

**Comments on Dr. M. N. Siddiqi's paper  
"Obstacles to Research in Islamic Economics"**

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In any attempt to evaluate the progress of research in a discipline, in this case Islamic economics, an inescapable question that must be addressed is the obstacles, challenges or problems faced by researchers and research efforts in that discipline. It is also very fundamental to choose the correct person to write on the subject. In both these two tasks, the organizer's must be congratulated for getting one of the pioneers of contemporary Islamic economics, M.N. Siddiqi to pen his thoughts down on the topic for this 7<sup>th</sup> Conference. For me, to be asked to comment on a paper by someone who has been involved in the 'frontline' of research activities in Islamic economics and finance for almost five decades, makes me feel greatly honored.

Dr. Siddiqi's brief, but concise paper, looks at six factors he considers as 'main obstacles to progress in research in Islamic economics', i.e. lack of proper historical studies, lack of empirical studies, lack of institutional support, plagiarism, poor vision leading to the inability to make distinction between the essential and peripheral and the failure to distinguish between the human and the divine. For purposes of this short comment, I reduce the discussion to three: neglect of research in important sub-areas of the discipline, lack of funding and the poverty of judgment and good behavior.

A very important reality that he mentions, probably too briefly in his short introduction is the loss of the idealism and maybe sincere commitment and purpose that once seemed to have been the hallmarks of researchers in Islamic economics in the 1970s and 1980s. As someone who began my own study of Islamic economics in the early to mid-1980s, I can vouch for this claim as my own institution the International Islamic University Malaysia and specifically the Kulliyyah of Economics and Management Sciences that was established in 1983, also saw that great enthusiasm, idealism and commitment (even if it lacked great intellectual output), wane over the years due to many reasons. I remember the slogan of the times was that we, the future graduates of the IIUM, should realize our mission as 'agents of change'. 30 years down the line, this Conference of Islamic economists, has to ask sincerely, have we been agents of change or have we become *changed agents*? Have we been able to present an economic and finance alternative to humanity or have we become 'passive' participants and joined the bandwagon? Has that spirit of idealism of Islamic economics been consumed by the pragmatism and commercial interests of Islamic finance? These questions in themselves could be a valid theme for a symposium or even a research project or two. I propose that this loss of idealism, or the 'spirit of the Makkah Conference' is a root cause for much of the problems we face. While we cannot go back in time, we can surely learn from our experiences.

## **1. Neglect of Research in Sub-Areas of Islamic Economics**

Dr. Siddiqi is right to point out that to move forward, we also need to look back for lessons. He is right to lament that we have overly reduced our exposure to our heritage to the domain of *fiqh* per se, and neglected many other areas of our heritage. Not only have we failed to discern that our heritage covers a vast spectrum of disciplines or bodies of knowledge, but we have not given sufficient attention to many very important areas that make up the foundations of Islamic economics, including history- both of Islamic economic thought and that of Muslim economic life- in different parts of the world. To this I would add, the history of ideas and the relationship between the Muslim and non-Muslim worlds for they would certainly provide us with valuable lessons. It is very unfortunate that in programs of study in economics, the study of history has been downplayed or even taken out of the curriculum, due to various reasons. I am very sure that Dr. Siddiqi would agree that any good program of economics (undergraduate and graduate) should include exposure to history, politics and sociology. For Islamic economics, one would add courses on Islamic civilization as well as courses on western civilization, *but taught from Islamic perspectives*.

The neglect of empirical work is also a reality, although personally, from the example of the KENMS, it is not as acute as the neglect in history and heritage studies or in exposure to history of western economic thought/civilization. For example, most graduate theses and research papers at the KENMS for at least the last 10 years are more likely to be empirical work on Muslim countries. Unfortunately, these research works would very likely be from conventional perspectives, utilizing tools of analysis, approaches and models/techniques that are found in modern economics. Very few, if any, attempt to approach empirical studies via frameworks that depict Islamic perspectives, i.e looking at reality from the perspective of the worldview of Islam. While pure modern empirical studies of Muslim countries may perform a useful function in developing Islamic economics, I would argue that Islamic economists need to develop alternative frameworks to study modern Muslim (and non-Muslim) society so that these studies can contribute more effectively to the development of contemporary Islamic economics, which according to Dr. Siddiqi, is a part of a movement towards creating Islamic norms. In that sense, Islamic economics can be seen as a tool to help 'Islamize society'. I believe the whole issue of the relationship between the 'what is' and the 'what should be' in Islamic economics, the issue of ideals or perceived ideals versus factual realities in Muslim society has to be deliberated even further as methodological issues have been another area neglected by Islamic economists. The problem here is the human resources that we have.

