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# Some higher education issues in Muslim countries With reference to Islamic economics and finance

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## Abstract

The purpose of this paper is (i) to state the objectives of higher education commensurate with Islamic requirements; (ii) to examine the current state of higher education in Muslim majority countries with reference to Islamic economics and finance (iii) to present a few suggestions for improvement

The constraints of space, time and resources at our disposal do not permit us to present an all covering blue print on this vital subject. Instead of dealing with specifics, we shall focus on attitudinal and directional issues of evolution. We shall use data from Human Development Reports and the RePEc Archive for OIC member countries for our work. A comprehension of the desired magnitude may be lacking and we are conscious of the limitations of the approach the paper takes to the problem. Yet, we expect the exercise to be rewarding in lighting up a few dark corners in the area.

**Keywords:** Objectives of education; Islamic economics and Issues in higher learning; remedial action.

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## 1. Introduction

The view of education in Islam is based on verses of the *Quran* and the Prophetic traditions that exhort for learning, emphasizing the benefits that flow from the acquisition of knowledge. Indeed, no religion save Islam has given so much importance to learning; the very opening verses of the revelation instruct humans to 'read'. The Qur'an makes humans' ability to read and write for educating self as their definitional characteristic distinctive of other creatures on Earth. Humans were equipped to enable them take charge of the planet with all its resources intended to promote creativity and growth for transforming self from lower to higher stages of development – for becoming '*insaan*' from mere 'being'.<sup>1</sup> As both virtue and vice were kept ingredients in humans' creation, Humans were granted freedom to choose either course as guide to action in life on earth, Education was expected to keep them on the path of virtue but discretion granted could promote the opposite attributes as well. Thus, education did lead to both construction and destruction during the evolution march of knowledge though on the whole pen emerged mightier than the sword. Contextually, the divine control consisted of a system of reward for good deeds and punishment for the non-virtuous, here and in the hereafter. Thus, education acquired ethical dimensions of significance in Islam; Islamic jurisprudence becoming the guiding star of education at all stages of learning. There is of late a notable revival of interest in juridical studies.

The real journey on the education path begins after basic learning of language and numbers and their elementary use to have a feel of the happenings around and some

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<sup>1</sup> Education is what is left in you beyond the classroom lessons; what sort of person it makes you. "Real education is something one take up, not as a means to make a living, but as a habit of being through a lifetime."

of the basic human problems.<sup>2</sup> Learning grows into education after schooling. Colleges, universities and other specialized institutions are the cradles' of higher education, research and exploration.

This paper aims to have a look at the state of higher education in the Muslim world. It is a fascinating but difficult task for the confines of a paper in terms of time, space and resources. We must define the boundaries, limitations and utility of our exercise.

### ***1.1 The design***

To begin with, we use Islamic economics including finance as an illustrative case in the Muslim world on a selective basis from 1975 onwards when the subject had just emerged as a formal academic discipline. The progress of the subject in higher education over the past four plus decades has been laudable, especially in the financial sector. Gaps remain, there have been misdirection too. But all new disciplines face teething problems. Even mainstream economics is not yet a body of settled conclusions readily applicable to policy. Theoretical formulations can never be, in a dynamic and kicking social order as of today. Change makes existing problems complicated and new problems continue cropping up.

Schooling is the bedrock on which the edifice of higher education is raised. The content and quality of learning at that level has serious limitations in the Muslim world to link it up with college education. However, we cannot discuss them here. Instead we take the risk of closing our eyes to the schooling limitations for the discussion that follows. Admittedly, such a truncated exploration of the higher education terrain would detract from the utility of our discussion on higher education issues in the Muslim world but we do hope to illuminate some of its darker corners.

#### *Structure of the paper*

The Section of the paper following introduction deals with the broad overall objectives of education from Islamic perspective. Next, we state and analyze some basic issues relating to higher education in the Muslim countries in the field of economics providing broader generalizations where relevant and feasible. This would necessitate spelling out some policy measures to improve the situation. Finally, we close the discussion with a few concluding observations.

