securities, Retirement Planning, Tax Planning Management, Waqof, Zakat Planning, Insurance Planning, Education Planning.

### 16) Islamic Risk Management

The Course discusses: Risk concept in Islam; Risk and Return; Risk Management process; Risk identification techniques; Predicting the Likelihood of Risk; Knowing the Risk Impact (Value at Risk); Handling Risk; diversification; The risk of non-financial company; Risks in Capital Markets; The risk of Takaful (Islamic Insurance); Risks at Islamic Bank.

17) Islamic Bank Accounting

Accounting for Islamic Bank discusses: The Islamic views on Accounting; Accounting concept in Islam; The concept of financial statements in Islam; Accounting and Islamic Ethics; Accounting standards for Islamic banks; zakat accounting in Islamic Bank; Accounting for the distribution of funds in Islamic banks; Accounting for funding in the Islamic bank; Accounting for investments in Islamic banks; Socio-economic report for Islamic banks; Islamic bank accounting harmonization; Implementation Audit in Islamic banks.

18) Asset and Liability Management of Islamic Bank

Asset and Liability Management of Islamic Bank discusses: Introduction of Islamic ALMA; the function of Islamic ALMA; Asset and Liabilities Management Applications at Islamic Bank; Liquidity Management in Islamic Banking; Treasury at Islamic Bank; Earning and Investment Management at Islamic Bank; Pricing Strategy for Funding; Pricing Strategy for Financing; Analysis of Cost of Fund at the Islamic Bank; Islamic ALCO; Instrument of Management of Assets and Liabilities; Case Study of Assets and Liabilities Management in Islamic Banking.

19) Islamic Bank Risk Management

Islamic Bank Risk Management discusses: Risk and Uncertainties; Framework for Risk Management; Risk in Islamic Banking Products; Risk Regulation; Risk Management Process; Risk Models; Asset Liability Management (ALM); ALM Simulation; Market Risk; Credit Risk; Liquidity Risk; Operational Risk.

20) Economics of *Zakat, Infaq, Shadaqah, and Waqf*

Economics of ZISWAF course discusses: Fiqh of Zakat; Fiqh of Shadaqah; Fiqh of Waqf; Zakat as a policy tool; the role and importance of Zakat in Islamic Economics; Contemporary issues Zakat; Zakat institution management; Management of Zakat Organization; and Waqf.

21) Islamic Development Economics

This course studies: Pillars of Planning for Meaning and

New Paradigm Evolution of Development Economics; Theories and Models of Conventional Development Economics; Theories and Models of Islamic Development Economics; Success Indicators for Development; Key Issues and Causes of Decline in Development Economics; Challenges in Economic Development Planning; Islamic Development Strategies; Distribution Scheme and Justice Income Distribution in Islam; Employment Policy in Islam; Welfare in Islam.

## 22) Islamic Political Economics

The course discusses the Islamic political economics that covers: Introduction and Basic Concepts of Political Economics; Political Economics in the Liberal Capitalism approach; Political Economics in Marxian Socialist approach; Political Economics in the neoclassical approach; Political Economics in the heterodox approach; Theories of political economics based on justice; Definition and Basic Concepts of Islamic Political Economics; The concept of Islamic state in political economics and political economics in the period of the Prophet Muhammad; Political Economics in Khulafa Rashidin period; Political Economics in the heyday of the Islamic caliphate; Current Issues of Globalization of Poverty and Economic Inequality; Construction of Islamic Economics.

### *4.1.5.3. Teaching and Learning Method*

- a. Lecturing System: the majority of subjects in this master program require learning strategies in the form of lectures. This is because the course requires an explanation of the Islamic values of both law and economics. Furthermore, they also need an explanation of the economic history in Rasulullah period using picture/graphics. Lectures here are not meant only one direction, but bi-direction is also possible.
- b. Discussion: discussion is one of the other forms of learning strategies applied in this study program. It is quite possible to explore the values of Islamic economics is based on the Qur'an

and Sunnah. Furthermore, postgraduate students enrolled in this program include graduate students from various types of majors in undergraduate level. Some students come from a religious background as *uṣūl fiqh* and *tarbiyah* (education). Some other students also come from the general sciences such as management, and others. Therefore, discussion or exchange ideas become very important.

- c. Case Study: other forms of learning strategies of this course is to study the case. It is very important for students to be able to view the facts in the field with the values of Islam that exist. One case study examples that can be given to students is about the development of *waqf* in Singapore are very good. It is certainly interesting to study why Singapore is the number of the people of Islam is a minority but have a very good instrument endowments. Expectations from this case study is the student can find a way or a solution to then be developed elsewhere.
- d. Soft Skills: there are lot of soft skills targeted by master program of Islamic Economics such as commitment, responsibility, critical thinking, ability to distinguish, appreciating other opinions, courageous and confident, analytical skills, ability to explain, identification of problems, thinking critically, Integrity, Initiative, ability to learn, creative, dare to make decisions, working together in teams, ability to communicate, reliable, etc.

#### **4.1.5.4. Evaluation**

Design assessment system must be made with reference to the expected competencies in this Master of Science in Islamic Economic (MSEI) program. The evaluation system includes not only the evaluation of the results achieved by the students, but also includes about evaluation of the learning process as a lecturer evaluation, evaluation of the material being taught to be consistent with the expected competencies etc.

The object of evaluation in the learning process is, of course,

is a student or students. Success or failure of students in a course is an indicator of the success of the learning process. The main indicator in this regard is of value test. There are various ways to test students is by Mid Semester Exam and Final Exam or it could be paper collection. How to test with the collection of papers is also very important to look at the ability of students to make a report. Systematic of writing style are things that can be evaluated. Parties that rate or evaluators in this case is the lecturer (lecturers in the course).

Material evaluation to determine the success or failure of students to absorb knowledge can be given an understanding of the theory and differences with each other theories, case studies accompanied by strong arguments (the answer of a student by another student may vary)

Student evaluation results will then be evaluated by lecturers and then made a certain programs so that teaching and learning can be better in the future. It is important to maintain the quality of teaching and learning process in this MSEI program.

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#### **4.1.6. Integration:**

The integration of Islam and conventional economics can be seen from the courses offered in this program. All courses offered in this master program try to integrate conventional and Islamic economics. In addition, this course offers philosophical course named by "Philosophy of Science". This course is aimed at bring-

ing students to able to combine the basic principles of knowledge, scientific reasoning and non scientific one with the principles of scientific thinking in a scientific context and in Islam as the basis for critical insights to understand and develop knowledge of Islamic economics. Furthermore, Luthfi Rahman argues that Dr. Imron, the lecture of Philosophy of Science is establishing discussion on how to derive Quran and Sunnah into concepts of Islamic Economics<sup>116</sup>. In practice, Dr. Leo Herlambang states that in thesis Viva, the students are asked about what is the Islamic economic component in their thesis<sup>117</sup>.

#### **4.1.7. Curriculum Design Orientation**

Looking at the organization of the course taught at University of Airlangga, we may infer that like other university in general the curriculum design employed is the combination of subject-centred and student-centred design. However, the student-centred is not really applied in the student learning activities, let alone the problem-centred orientation. Studying the provided text of courses is still dominant. The learning activities that close to the problem-centred model is case study, where student can choose their object of study and learn it from the real life.

## **4.2. Sunan Ampel Islamic State University, Indonesia**

### **4.2.1. Rationale**

The name of Master Program is Islamic Economics (Ekonomi Syariah). Before 2013 (before becoming University), Islamic Economics is a specialization offered under Master Program of Islamic Studies. Accordingly, since 2013 each specialization under master programs is transformed to be a master program. By this transformation, Islamic Economics is not a specialization again, but it is a Master Program. It means that Islamic economics receives a bigger attention to be developed.

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<sup>116</sup> Interview with Luthfi Rahman (lecture)

<sup>117</sup> Interview with Dr. Leo Herlambang, Substitute Head Department

Master program discusses the basic principles of Shari'ah economy, the economic value system of Sharia, transaction processing and economic superstructure in Islam. In addition, this study program examines the social and cultural framework that underlies the emergence of economic activity, form of organization, as well as a system of norms that regulate economic activities in the Muslim community.

#### **4.2.2. Vision**

“Being an excellent and internationally competitive Islamic University”

#### **4.2.3. Mission:**

1. Conducting education of multidisciplinary Islamic sciences, sciences and technology which is excellent and competitive.
2. Developing research of multidisciplinary Islamic sciences, sciences and technology that are relevant to the needs of the community.
3. Developing a pattern of religious-based community empowerment based on research.

Tagline: Building Character Qualities: for the Smart, Pious, Honorable Nation

#### **4.2.4. Objectives**

Master Program goal is to produce scholars who believe and fear Allah SWT, and has a spirit of Pancasila and a high scientific integrity. The scholars who are open, responsive to change, progress and development of science and the problems faced by the community, especially with regard to the field of Islamic sciences. In addition, they have the ability, skill and mastery in the field of Islamic sciences in accordance with their concentrations, as well as having a scientific attitude as experts who are responsible for Islamic sciences.

## 4.2.5. Curriculum Design

### 4.2.5.1. Principles of Curriculum design

The philosophy of university education is to find, develop, innovate and disseminate knowledge in the field of Islamic sciences, humanities and social-science and technology so as to produce independent human resources, excellent, competitive and innovative.

This philosophy of education is applied through the three pillars of the academic program, consisting of: 1) strengthening of Islamic sciences which is pure but rare; 2) integration of Islamic scientific development with social science-humanities; 3) scientific weighting of science and technology with Islamic science.

### 4.2.5.2. Course Structure

There are no elective courses in this master program. All courses are compulsory. Below is the list of course for each semester.

Table 2 UIN Sunan Ampel's Course Structure

| Course                            | Credit Hours | Semester |
|-----------------------------------|--------------|----------|
| Introduction to Econometrics      | 3            | 1        |
| History of Islamic Civilization   | 3            | 1        |
| Quran and Hadits for Economics    | 3            | 1        |
| Islamic Economics Research Method | 3            | 1        |
| Contemporary Fiqh Mu'amalah       | 3            | 1        |
| Islamic Financial System          | 3            | 2        |
| Islamic Financial Management      | 3            | 2        |
| Islamic Marketing Management      | 3            | 2        |
| Islamic Accounting                | 3            | 2        |
| Islamic Banking Management        | 3            | 2        |
| Islamic Financial Institution     | 3            | 2        |
| Managerial Economics              | 3            | 3        |



|  |           |   |
|--|-----------|---|
| <i>Ushul Fiqh and Qawaid Fiqhiyyah</i> | 3         | 3 |
| Risk Management                        | 3         | 3 |
| Thesis                                 | 6         | 4 |
| <b>Total</b>                           | <b>48</b> |   |

#### ***4.2.5.3. Teaching and Learning Method***

Lecturing  
Project Presentation

#### ***4.2.5.4. Evaluation***

Mid and Final Examination  
Paper  
Assignment

### **4.2.6. Integration**

UIN Sunan Ampel develops a scientific paradigm with a model of the twin towers connected (integrated twin-towers). This integrated twin-towers model is a view of academic integration that Islamic sciences, the social-humanities, and science and technology are developing in accordance with the character and the specific object that is owned, but can greet each other, meet and relate to each other in a connected growth.

This model of integrated twin-towers move not within the framework of the Islamization of science, but Islamization of reason that is needed for the creation of a scientific system that is complementarily between the Islamic sciences, the social-humanities, and science and technology.

