

**TEACHING ISLAMIC ECONOMICS
AND FINANCE
AT
ISLAMIC SCHOOLS IN INDIA**

Edited by

AUSAF AHMAD

IFA Publications

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AT
ISLAMIC SCHOOLS IN INDIA

Papers and Proceedings of a National workshop organized by the Islamic Fiqh Academy of India, Institute of Objective Studies and the Islamic Research and Training Institute, Jeddah and held at the Hamdard Convention Center, Hamdard University, New Delhi during April 25-26, 2009

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PREFACE

The Islamic Fiqh Academy of India (IFA) and Institute of Objective Studies (IOS) in collaboration with the Islamic Development Bank (IDB) organized a two day national workshop in India on “ Teaching Islamic Economics and Finance in Madaris in India: Problems and Prospects during 29-30 Rabi Thani 1430 corresponding to 25-26 April 2009. A number of scholars from Islamic seminaries and intellectuals from Indian universities participated in this workshop. Some economists and bankers with international reputation also participated in the workshop. For two days, they deliberated on the issue: How to teach Islamic economics and finance in the Islamic Madaris in the present circumstances? What are the difficulties involved in it and how these difficulties could be overcome?

While the workshop benefited from the presence of eminent persons like Maulana Mohammad Salim Qasmi, Vice Chancellor of Darul Uloom Waqf Deoband, Maulana Mohammed Nematullah Azmi, Professor of Hadith sciences at the same seminary, Maulana S’aeedur Rahman Azmi, Vice Chancellor, Darul Uloom Nadwatul Ulema, Lucknow, Maulana Mufti Sadiq Mohiuddin, former Professor of Juridical sciences, Jamia Nizamia, Hyderabad and Maulana Kaka Sayeed Ahmad Umari, President Jamia Daarus Salam, Tamil Nadu, it also gained in insights from the expertise of eminent economists like Professor, Dr. Mohammed Nejatullah Siddiqi, Professor Abdul Azeem Islahi, Dr. Ausaf Ahmad and Prof. M. I. Bagh Siraj etc. Another satisfaction was the participation of teaching and research institution

from to all over the country. The list of all participating institutions is give at the end of the book.

Another distinguishing feature of the workshop was its methodology. While, it paid attention to theoretical issues enough time was allocated for discussions and all participants were given full opportunity be express their views. All issues were discussed candidly and openly.

This book contains the paper presented at the workshop, discussions and documents. My esteemed friend, Dr. Ausaf Ahmad has very ably assembled this volume which is being published in three languages, Urdu, Arabic and English. May Allah reward him for his hard work, and this project succeeds in attaining its objectives.

Khalid Saifullah Rahmani

Secretary General
Islamic Fiqh Academy, India

ACKNOWLEDGEMENTS

This book grew out of the proceedings of a workshop which was, on the face of it, organized by three organizations i.e., the Islamic Fiqh Academy (India), the Institute of Objective Studies, and the Islamic Development Bank. But in reality, many more individuals and organization have been a party to bring this workshop from an idea to a reality. The authorities and functionaries of the Islamic Research and Training greatly appreciated the idea. They not only supported the idea of this workshop but also managed a generous grant from the Islamic Development Bank, which made the organization of workshop possible. The Institute also sponsored the participation of two scholars from Saudi Arabia. We are certainly very grateful to the Institute.

We must also thank Dr. Mohammed Manzoor Alam, Chairman, Institute of Objective Studies, New Delhi who not only gave us many facilities but devoted a great deal of his valuable time in attending various sessions of the workshop. He also addressed the inaugural session of the workshop. The text of this address is included in this book.

Among the authorities and functionaries of the Islamic Fiqh Academy, not thanking Maulana Khalid Saifullah Rahmani, Maulana Ameen Usmani Nadvi and Maulana Ateeq Ahmad Bastavi, shall be sheer ungratefulness. They not only hosted the workshop but generously put all material and non-material resources of the Academy at our disposal. The colleagues in the Academy, particularly Maulana Anees

Aslam Miftahi, Mufti Ahmad Nadir al Qasmi, Mufti Imtiyaz Ahmad Qasmi, ML. Safdar Zubair Nadvi, and others worked tirelessly, with devotion and singularity of purpose to make the workshop a success. Many colleagues of the Institute of Objective Studies, including Mr. Ataur Rehman, Mr. Iqbal Husain, ML. Obaidur Rahman Qasmi, Mr. Adeel Akhtar, Mr. Mohammed Ishaque, Dr. Qamar Ishaque and many others gave a helping hand to the colleagues in the Academy. The success of the workshop owes them a great deal.

On another plane, I am thankful to all those who prepared papers for the workshop and undertook long journeys in scorching Indian summer. This includes some of the elders also, who underwent all this suffering despite their old age and poor health. For instance Maulana Mohammed Salim Qasmi who chaired our inaugural session, Maulana Sayeedur Rahman Azmi, Maulana Kaka Sayeed Ahmad Umri and Maulana Mufti Mohd. Sadiq Mohiuddin travelled great distances despite their ill health and old age. I must pay special thanks to Professor Nejatullah Siddiqi who not only wrote a special paper, for the workshop but travelled all the way from Aligarh to Delhi to deliver his key note address at inaugural session. Dr. Abdul Azeem Islahi and Mr. Sirajul Haque came from Saudi Arabia. Dr. Rahmatullah made a dash from Mumbai. Dr. Bagh Siraj contributed a paper and participated in all sessions very religiously.. I am thankful to all these people personally. Furthermore, the organizers are thankful to all those scholars and intellectuals who participated in different sessions of the workshop and thus illuminated those aspects of the issue that usually remain hidden from our eyes.

May Allah grant them a greater reward!
AUSAF AHMAD

An Overview

Ausaf Ahmad

It is well known that Indian system of education is divided into several parallel streams. For Indian Muslims, the relevant systems of education are: secular and Islamic streams. The secular stream of education consists of all modern schools, colleges and universities which follow the so called Western system of education. It also includes the so called Minority educational institutions i.e. the institutions established and managed by Muslims. Such as Aligarh Muslim University, Jamia Millia University, scores of colleges and schools, which are spread over every nook and cranny of this vast country. All of them offer Western education and prepare students to undertake jobs in the social and industrial sectors of the economy. The medium of instruction in these 'secular institutions' is either English or Hindi (the official language) or any one of sixteen regional languages. The other stream is the Islamic stream and includes institutions that impart mostly religious education. The medium of education at Islamic schools is either Urdu or Arabic.. Thus, these institutions are also distinguished on the basis of medium of instruction. The Arabic schools are also known as Islamic schools (*madaris Islamiah*) or Arabic schools (*Madaris Arabiah*) or Religious schools (*madaris deeniyah*). These streams are parallel to each other, with little interaction, if any. The Arabic *madaris* impart education at various levels, from pre schooling to specialized level. They churn out graduates who specialize in Islamic sciences, Quran, *Hadith*, *Tafsir*, and *Fiqh*. Their

graduates become *Muftis*, *Qadis*, and Scholars (*aalim*) of Islamic sciences. Those who do not have specialized knowledge, become *Imams*, (prayer leaders) and *moezzins* who call the faithful to prayers or even preachers (*muballigh*).

The Islamic schools are spread in every nook and cranny of the Indian subcontinent. There must be thousands of such institutions. They employ thousand of teachers and cater to the educational needs of hundreds of thousands of students; although a recent report of the Government of India, (popularly known as Sachar Committee Report) estimated that only four percent of Indian Muslim children obtain education through Madarsa System. However, in absolute terms even 4 percent of 130 million people become a big number. Another characteristic of *Madarsa* system is that in almost in its entirety, it is based on private initiative independent of government support. Each institution is free to choose its policy. It decides what to teach, how to teach, whom to teach and by whom teach. Since Islamic schools in India are financially independent, there is least amount of interference from government or any other outside agency, if any at all. The freedom and independence of Islamic schools in India offers a unique opportunity for the application of modern Islamic finance in these institutions.

Islamic Finance and Religious Schools

The emergence of Islamic finance has provided a unique opportunity for the application of Islamic *Shari'ah* in financial activity in the modern times. The products of the Islamic financial industry have to be '*Shari'ah* compliant' by necessity. *Shari'ah* Control and Supervision of Islamic financial institutions appear to be a necessary condition for the genuineness, authenticity and credibility of these institutions. Thus, Islamic financial industry generates

demand for *shari'ah* skills. The Islamic schools and institutions are natural suppliers of these skills. However, except utilizing the services of some *Shari'ah* scholars at the high levels, the Islamic financial industry has been content with using the services of graduates in economics, finance and management etc. whose knowledge of *Shariah* is at best rudimentary.

Genesis of the Workshop

Keeping the above in view, two institutions in New Delhi, the Islamic Fiqh Academy (India) and the Institute of Objective Studies, (New Delhi) approached the Islamic Research and Training Institute of the Islamic Development Group, Jeddah for sponsoring a two day national workshop to examine various issues involved in teaching Islamic Finance at Islamic schools in India.

The Grant

The Islamic Research and Training Institute provided a generous grant and two scholars to attend the workshop on its behalf. Mr. Sirajul Haque from IRTI and Dr. Abdul Azim Islahi from King Abdul Aziz University were designated to attend the workshop on behalf of IRTI.

Organization of the Workshop

The workshop was organized jointly by the Islamic Fiqh Academy and the Institute of Objective Studies and the Islamic Research and Training Institute, Jeddah.. The workshop was held on 25th and 26th April 2009 Corresponding to 29 and 30th Jumad Awwal 1430 H in the Convention Center of Hamdard University.

Participation

A total of 113 institutions from all over India were invited to attend the workshop. Out of these 69 institutions attended. Some of the important institutions which were represented in the workshop are listed below:

1. Islamic Fiqh Academy , India
2. Institute of Objective Studies, New Delhi
3. King Abdul Aziz University, Jeddah
4. Islamic Research and Training Institute, Jeddah
5. All India Council of Muslim Economic Upliftment, Mumbai
6. Darul Umoor, Sri Ranga Patnam, Karnataka
7. Jamia Islamia, Shantapuram, Kerala
8. Darul Uloom Deoband (Waqf)
9. Nadvatul Ulema, Lucknow
10. Jamia Nazimia, Hyderabad
11. Al Mahdal Aali littadrib fil Ifta wal Qada, Bihar
12. Jamat Islami Hind, New Delhi
13. Indian Center for Education in Islamic Finance, New Delhi
14. Islamic Banking and Finance Net, New Delhi

In short, it was a fairly representative gathering of religious institutions. A complete and authenticated list of participating institutions is given at the end of the book.

Inaugural Ceremony

The inaugural ceremony was presided over by Maulana Mohammed Salim Qasmi, Rector of Darul Uloom Deoband (Waqf). The Inaugural address was given by Maulana Khalid Saifullah Rahmani, Secretary General of Islamic

Fiqh Academy, India. Since inaugural address was delivered in Urdu, its English translation is included in this book

The Key note address was presented at the workshop by an eminent Islamic economist Dr. Mohammed Nejatullah Siddiqi. The translation of its written version After Key note address, Dr. Mohammed Manzoor Alam, Chairman, Institute of Objective Studies delivered a Special address to the workshop. Maulana Salman Hasani Nadvi (Nadwatul Ulema, Lucknow) and Maulana Wali Rahmani (Bihar) also addressed the gathering and put forward their views on the subject.

After the Presidential Speech by the Chairman of the session, Maulana Mohammed Salim Qasmi, Rector of Darul Uloom, Deoband, (Waqf), Vote of thanks was presented by Maulana Zaubair Ahmad Qasmi.

Presentation of Papers

The first technical session was chaired by Maulana Saeedur Rahman Azmi, Rector of Nadvatul Ulema, Lucknow. Following three papers were presented at this session:

1. Teaching of Fiqh al Muamalat at Religious Schools in India: Present situations and possibilities by Maulana Khalid Saifullah Rahmani
2. Teaching Islamic Finance at Islamic Schools in India: Background, Need, Significance and Possibilities by Dr. Ausaf Ahmad
3. Teaching Islamic Finance at Madaris: the need, difficulties and their solutions by Dr. Abdul Azim Islahi, King Abdul Aziz University.

The discussion was initiated by Dr. M. N. Siddiqi. A large number of Participants took part in the open discussion.

Case Studies

The second technical session was devoted for the consideration of actual experiences of teaching Islamic Finance. Following experiences were narrated at this session which was chaired by Maulana Mohd. Nematullah Azmi, a renowned professor at the Darul Uloom Deoband.

1. Practical problems in Teaching Islamic Finance by Dr. Rahmatullah
2. Post Graduate Diploma in Islamic Economics and Finance at Jamia Islamia by Dr. Mohammed Plath and presented by Mr. Abdur Raqeeb
3. A Comparison of Teaching Programs at Darul Umoor and Jamia Islamia at Shantapuram by Dr. M. I. Bag Siraj
4. An Experience of Teaching Economics at an Islamic School (Jamia al Falah) by Dr. Zahid Ahmad and Presented by Dr. Ausaf Ahmad

In addition to the above, a paper by Dr. Mohammed Ayub on Promotion of Human Resource Development through Teaching Programs at Religious Schools : Issues, Difficulties and Initiatives, earlier presented at a conference in Malaysia was also circulated among the participants.

Consideration of Issues

The next two sessions were open houses for consideration of the following issues:

1. Academic Issues

2. Administrative and Financial Issues

The academic issues such as formulation of relevant syllabi, preparation of text books, training of teachers, duration of training, nature of certificates, levels of teaching etc were raised and discussed at the third session, which was chaired by Maulana Kaka Saeed Ahmad Umari, Administrator of Jamia Darus Salam, Umarabad, Tamil Nadu. The discussion was led by Dr. Ausaf Ahmad and Dr. Abdul Azim Islahi. Administrative issues were taken up at the fourth technical session, which was chaired by Maulana Mohammed Tahir Madani, of Jamia al Falah, Billaria Gunj, Azamgarh. Since the discussion at the earlier session remained inconclusive and it was also thought that a number of issues were overlapping, the two sessions were merged together and any water tight compartmentalization was not considered desirable.

There appeared to be consensus on the following issues:

1. The religious schools in India must seriously examine the possibility of teaching Islamic economics and finance at their schools.
2. The appropriate level to start an introductory course shall be before Alamiyat. The two courses should be Principles of Economics and Indian Economic Issues. The more specialized course in Islamic finance must be offered to those interested after completion of their studies at Madaris.
3. Till such time that appropriate text books may be prepared, text books prepared by the National Council of Educational Research and Training may be used after necessary and relevant modifications. Appropriate Islamic orientation must be given

wherever considered desirable. The issue of modification must be left over the concerned teacher.

4. Although the issue of self financing courses was raised, it did not receive much support. It was thought there is no need to recourse any substantial change in the prevailing situation. Each educational institution would decide for itself, looking at its situation. If it finds in a position to start the course, then, it will also find the resources required for it.

Resolutions and Recommendations

A resolution containing 15 points was adopted unanimously at the end of the workshop, which also made a number of recommendations. Some major recommendations are being summarized here:

1. The Islamic financial institutions have devised some new methods of investment within the framework of Shari'ah. It is incumbent on the students of Islamic Madaris in general, and the students specializing in the issue of Fatawa in particular to be familiar with these. Hence, the workshop appeals to religious educational institutions to introduce modern economic principle and Islamic economics and finance in their system of education.
2. The education of economics and finance must be integrated in the general system of Madarsa education. It must be before the stage of *Fadilah*. A simple book on economics giving definitions, terminology, basic concepts and introducing financial institutions must be adopted.

3. The second stage of economic and financial education at Madarsa must be after the stage of *Fadilah*. It must be one or two years term. Economics and Fiq al Muamalat must be integrated and introduced with a full exposure. It may include practical applications as well as practical training at some Islamic financial institution. The large educational institutions are requested to introduce “**Specialization in Islamic Economics and Finance**” as a part of their programs.
4. The institutions which have specialization in Fatawa or Fiqh are particularly requested to introduce Islamic economics and finance in their syllabi.
5. The IFA, IOS, IRTI and IDB are requested to undertake necessary steps for the preparation of required Text books in different languages.
6. Extension lectures by reputed scholars must be arranged for the students of Islamic Madaris on economics and Islamic economics, banking and finance.
7. The sponsoring institutions are requested to take necessary steps for designing syllabi, preparation of text books, supply of experts and training of teachers on a priority basis.
8. The workshop appointed a five member committee to pursue the implementation of these recommendations. The members are: Dr. Mohd. Manzoor Alam, Dr. Ausaf Ahmad, Maulana Khalid Saifullah Rahmani, Maulana Ateeq Ahmad Bastavi, and Maulana Amin Usmani Nadvi.

Further proposed Actions:

1. To organized two more similar workshops in South India (probably Tamil Nadu or Hyderabad) and Eastern India (Kolkata) to involve more madarsahs.
2. To organize a program of training of trainers for 30 Fiqh teachers from all over India and expose them to issues of Islamic Finance.
3. To work for the establishment of a Center of Higher Learning in Islamic Finance.

Plan of the book

This book consists of the papers presented at the workshop and its proceedings. It is divided into five parts. Part I includes introductory material. Part II contains papers which were presented and discussed. Most of these papers were. Part III contains case studies of those institutions where Islamic economics and finance is already being taught. Part IV includes reports on various discussions which took place during the workshop. As observed earlier one of the distinctions of this event was to allocate several full sessions for the consideration and discussions. Broadly speaking, three such sessions were held at which general issues of introducing Islamic finance at Islamic schools, academic issues, and administrative and financial issues were discussed at length. The last part contains various documents. This section has several messages received for the workshop, the various addresses such as welcome address, inaugural address and Presidential address etc. It also includes a detailed report, the program of the workshop and names and addresses of the participants. It is hoped that inclusion of these lists might have enhanced the usefulness of this volume.

The Papers

- ◆ **M. N. Siddiqi**
- ◆ **Khalid Saifullah Rahmani**
- ◆ **Abdul Azeem Islahi**
- ◆ **Ausaf Ahmad**

Teaching Islamic Economic in Indian Madaris♦

Dr. Nijatullah Siddiqi♦♦

Teaching Islamic finances is quite different in many ways, from the subjects taught at the Indian Madaris. The syllabi of the religious subjects mainly depend on the study of the text and its annotation and exegesis. But the finance relates to a host of dealings where texts are lesser and in their comprehension the context of time and space have much significance. After studying the text when we step forward to put these theories in to practice, we have to understand the conditions and requirement of that time. What is the position of finance in our age it requires direct study and observation. Field research is essential to go deep into it. Since Islamic finance is in practice in various countries for the past 30 to 40 years so a critical analysis of this practice, and its out come should also be a part of finance teachings at the Indian Madaris.

Islamic rulings on finance are based on fair and just dealing. Justice upholds the rights. Fair dealing protects others interest. Justice fulfils the condition of mutual agreements; fair dealing stands for the welfare of the society. One of its instances is in the verses of Surah Baqarah (Verse 278-280).

♦ Original in Urdu. The translation has been revived by the Author

♦♦ Former Professor, International Centre for Research in Islamic Economic, King Abdul Aziz University, Jeddah.

It says O you the behaviors, fear Allah and forego what others still owe to you, if surely you have become behaviors; but if you failed to do so, beware that Allah and His Messenger declare war on you. Be penitent (and fore go the usury) you have the right to claim your principal amount. Don't exercise repression you will also not face repression. If your borrower is in financial constraints give him more time. It would be better if you opt for charity, if you understand.

There are three commandments in the verse. Forego the remaining usury, principle amount could be recovered. If the borrower is unable to repay the loan, give him some more time. The first ruling is to eradicate repression the second one fulfills the demands of justice and the third one give legal force to the least demand of fair dealing that sustains social life. It follows a motivation, if the borrower is indigent forego your demand for recovery of loan. It is not a legal obligation but we are preached that it is a better option to all of us.

In the matter of finance, Islam has prescribed some limitations, some objectives have been identified then a free hand is allowed. It is our obligation to understand these confines and objectives. Apprise our selves of our conditions and challenges and then transform our thinking in accordance with it. The practice and precedents of the righteous of yore are of very much help in this regard. The first model is that of Allah's Messenger (Pbuh) and his blessed caliphs. How they understood the objectives and confines prescribed by the Quran in the context of their time and space and how they practiced it what were its out come. Then during the second and third century of Hijri the great Jurists compiled the details in the light of the Quran and Sunnah and the blessed caliphate in a comparatively larger geographical region. For a longer period these

jurisprudential rulings were followed, then during the past some centuries there emerged conditions that made new inference on the analogy of the Shariah (Ijtihad) an imperative. Now when Muslim countries have won their freedom after centuries of colonial rule they have decided to transform their finance according to the Islamic norms. It gave a new impetus to this act of analogical inference. During the past half a century Ulema and Jurists have in a large number, practiced this analogical inference.

Nature of the Proposition

Shah Wali Ullah Writes:

No ones livelihood could reach its perfection without others help, for this cooperation it is necessary that parties agree upon some terms and conditions. It led to the emergence of agricultural partnership share, renting and attorney ship. Then the condition forced to adopt the practice of credit business and deposit. People in this practice had to face cheating & delaying and clear cut refusal. So evidence, writing of deed, mortgage and appointing guardians and deposit came in to force. As the economic conditions of people developed new methods of mutual cooperation and interaction came to the fore. You won't find a group of people who don't have such dealings and not aware of what is fair and what is unfair (Hujjatullah il Baligha 1-43-44 Beirut).

Economic life makes it in evitable for those who live together, the mutual dealings and other relevant affairs. It is but natural that all agree to fair dealing and avoid what is unfair. Islam aims to universalize the economic system based on natural fundamentals. Even today we don't want a completely new economic system what needed is to make the system sub ordinate to the natural objectives and to

observe the limitations as mentioned above. This has to be done keeping in view the interest of the entire human kind as they are all equal in the search of livelihood and fair dealings as has been explained by Shah Waliullah.

The main point to be kept in mind by those working on the compilation of curricula is to understand the confines and objectives concerning the finances and to explain them. Prohibition of interest gambling speculation, unnecessary conditions in dealings, the limitation set by the Quran and Hadith as well as other text are to be kept in view in this regard. Also the derivation that was explored during the later centuries. It can also be said in connection with authentic condition and the objective of the Shariah pertaining to the finances. The difference is that context of time and space has a significant role to understand the objectives of the Shariah and its policy. Obviously this context could be found in history and not in dictionary. In our teaching system stress is mainly on terminology and not on history particularly the history of economics. This lacuna should be removed. History must have a central place in the teaching of finances. Finance was not as complex during the early period as it has become today. It's causes are manifest. Population has increased many folds. Progress and development in transport and communication has made the world a global village. Industrial advancement has created much expansion and variation in the service and production. In manufacturing some items it takes longer time and huge investment. Many tools and parts of machines are to be imported from other countries. It requires foreign exchange. The longer period of production and time to take the production to the market its risk and uncertainly increases. Manufacturers have no escape from it. Naturally it affects the financiers as well as the profit. Risk cannot be afforded by the individual, so risk partnership was needed. In the modern finances key

importance is that of avoiding demising risk and treatment of risk. In this respect there is very much distance between the available Islamic text and precedents and the contemporary problems and challenges. To cover this distance on the basis of analogical inference is some times very much difficult and at time against the exigencies. It is therefore necessary that our curricula should teach the students the critical nature of the problem and also that it is not always possible to tread this path with the help of others. One must have the talent to find out ones own path.

The compilation of Islamic finances in the light of the Quranic text, Sunnah, Islamic history and the contemporary ground realities is still in its initial stages. It needs much research work. Financial institution could not focus their attention upon this point, only some

Universities have managed for it. It would not be proper for the Islamic Madaris to depend on others in this regard. There must be fundamental research work on Islamic finances in some of the renowned Madaris.

It should also be noted in this context that in financial system, in the release of funds (cash) and it's management there is a close connection. The study of the one aspect requires the study of the other one. During the early Islamic period foreign currency was used. It was during the Umayyad (Umavi) period that Islamic caliphate had its own currency. Earlier golden and silver coined were issued like other centuries later coins of copper and other metal came in to circulation. Then non metal currency became a necessity. The discussion and exchange of views among Muslim jurists on the subject should also be kept in view. Similarly the place and position enjoyed by banks, government and other financial institutions as well as global financial institutions in the current financial system also needs to be understood.

To teach Islamic finances in the Madaris it would be necessary that teachers should have extensive knowledge of the evolution of the current Islamic finance. It should find a place on the curricula. The difference among Ulema concerning the contemporary Islamic banking system should be put forward as well as the principle of examining their merits. At the same time the points of view of Muslim teachers of economics and economic experts should also be studied direct from their own writings. The fact is that it was this group who gave a call in the 20th century to turn to the Islamic finance, later Ulema and scholars also joined them. Allama Iqbal had said

The outward maintenance cannot make a civilization strong that is based on capitalism.

The mansions of banks are more imposing in their attractive architecture, bustle and bustle and clean liners than churches.

O You Muslims, go deep in to the study of the Quran May Allah bless you with modernity of character perhaps the fact might manifest itself in this age that is hidden in the words “say the forgiveness”.

As has been mentioned above in the compilation of Islamic finance, the text and objectives and exigencies both are to be kept in view. While help of Ulema and jurists would be needed to understand the text of the Quran and Sunnah, economic experts and scholar of modern sciences will be needed to know the objectives of the Shariah and the authentic expediencies in today’s world. During modern times all are to participate to comprehend and practice Islamic ruling concerning finances. Shatibi, had centuries ago, had stressed the need of participation of people on

larger scale in exercising analogical inference in particular circles.

He writes:

If analogical inference means derivation from the Quran it would necessitate the knowledge of Arabic language but if it relates to the matters of positive and negative (permissible and prohibited) and the moot point is not whether the Quranic injunctions demand it or not, and those who have the knowledge of the Quranic injunctions acknowledge that they relate to the positive and negatives, in such analogical inference knowledge of Arabic language is not essential. One should know the objectives of the Shariah.

Therefore, the one who knows what are the demands of the Shariah and he understands these objectives in such a way that he is known as such, so whether he has acquired this knowledge through a language other than Arabic by means of translation, there is no difference between he and the one who studied it in Arabic.

Sometimes Ijtihad (analogical inference) does not mean to know the relevant situation, in such a case the knowledge of the Shariah objectives nor is Arabic language is necessary. Because such a Ijtihad aims to know the actual situation. It therefore requires the knowledge without which one cannot comprehend the point. The one who exercises Ijtihad in such a case should have full knowledge of the case under consideration so that Shariah ruling could be applied to it (Abu Ishaq Shatibi).

Situation holds much significance as it is always changing. It is not possible that once a situation is explained and people generation after generation, study it from the volumes and understands it. It is necessary to study

newspapers, watch television and use internet to know the prevailing situation. This point should be kept in mind while compiling the particulars of teaching Islamic finances in the Indian Madaris.

Now a days one of the most remarkable point of modern finance is to avoid and avert risk factor. It should find central place on the curricula. The Shariah focuses on fair and justice but after some time it keeps in view the collective welfare of Ummah, provision of requirement, liberal approach and comfort. Fair dealing demands that one must avoid a situation where there is uncertainty and risk. But development and growth in production and wealth demand that one must step forward despite the risk and uncertainty. Option to adopt or reject between two or more authentic experiences or to have a balanced collection becomes the essence of the Ijtihad. It is but natural that there would be difference of opinions among those deliberating upon situation when the proposition is a collective one, its solution should also be on collective deliberation.

The point under discussion is curricula not Ijtihad so to manage the risk factor and its divergent aspects and the literature on there practical out come that is produced now a day should be kept in view so that as Shatibi has said one can understand the situation.

In this respect all the theoretical and practical endeavors should be kept in view without prejudice and hesitation.

Study of the Shariah objectives

Special attention is to be paid towards the Shariah objectives particularly objective relating to the economic life, while teaching Islamic finances in Indian Madaris. The fact is that

the work pursued on Islamic finance during the past decades, hollow claims were made concerning guidance by Ulema and jurists in this field. But the dependence was on the Jurisprudential details and Ahadith not popularly in circulation. Not much attention was paid to the collective interest of people and the objectives of the Shariah. While during the glorious Islamic period both were kept in view according to the necessity. Perhaps it happened due to the attempts made to enrich Islamic finance with the services and apparatus that were the characteristic of modern finances. What was its outcome? Let us see what an eminent Islamic scholar and jurist Maulana Mohammad Taqi Usmani said. Some time back he wrote an article on the current bonds. It can easily be traced on internet. Maulana Taqi Usmani rejects all such bond where a fixed rate of annual interest is guaranteed to the holder as well as it could be resold at the face value.

After putting forth well known Jurisprudential arguments in support of his stand, he writes:

What ever we have said was purely in the light of the jurisprudential reasoning. The motivations with the prevailing bonds are of a negative nature when seen in the light of sublime objects of Islamic Shariah. They are against the economic system that wants a fair distribution of wealth among the people through investment.

He further writes:

Now when we discuss the point in the light of the Shariah objective and the targets of Islamic economy, we find these bonds have all the characteristic of the prevailing bonds which from all points of view are against the objectives of Shariah for which usury has been declared to be impermissible.

It is fair distribution of income among the partners of the productive venture that comes from industrial or commercial enterprise. But the method used in issuing these bonds is one that cuts the very roots of this objective.

Objective and interests are often related to the entire conditions where serious attention is not paid under the surmised based jurisprudence of dealings. It is hoped while preparing the curricula these points will be taken into full consideration so that those who qualify from Indian Madaris are never oblivious of these sublime objectives as noted above, Shah Wali Allah has stressed this point. He writes: Be it known that one of the mission of the divinely commissioned messengers was up root repression and injustice among the people.

When people are unjust to one another it results in suffering of all, and all have to face difficulties (Hujjatullah il Baligha).

It is Allah's will that the prevailing financial system, the contemporary Islamic financial institutions had been attempting to imitate it, is itself collapsing. It is hoped that in future care would be taken in benefiting from the prevailing system, and in this context of the objectives of Shariah precedents of the righteous of yore will be kept in view. It would go a long way in providing relief to the people in distress that Islam offers to them but as stated above it would need long term planning and to take up fundamental research pursuit.

In the model of Islamic finance based on the objectives of the Shariah, wealth will find the place that has been assigned to it under the Islamic concept of life. Money and property is required for a better life. Money per se is not the basic

aim of life. Under the capitalistic system money is needed to earn more money. The capitalistic money system and the financial system are placed in such a way that the capitalist have more and more opportunities to earn more and more profit through their investment. The modern new classical economics invented the theory that when a capitalist wants to increase his wealth, their productive enterprise would provide employment to the people and a part of the social wealth. But the recent development has proved that it was a hollow claim. The fact is that capitalistic progress could not alleviate poverty but it promoted exploitation the disparity between the division of wealth and income increased among the countries as well as different countries.

In the rat race of avarice such bonds were made a mean to earn more money and perilous methods adopted that have endangered environment. It has resulted in changes on earth and space that even the human existence on the globe has become uncertain. What syllabi you prescribe for your Madaris please keep these points in view.