## **2. Objectives of higher education**

There is no universal consensus among experts on what the objectives of education in general are or should be, much less on the aims of higher education. The reason is that educational aims - irrespective of level - do not exist or can be conceived of in a vacuum. A social milieu has to be their frame of reference. Thus, aims of education

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<sup>2</sup> This implies the avoidance of the role of mosque in imparting educational instructions even as much classical juristic explorations owe their origin to work at mosque attached libraries. Even today the grand mosque at the centre of the International Islamic University of Malaysia (IIUM) and its sprawling library stand face to face in that tradition.

cannot be thought of independent of factors affecting the social dynamics over time and place. These factors – historical, customary, juristic, economic and geo-political - vary across countries and over time in the same country. We have discussed the issues concerning the structural designs, curricula and reading material contextual to higher education in economics thread bare in a paper not too far back in the past (Hasan 2008). We need not go over the argument again as things have since shown not much change with the passage of time. What has remained typically frozen, has rather hardened, is the attitude towards education in Islamic economics and the approach to its development, the focal points of our discussion here.

### ***2.1 The colonial hangover***

When Qur'an opened with an exhortation to read and informed us that Allah was the first teacher of the humans – men and women – the reference was to their innate faculty to learn and gain knowledge as distinct from other creatures. Ability to learn was the necessary condition for educating one's self. Presently, the two – learning and education - seem to telescope into one another and can be rarely distinguished. Education – call it learning if you like - takes us out of our childhood. It helps us break our mental shackles, imparts in us a sense of freedom and we feel as if breathing fresh air.

In this context pursuit of knowledge for its own sake is pleasurable and universities, at times, promote Ivory Tower thinking. We believe that kite flying is useful to gauge the wind speed and direction but beyond that education and research cannot afford to be purposeless, especially in developing economies, most facing resource crunch. Unwittingly, a good part of the work coming out of higher education institutions in the Muslim world in the field of economics and finance tends to fall, we find, in the category of non-purposeive contributions. There is either a thoughtless submission to historical “pull back” or timorous yield to Western thought processes and prescriptions with little realization that the judgments on educational health care need in no way be premised on magical notions of the past or imitative prescriptions. They must be based on the usefulness to society of the systems' final product – the student. On that must be based the judgments about academic activism and its fundings. The cost-benefit analysis is a must. The notion of excellence is, or must be, coextensive with such analysis. We shall argue that neither the ‘pull back’ obsession nor the ‘modernity elation’ meet Muslim requirements on such analysis.

Higher education is imparted in colleges, universities and specialized institutions. For this paper we have in mind instructions of higher learning where Islamic economics and finance are major areas of instructions. Typically, the universities are the focus of attention. Higher education – its content, structure and direction - essentially depend on how universities operate in a country – the governance of the system.

Let us first take a look at the historical ‘pull back’ and its prescribed reform for Islamic economics education. We do not want to create divisions by documentation among the learned unless challenged. But those who are in touch with the literature on Islamic economics will readily agree that we have a group of influential writers that is vocal about Islamic economics not freeing itself of Western frameworks and go back to its classical juridical roots. For that they insist on creating first a performing Muslim society through *dawah* or religious preaching. Until the ideal social order is first created, they take recourse in highlighting the weaknesses of the mainstream economics blaming on it all the ills modern societies suffer from. For instance, in economics they reject scarcity of resources, pursuit of self-interest and maximizing behavior as Western afflictions non-amiable to moral reforms to accommodate in Islamic economics. A close look at the bibliography of writings critical of these concepts reveals that most of the argumentation against these notions is borrowed from mainstream writings; there are not many references of Islamic origin. When these and similar ideas are modified and defended as useful for Islamic economics, they are not inclined to join the debate or challenge the argument. Rather, there is a candid tendency in the literature to shun critical evaluations unmindful of the fact that such evaluations are needed for the progress of the discipline. Why this is so?