### **4.2.7. Curriculum Design Orientation**

The organization of the course taught at Sunan Ampel State Islamic university is like other university in general that is the combination of subject-centred and student-centred design. However, the most dominant design is subject-centred, for there

are number of subject matter or courses, taught in the class room in lecturing method. There seems to be no independent process of study applied for studying Islamic economics. Student-centred model of curriculum and problem-centred model are not applied in this university

### **4.3. Sunan Kalijaga Islamic State University, Indonesia**

#### **4.3.1. Rationale**

State Islamic University (UIN) Sunan Yogyakarta born as a continuation of the State Islamic University (College of), Office of the Academy of Sciences of Religion (ADIA), and the State Islamic Institute (IAIN). His aim is to explore the teachings of Islam and develop the spiritual heritage of the nation as the struggle of the people of Indonesia and participated in filling and realizing the ideals of Independence, which is to promote the general welfare and educate people.

UIN Sunan as institution Islamic Higher Education (IHE) realized the universality of Islam must accept pluralism of the nation and the process of globalization in the international arena. This statement requires UIN Sunan Kalijaga morally and academically responsible to study Islam; spreading peace and communicating it to all people of the world through the Tri Dharma of University; and empowering human resources who are experts in Islamic Studies, *Mu'min* and *Muttaqin*. The Post-graduate Program of Islamic economics is conducted in the department of Islamic Law with Specialization of Islamic Banking and Finance, and Specialization of Islamic Business Law.

#### **4.3.2. Vision**

Being an Excellent and Leading Master Program Islamic Law in the integration and development of a Just Islamic studies and law for human being

### 4.3.3. Mission

1. Developing masters level education in the study of Islamic law that is inter-connective-integrative, transformative, and multicultural.
2. Developing insight of Islam and the laws that are inclusive and transcendental.
3. Developing research and scientific study of Islam and the law that is contributive to the treasures of civilization.
4. Developing cooperation with various parties to improve the implementation and service of academic and community.

### 4.3.4. Objectives

1. Breeding Masters of Islamic law in the field of family law, finance and Islamic banking, Islamic business law, and the study of politics and government in Islam with the actual-inclusive mastery of Islamic knowledge and robust-reliable methodology within the framework of humanist-transcendental social transformation.
2. Breeding Masters of Islamic law in the field of family law, finance and Islamic banking, Islamic business law, and the study of politics and government in Islam who are professionals, and having scientific integrity and noble personality.
3. Producing Masters of Islamic law in the field of family law, finance and Islamic banking, Islamic business law, and the study of politics and government in Islam that is able to develop the idea of family law, Islamic finance and banking, Islamic business law and the study of politics and government in Islam, and able to actualize themselves in society.

### 4.3.5. Curriculum Design

#### 4.3.5.1. Principles of Curriculum design

The principle of curriculum design used in Master of Islamic Law of UIN Sunan Kalijaga is interconnective-integrative, transformative, and multicultural paradigm.

#### 4.3.5.2. Course Structure

Table 3 UIN Sunan Kalijaga's Course Structure

##### 1. Specialization Islamic Banking and Finance

| COURSES GROUP               | COURSES  | CREDIT HOURS | SEM |
|-----------------------------|--|--------------|-----|
| Courses of Expertise Basics | Study of Quran and Hadits                              | 2            | 1   |
|                             | The Approach of Islamic Studies                        | 2            | 1   |
|                             | Audit and Supervision of Islamic Financial Institution | 2            | 2   |
|                             | Management of Islamic Bank                             | 2            | 1   |
|                             | Contract Law   | 2            | 2   |
|                             | <b>Subtotal</b>  | <b>10</b>    |     |
| Courses of Expertise        | Islamic Economics: Micro and Macro                     | 3            | 1   |
|                             | Islamic Economics Research Methodology                 | 3            | 2   |
|                             | Islamic Financial Management                           | 3            | 3   |
|                             | Islamic Finance Accounting                             | 3            | 1   |
|                             | <b>Subtotal</b>  | <b>12</b>    |     |
| Courses of Specialization   | Islamic Banking and Financial Institution              | 3            | 2   |
|                             | Islamic Banking Funding and Financing Management       | 3            | 3   |
|                             | Islamic Bank Financial Report Analysis                 | 3            | 3   |
|                             | Islamic Investment Management                          | 3            | 2   |
| <b>Subtotal</b>             | <b>12</b>  |              |     |

FINDING AND DISCUSSION

|                              |                          |           |   |
|------------------------------|--------------------------|-----------|---|
| Thesis                       | Thesis Seminar Proposal  | 2         | 3 |
|                              | Thesis                   | 6         | 4 |
|                              | <b>Subtotal</b>          | <b>8</b>  |   |
| Supporting Courses           | English Language (TOEFL) | 0         |   |
| <b>Total of Credit Hours</b> |                          | <b>42</b> |   |

2. Specialization of Islamic Business Law

| COURSES GROUP               | COURSES   | CREDIT HOURS | SEM |
|-----------------------------|---|--------------|-----|
| Courses of Expertise Basics | Study of Quran and Hadits: Theory and Methodology       | 3            | 1   |
|                             | The Approach of Islamic Studies                         | 3            | 1   |
|                             | Business Law  | 3            | 1   |
|                             | Management of Islamic Business                          | 3            | 1   |
|                             | <b>Subtotal</b>   | <b>12</b>    |     |
| Courses of Expertise        | Islamic Business Law Research Methodology               | 2            | 2   |
|                             | Ushul Fiqh: Theory and Methodology                      | 2            | 2   |
|                             | Fiqh for Economics and Contemporary Business            | 3            | 2   |
|                             | Procedural Law of Islamic Business Disputes             | 3            | 3   |
|                             | <b>Subtotal</b>   | <b>10</b>    |     |
| Courses of Specialization   | Islamic Banking and Financial Institution               | 3            | 2   |
|                             | Islamic Business Contractual Application                | 3            | 2   |
|                             | Mediation and Settlement of Islamic Business Disputes   | 3            | 3   |
|                             | Audit and Supervision of Islamic Financial Institutions | 3            | 3   |
|                             | <b>Subtotal</b>   | <b>12</b>    |     |

|                    |                              |           |   |
|--------------------|------------------------------|-----------|---|
| Thesis             | Thesis Seminar Proposal      | 2         | 3 |
|                    | Thesis                       | 6         | 4 |
|                    | <b>Subtotal</b>              | <b>8</b>  |   |
| Supporting Courses | English Language (TOEFL)     | 0         |   |
|                    | <b>Total of Credit Hours</b> | <b>42</b> |   |

#### ***4.3.5.3. Teaching and Learning Method***

- a. Seminars system: students are stimulated to continue reading, researching and analyzing systematically and logically.
- b. Soft skills: In order to create an academic climate and atmosphere that emphasizes the deepening and widening students' insight, students are trained in critical, rational, independent and open-minded thinking.

#### ***4.3.5.4. Evaluation***

Written Examination: Mid and Final Examination

Project Presentation

Assignments

#### ***4.3.6. Integration***

The integration uses interconnective-integrative, transformative, and multicultural methodology. Interestingly, admitting the tag line of interconnective-integrative, the new Postgraduate director, Prof. Noorhaidi Hasan, MA., M.Phil., Ph.D. does not agree with Prof. Amin Abdullah in applying interconnective-integrative. According to him, there is no need of considering Quran in Science. Science should be developed as science such as what have been developed by the West. In addition, for him, the only way is to follow what the West did, and then can be approved by international academic world<sup>118</sup>.

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<sup>118</sup> Interview with Prof. Noorhaidi, Sag, MA, MPhil, PhD

### 4.3.7. Curriculum Design Orientation

There is no indication that the postgraduate program of this university employs student-centred design. Subject-centred curriculum design orientation is the most dominant design. The most dominant design is subject-centred where there is an agreed body of knowledge that students need to learn, while the lecturers formulate objectives followed by descriptions of content and method. Finally with the process of evaluation that include both assessment strategies and evaluation of the curriculum. In this model, the basis for devising subsequent elements is the objectives of learning while the degree of achievement of those objectives is evaluated and assessed. In this university student-centred model of curriculum and problem-centred model are not applied, there is no specific learning activities where students are left independently for solving any economics problem.

## 4.4. School of Islamic Economic Tazkia

### 4.4.1. Rationale

Master Program of Islamic Economics of STEI Tazkia has three specializations namely Islamic Business & Management, Islamic Wealth Management, and Islamic Accounting. It was opened on academic period of 2012/2013.

School of Islamic Economic Tazkia believes that all activities of human being, including economic affairs, must be guided by the laws and provisions of Allah SWT. Only by this, human being will be able to attain prosperity and success in a civilized society. The name of *Tazkia* literally comes from Arabic word, *Tazkiyyah*, which means growth and purification. Hence, consistent with this value, School of Islamic Economic Tazkia aims at producing graduates who can contribute to sustainable economic growth in a manner that can increase the well-being of the society, in line with the ethical and moral values of Islam. Additionally, it also aspires to produces a generation of Muslim professionals who

have the competence and commitment to do business creatively while maintaining the purity, sanctity of the process, and the sanctity of the output.

#### **4.4.2. Vision**

Being a leading Islamic Economics Master Program at the regional level, and globally competitive by promoting the principles of Islamic ethics, and good governance of university in 2020"

#### **4.4.3. Mission**

1. Preparing human resources who are competent in the academic field, professional and having global conception in the field of Islamic business and management, Islamic wealth management, and Islamic accounting.
2. Organizing a foremost and leading learning process with the privilege of service management that emphasizes academic principles of good university governance so that can be a model for other universities.
3. Being the center of the application and development of knowledge for the entire academic community through scientific activities to produce brilliant works that the results can be disseminated to all parties with the aim to improve the welfare of the community.
4. To provide a better understanding, appreciation, and practice of the teachings of Islam so that a human being is noble, having high personal integrity, embracing responsible academic freedom based on scientific integrity, relying on the expertise, having entrepreneurial vision and able to develop institutional cooperation in higher education.

#### **4.4.4. Objectives**

1. Producing graduates with academic skills that have core competencies in the fields of Islamic business and management, Islamic wealth management, and Islamic accounting



which is expected to have high bargaining power to fill strategic positions both at national companies and multinational companies.

2. To produce graduates who are able to become a pioneer in the application and development of science through scientific activities and further study and disseminate the results to the public to improve their understanding of Sharia-based business activities.
3. Making the Master program of Islamic Economics of STEI Tazkia as a world class education model in the field of Islamic business and management, Islamic wealth management and Islamic accounting by applying competency-based curriculum in accordance with market needs and changes in the environment.
4. Organizing an effective and efficient learning process by prioritizing privileges of academic services which is accompanied by the professionalism of all those involved, and encouraging the creation of a conducive academic culture.
5. Developing and fostering institutional cooperation and mutually beneficial partnership with other higher education institutions and industry both domestically and abroad.

#### **4.4.5. Curriculum Design**

##### ***4.4.5.1. Principles of Curriculum design***

STEI Tazkia's Curriculum of postgraduate program is designed based on the needs of business and industry that is applicable and following the latest developments in the field of Islamic wealth Management, Islamic Accounting, and Islamic Business and Management. The curriculum is expected to produce graduates who can function as professionals, academics, entrepreneurs, and community development executor.