Problem concerning the curricula

When subject matter is curricula keep some important aspects in view. From the above noted discussion it is clear that teaching Islamic finances requires the study of at least three subjects. Financial and economic history of Islam, understanding the conditions of modern finances and economy and an appraisal of Islamic finance during the contemporary era.

The burden of the courses on students of Indian Madrais itself demands to make it lighter. It would not be proper that the above said subjects or added but no reduction is made in the syllabi. Where reduction is needed it is to be decided by the teachers. My own experience of my days of studentship

is that there is lot of repetition and monotony in the curricula of Hadith and jurisprudence. How ever burden from a student should be reduced to let him contemplate, pose questions and have debate with others. The second important point is to provide teachers. Existing teachers in the Madaris are unlikely to teach the above said three subjects. It would be beyond the means of many Madaris to appoint full time teachers part time or teachers on honorarium will have to be requisitioned. There should be a central panel to sort out this problem.

The third point is that of text books. Literature on the above noted three subjects is not available in Urdu or any other language adopted by a Madarsa as a medium of instruction. The books available in the market have been authored under a different purpose and cannot be used for the purpose under reference. In Arabic such authentic material is not easily available to serve the purpose. The institutions responsible to organize this workshop should pay their attention towards this point.

At the seminar where a unique galaxy of Ulema, jurists, scholars, Madaris teachers and intellectuals have congregated to deliberate important points, I have taken the liberty to submit my humble views before them. It is in compliance with the demand from me and also keeping in view the significance of the subject matter as well as the demands of the time, May Allah Bless us to serve our faith with sincerity, commitment, dedication and devotion Amin.

Role of Jurisprudence of business dealing in the curricula of Madaris

Khalid Saifullah Rahmani♦

There is no denying the fact that Islamic jurisprudence is the essence of the Quran and Sunnah the best gift of ideal academic and intellectual pursuit of the righteous of yore. Our Jurist had framed their views in the light of the commentary on the Quran and Sunnah, objectives of the Shariah and after having a minute study of the conditions of their time. For about one thousand years or so this code had been in force in a wider region. It has also faced with moderation the social changes and cultural developments. It is also a fact that we find most of the Quranic verses concerning worship. Where the objectives have been determined in this respect practical guidance has also been provided. Allah's Messenger (Pbuh) has said "Pray as you have observed me praying – similarly concerning the Hajj pilgrimage he said learn the Hajj rituals from me.

The second most significant subject on which we find most of the rulings after worship, is the personal law, which was referred to in the old terminology as Manakihat, we find explicit rulings on Nikah, its conditions, occasion and

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opportunities, its prohibition ruling concerning various forms of divorce. But we don't find much detail about the determination of the articles of maintenance rights of parents, children and the couple, causes for annulment and separation etc. Only some fundamental instructions have been enshrined in the scripture, so that these could be determined in accordance with prevailing social conditions, standard of living and cultural values. This is the flexibility that makes Islamic personal laws, moderate, based on expediency and having the capacity to conform to the demographical conditions. Rulings concerning business dealings are even lesser than that of concerning personal law. Interest, gambling and putting undue conditions in trade, all are prohibited, importance of agreement of the parties, executing deeds. Not to allow such practices that causes prices to soar and affect the natural fluctuation in the market which are the result of balance between the demand and supply? The Shariah has given broad directions but has left the details. This is the sect of the eternity of the Islamic Shariah as it provides ample opportunity to jurist to go in for Ijtihad (analogical inference). Through Ijtihad the Shariah can conform to the contemporary conditions keeping in view the positives and rejecting the negatives.

But in some cases pertaining to business dealings there is ambiguity in the Quran and the Sunna for instance possession (Qabza) sale and purchase has been prohibited before taking the possession. But no proper manner of Qabza has been explained. The jurist of today can assess the significance and extent of this elucidation because there are many cases in which possession could only be determined in legal and relevant terms. Actual and physical possession can not be determined while no such conditions existed during the days of the jurists of yore. The Jurists have therefore exercised Ijtihad and surmise extensively in the cases of dealing and in their rulings they have kept in view

the precedents from the Quranic verses, and their objectives as well as the interest of people. In the Quran we don't find much ruling concerning dealings in the Ahadith there are no long and detailed enjoins on this points but in the books of jurisprudence we find unlimited mentions about business dealings. Because all these are based on Ijtihad and in the cases where Ijtihad has been resorted to there is ample possibility of difference of opinion among the jurists. So there is wider difference among the jurist in connection with the deals. The books of jurisprudence which are taught in our Madaris cover the period from 5th century. All to the 10th century as well as to the current century. There are some books which only deal with prayers (worship). These are mostly meant to be taught to the students of junior classes. Most of the books are those that dwell in depth on dealings we can divide this curricula of Madaris under five categories.

1-Fiqh Al Quran, 2-Fiqh Al Hadith, 3-Fiqh Maqarin, 4-Fiqh of a particular sect, 5-Rules of Jurisprudence.

Fiqh Al Quran

According to the comments of Shaikh Abdul Wahab Akhallaf there are only ten verses in the Quran concerning business dealings. How many points have been dealt with under these verses is quite difficult to ascertain as the books on the commandment of the Quran are based on the sequence of the verse. Sequence of jurisprudence has been followed there in. The Quran while mentioning ruling concerning financial system has not gone in details but it has states fundamentals of the subject that show the taste and temperament of the scripture.

As per the syllabi of most of the Madaris, the students study the Quranic commandment concerning dealings etc as mentioned below:

In most of the Madaris translation of the Quran is taught to the students of middle level classes. With this translation in some Madaris commentary in details follows while in some other Madaris it is in brief. However under the commentary Quranic verses relating to commandment attract more attention. The rulings explicitly mentioned in the Quran such as prohibition of usury and gambling etc, these are explained in detail. But the verses where a proposition that relates to dealings has not been mentioned explicitly, much attention is not paid to them despite the fact that these points throw light on the objectives of the Shariah. It involves the intellectual level of the students as well as teachers propensity toward jurisprudence.

The first book on exegesis taught in the Madaris is Jalalin. Though it has been criticized by some scholars as it contain some unauthentic and fabricated Ahadith. But there is no doubt that the author has dwelt although in brief, on the solution of the meanings of the verses with such an ability fine style that it would be unfair not to compliment him for his commentary. But this volume is also simply an Arabic translation of the Quran with simple explanation of the singulars and pointing out the relatives and omissions, he has in a way translated the Quran into Arabic. So in this text book also there is no detailed discussion of commandments as well as dealings. The teachers also as per their taste and temperament deal with these ruling in brief or in detail.

In some Madaris selected portion of Tafseer Ibn – e – Kathir or from any other book on exegesis are taught to the students of final stages. These contain detailed explanation of verses

and the commandments. But these books form the part of the post Fazilat course.

What is felt missing in these curricula of commentary on the Quran is that the students fail to understand what are Shariah fundamental ruling in regard to dealings and to which principles and fundamentals the Quran guides on which stands the edifice of the jurisprudence of dealing. For example the Quran says “O you, who believe, don’t eat up the property amongst yourselves unjustly except that it is through mutual agreement.

The verse amply shows that all deeds are to be executed through mutual consent. Khayar Aite, Khayar-e- Shart, Khayar-e-Ruyat and Baie Malamisa etc have been declared on this very principle. Similarly verses relating to asury and gambling their prohibition & speaks of the principle that what has been prohibited by the Shariah cannot be deemed as permissible if both parties are in agreement to it.

What needed is that the students should from early the stage, be enlightened on the fundamentals of Shariah relating to dealings, through the study of the Quran.

Fiqh Al Hadith

The discipline of Islamic knowledge that finds an important place on the curricula of our Madaris is Hadith (precepts of Allah’s Messenger PBUH). Among the books of Hadith Bukhari and Tirmizi are taught in full. Besides this a sizeable part of Muslim and Abu Daud is also taught then comes Nasai, Ibn-e-Maja and Muatta by Imam Malik. Apart from these books of Hadith in most of the Madaris in the subcontinent Sharah Maani ul Athaar by Imam Tahavi is also on the curricula. It enjoys a prominent place among the volumes of Hadith due to reconciliation and preference

among the Ahadith. In many Madaris Mishkat is taught before the teaching of Ahadith, and Bulughul Maram or Athaar us Sunan precedes the study of Mishkat. Thus about ten or eleven books on Hadith find place on the curricula of Madairs in which are the Ahadith relating to rulings. In the four or five volumes Ahadith concerning dealings are student and debated among the studied and teachers and detailed discussion follows. But if a complete text book is assigned to a teacher for teaching the controversial debates concerning prayers over whelm the chapters about dealings and they are badly subdued.

Another point that requires attention of the teachers of Ahadith is that propositions are explained. If the causes of the rulings are not defined, their pursuit is also not debated at length. But what are the expediencies of these rulings and what is their significance in the perfection of an economic system, these points are not explained. We teach our student that it is forbiddance to sell something without having its physical possession. Usury and gambling is prohibited. But we do not enlighten our students what are the expediencies of these rulings. What would be the evils in case we ignore these rulings?

Explaining the interest and ruling not only satisfy the reason but also the objectives of the Shariah become manifest. It also helps to apply the norms of the Shariah on various problems that surface during different ages and the opinions of the jurists are in conformity with the Shariah.

Fiqh Maqarin

In the Madaris curricula some text books present the jurisprudential views of other sects. Some of the compilers of these books have a tendency to offer the views of different jurists and the opinion that is appropriate their view

they place it on record with its reasons. The most famous volume of this pattern and on the curricula of Madaris is Hidayah by Allama Abul Hasan Burhanuddin Murghinani (d-593AH). There is no doubt in it that despite its brevity, if seen from the point of view of logic and reason in arguments and explanation, it is not only the foremost compilation on Hanafi jurisprudence but on the jurisprudence as a whole it enjoys a unique position. Although there are other books on Fiqh that deal with rulings as well as argumentation but the main characteristic of this work is that readers understand the points of deliberation, derivation, norms and the taste and temperament of the Shariah. Its first volume deals with prayers and a greater part of the second volume relates to the personal law. The third volume mainly deals with business dealings; some of these points find a place in the fourth volume. The author is Hanafi and he has extensively highlighted the merits of Hanafi jurisprudence, at the same time he has forcefully presented the views of other jurists also. This work is certainly of a significant value in teaching Islamic economic system.

The second book on the curricula of some of the Madaris is Hidayatul Mujtahid by Allama Ibn-e-Rushd of Qurtaba (520-595AH). The main objective of this compilation is to make a mention of Hanafi, Shafai, Maliki and Hambali jurisprudence and bring out the points of contention. So the author has tried to record systematically the differences among the above said jurists (Hanafi, Maliki and Shafai)

But he has some times reproduced the views of Hambalis, as well as other jurists. It is a fact that it is the very remarkable and unique work on the divergent view of jurists and has been written in an unprecedent style. The author follows an objective approach and has fairly reproduces every point of view and their argumentation on them. He has avoided giving preference to any of the views. The author belongs to

Maliki sect but he is so just and impartial in his approach that the reader finds it difficult to ascertain as to which sect he follows. Most of the Madaris don't have this book on their curricula, perhaps because the work attracts the teachers and those who want to pursue research in various jurisprudence rather than a text book for the students.

Books of jurisprudence of particular sects

In India mostly a particular sect is followed, so among the Ahle Sunnat overwhelming number of Madaris is of those where Hanafi jurisprudence is studied. Kerala Kokin and the coastal areas where Shafai are in majority, Shafai Fiqh is taught in the Madaris. Some of the Madaris belong to Salafis where in some Madaris. Hedayatul Muftahid and Hidayah are also studied. But in some other educational institutions some other text books are also taught along with these books or apart from these books.

A- Hanafi jurisprudence

The text books on the curricula are as under:

1-Noorul Izah, 2-Al Fiqh ul Tafseer, 3-Quduri, 4.Kinzul Daqaiq, 5-Sharah Wiqayah, 6-Tohfatul Fiqaha, 7-Ad Durr – e- Mukhtar (Selected Chapters).

In most of the Madaris as elementary books on Fiqah Nurul Izah and in in some Madaris Al Fiqhe Masir is taught. These two books deal with prayers. So business dealing does not come under their preview.

Allama Abdul Hasan Quduri (d-428AH) Durr-e-Mukhtar (Consized) Known as Quduri. This is most comprehensive, well known and simple work on the Hanafi jurisprudence. The compiler of Hidayah has made it the base of his work

along with Imam Muhammad's journey. In this book students study the rulings concerning business dealings like, sale, interest, partnership, cooperative, distribution, marketing etc. Being a text it does not have much of the details and views but necessary points have been stated in a fine way. This is the first book that enlightens students on the jurisprudence of business dealing in a simple way.

A minute text of Hanafi jurisprudence – that touches to the extent of hyper hole – is *Kinzul Daqauq* by Allama Abul Barkat Nasvi (d. 710AH). The author has resorted to extreme brevity the teachers experience much difficulty in explaining its text to the students and the students on their part find it hard to comprehend it. In many of the Madaris this book has been excluded from the curriculum and where it still finds a place on the syllabi, teachers hardly go beyond the chapters on prayers and personal law.

Another important work on Hanafi jurisprudence is *Waqaya*. Its author Burhan Al Shariah Mahmood Bin Ahmad has tried to compile the propositions of *Hedayah* in such a way that it loses its argumentations. Then Abdullah Masood wrote annotations on the book known as *Sharh-e- Waqayah*. It finds a place on the curricula of most of the Madaris. The author has attempted to mention differences and reasoning's at some place. While *Kinz* goes to the extreme extent of brevity the Shariah has protracted text. So in the Madaris where there is only one period for this book, teacher cannot go beyond early chapters and the jurisprudence of business dealing is to be left without teaching. So the students have to wait for *Hedayah* after *Quduri*.

Now some Madaris have included *Tuhfatul Fiqaha* and have excluded *Sharah –e- Waqayah*. The former is a popular text compiled by Allama Alauddin of Samarqandi (d-539 AH) it is written in a simple style. It is said that this book provided

the base for Allama Allaiddin Kasani's wellknown work Al Badai was Sanai and men of knowledge are aware of the fact that Kasani was the son in law of Allama samarqandi. Allama Kasani's wife was also a renowned jurist. I had no chance to teach this book but I am of the view that it is a good beginning to include the book in the Madarsa course. Being a book of moderate size, the whole book including business dealing could be taught successfully.

After Fazilat at the level of specialization Al Durr Muhtar by Allama Alaiddin Haskafi (1025-1088AH) is studied. It is an exposition of Tanwirul Alusar by Allama Tamar Tashi. This book is brief but comprehensive. It's brevity is not of such a kind that makes comprehension difficult. Raddul Mehtar an annotation on this work by Allama Ibne Abdeen Shami (1198-1252AH) has made it all the more beneficial. Chapters on business dealings are usually taught from this book. Since the intellectual standard of the students is comparatively high at this stage so its teaching is pursued in a better way.

Shafai Jurisprudence

The following books of Shafai Fiqh are studied at the Shafai Madaris:

Noorul Absaar, Kitab Al Mutfard, Fatah al Moin, Umdat Al Salik Wada Al Naski, Sharah Al Minhaj Lil Mohalla.

The books taught to the students of primary stages at the Shafai Madaris are Nurul Absar and Kitabul Mufarriid. It is a collection of selections from ten books. But it contains propositions pertaining to the prayers to satisfy the requirements of the students.

Umdatul Salikin by Shahabuddin Ahmad Bin Nageeb Misri is one of the most important text of the Shafai Jurisprudence. It is a volume of medium size but it is also confined to the prayers only.

Fathul Moien is an exposition of Qurrat ul Aain bi Mohamatul Deen by Allama Zainuddin of Malabar (d987 AH) an eminent Shafai jurist. It is an authentic comprehensive work of medium size on the Shafai jurisprudence. It does not have argumentations but it throws light on various conventions and precedence of Shafai sect.

The position Allama Nawavi the renowned scholar of Hadith and jurist enjoys in the exposition of the Shafai jurisprudence is well known His work Minhajul Taalbeen is a comprehensive text of Shafai jurisprudence.

Many scholars have made this text the centre of their exposition and annotations. One of the annotations is that of Allama Jalaluddin Muhalli. It has been published in India in four volumes. It finds its place on the curricula of Shafai Madaris for the students of final stages. In the second volume of this book propositions concerning business dealings have been dealt with comparatively in a detailed form. It may be claimed that the book encompasses important propositions. It is a very fine work on the mention of the views and conventions of the eminent jurist of the sect in the application and precedence between the rulings and conditions. But the writer has not stood in the way of rulings and argumentation. So under the Shafai jurisprudence also two chapters on business dealings could be studied by the students.

Attention

There is no doubt that rulings concerning business dealing are one of the most important part of the books on jurisprudence while pursuing studies up to the Fazilat level, the students have an opportunity to study them at least twice. It may be said to be sufficient. But the time demands a change in the methodology of teaching this subject. Teachers should try to reconcile the views of the jurist with modern economic approach. The new methods introduced in the field of Islamic economic system, they should be explained to the students with new terminology that has been introduced for instance controversial partnership should be discussed under the heading of partnership. Sale on belated profit should be studied under the chapter of profit. Similarly manufacturing should be mentioned under this relevant chapter. Similarly other relevant subjects should be studied under the relevant chapters only. So that students are well aware of the fundamentals of all these subjects which are in the modern period of part Islamic way of investment and insurance. Every chapter need not be mentioned on the curricula. But teachers must have a tendency to apprise their students what has not be mentioned there students in this way could understand these subjects in an applied manner and they will have the conviction that these subjects are not theoretical only but could be applicable in today's world.

It is a fact that if it would not be sufficient to confine ourselves to what our elders have had said concerning economic problems. There analogical inference was with reference to the conditions of their time while contemporary conditions are altogether different. It is therefore necessary that one should be aware of the fundamental objectives of the Shariah and how to apply them. Books on jurisprudence

have explained them. Particularly in business dealings they are more important.

The rules and regulations concerning jurisprudence hardly find a place on our curricula. No text book is taught on the subject before Fazilat. At Hanafi Madaris at post Fazilat level. *Al Ishbaah wan Nazair* by Allama Ibn Nujaim Misri (d-970AH) is taught while at the Shafai seminaries *Fan-e-Awwal* from Allama Jalaluddin Siyoti (d-911AH) *Al Ashbah –o-Wan Nazair* is studied which contains six basic rules and many other regulations under them.

At some Madarsa *Qawaid Fiqh* by Maulana Aameem Al Ahsan Mujaddidi, which is regarded as an encyclopedia on this subject is taught. *Tasreeh Nazer* by Qazi Abu Zaid and *Usool Al Karkhi* is also studied. These books to a great extent cover all the aspects of their subject. These books were mainly compiled keeping in view business dealings. So two points should be kept in view at the pre Fazilat level a text book on rules of jurisprudence should be taught. So that the students are capable to understand the fundamental objectives of the Shariah. At the subject level the students pursuing training for Ifta a text book on the financial system of Islam must be taught. There are many books available in Arabic world. But Maulana Dr. Ali Ahmad Nadvi's work *Jehratul Qawaidul Fiqhul Malia* could be included in the curricula. It would be a better choice for the study of financial jurisprudence. It is also necessary that a text book on modern financial system should also be made available to be studied by the students. I thank Dr. Zaraqaz Al Makhbil Fiqhil Aam in a very important work. All the three volumes of the book could not be studied so selection from these volumes could be a part of the curricula.

Conclusion

However it is the fore most duty of our Ulema to transform the modern economic system and the financial institutions in to Islamic ones. It is like a Jihad (striving for a noble cause) of this period. We would be able to discharge our obligations towards it when we pay their attention towards It. The efforts of Ulema could only be successful when Islamic economics is made a part of the curricula of Islamic Madaris and teachers while teaching these subject attempts to apply modern methods and information.

Teaching Islamic Finances in Madaris – Necessity, Challenges and their solutions♦

Abdul Azeem Islahi♦♦

Introduction

The Muslims have had faced many multi faceted challenges during various ages of their checkered history. One such challenge was faced by the Ummah when the boundaries of the Islamic Caliphate expanded to new lands and societies and multiple social and economic problems surfaced for which there was no specific guidance available in the Quran or the Hadith. To address these problems, the Ima resorted to analogical inference (ijtihad). In the light of the objectives of Shariah, exercising ijtihad they determined Islamic rulings. Concerning these problems one might enlighten himself on the subject by studying the chapter on business dealings in the volumes of Fiqh where almost every aspect of life has been covered. These chapters form the bulk of the volumes of jurisprudence.

During the early Islamic centuries Muslims had to face challenges from the other nations' culture and philosophy,

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sciences and crafts. At that time ulama came forward and gave a befitting rejoinder to these intellectual onslaughts. To repulse the philosophical and logical offensive they introduced scholasticism (Ilm al-Kalam). They studied sciences, added new theories through their own pursuit and experiments and improved its positive aspects. In short, they used all resources at their command to combat new challenges.

But after some centuries when ijtiḥad and contemplation lost its momentum and dynamism, that Muslims adopted a somewhat defensive and apologetic approach. Two instances may be cited here. Printing press was invented in Europe in the 15th century AC. It played a vital role in the promotion of knowledge and development of technology. But the most powerful Muslim empire of those times, the Ottoman Caliphate that ruled a large part of Europe put a ban on it for more than 100 years. It did not allow the use of printing press in the empire. When it permitted its use, the Christian and Jewish subject of the Caliphate were allowed to make its use of it for their own purposes. But it was strictly prohibited to publish any thing on Islamic subjects as it would be, in their opinion, a sacrilege to the Islamic knowledge. In this connection some points are to be kept in view. Muslim scholars and students wasted their energy and time in making copies of the books writing and copying thousands of pages by hands, while they could have saved all those labor by the use of printing press.

It was not before the lapse of another two hundred years that Islamic scholars were allowed the use of printing press to propagate Islamic sciences. One could easily imagine the effects of this incident on the backwardness of Islamic Ummah in contrast to their contemporary nations.

Here is another example s closely related to our subject. During the same period i.e. 15th to 18th century's foreign trade got unprecedented promotion among the nations whose hermits were deadly against it. In the economic history it is known as the Period of mercantilism. It heralded the advent of industrial revolution in Europe. In development of this school of thought a paramount role was played by scientific inventions, ship-building industry, invention of press, and the intention to defeat and let down Muslims. During this period our Muslim rulers were eager to purchase latest weapons from the West, but they never thought to benefit themselves from the scientific advancement and industrial development of Europe by establishing similar institutions in their own country. Europeans founded universities during this period while our ancestors constructed forts and palaces.

Even during the 16th centuries our religious scholars and political leader failed to contemplate the nature of changes that were occurring in the world. , Akbar, a Mughal King who is referred to as Akbar the great by historians ruled only on the landmass and failed to see the significance of sea routes which were controlled by the Portuguese who came from a distant land, Even the gifts forwarded to the rulers of Makkah and Madinah and the ships sailing towards Arabia could pass the high seas o only if permitted by the Portuguese. Neither the intellectuals nor the rulers ever thought about it. The result was that Islamic world was soon colonized by the West. This mental inertia has widened the gulf between Muslims and the West in the field of science, technology, industry, trade, and invention and even in ethics and dealings. It is difficult to predict how long it would take to bridge this gap.

Modern Islamic finance – a challenge

No one can deny the significance of finance in various sectors of the economy in the contemporary age. Trade, agriculture, industry crafts, means of communication, provision of various services, establishment of educational institutions, their maintenance and administration, Research and development, , media and news papers, alleviation of starvation and privation, improving the conditions of awqaf, all these need financial investment. No success is possible in any sector of life without finance. With the shortage of money one lags to move forward. Strong men collapse for want of money. That is why Islamic finance sector has emerged as a challenge during the contemporary period. To understand modern finance system and application of Islamic norms and their practical efforts are very much necessary. Although initiatives have been taken in this regard, those whose attention is badly needed by the system they are not attentive to it. To understand modern financial affairs and to determine Shariah ruling concerning them is your duty. Madarsa people from olden days have been studying the jurisprudence of dealing, one can find out this fact by studying any book on jurisprudence. The origins of this discipline of knowledge are traced back to the trade expeditors of Allah's Messenger (PBUH). So the basic of partnership is his (PBUH) precedent. Imam Abu Hanifa, himself was a trader, other jurists had also studied business dealings closely and had understood its pros and cons and then they offered the solution to the challenges. Many such problems where there was no explicit ruling in the Quran and Sunnah, like waqf, the jurists have dealt on these subjects in detail and some of them had even authored comprehensive books on the subject.

But with the changing times dealings also changed. New problems surfaced and new aspects are added to the old

ones. It demands that there should be constant contemplation on these issues. After their comprehension, Shariah ruling should be given in regard to these propositions. While teaching these subjects the Ulama should update it according to the prevailing conditions but our teachers don't pay much attention towards it. Most of the books on the curricula of Madaris were authored 200 years ago. While during the past one and a half century the world has changed all together. Numerous issues have cropped that we don't find their precedent in the past. Even in the Madaris established as a result of modern movement we don't find a text book on modern finance and economics on the curricula issues. As jurisprudence offers no solution to the contemporary challenges, the students study it as an antiquated manuscript having no relevance with the modern day problem. As if it is only meant to have a glimpse of it and recite it. When some Ulama of the 20th century attempted to offer the solution to modern economic and finance problems from the Qur'an and Sunnah and the jurisprudence, then many people were enlightened on the relevance of the chapters of business dealings in jurisprudence.

Nowadays the relevance of Islamic economics and finance is commonly debated in the modern academic institutions but in our Madarsa there is hardly any reference to it. Very few people are aware of the fact that Indian Ulama were in the forefront who introduced Islamic economy as a perfect subject. Maulana Hifzur Rahman of Seohara, Maulana Manazir Ahsan Gilani and Maulana Abul Aala Maududi's names are among the pioneers of this initiative. The Madarsa people should have taken this regained discipline of knowledge with open arms studied it, taught it to their students and should have added new chapters to these works. But the fact is that modern scholars came forward to promote the subject. They studied it enlightened their

students on it and also wrote article on the subject. they endeavored for its practical application. At present more than 300 Islamic banks and financial institutions are functioning in 75 countries. Their annual transaction has been estimated at 2.5 trillion to 7 trillion dollars. Their growth is estimated 15 to 20% per annum. Only in the gulf countries about 91 thousand workers are engaged in these institutions. In 2020 the number of these workers is estimated to touch twice the existing number.

Need to teach modern Islamic finance in Madaris

But the employees and officers of the Islamic banks and financial institutions have their own limitations. No doubt banking and finance are their subjects but they are not experts of Quranic knowledge, Hadith and jurisprudence. These are the subjects of Madaris. It is a temperament of Muslim Ummah, and of course a very positive trait it is, that they won't accept any thing convincingly unless approved of by Ulema. This is why that Islamic banking and financial institutions are in need of the advice of Ulema. But such Ulama are very few in number who could provide guidance to these institutions. It means that only book knowledge is not sufficient, one should know about practical aspect of a subject. To day there is a wide gap between the demand of Shariah experts in Islamic banks and financial institutions and availability of such experts. According to one assessment at present there are only fifty renowned Ulama who have the knowledge of modern financial system. There is a sort of competition among Islamic banks and financial institutions to have the honor to avail of the services of these Ulema.

In some case even one Shariah expert is simultaneously nominated on the board of Shariah supervisory of dozens of such banks and institutions. It is obvious that they would

not be able to spare time to attend to their assignments there. The authorities of these institutions take liberty in the name of these Ulema to do what ever they like. There are many complaints in this regard and it has distanced common Muslim from these institutions and it has caused serious damage to the movement.

In Islamic banking and financial institutions presence of Ulema is needed at every level. The Shariah supervisory boards can not function without the participation of Ulema. Only Ulema can authoratively say that how far the modern and newly emerging forms of business dealings are in conformity with the norms of Shariah. How some of the necessary contemporary dealings could be conformed to the Shariah. Whether it is the collective system of Zakat or the waqf committees, only the experts of Shariah well versed in financial affairs could provide satisfactory guidance, that how far the activities of the financial institutions are in accordance with principles of Shariah. At present various financial dealings have application through financial engineering, some such dealings are shaped that satisfy Shariah demands but it is to be determined as to whether they are in conformity with the objectives of Shariah.

Facilities of teaching Islamic finances in Madarsa

To meet the growing demand of Shariah expert of modern finances in Islamic financial institutions many universities across the world have introduced courses on Islamic finances, where Islamic financial dealings, Arabic language fundamentals of jurisprudence, and jurisprudence of Islamic financial dealing is also studied. The students of Islamic Madaris have the advantage that these subjects are their main study. So what they need is to know modern financial dealings application of Shariah norms on them or what their Islamic alternatives is. If Islamic Madaris introduce these

courses they would be better placed than modern academic institutions because traditionally this is their own field.

These Madaris could produce more and at an early stage as well as better experts of Shariah than the modern institutions, and they will have better credibility in the financial institutions, and they would be able to check deviations from Shariah rules in these institutions.

Despite the above said facilities and preference, Islamic Madaris have not yet turned to teaching financial dealings. As far as I know only Jamiatul-Falah (Azamgarh-U.P) has Islamic economics on its curricula. Jamia Islamia Malappuram (Kerala) provides education in Islamic banking and finance up to the diploma level. The same is the position in the neighboring countries. Only some institutions in Karachi (Pakistan) have turned towards it. Darul Uloom Korangi teaches subjects on Islamic Banking and Finance.

Two stages of teaching Islamic finance

It would be better if Islamic finance is taught in Madaris in two stages. At the first stage orientation of financial dealings and modern form of the old dealings and rulings relating to them should be studied. The students in Madarsa study in the books of jurisprudence, Fiqh of financial dealings under the chapter of business dealings even they study it repeatedly. To teach modern financial dealings along with these subjects may be, that to the students of higher classes, after every chapter that deals with financial dealings, modern forms of such dealings and the views of Ulema with their arguments should be taught. Alternatively after teaching all the chapters on the subject, modern financial affairs should be taught under the title the jurisprudence of modern financial dealings. It should be

taught by the same teacher or any other teacher. A draft of such a course is enclosed as the first annexure at the end of this thesis.

Education of the first stage could be arranged at every Madarsa provided the teacher prepares himself to teach the subject or a teacher of modern Islamic finances is made available.

The second stage of study of Islamic finances would be that of specialization. Under this, one year certificate course namely specialization in the jurisprudence of financial dealings or two years diploma course known as specialization in Islamic investment may be introduced. It should be got recognized by Islamic banks and the academic institutions of finances.

At this stage there would be extensive study of Islamic finance and related subjects. Islamic economics and the objectives of Shariah will also be taught. Writing dissertation on any relevant subject and to under go practical training should also be part of this course. An outline of the topics of this course is given as annexure - II so that it could be kept in view while drafting curricula for such a subject. Since the education of second stage is of specialization level and requires more attention so it would be better to introduce this in major cities or at the institutions where required facilities could be made available.

Challenges and their solutions

The way leading to the confluence of modern and old, there are certain challenges. Before concluding it would be better to have a glance at this problems and their redressal. The foremost challenges are misunderstanding and baseless apprehensions. Sometimes one is disturbed with the

apprehension that such activities will change the characteristic of Islamic Madaris and people from outside will interfere in Madaris. Sometimes one thinks that we cannot reform the prevailing banking system; so we should distance ourselves from it. Some times they have serious doubt about the sincerity of those who advise them to introduce these subjects on the curricula of their Madaris and they blame them with vested interest.