History tells us that Muslim conquest of the world had peaked within three to four hundred years of Islam’s advent; the believers had downed both the mighty Roman and Iranian empires by 638. During the same time Muslims had emerged as the knowledge leaders of the world – in philosophy, astrology, mathematics, medicine, jurisprudence, sociology, navigation and others. After these glorious years Muslims were mostly fighting among themselves for the chunks of land until after the close of the First World War Europe dismembered the Ottoman Empire into colonized small bits. That in-fight continues even after the dawn of independence from slavery. Muslims have killed more Muslims than have non-Muslims after the Second World War. Arrogance and corruption dominate Muslim lands with some exceptions. From needles to airplanes including prayer related materials are imported from abroad. What has been the Muslim contribution to the growing global stock of wealth and knowledge over the recent centuries?

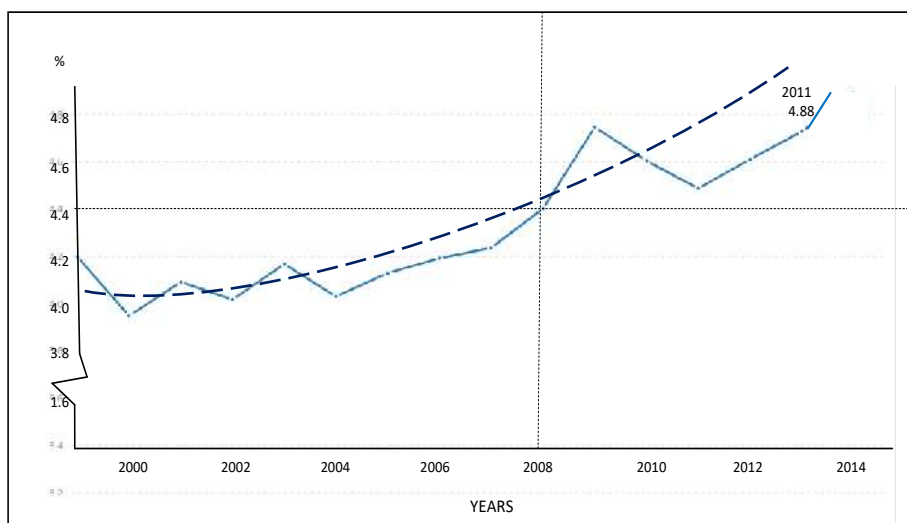
## ***2 Universities: some issues***

Universities are the seats of higher learning and research. The range and quality of their activities depends on how these institutions are run and in what sort of socio-political environs they operate. Initially universities started as public sector entities; most of them were established in developing countries by the legislative action – central or state – during the colonial era but mostly after independence. It was in the second half of the preceding century that private sector universities, colleges and other institutions of higher learning started proliferating in a noticeable way for

several reasons. Finance was a major one but soon the rising wave of liberalization – political and economic – tended to be increasingly significant.

Whether public or private, a typical university is supposed to carry the mark of *excellence* with its name. How one defines this excellence and how it is, or must be, measured may be a moot point. There is much controversy on the point and resultant annual rankings of the institution of higher learning worldwide, institutions in lower income economies lagging far behind.<sup>3</sup> The result is that many developing countries seem to have an attitude of indifference toward these rankings.<sup>4</sup> Some have developed a parallel criteria set for internal ranking. Be it as it is, the relevance of a notion of excellence can hardly be denied;<sup>5</sup> it is needed at least for cost-benefit analyses and funding decisions. Presumably, OIC through its Statistics Office at Istanbul may take up the work of developing excellence norms and of ranking the institutions in the Muslim world.

Expenditure on education as a percent of World GDP has been rising over the years running over 4.4% after 2008 and crossing 5% in 2014 as Figure 1 shows. There is presumption that the larger part of this rise has gone to boost higher education. What is the position in Muslin countries?