#### 4.4.5.2. Course Structure

Table 4 STEI Tazkia's Course Structure

| COURSES GROUP   | COURSES  | CREDIT HOURS | SEM |
|---|--|--------------|-----|
| <b>Core Courses</b>   | Islamic Microeconomics                           | 3            | 1   |
|   | Islamic Macroeconomics                           | 3            | 2   |
|   | Usul Fiqh and Fiqh Muamalah                      | 3            | 1   |
|   | Corporate Governance and Islamic Business Ethics | 3            | 1   |
|   | Research Method                                  | 3            | 2   |
|   | Econometrics                                     | 3            | 1   |
|   | Philosophy and Economic Thought of Islam         | 3            | 2   |
|   | Maqasid Sharia                                   | 3            | 2   |
| <b>Courses of Specialization of Islamic Business and Management (Students should elect 4 courses)</b> | Islamic Financial Management                     | 3            | 3   |
|   | Islamic Marketing Management                     | 3            | 3   |
|   | Islamic Human Resource Management                | 3            | 3   |
|   | Operations Management                            | 3            | 3   |
|   | Management of Islamic Financial Institutions     | 3            | 3   |
|   | Islamic Financial Derivative                     | 3            | 3   |
|   | Islamic Strategic Management                     | 3            | 3   |
|   | Restructuring, Merger and Acquisition            | 3            | 3   |
| <b>Courses of Islamic Wealth Management (Students should elect 4 courses)</b>                         | Islamic Wealth Management                        | 3            | 3   |
|   | Islamic Financial Markets                        | 3            | 3   |
|   | Ownership and Wealth Distribution in Islam       | 3            | 3   |
|   | Money and Banking                                | 3            | 3   |
|   | Asset Management in Islamic Finance              | 3            | 3   |

|  |   |   |   |
|--|---|---|---|
|  | Risk Management in Islamic Finance          | 3 | 3 |
| <b>Courses of Specialization of Islamic Accounting (Students should elect 4 courses)</b> | Strategic Management Accounting             | 3 | 3 |
|  | Accounting information Systems              | 3 | 3 |
|  | Practice and Auditing Issues                | 3 | 3 |
|  | Islamic Accounting                          | 3 | 3 |
|  | Islamic Accounting Standards and Guidelines | 3 | 3 |
|  | Financial Statement Analysis                | 3 | 3 |
| <b>Thesis</b>  | Thesis                                      | 6 |   |

#### ***4.4.5.3. Teaching and Learning Method***

STEI Tazkia combines lecturing model of teaching and practicum.

1. Lecturing System consists of classical method, discussion, presentation, simulation, and cases solving.
2. Practicum is structured exercises activities in laboratory to support students' understanding

#### ***4.4.5.4. Evaluation***

- a. Class participation
- b. Structured assignments
- c. Quiz
- d. Written examination (mid and final exam)

#### ***4.4.6. Integration***

According to Dr. Sanrego (senior lecturer), the theory of Islamic Wealth is the basis of Islamization for master program. Although it is still the individual idea, he believes it can be done, as the weekly discussion held by the institution is effective to impose this idea to other colleagues<sup>119</sup>.

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<sup>119</sup> Interview with Dr. Sanrego

#### **4.4.7. Curriculum Design Orientation**

Curriculum design at this postgraduate program still emphasizing on subject-centred curriculum design orientation. In this subject-centred design the focus of activities is an mastering an agreed body of knowledge, while the lecturers formulate objectives followed by descriptions of content and method. The process of evaluation includes both assessment strategies and evaluation of the curriculum. In this model, the basis for devising subsequent elements is the objectives of learning while the degree of achievement of those objectives is evaluated and assessed. In this university student-centred model of curriculum and problem-centred model are not applied, there is no specific learning activities where students are left independently for solving any economics problem.

### **4.5. International Islamic University Islamabad, Pakistan**

#### **4.5.1. Rationale**

The International Institute of Islamic Economics is was established in August 1983 and it became an integral part of the International Islamic University in 1985. The Institute has been offering the academic programs in three departments namely Department of Economics, Department of Economics and Finance, Department of Islamic Banking and Finance

The Institute has a well-established Research and Training division and also the facility of virtual conferencing. This way, it is on line with prominent centers of Islamic Economics situated in different Universities all over the world. Presently, the Institute is equipped with highly qualified faculty, well competent in teaching and research (about 10 faculty members having doctorate degrees). The institute has been offering refresher courses for university teachers and senior government officials as well as bankers. Likewise, the institute has been conducting seminars,

conferences, workshops and symposia on national and international issues at appropriate moments. These programs have brought together prominent scholars, academicians and practitioners in different areas business and finance to discuss the issues and problems which people are facing and to suggest feasible solutions.<sup>120</sup>

#### 4.5.2. Objective Mission and Vision

The International Institute of Islamic Economics is primarily concerned with organization and promotion of teaching and research in the field of economics and allied disciplines, with particular emphasis on Islamic economics. In order to materialize this objective, the Institute has adopted a multi-dimensional strategy, with the following important aspects:

1. Organization of teaching activities at the Bachelor, Master and Doctoral levels for both male and female, in the areas of Economics, Islamic Banking, Finance and Applied Economics, by offering admissions to students from all over the world.
2. Promotion of research in individual and collective capacities in the relevant fields through seminars, conferences, workshops, symposiums, surveys and publications unilaterally as well as in collaboration with other national and international organizations for the purpose.
3. Provision of training facilities to teachers and practitioners like bankers, officers in business and financial institutions, both from the private and public sectors, by conducting seminars and offering short courses.
4. Extension of consultancy services to public and private business institutions.
5. Coordination and interaction with other educational and research institutions, both Pakistani and overseas, through exchange of students and research associates, organization

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<sup>120</sup> Unpublished Brochure of the Institute

of lectures, tours and visits of eminent scholars, provision of scholarships and bursaries etc.

6. Adoption of all other feasible measures as may be helpful in promoting welfare of the Muslim Ummah through education and research.<sup>121</sup>

In addition to above explication of the Institute, Dr. Tahir additional mission and objectives as the following.

*Mission*

1. Preparing a new breed of scholars who may simultaneously think on the sharia side on one hand and modern economics and finance on the other.
2. To play significant role in the Islamization of economy including the abolition of *riba* in Pakistan's economy.
3. To develop Islamic economics by involving with seminars, teacher training program.

*Objectives*

1. Preparing a new breed of scholars who may simultaneously think on the sharia side on one hand and modern economics and finance on the other.
2. Socially to play significant role in the Islamization of economy including the abolition of *riba* in Pakistan's economy.
3. Scientifically it is to develop Islamic economics by involving with seminars, teacher training program.
4. To produce graduate who master knowledge of economics on internationally recognized academic standard who also master Arabic language by which he will be able to access the original sources of sharia namely the Qur'an, the Sunnah and Fiqh as well as to study of the existing store of knowledge Islamic economics with the ability to ask critical question and develop their answers from the Islamic point of view.

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<sup>121</sup> Unpublished Brochure of the Institute

### 4.5.3. Curriculum Design

#### 4.5.3.1. Principles of Curriculum design

- a. In the BS or BSc level students are taught fundamental knowledge of Islam relevance to Islamic economic and at the same time they are also taught conventional economics. Total number of courses that combine Islamic and conventional economics at BA or BS level is 44 courses.
- b. Considering that course on Islamic economics at BS and BSc level are sufficient to feed their knowledge, so MS economic students have to take only 4 compulsory courses, including Current Issues on Islamic economics. Pre-requisite for those who are from other univ....4 courses depend on their background
- c. At MS and MSc economics and MS and MS economic and Finance students are not to study Islamic economics and finance in more detail version, except in the course of Current Issues on Islamic Economics for the former department, and Current Issues on Islamic finance for the later.
- d. At MSc Islamic Banking and Finance students are to take 4 compulsory courses all of which are of Islamic banking and finance including Current Issues on Islamic finance. In addition the students are to choose 4 elective subjects, all of which are conventional but seen from Islamic perspectives.
- e. In addition to the compulsory courses of all department, students are to choose two elective subjects related to their respective departments.

### 4.5.3.2. Courses Structure

Table 5 IIUI's Course Structure

| MS ECONOMICS  |   |  |  |
|---|---|--|--|
| Compulsory Course   |   |  |  |
| 1   | Microeconomic Theory and Applications     |  |  |
| 2   | Macroeconomic Theory and Applications     |  |  |
| 3   | Econometric Theory and Applications       |  |  |
| 4   | Current Issues in Islamic Economics       |  |  |
| <b>Elective Course (Chose any four from the following list)</b> |   |  |  |
| 1   | General Equilibrium and Welfare Economics |  |  |
| 2   | Macroeconomic Dynamics and Growth Theory  |  |  |
| 3   | Methods and Models of Economic Dynamics   |  |  |
| 4   | Monetary Theory and Policy                |  |  |
| 5   | Advanced Monetary Economics               |  |  |
| 6   | Public Sector Economics                   |  |  |
| 7   | Advanced Public Finance                   |  |  |
| 8   | International Trade Theory and Policy     |  |  |
| 9   | International Finance                     |  |  |
| 10  | Development Theory and Policy             |  |  |
| 11  | Development Policy                        |  |  |
| 12  | Development Planning                      |  |  |
| 13  | Demography and Population Studies         |  |  |
| 14  | Advanced Labor Economics                  |  |  |
| 15  | Environmental Policy                      |  |  |
| 16  | Climate Change and Development            |  |  |
| 17  | International Finance for Development     |  |  |
| 18  | Development Microeconomics                |  |  |
| 19  | Development Macroeconomics                |  |  |
| 20  | Applied Econometrics                      |  |  |
| 21  | Advanced Econometrics                     |  |  |
| 22  | Financial Economics                       |  |  |
| 23  | Experimental Economics                    |  |  |



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|    |   |  |  |
|----|---|--|--|
| 24 | Trade and Globalization                     |  |  |
| 25 | Income Distribution and Poverty Alleviation |  |  |
| 26 | Financial Markets and Corporate Governance  |  |  |
| 27 | Happiness and Economics                     |  |  |
| 28 | Economic History of South Asia              |  |  |
| 29 | Advanced Managerial Economics               |  |  |
| 30 | Issues in Pakistan Economy                  |  |  |

| <b>MS Economics and Finance</b>                          |  |  |  |
|--|--|--|--|
| Compulsory Course  |  |  |  |
| 1  | Microeconomic Theory and Applications      |  |  |
| 2  | Macroeconomic Theory and Applications      |  |  |
| 3  | Econometric Theory and Applications        |  |  |
| 4  | Current Issues in Islamic Finance          |  |  |
| Elective Course (Chose any four from the following list) |  |  |  |
| 1  | Analysis of Financial Statement            |  |  |
| 2  | Corporate Finance                          |  |  |
| 3  | Portfolio Theory and Investment Analysis   |  |  |
| 4  | Financial Economics                        |  |  |
| 5  | Financial Econometrics                     |  |  |
| 6  | Micro Finance                              |  |  |
| 7  | Multinational Corporations and Finance     |  |  |
| 8  | Financial Markets and Corporate Governance |  |  |
| 9  | Financial Reporting                        |  |  |
| 10   | International Finance for Development      |  |  |
| 11   | Development Theory and Policy              |  |  |
| 12   | Monetary Theory and Policy                 |  |  |
| 13   | Financing Projects                         |  |  |
| 14   | Financial Risk Management                  |  |  |
| 15   | Behavioral Finance                         |  |  |
| 16   | Mergers and Acquisitions                   |  |  |
| 17   | Economic History of South Asia             |  |  |
| 18   | Happiness and Economics                    |  |  |
| 19   | Advanced Managerial Economics              |  |  |

|    |                            |  |  |
|----|----------------------------|--|--|
| 20 | Issues in Pakistan Economy |  |  |
|----|----------------------------|--|--|

| <b>MS Islamic Banking and Finance</b>                             |   |  |  |
|---|---|--|--|
| <b>Compulsory Course</b>  |   |  |  |
| 1   | Designing and Pricing of Islamic Financial Instruments                    |  |  |
| 2   | <i>Sharia</i> and Accounting Standards for Islamic Financial Institutions |  |  |
| 3   | Econometric Theory and Applications                                       |  |  |
| 4   | Current Issues in Islamic Finance   |  |  |
| <b>Elective Courses (Choose any four from the following List)</b> |   |  |  |
| 1   | Analysis of Financial Statement   |  |  |
| 2   | Corporate Finance   |  |  |
| 3   | Portfolio Theory and Investment Analysis                                  |  |  |
| 4   | International Banking   |  |  |
| 5   | Commercial and Investment Analysis  |  |  |
| 6   | Islamic Banking Theory, Practice and Legal Framework                      |  |  |
| 7   | Marketing of Financial Services   |  |  |
| 8   | Islamic Banking and Financial Markets                                     |  |  |
| 9   | Multinational Corporations and Finance                                    |  |  |
| 10  | Financial Markets and Corporate Governance                                |  |  |
| 11  | Financial Reporting   |  |  |
| 12  | Financing Projects  |  |  |
| 13  | Micro Finance   |  |  |
| 14  | Behavioral Finance  |  |  |
| 15  | Development Theory and Policy   |  |  |
| 16  | Financial Risk Management   |  |  |
| 17  | Economic History of South Asia  |  |  |

