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Methodology of Islamic economics Is the subject worth discussing?

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Abstract

The word methodology has several usages. Here, we shall use it to denote its two uses. First, it is the subject that fixes targets for economics to achieve and supervises the discipline from outside to see how far those targets have been achieved with the passage of time. In this sense, methodology is a branch of the theory of knowledge with philosophical import. In this sense, the discussions on methodology in Islamic economics are fruitless and misleading. Second, methodology as a part of economics helps design research and its supervision. In this sense, the methods used in Islamic economics are unduly loaded with Western approach and techniques and call for reform. The controversy and confusion on the issues involved has been lingering for long but has of late assumed disquieting proportions. The paper discusses the subject in the light of the prevalent puritan versus pragmatic approach to the study of Islamic economics. Indeed, their confrontation threatens the very survival of the subject as a distinct academic discipline. The paper suggests a way out of the predicament evaluating the efficacy of the rising concerns and focus on the subject.

Key words: World view; Positive versus normative; Empiricism; Predatory publishing on line

1. Introduction

In common law, law is made first, interpretations follow. Parliament enacts laws through debate and majority vote. Courts interpret what is so enacted. Interestingly, in Islam interpretation comes first, the law follows. What is interpreted are the sources of law - the holy Qur'an, prophetic traditions, *ijma*, *qiyas*, custom, public interest and *fiqhi* opinion. And, who interpret these sources: the jurists. Thus, Islamic laws are not divine, as is commonly believed, in the strict sense of the term; they are *jurist-given*. The jurists stand between Allah (swt) and the community for guidance. It is the juristic origin of Islamic laws that there are four major schools of Sunni jurisprudence, each with interpretive differences *within* as well. The Shiite schools are additional. A Muslim is free to choose any from the corpus. As the juristic scholars are the law givers in Islam, they occupy a place of utmost reverence and responsibility in Muslim societies. Islamic economists, like the present author, cannot replace or dare counter them. The society grants the jurists, as it must, the final say in religious matters.

However, social phenomena is dynamic and dynamism is on a sharp ascend. Juristic interpretations of sources too cannot remain static or sticky. Indeed, Islamic jurisprudence has never been entirely devoid of temporal changes. However, juristic dynamism has of necessity been slower as pace can be risky; frets with pitfall.¹ Still, the Jurists have to keep

¹ An interesting illustration of sticky nature of juristic pronouncements is that of the five edicts issued against Sir Ahmad Khan for his efforts to establish the MOA College in 1875 (converted into Aligarh Muslim University in 1920) the severest was from the Imam of Makka which said: "This man is erring and causes people to err. He is rather an agent of the devil and wants to mislead Muslims. It is a sin to support the College. May God damn the founder! And if this college has been founded, it must be demolished and its founder and his supporters thrown out of the fold of Islam," The Fatwa has not been

pace with expanding frontiers of knowledge with a socially adjustable perspective. For example, jurists cannot get away merely by looking at the legal permissibility of contractual structuring; they remain answerable for anything discovered against the tenets of Islam later during the operation of a contract. Errors could, for example, creep in because of technical jargon used or mathematical formulations forming part of the document they certify. Most contemporary jurists, especially at the top, do not have the time or age to learn newer things in a fast changing world. Advisably, they may better have adequately qualified professionals to work with them to check technicalities.

Finally, all modern states, Muslim included, operate within a *constitutional framework* overseeing their *legal systems* in content and operation. In developing countries constitutional laws are inspired by, rather patterned on, those of their erstwhile colonial rulers. Constitutions embody socially agreed value systems. Modern societies are multi-religious and have to meet global commitments on human rights. National constitutions tend to remain neutral between different faiths their residents follow. They are books of civic rights, not the faith scriptures. In view of the rising religiosity in the Eastern countries, including Muslim, Islamic economists must see that their theoretical stance and constructs are general enough to remain workable despite constitutional differences across countries. This applies in particular to a puritan stance some Islamic scholars take on various economic issues