Such misgivings could be removed through mutual understanding and interaction. Meetings should be held for this purpose and there should be efforts to understand each others views. The congregation of today is a step towards it. Such conclaves should be held at various places in the country at various institutions and at various levels. This is what the Hadith – the religion is sincerity - teaches us and it is necessary for cooperation and coordination.

One of the arguments is that Madaris already have heavy curricula and there is no room to add more subjects to it. To address this problem teaching at some of the subjects that have lost their practical value like old logic and philosophy should be reduced. In Madaris, many books of Fiqh are taught in different years of the study. It is all right to learn them again and again but the subjects that have no practical value should not be repeated such as slaves, their sale/purchase, written agreement for their freedom, rulings regarding children of concubines, distribution of the spoils of war, feudalisms etc. Another way out would be to reduce five minutes of all the periods and modern finance could be taught to the students. These steps are meant to the first stage of study. They would provide opportunity to teach jurisprudence of dealings along with Islamic finances. For the second stage which is for specialization separate steps will have to be taken. The students serious to study the subject in depth will come forward.

Another problem that impedes the study of these subjects is the non availability of text books. It is a fact much literature on these subjects is not available in Urdu and whatever is available has not been compiled as a text book. At present ample literature on these subjects is available in Arabic and English. Madaris students of senior classes study most of the books on curricula in Arabic. So they can have books in plenty on these subjects. Then with experience and time, it would not be difficult to produce textbooks on these subjects. The Madarsa management may assign it to a teacher of jurisprudence to compile discussion papers on modern finances on the pattern of the chapters of jurisprudence and include the rulings (Fatawa) and the decisions taken by the Fiqh Academies. Some institutions may offer help in initiating such projects. Islamic Fiqh Academy India and Institute of Objective Studies should pay their attention towards it.

Shortage of expert teachers could also be a hindrance in this program. Madaris teachers who have been teachings books on old jurisprudence and have not apprised themselves on the modern financial system might find it difficult to understand and teach the modern subject. This fact would also be a factor that stands in the way of inclusion of these modern subjects. It could be solved by arranging some training and orientation courses on Islamic finances for the jurists. If facilities available at their own Madaris, otherwise such programs could be organized at other institutions also such experts may be invited to deliver lectures who have insight both in old and modern system. Such programs be organized from time to time.

Short term but extensive training course should be introduced for the teachers of these subjects. They can join these courses during vacations or can have special leave to

join it. Expert on part-time basis should also be sought after. It is hoped that after some year's teachers from among the group will come forward to take up the assignment. Where there is will there is a way. Finance itself a major impediment in teaching finance in Madaris.

Providing text books, training to teachers, their salary, part time teachers, holding various academic and training programs organizing seminars etc., money is a must for all these steps. One may ask that the Madaris not in a position to pay attractive salary to their teachers, how could they be able to introduce new course at their institution. It is submitted that a large group of the Ummah, among them are philanthropists as well, is eager to see that these subjects are introduced and Madaris students opt for them. They will certainly be happy and come forward to shoulder the financial burden. Some Islamic financial institution will also join the campaign. It is possible that these persons or the institutions may agree to arrange for the wages of some of the teachers. The fee received from the capable students will also help to some extent. It is also worth mentioning here that some of Indian Madaris have also introduced a number of technical courses for their students and working successfully. If such courses can successfully be introduced why can't Islamic finance be a success at the Madaris? The later would be a cheaper one in comparison to the technical courses. The demand for the persons qualifying the finance is ever increasing. It should be kept in mind that technicians learn their craft from other schools/institutions, majority of them belongs to this category. But the Ulema having financial expertise are the product of our Madaris only.

Concluding Remarks

Nowadays major financial institutions and banks are facing acute financial crisis. This crisis is the result of

indiscriminate loans then further loan, mortgage, and the easy issue of credit card gave a new impetus to it. The craze to earn interest upon interest (compound interest) speculation, sale without possession, avarice to earn more and more led to this crisis. Muslim economist had already predicted it. Some of the sagacious experts of these countries had also warned against the impending crisis. We all are aware that Islamic banking and investment don't allow such steps. Islamic financial institution has therefore comparatively saved them from the current crisis. A group of non-Muslims experts is therefore attracted towards Islamic finance. It has provided us a confidence and conviction to the World.

To learn and teach Islamic finance is the double responsibility of Madaris. It will add to the credibility and insight of those qualified from Madaris. They will not only be able to prove their worth but their demand in these financial institutions will also increase. In this way they will be able to check the deviations that have crept into these institutions which is a religious obligation on them as they are the inheritors of the Messengers.

Annexure I

First stage of Islamic Finance teaching at Madaris, a proposal

We may call it study of modern financial dealing or any other title. It may be studied at the higher classes of Madaris. As a pre-requisite, students must have studied in the junior classes Islamic jurisprudence fundamentals.

It would be better if it is studied as a distinct subject of one hour period. Teachers competent to teach modern finances should be appointed for the job or the teachers of

jurisprudence may be motivated to learn and comprehend modern finance.

Another method may be that the teacher after teaching the chapters of Fiqh concerning business dealing, explain modern aspect or its application and its various forms in the contemporary perspective. It would require more period for the study of jurisprudence. The students will study the chapters of the subject as the problems they face in their day to day life. It will make the subject attractive to them. It will also provide base for further study and research among the Madrasah-graduates.

Some important aspects of modern finance and their application

Chapter on Mudarabah (equity partnership)

It's conformity to Islamic banking, as a basis for the partnership companies, its use for Islamic insurance, moral hazards in partnership, adverse selections and their solution etc.

Chapter on shirkah (profit and loss sharing Partnership)

Forms of partnership in Islamic banking, a combination of mudarabah and musharakah, Time sharing partnership.

Modern dealings based on interest, (same item sale-repurchase), tawarruq, jurisprudential or organized, provision of cash on the basis of tawarruq, a legal fiction or a way out? Use of tawarruq, to issue credit card, application of riba al-fadl and riba al-nasi'ah in the exchange of the currency of different countries.

Murabahah or Cost plus sale

One of the most significant means for Islamic financing, controversial aspects, cost plus financing through deferred price for one who places order for purchase on his behalf

Chapter on Salam (Prepaid forward sale)

Use of salam contract in Islamic financing, parallel salam, its use in hedging.

Istisna` (commission to manufacture with or without advance payment), parallel Istisna`,

Chapter on Khiyarat (choices)

Modern application of choice provision, from choice (khiyarat) to options (ikhtiyarat), various aspects of options and ruling concerning them. Use of options for hedging.

Ijarah (Hiring)

Modern forms of ijarah and difference among them. Lease leading to ownership, difference between Ju`alah (an agreement to pay on condition to do a work) and ijarah.

Chapter on Rhan (Mortgage / collateral)

Mortgage as the basis of smaller loan, mortgage loan or the loan on the house so mortgaged.

Zakat

Zakat on shares of companies, ruling on the changing measure of income, temporary use of Zakat money

investment or extending loans. Use of Zakat in the welfare of destitute and problems cropping up in this regard.

Waqf

Insurance through waqf, Shariah stand in respect of the development of awqaf, provision of some of the social medical and educational services.

Chapters on buy` (Sales)

Various aspects of sale and their uses in modern techniques of financing

Wakalah (Agency): Its use for insurance.

Daman (Guarantee)

Guarantee, issue of guarantee letter for import.

Annexure – II

Islamic finances in Islamic Madaris – second stage

It could be designed as specialization in the Fiqh of financial dealings. This stage will cover one year's certificate course or two years diploma course. Under the diploma course first paper would be on Islamic economics, second on objectives of the Shariah , 3rd one of financial rules, 4th on Islamic banking, 5th Fiqh financial dealings, 6th on Islamic financial market, 7th practical training at a financial institution or to write a thesis on any Islamic financial aspect, and 8th viva voce. Thus these eight papers could be divided over two years period. Some more subjects could also be added to it.

The following outlines are of one year certificate course.

1- Brief introduction of the objectives of Shariah. Shariah norms concerning finances.

Chapter on Shariah rules regarding finances

Introduction to Islamic banking. Brief contour of Islamic banking, kinds of deposit, Functions and sources of income, distribution of profit, comparison (contrast) between the Islamic and the traditional banks.

Prohibitions in Islamic finance. Interest its various aspects; currency exchange (swaps), time value of money, Indexation of loans,

Speculations,

Commercial conditions

Kinds of Gharar (excessive uncertainty),. Difference between Gharar and risk. Hoarding, definition, arguments concerning its prohibition, difference between the economic and jurisprudential meanings of hoarding.

ghubn (fraud), (najsh) bidding high price without the intention of purchase,

5-Dealings based on compensation, sale and purchase, lease, brokerage, agency, various form of these contracts, their modern application, problems associated with them.

Their application in contemporary financial dealings

Debt contracts: loan, mortgage, guarantee privation, Sukuk Tawaruq.

Dealings based on partnership. Kind of partnership, terms for permissibility of partnership. Their conformity in partnership banking, financial dealing. Kinds of partnership in legislative law and jurisprudential ruling about them.

Non commercial financial dealings, loan gift, deposit, waqf, application of them in Islamic finance, ruling concerning them, their effects on economy.

Issue of Islamic bonds (sukuk) and their transaction.

Bonds based on murabahah, commercial bonds, bonds on the basis of mudarabah.

Islamic Mutual Fund: conditions for permissibility their categories their management.

Takaful (Islamic insurance): various forms of it, difference between Islamic Insurance and the traditional system.

Market option, derivativeness, future sales, risk management.

Islamic stand about risk management; sharing risk instead of shifting risk upon others.

Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and its Shariah standard.

New forms of corporate bodies having separate autonomous legal existence. Institutions devised with specific purpose (SPV or special purpose vehicles, various aspects of insurance, electronic trade.

Teaching Islamic finances in Islamic Schools of India

Back ground, necessity, significance and prospects♦

Ausaf Ahmad♦♦

Emergence of Islamic finance

The emergence of Islamic banking during the last decades of 20th century may be considered one of the most significant events of the whole century. Although research work to bring conformity between modern banking and Islamic teachings relating to trade and economy had commenced in 1940s, the first successful practical step in this regard was taken at a small Egyptian town Mit Ghamr in 1963. This experiment was discontinued due to political factors. However, it did prove, despite the short life of the experiment, that modern banking system and Islamic values were not completely incompatible and modern banks could be established adhering to the Islamic values.

The movement of Islamic banking got a new impetus when Islamic development bank (IDB) was established in 1975. It was for the first time in the contemporary world that a modern international financial institution agreed to transact its business in accordance with the norms of the *Shari'ah*

♦ Original in Urdu

♦♦ Former Head, Special Assignments, Islamic Research and Training Institute, Jeddah.

and in conformity with Islamic values, and declaring that its business operations will be free from interest.

Subsequent to the establishment of the Islamic Development Bank, there emerged a chain of Islamic banks such as Kuwait finance House, Dubai Islamic Bank, Jordan Islamic Bank etc., all whom started banking activities along the Islamic lines. Many countries like Pakistan, Malaysia, and Sudan announced their willingness to introduce Islamic banking system in their respective countries at the aggregate levels. In some of these countries various steps were also taken in this regard.

In the international financial market the process of the establishment of Islamic banking also continued. During the early 1985 a holding company known as Darul Maal Islami (DMI) was established. It started a new chain of Islamic commercial banks in the name of Al Barka Islamic Banks in many countries. In some other countries national banks started Islamic banking for instance in Saudi Arabia, Saudi National Commercial Bank, Saudi American Bank, Saudi French Bank, Riyadh Bank etc, in Egypt, Egypt Bank (Bank Misr) started the debit and credit activities on the Islamic lines besides their usual financial dealings. Some multi national banks like City Bank, Hong Kong and Shanghai Bank (HSBC) either started their separate Islamic branches or introduced separate Islamic banking counter at their existing branches. They named it "Islamic Windows". Experts say that at present Islamic banking institutions are at work in least 23 countries, if not more. Their combined assets are to the tune of US \$ 500 millions. Although *prima facie* it appears to be a huge amount but it is nothing more than a drop in the ocean. It could be understood if compared to the global financial system where only the American banks hold combined assets about 127 trillion dollars. This can be an indicator of the extent of financial assets in the entire world.

But what is amazing is the pace of advancement of the Islamic financial system. According to the assessment of the Standard and Poor Company, the growth rate of the Islamic banking has been more than 10% per annum during the last 15 years. Many other experts put this figure at more than 15 percent per annum. It is estimated that at present more than 300 financial institutions have been functioning all over the world on interest free basis.

Islamic banking system is now a reality of our times. Just 25 years ago, the experts dismissed the idea of Islamic banking with a smile of disdain. But today, even these experts are seriously analyzing the performance of Islamic banking system. Subject on Islamic banking system are admitted as a research topic in universities, international publishers are churning out scientific treatises and books on Islamic banking system. Esteemed professional journals deem it a privilege to publish articles on Islamic banking in their magazines. In view of these activities one has to acknowledge that Islamic banking is a reality of our times that no one can afford to ignore it.

Need for Teaching Islamic Finance

It has been estimated that growth rate of Islamic finance industry is 15 percent per annum. So there is apprehension that in the near future it would be facing shortage of human capital. The following three are a must to run an industry.

1- Capital, 2-Physical resources, 3-Human resources. Financial institutions are generally in need of physical resources but financial and human resources play a key role in the growth of this industry.

For a healthy growth of the Islamic financial industry a continuous supply of human capital appears to be indispensable. Islamic financial industry will need account holders, accountants, bankers, financial architects and Engineers but at the same time it will require the services of the *Shari'ah* experts well versed in Islamic jurisprudence. Such experts will be needed at every level, who have command both on the objectives of the *Shari'ah* as well as the modern banking system. Now Islamic bank has a *Shari'ah* board. These boards guide Islamic banks in matters relating to *Shari'ah* and ensure that Islamic banks work in conformity with the norms of Islamic *Shari'ah*. Scholars of high caliber are nominated on these boards those who not only specialized in financial dealings but have the capacity to exercise inference on analogy (Ijtihad) so that to find out solution to the problems surfacing from modern banking and finances and guide these institutions in these fields.

Apart from *Shari'ah* boards, Islamic banking will need the services of such officers/officials who are well versed in *Shari'ah* and modern finances.

Those qualifying from Islamic Madaris could be a better source of human capital for Islamic banking system. In the beginning when Islamic banks came up their needs for human resources were fulfilled by the graduates from universities and management schools. Their religious knowledge at their best level is in fact of a poor level. Some Islamic banks have initiated training program for their staff. First of all, not all Islamic banks possess necessary facilities for imparting required training for their staff. Second, wherever training facilities exist, they are not upto mark and not in the required amount. Thirdly and more importantly, it cannot be considered a step to satisfy the desired needs as the duration of this training course is usually very short.

Islamic banking system and Islamic jurisprudence

Not simply as an ideology but as financial institution also, Islamic banking has made a remarkable growth during the past many decades. As a discipline of knowledge its growth has been manifested in the books and articles, research papers that have been written on this subject.

It is reported that more than 300 Islamic financial institutions have been successfully functioning in various countries. The commercial institutions of Iran, Indonesia and Sudan are not included in it. For the last many decades the Central bank of Malaysia, Bank Negara Malaysia has been trying to introduce a dual Banking system where the prevailing banking system and the interest free Islamic banking system will work simultaneously. In the global financial market among the active Islamic financial institutions are Islamic banks, Islamic insurance companies, Islamic Investment companies etc. Total assets of these institutions are estimated to the tune of 400 to 500 billion US dollars (\$). Apart from it a market for Sukuk (an Islamic bond) is also in process of making good progress. It is estimated that current value of the Sukuk market is about \$70 billion. But in the next year (2010) it will touch to 100 billion dollars. Governments and major companies are opting to issue sukuk to raise funds for the big infra structure projects. It is estimated that governments and major companies of gulf will issue sukuk to the tune of US \$30 billion within the coming three years. It is also estimated that during the next 10 years investments of about one trillion dollars will be made in the Gulf. A major part of this money will be raised from the sale of sukuk. The popularity of sukuk as a novel financial instruments is not confined to the financial markets in the Muslim world alone. It has stirred the financial markets outside the Muslim world too.

A company in Germany has issued sukuks of the total value of 100 trillion. The governments in Britain and Japan are also contemplating to issue sukuk to raise capital for their different projects. It is obvious that Islamic financial banking system stands on interest free transaction. Interest stands unlawful as per the commandment of the Quran and the precepts of Allah's Messenger (PBUH). So it is necessary that those who are engaged in Islamic banking system at any level must know that interest, is prohibited and they should also know the reason behind this prohibition. So that they can apply jurisprudential ruling on the issue confronting practical life and they are able at the minimum to take initial decisions in this regard. So it is necessary that those who are competent to take decision relating to policy as well as those who are responsible to enforce these decisions are aware of the Shari'ah ruling (at least to have working knowledge). The following points should be kept in mind in this regard.

1-Islamic banking system is based on the prohibition of interest. The form and content of Islamic banking is different from the prevailing banking system.

2- It is imperative that Islamic banking product is in conformity with the norms of the Islamic Shari'ah. So it is necessary that the manufacturers and marketing agents are well versed of the objectives of the Shari'ah.

3- The difference between the prevailing banking system and the Islamic system is that the latter function under the guidance of Shari'ah boards. So that it is guaranteed that these products are in accordance with the norms of the Shari'ah. It is therefore opined that in performance of Islamic banks, in terms of honesty, Sincerity, and creditability really depends on how far, how sincerely they follow the rulings of the Shari'ah.

The Needs of Islamic financial product

It is necessary for the products of Islamic banking systems and to be of the standard of the prevailing banking system and ensure profit to the investors on their investment, but, at the same time, the public at large should know that these products are in accordance with the standard set by the Shari'ah. For this purpose it is necessary that Ulema are closely associated with the process of their manufacturing and at the subsequent stages. The product of Islamic banking should have certificate from Ulema. Ulema therefore should be well aware of the process of manufacturing economic fundamentals, and have command upon English language so that they can interact with the financial experts.

Expertise needed for Shari'ah supervision

It is necessary that department of Shari'ah supervision, Shari'ah control, and Shari'ah accounting are set up with Shari'ah experts as their heads. These experts must have the following expertise's:

- Deep insight in the objectives of Shari'ah and its sources.
- Specialization in Islamic financial dealings.
- Complete command on surmise and Ijtihad to be able to take decision with confidence in financial matters.
- Knowledge of the contemporary finances
- Knowledge of the objectives of Shari'ah, general expediencies, and common Shari'ah principles.
- It is also necessary that Ulema should be attached to one financial institution only those associated with many institutions at a time, their loyalties are divided

but the supervisors may not be able to discharge their duties with devotion.

Limited acceptability

In its present form Islamic finance could only gain a limited acceptance. Islamic banking has not reached out to common Muslims. Even today many people are of the view that it is impossible to promote Islamic banking in accordance with Islamic norms. Some Ulema have also expressed their views against what is being promoted in the name of Islamic banking and Islamic finance some people have objected to the financial use of Murabaha. They agree that classical form of Murabaha was evolved for commodity trade. Its application as a financing technique is not permissible. Recently the Ulema associated with the Fiqhi Majlis of Pakistan have expressed their disagreement again. An article on this subject has been published in *Mutaleaat* Shaikh Saleh Al Husaiyyan offered severe criticism of present form of Islamic banking, mainly on the ground that it could not achieve what it had been originally set out to achieve. It is usually not appreciated that advantages attributed initially to Islamic banking were *macro* objectives which could not possibly be achieved by institutions established at *micro* levels. Dr. Nijatullah Siddiqi in his thesis presented at the Islamic Finance Forum of Howard University had expressed his dissatisfaction on the performance of the Shari'ah boards and suggested some points to reform the boards system. However, despite this dissatisfaction, it would not be a point of discord that the overwhelming majority of Muslim Ummah is not yet fully aware of the principles of Islamic banking. In this ignorance both, those who have qualified from Indian Madaris and the graduates from the Universities have an equal share. The students qualifying from Madaris have absolutely no knowledge of modern systems of banking and finance. The

graduates of our universities are unaware of the Islamic system its moral values. However, both groups are equally unaware of the fundamentals of Islamic economics and Islamic banking.

If the education of Islamic economics and finance is introduced at the Islamic Madaris not only that qualifying scholars would be aware of this system but it will also go a long way in educating common people on this system.

The awareness concerning Islamic banking and finance will be conducive in eliminating the prevailing prejudice against this system. This point is of immense significance in the countries where Muslims are in minority where the community has more misgiving in regard to the system because of their unawareness, with the universal teaching of this subject their misgivings will gradually disappear.

Islamic Madaris have been functioning across the world. It can be said with confidence that where there are Muslims there are Islamic Madaris. So Islamic Madaris have their existence from south and south East Asia to Middle East and from Africa to Europe to America. In the Islamic world Jamia Zaituna and Jamia Azhar enjoy the prestige of being the oldest seats of learning. Jamia Azhar is even today actively functioning as Islamic academies where about 120 thousand students are enrolled among them 20 thousand are from foreign countries. At Jamia Azhar also traditional subjects find more important place on the syllabi than subjects on Islamic finance and banking. Although at the Shari'ah college some students study fundamentals of Islamic dealings (*Fiqh al Muamalaat*) and Islamic finance. At the Darul Uloom of Cairo University higher education in Islamic theology is imparted. But Islamic finance and its relative subject attract lesser attention than desired. Jamia Islamia Madina is one of the respected and renowned seat of

learning of Islamic studies. It pays more attention to foreign students than their internal ones. Because out of its total 6000 students 80% are from other countries. The subjects on curricula are the Quran, *Hadith*, call principle of the faith (*dawah*), jurisprudence (*fiqh*) and Arabic language etc. BA, MA and PhD degrees in Islamic sciences are awarded by the university.

The Ummul Qura University of Makkah has also emerged as one of the important seats of learning of Islamic sciences. On its syllabi Islamic economics banking and finance have got no significant place. The course of Islamic economics is studied under Kulliah of I Shari'ah instead under the department of economics.

Islamic Madaris in India

In most of the Madaris of Indian subcontinent *Dars-e-Nizami* is the main syllabi. It has more emphasis on exegesis (*Tafsir*), memorization of the Quran (*hifz*), *Hadith*, grammar (*qawaid*) and jurisprudence (*fiqh*). In some of the Madaris, Urdu, Persian and Islamic history also finds a place on curricula. It is estimated that there are around 35 to 40 thousand Madaris in India. It is not possible to produce complete data in respect of the actual number of these Madaris. However, this number includes the primary Madaris known as Maktab and function at the mosques. They impart elementary education in languages, mostly Arabic and Urdu. Generally the students after studying the Quran (*Nazirah*) leave these Maktab to join school for modern education. On the other hand, among these Madaris are the institutions which are equal to Jamia or modern universities. Here the students have to study for ten to 12 years and the degree awarded by these Madarsa are considered to be equal to BA and MA degrees of a university.

Teaching of Islamic Finance in India

In India Islamic finance teaching is confined to some of the educational institutions that could be counted on the tips of one's fingers. Some of these institutions are mentioned below.

Darul Umoor (Karnataka)

This institution has introduced a course to train Ulema in contemporary subjects. Visiting scholars are invited to teach them modern subjects. These subjects include Islamic economics, banking and finance also. The course on Islamic economics and finance comprises of two stages. In the first stage, principles of economics, Islamic economics its definition, characteristic and salient features of different economic systems like capitalism, communism, free economic system, Islamic economic system, some particular aspect of the current economic system, and the cause of the backwardness of Islamic civilization etc are taught. The second stage of the courses comprises of Islamic banking system, unlawful character of interest and its various forms, objectives of Islamic finances and methodology of finances.

Jamia Islamia (Kerala)

Jami Islamia (Shantapuram, Kerala) has introduced a one year post graduate diploma course in Islamic finance. Its target group is students graduating from modern colleges and universities. It is assumed (and correctly) that graduates of these institutions have little or no grounding in Islamic subject. Hence, the course is directed to provide those what they are lacking. Thus, in the end, making their personalities a well rounded one.

The diploma course on Islamic economics and finance was started in 2004 -2005 with 28 students. This year number of students is 40. The students are selected on the basis of their performance in the degree exam and how they face the interview. The Jamia besides availing of the services of visiting scholars also appoints some teachers on regular basis. The following seven subjects are studied under this course.

- 1- Principles of Islamic economy.
- 2- Economic teachings as enshrined in the Quran and Hadith.
- 3- Islamic Banking and deposit.
- 4- Islamic finances.
- 5- Accounting and computer.
- 6- Arabic language
- 7- Modern theories of commercial banking, finance and insurance.

The Jamia Islamia has established a new department for this course. Rs.15000/- are charged as annual expenditure. It includes Rs.9000 as tuition fee for one year, Rs.1000 for miscellaneous expenditure, Rs5000 for Hostel charges. Medium of interaction is English and mostly those students are admitted to the courses that are well versed in English.

Aligarh Muslim University

The Aligarh Muslim University, a premier teaching institution of Muslims in India, has announced to introduce a one year diploma course in Islamic finances. It will be under the faculty of management. Since the course has not yet been introduced it would be pre mature to comment on it.

Internet courses

At present three courses are available at internet. One of this program is offered by London based Institute of Islamic banking and insurance. IBFNET of Delhi and Institute of Islamic banking Hyderabad offer two on line courses respectively. The courses are offered on the basis of payment of prescribed fee. Since these courses come within the purview of distance education, any further comment is not in order here.

Challenges Confronting Islamic finance teaching:

For analytical convenience the said problems are placed under various categories as follow.

1. Administrative issues, 2-Financial issues, 3-Academic issues.

However, all these issues are closely related to each other. When a particular approach is adopted to resolve an issue it affects the nature of other issues. For instance it is an administrative issue as to whether the course should be in any one of the existing departments of the Madarsa or a separate department must be established for it. Apparently this is an administrative issue but it will have important academic and financial implications. Nevertheless, notwithstanding with the above position, some of these issues are discussed here:

- 1- Administrative problems: One of the options in this regard is that the subject should be studied within the administrative framework of the Madaris. It will entail lesser financial burden as the administrative set up is already there. Setting up of a new department will require huge

financial expenditure. However on the academic basis it may not be defended.

Selection of teachers: Competence plays a key role in an educational system. If a student fails to have the guidance of good teachers he cannot compensate it in his whole life as described by a Hindi poet

*if a teacher is blind, his students will be totally blind.
The blind (teacher) will push
the blind (student) and both will eventually fall into a
ditch (of ignorance)*

A teacher of Islamic finance should have competence in economics, banking and finance. His knowledge of Islamic sciences should also be comprehensive and up to date. . Unfortunately we hardly find such competent teachers in our community. Other wise one sided scholars are available in plenty who are experts in banking and economics, but they are not proficient in Islamic sciences. On the other hand graduates from Madaris have ample knowledge of Islamic teachings and rulings but are almost blank so far as modern banking and finance is concerned. From this point of view of teaching Islamic finance, teachers from both these categories may not be able do justice with the subject. The subject should be assigned to the teachers who if not experts in the subject should have sufficient knowledge of both the disciplines.

If such persons are not available at present, necessary steps should be taken under a long term scheme to train such teachers. The following two steps would be appropriate.

- 1- Those who have degrees in modern banking and finance must be trained in Islamic sciences.

- 2- Those who have qualified from Madaris, Must be trained in modern banking and finances

Here our priority is the second category. If Islamic economics is taught in a Madarsa at any level it must be ensured that those associated directly or indirectly with this performance, they hold have knowledge of Islamic banking, its functioning and its objectives and principles. So its success will depend upon the quality of training of trainees.

2-The issue of Availability of Text Books:

The second problem in teaching Islamic finance and economic is providing appropriate books to the students. Such books are easily available in English. However, if a teacher is not satisfied with presently available books, he has the option of turning to research articles published in scientific journals and other magazines and treatises during his teaching. In Arabic many books are available on Islamic finance and Islamic economics. The teacher may have access to these books. In Urdu particularly in India it has may additional dimensions.

The Issue of Medium of Instruction

In Indian Madaris, text books are generally in Arabic. But since Arabic is not a spoken language in India, students, who graduate from Indian Madaris are not fluent in expressing themselves in this language. They lack confidence in this regard. In most of the Madaris barring a few one, medium of instruction is Urdu. Although books on jurisprudence are in Arabic but teacher instructs the students in Urdu. It creates some difficulties. While teaching Islamic finance this difficulty becomes two fold. That original material is either in English or Arabic and the students are not proficient in either of the language.

One of my friends who had been a teacher of contemporary subject at a well known Islamic Madarsa told me that issue of availability of text books in Urdu language, which students could read and understand, was a serious problem. So he decided to make use of the text books prepared by the National Council of Educational Research and Training (NCERT) a governmental institution which has been entrusted the task of preparing school and college level text books in English and other Indian languages. Due to limited knowledge of English, the students could not benefit themselves from these books either. So he himself studied books available in English and instructed his students in Urdu.

Obviously such a situation cannot be said to be encouraging for the academic and intellectual growth by any figment of imagination. A permanent and practical solution of the problem has to be found, which is preparation of a set of books by competent experts of these subjects, Islamic Fiqh Academy India, Institute of Objective Studies New Delhi and Islamic Development Bank Jeddah should pay attention towards it.

A short term solution of this problem would be organization and introduction of short term training courses for the teachers.

If arrangements are made to teach Islamic finances and other relevant subject in Madaris, the management will have to decide as to whether these subjects will be taught as a part of their normal academic system or they would like to recover charges for the service.

If fee is charged to teach these subjects, new teachers will have to be appointed to teach students of these subjects. But

parity between their salary and that of the other teachers of the Madarsa might create a problem. However, all these issues are required to be deliberated seriously.

Conclusion

The emergence of Islamic banking and application of Islamic norms in the Islamic financial institutions have opened new vistas for the students of Islamic Madaris. It is generally said that those qualifying from Madarsa usually do not have many employment opportunities before them. In this age, their profession does not entitle them to a pay that would enable them to maintain even a moderate standard of living. In the post industrial development period vocational courses were started at some Islamic Madaris. But this experiment could not alter the character of these Madaris. The expansion of Islamic financial market needs personnel with sufficient and workable knowledge of the Shari'ah. Similarly Islamic knowledge is necessary for the Islamic financial institutions but the demands of the Islamic financial market could not be fulfilled by the Shari'ah knowing personnel only. . It also requires that same personnel have knowledge of modern finance, trends of the financial market, accounting and principles of management. But the foremost requirement is to have command on English language because all the transactions in the international market are conducted through English language. So the experts in Shari'ah should be competent to express their views in English. There would be not more than 40 or 50 people in the world who fulfill this criteria but their demand is every where. The actual situation is such that one theologian works on the boards of many banks. They get very high fee and remuneration. The privileges they enjoy are to such an extent that evens the world renowned weekly the News Week Magazine once published a article on this issue. Only sufficient supply of such

competent and qualified persons could alter this situation. If supply increase the rate of payment will decrease and more people would get employment.