### **4.5.3.3. Teaching and Learning Method**

- a. Lecturing System: lecturer delivers subject and then opens question and discussion for students
- b. Presentation and Seminar system: lecturer gives assignment to the students individually or in group, and at the second of each semester students have to present the assignment in the class under the guidance and the supervision of lecturer, and at the end, the lecturer gives some comments and criticism.

### **4.5.3.4. Evaluation**

- a. Written examination
- b. Paper
- c. Assignment
- d. etc.

### **4.5.4. Integration:**

At BS and MS level the Islamic economics are taught hand in hand or simultaneously with and the conventional. However, the methodology how to integrate the two systems from epistemological perspective is not yet introduced and even no special course methodology of integration or Islamization.

The integration is carried out by each individual teachers according to the subject taught. Initially teachers teach conventional economics and then give some criticisms and compare it with Islam. Subsequently, teachers come with solution from Islamic theories relevant to the conventional one. The next step that could be done by the lecturers is to come up with new theory of Islamic economic based on their critics. However, not all teacher has the ability to do so, and therefore, the program of Islamization or integration in this institute is not carried out institutionally, where all lecturers have the same ideal and practices on the program of Islamization. In addition students are not encouraged to deal with the issue of Islamization of economics when they write their assignments, theses and dissertations.

Basically some lecturer realized that they cannot always find something parallel in both system, because Islam has its own system of values that totally different from the conventional system of economics. The others also noted that Islamization is not necessarily to challenge the conventional system of economics. “our focus is to build guiding principle of Islamic economics behavior” (Dr. Yasin). Despite the fact that the methodology of integration is not explicitly introduced or taught Dr. Hafiz Muhammad Yasin, Director of IIIIE and one of lecturers on Islamic economics, for example has successfully written a textbook on *The Principle of Islamic Economic*, where he came out with theories of Islamic economic such as supply and demand, distribution and consumption, development in Islam, etc.

In addition to the institute effort to carry out the process of Islamization and integration the Institute also published some works of lecturer that deal with the new concept of Islamic economics. The Institute also hold various topics of seminars and conferences on Islamic economics. The following are the list of the books published and seminars held:

#### 4.5.5. Book Published

| No | Title of the Book  |
|----|--|
| 1  | Distributive Justice and Need Fulfillment in an Islamic Economy-Dr. Munawar Iqbal (1988).                                  |
| 2  | Distributive in Macroeconomic Framework: An Islamic Perspective-Dr. M. Fahim Khan (1988)                                   |
| 3  | Economic Teaching of Prophet Muhammad (PBUH). A selected Anthology of Hadith Literature on Economics- M. Akram Khan (1989) |
| 4  | Economics Development in an Islamic Framework Edited-Dr. M.A. Mannan and Mehboob Ahmed (1996).                             |
| 5  | System of Zakat in Pakistan. An Appraisal-Dr.Nasim Shah Shirazi (1996)   |
| 6  | Islamic Economics: An Annotated Bibliography-M. Akram Khan (1997)  |

|    |   |
|----|---|
| 7  | Islamic Fiqh Main Nizam-e-Mudaraba (Urdu Version)-Sharifuddin Khattab translated by Dr. Tahir.  |
| 8  | IIIE's Blueprint of Islamic Financial System-Dr. Sayyid Tahir (1999)  |
| 9  | Istehsan Aur Maliati Umoor (Urdu Version)-Hashim Kamali translated by Husnul Amin (2001)  |
| 10 | Masail-e-Zakat wa Sadqat (Urdu Version)-Prof. Wahbah Zuhaili translated by Hakeemullah (2004)   |
| 11 | Sharia'h Maxims on Financial Matters-Dr. Mohammad Tahir Mansoori (2008)   |
| 12 | Book on Proceeding of Conference "Socio-Economic Challenges faced by Pakistan" Editors: Dr. Mohommad Irfan and Dr. Hafidz M. Yasin (2009) |
| 13 | The Swat State, Fiscal System and Economic Development (An Analytical Study) Dr. Nasim Shah Shirazi and Dr. Hafidz M. Yasin (2010).       |

#### 4.5.6. Conferences/Lectures/Workshops/Seminars

1. Two-day International workshop on Business models in Islamic microfinance organized by IIE in collaboration with Islamic Research and Training Institute (IRTI), Jeddah. (6<sup>th</sup> to 8<sup>th</sup> May 2014).
2. Lecture on "Islamic Economics: A Critical Review" delivered by Dr. Muhammad Fahim Khan, Former Director IRTI, Islamic Development Bank (IDB, Saudi Arabia, on March 28, 2014, in the Auditorium Faculty Block-II, IIUI.
3. Two-day Symposium on "Islamic Economics and Finance" was organized by IIIE in collaboration with IRTI, IDB Jeddah, Saudi Arabia on July 6-7, 2011.
4. Lecture on "Islamic Banking and Finance in Current Crises" delivered by Dr. Haumayon Dar, Chief Executive of BMB Islamic London, on April 09, 2009 in the Auditorium Faculty Bloc-II, IIUI.

### **4.5.7. Curriculum Design Orientation**

The curriculum design in this Institute is the same as other university, namely Subject-centred curriculum design orientation. This design is the most dominant design where there is an agreed body of knowledge that students need to learn, while the lecturers formulate objectives followed by descriptions of content and method. The process of evaluation includes both assessment strategies and evaluation of the curriculum. In this model, the basis for devising subsequent elements is the objectives of learning while the degree of achievement of those objectives is evaluated and assessed. In this university student-centred model of curriculum and problem-centred model are not applied, there is no specific learning activities where students are left independently for solving any economics problem.

## **4.6. Istanbul Sabahattin Zaim University, Turkey**

### **4.6.1. Rationale**

The absence of studies on the area of Islamic Economics and Finance in which Turkey carries natural historical and cultural bonds made the İstanbul Sabahattin Zaim University (IZU) is the first to establish the program study in this area. In this regard, IZU opens postgraduate programs, master and doctoral, in the field of Islamic Economics and Finance. Interestingly, the name used is “International Finance and Participation Banking” instead of “Islamic Banking”.

### **4.6.2. Vision**

University’s vision: To become one of Turkey’s top seven research universities which stands out with it academic and physical infrastructure, highly-preferred graduates, and the publications regarded as main source of reference.

### 4.6.3. Mission

University's vision: To educate virtuous and distinguished leaders who embrace the values of our civilization, generate knowledge, serve humanity and shape the future.

### 4.6.4. Objectives

Goal (Thesis): Purpose of the Educational Administration and Supervision graduate program; to train experts in the field of management and control. for the Ministry of Education and other institutions, to raise the professional competence of the teachers, administrators and auditors working in educational institutions, to help students develop the knowledge and skills related to the field of educational sciences and to contribute in training them to be individuals competent in understanding, interpreting and applying the theories, models and research methods in their work areas.

Goal: Participation banks or working in the Islamic banking space or for candidates who want to work to give basic knowledge in this field, loans, risk management, enhance professional experience in fund management and marketing management field and to gain skills in customer relationship management.

Objectives (thesis): Whether they are institutions with the education system in our area managers and teachers of official education specialist training units to date information will be needed in this area and to introduce modern practices and skills and take advantage of how them while performing their duties to provide for them necessary guidance. Those who will work in educational institutions and employees, giving them the practical skills with theoretical knowledge, train managers and supervisors with scientific understanding.

Objectives: Participation of professionals currently working in the field of banking and Islamic banking to contribute their professional expertise and to ensure more rapid adaptation to new developments in the industry attaches great importance to

personal development. On the other hand, the sector is looking for new career opportunities for candidates is intense competition aims to create a professional infrastructure in this area.

#### 4.6.5. Curriculum Design

##### 4.6.5.1. Courses Structure

Table 6 IZU's Course Structure

#### (Thesis)Program Structure

| FIRST SEMESTER   |  |     |          |           |           |
|------------------|--|-----|----------|-----------|-----------|
| Code             | Course Title                             | C/E | L+U Hour | Credits   | CTS       |
| IFB 505          | International Finance                    | Yes | 3 + 0    | 3         | 7,5       |
| IFB 523          | Islamic Economic Thought and History     | Yes | 3 + 0    | 3         | 7,5       |
| IFB 525          | Islamic Commercial Law                   | Yes | 3 + 0    | 3         | 7,5       |
| IFB 5xx          | Elective Course I                        | Yes | 3 + 0    | 3         | 7,5       |
| Elective Courses |  |     |          |           |           |
| IFB 521          | Corporate Governance and Credit Analysis | No  | 3 + 0    | 3         | 7,5       |
| IFB 527          | Financial Management                     | No  | 3 + 0    | 3         | 7,5       |
| <b>Total</b>     |  |     |          | <b>12</b> | <b>30</b> |

| SECOND SEMESTER |  |     |          |         |      |
|-----------------|--|-----|----------|---------|------|
| Code            | Course Title                                   | C/E | L+U Hour | Credits | ECTS |
| IFB 510         | Capital Markets                                | Yes | 3 + 0    | 3       | 7,5  |
| IFB 524         | Modern Economic Systems and Islamic Economics  | Yes | 3 + 0    | 3       | 7,5  |
| IFB 526         | Comparison of Conventional and Islamic Banking | Yes | 3 + 0    | 3       | 7,5  |