Thus, one speaking on methodology of Islamic economics must first make explicit which of the juristic schools underpins his narrative. He must further clarify whether his proposals match the constitutional provisions of his country or there is political will to make the needed changes. For, Islam does not believe in philosophical hair splitting, or idle theorizing. It is a way of life; its road to salvation does not loop around the worldly pursuits; it passes through their turmoil. Islamic economics that one may visualize to build must deliver on the ground. The superiority for Islamic economics over the conventional, in finance especially, is claimed because of its linkage with ground realities. One cannot, as one should not, propose something hanging in the air violative of this claim. Thus, a discussion on worldview does not seem as important as the *actualization* of a basic needs fulfillment program. Debate on substance versus form looks less significant than sharing of profit with labor. Diminishing balance partnership may be declared shari'ah compliant but equally vital is whether the contract remains *just* to both the parties throughout the course of its fruition.

1.1 Structure of the paper

Methodology as a term mainly has two uses. First, it may refer to the subject that oversees the performance of economics from *outside*. In this sense, methodology is a branch of *epistemology* - the theory of knowledge - and stands on philosophical bearings. It seeks to evaluate if and to what extent economic theory has been developing in the direction to realizing in the real world the goals methodology sets for it. To lay down the criteria and rules for such evaluation is also the task of methodology (Hausman 1984 Chapter 1). In the

withdrawn even to this day. (Source: Prof. M. Faizan in Indian Express, October 17, 2017}

following section two, we shall limit the discussion on methodology contextual to mainstream economics in this sense. In the process, we shall also examine the comparative position in Islamic economics on some of the issues. The two economic disciplines are doubtless much different; nevertheless, it is the mainstream discussions on methodology that have provided the motivation and the basic inputs for debates on the subject in Islamic economics.

Second, methodology is conceived of as operating *within* economics. In this sense, the rudiments of methodology help economists design research projects and fix their goals. This view of methodology is particularly important for Islamic economics. We shall discuss its theoretical elements in section three. In section 4 we examine research methods popularized in academic institutions and the impact of Western norms and methods on research done in the area. The last section five would be devoted to summarize the discussion and conclude with an answer to the poser in the title of the paper.

2. Nature of mainstream methodology

Methodology attracted much attention in economics during the inter-war period as the era witnessed extremes of cyclical devastations – the 1923 galloping inflation in Germany followed by the Great Depression of 1930s. However, the interest in the subject faded away by the close of the century. Confusion and controversy ultimately reduced methodology to a puritan sort of philosophy for ivory tower thinkers. In many universities, the subject was shunted out from departments of economics to find refuge in departments of philosophy. Any survey of the voluminous mainstream literature on the subject would here be out of place.² Important is that the time was opportune for the subject for reception in the nascent Islamic economics that took off as an academic discipline during the mid-1970s.

Discussions on methodology in Islamic economics usually derive their inspiration and content from what is termed as the worldview of a society, a popular subject in Islamic studies in the Muslim social sciences.³ Differences in the defining features of economic systems - mainstream and Islamic - are attributed to their worldview differences. Worldview refers to the collective perception of a community about the purpose of creation, the place of humans therein, their relations with the Creator and with fellow human-beings including the principles shaping and regulating them. The concept of worldview is architectonic and evolutive with reference to time and space.

The Islamic worldview is seen as God ordained; it is shaped and conditioned by moral and ethical codes of conduct for the individuals and groups in various spheres of life including economics. It has juristic foundations allowing interpretive flexibility but cannot be diluted or replaced by human will. In contrast, the West has developed what it calls a ‘scientific worldview’ based on rational empiricism and changeable by social agreement.⁴

² Readers interested in such a survey would find Daniel Hausman 1994 and Mark Blaugh 1992 useful references on the subject.

³ See, for instance, the seminal work of Professor Naqib Al-Attas 1993 on the subject.

2.1 Impact of worldview differences

The basic distinctions the worldview differences create between Islamic and mainstream versions of economics, broadly include the ‘is-ought’ controversy, reason-revelation relationship, and the doctrine-reality relationship. We discuss them below.

