



Education of Islamic Economics: An Overview

Dr. Razia Khatun

Associate Professor of Economics, Department of Humanities, Khulna University of Engineering and Technology, Khulna, Bangladesh

Abstract

An attempt is made to further the current on going debate in the study of curriculum development and teaching methodology in education of Islamic economics with special reference to children's education and exposure to some basic fundamental notion and the concept of Islamic economics. In this context, the need for educating and motivating parents through workshops on child development, learning theory in an Islamic framework is stressed. It can be strongly argued that the effectiveness and the contributions of research in Islamic economics may well be broadly measured by the level of application and integration of its findings in teaching and curriculum development. The purpose of Islamic education is not to cram the pupil's head with facts but to prepare them for a life of purity and sincerity. This total commitment to character building based on the ideals of Islamic ethics is the highest goal of Islamic education. Islamic education includes the provision of opportunities in physical education, language, science, creativity and reasoning. The paper has organized as follows : section I, focuses on introductory issues, section II, discusses the objectives of the study, section III, analyzes development of Islamic economics, section IV, analyzes the development of Islamic economics education, and finally, concluding observations are made in section V.

Key Words: *Development, Islam, economics, education and overview.*

1. **Introduction:** Education begins when a child first cries at birth and listens to the call for prayer and call to rise for prayer recited in the child's ears. The Prophet (sm.) said that immediately after a child is born Devil touches it that is why the child cries. If the call for prayer is recited, the Prophet (sm.) said, Devil flies away. Call for prayer and call to rise for prayer are recited to remove the impact of Devil. The other reason is that when they are recited, the brain cells of the child go on recording the recital – a recording that is permanent. According to the modern brain researchers, within the first two years after the child's birth, the brain cells go on developing very fast. Moreover, though the child does not understand intellectually, its spirit definitely responds to the call. Thus, from every call, the process of internalization of values into the child's mind begins and children's education must be viewed from this perspective. Intellectual discipline will help a child to proceed from the concrete to the abstract, from sense-impression to ideation, and from matter-of-fact relationship to symbolization. A child will not have sufficient discrimination to appreciate spiritual truth without an adequate training of the intellect. It is only when these abilities start growing that a child begins to appreciate the inter-relationship of disciplines and realizes what he is emotionally conditioned to believe. Islamic education becomes then a purposeful activity which must be directed towards the growth of the child's mind, personalities and abilities of man need to be taken into consideration for the preparation of teaching material in graded stages so that man's moral, spiritual and intellectual progress and their balanced inter-relationship is maintained. Designing formal and non-formal workshop or training programs for the parents or teachers, as well as creating the appropriate stimulating academic environment for the children for the purpose of introducing the basic notions of Islamic economics, involves considerable conceptualization, planning preparation and development of material from Islamic perspectives. Every Islamic society has its own ethos and cultural basis, and a different pattern of educational history, colonial legacy and different institutional settings, apart from differences in natural and physical resource endowments. The understanding of these variables in the context of the Islamic value-system seems to be more important than some of the so-called Western educational models and concepts.

2. Objectives of The Study: The main objective of the study is that the society or individual can realize the complete submission to Allah in the light of Islamic economics education.

The basic objectives are:

- i. To analyze the Islamic economics education which is the device for helping an individual to full stat;
- ii. To evaluate the Islamic economics education aimed at the balanced growth of the total personality of man through the training of man's spirit, intellect, his rational self, feelings and bodily senses.
- iii. To justify the Islamic economics education which should be cater for the growth of man in all its aspects: spiritual, intellectual, imaginative, physical, scientific, linguistic, both individually and collectively and motivate all aspects towards goodness and the attainment of perfection.

3. Development of Islamic Economics: The Islamic financial movement was greatly advanced by the establishment of the Islamic Development Bank (IDB) in 1973 – marking the revival of the Islamic financial system. The success and broad recognition that IDB has achieved in no time undoubtedly paved the way for the establishment of the first modern privately owned Islamic bank in Dubai in 1975, soon to be followed by the emergence of several other Islamic banks in various Islamic countries. The first International Conference on Islamic Economics, which was organised by the IDB and held in Makkah, Saudi Arabia in 1976 under the patronage of King Abdulaziz University in Jeddah affirmed the unwavering resolve to re-establish and to develop Islamic economics as a contemporary scientific discipline thus devoted considerable resources and efforts in advancing the cause of Islamic economics.

