

Conference Report

The 2nd international conference on Islamic economics and economies of OIC countries

The second International Conference on Islamic Economics and Economies of OIC Countries (2nd ICIE 2013) was held at Prince Hotel and Residence, Kuala Lumpur, Malaysia between 29th and 30th January, 2013. The theme of the conference was “Islamic Economic Solutions for OIC Countries: Theory and Policy.” The main organiser of the conference was the Department of Economics, International Islamic University Malaysia (IIUM). The two co-organisers were the Ministry of Finance Malaysia and Islamic Research and Training Institute (IRTI), Jeddah. The objective of the 2nd ICIE 2013 was to find Islamic solutions to the problems plaguing the world economy. The conference was a sequel to the successful first International Conference on Islamic Economics and Economies of OIC Countries held in 2009.

In the two-day conference, that attracted participants from more than 20 OIC and non-OIC countries, 83 papers were presented in addition to two keynote speeches. The first keynote speech “Toward Islamic Economic Policy in the OIC Countries” was delivered by the Director of Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), Prof. Dr. Savas Alpay. In his speech, he focused on economic indicators, social developments and science and technology of the ummah and their policy implications. This was done in comparison with other developed and developing countries and by using SWOT analysis. The second keynote speech “Ethical Values in Conventional and Islamic Finance” was presented by Prof. Dr. Monzer Kahf of Qatar Faculty of Islamic Studies, Hamad Bin Khalifa University, which examined the role of ethical values in stabilising financial and economic system and the need to come back to the fundamental ethics of finance such as realism, commitment to non-

harm and contractual balance and wealth creation in contrast to wealth transfer in conventional economics.

The two plenary sessions focused on policy and practice. The first plenary session highlighted the historical development of Islamic economics since the early days of Islam, contemporary understanding of Islamic economic policy in OIC countries; accommodation of private and public interest as the permanent feature of Islamic economic policy. The second plenary session focussed on the research dimension and challenges of the discipline of Islamic economics such as the need for a new paradigm and a theoretical framework with an emphasis on creating Islamic order and worldview rather than only Islamic financial institutions. Interestingly, the panellists emphasised the need to establish strong foundation for this growing discipline. Both the plenary sessions were interactive with interesting questions coming from the floors on various issues of economics.

In the parallel sessions, a number of burning and debatable issues were discussed in different areas spanning from theory and practice of Islamic economics and finance, sustainable Islamic development, socio-economic justice, waqf, zakat and microfinance, social responsibility in Islam, global financial crisis and Islamic finance, among others. While certain levels of consensus have emerged still there is need for further research to strengthen the niche area of Islamic economics and finance, particularly to solve the socio-economic problems of Muslim ummah that range from high unemployment, to corruption, abject poverty, inflation, lack of entrepreneurial skills and development, resource ownership, hunger and starvation all in OIC countries as well as over dependence at micro and macro levels.

In the closing session, the Honourable Rector, Prof. Seri Dato' Dr. Zaleha Kamaruddin, emphasised the need of IIUM, given its leading role, to champion the course for training human resource that is highly needed all over the world in the areas of Islamic economics, banking and finance. According to her, this is "a very good area that we should venture and put IIUM at another level." She hoped that the newly established Centre for Islamic Economics would assist the Kulliyah to boost the University's name to serve not only Malaysia but also the globe at large. The Rector congratulated the Dean as well as the organizing committee of the Kulliyah of Economics and Management Sciences for a successful conference.

Finally, the Honourable Rector presented awards to the best paper presenters in three categories: Islamic economics, Islamic finance, and Economies of OIC countries. The first paper was “Conceptualising a strategic framework of social responsibility in Islamic economics” under the category of Islamic Economics by Mohd Nizam Barom, Department of Economics, IIUM. The second paper was entitled “The legal implications of ‘fatwa shopping’ in the Islamic finance industry: problems, perceptions and prospects” under the category of Islamic Finance by Dr. Omar A. Oseini, Ahmad Ibrahim Kulliyah of Laws, IIUM and Abu Umar Faruk Ahmad, International Shariah Research Academy (ISRA). The third paper was “Performance of micro-finance institutions in Muslim countries” under the category of economies of OIC countries by Ali Ashraf, Frostburg State University, USA and Kabir Hassan, University of New Orleans, USA.

The conference participants deliberated important issues with regard to the development of Islamic economics as a discipline and its application in Muslim countries. One general conclusion that emerged from the conference is the emphasis on the need to establish strong foundation for the growing discipline of Islamic economics and to increase attention on researches that have policy links so as to practically show the comprehensive nature of Islam and the relevance of Islamic economics in the twenty first century. The conference succeeded in deliberating on i) Islamic economic system and Islamic economy, ii) Policy issues confronting OIC countries and how Islamic economics can be utilised to provide real-world solutions to these challenges, and finally iii) Issues relating to Islamic finance. Thus, OIC countries have the opportunity to embrace Islamic economics as an indigenous approach to guide their economic policy responses. However, for this purpose, there is need to integrate theory and practice which the Conference hopefully would facilitate the enterprise. The Conference succeeded in its aim of serving as a forum for academicians, policy makers and implementers, practitioners, professionals, students and other interested parties to argue, deliberate, and discuss the variety of topics listed under the three specified categories.

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