- a) **The ‘is-ought’ controversy:** The secular worldview expelled all transcendental ideas from the purview of economics on the plea that science is concerned only with ‘what is’. ‘What ought to be’ was admissible only if supported by empirical logic. Mainstream economics continues to hold this view as an article of faith.⁵ Thus, Marshall (1924) could conceive of economics only as catering to “material requisites of well-being”, while Robbins (1932) declared it “neutral towards the ends”. On the contrary, the Islamic view is that the absence of hereafter and accountability to any superior being makes one feel only existing because he exists. He sees no difference in an act of suicide and a feat of sacrifice; for, he faces no system of reward and punishment in the hereafter. Value neutral material progress, has been phenomenal but at an incalculable cost to humanity in terms of environmental damage and other sufferings, especially in the form of abject poverty and vulgar inequalities in the distribution of wealth and opportunity. Islam makes one see matter-spirit interlocks in self urging him/her to follow the prescribed ethical path.
- b) **Reason-revelation relationship:** One may look at this relationship in two ways. First, reasoning operates as a tool of analysis *within* discussions on revelation. Second, reason confronts and questions revelation from *outside* the confines of religion. Contextual to methodology, the first way of looking at the relationship is Islamic, the second mainstream. The meanings and argument is not the same in the two cases.

The monistic view of Islam includes both reason and sapience – intuitive wisdom – in the ambit of rationality; mainstream methodology leaves sapience out (Al-Attas 1993, 18, 35; Hasan 1995, 59). For distinction, we shall treat reason with its Islamic import as intellect meaning ‘reason plus sapience’, leaving the term reason for usage as it is in the mainstream.

Now, ‘intellect’ is the faculty that transcends the realm of understanding and provides preclusive principles for human guidance in worldly affairs. It makes comprehensible to human mind the metaphysics of the visible and invisible and of their mutual linkage, thus enabling one to imbibe a holistic and integrated vision of life. Unlike secular rationalism, Islam does not see Nature as a material physical object meant for human exploitation and use; it accords nature an additional and deeper significance. The Qur’an upholds Nature⁶ as an open book which *intellect* alone can help read, understand and interpret. Intellect makes one feel and grasp the cosmic purpose and relevance of Nature. It must be revered as it contains symbols and signs bearing testimony to the existence of Allah (swt) and His lordship over the universe.

⁴ For a detailed discussion on the two worldview differences and their and their impact on Islamic versus mainstream economics, see Hasan 2017.

⁵ See for instance these two definitions: Science is science and ethics is ethics; it takes both to make a whole man; but only confusion, misunderstanding and discord can come from not keeping them separate and distinct, from trying to impose the absolutes of ethics on the relatives of science. (Friedman, 1955, 409) Morality, it could be argued, represents the way that people would like the world to work – whereas economics represents how it actually does work. (Levitt and Dubner, Freakonomics, 2005, 13)

⁶ These two verses from Surah Fatir sum up all possible branches of knowledge or that could ever be taught or learnt in any school; covering solids, liquids, plants, animals as well as the varieties of the human race: Do you not see that Allah sends down rain from the sky, and We produce thereby fruits of varying colors? And in the mountains are tracts, white and red of varying shades and [some] extremely black. (27) And among people and moving creatures and grazing livestock are various colors similarly. Only those fear Allah, from among His servants, who have knowledge.

- c) **Doctrine-reality circuitry:** An economy invariably has an underlying doctrine that shapes its institutions and prescribes goals to achieve; it helps design policies and gives content and direction to ground realities. Thus, economies have an operable doctrine-reality circuitry. For example, in mainstream economic systems – capitalism or socialism – the doctrines resulted from the formalization of realities on the ground. For instance, Adam Smith observed the accumulation of capital, technological breakthroughs, division of labour and monetary institutions maturing in Britain – he could foresee the industrial revolution coming to make his country the leading colonial power of the world. In his “*Wealth of Nations*” Smith crafted the foundation stones for capitalism from observed realities. He was the system builder. Likewise, Karl Marx saw the dark side of capitalism – exploitation and alienation of the working class, capitalism eventually spreading mass poverty, deprivation and denial. Based on what he observed, Marx succeeded to provide the initial design for socialism. The commonality between capitalism and socialism that resulted is that in both cases the glide has been *from reality to doctrine*. What about Islam?