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| IFB 5xx          | Elective Course II           | Yes | 3 + 0    | 3       | 7,5  |
|------------------|------------------------------|-----|----------|---------|------|
| Elective Courses |                              |     |          |         |      |
| IFB 520          | Risk Management              | No  | 3 + 0    | 3       | 7,5  |
| IFB 506          | Corporate Finance            | No  | 3 + 0    | 3       | 7,5  |
| IFB 507          | Portfolio (Asset) Management | No  | 3 + 0    | 3       | 7,5  |
| IFB 508          | Islamic Insurance (Takaful)  | No  | 3 + 0    | 3       | 7,5  |
| IFB 504          | Research Methods             | Yes | 3 + 0    | 3       | 7,5  |
| THIRD SEMESTER   |                              |     |          |         |      |
| Code             | Course Title                 | C/E | L+U Hour | Credits | ECTS |
| IFB 501          | Graduate Seminar             | Yes | 0 + 0    | 0       | 0    |
| IFB 500          | Master's Thesis              | Yes | 0 + 0    | 0       | 30   |
| FOURTH SEMESTER  |                              |     |          |         |      |
| Code             | Course Title                 | C/E | L+U Hour | Credits | ECTS |
| IFB 500          | Master's Thesis              | Yes | 0 + 0    | 0       | 30   |
| Grand Total      |                              |     |          | 24      | 20   |

**Total credit required for graduation: 24**

**Total ECTS Credits: 120**

## INTERNATIONAL FINANCE AND PARTICIPATION BANKING

### (Non-Thesis)Program Structure

| FIRST SEMESTER   |  |     |          |           |           |
|------------------|--|-----|----------|-----------|-----------|
| Code             | Course Title                                   | C/E | L+U Hour | Credits   | ECTS      |
| IFB 505          | International Finance                          | Yes | 3 + 0    | 3         | 7,5       |
| IFB 523          | Islamic Economic Thought and History           | Yes | 3 + 0    | 3         | 7,5       |
| IFB 525          | Islamic Commercial Law                         | Yes | 3 + 0    | 3         | 7,5       |
| IFB 5xx          | Elective Course I                              | Yes | 3 + 0    | 3         | 7,5       |
| IFB 5xx          | Elective Course II                             | Yes | 3 + 0    | 3         | 7,5       |
| Elective Courses |  |     |          |           |           |
| IFB 521          | Corporate Governance and Credit Analysis       | No  | 3 + 0    | 3         | 7,5       |
| IFB 527          | Financial Management                           | No  | 3 + 0    | 3         | 7,5       |
| <b>Total</b>     |  |     |          | <b>15</b> | <b>30</b> |
| SECOND SEMESTER  |  |     |          |           |           |
| Code             | Course Title                                   | C/E | L+U Hour | Credits   | ECTS      |
| IFB 524          | Modern Economic Systems and Islamic Economics  | No  | 3 + 0    | 3         | 7,5       |
| IFB 526          | Comparison of Conventional and Islamic Banking | No  | 3 + 0    | 3         | 7,5       |
| IFB 510          | Capital Markets                                | No  | 3 + 0    | 3         | 7,5       |
| IFB 5xx          | Elective Course III                            | No  | 3 + 0    | 3         | 7,5       |
| IFB 5xx          | Elective Course IV                             | Yes | 3 + 0    | 3         | 7,5       |
| Elective Courses |  |     |          |           |           |
| IFB 520          | Risk Management                                |     |          |           |           |
| IFB 506          | Corporate Finance                              |     |          |           |           |
| IFB 507          | Portfolio (Asset) Management                   |     |          |           |           |

|                       |                             |            |                 |                |            |
|-----------------------|-----------------------------|------------|-----------------|----------------|------------|
| IFB 508               | Islamic Insurance (Takaful) |            |                 |                |            |
| IFB 504               | Research Methods            |            |                 |                |            |
| <b>Total</b>          |                             |            |                 | <b>15</b>      | <b>30</b>  |
| <b>THIRD SEMESTER</b> |                             |            |                 |                |            |
| <b>Code</b>           | <b>Course Title</b>         | <b>C/E</b> | <b>L+U Hour</b> | <b>Credits</b> | <b>CTS</b> |
| IFB 500               | Master's Project            | Yes        | 0 + 0           | 0              | 30         |
| <b>Grand Total</b>    |                             |            |                 | <b>30</b>      | <b>90</b>  |

**Total credit required for graduation: 30**

**Total ECTS Credits: 90**

#### **4.6.5.2. Course Synopsis**

a. Islamic Economic Thought and History

Synopsis (Course Content): The primary purpose of this course is to provide a comprehensive framework of the basic principles of modern economic system and Islamic Economics. The historical concept of economic systems especially capitalism and socialism and their approaches to human and society will be analyzed in detail. Accordingly development trend and policy on Islamic economics and Islamic finance and their approaches to human and society will be discussed in detail and main differences will be highlighted as Islam differentiates between the basics needs and luxuries, there exists no concept of relative scarcity of resources in Islam. The current national and international applications and approaches of both modern economic systems and Islamic economics will be covered by considering the problems and solutions encountered.

b. Modern Economic Systems and Islamic Economics

Synopsis (Course Content): The primary purpose of this course is to provide a comprehensive framework of the basic principles of modern economic system and Islamic Economics. The historical concept of economic systems especially

capitalism and socialism and their approaches to human and society will be analyzed in detail. Accordingly development trend and policy on Islamic economics and Islamic finance and their approaches to human and society will be discussed in detail and main differences will be highlighted as Islam differentiates between the basics needs and luxuries, there exists no concept of relative scarcity of resources in Islam. The current national and international applications and approaches of both modern economic systems and Islamic economics will be covered by considering the problems and solutions encountered.

c. Islamic Commercial Law

Synopsis (Course Content): The primary purpose of this course is to provide a comprehensive framework for analyzing the theory and practice of Islamic commercial law. It starts with the general discussion on the concept of property and ownership that are relevant to the Islamic law of transactions. Then, it discusses the concept Islamic law of contracts in detail together with its general principles that include element of interest/usury (*ribā*), uncertainty (*gharar*). It also deals with the description of futures trading and the understanding of operational procedures of futures and futures markets.

d. Islamic Insurance (Takaful)

Synopsis (Course Content): The primary purpose of this course is to provide a comprehensive framework to discuss the reasons why conventional insurance is frowned upon, the need for and evolution of Takaful, the Sharia basis and features of Takaful, various models of Takaful, the status, opportunities and the challenges facing the Takaful industry.

e. Comparison of Conventional and Islamic Banking

Synopsis (Course Content): The main purpose of this course is to provide an introduction to the conventional banking system and Islamic banking and comparison between

conventional and Islamic banks. This course will enable the students to acquire comprehensive understanding on how Islamic banks work, the fundamentals of their functions and how they structure their financing and their resources mobilizations in accordance with Sharia principles. The course attempts to differentiate the elements between the Islamic banking system and its conventional counterparts.

f. Capital Markets

Synopsis (Course Content): The purpose of this course is to offer an overview of what a capital market is and how an investor may use the various capital markets for investment opportunities and to diversify risk. The course will focus on the instruments traded in modern financial markets, the mechanisms that facilitate their trading and issuance, as well as, an overview of global Islamic capital market developments. The course will also give a broad understanding of the determinants of competitive dynamics and performance in the global banking industry and will cover commercial, investment and participation banks.

g. International Finance

Synopsis (Course Content): The course focuses on understanding the theory of international finance and on its real world applications. Topics to be discussed will include foreign exchange markets, world capital markets (banking, debt and equity), international banking, currency derivative markets, Euromarkets, risk management, and investment decisions in the global marketplace.

#### ***4.6.5.3. Teaching and Learning Method***

Teaching-learning and assessment strategy: mixed method between teacher-centred and student-centred.

Teaching and learning activities will be conducted using lecture notes and group discussions. Students are also required to do their own self-study through guided field projects, assign-

ments and homework activities.

Mode of Delivery: the course will be delivered by the mode of lectures, case studies, group discussions and presentations.

Transferable Skills: Critical thinking and problem solving, teamwork, writing and oral communication

#### ***4.6.5.4. Evaluation***

For the assessment strategy, it is a continuous assessment through coursework (case study assignment, project paper submission and class presentation) and examination.

Assessment Methods and Types: The course assessment methods consist of midterm exam, assignments, attendance and final exam. The course will be assessed as; Mid-term Examination, Assignments, Final Exam.

#### **4.6.6. Integration**

The program is newly established in Turkey. In regard with integration, the stage of it is comparing conventional and Islamic economic system. However, Turkey had its own history of Islamic civilization, so that the development of Islamic economics is traced from the history of Ottoman Islamic Economic system. Furthermore, the philanthropy economic system still exists in Turkey until today. In other words, the integration or Islamization of Economics could be dynamic in Turkey cases.

#### **4.6.7. Curriculum Design Orientation**

This department claims that it employ mixed method between student-centered and teacher-centered model of curriculum design orientation. This university, perhaps follow Hilda Taba design that combined the four element of interactive model namely objective, content, method and evaluation.

## **4.7. International Islamic University, Malaysia**

### **4.7.1. Rationale**

The Department of Economics offers the master of Economics to provide graduate studies in Economics which combines both conventional and Islamic aspects: to produce experts who are competent in both conventional and Islamic Economics; to encourage further research in Islamic Economics and Policies in line with the fast changing economic environment. The Department's strength is in the areas of Islamic Economics, International Economics, Monetary Economics, Macroeconomics and Development Economics.

### **4.7.2. Vision**

To be a leading faculty of international excellence for teaching, research and consulting services integrating conventional economics, accounting, business and finance-related areas with Islamic values and ethics.

### **4.7.3. Mission**

1. To produce well-rounded professionals in economics, accounting, business administration and finance who are imbued with Islamic values and ethics.
2. To spearhead research and consultancy activities in Islamic economics, accounting, business and finance-related areas.
3. To promote publication activities in Islamic economics, accounting, business and finance-related areas.

### **4.7.4. Objectives**

The Department of Economics offers the master of Economics to provide graduate studies in Economics which combines both conventional and Islamic aspects: to produce experts who are competent in both conventional and Islamic Economics; to encourage further research in Islamic Economics and Policies in

line with the fast changing economic environment. The Department's strength is in the areas of Islamic Economics, International Economics, Monetary Economics, Macroeconomics and Development Economics.

#### 4.7.5. Curriculum Design

##### 4.7.5.1. Principles of Curriculum Design

IUM is a comprehensive university that offers academic programs in an integrated approach. The Kulliyyah (Faculty) of Economics and Management Sciences (KENMS) was one of the first two faculties to be established when the International Islamic University Malaysia (IIUM) began operations in 1983. In line with the University's vision and mission statements, it equips students with the knowledge and skills they need to face in our increasingly challenging world by integrating conventional economics, accounting, business and banking and finance education with Islamic guidance<sup>122</sup>.

##### 4.7.5.2. Courses Structure

The Master of Economics programme provides three (3) options for students to choose. These are:

Table 7 IIUM Master of Economics Programme

| Options  | Hours to complete |  |
|----------|-------------------|--|
| Option 1 | 42                | 24 credit hours of coursework + 18 credit hours thesis                     |
| Option 2 | 42                | 33 credit hours of coursework + 9 credit hours research Paper              |
| Option 3 | 42                | 39 credit hours of coursework + 3 credit hours of Applied Research Methods |

<sup>122</sup> <http://www.iium.edu.my/kenms/about/overview>



A student who opts for option 1 or option 2 must submit a thesis or research paper proposal to the Department’s post-graduate coordinator and his/her potential supervisor. Once it is approved, the student can proceed with the research writing. A supervisor and a co-supervisor (if necessary), will be appointed for the student.

For option 3, the student must register for ECON 6999: Applied Research Methods, normally in the final semester of the student’s studies. To enrol in the course, an outline of the research plan needs to be submitted to the Department’s postgraduate coordinator two weeks before the semester begins for approval.