However it is not an easy job to introduce teaching of Islamic finance and economics and other relevant subjects in Islamic Madaris. There are many impediments in this course of action, some of which have been pointed out in this article. But the crux of the problem is that whether Islamic Madaris are ready to teach Islamic finance and economic in their Madaris.

CASE STUDEIS

- ◆ **M. I. Bagi Siraj**
- ◆ **Mohammad Plath**
- ◆ **S. Zahid Ahmad**

A Comparison of Teaching Programs of Islamic Finance at Two Institutions in India

M. I. Bagsiraj

The study of financial economics has become imperative for individuals as well as societies. It may be argued that economic condition of Muslims in the present times is somewhat unsatisfactory, mainly because we do not particularly study nor understand the dynamics of today's economics, finance and development. We do not find any single Multi National Corporation (MNC) belonging either to Muslim countries or Muslim also in the top 100 global MNCs. There is no word for entrepreneurship in many languages spoken mainly Muslims such as in Urdu, These two indicators, arbitrarily chosen, are enough to indicate the extent of socio economic and technological backwardness of Muslim people as well as lack of research and development (R&D) activities in these countries. .

It is a sad commentary on the state of affairs that in this modern era of educational including R&D, financial, industrial and technological revolutions, we the Muslims have neither studied and developed Islamic systems nor Islamized and adopted the contemporary systems.. It is this conflicting life style of Muslim societies that is at the root of internal chaos in our countries. We the Muslims have also failed to check the growth of interest based banking and

financial systems by neglecting the study and development of Islamic banking and financial systems for centuries.

It is only during recent years that the study and development of Islamic finance and banking has started receiving some attention. This paper attempts to **highlight the status of Islamic economics and finance teaching** at two of the Indian institutions. It is based on the case study method, as present writer has the good fortune to have been associated with both of them.

Dar-ul-Umoor, Srirangapattanam, Mysore:

The History

Dar-ul-Umoor was established by the **Sharif Foundation** of Bangalore at Srirangapattanam near Mysore in Karnataka state in the year 2002 along with **Tipu Sultan Advanced Study and Research Centre**. It was conceived to be ultimately a Deemed to be University imparting PG education to Muslim youth, Main purpose of these institutions is inculcating leadership qualities in Muslim youth in different specialized fields required for the next millennium. On 5th May 2002 a **one year residential course in Islamic Studies and Heritage** was started exclusively for the religious scholars (*Ulemas*) selected from the religious schools and seminaries (*Dar-ul-Ulooms*) spread all over the country. About 25 students are admitted every year. They are given free lodging and boarding facilities besides a monthly stipend of Rs. 1000. The minimum qualification required for admission is ***Alim's degree from any Indian madarsa***. The students having *Fazils* and *Mufties degrees* are also entitled for admission to the course.

The Course Content

The aim of the one year Diploma is to “**provide the Islamic scholars, particularly those trained by the *madarsas*, an exposure to the socio-economic realities of the society and the emerging changes in the world due to the impact of emerging science and technology.**” The students are “trained to become community leaders to explain, interpret and inspire the masses on the right understanding of Islam in its true spirit to meet the challenges of the fast changing environmental and civilizational forces.”

The subjects taught in the course are English, Information technology and Mass Communication, Management and Personality Development, **Islamic Economics and Finance**, Science and Environment, Islamic History and Research Methodology, Problems of Muslim Society, Islamic Studies and Comparative Religion Studies. All subjects are taught only by the invited part-time or visiting faculty, who are paid traveling allowance and a modest honorarium.

Islamic Economics and Finance is studied as only one of the 8 subjects taught in the course. About 30 hours are spent on its teaching annually in 2 or 3 sessions. Examinations are conducted periodically. Diploma certificate is awarded to successful students by the institution itself, at the end of the year. The detailed syllabus could be seen in the Appendix I

In order to better acquaint the students with the practice of Islamic Finance an **interest free co-operative credit society** has been started at the campus that is being run by the students for last 5 years.

The Performance

The students are taking keen interest in the study of Islamic Economics and Finance that is totally new to them. Even though according to some of them books like *Al-Buyua* are included in their studies, the subject is either not taught at all or hurriedly gone through without any reference to the contemporary developments in the subject. A good library, Overhead Projector and internet facilities are made available.

The Problems

1. Medium of instructions and learning is the primary problem. Despite of teaching English on daily basis throughout the year their command on English language is so poor that they have to be taught in Urdu to make them understand the subject. The problem with Urdu medium teaching and learning is that there is hardly any reference material for comprehensive study of the subject. As a result, learning ability of students suffers.

2. Shortage of books and magazines on economics in Urdu is a problem that can not be taken care of easily. The English literature in economics and now on Islamic economics and finance is so vast that the gap is unbridgeable at least in near future. Moreover the business language used in banks and financial institutions is also English. Therefore it will be in the interest of *Madarsa* students to **acquire command over English language as early as possible.**

3. The study of Islamic Economics and Finance as a single subject along with other 7 subjects does not enable students to acquire deep knowledge of the subject. At the best they develop only rudimentary understanding of the subject. For effective understanding and applicability of the

principles of Islamic economics and Finance to find solutions to their and society's economic problems, they will have to **study at least a full year entire course in Islamic Economics and Finance**. At *Dar-ul-Umoor* the **focus of the students is also divided between 7 other subjects that are taught**.

4. Knowledge of computer and internet application is a must for students of Islamic Economics. Most of the latest information on economics as well as other subjects is easily and cheaply accessible on internet. It is freely provided to all the students at *Dar-ul-Umoor*. However due to inadequate English knowledge most of the students are slow to utilize the facility.

AL Jamia AL Islamia, Santhapuram, Kerala

The *Jamia* is running a well planned *Madarsa* with independent buildings for various branches of Islamic sciences including *Quranic Studies, Hifz, Hadis, Fiqha, Comparative Religion, Arabic* and English languages etc. The *Jamia* as such was started in the year 1955. The *Jamia* is in the process of seeking deemed to be a university status. They have also started a one year **Post Graduation Diploma in Islamic Economics and Finance (PGDIEF)** in the year 2004. The course is now recognized by the **Mark field Institute of Higher Education (MIHE) UK**. Minimum qualification for admission is Graduation in a subject, preferably commerce or economics. Most of the students who seek admission are graduates in commerce. However a few chartered accountants and many Arts as well as science Graduates also seek admission. This year an *Alim* has also taken admission. Three Girls have also been admitted to the course for the first time. All the students are provided hostel and food facilities. Where as the education, lodging and boarding for Islamic studies students is cost

free, the PGDIEF students are charged an **annual fees of Rs.15000. Till last year they were charged Rs.10000.**

The Objectives of the Course

1. To enable the students to understand and analyze current economic problems in Islamic perspective
2. To develop committed youth who can disseminate the message of Islamic economics, banking and finance.
3. To provide for the expertise and skills required for Islamic Finance Industry

The Manpower

There is an honorary. Director and an Assistant Director, and a full time coordinator for the course, which is taught by 18 visiting faculty members from within and outside India, .

The Performance

About 30 students are admitted every year. This year due to rising demand for the course the **intake has been increased to 40 students**. Out of **The 97 students that have** graduated from this course so far, about **25 of them are working abroad** mainly in the gulf though only 3 of them have secured work in Islamic Financial Institutions. 4 of them are working in Islamic financial institutions in India. Rest of them are either working in India in other fields or pursuing higher studies.

The course content is substantial and regularly revised by the Board of studies. It is intended that the Diploma course shall be converted into a **2 years Post Graduate degree Course** in the coming years by making it more

comprehensive. Modern teaching aids including LCD and internet are available. The library facilities including about 500 books and reports on Islamic Economics and Finance are available. Subject teaching is supplemented by seminars, workshops, group discussions, study tours etc. Project work and Viva Voce also carry 100 marks each for the final examination. Diploma Certificate is awarded by the institute and MIHE.

The Problems

1. The English medium **course is designed for graduates** of Indian universities and not for *Alims* or *madarsa* students.
2. Even the English standard of most of the students is poor because majority of them are from Kerala, who **speak Malayalam only**. Objectives of the diploma can be attained more efficiently by marketing and admitting the students from all over the country.
3. One month internship is not considered enough. For better practical training of **one year internship** may have to be arranged either with Urban Co-Operative Banks in India or bigger Islamic financial institutions abroad by entering in to MOUs with them. This may also improve their employability.
4. The students are faced with the lack of **placement opportunities** because they are looking for employment in only Islamic Financial Institutions or Islamic Banks abroad, who prefer to employ experienced hands even if they are coming from contemporary interest, based financial institutions. The employment opportunities can expand if the graduates of this course **look for opportimotoes in Indian**

Mutual Funds and Venture Capital firms provided they acquire proficiency to **work on their English and** accordingly improve **personality development**.

5. The lack of trained faculty in Islamic Economics and Finance is a real problem. It can be resolved only by promoting **research and training facilities in the subject**.

6. More reading material both in English as well as Urdu is need of the hour. With new courses in Islamic Economics and Finance being started by Muslim university Aligarh as well Pondicherry Central University, this difficulty is expected to be overcome soon.

Conclusion and Suggestions

1. Both the ongoing courses reviewed above do not fit into the requirement of **teaching Islamic Economics and Finance in our Madarsa set up**, neither in objectives nor content.
2. We must first determine the **objectives of teaching Islamic Economics and Finance in Madarsas**.
 - i. The first objective will have to be **to empower would be graduates of the Islamic schools (Ulemas) to understand and promote Islamic Economics and Finance to masses**.
 - ii. The second objective may be to allow some graduates (*Ulemas*) **to specialize in Islamic Economics and Finance**, to

enable them to undertake research and development in the field including Islamic Banking and Finance, its *Shariah* regulations and compliance; as well as enable them to seek employment in them.

3. The first objective can be attained by **regrouping and activating the portion of Islamic economics and finance already included in the syllabus for *Alims*** and by **updating and relating it to present developments** in the field. Alternately the **study of Islamic economics and finance** may be included in the last 2 years of *Alimiyat* course **as a special paper** with updated syllabus in accordance with the given objective. In both the cases the **faculty that is handling this subject in *madarsas* will have to be trained adequately** to handle the subject effectively. The relevant **learning material in Urdu** will have to be also prepared, provided and updated regularly.
4. To attain the second objective English language may have to be taught in all the years of *Alimiyat* *at a high level of proficiency* as a subject and then a **2 year intensive course in Islamic economics and finance in English medium** will have to be designed and taught as an advanced course which may be offered after the students have completed the professional course of *Alimiyat*. The advanced course on Islamic economics and finance may **I** preferably be offered within the *madarsa system*. .

At least till some of the *Madarsa* faculty **themselves study and specialize in this course**, outside expert faculty will have to be appointed, bulk of them on visiting basis. The necessary facilities including teaching and learning aids, library books, journals, computers, internet etc. will have also to be provided. **For meeting the additional costs reasonable fees may be collected** from the students of this professional course. Arrangements may be also made for the availability of **scholarships and interest free loans to the deserving students**. Doors for admission of university graduates in this course may also be kept open to promote mutual give and take benefits for all students of this course.

5. To start with some Islamic schools (Madarsahs) in the northern and southern parts of the country may be motivated to develop and initiate the professional course in Islamic economics and finance.
6. An all the *madarsas* that are teaching Alimiyat course be encouraged to take up teaching of Islamic economics and finance as an integral and important part of their course.
7. All Islamic *Dar-ul-Ulooms*, colleges and *Madarsas* are encouraged to start Islamic co-operative **society** within their campuses to meet and manage their economic and financial needs on Islamic financial

pattern. This will promote their understanding as well as practice of Islamic financial principles. It will also provide practical exposure to their students of Islamic economics and finance.

PG Diploma in Islamic Economics & Finance (PGDIEF)

AL JAMIA AL ISLAMIYA Santha Puram, Kerala

Mohammad Plath

Introduction

Al Jamia Al Islamiya, a well known Islamic educational institution in South India, was established as Islamiya College, Santhapuram in the year 1955. The institution was declared as upgraded to the status of an Islamic University by the renowned scholar Dr: Yousuf Qardhawi in 2003. The institution is now in the process of being recognized as a deemed university by University Grants Commission, India.

Vision and mission

1. Rejuvenate Islamic thought in modern perception and prepare the young generation to handle issues in Islamic perspective.
2. Bring the poor and the downtrodden students to the mainstream of the society by giving them free education.
3. Ensure the educational growth of the minorities and other backward classes.
4. Prepare the young generation morally and educationally to engage them creatively for the development of the country.

5. Maintain an educational institution of international repute and standard for the study of Islamic subjects and to produce excellent scholars.

Advisory Council

Chairman: Dr Yusuf al Qaradavi, Qatar
Members: Dr Abdullah Omar Naseef, KSA
: Dr Ali Nohyudheen al Quradagi, Qatar
Dr Ali Mohammed Al Muhammedi, Qatar
Dr Saeed Abdullah Harib, UAE
Dr Najathulla Siddiqi, India
Prof Ibrahim Bumilha, UAE
Prof Nasir Abdullah Hamdani, UAE
Prof Abdul Kader Dhahi Al Ajeet, Kuwait
Prof Nadir Abdul Azeez al Noori, Kuwait
Dr Mohamaed Abdul Razak al Sidhiqi, UAE

Supreme Council

Chairman: T. Arif Ali
(Ameer, Jama at e Islami Hind, Kerala)
Members: Dr Fazlur Rahman Faridi
: Dr Mohammed Rifath
: Dr Ahammed Sajjad
: Maulana Jalaludeen Umari
: Prof Abdurahman
: Sheikh Abdul Ahad Mohammed
: M.I. Abdul Azeez
: K. Abdulla Hasan
: M.V. Mohd Saleem

Governing Body

Chancellor:
Dr. Abdul Haq Ansari, M.A, PhD, M.T.S.
(Harvard)

Vice Chancellor:

Prof. Ali Bavutty, M.A., Qatar University

Deputy Vice Chancellor:

Dr. M Abdussalam. M.A. Ph.D.

Programmes and Activities

- Preparatory course
- Faculty of Islamic Studies (Usooludheen)
- Faculty of Islamic Jurisprudence (Shariah)
- Faculty of Quranic Studies
- Faculty of Comparative Religion
- Faculty of Hadeeth
- Faculty of Islamic Economics and Finance
- Centre for Research and Advanced Studies

FACULTY OF ISLAMIC ECONOMICS AND FINANCE

The Islamic Economics and Finance developed as an academic discipline and Islamic Financial institutions have been showing tremendous growth all over the world. The mainstream Economists refused to acknowledge this fact and facilities are hardly available for learning this discipline. Since attempts to include Islamic Economics as a subject in the curriculum of universities in Kerala failed, the Kerala chapter of IAFIE designed a Post Graduate Diploma course in Islamic Economics and Finance and approached the Al Jamia Al Islamiya for running the course. The course is now conducted by Al Jamia Al Islamiya and it has been recognized by Mark field Institute of Higher Education (MIHE) London.

This diploma is an integrated course comprising theoretical and applied aspects of Islamic economics and finance.

Comparative analysis of conventional economics, banking and finance and its Islamic counterparts also form part of the syllabus. Students are also exposed to the history of the development of this discipline and its future prospects. The course curriculum includes one month Internship in financial institutions, and project report.

Board of Studies of PGDIEF

Chairman: Dr Fazlur Rahman Fareedi

Director: Dr. P. Ibrahim

Members: Dr Ausaf Ahmad
Dr Shariq Nisar
Dr Rahmathulla
Dr M I Bagsiraj
Dr K K Mohammed
Dr A I Rahmathullah
Dr CP Shaheed Ramzan

Objectives of the Course

4. To enable the students to understand and analyze current economic problems in Islamic perspective
5. To develop Islamically committed youth who can disseminate the message of Islamic economics
6. To provide the expertise needed for Islamic Finance Industry

A brief outline of seven papers is hereunder

Paper: I : The nature and principles of Islamic economics

(Nature and scope of Islamic Economics– History and development of Islamic economic thought-Islamic Economic System- Public Economics in Islam and that in

Conventional systems–Conventional and Islamic approaches to economic development – Welfare Economics in conventional and Islamic Economics –Production, Consumption and distribution in Islam – Prices and Markets; Behavior of firms in and Islamic economy.)

Paper: II : Basic economic measures in Qur'an and Hadith

(Concepts of money and wealth in Islam – Ownership in Islam – What is capitalism in the view of Qur'an? – Zakath – Riba (The interest and the usury) – Laws of inheritance in Islam.)

Paper: III : Islamic Banking and Insurance

(An introduction to Islamic Banking- Financial Statements for Islamic Banks- Conventional banking functions of Islamic commercial banks – Islamic Insurance Takaful- Islamic banking in Indian legal context- Financial Techniques applied by Islamic Banks.)

Paper: IV : Islamic Finance

(Western securities market operation – Islamic Law of contract – principles of Islamic business – Islamic Asset and Fund Management – Islamic Bond market (Sukuk) – The role of Shariah supervisory boards in control of functioning of Islamic financial institutions – Islamic syndication – Qard Hasan – Venture capital – features.)

Paper: V : Accountancy with Computer application

(Introduction – Accounting principles, concepts and conventions – Accounting process – recording, posting and preparation of Trial Balance – recording in journal – Ledger

– final accounts – trading and profit and loss account –
Equation– P/L account – adjustment entries – TALLY –
PEACH TREE)

Paper: VI : Functional Arabic

(Essential Grammar –Dialogue practice – Translation –
Drafting applications and letter in Arabic)

Paper: VII : Modern Banking, Finance and Insurance

(Commercial Banking – Money Market and its components
– Banking Regulation Act - Innovations in banking service –
Banker customer relationships – opening and operating
accounts – Cheque –Loans and advances – Credit cards –
Insurance –features – types.)

Internship

One month long internship is a compulsory part of the
course which students are made to undergo in well known
financial institutions.

Project Report

In partial fulfillment of the course, students are expected to
submit a project report of hundred marks in any related field.
This is under the guidance and supervision of faculty
members.

Viva Voce

Students will be subjected to a general viva voce after the
final examinations which carry 100 marks. It will be based
on the papers they have studied and the project report
submitted.

Duration of the course

The duration of the course is one academic year of 10 months.

Eligibility

Graduation from a recognized University. (Preferably in economics or commerce)

Admission

The students are admitted on the basis of index marks prepared on the basis of marks secured in the Graduation and the performance in the Interview.

Students' profile

	Year	No of Students
Enrolment during	2004-2005	28
„	2005-2006	22
„	2006-2007	17
„	2007-2008	30
„	2008-2009	40

The Certificates are awarded by the Supreme Council of Al Jamia Al Islamiya, Santhapuram.

From 2009 onwards it also be awarded by MIHE London

Teaching, learning and assessment**Teaching and learning methods:**

- a. Lecture method

- b. Presentation by using LCD Projector
- c. Assignments
- d. Seminars

Assessment:

- a. Examinations
- b. Group Discussion
- c. Interview
- d. Viva voce
- e. Project Report

Students Feedback on Teaching

The faculty gets periodical feedback on teaching from the students and takes corrective measures.

Annual Programme Review

The Academic Council makes annual review and makes periodical modifications in the structure and curriculum.

Library

Al Jamia al Islamiya Library is the largest Islamic Library in South India. It has a total collection of 31000 books in English, Arabic, Urdu, Malayalam etc on various subjects. 95 journals and periodicals are subscribed by the library. On Islamic Economics and finance section there are around 500 books.

Literary Association

A literary association is formed in order to uplift their inborn aptitudes. They organize weekly meetings to perform various literal and cultural activities and also conduct

exhibitions on Islamic economics and finance in connection with public gatherings. They write articles in various journals.

Study Tour

The students of the faculty regularly conduct annual Study Tour with a view to visit various Islamic Financial institutions, historical places and educational centers.

Organisation and Participation of Seminars

Students Organize and participate seminars, conferences, workshops etc to update the current issues and developments in the field.

Alumni Association

We have constituted the faculty Alumni Association in the year 2006-07. The Association is very active in conducting various programmes. They conducted three workshops on the topic 'Islamic Finance: Problems and Prospects' in major cities (Calicut, Cochin, Trivandrum) of Kerala and two get-togethers of members.

Boarding and Lodging

The course is a one year fulltime residential with compulsory accommodation. The Jamia campus has enough place for play ground, recreation, ponds, wells, canteen, bedrooms, Information Technology Centre, Library, research facilities etc.

Problems and Challenges

The course faces many problems such as:-

- Absence of Recognition by any of Indian Universities
- Shortage of academic Text books in this field (esp-Islamic Economics)
- Non availability of full time Lecturers and experts in this field
- Absence of Islamic financial institutions for doing practical and get experience
- Lack of placement opportunities in India and abroad.

Conclusion

Within limitations we could mould, motivate and train students to handle various issues of Islamic Economics and Finance. But we have miles to go. The academic community as well as the students is accepting the relevance of this course. But we are deficient in the availability of experts and materials. We have to develop this course as a centre which satisfies the needs of Islamic finance sector in India and abroad. We expect from all of you valuable suggestions, recommendations and lend a hand.

Appendix:

From the next academic year onwards the Economics Department of Pondicherry (Central) University, Pondicherry will be offering Islamic Economics and banking” as a soft core paper at the post graduate level. Board of Studies in Economics as well as Academic Council has already Okayed the proposal.

An Experience of Teaching Economics at an Indian Madarsa

Syed Zahid Ahmad

When I was a student at Aligarh Muslim University, I noticed that some of my acquaintances who had graduated from an Islamic Madrasa in Azamgarh were pursuing a course in Unani medicine leading to BUMS degree. I noticed that these students were very weak in English. Their pathetic condition kindred a desired in me to teach English at an Islamic Madrasa. Allah blessed me with such an opportunity pretty soon. In 1995, when I was preparing for admission in PhD in economics at Aligarh Muslim University, a position to teach economics and English was advertised by *Jamiatul Fa(lah*. I applied for this position and was fortunately selected. I had an apprehension that I might have to leave my newly found job in middle because of my admission into PhD. The management of the *Madarsa* had agreed to give me the job on the assurance that I would not leave during the session. I was assigned to teach economics to IVth and Vth of the Alimiyat and to teach English to class II and III.

At that time, CBSE (the Central Board of Secondary Education) economics curriculum was prescribed in the *Jamia* where the medium of instruction was Urdu. Till then, I had neither studied economics in Urdu nor seen any text book written in Urdu language on that subject. I visited the

library of the *Jamia* and did not find anything useful over there. Another difficulty was that I had never been a student of Urdu medium. I was not able to write Urdu correctly nor could I read something handwritten, a practice that was common amongst the Urdu knowing people.

In such a situation, I was at loss to understand how to teach the students.

It was a tall order for me to teach economics in Urdu. But, as in every virtuous deed, All favors His slaves with His blessing. With His help, I was able to find a way out of this mess. I sorted out Urdu equivalents of English terminology from an English Urdu Lexicon and prepared myself mentally to negotiate the situation. I went to my class and explained the subject in simplest possible language. Urdu equivalents of some English terms were not available even in the dictionary. I explained these concepts verbally in my lecture. The students prepared their notes in Urdu from the lecture delivered in a simple language. Whatever I wanted to teach them through writing I asked the students to write it on the black board. I also explained the students the difference between the modern and Islamic economics so that they may keep in touch with the Islamic ideology and work on Islamic economics in future.

I explained to them the demerits of modern economics and the merits of Islamic economy. Apart from this, I used to explain them practical potentials of Islamic economy. So that students mentally imbibe specific characteristics of Islamic economy and are able to disseminate them in theory and in practice. I was aware of the fact that if they joined any university to study economics further, they will have to learn un-Islamic theories.

During this course, I also noticed that students were suffering from inferiority complex and most of them were overwhelmed by the modern educational institutions as they were not sure of a safe and secure future from *Madrasa* education. After the examinations, I was asked to check the answer books of IVth class students. It was difficult for me to read the answer books. However, it was a matter of satisfaction for me that all students had passed their examination. Later on, I learnt that many of our students had joined B.A. Economics course at various universities at Delhi and Aligarh. After some years, one of them qualified for admission to M. A. in Economics. He was keen to carry on and earn a research degree. Another student pass his M.A. (Economics) and was already pursuing a research degree.

In the light of my one year experience of teaching economics at an Islamic school in India, I may offer following suggestions:

1. Since there is always shortage of expert economics teachers at *Madrasa*, it is suggested that Islamic Fiqh Academy, the Institute of Objective Studies, AICMEU and other interested institution may like to establish a specialized institution namely Institute of Applied Islamic Economics which may prepare *Madrasa* students to become qualified economics teachers. The proposed Institute may also like to keep a standing list of such teachers.
2. Under present circumstances, it may not be proper and feasible to teach Islamic economics alone. The curricula of modern economics as is taught at the central schools should also be included in the *Madrasa* syllabi. It may be taught in Urdu along with the some Islamic economics. It will help the

Madrasa students to study economics further at the college and university levels. They will also be able to make a comparative study of modern economics and Islamic economics.

3. As long as appropriate text books on economics are not made available to *Madrasa* students, the CBSE course may be taught.
4. The International Association of Islamic Economics (IAIE) may like to compile comprehensive curricula of *Madrasa* so that these students, after their graduation, may be able to join Islamic banks and other financial institutions.
5. The curricula may be developed in consultation with the universities, Islamic banks, financial companies and experts.

DISCUSSIONS

- ◆ **Opening Session**
- ◆ **Second Session: Issues Arising out of including Islamic Finance in the Curriculum**
- ◆ **Third Session: Educational Issues**
- ◆ **Fourth Session: Administrative Financial Issues**
- ◆ **Last session**

Opening Session

**Presided over by Hazrat Ml. Mohammad Salim Qasmi
(Mohtamim Darul Uloom Waqf, Deoband)**

**Convenor:
Dr Ausaf Ahmad**

Ml. Ateeq Ahmad Bastavi:

The gathering at this conclave is a very selected one. The teachers and administrators of major Madrasas are participating. The theme is also crucial. To include or not finance and Islamic economics in the curricula of Islamic Madrasa, you are to debate and deliberate on this issue. How much should it be included in the curriculum? A Madrasa has a syllabi and it is not easy to change it frequently or new subjects are added to the academic course of Alimiat and Fazilat. How will it be accommodated and what would be its system and process. If we prescribe a diploma /degree course of one year or two for our talented students it should be at our major Madaris or separate institution for the purpose may be established. One point I may make here clear that we have Fiqh, Quran and Hadith and other Islamic disciplines on our curricula. These subjects have their fundamental significance but we don't have Islamic finance or Islamic economics on the curricula of our Madarsa. The concept of finance in Islam what is its out come? We don't teach it at our Madarasa. It would be better if our teachers teach this subject to their students. It will enlighten our young scholars and facilitate the comprehension of the problems.

Finance and Islamic economic are important subjects. How the banks and Islamic financial institutions have been functioning. It is necessary to have its practical knowledge. It is heartening to note that Dr. Mohammad Nijatullah Siddiqi one of the most eminent scholar and experts in this field who has compiled many volumes on economics and Islamic banking, is present here. I will request him to enlighten us on these points. How could we introduce these subjects in our Madarasas, how to compile syllabi so that our students are able to comprehend this system theoretically as well as practically.

Dr. Mohd. Manzoor Alam

My revered teacher Dr. Mohd Nijatullah Siddiqi has made certain observations on the issue under consideration. Ml. Khalid Saifullah has explained the topic in its historical perspective. Islamic banking and Islamic finances subjects are being taught at various universities in different parts of the world.

As Dr. Nijatullah Siddiqi has informed us that in Malaysia a separate institution is functioning exclusively to teach Islamic banking and Islamic economics under the aegis of the Central Bank. In some other countries also Islamic finances and economics are also studied. Maulana Ateeq Ahmad Bastavi has explained it. I would like to add something in this regard. India, our home land, is a democratic country. We enjoy our rights and can avail opportunities under article 30 of the Indian constitution to establish our own institutions. There may be impediments in this way but there is no prohibition. There is no such legal barrier that cannot be removed. Some steps have already been taken at Shantapuram and Aligarh Muslim University. Those who know about Bihar must be aware of

the fact that similar steps have been taken at Maulana Mazharul Haque Arabic Persian University. The university has all the relevant subjects on its syllabi. The university has its jurisdiction all over Bihar. It has made efforts to modify the course of Alimiat and Fazilat in accordance with the UGC norms and conducts the examination accordingly. So that these degrees are recognized all over the country. The University has introduced new courses in accounting. Alim, the degree awarded by the Islamic Schools is recognized as equal to BA while Fazilat is equal to MA. I had gone to Patna to see the Vice chancellor of the University. He wants to introduce this course from the next academic session. Ours is a democratic system of governance. No one is going to question our right to establish our own institutions. There was no university exclusively for social science studies in Delhi. But now Indira Prastha University has been set up for the study of this subject. They don't have science and technology on their syllabi but they are on the look out to introduce other subjects at the university. It is a fact that upto 2020/2025 India will emerge as one of the foremost world powers. In such an eventuality, its economic and administrative set up will also undergo a great deal of transformation. World financial system is yielding to new changes. Islamic banking and finance has emerged as a viable alternative to the prevailing financial system. Our rulers and people have no option but to adopt it. We have to take this opportunity to put forth our system. The Reserve Bank of India has constituted another committee to look in to the subject and its report is expected after the elections. It may not be a negative report because the pressure is only doing something positive. Our Indian intellect has always influenced the world. The world is at the look out of a new system. We have thousands of Madaris where scholars have direct access to the sources. What we need is to have practical knowledge and exercise the inference to keep pace with

time. If we fail on this aspect, it would mean that we have access to the text but are not aware of the prevailing conditions. So it is necessary that we study psychology and sociology to understand the psyche of the people. Finance and economics combined with the above two subjects could make a compact study. I hope this workshop will deliberate upon all these points. It will provide a pattern for the future.

Maulana Salman Husaini Nadvi

This conclave has been held to deliberate upon teaching finance and Islamic economics in our madaris. So for India madaris are concerned they are in a state of confusion and distraught. They have limited resources. Islam holds the key to the economic and financial problems. Islam solved problem and issues of pre Islamic period. Then came the stage of moral training. The thirteen years in Makkah and ten years in Madinah, were spent, then economic affairs were addressed. Liquor was declared prohibited after 18 years. It was in 5th Hijre when it was declared Haram. Payment of Zakah was made mandatory but no system was evolved for its determination and recovery. They had to wait for political power. An economic system can be enforced only when political authority and military prowess is in ones hands. Allah's Messenger (Pbuh) waited till Makkah was conquered. Seven years in Madinah were passed, then the divine command was revealed trade is permissible and interest is forbidden.

Then stern warning if you don't follow it. Be ready to face Allah's wrath and His Messenger's curse If you abide by the divine commandment you can have your actual amount (Capital sums) don't repress you will not be repressed. After the battle of Uhud it was revealed that the believers should not recover multiple interests (usury) they should fear Allah. It will lead then to success. This was not clear

commandment to declare usury prohibited. It was in done so only 3rd year of Hijri. Earliar when wine was made prohibited it was exhorted don't go for prayer when you are in a state of intoxication. Then wine and gambling were proclaimed to be acts of devil.