Islam has had neither a Smith nor a Marx. Colonization of Muslim lands did not allow them to grow out of the late mercantilist era in economic thought. Thus, Ibn Khaldun’s Introduction (The *muqqadima*, 1406) could hardly go beyond discussing the causes that accounted for the rise and fall of nations along an inverted parabolic path; he could not draw the contours of an Islamic economic system because he did not observe it operating candidly on the ground. By the dawn of independence around the mid 1950s, Muslim economies had already gone far on the road of capitalism their colonizers had charted for them. Some Islamic economists see methodology as the tool for the reversal. They assume that methodology can make ground *realities* change to match the doctrinal structures of the religion. To convince people, they highlight the maladies of the mainstream systems now in practice and show how Islam, if followed, would convert the existing hell into paradise ahead. One does not come across a greater naivety that has caused so much of avoidable controversy and confusion in Islamic economics. Methodological enthusiasts violate a basic principle of valid comparisons: likes cannot be compared with un-likes - the apples with oranges, chalk with cheese or parrots with crows. Since no economic system on ground following the Islamic prescriptions operates anywhere even on a miniature scale, Islamic economists exhibit a proclivity to comparing a system painted on Islamic ideals with the one as capitalism operating on ground divergent to its doctrinal norms. No value judgment can be valid one way or the other based on such comparisons.

Given the nature of Islamic economics, methodology as an evaluator to supervise the performance of Islamic economics parallel to mainstream is not possible. Methodology to Islamic economics is what principles of jurisprudence are to jurisprudence. Islamic methodology can only be the application of juristic norms to economic practice (Addas, 2008). Let us now turn to the second usage of the term methodology which is significant from a practical viewpoint.

3. Methodology for research

3.1 Historical sway

Higher education facilities in terms of infrastructural provisions and quality of teaching had been limited in developing countries during the centuries of colonial rule. Universities and colleges, when established, followed the curricula patterns, course contents and reading materials prescribed in the ruling countries.⁷ Sometimes, even teachers were imported. Those from the richer classes of the country went out to obtain degrees abroad that carried high premium in the local employment markets. In course of time, the process put a psyche discounting of what was local. Thus, even when lands had become free, intellect remained occupied.

That psyche continues dominating the education policies in the developing world unabated. It has created some additional problems in Muslim countries as education expanded in social sciences, especially economics. The freedom movements in most of these countries were led by the clerics who fed mass aspirations on hopes of erecting a social paradise of Islamic vintage once the foreigners left. However, the colonial rulers transferred political power at the dawn of independence to the secular elite, not to the movement leaders. For instance, in Pakistan, it was Jinnah & Co. who succeeded the British, not the Maulana Maudidi's legion of Jamaat-e Islami. This had unsavory consequences. The community got divided horizontally between the so-called *modernist* and the *orthodox* groupings, engaged in acrimony. In the ensuing chaos and instability, orthodoxy lost the race; it could extract only some marginal concessions from the ruling elite; especially in the field of education. The sequence of events was not much different elsewhere in the Muslim world

The clerics leading the freedom movements across countries had already launched a comprehensive global program for looking at knowledge from an Islamic prism. For brevity of expression, they called it *the Islamization of knowledge program*, albeit a misnomer. Arabs in the middle-east, Jammata-e-Islami in the Indian sub-continent and Malays in the south-east Asia, for example, led the program that received massive support for public funding.

After the mid-1970s, Islamic economics emerged as the center-piece of this program, when, following a well-known 1976 conference at Jeddah; the subject was launched as a formal academic discipline across the world. Educational institutions, scholarly journals, research work and funding arrangements, emerged fast on the scene in various countries. The control and regulation of the developments understandably remained with the movement people who had already done substantive pioneering work in the area. However, this control had to unwind with the expansion of economic studies and research over time. Doors had to be opened for academics and support staff from the mainstream secular discipline. Not all of the new comers had knowledge of Islamic jurisprudence. Most of the teachers were educated in the Western tradition at universities, local or abroad and had a rationalistic, value neutral view of economics. Their tools' kit was full of mathematical and econometric techniques.