Table 8 IIUM’s Course Structure

**Core Courses**

| Course Code | Course Name               |
|-------------|---------------------------|
| ECON 6070   | Econometrics              |
| ECON 6110   | Microeconomics            |
| ECON 6210   | Macroeconomics            |
| ECON 6610   | Islamic Economics Thought |

**Specialization Courses**

**Trade & Development**

| Course Code | Course Name                          |
|-------------|--------------------------------------|
| ECON 6370   | Economic Development & Policy        |
| ECON 6740   | International Trade: Theory & Policy |
| FIN 6263    | International Finance                |
| ECON 6999   | Applied Research Method              |

**Industrial Economics**

| Course Code | Course Name             |
|-------------|-------------------------|
| ECON 6430   | Environmental Studies   |
| ECON 6330   | Industrial Organisation |

|           |                         |
|-----------|-------------------------|
| ECON 6380 | Labour Economics        |
| ECON 6999 | Applied Research Method |

## Finance

| Course Code | Course Name                      |
|-------------|----------------------------------|
| FIN 6130    | Managerial Finance               |
| FIN 6850    | Corporate Finance                |
| FIN 6380    | Financial Derivatives            |
| FIN 6610    | Money, Banking & Capital Markets |

## Financial Economics

| Course Code | Course Name                      |
|-------------|----------------------------------|
| FIN 6610    | Money, Banking & Capital Markets |
| FIN 6263    | International Finance            |
| ECON 6810   | Financial Economics              |
| ECON 6999   | Applied Research Method          |

## Islamic Economics & Finance

| Course Code | Course Name  |
|-------------|--|
| ECON 6816   | Islamic Banking System & Operations                                  |
| ECON 6862   | Islamic Capital Markets  |
| ECON 6864   | Islamic Economics & Finance Issues<br>Form <i>Sharia</i> Perspective |
| ECON 6616   | <i>Sharia</i> Oriented Public Policy/ <i>Al Siasah Al Sharia</i>     |
| FIN 6650    | Regulatory Framework of Islamic Financial<br>Contracts               |
| ECON 6999   | Applied Research Method  |

### 4.7.5.3. Teaching and Learning Method

- a. Lecturing
- b. Project Presentation

#### **4.7.5.4. Evaluation**

- a. Written Examination consists of Mid and Final Examination
- b. Assignments
- c. Quiz
- d. Paper or Project

#### **4.7.6. Integration**

The integration done in IIUM is like what is achieved by IIU Islamabad. Both have strong Islamization curriculum in undergraduate level but less focus on it in postgraduate one. The policy of Islamization is not in a form of instruction but just an encouragement<sup>123</sup>.

#### **4.7.7. Curriculum design orientation**

The curriculum design at this university is more on subject-centred model and even teacher-centre model. It is because the faculty has already numbers of courses that should be mastered by student. The teacher put the target of certain material to learned by student in the class, and there no independent study where student are left freely to learn the material given by the teachers.

### **4.8. Islamic Science University of Malaysia (USIM) Malaysia**

#### **4.8.1. Rationale**

PHILOSOPHY: The integration of Naqli and Aqli knowledge combined with honorable qualities are the thrust in nurturing a noble generation and a knowledgeable society.

#### **4.8.2. Vision**

University's Vision: Integrating Naqli (revealed) and Aqli

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<sup>123</sup> Interview with Prof. Dr. Norma Md. Saad, Head Department of Economics

(rational) knowledge to transform and create value for country, ummah and humanity<sup>124</sup>.

Faculty's Vision: Support the intention to uphold knowledge and produce an individual with strong Islamic education based and able to contribute to the community, country and global society<sup>125</sup>.

### 4.8.3. Mission

University's Mission: Committed to be an advanced knowledge institution based on Islamic Studies, and to spearhead new knowledge using cutting edge technologies to produce innovations, which can transform the country, the ummah and humanity<sup>126</sup>.

Faculty's Mission: Aim to be a faculty that is selected and referred in the field of Islamic economics and muamalat through programs that meet the requirement of the stakeholders and the production of academic work relevant to the needs of the community<sup>127</sup>.

### 4.8.4. Objectives

Faculty's Objectives:

1. To organize world class, high quality research, studies and community service programs in order to produce graduates, scholars and intellects who are well balanced in the aspects of knowledge, devotion towards Allah swt and dedication towards the country and the nation.
2. To explore, develop and expand the knowledge of Islamic

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<sup>124</sup> <http://www.usim.edu.my/about-us/corporate-profile/motto-philosophy-vision-mission-theme-objectives>

<sup>125</sup> <http://fem.usim.edu.my/en/2014-08-22-07-56-02/vision-mission-goals-and-objectives>

<sup>126</sup> <http://www.usim.edu.my/about-us/corporate-profile/motto-philosophy-vision-mission-theme-objectives>

<sup>127</sup> <http://fem.usim.edu.my/en/2014-08-22-07-56-02/vision-mission-goals-and-objectives>

economics and muamalat via research, conference, and publication in order to harness the power of knowledge in developing the nation, which is according to the sacred and perfect Islamic philosophy.

3. To instill the values of devoted, ethical, and responsible Muslim based on the Islamic values in every member of the University including students, graduates, scholars, officers, academic and non-academic staffs, to enable them to contribute positively towards the development of Islam, the country and the nation.
4. To foster the positive spirit of competitiveness in students and scholars at local and international levels, together with the sense of respects, high endurance and independence in order to instill values of modern and progressive Muslims.
5. To establish mutually beneficial relationship and good rapport with all levels of community, industry, government sectors, professional organizations in order to promote cooperation in contributing towards the safety and the wealth of the nation<sup>128</sup>.

Vision, mission and goals of the faculty as a basis for the formulation of objectives and learning outcomes for program graduates and subsequently gave birth to an employee who is able to integrate Islamic and conventional knowledge to carry out tasks in the field of Islamic finance.

Islamic values are applied in various aspects of learning in line with the objectives of the faculty to produce graduates with high ethical values, knowledgeable, skilled and competent in carrying out the mandate as a graduate and employee<sup>129</sup>.

#### Program's Objectives:

1. To produce graduates who are able to contribute to the de-

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<sup>128</sup> <http://fem.usim.edu.my/en/2014-08-22-07-56-02/vision-mission-goals-and-objectives>

<sup>129</sup> USIM FEM, *Kod Amalan Akreditasi Program Sarjana Kewangan Islam*, 6 Ogos 2013, pg. 26

velopment of the Islamic finance industry on a national level from international.

2. Financial systems contribute to the development of Islam as an important factor of economic development of the country in terms of human capital and research.
3. Increasing the number of graduates who are farsighted, noble and high-power leadership in moving the country's development.
4. To produce graduates who have the qualifications, skills and ability to lead an organization with Islamic financial principles-based.
5. USIM put as an educational institution and leading research in the field of Islamic Finance.
6. Provides an opportunity for graduates to become professionals in this field<sup>130</sup>.

Program Learning Outcomes:

Graduates of the Master of Islamic Finance will have the knowledge, skills and attitudes that reflect professionalism in the field of Islamic Finance. Learning outcomes This program is designed to produce practitioners who are able:

1. to integrate Naqliyah and 'aqliyah knowledge in decision-making in contemporary issues relating to Islamic finance.
2. to lead a team and get involved in resolving the issue of Islamic finance through effective governance and communication.
3. to apply their entrepreneurial skills and life-long learning and career development as the development of information and communication technologies (ICT).
4. to adopt values of integrity, ethics and professionalism in contributing to the needs of the community<sup>131</sup>.

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<sup>130</sup> *Ibid*, pg. 23

<sup>131</sup> *Ibid*, pg. 23-24

### Program Outcomes:

At the end of this program, graduates of Islamic Finance Master program will have the following characteristics:

1. Analyze and integrate knowledge in the field of Islamic Finance.
2. Financial institutions manage the organization.
3. Make judgments and decisions about contemporary issues related to the field of Islamic finance.
4. Convey knowledge and rational solutions to all levels of the organization and its stakeholders.
5. Ability to work as a team in a variety of situations and is responsible for the group's decision.
6. Adopt values of integrity, ethics and professionalism within the organization as well as expressed their social responsibility to the community.
7. Learn skills to improve their quality and continuous and autonomous organizations.
8. Build, explore and seize employment and business opportunities.
9. Ability to take on the role of alternating between the chairman and members of the team towards effective leadership<sup>132</sup>.

## 4.8.5. Curriculum Design

### 4.8.5.1. Principles Curriculum Design

Master of Islamic Finance curriculum developed based on three principles, namely:

- a. Islam has a strong educational component;
- b. Rooted in the principles of Islamic finance are integrated; and
- c. The concept of broad-based learning.

The program offered by the principle of integrated education.

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<sup>132</sup> *Ibid*, pg. 24

The approach taken is a little different from the financial programs available in the market. In existing markets Islam and Financial components in these programs made either in “add-on” or by comparison (comparative studies).

In the approach “add-on” subjects “Islamic” is added at the end of study in addition to the usual conventional components. For comparative approach is the subject of “Islamic” is offered in conjunction with conventional subjects. However, this program curriculum is applying Islamic values and Muamalat in integrative way into the curriculum. This is done by, first, emphasizing basic education of Islam (eg. in Islamic Jurisprudence and Theology) by offering the subject in depth. Second: financial subject (*tijārī* and *ijtimā’ī*) such as the Islamic Financial Institutions and Markets be applied directly to the content described.

More than that, the faculty has been practicing better the scope of economics in the curriculum that covers all aspects of management, administration, finance and banking, which follows the current developments taking place. However, for Islamic Finance Master Program, the emphasis is on aspects *tijari* and at the same time look to the benefit of the community. This is highlighted by the renewal of faculty who are trying to differentiate with similar faculties in different universities.

For Islamic finance to practice in an ethical and professional is necessary based on the Sharia and legal framework. Efficient Islamic financial system is important for Muslims in particular that all available resources can be administered fairly and thus increase the life of the community. Islamic finance is manifested not only focus on profit alone but will be balanced with the strength of the community itself. From this description, it is clear that the curriculum has been developed in line with the vision, mission and objectives and scope of Islamic economics universities to which they are more universal form of the balance of the world and the hereafter, in line with the requirements of the Quran.



The aim of the courses offered is to produce graduates who are able to master and apply knowledge of finance, in addition to understanding the principles of human relations. Courses such as Islamic Theology, *Uṣūl Fiqh* (Legal Philosophy), Fiqh Muamalat Applications and *Qawā'id Fiqhiyyah* (Principle of Jurisprudence) will help make this program unique and hopefully graduates truly unique and competitive.

**4.8.5.2. Courses Structure**

Table 9 USIM’s Course Structure<sup>133</sup>

| COURSES GROUP   | COURSES  | CREDIT HOURS | SEM |
|---|--|--------------|-----|
| Core and Prerequisite Courses<br>(25 Credit Hours)      | Islamic Theology                                       | 4            | 1   |
|   | Usul Fiqh  | 4            | 1   |
|   | Fiqh Muamalat I  | 3            | 1   |
|   | Qawaid Fiqhiyyah                                       | 4            | 1   |
|   | Islamic Trade and Economic System                      | 3            | 1   |
|   | Management and Organization                            | 3            | 1   |
|   | Money and Banking                                      | 4            | 1   |
| Functional and Integrative Courses<br>(32 Credit Hours) | Corporate Financial Analysis                           | 4            | 1   |
|   | Islamic Financial Institution and Market               | 4            | 1   |
|   | Islamic Financial Transaction Accounting and Reporting | 4            | 2   |
|   | Financial Econometrics                                 | 4            | 1   |
|   | Research Method and Data Analysis                      | 4            | 2   |
|   | Wealth Management and Planning                         | 4            | 2   |
|   | Risk Management  | 4            | 2   |
| Seminar of Contemporary Issues                          | 4  | 2            |     |
| Thesis/Case Study                                       | Thesis or Industrial Case Study                        | 12           | 3   |
| <b>Total of Credit Hours</b>                            |  | <b>44</b>    |     |

<sup>133</sup> *Ibid*, p. 52.