3.1 Goals of Islamic Economics: The Islamic economy which was established by the Prophet (SM) and developed by the Khulafa-I-Rashideen in Madina is the first model of Islamic economy in so far as basic principles and reference point along with the Quran and the Sunnah. We should remember that the Prophet freed the pre-Islamic Madinite economy from Jahiliya, or all un-Islamic practices. Islam gives us a much more comprehensive guidance in economic matters such as prohibition of interest, compulsory levy of zakat, freedom of work and enterprise, concern for the poor, distinction between the Halal (permissible) and Haram (prohibited) in income, consumption and production and so on.

The goals of an Islamic economics are as under:

- i. To establish of the justice and welfare in life and the life hereafter.
- ii. To establish gracious conduct or kindness in economic affairs.
- iii. Elimination of evil, wrong or injurious practices form economic life.
- iv. Achieve maximum economic growth.
- iv. Maximize employment to ensure maximum distribution of wealth in society.
- v. Achieve universal education
- vi. Encourage co-operation in society

3.2 Basic Characteristics of Islamic Economics: The secularist ideas ranging from classical realism to communism reveal great diversity in views of social philosophy itself as well as conclusions drawn. Each approach is concerned with some principles underlying social processes, real or ideal to the neglect of others. For instance, the social philosophy of classical realism may be called Cosmological or Metaphysical. But positivism rejects all attempts to understand value in metaphysical and non-empirical way. Unlike the Hobbesian positivistic assertion that morality is consequent upon and derived from society, the liberalist held the view that although society may enter into and from man's conscience, man is by nature a moral being, there are independent rules or laws that individuals must try to realize themselves. Again, utilitarian seeks to give morals and legislation a scientific status. The basis and authority of value judgments, individual and social, must be referred to their utility and ultimately to human motives and human propensities for action. Finally, Marx's fundamental assertion of dialectical materialism is that the system of production in any society determines the society's structure and cultural institutions are created upon it. Even man's consciousness is so determined. Thus we see that none of these social philosophies represents and integrated overall view of life – moral, social, political and economic.

3.2.1 Freedom of Workers and Enterprises and Free Economy: In Islamic economics freedom of work and enterprise are allowed. This is evident from the Madinite model of Islamic economy. Islam allows economy to operate freely according to the market for us, subject to Islamic restrictions and guidelines on production, distribution, marketing, investment, trade, exchange, wages etc. The state can also further interfere in this free economy to restore equilibrium and establish justice and other Islamic objectives as explained above. An entrepreneur can produce only permitted things. Projects should be normal in such an economy, after giving proper wages to the labourers in accordance with Islamic principles. Some forms of trade practices, exchange, investment and land tenancy in agriculture are prohibited in Islam. It also disallows monopoly and hoarding as social evils. The aforesaid restrictions make free economy in Islam qualitatively different from capitalism. Forces of demand and supply are fundamental economic forces, which are operational in all ages even before capitalism.

3.2.2 Protection of Lawful Property And Ownership: There is no bar on state ownership of enterprise in Islam. The basic economic institutions can be or should be brought under state control, if required to establish social justice or protect the interests of the community. Some important things like water, canals pastures and graveyards were communal properties. The state owned the mines, rivers and large tracts of land. After the conquest of Syria and Iraq, these lands were made state lands and were not allowed to go into private ownership. Islam protects lawful property and is in favour of confiscation of unlawful property.

3.2.3 Zakat and Prohibition of Interest: Islam has made Zakat compulsory on the wealth of rich Muslims. This is spent for the weaker and distressed sections of the society. Zakat not only distributes wealth between the rich and poor of the society, it also influences investment, savings and allocation of income and resources. Islam prohibits interest. This requires a total reorganization of the economy, banking, investment, exchange, business and international trade. A big effort is under way in the Muslim world in this direction. A body of literature has already come up on this subject.

3.2.4 Concern for Poor and Distribution of Inheritance: Concern of the poor is a special feature of Islam. Zakat is one institution which testifies to this. In this connection, Allah, the Almighty has expressed this desire to show favour on the depressed people. Islamic economy shall establish all possible institutions to carry out this desire of the Almighty. Islam has not left the distribution of inheritance on the whims of a person. In Islam a person cannot favour one over the other of his relations for temporary or subjective reasons as is the rule in the West.