**Figure 1:** Rising trend of public expenditure on education in the world

Source: <https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS> (Picture edited)

<sup>3</sup> The charge in developing world is that such rankings smack of bias. Its validity apart, it is true that the criteria of evaluation are based on what is largely relevant for the Western educational institutions and not all relevant to the developing world. Still these rankings do carry relevance on a relative scale for institutions *within* a country or grouping. say, South Asia

<sup>4</sup> But many ignore global rankings. India is a case in point. Upset at poor showing of Indian institutions in the rankings year after year, the Central government has decided to boast financially and otherwise some 10 institutions to see them among the top 100 at the earliest.

<sup>5</sup> Limitations apart, it is still significant to note that no university of the Muslim world appears in the top 100 instructional rankings of the world while such tiny states as Israel, Singapore and Taipei appear there. It is found that the annual scientific research work done in the Muslim world is less than that Boston University turns out.

### 3. Higher Education in Muslim lands: Economics

Let us follow the criterion on which the Figure 1 is based and see what proportion of GDP in various Muslim countries is spent on education but one must clearly understand that parents and private institutions spent substantial amount of money on education, especially on quality improvement, which the public expenditure criterion ignores. Also, per head expenditure is a better criterion than the GDP proportion especially for comparisons over time and space. In Figure 2 ratios are picked up from the Human Development Reports of the UNDP. These reports do not have data for all countries nor is the division of expenditures for different categories of education available. Despite limitations, the situation summary presented below reveals some interesting facts about education in Muslim countries.

It is worth noting that the expenditure to GDP ratio for Muslim countries is on a higher side even in some poorer African countries. There are countries where it is greater than the average for developed economies. And in the majority of cases

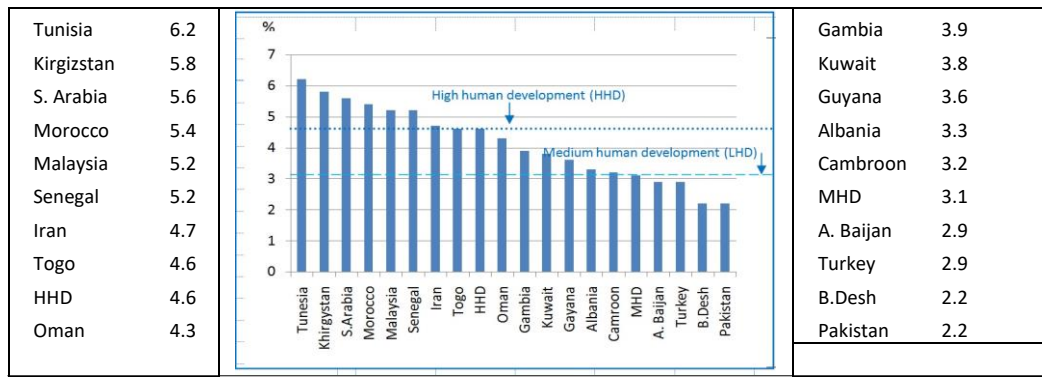


Figure 2: Public expenditure on education as ratio of GDP in Muslim countries in 2012

reported the ratio is higher than for the medium income category. Overall, the community is spending generously on education; the religious instructions are being followed. Why the record of Muslims to the fast growing stock of knowledge is then so poor as illustrated below?.