To day when we have assembled here to discuss economic system, we have before us the economic crisis in America. All know what is ailing US economy. All the nations depending on dollar and US economic system are also on the verge of economic collapse.

We are now talking of Islamic finance as an alternative But as Shah Waliullah has said in his *Hujjatullah il Baligha* that Islam does not stand to search and renounce but it stands for reforms. The system that was prevalent during the pre Islamic period was not discarded in totality but some of its positive aspects were allowed to prevail with some modifications. When Islam introduced its economic system Muslim had their control over the market. Scholars were also with them. The transformation was affected as a result of their labour and positive action. What was inculcated at the mosque of Allah's Messenger (pbuh) practical aspect has an over riding effect on the theoretical side. The disciples of Allah's Messenger (pbuh) were getting practical training in various fields political, economic, social, and moral and by subsequently all these lessons and experiments were compiled in volumes with minute details. The Quran the Hadith and the compilations of jurists cover all these aspects. But we are lost in ideological debates. There was a political vacuum in the 18th century when the colonial power dominated India through its military prowess. Earlier there was no capitalism or socialism, there were countries and their armies they colonized us, took away all our national wealth. Then there was an ideological offensive but it could not sustain itself. Today, communism has collapsed and now

capitalism is also on its way to crumbling. At this point of time we need to do two things 1-to teach what we have in the Quran, Hadith and jurisprudence on this subject, in modern languages. But unfortunately we have not translated the terminology in these languages. This is a handicap that hampers our way. Had we been alive to this task of updating the terminology, we would not have felt ourselves helpless before modern science and technology. Similar is the case with economics. We failed to update the terminology with our text. We should first introduce changes to our teaching system and adopt modern methods to teach these subjects.

It is nothing but a dream that a new theory will replace the existing one. In Dubai Shaikh Saeed Lotha had started an Islamic Bank thirty years ago. The bank has been functioning successfully. In Kuwait Islamic Finance House was set up and is working smoothly even during this period of crisis in World economy. In Yemen, Bahrain, and Sudan Islamic Banking has been introduced and it was a successful experience. But where no practical steps were taken, no result was achieved.

So far its inclusion in curricula is concerned it is already there. In *Ahadith* and juridical literature there are detailed discussions on the subject. What is needed; is to update it. To train the students, to set up institutions for its study and training. We should have models of companies and banks at our schools, madrasas. Theory and practice both are to be followed. Our friend Mr. Zafar runs a shares company (Parsoli Company). For a decade he has been in this business. He suffered losses but then recovered. We may learn from his experience because he and others in this field know the secrets of this business. Also those who have failed in this field should be contacted to know why they suffered. We can learn a lot from their success and failure. Our students

will gain from their advice and our institutions will function smoothly.

Maulana Syed Mohammad Wali Rahmani

The main point I wish to submit has two aspects: one is that of Islamic finance and investment. It has now emerged as an alternative. The economic slow down of this year and the previous year has made it all the more a point of convergence. People know how these who control world economy use unfair tactics some relevance in it has been made earlier also. The topic before us is not finance but teaching of finance and investment in our madaris. The madaris have been functioning with their limited resources. Those at the helm of affairs at madaris also acknowledge that they are lagging behind in what they ought to do. MI. Nanotawi who was among those who established the madarsa at Deoband, and gave a new direction and vision to these institutions had wished to study English language. So that he could express his views to the modern world.

It is a fact that his descendents failed in this regard. The Nadwatul Ulema (popularly known as Nadwah) produced renowned Arabic scholars and Urdu writers but did not produce English speaking scholars who could be active in the field of propagation of the faith. Our educational institutions are mainly busy in the conservation and protection of our cultural values and religious legacy. In this time of decline it is also an important task. We should also address the new requirement. When our students come out of their madarsa they confront quite a different environment that over whelms their minds. The curricula we have in our madaris do not teach modern subjects. It is difficult to add new discipline. So fundamental changes are to be introduced to our existing syllabi. The management of our

leading madaris are alive to the imperatives of changes but the paucity of their resources stand in their way.

As far as Islamic finance and investment is concerned, it should be a part of the curricula of madaris. If some institutions undertake the responsibility to teach and train some of our intelligent scholars for four or five years, they can produce the experts who can work with confidence in this field. I don't think that finance and investment should be a part of the curricula of madaris. A student who studies *Quduri* or *Hidaya* III or IV or studies *Ahadith* can also understand what Islamic finance is. The difficulty is that he cannot explain it in modern style. This gap of communication has its long standing effect. We must try to bridge this gap. Of course, it is not the subject matter of this seminar but we must take effective steps in this regard. What are the objectives of *Shariah*. These could be explained in English also. The fundamentals of the objectives of *Shariah* are enshrined in the Quran. Unless one goes deep in to the Quranic content, one cannot claim to have competence in this field. I have had the opportunity to study and translate some of the works of our jurists *Hidaya* and *Alamgiri* have been rendered in to English. Many books on jurisprudence are also available in English. Dr. Manzoor Alam has just stated that he met the VC of Mazharul Haq Arabic Persian University. I am also aware that he has great ambitions. But so far as I know what they are doing is with reference to the madarsa Board and for those who qualify from it. Leading madaris don't come within its preview.

Mr. Mohd. Salim Qasmi

One point before us is that in our madaris we don't teach Islamic finance or investment. We study Bukhari and books on jurisprudence, subjects like prayer, purification, Zakah, attract our attention but we ignore the subject commerce.

No one cares to teach commerce as a subject. To day the subjects have assumed global significance. We should ponder on the point that why finance and investment are unknown to us. Why we ignore Islamic finance Islamic investment. This we should sort out to find out our fault.

Second Session

Issues relating to the inclusion of Islamic finances in curriculum

Ausaf Ahmad

When we take up this issue. Three main issues crop up: Administrative, financial and educational. Those expressing their views on the issue usually confine themselves to the contour of the syllabi. But we should contemplate upon the issues that are likely to surface and then try how to resolve them. I am reminded of a story that when a Caliph was on his death bed he summoned his crown prince and asked how he would tackle the affairs of the empire after him. The prince said that he would rule with an iron hand and crush every uprising. The ailing Caliph started crying. The prince was at a loss to understand why he was crying. The Caliph said 'O Allah., how could such a vast empire be ruled in such a way. Then he told the prince that he should ensure that there was no uprising. Be a good and kind ruler. But here it see that no such problem crops up that leads to unrest and ultimately to rebellion. This story tells us that we should take such steps that problems are resolved before they come in our way. Another point is that we must note that various problems are inter-related one thing leads to another. For instance, if it is decided that Islamic finance will have a place on the curriculum it will have to be decided whether it will be part of the current curriculum or a separate syllabi would be required. Then issues relating to finance, administration and teaching will have to be addressed.

In Pakistan a debate is going on as to whether the Islamic banking is in itself Islamic or not. But who will say the final word in this regard. Naturally teachers of Islamic madaris

have to explain the point. They will tell us what is permissible and what is forbidden. But the scholars must prepare themselves to discharge this obligation. As Dr. Nijatullah Siddiqi has said that the madarsa students are already over burdened, how much more you will burden them. So we will have to see if a new subject could be added to the curricula. As Dr. Siddiqi has said that students feel that there is repetition in some disciplines. We may remove it. We may reduce or shorten the syllabi to accommodate new subjects. Then how much will it be on the syllabi full or selected chapters. What would be the implications?. There would be administrative and academic implication. Providing text book will also be a problem. One of our friends who had qualified his MA economics from Aligarh Muslim University, was appointed as economics teacher at *Madarsatul Falah*. But there was no text book available to teach the subject. He tried to find out Urdu text book but failed. So he studied the relevant chapter in English and then instructed his students in Urdu. Medium of instruction is also an important issue. If a student qualifies in Urdu and knows the economics terminology in Arabic, how could he be acceptable to the Islamic banks or other financial institutions where English is a must. How a scholar who has qualified in Urdu will face the challenge? We have to deliberate upon these issues at this conclave.

Nijatullah Siddiqi

I will deal with some issue. The points raised by Maulana Khalid Saifullah Rahmani and Ausaf Ahmad must be kept in view. The main point is that unless teaching system is not modified, the issue could not be resolved smoothly. I have pointed out towards it in my thesis/article. In our madrasa main emphasis is on the text and we often ignore ground realities. What are the prevailing conditions, we don't care to know. The books completed 1000 or 500 years ago are

studied and we infer according to their text. Once in USA, I was delivering my lecture on Islamic banking. The dean of the University and other scholars were also present at the function. I quoted some instances of transaction like birds flying in the air or fishes in the river. After the session was over, some scholars at the dining table discussed this issue with me and insisted that such a transaction was permissible. I could not defend my stand there but afterwards when I consulted relevant books. I find it was a controversial issue. Imam Abu Hanifa has supported such a transaction on the basis of assessment.

Once Umar bin Khattab, the second caliph saw that Hatim Ibn Batla was selling dried grapes at a cheaper rate. Umar asked him either to sell it as per the prevailing market rate or leave the market. He was apprehensive that if the merchants will learn that dry fruit was being sold at a cheaper rate, they would not supply it to the market and there might be a shortage. But after sometime, he came back and told Hatim that he was at liberty to sell his commodity at what rate he wished, as he (Umar) had no right to compel him.

Once Allah Messenger (Pbuh) saw people on the date trees transplanting the flowers. He (Pbuh) said whether it hardly made difference to final outcome do it or don't do it. They abandoned the process. The result was that out put of dates fell. Where he (Pbuh) came to know of it, he (Pbuh) remarked that what he had said was his personal views and not a divine commandment. You know much better of your worldly affairs. Some of the enjoins of Sharia had their timely effect and some a permanent injection. We must keep it in view. But we stick to what stand a jurist had taken deeming it an enjoin of the Shariah. Let the students of jurisprudence have the option to critically analyse an issue recorded in the Fiqh volume in the light of modern

conditions and argue with his teacher on the legitimacy of the issue in the perspective of prevailing circumstances, only this dynamic approach will make students capable to face modern challenges.

Dr. Sayeedur Rahman Azmi Nadvi

What has been discussed at this workshop has enlightened us. The issue of finance and economics are very much important. We teach these subjects at our madrasa but other subject overwhelm it and students don't know what they have studied and what has been left out there should be at least one period for economics, finance and political science in a week. Earlier at Nadwah these two subjects were taught regularly, once a week, a period was allocated for economics and political science. When the course was completed, regular classes were taken to instruct in these subjects. I think it is necessary to teach these subjects to our students so that we are able to distinguish between permissible and prohibited. In financial matters we are often indiscreet. Particularly those in teaching profession. While Quran lays much emphasis on financial matters. In the chapter Al Baqra detailed instructions have been given concerning financial transactions "O You believers when you have financial transaction lending /borrowing reduce it to writing". These points have been discussed at length in the books on jurisprudence. I think it would be better to compile a curricula in the light of the Quran and the Sunnah and circulated to our madaris for teaching. The world is at present in the grip of economic and financial crisis Many major banks in the USA have gone bankrupt thousands of people have lost their jobs. So it is high time that we introduce such a curriculum in our madaris. Maulana Khalid Saifullah Rahmani in his paper has given the contour of the curriculum we should compile it on this pattern and have a consensus to introduce it into our madaris. Islamic

banking is also a need of our time. In many Muslim countries Islamic banking system is functioning successfully. If our traders and financiers take the initiative, they may introduce Islamic banking in our country. Banking without interest would be a refreshing experience. The world is crawling under the burden of the interest based banking system. Those who had taken huge sum of money on loan from banks are now in no position to pay it back with a heavy amount of interest. This has led to liquidation of many banks. If interest is eliminated and transactions are fair dealing, there will be no financial crises.

Dr. Rahmatullah

We should deliberate on the point that what was the objective of setting up Islamic madrasas through out the country. Maulana Qasim Nanaotavi and other eminent theologians had a concept in their minds. When the British colonized Indian sub-continent, some men of deep insight planned a new system of education. Sir Syed Ahmad Khan set up, Aligarh College while Badruddin Tayyab ji established Anjuman –e-Islam in Maharashtra. The Ulema wanted to defend the faith against possible offensives from the colonizing power. So our madaris are the Islamic forts. But is it the last point or we should look beyond that.

Allah Almighty in Quran says: “I did not create men and given but to worship me”. This is what Islam stands for and our madaris have made us aware of our obligations towards our faith. We invoke “O Allah our Lord bestow upon us virtues of this world and the hereafter” it means that we want benefit in this worldly life as well as in the world hereafter. Allah’s Messenger (pbuh) while delivering his sermon during his last pilgrimage of Hajj had commanded us to communicate to others even just a verse /sentence heard from him. Are we alive to our obligation concerning

dissemination and propagation of the faith? Is the diffusion of the divine message in such a way that it has relevance to the prevailing conditions? Today finance is an important issue. Islamic finance has very much relevance in today's world when the western financial system is collapsing there is a debate on permissible and forbidden. But we should talk of Islamic economics. Islamic economic system will ensure social justice and an egalitarian society will emerge. So we must think in a pragmatic manner. It is unfortunate that the students who spent 10 or 15 years at our madaris are not competent to resolve our social and economic issues. Our Ulama are the standard bearers of the legacy of Allah's Messengers. If an Islamic scholar is unaware of the modern conditions, how could he be able to guide his society? Economics is the dominating subject of today's world. Almost all the aspects of our social, economic and political life came within its preview directly or indirectly. Our Ulama in their sermons at our mosques talk of permissible and impermissible. Most of the people are aware of it. But when in their business they resort to exploitation by earning more and more profit they don't know much what Islam teaches in this regard when they turn to Ulama for guidance, they tell them that they will get an answer on the subject later. This is because our curricula don't make them competent to face these challenges. I may quote an instance there was a seminar on Micro finance at Raipur. I was also one of the participants at the seminar. Micro finance is based on interest. We wanted to tell them how they could distance themselves from interest if they resort to the Islamic system of transaction, while Mudharabah, Murabaha, Sharikah and Ijara. The one who was presiding over the seminar told me that we don't know these terms. No such subjects are taught to our children. They don't know what these subjects he whispered into my ear are. His reference was to the teachers of our madaris when we contacted some of the Ulama in Mumbai they told us that their curriculum

was mainly based on the issues concerning worship and belief and these subjects were studied cursorily. Some chapters from *Quduri* and *Hidaya* are taught to the students they don't have a separate curriculum on these subjects. In such a situation how could we expect our madarsa graduate to be competent to resolve these issues? It is a very much encouraging that this seminar is being held to deliberate on these points. I hope it will usher into a new era of change and transformation.

Maulana Khalid Saifullah Rahmani

I feel sorry that the learned speaker happened to confront a Mufti who was not even aware of the common terms of the subject that are known to our junior students. It would not be correct to say that madaris were set up as a reaction. Madaris believe in action. They have provided guidance on Islamic issues and are competent to guide people on modern problems. What the learned speaker has said concerning some specific issues, his misunderstanding would have been dispelled had he gone through the record of the Islamic Fiqh Academy's past seminars where subjects like Tawarraaq and Inflation were also deliberated upon.

Main cause of this distrust and misunderstanding is that both the segments are poles apart. Ulama think that modern educated people have distanced themselves from the faith while the modernists are of the view the graduates from madaris are an out dated lot and are good for nothing. This is so, because we do not interact with one another. This gap should be bridged. Some of our Islamic scholars (Ulama) try to offer an alternative to what is forbidden or Haram. Even Maulana Ashraf Ali Thanvi had exhorted that Ulama should offer a substitute for something forbidden so that people don't think that Islam is a religion that only forbids things. But if we claim that we are the adherents of a

divinely revealed Shariah then we cannot declare something forbidden to be permissible in an alternative way. Some of our friends think that madrasa students are quite unaware of Islamic economics. But *Hidaya* teaches Islamic economics in details. All kind of transactions, business dealing, partnership, interest etc. All these chapters are given extension coverage. How it is possible that a teacher can ignore these chapters. Chapters on worship make a separate subject of study while transaction and business interaction are distinctly another discipline of study. Our jurist have discussed all the relevant issues in detail.

Islamic economics stands on fair dealing. There should be a balance between demand and supply so that market rates are stable and don't go beyond the reach of consumers. Therefore Allah's Messenger (Pbuh) has prohibited hoarding. Fluctuation in prices should remain on their natural process. Islamic jurisprudence has comprehensive record on these issues. I remember that Islamic Fiqh Academy had constituted a group of experts to suggest ways to start cooperative societies without interest. At a meeting when late Qazi Mujahidul Islam Qasmi read out some chapters on the subject from the books on jurisprudence, the experts were taken a back that how comprehensive study of commercial and economic issues was available in Islamic jurisprudence. I don't suspect the sincerity of our learned friends who have expressed their views here but I am sorry that both these segments of our society are not in touch with each other. If they join hands they could promote Islamic cause in a much better way. This is what we talk about today. Tomorrow we will discuss what are the hurdles that stand in the way of introducing study of Islamic economics as a subject at our Madarsas. The most point is as to whether economics should find a place on the curricula of madrasas. If yes, then at what level, pre Fazilat or post Fazilat or as a special study to qualify as a specialist. I may

tell you that what an extensive literature on economic and finance is available in our books on jurisprudence. Imam Abu Yusuf and Imam Mohammad have contributed a lot on these subjects; on international relationship even orientalist acknowledge that Imam Mohammad had compiled the first book on international relationship. The need of the hour is that keeping in view the prevailing conditions and modern challenges we should compile jurisprudence of Islamic economics on the basis of what is already available from our jurists. But we cannot discharge this obligation until and unless we ourselves study economics and are fully aware of all the aspects of the subject. We know that at the time of the advent of Islam, gold and silver currency was in circulation Dirham was Iranian currency while Dinar was the gold currency of Rum. Allah's Messenger (Pbuh) allowed the circulation of these currencies. The second caliph Umar fixed the weight of the coins. Earlier these were not in common proportion. It is nothing wrong in Islamic that we try to transform the prevalent economic system on Islamic lines. The teachings of the Quran and the Hadith and the logical inference exercised by our jurists could provide a bed rock for it.

Mufti Mohd. Sulaiman Zafar Qasmi

Islamic finance and Islamic economy has become a burning topic of discussion across the world. Our Prime Minister Dr. Manmohan Singh has also constituted a committee to take a look in to the matter. The report of the committee is expected to be filed soon. A speaker has raised the point who will teach economics, our teachers who teach *Hidaya* and *Quduri* find it difficult. I would like to suggest that if our Islamic academic institutions are also included in this preview it would facilitate the study of economics in our madarsa. We may request the colleges/universities to depute their experts to teach this subject in our madaris. Islamic

Fiqh Academy should take the initiative in this regard. It is a common responsibility of the Islamic Ummah and must share it, only Madaris should not be singled out. Economics and finance teaching should be shared by all concerned.

Mr. Abdul Raqib

I am from Chennai and a petty business man, I had made up my mind to run my business without bank interest. I had to face some difficulties and some bad experiences as losses were incurred. We have also formed an association namely Indian Islamic Centre for Islamic Economic and Finance. Through this institution we have been trying to introduce Islamic economics and Islamic banking in this country. At this session we have been discussing how to introduce study or economics at our madarsa I suggest that we should agree upon what is agreed upon by all. We should have a collective Zakah system. I know some of my friends and relatives who have qualified from Islamic madarsa. They all know the minute details pertaining to prayers and fasting but they don't know much about Zakah. We should introduce collective Zakah system, in our society as it was during the period of Allah's Messenger (pbuh) the blessed Caliphs and in Umavi and Abbasi periods. We must know what are the prevailing means of the collection of Zakah in various countries. A senior staff member of Islamic Development Bank has written a book "Abolition of poverty through Zakah". The author Dr. Habeeb Ahmad has explained in his work that we can uplift a poverty ridden society using Zakah money for their economic rehabilitation. Sachar Committee report says that more Muslims than Sikhs live in Jhuggi Jhopries, Have we ever visited these slum clusters? Other group visits them and convert them to their faith. They embrace Christianity or become Qadiani we can save them from this betrayal through a collective Zakah System. It will address to their economic problems. We should have the

subject of collective Zakah system on our madarsa curricula. Let our Ulama come forward to evolve a collective system for Zakah.

The second point I would like to put forth is that we should transform our mosques in to a NGO to provide financial assistance to the poor and needy. Our Mosque collect ample money through contributions by the faithful can't the utilize part of the money for the poor as Qard Hasan to alleviate poverty. We should embark upon this mission. It would go a long way in transforming our society. Dr. Rahmatullah had spoken about Micro finance. Dr. Obaidullah and expert of IDB have compiled many books on this subject. Analyzing various experiments across the world he ultimately infers that it was Allah's Messenger (pbuh) who had introduced the idea of micro financing. He refers to a well known *Hadith* that an Ansari came to him and requested for help. He (pbuh) asked if he had something at home. He (pbuh) auctioned his blanket and bowl purchased an axe and gave him to go to forest, cut the wood and sale in the market. This hadith was also referred in the presidential address The difference between Qarad-e-Hasan and micro finance is that micro finance does not provide loan. It simply guides a person. The scheme is based on interest while Islam rejects any scheme that involves interest. Some Muslim experts and organizations are trying to explore ways to evolve an interest free micro finance but it is still in its initial stages.

The last point I submit is that today world is coming towards Islamic economy and Islamic finances. Even pope in his address has advised to follow the norms of Islamic finance to recover the world finance from recession as Islamic finance is based on moral principles. What is the difference between the Islamic economy and the prevalent economic system? In this regard we must keep in view these four

points: 1-To evolve a collective Zakat system, 2-Promote the scheme of Qard –e- Hazan as our Masajid, 3-To guide people in the field of Micro finance, 4-To join the campaign for mass awakening on these points. The last point the planning commission had constituted a committee under Mr. Ragho Ram Rajan, now economic adviser to the Prime Minister. The committee recommended that interest free banking should be introduced for those who want to avail this opportunity to avoid payment of interest. We should reach out to the people as well as those non Muslims who are interested in such matters.

Mufti Anwar Ali Azmi

I wanted to say something on what Dr. Rahmatullah had said that *Ulama* have no affective knowledge on Islamic issues. Ml. Khalid Saifullah Rahmani has set the record right so now the issue stands settled.

We in our madaris study the principles of economic and finance enshrined in the Quran, *Hadith* and the works of our jurists. But we don't know what is modern economic and financial system is! We must therefore introduce these two subjects on the curricula of our madaris. Our teachers should have a training course to have orientation on the modern economics and finance. These trained teachers could teach these subjects in a better way. To train our Qazis the late Qazi Mujahidul Islam Qasmi Saheb had introduced a course on Qaza in our Madaris.

Those connected with the prevailing economic/finance system, shares, exchange, bankings etc should keep themselves informed on the relevant points through media. We also want to be enlightened on these issues. The three institutions responsible to organize this seminar could guide us in this field. They should take steps for the training of

teachers. Many of our Madarsa graduates have joined universities for higher studies, If these Madrasa graduates do their BA, MA or pursue research in economics and finance the gap of old and modern economic system could be bridged. Then we will have scholars who combine Islamic as well as the modern economic finance system. They would be able to guide the world on Islamic finance/economics.

Yasser Nadeem

The theme of today's debate is Islamic finance whether be included in madaris curricula. I may submit that while formulating curricula we should keep in mind that it would be foolish to think that all those who qualify from madarsa will be come expert's continence. If we wish that madrasa graduates should be experts on Islamic, finance we must prepare comprehensive curricula for our students. Some learned speakers have suggested to exclude some of the subjects/text that are incomprehensible. Such demands comes from those who are unable to comprehend these text and want to get rid of it. If this tendency is allowed to prevail, more and more subjects may be declared as incomprehensible and to be dropped from the syllabi.

The second point is that for Islamic finance only Islamic economics is not required we have mathematics and similar other subjects to study. My personal experience is an illustration. After qualifying from Deoband I desired to study modern subjects. I happened to go to USA. At a college there I studied economics. Theory of micro and Micro finance was very attracting one but when problems formula and diagrams were to be studied I had to retreat as mathematics was not a subject that I had studied at the Darul Uloom. One must know mathematics as well as calculus. But these subject are not studied at madaris. One can study

the theory of Islamic finance and Islamic economics easily but when it comes to applied finance one faces the real problems. Madrasa graduates are not well versed, in English; they don't know mathematics and calculus. The curriculum should be drafted in such a way that it covers all the relevant aspects of study only those students should be selected for admission of this course that are well versed in English and Ifta. These students will not have a problem of language or issues relating to jurisprudence. They will complete this course within a period of two years. One of the learned speaker referred to communication gap madrasa students and other students claiming that madarsa students don't understand modern terminology of the subject. I had an opportunity to teach at Mahadul Islami in Chicago (USA) where *Dars-e-Nizami* is the main syllabus. All other subjects are taught in English *Quduri*, *Hidaya*, principles of jurisprudence and other related discipline are taught in English. The students come from different back grounds. Some are from Hifz side. They know English so they are admitted to the Alim course. The students who came from college or universities are comparatively in a better position to understand the issues relating to jurisprudence as they have a strong background of general education. So while drafting a curricula we must keep in view all these points. The Madrasa students fail to understand Islamic finance at the same time they are lacking in having necessary tools for study.

Arshad Farooqi

We must know that the main aim of madarsa education is to learn the basics our faith to understand fundamentals and other particulars of Islam and to cover all the aspects of human life. The curricula there fore has two aspects means and objectives objective relate to the Quran and Sunnah that cover all the aspects. The first curricula of the Darul Uloom

were a comprehensive one. It included medicine mathematics and legal studies. Islamic economics is the point of discussion today Islamic finance is on our curricula but the question crops up of terminology and language. The Quran says to teach in people's language. What is language Maulana Salim Qasmi has referred to it with reference to the wishes of Hazrat Nanotavi. Eminent scholars are present at the seminar they should design the contours of a comprehensive curricula. Islamic economics is already on our curricula when I went to Deoband in 1975-76 two teachers Aziz Qasmi BA and Aziz Saheb were teachers of economics. I studied the subject in their class. They dictated notes on the subjects but after the demise of these two learned teachers Daru Uloom could not find their substitute and the subject is not being studied there. Maulana Sayeedur Rahman Azmi informed us in his address that economics and political science are still on the curricula of *Nadwatul Ulama*. Our students must study Islamic economics. But this should be in two stages. First all students should study the fundamentals of the subject. Second stage should be for those who want to specialize in this subject. To propose some thing is quite easy but when it comes to action, tough challenges come in the way. *Nadwatul Ulama* had proposed at its very inception to have a comprehensive study of the entire western subject to prepare a summary of it and then to relent and refute it in a sufficient manner. But no one has embarked upon this mission so far. So what we put forth or draft a curriculum it must be pragmatic in nature. The last point is that our scholars have a deep sense of depending on divine's mercy (Tawakkul). But the Quran teaches us that we must follow the economic conditions besides having faith in Allah's favour for subsistence, balance and equilibrium is necessary.

Abu Sufiyan Miftahi

Today our madaris and our Mosques are the fortified bastions of Muslims. They stand for our identity our madarsa have rendered ideal sources to the Islamic *Ummah* across the World. So besides the subjects on Islam, if we include Islamic economics in our syllabi at madarsa, there is nothing wrong. But in my view it should be a post Fazilah course. The Quran says that when the prayer is over go in search of your livelihood (*Surah Al Juma*). If a Muslim knows Islamic economics he will earn his livelihood through fair means. So with the study of Quran and Sunnah our students must study Islamic economic at the post Fazilat stage.

Ateeq Ahmad Bastavi

The issue under discussion is whether Islamic economics should find a place on our madrasa curricula, and at what stage. I may submit that designing curricula is crucial matter. If we add something new there is apprehension that it might divert our attention from the main subjects. And why economics only Why not political science and other subjects like sociology should find a place on our curricula. But the question arises that how much we can include or exclude on our curricula. If you add something on the curricula you will have to drop some disciplines to make room for the new subjects. Dr. Ausaf Ahmad is an economist. He has very aptly pleaded to have economics on our curricula. Next will come our politicians. They will argue that political science should be a must on our curricula since political system stands degenerated as we have distanced our selves from Islamic political norms. So our graduates must study Islamic political theories. Sociologist will advise to study subject on social sciences some scholars will lament that our madarsa graduates don't know English

It is a serious draw back. So English must be a compulsory subject at our madrasa. We cannot deny the significance of the issue. A madrasa graduates must be aware fundamentals of economics, political science, what is our democratic system of governance how it functions. He must know something on social sciences as well as the language of our country that is English. We therefore chalk out a list of subjects to be studied then see how these would be accommodated and adjusted could we teach these new subjects during the specified period of study or extra time will be required for the additional subjects. We have already some of these subjects on our curricula one who has studied *Hidaya* and *Quduri* he can comprehend the minute details of finance our jurists have compiled volumes on Islamic economics. If some of our learned teachers take up the assignment to teach these subject thoroughly our talented students will be competent in economic issues. In our volumes of jurisprudence we have many issues that are no more relevant in this age such as slave trade etc. But these are the issues enshrined in the Quran and Ahadith so our students must have an orientation of these irrelevant subjects. If we add new subjects to our curricula at the *Alimiat* or *Fazilat* stage, it would not be an easy job. We may introduce the fundamentals of these subjects so that our Madrasa graduates are acquainted with these subjects.

For a qualified Islamic economist we must have a complete and comprehensive course of two years to make him master of the subject At present institutions of Islamic finance and economics have been functioning across the world they need Shariah experts to guide them on Shariah issues so our graduates should be competent to face the challenge. There should be a tough test for admission to this course, only those candidates should be admitted who have sound knowledge of Islamic. In many cases where three months or six month courses have been introduced students get a

certificate and join as a Shariah advisor in a financial concern. But they don't know even fundamental of Islamic Shariah perfectly. They cannot guide on what has been proposed by a bank and weekly endorse it. They are not competent to examine a scheme critically in the light of Islamic Shariah. So we must have a comprehensive course of theory and practical, to produce a competent scholar having an expert hold on both subjects Islamic Shariah and finance. He should be morally strong and alive to his obligation. If he notices that something against the Islamic Shariah is being practiced he should resist it courageously similarly we have close coordination among our Ulama and jurists and the expert of modern finance and economy. Islam is attracting the world toward it's system if our Ulama can present Islamic economic and financial system in a modern style it would be a blessing for the humanity. Our scholars should therefore be competent in theory as well as in practices.

Dr. Ausaf Ahmad

I wish dispel the impression that the scholars from the universities are not aware of the implications of a change in curricula. Before I went to Saudi Arabia I had taught in many Indian universities for 15 years. We at the Universities have a system. There is a Board of studies in every department in the faculty. The preparation of curriculum is the responsibility of the Board of studies. Enough feed back is received from various quarters, before its finalization. It is circulated at internet and its printed copies are also available on the shelf of library. The teachers are very much sensitive to the syllabi and don't allow any interference in it. But infact it is not sacrosanct. University Rules and Regulations provide that it should be reviewed after every two years or five years, as life under goes a change frequently. Life is

changing. New sciences are coming to the fore. So what we have been teaching must undergo a change.