Finally, Islamic Economics is gradually drawing international attention and recognition. This will raise the demand for experts in this field. This demand can be satisfied by young Islamic economists only if they are well-versed not only in Shari'ah but also in Conventional Economics to be able to address international problems in a realistic manner. Islamic Economics is in need of a great deal of creative thinking directed towards promoting human well being. There is little room for repeating what has already been written. It is unfortunate that a number of our writers do not read what has already been written. They seem to give the impression that they are the first ones to write on the subject. This does not add prestige to such authors. It only shows their ignorance. Some of them go to the extent of including only the writings of prominent conventional economists or classical Muslim scholars in their references. Only if they build upon what has already been contributed by modern Muslim writers, will they be able to push the frontiers of knowledge in Islamic Economics.

4. Development of Islamic Economics Education: Teaching materials for children need to be developed for use in various educational settings where the level of comprehension of the language and background of Islamic education differ. There is no age limit could be set for any grade level in preparation of the material, age and ability of children should be used as the criteria for the use of vocabulary and the introduction of the concepts. It should be emphasized that the curriculum development and teaching methodology in education of Islamic economics can be developed even at pre-school age of the children. There appears to be a growing recognition of the possibilities in the study of Islamic economics at the University level in the Islamic societies as well as in the West, Islamic economists have not so far made any serious attempt to develop curriculum and teaching methodology of Islamic economics education at pre-school, elementary and secondary levels. This apparent lack of interest or slow recognition of its need is perhaps due to lack of development of

Islamic economics itself, or due to the intellectual stranglehold of secular economics and its accompanying theoretical framework of birth. As a result, an Islamic economics education dimension appears to be a missing link in the existing curriculum of Islamic social studies at the schooling level.

Islam is a complete code of life. The activities of Islamic economics are to be guided by the matrix of the Qur'anic concept of Tawhid that which exemplifies unity of Allah and man's total submission to Allah, Akhirah (hereafter), Amanah (trust), Adl (justice), Ihsan (kindness), Iqtisad (moderation), Tazkiyah (purification with moral and spiritual values), Istislah (public interest), Halal (that which is beneficial), Haram (that which is harmful for man and society) and a host of inter-connected Qur'anic concepts and Islamic values that regulate the extent, nature and scope of socio-economic activities of life on earth as well as resist the temptation to secularize economic activities.

It should be possible then to demonstrate that the principles of sharing, participation, partnership, family obligations and altruism are some of the basic concepts on which the foundation of Islamic economic activities are based on and can be directly derived from Islamic moral and ethical values. For example, in Islamic economics the scarcity of means, which can form the basis of the study of Islamic economics, may be seen not merely as an economic experience but also a humane and moral experience as well.

The point is the moral and ethical values in the sphere of economics do not by themselves produce the co-operative and team spirit or altruistic behaviour in productive processes. Individuals need to be motivated to undertake the group task in the name of these values. It is argued that early socialization of the child is of critical importance in motivating individuals to absorb these economic values. The period of childhood is needed marked by change in growth of mind and body that influence and define adult life. Typically language acquisition, absorption of culture and introduction to complex social relations take place during this period. Education, both formal and non-formal, is seen as one of the means of influencing the socialization process. Thus early socialization can complement the ethical values of Islam which can subsequently influence the economic behavior.

4.1 Teaching Methodology: A critical study of Islamic philosophy will give us an idea that different aspects of Islamic social framework have been united into one whole by their axiological, existential base, the principle of Tawhid, which owes its origin to the repeated Qur'anic teachings of oneness of Allah. Such a unitary character is found in all dimensions of Islamic socio-structural order, system of knowledge, metaphysics and eschatology. Whatever may be the nature of investigations of the Qur'an and Sunnah, there is practically no difference of opinion as regards the integrated overall view of life and society.

Teaching methodology must reflect this integrated view of life that moulds children to become useful members of their generation. Despite conflicting philosophies and the diverse educational thrust in curriculum development, teaching methodologies are essentially secular in contemporary Western societies. In Western teaching methodology there is a persistent tendency to test everything with empirical evidence. It is argued that the theory must explain the facts as they are and the test of the theory lies in its ability to explain and illuminate reality, although the key thrust of American education is pragmatism, U. K. academic, French philosophical, CIS materialist.