### 4.8.5.3. Course Synopsis

a. Fiqh Muamalat

Synopsis: Fiqh Muamalat discusses the principles of fiqh muamalat, the concept of *al-ahliyah* and *al-mal* and their significance to *fiqh al-mu'āmalāt*, definition of contract and its basic element, the concept of voluntaries, matters defecting a contract, terms and condition of contract, obligations of contract, types of contract, Eg. contract of sale, lease, loan, rent, company, partnership, etc). The concept of *riba*, and the applications of *mu'āmalāt* contracts in the banking and financial industry, the focus will be in the Malaysian context.

b. Islamic Business and Economic System

Synopsis: The Course is to provide an understanding of the importance of good business economic management skills and relates them to the Islamic business and economic principles. The focus will be making clear and simpler the concepts and principle of Islamic economic system and Islamic business.

c. Operations Management and Productions

Synopsis: This Course is designed to equip students with knowledge on the development of operation of management and productions theory, the need for such theory and the challenges to develop the operation framewok complying with islamic rules and regulations. The topics will cover operation management framework and concept. This course discusses the case studies related on operation management and productions in business market environment (i.e *Halal* food productions etc). The processes on getting the *halal* certification on various consumer products will also be discussed. Contemporary and current issues of operation management and production related to Syariah principles issues are also explored.

d. Organizational Management

Synopsis: This course discusses the principles, practices and issues relation to management in both profit and non-profit oriented organizations, the thrust of discussion is grounded in the values and guiding principle of the Qur'an. the basic management functions namely planning, organizing, influencing and controlling are employed in the process of understanding and applying management concept faced in modern management challenges. Organizational growth and technology in organization are some of applied management topics included in this course.

e. Marketing Management

Synopsis: This course aims to provide a broad understanding, applications of the concept and finally assist on marketing halal products decision making from the managerial perspectives, Discussions topics will cover marketing management element-4P's framework and concepts. This course discusses the case studies related to marketing of halal product and business market environment (i.e *Halal* food).

f. *Qawā'id Fiqhiyyah* (Principle of Jurisprudence)

Synopsis: The module covers main topics which explores Islamic legal maxims, and major and popular *Qawā'id Fiqhiyyah* (Principle of Jurisprudence) in Islamic law such as: the five basic *qawā'id* and the sub *qawā'id* under the main topic.

g. Islamic Theology (Aqidah)

Synopsis: This Course is designed to enable students understands the Islamic faith and their reflections in the Islamic banking business. Among the theology conceptual issues are given attention will be referred to quran and al-sunnah. Student will be exposed to the types of Islamic theology. *Tauhīd rubūbiyah*, *Tauhīd ulūhiyah* and *Tauhīd al-Asmā' wa al-ṣifāt*. The discussions also cover the applications of Islamic belief in the Oneness of the Lordship Allah, belief in the oneness of Allah in worship and belief in the oneness of the name and the attributes of Allah.

h. *Uṣūl Fiqh*

Synopsis: The precise of issuing *hukm* (rules) is important to ensure that the issued judgment is free from errors and harmonize with the *maqāṣid sharīah*. The ability to understand and drive *hukm* from the sources of Islamic law using the acknowledged method in significant for those who are involved directly in Islamic jurisprudent. as well, those who are involve in the *muamalāt* area also should have knowledge and proficiency in this discipline to help them in the comprehending reasons and implication from the new judgments. This course is important for MMA program student who come from the diverse background (Islamic and non-Islamic educations background) as this course will expose them to the process of producing *hukm*. Using the sharia sources and methods (consist of the revealed sources and methods (al-Qur'an and Sunnah) and non-revealed methods (*Ijmā'* and *qiyās* etc)) and the underlying objective of each hukm (judgment). Additionally, this course will highlight the *maqāṣid sharīah* and *maṣlaḥah*, finally, the discussion on this aspect will touch in foundation of western methodology such as positivism in to give the large picture on the other methodology from the Islamic view. Other issues related to the opportunity, issues and challenges related to this discipline will also be also discussed.

## i. Money and Banking

Synopsis: This course is intended to provide a platform for students to enhance their knowledge concerning the money and banking in the economy system. The discussion on money will highlight the role of money as capital and it's functioning in smoothing of the economy activities. This course also will covers in detail both commercial and central banking by providing the necessary depth and understanding of interest rate, capital, and the important of monetary policies and strategies in the central banking. Student are expected to read materials in advance, actively participate during lec-

tures, including asking and answering the questions.

j. Accounting and Reporting of Islamic financial Transactions

Synopsis: As Islamic Finance becomes more globalised, the issue is whether should adopt the conventional accounting standards become pertinent. This course provides an understanding on the underlying concepts and issues in reporting of Islamic financial transactions. The focus would be on the theoretical as well as applications of the sharia concepts in Islamic finance institutions in Malaysia.

k. Case Study for Industry

Synopsis: The Course will facilitate students with the technique to overcome and identify problems in the industry. Students will be taught on solving problems as stipulated in cases. Methods of different analysis will be taught through several cases. Finally, students are to acquire and apply the knowledge on how to write cases in the industry as a problem solver and decision maker and to be used in training. With this course, students will be equipped with knowledge, skills as a professional analyst and decision maker.

l. Corporate Financial Analysis

Synopsis: This course is designed to provide a deeper understanding of corporate finance theories, corporate financial strategies, and the analysis of corporate finance. the use of case studies will provoke thinking and will enhance the student understanding of the subject matter. Among the topics covered are assets pricing models, capital budgeting, capital structure, dividend policy, working capital management, and mergers and acquisitions.

m. Financial Econometrics

Synopsis: The aim of this course is to provide students better understanding and skills on econometric theory applied in financial analysis. This course will focus on methods or techniques to test econometric model response towards financial market to match with investment strategies. This course

will also discuss appropriate statistical techniques to analyze financial data and to develop financial strategy for the future.

n. Islamic Financial Institutions and Market

Synopsis: This course is intended to provide a Platform for students to enhance their knowledge concerning the functions and operations of the market for Islamic financial institutions in Malaysia. Among the financial institutions that will be analyzed are banking, takaful operators, non-bank financial institutions ( i.e. Lembaga Urusan Tabung Haji), Development financial institution, such us development bank and agricultural banks and public Islamic financial institutions, Emphasis will be given on the understanding of the need for capital, operations of the various Islamic financial markets, assets and liability management, profitability and performance management, competition and control mechanism by the regulating authorities. Additionally, this course will also discuss the role and function of the various Islamic financial institutions in the Malaysian financial market.

o. Research Methodology and Data Analysis

Synopsis: This course offers an introduction to research methodology for business research methods where information, knowledge and data are used for the continuity and sustainability of the organization. The usefulness of research methodology lies through the application of the scientific methods, using analytical tools and techniques in deploying research in which managers can acquire insights into issues to help them accomplish their organizational goals and objectives. Students will be exposed to basic and applied research theory and concepts, tools and techniques, and encouraging them to apply their acquired theoretical knowledge to real-life situations in their research methods exercises.

p. Risk Management

Synopsis: The course provides an understanding of how Islam view and approach risk management. In the course, the

whole spectrum of risk management will be discussed. This course will also provide the comprehensive analysis of risks in Islamic banking and examines the management of these risks in the Islamic banking business.

q. Seminar in Islamic Finance Issues

Synopsis: This course is intended to provide a platform for students to enhance their knowledge and integrate the key concepts of financial thoughts in previous courses. This course will also comprehend the main concepts in finance to analyze of the issues related to Islamic finance. Students are expected to read material in advance, actively participate during lectures, including asking and answering to questions.

r. Wealth management and Planning

Synopsis: The course provides an Understanding of how Islam views and approach wealth management. In the course, the whole spectrum of wealth management will be discussed. This course is divided in to three parts; the Shari'a wealth management environment and phenomenon in Malaysia, the basic skills have to be learnt to manage wealth and finally the whole spectrum of wealth management activities including risk management, investment, Zakat and tax planning, planning for retirement and estate planning<sup>134</sup>.

#### ***4.8.5.4. Teaching and Learning Method***

Master of Islamic Finance program is student-centered learning approach. This means that students are more engaged and participate and be actively involved in the learning process. For this purpose, the method of case studies and problem-based learning is used in the process of teaching and learning. This method can promote problem solving skills and good decision making among students. Case study method can also ensure that students participating in learning and instruction during a meeting in college (studying at the faculty emphasize learning face

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<sup>134</sup> *Ibid*, pg. 199-277

to face in college). Therefore, the courses conducted at the faculty combines lecture-based methods of knowledge (knowledge based) and practical skills-based (skill-based) and the formation of attitudes.

Learning group also applied as a mandatory requirement to train students to work in groups and teams. This aspect can be seen through group assignments and assessment methods outlined in the syllabus. However, the individual/Self task also included in the syllabus aims to involve students with independent learning (self-directed learning) that can make them more independent and ready for lifelong learning (life-long learning).

Student-centered learning (student-centered learning) is carried out using the following method:

- a. Case Study Method
- b. Problem solving and decision making skills
- c. Project based learning method
- d. Group learning
- e. Self-directed learning or learning by discovery
- f. The combined theoretical and practical approach (learning by doing or hands-on)
- g. The combination of modern and traditional knowledge
- h. The combination of conventional and Islamic knowledge (integration)
- i. Emphasis on the mastery of English and Arabic
- j. Skills in using Information Technology.

#### ***4.8.5.5. Evaluation***

The programs in this faculty emphasize learning process very effective for students. The ability of students to apply the knowledge learned, creative thinking, critical and innovative, able to communicate well, interesting personality, civic leadership and energetic team is emphasized. Thus, the method of



meeting the 3 credit hours practiced at the faculty. Through this method, the lecturer can give more attention to each student and ensure that each course objectives were achieved.

For each course, students are constantly evaluated through a variety of coursework given from time to time. During the course students are asked to provide answers to all the issues discussed in each week and each answer will be handed back to students so that students are aware of their performance and can fix it. Faculty party and Dean will monitor this evaluation process to get development and student achievement of the lecturer from time to time. Schedule 4 shows the relationship between assessment methods and learning outcomes.

Table 10 The relationship between assessment methods and learning outcomes

| Assessment Methods | Learning Methods  | Learning Outcome   |
|--------------------|---|--|
| Project            | Assignments or projects following relevant topics           | Establish leadership and hard work in a group practice   |
| Case Study         | Analyzing the concepts and theories that have been studied. | Solve and apply the concepts and theories and be able to identify the issues raised.             |
| Presentation       | Presents case studies and exercises calculation.            | Establish effective interaction, increase self-confidence and mastery of information technology. |

#### 4.8.6. Integration

This university aims at reaching the “integrative” model rather than “adds-on” and “comparative” models. However, as it is explained by dean of Faculty of Economics and Mu’amalat, that the faculty members are still in the stage of Ayatization (sim-

ply attaching Qur'anic verse in the conventional economic) and Comparative and not yet reached integration. However, the policy is very clear to encourage the lectures in doing integration of *naqli* (Proof of Qur'anic verses) and *'aqli* (Proof of rational argument) <sup>135</sup>.