Convener of the session

Our Ulama don't deem the curricula as sacrosanct. Revision and review is undertaken as and when necessary. We may be found wanting in some fields but you just heard that Maulana Nanotavi the founder of Darul Uloom Deoband had included arithmetic, geometry and Sanskrit in the syllabi of Darul Uloom Deoband. But the moot point is how we could accommodate new subjects to our existing curricula. The institutions that have organized this seminar might hold training camps for experts our scholar experts like Dr. Nijatullah Siddiqi, Dr. Ausaf, Ahmad Dr. Abdul Azeem Islahi, Dr. Rahmatullah and Dr. Baag Siraj may join hands with us. With mutual cooperation and close coordination we could work for the furtherance of this scheme.

Here I am reminded of Umar's wish. Once when he was sitting among his associates he said let us declare what is our best wish. One of them said I wish to have a house full of gold and diamonds and we would have distributed it in charity. Umar said I wish to have in this house our colleagues like Ali, Abu Obaidah, Maaz and Saad, and we would depute them to disseminate Islamic message across the world, the first one had a desire to have means and ways while Umer was desirous of persons. What in fact is needed to have people to promote a cause, all other things are of a secondary value. This programme sponsored by IFA, IOS and IDB, is a representative conclave, and aims to debate how we could produce scholars in our madarsa who could face the challenges of the contemporary era. Economics has a concern with individuals. Our jurists have therefore dwelt at length on this subject. In the Quran we don't find many details of transactions. Only fundamentals have been

enshrined in the scripture, so that we can evolve the process as per the requirements of our times. With changing times, practices and procedures also undergo changes. We can evolve our business norms keeping in view the fundamentals as enshrined in the *Quran* and the *Sunnah*. We can therefore guide Islamic banking system, exchange insurance and investment in the light of these fundamentals. Today extensive research is in progress in many countries on Islamic finance and economy. I don't know much about the work on the subject in English, but in Arabic remarkable progress has been made in this field. Kuwait Finance House and Al Barkah have promoted research and voluminous work has been compiled on various aspects of the subjects. It is heartening that Islamic banking system is gradually and steadily taking roots in India. If legal hurdles in the way of its promotion are removed, we will Allah willing, be able to provide expert scholars to guide the system in the light of Islamic Shariah. Where there is a will there is a way.

If competent scholars are not made available, incompetents will come forward to do the job and it would lead to degeneration of the system and of the society. Those who have attended this conclave are cordially welcomed and have great regard for their emotional attachment and sincerity.

Mohd. Nematullah Azmi

I would like to ask in the light of the on going debate, what is Islamic finance and Islamic economics that we want to add to our madarsa curricula. When we are in a position to comprehend fully about the subject, we will see if these subjects are already on our current syllabi or not. If we have these subjects on our curricula, the question remains that the subjects should be taught on modern lines, using modern terminologies. It is something relevant, these subjects

should be studied on a regular and comprehensive basis. The economic system propounded by Allah's Messenger and defined in the Quran is based on moral and social justice. No exploitation is allowed in it. When Islamic system was on decline, feudalism and then Capitalism emerged as strong systems. These were challenged by socialism and communism. It flourished in many countries particularly in USSR (Russia) But, now it has also collapsed and capitalism has surfaced as the strongest system of the contemporary era. But it is also on the verge of collapse. Now comes the Islamic system. Existing monetary system is based on interest and speculation. Islam rejects these attributes. This -----system is based on fair dealing with no exploitation. Even many financial experts agree that interest is of exploitation and one day it would cause serious damage to the prevailing financial system. If economics is what we have discussed, we have been teaching it regularly. Our jurists have discussed all the aspects of economy extensively. We may point out what aspect has been discussed under which chapter. Share partnership and other forms of transaction are available in our literature. What we need is that our teacher should know how to apply this formula and how to explain it in modern terms. Our jurists have dwelt on trade transaction in different ways. They also have similar views on some issues. Our teachers should keep it in view. A booklet may be edited to highlight all the defects and disadvantages of the system based on interest and speculation. What modern scholars and experts have opined pertaining to the infirmities of the system should also be reflected in this booklet. There should be a comparative study of the system that failed and are since defunct. Why the existing system is crumbling what are the merits of Islamic economic system. All this should be a subject of study. Teachers should enlighten their students through weekly lectures on these points and aspects.

We must have mathematics on our curricula during our time. Chakarvarty's book on arithmetic was on the curricula. We may now study it in a modern way. It is necessary for seeking a job in revenue departments. Imam Shafaie has said that mathematics enhances man's power of comprehension and gives him a sharp intellect. So, all these points should be kept in view for compiling better and pragmatic curricula.

Third Session

Educational issues

President: Kaka Sayeed Ahmad Umri

Convener: Ateeq Ahmad Bastavi

To day's session is going to discuss the issue of inclusion of the subject of Islamic economics in the madaris curricula and what would be the issue surfacing subsequent to the addition of this new subject. At yesterday's session we heard the views of experts. To day we would like the *Ulama* and teachers of madaris attending this seminar to enlighten us on this issue on the basis of their view we will compile our suggestions and recommendations that would be pragmatic and advantageous and will have far reaching consequence. One thing I may make it clear that if you have some new Idea or proposal kindly give it in writing to Mr. Khalid Saifullah Rahmani your proposals will be forwarded to the committee to be constituted to deliberate on these issues.

So far teaching of economics at Madaris is can earned, it will have two stages. At the Alim and Fazil course where fundamental of the subject will be introduced. How much this subject could be accommodated in the current curricula should it be a subject of regular study or imparted through weekly lectures by the experts, your views will guide us in this regard.

Those to speak first on this issue are the experts of the subject. I request them to kindly express their views briefly so that we can allow more time to our *Ulama*.

Ausaf Ahmad

First I would like to tell you about the procedure of today's three sittings. Yesterday, we had heard the views of the scholars. Today we will further discuss the subject. The president will invite a scholar to express his view on a particular point. Then it will be taken up for discussion. Those who wish to participate in the discussion should kindly keep it in mind to be brief and to the point and abide by the time given to them. If five minutes are given he must conclude his speech within this time limit. This session will deliberate on three points. 1-Academic issues, 2-Administrative issue, and financial issues, we have separated these issues to facilitate deliberation, but in fact all these issues are inter-related. For instance if we decide that teaching would be through extension lectures the point related to it is how to finance the program. If we invite an eminent scholar to speak on the subject, we will have to bear the cost of his air travel charges. We will have to arrange for his lodging, boarding as per his own standard of living. Naturally it would require funds. We will first collect funds for the purpose. The second related point is academic or educational. An eminent scholar expert in his field would like to cover all the relevant points and aspects of the subject in his lecture. It is obvious that all these points cannot be discussed extensively in a lecture of one or one and a half hour lecture, how much we would be able to assimilate it depends on our capacity of assimilation.

So first we will discuss academic issues and then finance and administration. At the evening session we will frame the proposals, as Maulana. Ateeq Ahmad Bastavi has said that two points have emerged out of yesterday's discussion. There should be some orientation on the subject (stress on some) so that our madarsa graduate after qualifying from madarsa is able to understand at least the fundamentals of

the subject. I may illustrate this point through a personal experiment. Two years ago Islamic Fiqh Academy invited me to deliver a lecture to the madarsa students. The students were of Ifta and Qaza (Judicial functioning). they were the scholars of specialization stage, but they did not know the difference between parliament and state assemblies. They were unaware of the system how a Prime Minister is elected. It was the level of their knowledge of political science. So there must be orientation of this subject at our madarsa. Tomorrow when these graduate will go to the field, people will ask then question relating to bank interest, Is it permissible to have a bank account? some would seek their advice whether service in a bank is permissible or forbidden. These scholars must have knowledge to guide these people. We should therefore have at least two papers; one principle of economics. This paper will also cover theory and public finance issues and how the government functions how it maintains its finances? Tax should be levied or not. You may add Zakah issue to it also. Second paper may be on Indian economics. Then the question would be how to teach this subject, once in a weak, twice or thrice. The issue may be left to the teachers. They will decide it as per the conditions at their institutions and the teaching burden on them. Next come text books. Are the text books available in the market if not, some help books may be used. Teachers may approach some scholars of economics for advice and guidance. subject and text books are inter-related issues. We will talk about some relevant books. Similarly medium of instruction is also an inter-related issue. If you decide to teach the subject in Arabic, you have confined yourself to the Arabic only. You may teach Quduri or Hidayatullah but book of Samuelsson would be out of your reach since the book is in English and only those can benefit themselves who are well versed in English. A question was raised when to introduce this subject, this year or next year. The matter relate to the availability of text books. If books

are to be translated or compiled by our own scholars institutions like IOS and Islamic Fiqh Academy could easily do the job. They have taken keen interest in this field and can produce text books on the subject. But production of text book will take quite some time It may be a short period, it might be a longer one. This gestation period is to be utilized in some ways. We may adopt books produced by NCERT the teachers may be advised to teach the subject with certain modifications. They may drop some chapters or teach some chapter with full details. I therefore always stress that syllabi must be prepared by the teachers as they are the experts in their respective fields.

The text books of 10+2 stage are compiled by those who are experts of their subjects. They are the scholars who sit in their air conditioned offices and have never seen a school since they are the experts of highest level. How the books completed by these experts are advantageous for the students of junior level is something to be questioned. However these text books are not scriptures that no modification is possible. Let our teachers and experts sit together and decide which chapters are to be dropped and which to be retained for teaching. How to provides teachers to teach the subject. We may arrange for the training of teachers. If we were to frame a better program for it some institutions may be approached to finance the program. But we cannot train all the teachers at a time. We cannot admit more than twenty or 25 candidates at the first stage. We will have to contact in madarsa across the country to convince them to sponser their teachers for the training. A committee of expert should select best candidates for this training. This training should cover a three months period. A shorter period of six weeks may also be introduced. It is called in English Intensive training. Later this training may be entrusted to major institutions. *Madaris* should take the initiative in this regard.

Abdul Azim Islahi

I have suggested study of Islamic economics at madaris at two levels: a short term course and a long term course. This course could easily be introduced at madaris where jurisprudence is studied there should be reference material and teachers we don't have much reference to the financial transactions in the Quran and *Hadith*. What has been written in subsequent periods is enshrined in the books on jurisprudence. Where *Fiqh* is studied, English should also be studied there. I had earlier referred to some difficulties and also suggested how to resolve these issues. I would not recapitulate it. However teacher should teach a chapter and then enlighten his students on its modern applications to partnership, insurance how to use bank capital in it. It instance, should be explained briefly if not in detail. Once these chapters have been studied there should be a revision of what had been taught to refresh the memory. Then their practical and modern form should also be discussed. I have discussed this point in my paper. I have mentioned it with reference to the short term course. What would be implications of a chapter. There may be those who know something about the subject. Others may know much of it. Some will be amazed to know that what we are studying today is already exist in the volumes of our jurisprudence.

So when a teacher instructs his students on the subject he should enlighten them concerning Islamic forms of the contemporary models of economics. Certain new economic models have come in to practice. These form of business transactions were in vogue during the earlier days. They have now been taken a modern face e.g. shares and partnership have emerged with new and more expanding shapes, earlier partnership was not a complex transaction but today it involves many legal aspects and safeguards. When a teacher teaches the chapter on interest (*Riba*) he should

explain what are the existing aspects of compound interest. What are the complications in its various form. How exchange of foreign currency is not an easy process. Similar points could be explained to the students in the light of the prevailing conditions and practices. What are the prevailing economic and financial transactions? Which are permissible which are forbidden, a teacher is supposed to have the capability to enlighten his students on all its aspects? What are options, what is micro finance, how many branches they have, one must know of it. Micro finance is today's popular way of transaction. It provides small loan for the financial and economic rehabilitation of people. Hypothecation or mortgaging is also a popular financial transaction. In western countries loans are advances for the purchase of houses. These houses remain hypothecated to the banks that has financed the transaction.

Today certain new problems have surfaced in the payment of Zakah. Zakah on company shares, new avenues of income to have been evolved. How to recover Zakah and at what rate. Some time there is a wide gap between collection and distribution of Zakah. Could the amount be utilized during this period? Could it be invested in short term schemes. Endowment, guarantee attorney ship all these terms are to be explained to our students. With reference to their modern practices.

I would like to call the second level of study a stage of specialization. It will commence after the madarsa stage. The duration of this study may be one or two years. For instance *Nadwatul Ulama* has specialization in Arabic literature. There could be a course of specialization in Islamic Finance. This course may be initially introduced at some selected madarsa. When ways and means are available other madaris may also introduce this courses. If the specialization course is of two years duration, some

other papers like economic principles of *Shariah* etc could also be added to it. There should be a practical test also the students should be sponsored to have practical training of one or two months or weeks at a major financial institution. After this training they should submit a dissertation on this subject and marks should be given on this thesis. A viva voce will also be a part of this test.

Mufti Shoib

At our *Madarsatul Islah* (Sarai Meer, Azamgarh) we have had undertaken some experiments. Fifteen years ago the management of the madarsa decided that there should be mathematics and science on the curriculum of the madarsa. The syllabi was drafted accordingly. Now they faced two difficulties: First was non availability to text books in Urdu which was the medium of instructions and in second was the non availability of qualified teachers. It was a daunting challenge. But the management was determined to face these challenges. Urdu text books on the subjects were brought in from Maharashtra. Economics and political science was also taught to the students of final stages of study. It was decided to have mathematics and sciences upto the standard of high school. It was a six years course from First standard in Arabic to the 6th standard. English maths and sciences, Teachers came from the college and Universities. They were not from among the teachers of madarsa and were unable to adjust and accommodate themselves in that atmosphere so they left the job. When a teacher left the period of math or science were left without teachers. Students made a hue and cry. Thus situation continued for 15 years. Then the madrasa managed to have competent teachers and it was a smooth function, with the addition, of these subjects, the syllabi was a burden on the students. Arabic study periods had to be cut short to accommodate new subjects. Consequently the duration of

the course was extended to one more year instead of seven years it was now eight years. In this extended period the teachers covered the study of the Quran, Tafsir, jurisprudence and other related subjects. Now, in eight years course our students study math, science, and political science up to the standards of high school. Teachers are available but it is also a problem for the management to find competent teachers.

If we appoint a qualified teacher for economics or English we will have to pay handsome salary to him. Here comes the problem of finances. However this experiment has proved that if we are interested to teach modern subjects, they could be accommodated in the syllabi.

Nadwah teaches modern Arabic literature, while *Madrasatul Islah* teaches classical literature. Ml. Falahi had commented that to understand the Quran, we will have to learn classical Arabic since the Quran was revealed in the classical language not in the modern one. In many madaris of our region English is now being studied as a subject, with the Arabic language. If the madarsa management contemplate on the issue that economic is a subject necessary for the modern life, this subject could find a place on the madarsa curriculum. Teachers should be competent to teach it will its modern aspects with what is available in the volumes of Islamic jurisprudence.

Abdullah Marufi

We have economics in our jurisprudence and Islamic madaris have been imparting education of this subject what needed is that we should teach modern aspects like banking, insurance and investment etc to update the study. The students should be aware of the new terminology of the subject. Dr. Abdul Azeem has offered a very

comprehensive scheme. The committee to frame the proposal should take note of it. Maulana Ateeq Ahmad Bastavi has suggested that the course should be introduced for the students studying *Quduri* and *Hidayah*. Students at the *Quduri* level are not competent enough to comprehend this new subject. The student who has studied *Hidayah* at the final stage would be able to pick it up. We should first draft a booklet in Urdu or in English then it should be enforced. The teacher after instructing his students on the subject should teach the new terminology of the subject and modern methods. If a period is not sufficient for the subject, the Madarsa authorities should provide more time for it. So far practical training is concerned it is a difficult stage. Madaris have a vision. They work to train their students in Islamic Shariah. Now they will be required to provide guidance's in the light of Islamic Shariah. But practical training could not be provided at the Madaris. It would be a difficult job.

Dr. Mufti Sadiq Mohiuddin

We have many economic subjects on our curricula but how could we conform it to modern economics whether we teach *Quduri* or *Hidayah*, we must have the competence to apply modern terminology and formula to enlighten our students on the contemporary aspects of the subject. We should ask ourselves as to whether we are willing to accept the changes and challenges to keep pace with the advancing time. If we teach the subject to our students according to prevailing demands, they would be in a position to pursue specialization in the subject. In this way we could produce competent scholars at our Madarsa. Our Madaris should provide facilities for specialization in economics also. One of the points repeatedly stressed upon is the financial constraints. I may submit that most of our Madaris function on the basis of *Tawakkul* (depending on Allah). They have

never drafted a scheme with ample financial means. They move forward with their projects and Allah Almighty bless them with his favour.

Economics is a part of our curricula. We have guide our people what is permissible and what is forbidden because finance is intensely related with it. Allah's Messenger (Pbuh) has said that on the day of reckoning Allah will question how one earned wealth and where it was spent It is an obligation upon our Ulama to enlighten Muslims on this point. We cannot escape the responsibility An important point is that unless we introduce this subject at an early level, student will not be able to develop real interest in the subject and no one would like to go in for specialization. A butter alternative would he that separate institutions may be set up for the exclusive study of this subject. Ulama will be required to extend cooperation to provides guidance in the light of the Islamic Shariah. The coordination between the two might solve the problem.

Zubair Ahmad Qasmi

Islamic Madaris have been imparting education of Islamic finance and economics. It is a continuing process. For the teaching of the subject with reference to contemporary requirement, you cannot teach it at all Madaris nor to every student. You will have to select some major Madaris and talented students willing to study these subjects. Competent scholars cannot be produced unless practical training is not imparted to them, we should approach the authorities of the selected Madaris to provide talented students for the course. They will ultimately provide guidance to the Islamic, since Islamic financial institutions. A full fledged institution may be established for the purpose. This is what I want to convey to the participants of this conclave.

Junaid Alam Qasmi Nadvi

Since yesterday my mind has been haunted by the questions as to whether our Islamic Madaris will accept the suggestion to have these two subjects on their curricula. The point is that our Madaris don't have a precedent or a role model to follow. So they might not opt to agree to the suggestion. Some selected major institutions like Darul Uloom Deoband, Mazharul Uloom and Nadwah should take the initiative. When these are successful in their efforts other Madaris will follow it. The next problem is that our Madaris don't know what subject they are wanted to teach. The text books should be provided to the Madarsa authorities to enable them to decide as to whether the subject should find a place on the curricula of their Madarsa.

There should be a book written in simple language that is required to be included in the syllabi. It must be compiled by a teachers of the subject who know the psyche be of the students and teachers. So far as the simple language. I am reminded of what one of our learned speaker narrated here that when Ml. Manzoor Ahmad Nomani compiled a book, he would invariably call his wife who hailed from rural area. He would read out the manuscript to her to know if she understood what he had written. When she responded positively that she comprehends what he had written then he would proceed further. If she said that such and such word was beyond her comprehension, he would change that word with a simple one. So books on the subject should be in a simple language. The other problem is the teachers. They Madaris don't have competent. Teachers to instruct in the subject they also face financial constraints. The Academy should arrange at some leading institutions for the training of teachers. We have the syllabi in our Madaris one prescribed by the Madarsa Board the other adopted and compiled by the Madaris and their authorities. Madaris have

introduced English, Hindi, and Arithmetic in their curricula. But most of the students are not keen to learn these subjects. Dr. Abdul Azim has referred to the terminology of the subject. I think modern terminology should be translated in to simple language and it is combined with the chapters of Hidayah to be taught along with the book. Particularly for the students who opt for specialization

Mufti Tanzim Alam Qasmi

We must acknowledge the fact that our madaris have to their credit their rich contribution to the *Ummah*. These have successfully confronted the challenges of modern times. We may quote the names of Imam Nawavi, Imam Tahavi. In later period Ml. Mohd. Qasim Nanaotavi. Ml. Mohd. Hasan of Deoband all these leading lights rose to face the challenges of their times.

To day our Darul Ifta provides guidance to the *Ummah* on modern complex problems. This consultancy service responds to all the queries/questions that have emerged, consequent upon the prevailing conditions in the society. All the emerging new problems are examined in the light of the Islamic Shariah and a convincing reply is forwarded to those desirous of guidance.

Islamic finance and economics have already been on the syllabi of the Madaris. The problem is that of the modern terminology. To adjust and accomotic these terminology, I don't think that there should be changes in our curricula, we should use the word addition, change means to drop certain text book from the current curricula. Naturally we could never drop *Bukhari* or *Mishkhat* from our syllabi. Text books on the two subjects should be added for the senior students interested to study this subject in accordance with modern terms our students who study logic and

jurisprudence are competent enough to pick up the terminology and fundamentals of these subjects. At our Madarsa Sabilus Salam Hyderabad we have contemporary English as a subject of study. The students whose parents are know to see their children study English they turn to English and are not serious to their Arabic course. Those who stick to the Arabic course are not able to express themselves in English. So it would be better to add these two subjects at post Fazilat standard.

Abdul Basit Nadvi

The *Ummah* is confronted with modern challenges, what is required to with stand this impact you should arm us with it and we will prove worthy to confront the challenge successfully. Our Ulama have always risen to the occasion what is being discussed here with reference to introduce changes in the curricula. We must agree that every student has his own choice and desire. To be a Mufti or to be an engineer or doctor depends on his aptitude. I think if modern subjects are accommodated on the current curricula of madaris up to the 10th class standard we could expect better result: At some madaris modern subjects are taught at initial level. It should be extended to the senior standard. The students desirous of modern education should go in to study modern subjects and those who are keen to continue their study in Islamic theology should continue it. Those who qualify in modern subjects. They become engineers and doctors. They are promoted to higher positions but they are unable to be steadfast in their belief or have much insight in the Islamic Shariah. What we study or opt for a profession we must be guided by the demands of the Shariah we must not be oblivious of the here after (Akhirat). This is the fundamental point

Mazhar Ali Madani

Today, world is confronted with formidable challenges. It is expecting our Ulama to come forward to redeem the humanity. Praise be to Almighty that world is turning to Islam and Islamic scholars. What Dr. Abdul Azim has said concerning Islamic finance and economics, means to make our Madarsa students competent to guide modern institutions in the light of Islamic Shariah and prove their worth. As Maulana Khalid Saifullah has pointed out these subjects have been on the syllabi of our maderris. The need of the hour is to make them compatible to the modern of the subjects. These issues should be debated while teaching *Hedaya*. But our teachers first should be trained to instruct their students as per the modern technique. The text books on the subjects, are quite voluminous Each and every teacher would not be able to spare time to study and comprehend these books. Therefore these books need to be compiled in a brief style. Then the teachers would be able to guide their students on this modern subject. Other institutions may take up the responsibilities of instruction and the specializations such as Diploma courses. Madaris and contemporary academic institutions (Universities etc) should work in collaboration to meet the challenges. Madarsa students are not well versed in English. It would be a handicap for them. Modern institutions can fill this gap. We can learn from Arab countries in this respect where much has been done in this field. We may translate Arabic books on the subject in to Urdu to facilitate one advancement towards our goal. Similarly books available in English in India could also be translated in to Urdu. In this way we shall be in a position to achieve what we desire. Insha Allah.

Kaka Sayeed Ahmad Umri

Since yesterday we have heard many inspiring comments on the subject. We have nothing to add to it. Now we have to take, some practical step in this regard. But if we are lost in hypothetical questions it will serve no purpose. It is quite a new step. It is but natural that challenges and difficulties will surface on one way. But we will have to overcome these difficulties and to move forward. First, we should study the subject and then cultivate a taste for this subject in our students at the early stages of study. Just to explain terminology may not be enough. But first we should qualify our selves. I am reminded of my own student's days. Fifty years ago, our teacher at the Jamia was a learned scholar. He belonged to a leading business family and knew much of modern economics. While teaching the last chapter of *Hidaya* he would give us an orientation in modern terminology of economics. What is currency, what is exchange rate etc. It was his expert inculcation that today his students know better about this subject. We cannot however expect every teacher to be expert of the subject. But an economics teacher must be competent having specialization in this subject. He must be well versed in English. If a scholar opts to for specialization in this subject but does not know English. he may have to depend on second hand information. Just as one cannot be an Islamic theologian without his command on Arabic, similarly if an economist is unable to express himself in English it means he does not have first, hand knowledge of the subject. So a direct access to English is essential for a teacher of this subject. We therefore introduce, at the early stage of education. Such radical challenges, will make a student capable to stand confidently to face modern challenges. Our teachers should expand the horizon of their knowledge. They should study social sciences political science et. In the books on economics compiled by Sheikh Qardavi, Mufti Taqi Usmani and Dr.

Nijatullah Siddiqi will guide them properly to the real meanings of the subject. We should study all these subjects under a planning, with a regular schedule. To days world is in a chaotic condition. The western economic system has failed it. We have an alternate system to offer. Graduates of Modern seats of learning and the adherents of the faith are looking eagerly towards us that. Our *Ulama* will redeem the situation. So we must rise to the occasion and come forward to guide the suffering humanity. But it is a formidable challenge. If we could provide proper guidance Allah Almighty will bless us with His favour. I belong to a family of traders and am a business man myself. I know how the difficulties we face under the prevailing economic system. Not just interest only, there are other more complications. So, if we introduce Islamic system, a system free of interest shackles. We will save the humanity. As you heard yesterday that 350 banks have Islamic windows. These banks have been functioning in Arab Countries. In Western countries also, many banks have introduced this system. Indian government is also, contemplating on the subject. A commission was set up to go in to the matter. The commission in its report has observed that a sizable segment of our society abhors the transactions based on interest. We should allow our banks conduct interest free transactions. We should motivate our traders and wealthy sections of our society to opt for interest free transactions. Our modern educated persons are eager to see that Islamic banking system flourishes in our country but infortuality our *Ulama* are not as enthusiastic. If we succeed in our efforts, it would be a turning point in our social and economic life. If we sit complacently and try not to changes to our Madarsa curricula. It would be infortunate. May Allah guide us to the right path. May we be saved from the curse of interest May Allah favour us with His blessing.

Fourth Session

Financial & Administrative Issues

President: Syed Nizamuddin (General Secretary All India Muslim Personal Law Board)

Convenor: Ateeque Ahmad Bastavi

Some of our leaned speakers claim that economics is being studied in our Madaris. I would like to request Dr. Ausaf Ahmad and Dr. Abdul Azim Islahi to enlighten us whether it would be feasible to have two years or four years post graduation course at Madarsa so that our students could get admission on the basis of that certificate in BA or B Com. The certificates we issue are not recognized for an employment. Only BA or MA digree from a University could do it My suggestion is that we issue certificate to a students who has qualified in Fiqhul Maamlat (Transactions) and chapters on transaction. These certificates may be recognized by the universities which admit our students having qualified as Alim or Fazil to opt for Islamic studies or post graduate course in Arabic. These holders of the certificate may be admitted to Bcom or BA.

Mujahid Islam

We have heard many things on the issue. I would like to suggest that we should enlighten our students on the subject by explaining modern economic terms while teaching commerce in the period of study of jurisprudence. We must also have competent teachers for the subject. We must impart training to our teachers as we train our Qada scholar through workshops. At our leading *Madaris* where specialization in literatures, Ifta and Quranic learning is

pursued, there should be specialization in Islamic economic also. It would be a step forward in this direction.

Convener

The theme of today's session is teaching Islamic economics in *Madarsa* and financial and administrative problems. Those who want to express their views may kindly send their names to us. What we teach in economics from our jurisprudence, it should be explained with reference to the modern terminology and other practical forms of economics. Dr. Abdul Azim Islahi had provided us a list of this terminology. A proposal has been put forth that the terms used in banks and other financial institutions should be compiled in a guide book. The teachers while teaching the subject, should explain these terms to his students. A committee may be constituted comprising of *Ulama* and modern economist. After a detailed analysis of all the relevant chapters, these terms should be noted down with the introductory explanation of these terms: So far as extensive lectures on the subject, the Islamic Fiqh Academy has had undertaken this program. It may be expanded to include some social sciences. Political science and similar other subjects. Our scholars should enlighten us on these points through extension lectures. But it involves financial burden. Our philanthropists and others might shoulder this burden. Teachers who deal with this subject, need to be trained on the new mythology/technique of teaching this subject. The teachers should expand the sphere of their study. The handicap of language is also a problem. In Arabic we have rich and valuable literature on Islamic finance and economics. We can fully prepare our selves on all the aspects of this subject if only we study the Arabic literature on the subject. If one goes to work in a bank, he will face language problem. But so far as theoretical study is concerned Arabic language will give him ample material.

But our Islamic scholars must have access to English. We should have *Ulama* who can easily express themselves in English.

But it is not the ultimate point. In China and Japan all subjects are studied in their own languages, though under the prevailing conditions they are also turning to the English. But our base language should be Arabic or Urdu. The teacher should explain modern terminology to his students. It is not an insurmountable task our modern scholars can do it easily. Islamic Fiqh Academy has taken some steps in this direction.

The first to speak on the subject is Mr. Ehsanul Haq a former senior manager of Punjab National Bank. He has practical experience in Banking. But, he is also a man with an Islamic aptitude with extensive studies of Islamic issues. He will enlighten us on various aspects of the subject, others will follow.

Ehsanul Haq

Mr. Taqi Usmani had to face a question in Malaysia that how much was the advancement in the field of Islamic Banking and Islamic finance. Mr. Usmani replied there was ample progress and no progress at all. The one who had posed the question was taken aback. Then Mr. Usmani explained that so far as the theoretical aspect was concerned we have introduced these issues to the banks but as far as the practical side is concerned we have yet made any advancement, Islam says that interest is forbidden and business is permissible. But the prevailing system suggests that interest is permissible and (fair) business is forbidden. The existing banking system and financial institutions are not doing business, they thrive on interest based transactions. The In house committee of the Islamic Fiqh

Academy and Islamic finance institutions passed many proposals but the joint session of IDB and Islamic Fiqh Academy Jeddah and many research institute rejected them. It would be a better to study subject furthers that these points are discussed at the forums. Later on the may find a place on our syllabi and it would become acceptable. So far producing experts there are certain requirements relating to basic qualification for chartered accountant or financial Analysis. We are talking of adjustment to add new subjects to our curriculum. But it does not matter much. What we used to study at post graduate level, is now studied at the intermediate level with the vast expansion of knowledge the I Q of our students has also improved. There for new subjects can be easily added to our existing syllabi.

Ausaf Ahmad

I would like to discuss only two points. When we talk of Madarsa education usually we don't take finance in to consideration But at this workshop we have included this point. When you set up a *Madarsa* you need the ways and means for the project. Suppose you get a piece of land gifted by a benefactor. It does not man mean you got it gratis. Some one else has paid for it. Similar are the other issue. When we talk of changing our curricula and adding certain new subject, it will involve financial implications also. We will have to contemplate how to manage for the resources for teachers training whether long term or short term. It will require huge sums of money. Some Islamic finance institutions are willing to finance such a project. But we will go in for certain experiments. Recently, I went to Jamia Islamia Shanta Puram. The Jamia has introduced a new course "Post Graduate Deploma in Islamic Finance". The faculty has its own building. The Jamia charges fee from the students of this course, while it charges no fee for other subjects studied at the Jamia. The prescribed fee for

the said course is Rs 15000 per annum. If an institution wants to introduce specialization course at its faculty, it will not be like the specialization in *Quran Hadith* or jurisprudence. In view of the market value of the study of this subject, particularly in the world market, the scholar will get handsome return, so the institution has the option to charge fee for this course. But it never means that the institutions exploits the students or make it a tool to earn profit. Islamic Madaris are service providers. If there is nothing free. Why Madaris should not charge for some of the services they provide? So we must evolve a system that those who want to benefit themselves from this course, should pay for it. The specialization course should be a “Self financing course”.