Thus generally speaking scientific enquiry in modern Western economics is usually confined to positive questions, rather than to normative questions, which depend on value judgments about what is good and what is bad at least at the level of theoretical formulation. Some Islamic economists have, however, also tried to maintain the distinction between positive and normative science, thereby moulding the Islamic economics analysis in the intellectual framework of the West. Other positivists simply say that Islamic economics is a normative science. To me, it is neither a positive nor a normative science. In Islamic economics, the normative and positive aspects of the science are so interlinked that any attempts to separate them could be misleading and counter-productive. This is not to suggest that Islamic economics will not have any distinguishable normative and positive components. The Qur'an and Sunnah, which are treated primarily as a source of normative statements, have many positive statements. This does not, however, qualify us to declare Islamic economics either as a positive or a normative science. But the positivists pre-occupation with empirical tests and immediate results, the dominance of economic costing over spiritual aspiration and the testable criteria of efficiency are, among others, responsible for the loss of influence of religious institutions, organizations and institutionalized belief systems in Western societies. Herein lie the lessons of

experience for Islamic economists, which determined to make a serious beginning. It is now evident that any attempt to classify Islamic economics either as a normative or a positive science may defeat the very purpose for which it is designed. Thus issues in Islamic economics education and its teaching methodology are to be understood and evaluated within the framework of integrated social science without splitting them into normative and positive components.

Viewed from these perspectives, teaching methodology implies the necessity for religious consciousness on the part of the teacher and a metaphysics that interrelates with different subjects and method of teaching them, so that the religious consciousness may be utilized to the full, thus the integration of all discipline becomes possible, and the individual and specialist treatment of each discipline is also ensured. Only when this is achieved, can we say that we shall succeed in replacing the secularist methodology by something basically religious.

4.2 Islamic Economics Education Reforms: It is our contention that the educational system as it now exists in contemporary Islamic societies is hardly generating the composite nature of an Islamic education. For various historical reasons, the system seems to be biased heavily towards the Western model of secular education based on material progress and individualism introduced during the colonial period which is incapable of building upon or expanding the Islamic concept of education. Of course, in every culture and society there must be a system of meanings of basic values, which need to be expanded, deleted or reinterpreted in the evaluative process. When the old systems of meanings are successfully incorporated into the new system of educational values, the society changes to a new order.

Besides, in every system of thought, there are some assumptions and ideas in common with other systems of thought. It is through emphasis or de-emphasis or rejection, that an identity is established. This comparative review is to be carried out in the light of the ideas and teachings of the Prophet (sm.). It is due to inherent contradictions and conflict in contemporary Islamic societies that there is a need for a new line of intellectual inquiry, based on creative synthesis, reconstruction of Islamic thought processes and reappraisal of old values in new economic and social realities running through the socio-economic manifestation of Islam as a way of life and a code of conduct.

The roles of schooling in contemporary social settings of Islamic societies need to be reviewed, viewed from this perspective. It can be hypothesized that the school becomes irrelevant in most cases as it induces alienation and de-Islamization, making one a foreigner within one's own country and culture. As a matter of fact, if the school is irrelevant, if it educates for obsolescence, if it does not develop intelligence, if it induces alienation, if it punishes creativity and independence, if in short, it is not doing what needs to be done within the Islamic cultural context, it should be changed. There is a clear need for educational reform of the schooling structure in present day of Islamic societies.

4.3 Development of Parent's Educational Program: A little reflection would, however, reveal Islamic economic dimensions in children's crying, playing, eating and sleeping habits. It is our contention that a child's cry may be used to mould acquisitive behaviour, children's playing habits with toys may be utilized to introduce the concept and notion of sharing, partnership, altruism and other related values, children's eating behaviour may serve as a basis for creating a social awareness and genuine concern for the poor children in them, children's sleeping habits may provide them with the required emotional security and sense of belonging and sharing. From the beginning a child should be imbued with these values for the purpose of the gradual development of Islamic consciousness, needed for the making of an Islamic economic society of their generation. Viewed from these perspectives, the importance of parent's role at home, teacher's role in schooling set up can hardly be over-estimated.

When a child cries it may be viewed, among other things, as a physiological need, i.e., food. In fact, there is a proverb that even the mother does not offer milk to her child, if the child does not cry. Here the parent's response to children's crying has an important Islamic dimension in the sense that even at such a young age, parents can play a significant role in moulding the behaviour of children.