#### **4.8.7. Curriculum Design Orientation**

This university claims that it employs student-centre curriculum design, but the fact it also still employs subject-centred curriculum design orientation. There is an agreed body of knowledge and lecturers formulate objectives, describes the content and method. The process of evaluation includes both assessment strategies and evaluation of the curriculum. In this model, the basis for devising subsequent elements is the objectives of learning while the degree of achievement of those objectives is evaluated and assessed.

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<sup>135</sup> Interview with Assoc. Prof. Dr. Amir Shaharuddin.

## Chapter Five:

# Conclusion and Suggestion

The recommendation of workshop in July 2011 held at the *Kulliyah* of Economics and Management Sciences, IIUM on the curriculum design of Islamic economics is to develop a concept in Islamic economics education from its philosophical foundation, curriculum structure and design as well as developing a 'minimum standard' benchmark for an Islamic economics major. The workshop had also achieved a consensus that Islamic economics education program must contain knowledge or courses from various domain covering both modern discipline and Islamic heritage, which certainly require the method of integration or Islamization.

The problems that should be resolved during the preparation of such a curriculum concern primarily on epistemology of Islamic economics and on teaching methodology. Building epis-

temology of Islamic economics requires good comprehension not only on legal aspect, but also on social aspect in wider sense (Mohammed (2013). Accordingly, *Uṣūl Fiqh* (legal philosophy) as *Sharia* tools to derive *ahkām* (laws) is usually limited when it deals with social sciences. Hence, the idea of Shātibi to have a macro level of *illah* in *qiyās* which is known as *maqāsid sharī'ah* should be put into our consideration. In short, a curriculum design that can bring the students to be ready for this integration of *turāth* (Islamic classical heritage) and modern knowledge is badly needed.

Referring to the exposition of the data at chapter four we may draw conclusion and suggestion for the betterment of all departments of Islamic economics. The conclusion that will be drawn here are coherence with the statement of problem delineated in Chapter One, namely the epistemological basis of curriculum design, the method of integrating conventional and Islamic economics and finally the method of teaching.

1. With regard to curriculum design that include the vision and mission where epistemological aspects are stated, in most of Islamic economics departments are clearly stated, except in Sunan Ampel and Sunan Kalijaga State Islamic University. However, not all departments that state explicitly their vision and mission and objective clearly have clear statement on the integration of conventional and Islamic economic. Sunan Kalijaga, Sunan Ampel, University of Airlangga, Istanbul Sabbahatain Zaim and Tazkia do not have clear vision and mission in relation the program of integration and Islamization. This reason perhaps that the epistemological aspect is not taken into serious consideration in their vision and mission of the program. The universities that clearly state the integration and Islamization are Islamic Science University of Malaysia, International Islamic University Islamabad and International Islamic University of Malaysia.
2. Despite the fact that there are many departments of universities that have not clearly state their vision and mission on the integration and Islamization of economics, they offer courses

on Islamic economic. The courses at the University of Airlangga, for instance emphasizes on micro economics, yet the subjects on macro economics are also taught. What is interesting is that at Tazkia Philosophy and Economics Thought of Islam and also *Uṣūl Fiqh* and *Fiqh Mu'āmalah* are two compulsory subjects. Unlike Tazkia, the compulsory course at Sunan Kalijaga Islamic State University mentions Study of Quran and Hadits and The Approach of Islamic Studies as compulsory subjects. In different model the Islamic Science University of Malaysia (USIM) offers Islamic Theology, *Uṣūl Fiqh*, *Fiqh Mu'āmalah I*, *Qawā'id Fiqhiyyah* as compulsory subjects. However, other courses offered are more on finance and management. What is more interesting is the case of International Islamic University Islamabad. Even though it clearly mentions the mission of integration, it does not have courses on Islamic epistemology, let alone philosophy. The only compulsory subject for postgraduate students are current issues in Islamic economic. The same case is with International Islamic University Malaysia, where the compulsory subject is only Islamic Economics Thought. The less content of Islamic epistemology in the compulsory courses is Sabahatain Zaim University. Based on the conclusion point 2 above we may infer that the processes of integration or Islamization in the department of Islamic economics are not carried out seriously and institutionally. Therefore, to what extend those subjects contain Islamic concept and theories that integrate the two economic systems namely conventional and Islamic cannot be taken for granted. It is because in the first and the subsequent semester there is no course offered dealing with the subject matter of integration, let alone Islamization, while there are so many field in Islamic economic and finance that still require further development.

3. With respect to content of courses offered for Islamic economics now we shall scrutinize the curriculum design orientation. Looking at the course outline it appears that sub-

ject-centred design is more dominant, for there are already subjects provided for the student to learn, this implies that this faculty or department apply product model of subject-centered curriculum design. There is objectives, instructional strategies and content, organization of learning experience and finally assessment or evaluation. However, there is still a conceptual lacuna between objective and the instructional strategy and content. Not only have the curriculum design orientation problems of content and learning experiences, but also lack of learning method. There is no blue-print for the desired learning environment appropriate for the achieving the desired changes of performance. The methods of teaching are lecturing, discussion, case study and soft skill. Similarly the assessment system are mid and final semester examination with writing assignment.

4. The teaching method employed by those universities are dominantly lecture method, some are using discussion method. They rarely employ project method or unit method where students learn independently under the guidance of their lecturers. Case study and internship method is also used by some universities. The second type of curriculum design, namely student and problem-centered design model are not employed by all almost all university. It is only Islamic Sciences University of Malaysia that claims of using student-centered learning design.
5. The other problem is the resource materials. In almost all university the recommended books for the students are considerable poor. Not many in Indonesia, Malaysia, and Turkish universities have recommended book in English or Arabic. The book published in Islamic economics, Islamic finance, Islamic management are many but those universities do not recommend those important books to the student for their respective department and area of specialization (for the important source book see appendix).

Since the main problem faced by Muslim scholars in eco-

nomics all over the world is building the solid and systemic concept of Islamic economics, our present program should be focused on the enhancement of developing Islamic concept. However, this program cannot be carried out unless it is based on correct and profound understanding of Islamic concepts from Islamic worldview. The problem is that not many Muslim scholars are conversant of both conventional and Islamic economics simultaneously. Therefore this research offers some suggestion that might worth applying in the future. The suggestions are the following:

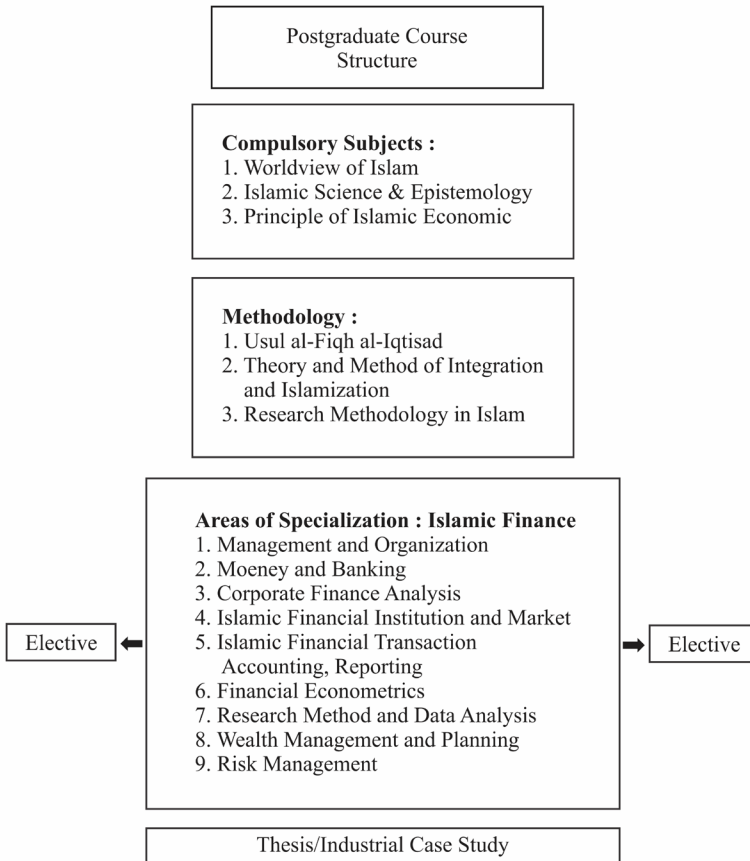
1. The vision and mission of the department should be focused on both epistemological and social aspect, where the program of integration and Islamization should be clearly stated. The the vision and the mission should be broken down into clear objectives. The break-down of the vision-mission into objectives should be coherently related to the courses offered.
2. The curriculum should be designed in such a way that students can not only learn through traditional method of learning, but also through creative process of learning so independently that students can understand, discuss and work on the area of his specialization. In addition the relational approach in student-centered curriculum design should also be practiced, since in this model of learning experience student learn from the involvement of social resources.
3. In the course structure the compulsory subject should be paid serious attention, for in these subjects fundamental principle of Islam projected by the worldview of Islam are inculcated to the mind of student in so serious way that student could have Islamic way of looking, viewing, understanding every aspect of reality. What should necessarily be taught is key concepts of Islam within the Islamic worldview. It usually consist of the concept of God, the universe, the knowledge, the human being, world, the life and the likes. In relation to economics, basic concept of Islamic that should be taught

may consist of the concept wealth, happiness, welfare, trade, and the like.

4. As far as Islamization is concern, in the compulsory subject student should learn how to derive concept from two main sources of Islam the Qur'an and Hadith by understanding Islamic Legal Philosophy that concern only on the derivation of law in relation to economic, one may call *Uṣūl al-Fiqh lil al-Iqtisād* (Legal Philosophy for Economic). In addition, student should also study theories and methodologies of integration and Islamization,
5. In the area of specialization the subject taught, either in finance, management, planning, banking and the likes should be connected with the compulsory courses. While in the compulsory subject the worldviews and epistemology are emphasized, in the area of specialization the emphasis should be on methodological or on technical issues, the standard of which is public interest (*maslahah*) that based on the objective of Islamic law (*Maqāṣid al-sharīah*). The structure of curriculum is the following (see diagram below)



**Diagram 10 The proposed Structure of curriculum**



A research on certain topic is not enough to resolve the problem, but if further research fulfill the lack of the previous one then it would accumulate and become comprehensive information that contribute the foundation of sciences. What remains to be done is to follow up this research is to give special emphasis on the method of teaching specific course or subject matter in Islamic economics, by comparing two or more university department of Islamic economic in Western world and Islamic world. Since the former had reputed in their methodology, whereas the latter are known their values and principles.

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.. we must reject the archytype of capitalism and socialism. Both this model of development are incompatible with our value system; both are exploitative and unjust and fail to treat man as man, as God's vicegerent (*khalīfah*) on earth. Both have been unable to meet in their own realms the basis economic, social, political, and moral chalenges of our time and the real need of a humane society and a just economy

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## **INTERVIEWS**

Interview with Luthfi Rahman (lecture)

Interview with Dr. Leo Herlambang, Substitute Head Department

Interview with Prof. Noorhaidi, Sag, MA, MPhil, PhD

Interview with Dr. Sanrego

Interview with Prof. Dr. Norma Md. Saad, Head Department of Economics

Interview with Assoc. Prof. Dr. Amir Shaharuddin.

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