Convener

Dr. Ausaf Ahmad has pointed out towards a basic necessarily when we introduce a course, it involves finance. The course introduced at Jamia Islamia Shanta Puram is mainly attracting University graduates. We are aware of the conditions in Madarsa and of Madarsa students. I am a teacher at Nadwatul Ulama Lucknow. This leading seat of Islamic learning has proportionately greater ratio of students coming from economically prosperous families but only about 30% students pay for their lodging boarding charges, rest of the 70% avail this faculty at the cost of Nadwah. The problem is that a greater number of our scholars come from economically backward section of the society. A student qualifies after 8 or 10 years of study at Qaza or Ifta. He will stay another two years at the Madarsa. To ease the burden on his family we will provide for his lodging boarding This is with a view to provides scholars to the community. We also have the category of the students who even refuse any stipend or scholarship from the Madarsa saying that they are economically sound but majority of the scholars are in need

of our help we certainly need economic scholars but if conditions are imposed that they will have to pay fee and bear their own expenses, I am afraid we will not get genuine scholars for the study of this subject. Those who are in a position to pay for the study must pay for it. But it should not be compulsory. However this is my personal opinion.

Arshad Farooqi

Here I am reminded of a discourse by Shah Wali Ullah. The caption is earning money is the objective of learning. I was shocked that how a genius scholar known for his mystic aptitude may comment in such a uncharitable way. But when I went through the discourse. I found that Shah Saheb had inferred that parents who send their students to madarsa for education, have a wish to earn money through the learning of their children. The salary of teachers should, therefore, be equal to that of the teachers of modern schools. They teach secular subjects while the former teach the faith. We are deliberating on financial means for our educational institutions as we all know that our madrasas function on Allah's favour and contributions from the community (Ummah). We have produced scholars in *Hadith* (*Muhaddith*) and jurists (*Muftis*) from these madrasas, why can't we produce economic experts? we are told that Islamic windows have been opened at various banks. The question comes to the mind that how opening a window at the banks where management is not on the basis of Islamic values, could be a successful experience. The reports we have on this point are full of apprehension that the banks are exploiting the name of Islam. Those at the helm of affairs of this experiment are the ones who might shift their loyalties. The apprehension on the basis of analytical studies must be addressed. Islamic finance system could not be enforced unless Islam enjoys control on world trade; the system is now functioning on the choice of one evil out of the two.

Maulana Sulaiman Husani Nadvi has suggested changing the methodology of teaching. I had posed a question that what would be the implications and the problem that might crop up consequent to these changes. How will we provide competent teachers to instruct in these subjects? They have suggested the methods extension lectures by the experts to supplement the study some of our scholars have opined that students at the last stage of the study of Hadith don't have time to spare for the new subjects. I don't agree. Ml. Taqi Usmani had compiled a treatise of 25 or 30 pages on economics containing all the points of economics. Such books could be introduced to benefit the students of *Hadith* like other subjects on social and political science.

Convener

What Maulana. Arshad Farooqi has said is of immense significance. The problem concerning finance and adding of new subjects to the current curricula will be solved, Allah willing. So far as Islamic window in some banks is concerned, there are certain apprehensions but what is encouraging is that prevailing banking system due to its failures or handicaps is slowly yielding to the Islamic system. These who once considered Islam a taboo, are turning to study Islamic system as an alternative. It is a matter of technical study how Islamic windows are functioning. Is it a conglomeration of current practices or other wise, our finance experts my enlighten us on this point It is not the subject of discussion at this session when we proceed further we will analyze these aspects also.

Dr. Mohd. Manzoor Alam

I am submitting my points as a student. What Ml. Ateeq Ahmad Bastavi said is quite inspiring that what is going on in the name of Islamic banking, and Islamic finance, it bears

the name of Islam. But we must keep it view that what has emerged as Islamic banking and finance is not a sudden development. For the past three decades, efforts have been made to introduce and enforce this system. Now that the prevailing financial system is crumbling, Islamic system has emerged as an alternative. The second point is that we are glad that interest based system is collapsing but we must not go beyond a limit in our happiness. Interest is not the only contributing factor leading to the failure of the Western System. There are many other factors too. The failure of the existing system is the failure of its regulations. It was not controlled by the administration. Now, president Obama has constituted a board to monitor its functioning. The representatives from the US governments are also on the board. It will ensure control and/or regularization. Some other factors are also responsible for its failure. Interest and misuse of interest is also one of the factors. The data reveal that the system of Islamic banking has covered ten percent of the system. But if we examine the total transaction of the mechanism, it does not go beyond 5%. It means that our financial transaction has yet to cover 90% to 95% of the system. So we have still to undertake many new operation, produce more literature on the subject. Not only our *Ulama* but banking experts could not focus their attention on the practical aspect, while it is the foremost need for the system. Another point is that all banking requires a central banking system but Islamic banks have no such central operational system. Since it has no central system, all its branches function independently and separately. It leads to its many failures with some achievements. Here, we might discussing how to finance the new subjects proposed to be added to the current syllabi of Islamic Madarsa. I agree with what Dr. Ausaf Ahmad has said. He has quoted the instance of Hazrat Maulana Nanotavi. Most of our *Madaris* have been set up in this very manner. But time has been changing fast and with the changing conditions the issue of finance

has assumed a new significance. It is a psychological trend that donors extend their assistance for those who study the Quran because they expect their reward in the hereafter. But it comes to the introduction of new subjects the donor thinks twice whether such donation will bring him closer to the heavens or not. I would like to illustrate the point with my personal experience. I had the opportunity to have detailed confabulation with the leading banker of Saudi Arabia Rajhi on various scheme that will cover next 25-30 years to keep pace with the changing world. He reacted saying who has seen to marrow? If we contribute to raise a mosque, The students will study the Quran and memorize it, It will benefit us in the hereafter, you are talking of tomorrow (future). We will not survive to see the tomorrow. It was the thinking of a philanthropist who contributes millions in charity. Now I would like to put forth a proposal. We have many leading madaris which have contacts with prominent traders in the country and abroad. We may set up a Waqf to finance the study of subjects. The Waqf will invest its funds in various schemes and the income recovered from this investment may be utilized to finance the study of new subjects. This education would be free of cost and in the atmosphere available at the madaris. I fully agree with what Maulana. Ateeq Ahmad Bastavi has said that you cannot create a new atmosphere alien to the existing conditions at madarsas. So we would introduce a system that would be a part of the prevailing conditions. I have no doubt that if we set up such a Waqf it may be conducive for the promotion of the scheme. In India and elsewhere we have leading business men and institutions eager to have proper guidance on Islamic banking. If these individuals are approached and institutions they might extend financial assistance to produce such Islamic experts on banking. They will certainly be interested towards our schemes, with the collaboration of these schemes of our society, we may proceed with our scheme. They will provide practical training to our scholars.

One of our learned speaker had pointed out towards an important point that if a madarsa awards a degree but it is not recognized by the institutions, it would not help the degree holder to find a job. We should, therefore take steps to get our syllabi recognized by the universities and government institutions. It will facilitate our scholars to seek employment in all sectors. I will reiterate my point that we must form a Waqf (Endowment) to finance the study of these subjects at our madaris.

Convener

Dr. Mohd. Manzoor Alam has put forth a very significant proposal. So far the prevailing economic recession and the failure of the system is concerned we should debate this issue at an exclusive session on the point. If we want to introduce our system to the world, enormous efforts would be required by our experts and *Ulama*. Dr. Mohd. Manzoor Alam suggestion to set up a Waqf is something we should seriously consider and promote it further. But this Waqf should not function like our Waqf boards. If only we reform our existing Waqfs, we could solve our problem from the income of our existing Waqf properties. Our history tells us that when it was needed our ancestors formed Waqfs (endowment) to finance these schemes. It has always been a positive side of the psyche of our community. I was just talking to Mr. Ehsanul Haq that our *Ulama* come forward to change the mind set of our masses Vis-à-vis the interest based system. Our people want to earn profit through permissible means but they want a guaranteed profit. They want no risk of loss. We should therefore educate our Masses and classes about the Islamic financial system. Our *Ulama*, Jurists and Imams of our *masajid* can play a vital role in this field. Some of our financial institutions suffered losses because they relied upon the guidance of those who were not experts of this field. There were many cases of

nepotism; loan was extended to those who did not refund it so there should be a board or a committee to monitor the functioning of these institutions. We are debating financial issues but perhaps our *Ulama's* mind is not much sharp in the field of finance.

Dr. Mohd. Manzoor Alam

Maulana. Ateeq Ahmad Bastavi has expressed his apprehension concerning the Waqf. Today Waqf are controlled by the Trust regulations. The trustees are the monitors of the functioning of the Waqf. If Trustees are honest there is no reason that Waqf will suffer losses. If Trustees are unscrupulous it would be detrimental to the interest of the Waqf. The risk is there. But under the existing conditions Waqf could be safe under a Trust only.

Mr. Mushtaq Ahmad Advocate

Mufti Arshad Farooqi has already said what I wanted to convey to the audience and the remaining sense was covered by Dr. Mohd. Manzoor Alam. Maulana. Farooqi has explained how *madarsa* are established. We have been living in Delhi and wish to set up a school but we have not yet succeeded in our efforts. But I saw in our locality that a Maulana started his *madarsa* with just two or three students and within a short period the number of students increased. Now the *madarsa* has been flourishing smoothly. The Maulana has no thinking like ours nor he knows commerce, economics or finance.

The madarsa peoples are the demented ones, who not with standing the challenges and hurdles, move on and Allah Almighty favours them with success. What Maulana Farooqi has suggested, we may adopt it as a short term strategy. Dr. Manzoor Alam has suggested some long term

steps. In this context I would like to submit that 10 or 15 years back when we first discussed the subject of Islamic banking we were in a state of bewilderment. When the Fedral Shariah Court of Pakistan delivered its Judgment that interest was forbidden; General Ziyaul Haq, the then president of Pakistan, had framed a time table to eliminate the financial system based on interest and usher in the alternate system. During this period, there have been radical changes. Our Muslim advocates at the Supreme Court are keen to know what Islamic banking is. We tell them that it is an alternative concept Vis-à-vis the existing financial system so these advocates in their zeal turn to study the alternative system Islamic banking. I have been associated with IOS and have attended many of its seminars on the subject. People approach me to put forth some relevant question. But I am not an economic or financial expert like Dr. Ausaf Ahmad or Dr. Nijatullah Siddiqi, so I cannot satisfy them. I think there should be an orientation programe to enlighten people on the fundamentals of the subject. I would like to suggest that IOS should set up a small institute to provide guidance on Islamic banking. This first hand information will go a long way to satisfy and attract people who want to know about the new system.

Now, I want to say something on teaching economics in our Islamic seminaries. These days I have been going through a book titled what a rich father tells to his children and what a poor father tells to his children. The Author has used a term "Financial literacy". He says that children should orientation on economics and finance at this early age. The primacy education of the subject will make them worthy to understand the fundamental terms of economics I my self was a science student but had no interest in economics and finance when I came to Delhi I learnt what was ability and asset. So these subjects must find a place on madarsa curricula. To day madarsa students are qualifying in IAS.

Those who join modern universities after their graduation from madarsa raise their heads as they combine modern and classical education. We must therefore impart elementary education of finance and economics to our children whether at our home or at the madarsa. Maulana. Farooqi has rightly suggested that as we collect contribution for madarsa we should do the same to teach these subjects at our madarsa I am an ardent proponent of madarsa and contribute generously to its fund. If the collectors of contributions for madarsa convince a donor to contribute more as the madarsa has introduced a new course on economic I am sure the donor would respond positively.

Dr. Manzoor Alam has advocated for setting up a Waqf and Trust. I may tell you that formation of Waqf is no more a legal course of action. Many people approach us to draft a Waqf deed as they wish to set up a Waqf. But if a Waqf is formed it will go to the Waqf board as it is the custodian of all Waqf, old, existing or new one. So people turn to make a trust. We should therefore try to get the Waqf Act amended that individual Waqfs will not go to the Waqf boards. If the Act is modified we will not have to make trusts, New Waqf will come up and function actively.

Mufti Dr. Sadiq Mohiuddin

Dr. Ausaf Ahmad has suggested to recover fee from the students pursuing specialization course in economics at madarsa. The students from rich families could afford to pay the fee but if a talented but economically backward student wants to join the course, we may help him through scholarship from zakat or motivating some benefactors to come forward to help the student. If we are able to convince our donors that the community (Muslim Ummah) is in need of doctors, engineers and economic experts so they should extend their helping hand for the purpose and they would be

rewarded for it in the hereafter. I am sure they will react positively. Mr. Ateeq Ahmad Bastavi has lamented that our community has now a mind set to earn interest this trend must be scratched away. I may submit that we live in a country where Islamic rules are not in force. Those who want to enter in to business if they don't know trade rules, they suffer losses. Since the scrupulous ones invite them to invest to earn profit in a permissible way. They collect huge sum of money from them, squander it away. So Muslims have no alternative but to deposit there money with the banks. They are satisfied that there money is still safe in the bank deposit. Those who invite them to be a partner in business they trend to eat up their capital money on the pretext that they have paid their profit. Under these constraints they turn to the banks functioning on the basic of interest so if Islamic banking system is introduced in India we must have stringent law to punish those who commit transgression. We should also involve our madarsa scholars in this scheme.

Convener

The learned speaker has raised many significant points. A mindset to earn interest is an alarming trend and it must be curbed. Our financial institutions must have a proper control and monitoring system. Only then, they will regain their reputation and public faith in their functioning. Now under the prevailing financial crisis, banks have also lost their credibility. Many leading banks have crumbling so there should be equilibrium.

Dr. Abdul Azim Islahi

How to finance the teaching of economic subject in Madarsa is what we are discussing at this session. Self financing is one of the suggestions put forth. There was sharp reaction to it but I think it is a good suggestion and we should

translate it into action. I remember that in the past a fatwa was issued that fee for issuing fatwa is permissible. What is harm if we teach our students under a self financing scheme? As I have stated that many hundred thousands of people are employed with Islamic financial institution in gulf countries. In 2020 the figure will be and two much more. This is only in the Gulf region under the prevailing conditions. It is expected that such institutions will come up in our country also. In such an eventuality in these institutions some will be share holders others. There will be a need of financial advisors. This consultancy service is essential. In these institutions are malfunctioning is because there is no proper guidance available to these institutions.

Concluding Session

President: Mufti Mohd. Sadiq Mohiuddin

Convener: Khalid Saifullah Rahmani

Ehsanul Haq

I have already expressed my views about the services and contribution of the Islamic Fiqh Academy. What we have discussed here is of tremendous significance to transform our madarsa. The proposals passed here should be taken forward and action should be taken in the light of discussion. We cannot introduce new courses at the level of specialization unless we have competent scholars and teachers to guide our research scholars at that level. I may quote here an instance. At our Islamic financial institutions a product is the *Wadiah* (Trust). It is used as an alternative to saving bank account. Under the scheme a depositor deposits its money with the bank. Now from the very first day there is a relationship between the bank and the account holder. If the bank pays something, it would be interest. To avoid this sort of dealing, *Wadiah* is an alternative under which the depositor paid money to the bank. The bank is at liberty to use this money according to its free will. What the bank pays to the depositor, it would be a gift not interest. In Pakistan, some one in an article has opined that just as to take something extra on ones deposits in bank is interest; similarly receiving something extra on ones assets comes under the preview of interest. I also contributed an article with reference to what has been written in *Bahishti Zewar* by Maulana Ashraf Ali Thanvi. So the issues surfacing under the prevailing conditions here or elsewhere, we should sort out their solution and compile them in volume. This process should continue. It will enlighten our students and masses. The proposals we have adopted at this conclave,

will guide us to seek new avenue for raising ways and means for our madaris.

Mohammad Yasin

What we hear at this gathering since yesterday bears testimony that our intellectuals and *Ulama* have come together. This coordination augurs well for our community. Some learned speakers at this conclave have asserted that economics is already being taught at the Islamic madaris. We may or may not agree with this claim. No doubt Islamic madaris have been teaching Islamic economic in a typical method but so far as modern aspect and modern terminology of the subject is concerned our students know nothing of it. I think our *Ulama* and experts should shoulder the responsibility to compile literature to enlighten our madarsa teachers and students on the fundamentals of modern economics and finance. If our student wants to keep pace with the fast changing time they must be competent in modern economics and finance. This is the only way they will withstand the onslaught of time when they are exposed to modern challenges. Our teachers who are interested and have an aptitude to teach these subjects should be trained well. They should know the pros and cons of modern economics and finance. Workshop and training camps should be organized to train these teachers. Equipped with orientation and training these teachers will instruct in these subjects with confidence and competence. This coordination and collaboration between our *Ulama* and experts should also be on permanent basis. An abiding relationship and cooperation will help these problems to be solved as per the demand of our time and of our faith.

Mohd. Hashim Qasmi

There is no doubt that Islamic economics is being taught at our madaris from the very beginning. But with the changing times new norms of fundamentals have also emerged. Unless we are well aware of these modern changes were additions of terminology we will not help us to understand the subject. In modern terms we already have annotations on *Quduri* and *Hadith*. Now we should compile these annotation in the light of modern economic rules and practices. Our text will remain the same our objective will not undergo any changes, what is to be changed is the style and approach. The old will yield to the new. May Allah bless our *Ulama* and scholars who have awakened us to the new requirements of our time. I am sure with Allah's favour we shall not be found wanting in this field also.

Mufti Fuzailur Rahman Hilal Usmani

It is heartening that *Ulama*, scholars and men of insight from all over the country have attended this conclave and have expressed their seminal views on a very vital subject. The institutions that collaborated to convene this seminar deserve our compliments.

There is no doubt that economic power is the paramount factor in the human society. When Allah's Messenger (Pbuh) emigrated to Madina. The economy of the town was under the control of the Jewish people of yathrib. He (Pbuh) realized the importance of trade and economy so he (Pbuh) launched a free market there. He (Pbuh) himself monitored the transactions at the market. All were allowed to do their business provided their transaction was strictly based on honesty and fair dealing. He (Pbuh) frequented the market to check the transactions and exhorted the traders to be fair in their business. Once he (Pbuh) put his hand deep in the

heap and found that the cereal on the upper level was dry and good in quality but wet corn was under the upper level. He (Pbuh) said that it was an act of dishonesty cheating and deceiving. There should be no commodity of inferior quality covered with a superior one to attract the customer. Free market was a step to save people from the economic exploitation by the Jews. He (Pbuh) did not confront with the Jews but started independent transactions based on fair dealing. Maulana. Mohammad. Salim Qasmi in his address has highlighted a very significant point when he said the people have a false impression that Islam is based on indigence. It is not a fact. Islam teaches to earn wealth. But it should not be the sole objective of our lives. It is not the end but just a means for sustenance. What we are witnessing today are the tactics of multinational companies which control world economy. I was going through an article, which revealed that by their sale of cigarettes in Arab countries, American companies earn million of dollars as profit and this money goes to the pocket of Jews. So we must realize the power of economy. Our Muftis who issue fatwas, when they receive question referring to the old economic terminology, they easily forward a reply to the concerned person. But if some one quotes modern economic terms to explain his points the Muftis often fail to comprehend it. It would be better if we compile a treatise containing all these old and modern terms to facilitate our *Ulama* and students to comprehend them. On the point of specialization in Islamic economy. We have been enlightened by our eminent scholars at this seminar we can proceed further in the light of the inspiring suggestions. We must try to acquaint our selves with the modern aspects of the subject Allah's Messenger (Pbuh) has said Allah save me from the knowledge that is not beneficial. This division of knowledge convinces us that the positive side of knowledge should be our good. Knowledge is the lost

property of a believer. We must join hands to gain from what is beneficial.

Maulana Ziauddin

I think first of all we should undertake the task to prepare a book containing old and new terminology of economics. A scheme should be chalked out. Teachers and management of the madaris should have an opportunity to deliberate on it. The teachers who teach Islamic economics at madarsa be trained through workshop and training course to teach the subject in accordance with modern conditions. This scheme should be introduced at leading madaris. It would not be advisable to alter the existing curriculum to accommodate new subject. Our students are already over burdened. Only those students at the final stage of their study should be selected to study the new subject if they are interested to join the course. Dr. Manzoor Alam, Dr. Ausaf Ahmad and Dr. Abdul Azim have enlightened us with their valuable suggestions. We should move ahead in the light of the advice given by them. In stead of adding new subject to curriculum. We should train our teachers and make them understand modern terminology to enable them to instruct their students in modern times.

Dr. Mohd. Manzoor Alam

We have commenced the proceeding of the session with the recitation of Surah Ikhlas from the Holy Quran. I think we should keep in mind the last Verses of the Surah. At this stage I am reminded of the late Qazi Mujahidul Islam Qasmi. Twenty years ago in this very hall where we are congregating today. The Islamic Fiqh Academy had its two sessions within one year in collaboration with the IOS. I had my first meeting with Maulana Mujahidul Islam Qasmi at the Mosque of Allah's Messenger (Pbuh) in Medinah.

Earlier I had had met him when I was a student of 8th class. I had approached the eminent *Ulama* the late Maulana Ali Miyan, Ml. Abul Lais Islahi and Maulana Abu Saud Baqvi, all the three are no more. We discussed the point of the study of modern subject All of them were unanimous in their opinion that only Qazi Mujahidul Islam Qasmi could do the job. When we met the Madinah we discussed the issue when we held the conference. It was inaugurated by Maulana Ali Miyan Nadvi who had remarked that during the 40 years of his public life he had not seen a congregation with such a galaxy of our *Ulama*. Maulana Saeed Palanpuri had also participated at the conference. Dr. Abdul Haseeb who was then the Director of Reserve Bank of India had explained at the conference how money is created what are the methods to create money. Ml. Sayeed Palanpuri was next to address the conference. He said that what he had heard from Dr. Abdul Haseeb it had put him in a state of be wilderment. He would not express his views unless he studied the subject thoroughly. It shows that we can learn from others. I vividly remember that when I asked Qazi Mujahidul Islam Qasmi whether modern subject should be studied at the madarsa he had prophetically remarked "Just wait for 20 years only, all the subjects will find a place on our madarsa syllabi". To day this institution is completing two decades of its existence My Allah favour Qazi Saheb with His blessing and mercy. May he find a higher place in the paradise. I may tell you that Institute of Objective studies had launched a program to produce volumes on modern subjects in Urdu. It has published a book on political science in Urdu. It dealt with Islamic principles of politics. A book on geography was also brought out at the time of disintegration of Soviet Union. We have also introduced a book on social sciences. Some other manuscript are in wait to be brought out. But since we did not have an encouraging response from madaris we have postponed more publication. I am sure that conclaves like

this one will awaken our people towards the study of these subjects and we will bring out more volumes on modern disciplines.

Convener

Most of the issues deliberated at the conclaves of the Academy mainly revolve around Islamic banking system. We are glad that the three institutions have convened this congregation. It is indeed a very much representative session. What we need is to train such scholars who can guide the Ummah in this direction. The most important thing is that we should benefit ourselves from one another. We must not hesitate in learning something or teaching something to the one who does not know. Some one asked Imam Abu Hanifa how he become such an erudite scholar. He replied that he never hesitated to learn something from anyone. The proposal and suggestions that have been put forth at the conclave or have been submitted in black and white are very much inspiring. Concerning workshop, concerning Islamic madaris and concerning the curricula of Islamic madaris. But the issue of this session is how to arrange for the study of Islamic economics in our madaris. We have selected the proposal on which there is consensus upon them. A committee has also been constituted. The issue of the madarsa curricula is a crucial one. Text finds a central place on the syllabi Annotations and commentary are distinct from the text. Our Jurists have opined that Fatwa must be issued in the light of the text, as the text is invariably authentic while annotations are commentaries have their base on personal views. As Dr. Manzoor Alam has said that many volumes on modern subjects could not be brought out as their was no encouraging response from madaris. I think it was because lack of knowledge on our part. But if we have interaction with the madaris before bringing out a text book it will facilitate both the parties to

comprehend the implication and complication of the step. This proposals put forth at the session have been drafted and will be read out to the participants after the Asr (afternoon) prayer. There may be some changes in their wording but the spirit of the proposals will be preserved.

Convener

You have just heard the draft of the proposal now I would like to request Dr. Ausaf Ahmad who has been the motivation force behind this conclave to propose a vote of thanks to the participants of the congregation.

Dr. Ausaf Ahmad

I have been directed by Maulana Khalid Sahib to say something to express gratitude to those who very kindly made it convenient to attend the conclave. I think thanking the participants at the concluding session or in the valedictory address has become a long standing convention. I have had many occasions to stand up to thank the audience. I remember that renewed Urdu poet Ghalib had lamented that we stick to the old traditions when at the Islamic Fiqh Academy, I happened to study a Hadith that one who is not thankful to the people he is not grateful to Allah either. So first of All. I thank Allah Almighty who blessed us with His favour to hold this epoch making conclave. After invoking Allah's blessings and peace on His Messenger (Pbuh) I would like to mention of the institutions which have joined hands to convene this congregation. Islamic Fiqh Academy was in the forefront. Maulana Ameen Usmani Nadvi, Maulana Khalid Saifullah Rahmani, Maulana Ateeq Ahmad Bastavi Qasmi all hailed the idea and took the task upon them selves. Dr. Mohd. Manzoor Alam the Chairman of the Institute of Objective Studies is present at the session. He offered all the means he

had at his disposal. Our heartiest thanks to Islamic Research and Training Institute Jeddah (KSA) a member of the Islamic Development Bank group. It helped with a generous donation that went a long way in holding this conclave. We are extremely grateful. Now we come to the individuals eminent *Ulama* particularly who presided over the various sessions of the conclave. Maulana Mohammad Salim Qasmi (*Mohtamim* Darul Uloom Waqf, Deoband), presided over the inaugural session. We are thankful to him that in his old age and braving the inclement whether he travelled from Deoband to Delhi. Similarly we are thankful to Dr. Nijatullah Siddiqi who came all the way from Aligarh and delivered the key note address. Then Maulana Dr. Sayeedur Rhman Azmi Nadvi (*Mohtamim* Darul Uloom Nadwatul Ulama Lucknow) who presided over the first session of the conclave. Maulana Nematullah Azmi who presided over the second session. MI. Kaka Sayeed Ahmad Umri, who presided over the 3rd session MI. Mufti Dr. Sadiq Mohiuddin who is president of this concluding session, MI. Syed Nizamuddin (General Secretary All India Muslim Personal Law Board). We offer our gratitude to all these eminent scholars our thanks are due to the scholars who presented their valuable theses /papers/ articles at the conclave. Dr. Abdul Azeem Islahi, who came from Jeddah, our friend Sirajul Haq an officer at the Islamic Research and Training Institute who has been sponsored by the IDB. Representatives of the Islamic madaris from All over India have participated at this conclave. It bears the testimony that the participants are aware of the significance of the subject debated at the congregation / workshop Dr. Bagh Siraj from Darul Umoor Karnataka, Mr. Mohammad Plath from Jamia Islamia Shanta Puram they all made the workshop a truly representative conclave. We again express our thank to all the participants. I will fail in my duty if special mention is not made of the meritorious and dedicated service of the officials of Institute of objective studies and

Islamic Fiqh Academy India. Their untiring efforts turned a dream in to a refreshing and satisfying reality. Our heartiest thanks to all of them.

Convener

Thank you Dr. Ausaf Ahmad. In what exquisite and attracting and appealing way you have expressed your sentiments of gratitude. One of our eminent Islamic Scholar Maulana Abdul Qadir Arfi (Iran) who has come from Iran and has been associated with an Academic and Research Institute in Iran, also deserve our hearty thanks. We have been benefited ourselves at the Academy seminars from his scholarly advice. When we mention so many names we some times forget one or two names. It is however a lapse. I thank him on my behalf and on behalf of Dr. Saheb. In deed this conclave has been a success even beyond our expectations. The madarsa teachers and those at the helm of affairs have responded overwhelmingly by, to our call, it is very much encouraging. May Almighty keep this solidarity firm and functioning? I am sure that we will continue our interaction to proceed further to achieve our objective. I now respectfully request Mufti Dr. Sadiq Mohiuddin president of the session to deliver the valedictory address of the congregation.

Mufti Dr. Sadiq Mohiuddin

As we all know that India received the refulgence of Islamic message through our preachers. Their efforts went a long way in the diffusion of the divine faith. Hazrat Sheikh Mujaddid Alf Saani was a revolutionary scholar who came forward to uphold the Truth when falsehood wanted to overwhelm it. Now the responsibility of upholding the Truth rests on the shoulders of Islamic institutions. The contribution of our Islamic madaris is to be written in golden

letters. I had been a student of an Islamic madarsa. I know how our teachers worked with dedication. They received humble salaries just RS 50/- or Rs 60/ per month- It was in 1960s. The blind teacher Hafiz Saheb who was responsible for the memorization of the Quran received just this meager amount as salary. But we never saw him complaining. They all were content and dedicated to their obligations. How sympathetic he was to his students I may illustrate it through my own personal experience. One day, when I was playing Gulli Danda with my class fellows after the madarsa hours, Gulli hit my eye and it was bleeding. Hafiz Saheb when come to know of it he came and took me to his house, He took rice and ghee boiled it and treated the injury with the heat of it. I was relieved of the pain although he was blind but did all this smoothly. The episode that I have mentioned here shows that our madarsa teachers loved their students like their children. The rich contribution of our madaris and its graduates who provide guidance to their people in all aspects of life is an abiding phenomenon.

The field of finance and economics will also not remain neglected by our scholars. The Islamic Fiqh Academy and two other Islamic Institutions have taken the initiative to hold this workshop. I am sure it will lead us to a new and bright direction. The coordination and interaction of our scholars and *Ulama* will ensure better results. I am thankful to Maulana Khalid Saifullah Rahmani and the Islamic Fiqh Academy who very kindly invited me to attend the congregation.

The congregation of *Ulama* is always something satisfying. Knowledge and its acquiring is always a refreshing experience. There is nothing more exhilarating than the study of a new subject or its chapter. Our teaching profession brings us closer to the *Quran* and *Hadith* and the contributions of our jurists. This is what stimulates our

souls. It is very encouraging that our eminent *Ulama* have participated at this conclave and our scholars and experts also made it convenient to attend this congregation. Our economic and financial experts have graced the conclave. We have been enlightened on various issues and points. I myself feel privileged having participated at this workshop. I once again express my thanks to the Academy that they remembered me at this occasion. I was extremely delighted the way Dr. Ausaf Ahmad addressed the session thanking all the participants. I take this opportunity to thank him for his very much refined way of thanks. Now the conclave comes to an end

The congregation concluded on invoking Allah's blessing and favour.