The contributions of Muslims dominate areas in religion, arts and humanities; it is scanty in physical sciences and technology. In social sciences, Islamic economics and finance lead the pack. Here too publications drawing attention of the world are countable. Journals attracting world notice are fewer. Readership in either case is meager. An objective test is the appearance of working papers and articles on the RePEc Archive. I do not have resources enough to conduct a thorough research on various aspects that it provides data on; still a small effort has been made. Not more than four academic journals dealing exclusively with Islamic economics and finance are registered with the archive. We took the list of OIC member countries and opened the top 25 authors list in each case. We recorded the count of Muslim and non-

Muslim in each case<sup>6</sup>. The paper downloads and views of the top Muslim scholar in each country were recorded. Findings are briefly reported as under:

**Table 1: Data Availability status at RePEc October 2018 (OIC Countries)**

Available	Not Available
Albania, Algeria, Azerbaijan, Bahrain, Bangladesh, Brunei, Burkina Faso Egypt, Indonesia, Iran, Jordan, Kazakhstan, Kuwait, Lebanon, Malaysia, Morocco, Mozambique, Nigeria Oman, Palestine, Pakistan, Qatar, Saudi Arabia, Senegal, Sudan, Tunisia, Turkey, Uganda, UAE, Uzbekistan (30)	Afghanistan, Benin, Cameroon, Chad, Comoros, Côte D'Ivoire, Djibouti, Gabon, Gambia, Guinea, Guinea-Bissau, Guyana, Iraq, Kirgiz Republic, Libya, Maldives, Mali, Mauritania, Niger, Sierra Leone, Somalia, Suriname, Syria, Togo, Turkmenistan, Yemen. (27)

Note: Countries having 5 or less entries have been classified 'Data not available'.

It is regrettable that almost half of the Muslim countries have no or negligible presence on the archive. Of the 30 countries that appear there, the data for top five is provided in Table 2. The 18.4% of the contributors in these countries are non-Muslims; interestingly their ratio in Malaysia is 56%! The average long-run contribution of the top Muslim researchers at  $440457/5 = 88091$  is not impressive relative to overall position.

**Table 2: Top five countries (October 2018)**

#	Country	Number of authors		Downloads	Views	Total
		Muslims	Others	D..Loads	Views	
1	Turkey	23	2	28974	216561	245535
2	Lebanon	21	4	8167	62998	71165
3	Pakistan	25	0	1126	40899	42025
4	B. Desh	22	3	10037	31140	41177
5	Malaysia	11	14	11326	29229	40555
	Total	112	23	59630	380827	440457

It is interesting to note that there is no significant co-variation between the per capita national GDP level and RePEc performance. The above quantitative analysis of Muslim contribution to Islamic economics may not be free of blemishes but it does unmistakably reveal that the academia contribution to knowledge falls much short of being commensurate with the generous public funding of education in the Muslim world. The academic system is not cost effective; per unit cost of deliverables is too high. This adverse cost-benefit scenario calls for investigation of the causes.

For 12 countries<sup>7</sup> we had values for 'expenditure on education' ratios and their ranks as per RePEc contribution. The sample is adequate from a population of thirty countries for which data is available. We ran simple OLS regression taking the rank

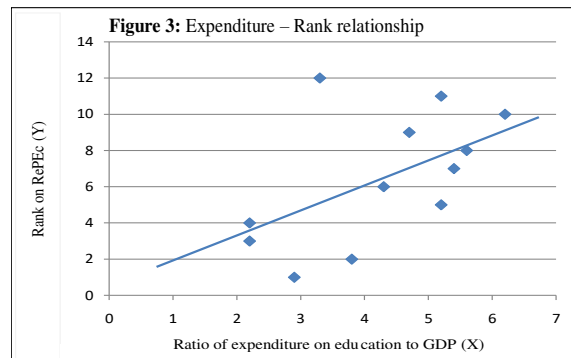
<sup>6</sup> It was difficult in some cases – Indonesia, Turkey and the central Asian countries – to make a distinction and some errors may have been made. But such cases were not many to affect the overall analysis.