⁷ To illustrate, in the 2017 syllabi for the prestigious BA (Honors) in Economics Course (University of Delhi), one finds that almost all the required readings are from foreign writers; the courses on Indian economy being an exception. It is an irony that none but few among the over 6000 faculty in the colleges of the university plus that of the reputed Delhi Schools of Economics could not write textbooks for their students.

This group gained added ascendancy with finance fast eclipsing other areas in Islamic economics. This was a divisive development.

Reasons noted above apart, the control of the movements' over the education system started weakening with the expansion of financial segment in Muslim economies. The increasing technical complexities of business and the pace of change added to the difficulties. Of course, there were jurists who were well equipped for adapting to the change. In fact, they found the expansion quite lucrative as the demand for Shari'ah advisement in financial institutions ran far ahead of supply. However, most Islamic economists working in higher education institutions across countries could not extract much advantage from the change.

3.2 The bifurcation

The ascendancy of Islamic finance left vast areas like public economics, distributive justice, economic development monetary issues and social welfare problems almost unexplored. This has led to some sharp divisions among Islamic economists, the broad bifurcation being between the old guards and their followers imbued with the classical *puritan* tradition and the later day entrants from the modern economics stream, who mainly handled finance. The traditionalists chose to attack the modernists for infesting Islamic economics with mainstream pollutants.⁸ Theirs is an effort to pull the subject back into its historical tracts.⁹

For restoring the old edifice, they plead for opening the discussion from the methodology end as, in their view; it is the use of inappropriate methodology that has brought Islamic economics to its present impasse. The contention is a frivolous escapade. Methodology is a receding subject in mainstream economics itself.¹⁰ A digression here on methodology in its philosophical attire is not warranted. Relevant to the present context is the methodology that has almost exclusively occupied the dissertation writing at the graduate level as a mark of quality in prestigious institutions of higher education in Muslim class oppress the subordinate class to advantage and strengthen itself.

4. Research methods

Predatory publishing in Islamic economics owes its emergence and proliferation to the increasing entrance in the Islamic higher education institutions of teachers who had studied and worked in foreign universities. Their conditioning in the mainstream thought processes

⁸ See the writings of Masudul AlamChudhury, Assad Zaman (2012), and Syed Nasr as illustrations of insistence on the adoption of this approach to rehabilitate Islamic economics. However, the problem with the puritan insistence of the group is that the resultant economic order they paint has not yet been shown operating even on a miniature scale anywhere in the Muslim world while Islamic finance ironically claims an edge over the mainstream for being firmly linked to the economy on the ground!

⁹ For insistence on reverting to puritan classical methodology for developing Islamic economics see Nasr (1992), Chaudhury (2009) and Zaman (2012) as illustrations. They prefer to reside in ivory towers while Islamic economics claims its firm linkage to ground realities, especially in finance.

¹⁰ The rising tendency of formalization in modern economics has paled empiricism adding to methodological confusion in the discipline (Blaugh 1992).

has convinced them that the way to raising academic standards to global levels in Islamic economics was to imitate the Western structures and methods in teaching and research.¹¹ The conviction has proved misleading; especially the penchant for mathematical/empirical formalization is misplaced.

Arguably, mathematics helps fix ideas precisely, especially to spell out the optimization conditions for economic agents and entities under a variety of complex situations. The advantages led in the 18th century to the proliferation of formal economic modeling based on differential calculus that made optimization feasible. In the process, economics became increasingly mathematical during interwar period and the later coming in of new techniques, like the games theory, allowed wider generalizations. The use of newer tools became fashionable, a symbol of knowledge and scholarship. The developments promoted caustic divisions in the profession and accentuated the formalization of the subject.