## **2. Lack of Funding**

The issue of funding research is another major topic that requires much serious deliberation. Studies of history discussed above as well as other fundamental or foundation studies for Islamic economics, have been particularly affected by the lack of funds. This, coupled with the orientation of graduate program, 'market forces' and the domination of mainstream neoclassical economics even in programs teaching Islamic economics, has also created a serious scarcity of young researchers in these areas. I fully agree that, left to itself, the private sector will not fund these areas. New initiatives

involving the private, public and voluntary sectors as potential contributors to new research funds in these ‘non-commercial areas’ need to be worked out. In this, I propose that this conference passes a resolution to empower a group or better still two or three groups to undertake surveys/studies into the funding agencies and organizations in other parts of the world so that we may learn from them. While I agree that we should not hope for one single institution to do everything, I also do not think it wise to overstretch our already thin resource base. In this, I believe we do have at least 3 or 4 credible long-standing institutions in the Muslim world that have been teaching and conducting research in Islamic economics for more than 20 years. These institutions have graduate programs that can easily be utilized to serve as the core research base for Islamic economics. If we are to find new financial resources for research in Islamic economics, I propose that we must also devise a new mechanism to allocate these funds more effectively and in a more coordinated, prioritized and efficient way, primarily to those institutions who have shown that they are not some ‘fly by night operations’. In addition, institutions dealing with Islamic finance per se and research dealing with Islamic finance, may be excluded from these funds since there are already sufficient funds available from the private sector.

### **3. Research Ethics and the Lack of Good Judgment**

The problem of plagiarism according to Dr. Siddiqi, seems to be another factor that is an obstacle in research. Certainly at the level of students, I have personal experience of the problem of ‘copying/downloading from the internet’. While it is a great tool for progress, the internet also has the potential to be a contributor to moral and ethical poverty. I do not think the issue now is ‘not knowing something is plagiarized or not’. There exists plagiarism software to check works. The issue is how we treat the practice. Do we condone it? Do we know why it occurs? While intellectual property today may have significant financial benefits, it seems to me that acknowledging others’ ideas is a moral obligation to ‘point society in the right direction for intellectual leadership’. Claiming originality to ideas that are not ours only diverts society away from the scholars who have probably spent much time contemplating on certain ideas and who have certain moral rights and responsibilities to those ideas.

When this absence of research ethics becomes common, this could be a major reason for the last two factors discussed by Dr. Siddiqi, i.e. inability to ascertain priorities and the inability to distinguish between what is divine and what is human. Both these two deficiencies create great disruption in the allocation of limited resources, both human and financial. The result according to Siddiqi: an Islamic (economics and) finance industry that is more interested in dealing with rich peoples’ surpluses to serve the already rich rather than thinking how the wealth of Muslims can be used to remove the scourge of poverty that still plagues the Muslim world today. One could also add to this example the inability to realize that we should be concentrating on getting our fundamentals or foundations right, rather than rushing head-on to provide ‘solutions’ to problems faced. Simple logic will tell us that if we do not spend sufficient resources for research on these foundations, as scholars in Western Europe did in the 16-18<sup>th</sup> centuries, we will not be able to build a sustainable Islamic economics. If we are not able to discern that our Islamic heritage is much more than *fiqh mu’amalat*; and if we cannot realize that in order to make good ‘*shari’ah* based decisions in Islamic finance

today, we need to go beyond the legal dimension and look into ethics, hence a much more sophisticated benchmark for 'shari'ah compliancy', we will not be able to truly meet the *maqasid al-shari'ah* (objectives of the *shari'ah*).

## **Conclusion**

Dr. Siddiqi ends his paper on an optimistic note that all these obstacles can be removed. He calls for revamping existing institutions involved in Islamic economic research. He asks for greater autonomy, freedom and funding. He calls on private and voluntary sector in many parts of the Muslim world to fund these revamped institutions and to stop depending on funding from oil money. While the proposal to have a 'strong center for research in Islamic economics located in the west' is acceptable, it is also relatively easier to do. The Muslim population in the EU and especially in the US are relatively well to do and can easily support this research center in the west. I think the greater challenge would be to revamp existing institutions in the Muslim world and to instill a new work ethic and management style to those researchers in the Muslim world. We have to stop thinking that money can solve all problems. Attitudes, work-culture, and good research practice, all important ingredients to successful research, is not guaranteed merely by pouring in money. These ingredients have to be cultivated and nurtured. No where better than those institutions like the IERC, IRTI, IIIE and the KENMS that- despite all challenges and shortcomings- have stood the test of time.

I would like to end by pointing out that this is not the first conference or seminar organized to talk about obstacles/problems of research in Islamic economics. As early as 1986, a symposium was held in Amman, Jordan talking about this. In 1987, a workshop was held in Kuala Lumpur also discussing this. Many similar events have been organized over the years. Yet, we have not been able to put things right. Will this Conference be a watershed for positive change, just as the First International Conference on Islamic Economics was in 1976? Time will tell.

Allahu A'lam.  
21<sup>st</sup> March 2008.