<sup>7</sup> These countries are Albania, Bangladesh, Iran, Kuwait, Malaysia, Morocco, Oman, Pakistan, Saudi Arabia, Senegal, Tunisia and Turkey



on RePEc as independent variable Y and expenditure ratio as X. The result is as follows:

$$\hat{Y} = 0.26 + 1.46 X - 0.086 \quad (\text{The coefficient is significant at 5\%})$$



Thus, in general, spending more on education tends to improve contribution to knowledge in Muslim countries even as the result is not elating; an expenditure increase of as much as 1.46% raises rank by just 1. It appears to be a costly affair.

The picture of Higher education that emerges from the foregoing analysis is bleak to put it straight. The crux of the problem is that benefits are low in comparison of generous communal expenditure on the education head. More than half the Muslim population across countries fails to find its way in the darkness of ignorance. In addition, those who are fortunate to reach college education are not getting education of the sort needed in economics and finance, our sample field. Where have we missed the bus? What follows may not sound sweet but a wakeup call is the need of the hour.

### 3.1 Comments

To begin with, many of the faculty in higher education institutions is beyond their productive years. They can no longer dish out, save in exceptional cases, bright new ideas. They grow to become lotus eaters and mark time to get promotions just by aging. Such faculty is thought-poor unable to provide quality supervision for research work. They mostly believe in making the student work/struggling dependently in pursuit of learning. For what is then the supervisor needed and hours are credited to his service record?

Their academic output of such faculty is meager and research stale as the above analysis shows. They are blocking the way of the young. One way is to lengthen their years of study in frustration. I have seen many such whiteheads around in the Muslim world where I spent quarter of a century of my professional career. Political patronage fed on connection, if not corruption, runs the process unabated. Teachers are found claiming expertise in fields that they never studied, or contributed to, just for adding the tag of being a research guide to enrich their profile for promotion. Such people only tended to ruin the career of their charge. Research under such

circumstance is perilous. Interestingly those who come out of the process successfully choose to perpetuate the process as though in revenge.

Another serious research issue concerning Islamic economics and finance is the imitative tilt towards using mathematics and econometric modeling in dissertation writing. We have already discussed the ill consequences of this tilt in a recent article on *Academic Sociology* (Hasan 2018) and need not repeat the argument here save reiterating that the overemphasis on using these tools, more presumably in Malaysia, is killing innovative urges in young minds without much benefit to either academics or the profession. This perilous tilt needs correction.

#### **4. Concluding remarks**

This petite paper is a preliminary effort to look into a basic issue of delivery and its cost in higher education in the Muslim world. For that it selected the state of affairs in economics and finance as a reference point and the data from RePEc archive as a performance measure. It must be at once conceded that this approach may have more blemishes than the critics may dig out. Thus, no tall claims for this small effort, but it does bring to light a few interesting facts about education in the Muslim world.

It tells us that the religion's special concern about education and emphasis on it as the key to world treasure and salvation in the hereafter finds pronounced expression in the practical affairs of the community; Muslim countries in general are spending larger proportion of their GDP on education than most developing countries. Despite that, their performance is disappointing; benefits are not commensurate with money spent on education. It is an issue of academic sociology, not of economics alone. Possibly, drastic systemic overhaul could be the answer? A small surprise is the rank order of the top five performers: Turkey, Lebanon, Pakistan, Bangladesh and Malaysia. The populous Indonesia and the rich middle-east do not appear there!

Critical reviews of work on Islamic economics are scanty as they may, some fear, 'damage' the subject'. Such apprehensions must go. Even prophets and caliphs had to answer queries from the commoners and explain matters to their satisfaction. The Islamic instruction for guiding to righteous deeds and to avoid the prohibited speaks for critical evaluation, not against them. Indeed, all criticism, even the constructive one, is damaging in some measure. The only Islamic restriction is that it ought to be well-intentioned, logical and urbane.

Finally, this humble effort must be judged on what it achieves not on what it does not. At least it opens a new and vital topic for research – a cost-benefit analysis of education in Islamic economics and finance. The global scenario on education is fast undergoing transformation in the twenty first century. Let Islamic economics and finance not lag behind.

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