However, the unwanted formalization of discipline could not go unchallenged. No one denied the utility of mathematics for economics but it did not take long for its *overuse* in the subject to awaken criticism. Some noted economists like J. M. Keynes, Robert Heilbroner, Friedrich Hayek and others expressed concern over the increasing spread of mathematical models for exploring human behavior. They were candid that some economic choices, especially involving moral and ethical norms, were irreducible to mathematical symbolism. Abstract models for explaining human behavior do not meaningfully submit to mathematical manipulations, they argued. Furthermore, most political problems such as budgetary allocations, fighting over the tax structures, welfare reforms, international trade, or concern for the environment have economic aspects. Both the voters and the leaders they elect can fulfill their role more effectively if they have a fair understanding of the basic economics; mathematics would only confuse them. Still, there are well-known Islamic economists, who enjoy unleashing that confusion.

Also, one cannot ignore the fact that there is today a worldwide scare of mathematics among students.¹² Attention diverters are increasing fast; youngsters have neither the patience nor the time to struggle with the learning of mathematics. They are running away from economics especially because of its increasing orientation to mathematics.

4.1 Econometric syndrome

¹¹ An inept consequence of such reviewing is notable. Even the leading journals of Islamic economics prefer to get submissions received evaluated by mainstream scholars often working abroad. This practice has two limitations. First, all such reviewers are not adequately aware of Islamic position they are approached to comment on. More than that,, they find contributions obsolete due to mainstream advances. The rejection deprives Islamic economics of knowledge on the subject where it may have never been touched upon. The point is what may be obsolete for the mainstream could useful for Islamic economics.

¹² A news paper report titled: France wants to conquer the fear of maths, informs that a commissioned survey describes the grades students obtained in the subject as ‘catastrophic’ and suggested raising them to improve the pass percentage (TOI 14.01.18; 18).

An advanced form of mathematical propagation in Islamic economics is the craving for the use of econometric modeling. Illustrative of the emphasis is the compulsive use of such modeling at the prestigious global institutions of Islamic finance. The following narrative is based on the personal experience of the author as a faculty member at an institution for years. Typical was the case of a student who the author supervised for her Master's project paper worth three credit hours with the title: *Sukuk: definition, structures and Malaysian experience*. A high power Graduate Studies Committee with the supervisor as an invitee had to evaluate the work. The Committee appreciated the flawless language of the paper and its structuring. However, they expressed reservation to clear it as it did not use empirical modeling. The supervisor had to plead for quite some time in defense of the student asking what model, if any, could the student have used in the definition or the structure sections of the work while in support of her position on Malaysian experience, she did produce appropriate and adequate supportive data in tabular form? On insistence of the supervisor that the work was good enough for a pass as the rules required no grading, the Committee eventually relented to clear the work.

The obsession of the faculty with econometric modeling as an imperative for acceptable research, save in case of topics dealing with Islamic jurisprudence, was understandable as the teachers were largely foreign educated and what got sunk in most of them was the econometric culture of the Western institutions where they had studied. For such teachers using econometrics in doing and supervising research had advantages. Models of all sorts are readily available in the mainstream literature to choose from; even foreign collaboration could be garnered. Thus, research becomes relatively easy. Feed the relevant information in a computer program and torture the data until they yield what is required. Bulk of the manuscript, save the interpretations, the machine generates. Numerous impulse impact graphs in the work towards the close of manuscript the authors do not explain, nor do the readers care to look at, let alone understand. One rarely comes across a genuinely original model formulation in Islamic economics and finance.

4.2 The devastation

The above observations are not to deny the significance of empirical methods in research work. Econometric modeling has analytical grandeur and utility; it can undo age long convictions.

“No doubt, there are many reasons for believing that demand curves are negatively inclined but there is little doubt that if the statistical evidence repeatedly ran the other way, none of these reasons would suffice to make economists believe in the law of demand.”

Blaugh 1992, Preface, (P. XX).

This is true in principle and reinforces the significance of falsification in improving theoretical generalizations. However, empirical research has not mostly been refutative and has rarely thrown up conclusions independent of time and space. Econometric work in Islamic economics has been confirmative without exceptions; not adding an iota to its

theoretical corpus. On the contrary, it has fueled a dangerous proclivity in Islamic economics, encouraging what can be termed as *academic predation*. The term refers to the publishing of articles with little merit in dubious open access journals against prior payment.