It is generally observed that whenever a child cries, mother's first reaction is to provide the child with milk or some food stuff subject to the means of parents. Given normal health, a child's crying may not necessarily be a manifestation of actual hunger. But parent's immediate response in terms of providing food particularly in affluent sections of Islamic society may eventually develop in the child an acquisitive behaviour and the drive for more food or more attention and more care – a kind of false

appetite regardless of an actual physical need. This drive for more food manifested in crying may in the long run make the child selfish and arrogant. This behaviour pattern may ultimately stand in the way of the development of moral qualities of Islamic men and women and evolution of Islamic consciousness in them, apart from the adverse side effects of excessive intake of food.

The family is the basic unit of Islamic society where the family responsibility is not seen as an end in itself but as a means to be end, because an individual's social and financial responsibilities do not end after meeting immediate family obligations. If a person has the means, they have to extend help not only to their poor and needy relatives but also to the deserving members of the community and neighbours. The fact that begging is prohibited by Islam except in the case of extreme need implies that better-off individuals have a social and moral responsibility to help the poor in the community. It must be recognized that this notion of collective responsibility is not inconsistent with the principle of individual responsibility. It helps an individual to perform individual responsibilities more effectively and efficiently. It should then be possible to develop an appropriate parent educational program in the particular social context.

4.4 Development of Nations of Sharing and Partnership: A parent can very well expose their children to the concept and notion of sharing and partnership at a very early age. By inducing the child to play with other children or brothers and sisters through sharing of play-toys or dolls, it should be possible to imbue them with the notion of sharing, waiting and partnership – the vital concepts in understanding Islamic economics, banking and finance at their mature age. For example, the status of the Islamic bank in relation to its clients is that of partner, investor and trader, whereas in commercial banks in the West, the relationship is that of creditor or debtor.

In the actual operations Islamic banks use various techniques and methods of investment such as Mudarabah contracts, under which a financier provides capital and the Mudareb (labour partner) provides his technical knowledge and the profit is shared between the partners according to an agreed percentage. Islamic banks are also involved in Murabaha (cost plus) contracts, under which banks purchase a certain commodity according to its clients' specifications and give delivery on the basis of sharing an agreed ratio of profit. Islamic banks are also involved in dealing with foreign exchange markets and other banking service operations such as letters of credit and letters of guarantee. Islamic banks may also provide various non-banking services such as trust business, real estate and consultancy services on the basis of mutual goodwill.

Under Musharaka, both the banks and the clients enter into partnership by contributing capital in varying degrees and agree upon a ratio of profit in advance for a limited period of time. Thus the mechanism of Islamic banking, which is based on the principle of partnership, is free of interest. Therefore, the question of paying interest to depositors or charging any interest from clients does not arise. The motivational properties of secular economic activities and economic activities under the Islamic system are fundamentally different. It is to be recognized that these investments and tools of operations of Islamic banks must go far beyond the mechanical replacement of interest rate by profit ratio or profit margin. In an important sense, it is needed a replacement of individual sharing by group-sharing, individual right by group rights and partnership. Similar examples can be cited to demonstrate that unless a person is imbued with basic Islamic economic values right from an early age, it would be difficult to instill these values in people at a mature age.

5. Conclusion: It should be possible to conclude that faith and ethics have to be installed in the child from the earliest stages, particularly at the pre-schooling level where parents are the child's first teachers. Parents' personal, social, and moral behaviour should serve as an initial stimulus to awaken the moral consciousness of the child. The initial personal exemplary conduct of the parents needs to be operationalized through a purposeful and meaningful educational program, designed to develop the inherent potentialities of the child and to mould behaviour to active social consciousness and moral sense. Thus this initial example in social behaviour by the parents must serve as a basis for psychological training and education for the child. The abstract notion and concepts need to be exemplified through concrete action programs and behaviour patterns.

The curriculum development and teaching strategy need to be guided by this basic principle so far as the Islamic economics education is concerned. This emphasis on concrete rather than abstract, on tangible rather than non-tangible, on visible rather than non-visible serve as a basic guidance at least at pre-school, elementary and secondary schooling level. The notion of the abstract and appreciation

of the invisible should be carefully developed over time. A number of assertions or hypotheses about children's early learning capacity has been put forward. These assertions can possibly serve as a basis for further empirical investigation in a controlled environment. They should enable the educational planner to develop as an appropriate person in the society.

Finally, we conclude that if we study economics without any reference to Islamic economics, we will be unable to synthesize the conflicting ideologies into a unifying whole because of this intellectual polarization.

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