A group of writers in a paper published in the prestigious science journal *Nature* voiced grave concern at the explosive proliferation of predatory publishing, the number of journals promoting it shot up to over 10,000 in few years (Kolata). 2017. Predatory journals tend to mushroom in natural sciences but social disciplines like economics are not free of increasing incursions.¹³ Fake journals make imitative writings look original.

The Western educated elite in developing countries imposed the *perish or publish* culture in higher education for academic appointment and promotion. Local journals for publishing research were few and seldom won recognition as meritorious on undefined standards. The norm for quality soon became publishing abroad in some refereed reputable journal. With the spread of education in Islamic economics more and more publication was sought abroad where empiricism has won the day in academic research. Thus, research methodology in Islamic economics got geared to econometrics. As the research was mostly imitative and less acceptable for publication in the reputable journals, the Say's law of market reversed – demand created its own supply. Predatory publishing became a flourishing business. Fake journals are mushrooming fast; the author receives at least one call daily for submitting a paper for fast publication with payment on acceptance (POA) basis.

Econometric oriented research for payment publishing has become a flourishing business. It is inflicting incalculable harm on Islamic economics and finance. Students come to reputed institutions from numerous academic disciplines having divergent academic backgrounds ranging from philosophy to medicine. They do not all have the same taste or ability to absorb even the minimal of econometric shock they receive after admission. Admittedly, it cannot be a case of the same size fitting all feet.

The majority of academics are not at home with empirical methods. Data quality is often suspect and availability scanty. Variables chosen mostly lack the needed Islamic import.¹⁴ Bulk of students and staff remains tense and pressurized. Models employed are invariably picked up from the published mainstream sources. These limitations apart, improvement in the quality of research is sought by rejecting repeatedly what a student does, positive helpful guidance is rare. Supervisory contribution is minimal, appropriation of credit for sound work maximum. Data mining for the supervisors is commonly a duty of the students. Completion time knows no limit. Cases where students leave without completion or shift to other institutions are not rare. However, those who go abroad often discover that the ordeal is no different from what students faced at home. A case reported in Appendix 1 is an eye opener.

¹³ See Hasan (2018) for a detailed discussion on academic predation and its impact on research in Islamic economics, especially finance.

¹⁴ Most of the data used comes from the UN sources. Even the Islamic Development Bank (IDB) at Jeddah mostly reproduces data separated from the same Tables for the Organization of Islamic Cooperation (OIC) member countries. Data generation in size and quality expressive of Islamic essence is conspicuous by its very absence.

It tells more than meets the eye. And, this is not a solitary case of Islamic economics students suffering abroad in frustration; there are several others in author's knowledge as they occasionally call for help.¹⁵

Econometric models have explanatory power but they are found weak, even misleading, on the prediction front. Their policy conclusions are rarely found guiding economic activity in the Muslim world. Most researchers fail to explain how their findings add to usable wisdom and can help improve economic performance; they just make sterile claims of filling knowledge gaps.

Interestingly, stochastic empiricism is on the decline even in the mainstream economics research: the use of non-parametric methods allowing multi-variate analyses is on the rise. Unlike **parametric** models, **nonparametric** constructs do not require the researcher to make any assumptions about the distribution of the population, and are for that reason sometimes referred to as a distribution-free method.¹⁶

Econometric models for research keep students occupied with data exploration, the values of parametric variables and the levels of their significance. This lets self control go, leaving little time for creative out-of-the-box thinking. It kills initiative. *Imitators cannot be innovators, followers, the leaders.* Let intellect not remain shackled in free lands.

What useful purpose parametric research is serving?¹⁷ Professor Assad Zaman (2012a) teaching econometrics at Islamabad makes a pertinent observation as follows.

Econometric methodology is based on logical positivist principles. Since logical positivism has collapsed, it is necessary to re-think these foundations...positivist methodology has led econometricians to a meaningless search for patterns in the data. An alternative methodology which relates observed patterns to real causal structures is proposed.

There is time for a cost-benefit accounting. The reward apparent is the international recognition of merit even sought via predatory publications. The merit test for research articles must be the extent they promote the Islamic viewpoint and the number of people in the academic world reading and benefiting from them.

5. CONCLUDING REMARKS

The main points we have made in the above discussion are:

1. The term methodology has two usages in economics. First, as a philosophical subject where it belongs to epistemology, a branch of the theory of knowledge. In this garb it

¹⁵ A classic illustration of the potpourri of disjointed ideas and errors from the title to conclusion is the Yosuf et al (2017) article published in a refereed and listed journal.

¹⁶ For examples, many tests in parametric statistics, such as the sample t-test, are derived under the assumption that the data come from normal population with unknown mean. In a nonparametric study the normality assumption is removed.

¹⁷ This issue was discussed thread bare in an earlier paper: See Hasan (2005) and also the illuminating discussant Assad Zaman's comments on the paper in the Conference proceedings.

evaluates the performance of economic theory to help achieve given objectives on ground. Here we compared mainstream elements with Islamic norms on the basis of worldview differences worldview – secular versus Islamic.

2. In the second usage methodology is intrinsic to economics, it is a part of the discipline dealing with and guiding designing, and methods for conducting research to expand the frontiers of knowledge in economics.

We have argued that there cannot be a methodology for Islamic economics on the same pattern as for mainstream economics, especially because there is no economy on ground operating according to the Islamic norms and requirements: It is hard to go beyond building castles in the air. Here is just one illustration of advocacy for such norms having no impact on ground realities despite tall claims of Islamic economists having an egalitarian and altruistic approach helpful to reducing poverty and distributive injustice. The following Figure A is revealing. Note that in the Islamic Middle-East income inequalities are the highest while in secular Europe the lowest.

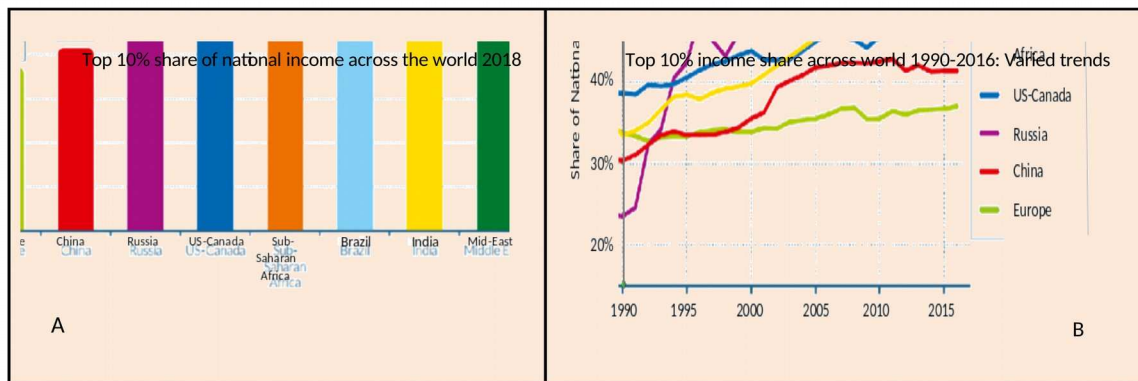


Figure B testifies that it is not merely a point of time position but a long run trend (1990-2016) also, though with a difference.¹⁸ Overall, inequalities show a rising trend across the globe, sharpest in India and slowest in Sub-Saharan Africa. Pondering on such issues is urgent than spending time on methodology hair-splitting which is not needed. Here, let us endorse the saying “anything goes, or let a thousand flowers bloom”. The nature of Islamic economics being what it is, methodology is just a continuous interpretation of sources of knowledge in view of social dynamism and seeing that *activities* on ground conform to revision of norms if any. Harmony between Shari’ah and constitutional provision has to be ensured and maintained.

Methodology in the second sense – as a guide to research - must eschew the injudicious use of mathematics and econometric modeling for a variety of reasons we have alluded to, especially to shun temptation for predatory publishing. Testable propositions in economics from Islamic viewpoint would be limited because of their *intention* orientation and data

¹⁸ The Figures are from the just published World Inequality Report 2018. They have been edited and juxtaposed here to facilitate comparisons.

lacking the incorporation of this vital element in modeling. Thus, to us the answer to the question the title of this paper contains is negative: methodology of Islamic economics is not a subject worth discussing.

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