DOCUMENTS

Message

Syed Mohd. Rabey Hasani Nadvi♦

Assalam –o- Alaikum Wa Rahmatullah

I received your invitation one after one to attend the conclave organized by the Academy. It is a matter of privilege for me to participate at the consultative or deliberative meeting of the Academy and I feel that it attracts Allah's favour on me as well. But in view of my failing health and the scorching heat, I find myself unable to attend the congregation. Representatives from our institution will participate at the conclave that would be more than sufficient. So far my opinions and views, I had referred to wards some of the points in my letter that had very kindly appreciated.

I had expressed this opinion that there is a clear variation between the Islamic concept of economics and that of the western one. No doubt Islam lays emphasis on earning livelihood. There are two instances, when a person came to Allah's Messenger (PBUH) asking for help, he (PBUH) asked him to bring the bowl he had as his property. The bowl was put to auction. He (PBUH) gave the coin to the

♦ Nazim Nadwatul Ulema (Lucknow)
President All India Muslim Personal Law Board

person to meet his expenses. For another Dirham he (PBUH) purchased an axe. Fixed a handle with his own hands and gave it to him to cut wood sale it in the market and earn his livelihood. In another instance one of his companions offered to devote all his property in Allah's cause. But He (PBUH) did not allow him to do so. The companion then offered half of the total property to give in charity He (PBUH) did not permit it. Then he said he would like to give away one third of the total assets. He (PBUH) agreed but advised him to ensure that his children are not left without any supporting assets.

By these two examples Allah's Messenger (PBUH) taught us the principle that one must do something to manage and earn his livelihood. But the western approach is to earn to the maximum extent even exploitation is permissible in their system Human hunger has a limit others have also their limit of hunger. Allah's Messenger (PBUH) said that if a person gets a field full of gold he would have the hunger to have another field full of gold. If he got a second one he would desire to have a third one. He (PBUH) also said that only the earth (mind of the grave) could fill up human avarice. Western economy is based on the instance of such a person. The capitalist system makes a class of people extremely wealthy while others starve. Under the communist ideology that labour is not a voluntary act and labourers were devoid of the sense of labour. Islam avoid both these approaches so we have to distance ourselves from both the above systems and have to find out our way as preached and suggested by Islam.

Allah Almighty has enforced Zakat system. If the system is implemented justly, there would be no economic crisis. Had not the Zakat system sufficient, Allah Almighty who is All knowing would have revealed a more comprehensive system. Allah says: You get usury that it would add to your

wealth but to Allah there is no increase in wealth. You pay Zakat and there by seek Allah's favor, such a payment increases your wealth many fold (Al Rum:39). Pointing out the evil of usury it has been like declaring a war against Allah. It is like a snake. One must not go near to the snake attracted by its colorful skin and must not want to touch it. Such a step is to be avoided at all cost.

Islam is a comprehensive religion that covers all the aspects of human life. It does not confine to belief and worship but has consideration for the natural desires of a man and are closely related to the economic necessities. So to be in pursuit of these requirements is not only desirable in Islam but under certain conditions it becomes necessary. But with this comprehensiveness Islam also tells us what is much necessary and what is of a lesser necessity. One example of this approach is that once Allah's Messenger (PBUH) was preaching on the pulpit when a caravan of traders arrived in the town. Those who had their commercial interest rushed to the caravan leaving him (PBUH) on the pulpit. Allah Almighty warned such people that they turned to the worldly benefits while they were called towards Allah's worship. But at the same time it was advised that when they had offered the prayer, then go to attend their business activities. It was not advised that should go after one aspect only. The Quran says: "O you the believers when you are called to the congregational prayers on Friday, leave your business (trade) and rush for the prayer. It is better for you, if you have comprehension and knowledge, when the prayer is over, spread on earth (to earn yours livelihood) and have Allah's remembrance profusely (Juma:17), In this verse sequence has been set that what should have priority, so a believer has to take care of both the aspects. The second example is that of Hazrat Abu Baker. He was a big businessman. When he was chosen the Caliph he was going to the Market to attend to his business. Hazrat Umar

questioned his step that if he went to the Market who will look after the affairs of the government. Abu Bakr said that he will have to do something to earn his livelihood. Hazrat Umar suggested that he should accept some remuneration for his services from the public exchequer. Keeping in view the importance of the responsibilities he agreed to the suggestion. He could have had recovered the remuneration according to his standard of living. He was the head of the state and was entitled to better wages. But he opt for a meager amount that he could lead a life with Spartan simplicity. He stuck to this standard through out his life. Islamic history bears testimony to it.

So what matters is sequence. Every aspect has its own value, what should get priority and what to be taken up subsequently this sequence is to be observed. Here the Western concept clashes with that of the Islamic one. So we have to look on it in accordance with the Islamic point of view. In the western concept priority is given to increase wealth many fold. Greed and avarice provide the base for it. In the Islamic concept necessity gets the priority. Human welfare and empathy is also Islamic priority, hence Zakat system. In the western system banks function on the basis of interest and the system has got tremendous importance. The evil of this system does not unravel itself immediately but the detriment it causes to the society unfolds itself gradually as we have witnessed it today. So we should follow the path that leads to human welfare and avoid the way that will ultimately cause social and economic ruin. The privilege Islamic Madaris enjoy is that they belong to the religion. They are identified as religious academic institutions so we must keep in view what has been divinely revealed in connection with the verse of Surah Al Jummah discussed earlier.

Making Islamic principles as the basis, we should ponder on it how to accommodate Islamic economic system with the new challenges and contemporary conditions. Economics is the demand of time and no one could ignore it. But we should evolve the Islamic economic System without having the influence of the alien system. Our modern academic institutions, colleges and universities where facilities for research are also available, a mechanism should be introduced to find out the ways to avoid the shackles of the western financial system. It is unfortunate that no such attempt has so far been made. For decades we have been propagating in favour of that system. In our Islamic Madaris economics should be studied in view of its importance and the extent it is needed. It should however, be studied in the light of the Islamic point of view. At Nadwatul Ulema (Lucknow) we have already introduced the study of economics and political science as a regular subject of study. During my student days I have had studied economics from a text book that was on the curricula of intermediate level at the Usmania University Hyderabad and it was also included in the syllabi of Nadwatul Ulema (Lucknow). Subsequently I studied the subject upto the graduation level through my personal efforts.

So I understand the importance of economic and favour deliberations on its every aspects in a way that is the best and pragmatic one. I deem it necessary but without ignoring Islamic point of view. Such a system mixes up trade with interest. I hope our economic experts will not ignore Quranic rulings while debating the subject of the seminar. These are some of my submissions. I pray for the success of the seminar and regret my inability to have attended it.

Report of the workshop

Islamic finance has today touched a high point that some years back not many could have imagined, many countries are now practicing Islamic banking and finance in their respective jurisdictions. Particularly after the breakout of recent economic crisis in several industrial countries economic and financial experts have found themselves forced to take notice of Islamic banking and finance as Islamic financial institutions were least affected by the crisis. Hence, there has been a renewed interest Islamic banking and finance as an alternative system of financial relations. It is also held that Islamic banking and finance system has proven its worth in diverse environments and financial markets. Hence, it is hoped that it may have the capabilities to redeem the world from its various economic and financial problems that it is faced with, in the contemporary period.

It was this feeling that prompted Islamic Fiqh Academy (India), Institute of Objective Studies in New Delhi and Islamic Research and Training Institute Jeddah to hold a joint workshop on this subject on 25,26 April 2009 corresponding to 29,30 Rabiul Thani 1430AH. The two day national workshop on Teaching Islamic Finance and economics in the Indian Madaris was held at the Convention Centre of Jamia Hamdard (Hamdard University), New Delhi. Eminent scholars and Ulema (Islamic religious scholars from India and abroad participated in it. Delegates from various renowned Islamic schools and a galaxy of well known economic experts made the conclave all the more

relevant. Islamic Development Bank Jeddah nominated Dr. Abdul Azeem Islahi (Professor of Islamic Economics, King Abdul Aziz University Jeddah), and Mr. Sirajul Haque (Islamic Research and Training Institute of the IDB group). Among the prominent participants were Maulana Mohammad Salim Qasmi (Rector, Darul Uloom Waqf Deoband), Dr. Nijatullah Siddiqi (Former Professor of Economics, King Abdul Aziz University, Jeddah), Dr. Sayeedur Rahman Azmi Nadvi (Rector, Nadwatul Ulema Lucknow), Maulana Nematullah Azmi (professor of Hadith Darul Uloom Deoband), Maulana Syed Nizamuddin (Ameer Shariat Bihar, Orissa, Jharkhand), Maulana Mufti Sadiq Mohiuddin (Mufti Jamia Nizamia Hyderabad), Maulana Syed Mohammad Wali Rahmani (Jamia Rahmani Munger), Ml. Kaka Sayeed Ahmad Umri (Jamia Darus Salam Umerabad, Tamil Nadu), Maulana Abdul Qadir Arfi (Iran), Dr. M Y Bagi Siraj (Darul Umoor Karnataka), Dr. Rahmatullah (Mumbai) besides many other eminent scholars and intellectuals.

The inaugural session of the workshop was held on April 25, 2009 presided over by Maulana Mohammad Salim Qasmi (Rector, Darul Uloom Waqf, Deoband). The program started with the recitation of a few verses from the Holy Quran by Maulana Abdullah Tariq. Maulana Ateeq Ahmad Bastavi Qasmi (Secretary Academic Affairs Islamic Fiqh Academy India). Mr. Mohd. Sirajul Haq (IDB Jeddah) and Dr. Ausaf Ahmad (IOS New Delhi) welcomed the participants on behalf of their respective institutions.

Maulana Khalid Saifullah Rahmani (General Secretary Islamic Fiqh Academy India) delivered the inaugural address in which he dealt with, in depth, the services of Islamic Schools and underlined their significance. He highlighted the important role Muslim religious scholars (Ulema) had played in all ages in the reforming the Muslim

society. He mentioned that several Indian Ulema including Manazir Hasan Gilani, Hifzur Rahman and Maududi advanced Islamic economic ideas and contributed towards elaboration and understanding of Islamic economic principles. But in this contemporary era Muslim Ulema from the Indian subcontinent have become some what indifferent towards it. Stressing upon the significance of the subject, he said that today world is eager to be benefit from the merits of this system. Ulema are therefore, obliged to come forward to universalize the merits of this Islamic system and guide the people towards it.

Mohammed Nejatullah Siddiqi, a noted Islamic economist and one of the founders of modern Islamic economics and finance, delivered the key note address. In his address, he highlighted the significance and merits of the Islamic finance and pleaded for its inclusion in the curricula of Islamic schools. Siddiqi identified several important points, some of which are reported bellow:

1-Main task of those engaged in preparation of the curricula at these institutions, is to comprehend and explain the confines and scope of objectives of the Shari'ah (Maqasid al Shari'ah) as they relate to finance and economics.

2-Economic history should find a prominent place in teaching the Islamic finance.

3-Compilation of Islamic finance in the light of the ground realities, Quranic text, Sunnah and Islamic history, is still in its initial stages and it still demands a great deal of basic research. It is futile to expect that only the universities shall be able to fill this void. The religious scholars and religious schools, in India and elsewhere must carry out their duties. Some leading Islamic Jamia (university) must take up fundamental research work on Islamic finance.

4-Teachers of Islamic finances in Islamic schools must have deep insight in the contemporary Islamic finance, its evolution and growth. It must be a part of the curricula.

5-Compilation of Islamic finances, text objectives and exigencies must be kept in view. Specific attention should be paid upon the study of objectives of Shariah, particularly the objectives relating to the economic life.

Besides these, he also emphasized upon reducing the size and load of present curricula, getting the services of qualified teachers either part time or on honorary basis and preparation of the text books. He stressed upon cooperation among various institutions. He pointed out that current teaching methodology emphasize the role of memorization and textual interpretation. Without undermining the role of these techniques, the madaris should be able to evolve new methodologies of analysis and emphasize creative thinking and interpretation of factual data.

Throwing light on the aims and objectives of the workshop Maulana Ateeq Ahmad Bastavi Qasmi, Academic Secretary of the Islamic Fiqh Academy of India said that at present Islamic banking system has been functioning in a number of countries. The vision of interest free banking is no more a mere idea. It has since been transformed in to reality. More than three hundred financial institutions across the world are now functioning on interest free basis. It is incumbent upon Ulema to provide guidance to them. He underlined the need to have orientation programs in madaris on various economic and financial subjects¹.

Dr. Mohammad Manzoor Alam, Chairman Institute of Objective Studies, New Delhi in his specific address

¹ Full texts of this and other speakers at this session are reproduced in part IV of the Proceedings.

highlighted the significance of the subject in the contemporary context. He said that India is at the threshold of emerging as a major economic power in the world and there is no justification for the government not to allow Islamic banking system in the country. Commenting on the committee constituted to deliberate on the subject he expressed the hope that its reports will be positive. He further said that in India educational institutions of particular nature could be established. There is no ban on it but certain impediments exist which can be removed with concerted efforts. He also drew attention towards the fact that Indian scholars and Ulema have always offered unique solution to the challenges confronted by the society and they will not lag behind in this respect also Insha Allah.

Maulana Salman Husaini Nadvi (Professor Nadwatul Ulama Lucknow) said that during the era of Messenger of Allah (Pbuh) the issues of finance and economics were not on the priority list of Islam. Priority was given to political authority first and these economic issues were taken up subsequently. Economic problems cannot be solved without political authority. With reference to economic education in madaris he drew the attention towards two aspects: 1-New terminology and language in the curricula, 2-Practical experiments with theory.

Maulana Zubair Ahmad Qasmi complimented the participants and the institutions who offered their cooperation in making the workshops a success.

Maulana Mohd Salim Qasmi in his presidential address threw light upon the significance of the subject and teaching Islamic economics in madaris. He said that it is an auspicious step that so many Ulema have gathered under one roof to discharge their duties towards an important religious

obligation. It is heartening that experts of religious sciences and intellectuals have also joined hands.

The First Technical Session

After the inaugural session the first technical session of the workshop was held. Its subject was, “Islamic finance and economics – it’s teaching in the Indian Madaris – prevailing conditions and potentials”. It was presided over by Dr. Sayeedur Rahman Azmi Nadvi (Principal Darul Uloom Nadwatul Ulama Lucknow). Three papers were subject to debate and questions from the floor. Maulana Ateeq Ahmad Bastavi Qasmi, Academic Secretary of the Islamic Fiqh Academy acted as the convener of the session.

The first paper was presented by Maulana Khalid Saifullah Rahmani on “Fiqh al Muamalat as a part of the current curricula in the Madaris”. It was an appraisal of the curricula, the Quran, Hadith, jurisprudence and fundamentals having business in it, method of teaching. It was explained that the chapter on Muaamalat (business dealing) we find little details instead we find principles and general formula. The Jurists have therefore ample opportunities to exercise Ijtihad (analogical inference). Also, there are wider opportunities of allowance of exigencies the view of the prevailing conditions and to check prohibited dealings. It was pointed out in the paper that students are not concentrating upon fundamentals and dealings while studying the exegeses (Commentary on the Quran) though these basic points and fundamentals are available in the Quran at many places. While teaching Hadith the variation in the text attract detailed discussions but proper attention is not paid to the dealings business affairs and during the teachings they do not have insight in the exigencies of the commandments. It was stressed in the paper that there should be changes in the method of teaching

the jurisprudence. The teachers should apply their views of the concerned jurists on the contemporary conditions and explain modern terminology to the students in the context of new methods. It will facilitate the students to comprehend the subjects with their applicability and a sense will prevail among them that these are not theoretical subjects only but can be applied in modern conditions as well. Such jurisprudential principles that have ample significance in the business dealings find hardly anyplace on our curricula. It is therefore necessary that a brief text book on jurisprudential fundamentals should be included in the pre Fazilat course. The students engaged in training in Fatwa must be taught the economic and financial fundamentals.

Dr. Ausaf Ahmad presented his paper on “Teaching of Islamic Finance in Islamic Madaris in India”. He analyzed the situation keeping in view the contemporary requirements, social necessities and possibilities within the background of prevailing conditions of Islamic finance and banking and finance industry. He was of the view that the overwhelming majority of Muslims is not well aware of the principles of Islamic Banking. The Ulema (scholars) from the Madaris and the graduates of the modern universities both are at the same level of ignorance in this respect. He said if Islamic finance and economics are taught in the madaris it will on the one hand make the Islamic scholars aware of these subjects, and on the other, common man will also be educated on the issue. Mentioning of some of the Madaris where these subjects are taught he identified the difficulties and the points that require attention. While mentioning the financial administrative and academic problems he highlighted the need to provide qualified teachers and production of text books. He said that the emergence of Islamic finance has provided new potentials for the Islamic Madaris. Now it is up to these Madaris that

they apprise themselves of these potentials and make positive use of them.

Speaking on the occasion Dr. Abdul Azim Islahi (Professor of Economics King Abdul Aziz University Jeddah) said that it is incumbent upon Ulema to comprehend the Jurisprudence of modern business dealings and finance and to decide Shariah ruling about it, as the students of the Madarsa have from the early days are being taught these subjects. He said that without Ulema Shariah supervisory board will have no relevance because only the Islamic scholars could opine that how far the new forms of dealings are compatible are compatible with the Shariah. But it needs addition of Modern terminology and terms of dealing in our old Jurisprudential legacy. He expressed the hope that if Madaris resume teaching Islamic finance they will be better placed than the modern educational institutions as this has been their traditional field of learning. Expressing his views on the teaching of Islamic finances in Madaris, he said there could be two stages in this respect. The first stage would be where finances and the old theories of business dealings are aught in modern forms and methods. The second stage would be a stage of specialization covering one or two years research on Islamic finances and the relevant subjects. Pointing towards various challenges in this regard he also offered some solution to them. Then, there was a long drawn debate on the subject the Madarsa administrators and other intellectuals expressed their views. Many of them acknowledged that business dealings has been on the Madaris curricula but appropriate attention was not paid towards its teaching and no efforts were made to update or modernize the subject. The speakers expressed the hope that mutual attention and coordinated efforts could ensure progress in this direction and situation might change within a short period.

In his presidential remarks Dr. Sayeedur Rahman Azmi Nadvi said that the Quran is the fountain of knowledge on the economic fundamentals and principals. It introduces to us a successful economic system and its fundamentals. The present economic system maybe reformed along these lines. He said that it is a fact that despite it being an integral part of curricula of Madaris students is generally unaware of the economic teachings of the Quran. He confessed it that proper attention is not paid to this aspect and the jurisprudential chapters on the subject are not taught as a vibrant subject. He expressed his happiness on holding the workshop and termed it an appreciable step. He said that the workshop is a timely step in the right direction and we need to make concerted efforts to make progress in this respect.

The Second Technical Session

The second technical session of the workshop was held after the Maghrib prayer (Evening prayer) on the first day. It was presided over by Maulana Mufti Nematullah Azmi (Professor of Hadith, Darul Uloom Deoband). The topic of the meeting was “Teaching Islamic Economics and finance in Indian Madaris: its need, significance and utility”. The session was devoted to the examination of practical issues of the Institutions where Islamic Finance is being presently taught. In India, there are two institutions which have undertaken instruction in Islamic Finance. There are:

1-The Jamia Islamia, Shantapuram, Kerala which is running a Post Graduate Diploma Course in Islamic Finance.

2-Darul Umoor, Sri Rangapatnam, Karnataka which is running a special course for Ulema.

Fortunately, both institutions are represented at the workshop. The Jamia Islamia Shantapuram Kerala was represented by Dr. Mohammad Plath, the coordinator of the course. Since his paper was in English, its Urdu translation

was circulated amongst the participants and its summary was presented by Mr. H Abdul Raqib, who highlighted the significance and utility of teaching Islamic economics and finance in madaris. He made an appraisal of the potentials in future.

M. I. Bagi Siraj (Darul Umoor Srirangapattanam Karnataka) drew attention towards some very important points. He said that in view of the relevance of research and development in the subject, it is imperative that these courses should be affiliated with an active financial institutions so that it is practice oriented course. In this context he pleaded that cooperative societies should be established in Madaris so that teachers and the students gain practical experience of financial dealings. Explaining the objectives of Madaris Dr. Rahmatullah suggested that Madaris should disown the mentality of reaction and should take positive steps. He said that instead of teaching Islamic finance as a reaction we should deal positively with Islamic economics.

During the debate on the subject many valuable suggestions were offered. Mr. H Abdur Raqib while stressing the need to include subject of finance in the Madaris syllabi said that Madaris should concentrate on the collective system of Zakat and how to make it beneficial to the individual and the society and how it could alleviate privation and destitution. He also suggested that Mosques may be made centers of Qard Hasan to help the need students and other people in need. It could be initially on experimental basis. He also said that micro finance should be an important point in Madaris. Only loans are not offered under this scheme but constant guidance is also provided to the relevant persons. He also suggested that contrast between the modern economic system and the Islamic economy should be explained to the students so that they can enlighten to Ummah on the point. He also stressed the need to launch a

campaign to make Muslims and non Muslims equally aware of the fact that only an interest free financial system could redeem humanity from the present financial crisis. He said that Ulema could play a vital role in all these activities. No better results could be expected without the participation of Ulema. Maulana Khalid Saifullah Rahmani made a mention of two objectives of economics education in Madaris: 1- Professionals could be provided to the Islamic finance companies and banks. It requires a tight and comprehensive course of study. The second objective is to provide Shariah guidance to these companies and to identify the alternatives. This can be achieved through deliberation and renovating the existing curricula.

In his presidential comments Mufti Nematullah Azmi said that we must have a clear idea that what is economics and is it an unknown and unique subject for the Islamic Madaris?. He said the economics stands for welfare and peace and the Quran also upholds these objectives. He said the principles of economics are available in the basic sources of Islam. These are the only way to lead humanity to peace and prosperity. We must derive them from genuine sources and introduce them in to our lives. But in the practical life we need whatever means and methods to apply them we should acquire them diligently. To achieve this objective we can include any discipline in our curricula. He said that Islamic Madaris have always adopted a liberal approach towards it, when Deoband felt the need it included mathematics in its syllabi. Today also we can do so. Expressing happiness on holding the workshop he stressed that we should continue our sustained efforts to universalize the just teachings of Islam so that its fine results are manifest.

The Technical Session

The third session of the workshop was held on Sunday, April 26, 2009 at 9 AM. It was presided over by Maulana Kaka Sayeed Ahmad Umri (Nazim Jamia Darus salam, Umerabad Tamil Nadu). The topic of this session was “Teaching of Islamic economics in Madaris: academic problems”. Initiating debate Dr. Ausaf Ahmad stressed the need of teaching fundamentals of social sciences in madaris. He said that basic economics could be taught in Madaris at the level of principles of economics and the economic system. The extent of the term of study could be decided by the teachers themselves. Concerning the text books he said that first the question of medium of instruction should be resolved because availability of text books is related to it. During the interim period until text books are compiled and made available to the students he suggested some alternative measures like using the text books already available in the market. For providing teachers he said that a course could be compiled to train these teachers. This brief course may be of three months duration. He also said that the students who are interested in the study of this subject there should specialization facilities from them. Some selected Madaris who have the means could provide this facility.

At this stage Dr. Abdul Azim Islahi explained the details of the two stages of the teaching of Islamic economics in Madaris. He said that the first stage may involve a short term course which might provide necessary guidance to Islamic financial institutions on economic issues in the light of the Shariah. He underlined the vital role of the teachers in this regard. While teachings economic issues enshrined in the Quran, Hadith and books on jurisprudence they may apply modern economic theories and terminology on the relevant Islamic fundamentals. He illustrated this point through the instances available in the books on

jurisprudence. The second stage might be for the students who want to study Islamic economics and specialize in it. The duration of this period could be one or two years. It might cover principles of finance, economics, and banking, jurisprudence concerning business dealings, Shariah objectives and practical experience. He suggested that the qualified student should serve in the financial institution to gain practical knowledge. So that they become competent in theory as well as in practice.

A general debate followed on the subject that covered many aspects of the issue. Maulana Shoaib (Madarsa Islah, Saraimere Azamgarh) said in the light of his experience, that excuse of shortage of time for teaching finance is not justified. A better planning could solve this problem. But he mentioned of two problems in this regard: 1-Availability of Urdu books on the subject, 2-Availability of qualified teachers. He informed the audience that despite these difficulties we have resolved the problem and economic is taught in our institution. Maulana Abdullah Marufi suggested that modern terminology on the subject should be edited in a book and made available to the teachers to make use of it and enlighten their students. Concerning modern economic and financial terminology. Maulana Mufti Sadiq Mohiuddin (Mufti Jamia Nizamia Hyderabad) said that Madaris must reconcile themselves with the modern changes. Without conformity to the modern evolution teaching might become irrelevant and problem is not solved in accordance with the norms of the Shariah. He also emphasized to establish department of Islamic finance along with other sections of specialization. He confidently said that there should be no reason to worry about financial and administrative problems. Madaris work on Tawakkal (Having faith in Allah's help) if we are determined problems of ways and means will not deter our resolve.

The Maulana suggested setting up of a separate institution for exclusive study of finance and economics. Both Ulema and Modern experts should be assigned the duty of teaching there.

Maulana Abdul Qadir Arfi from Iran, said that it was not possible that all the students have the talent for finance and economics. A text book should be on the curricula to make students aware of the fundamentals and modern terminology of the subject. He said that we have introduced Mufti Taqi Usmani's Book Modern Economics and Commerce in our curricula and better result are manifest of it. He suggested that the students interested in extensive study of the subject, there should specialization facilities for them, as is in the Pakistan and also in Iran. Dealing with the point medium of instruction he said that it is a baseless notion that English was essential to study these subjects. Valuable literature on the subject is available in Arabic. He suggested compilation of a guide that will guide to the source material on economic. It would be a guide for the teachers.

Maulana Mufti Junaid Alam Nadvi Qasmi (Mufti Imarat Shariah, Phulwari Sharif Patna) said that Madaris have no model before them for teaching Islamic economics and finance as a part of curriculum. Madaris will therefore be reluctant to accept this proposal. It would be better that at first some major Madarsa adopt it then other Madarsa might follow the suit. Talking about the compilation of the text books he said that it should be compiled in a language that Madarsa people could comprehend it and it should be easy to go through it. Similarly there should be a motivator for the students to arouse their interest in the subject. Maulana Safdar Zubair Nadvi suggested that specialization in the jurisprudence of business dealing should be recognized as equivalent to BBA so that students get benefit of their studies.

In his presidential address Maulana Kaka Sayed Ahmad Umri said that it was a new step and problem may cause impediment in its progress but we can overcome the problems. He said that economics could not be studied through some modern terms only. The students must have comprehensive knowledge of the modern system. He said that teachers can play an important role but they should also have proficiency in English language to have access to the modern knowledge on the subject. It is also necessary for them to expand their extra curricular knowledge and have comprehensive study on a particular subject. It will enable them to teach their students in a better way. Concerning the objectives of imparting education of Islamic finance in Madaris he said that we must concentrate on basic and vital objectives instead of partial or temporary ones. We must do our best to emancipate humanity from this repressive economic system. We should reach out to the public as well as the traders and usher them to the blessings of the Islamic economic system. The Maulana regretted that to day Ulema were not much worried about curse of interest based system while our intellectuals are more concerned about it. They have great expectations from us so we should come forward to make sustained and concerted efforts with their cooperation to redeem human kind from this exploitative economic system.

Fourth Technical session: Financial Administrative Issues

The fourth session of the workshop was held on the topic of “Teaching Islamic economics and finance in Madaris: administrative and financial challenges”. The session was presided over by Maulana Syed Nizamuddin. Maulana Ateeq Ahmad Bastavi Qasmi acted as the convenor of the session. Initiating the debate Mr. Ehsanul Haq said that Ulema have the Quran to check merits and demerits of every

thing. He pointed out that with the unprecedented expansion of knowledge, mental horizon of children has also widened. So revision of Madaris curricula will create no problem. The fact is that what was taught at graduation level in the recent past is now being taught at the secondary level today. So the apprehension that curricula would be heavier carries no weight.

Expressing his views on the topic Dr. Ausaf Ahmad said that the financial problem surfacing in this project need to be addressed. He suggested that the course of study of Islamic finance and economics should be started on self financing basis as has been experimented at the Jamia Islamia Shanta Puram Kerala. It would be reasonable as the qualifying students will have many options to choose a profession. Maulana Ateeq Ahmad Bastavi Qasmi opined that it may not be proper to prescribe fee for this course as talented students might not gain from the course.

Participating in the debate Dr. Mohd. Manzoor Alam said that finance will also be an important point if we introduce these courses into our Madaris. Pointing towards an important aspect he said that the donors are of the view that offering money for secular education is not like that of donating for the religious studies. He said that Ulema should pay attention towards it to overcome the difficulties. He suggested that Madaris management should form a delegation to contact the traders and philanthropists and urge them to establish a trust (Waqf) to finance these courses. He also stressed that Universities should be approached to recognize the degrees of these courses so that these courses have more credibility.

Dr. Abdul Azeem Islahi also supported the idea of self financing for these courses. He said that stipend/scholarship may be awarded to the needy talented students. Various

institutions may offer their cooperation for it. He also suggested that these courses should be open for Muslims and non Muslims without discrimination.

In his presidential remarks Maulana Syed Nizamuddin termed the holding of this program as an important and promising step. He said that Madaris should return to their moorings. It will generate their success. Highlighting Madaris role in the transformation of the society he said that it is a sad commentary on the fact that our detractors are more conscious of the importance of Madaris than ourselves. He further said that Madaris can play their role in reforming the world system if the Madaris people are themselves sincere and embodiment of religious sense and sensitivity. Financial and administrative challenges pose no serious threat as Madaris have always produced revolutionaries out of their modest and meager means, who have served the suffering humanity with their full force of conviction and have left their unreliable imprints in the history. We need that very sense of sincerity and it will facilitate the solution of the problems confronting us.

The valedictory session

The valedictory session of the workshop was held after the Maghrib Prayer on the second day i.e. 26th April 2009. It was presided over by Maulana Mufti Sadiq Mohiuddin (Mufti of Jamia Nizamia Hyderabad). Some participants expressed their views concerning the workshop. The proposal framed in the light of the suggestions offered by the participants was presented by the resolution committee. Mr. Ehsanul Haq said that specialization can't be expected from the Madarsa scholars. But we desire that they should find out solution to the prevailing problems and guide common people. This had been the practice of the righteous of yore. In the books of our scholars of past we can find

solution too many contemporary problems. Maulana Yasin (Gujarat) said that confluence of Ulema and intellectuals will Insha Allah be of immense consequences. He stressed the need to train the teachers of Madarsa and said that the training should be in their own language. He also urged various institutions to produce text books for the students and teachers that will widen their mental horizon.

Mufti Fuzailur Rahman Hilal Usani (Malerkotla Punjab) underlined the significance of the subject and appreciated the programme. He said that Madaris people who realize the importance of the economic power. Allah's Messenger (Pbuh) after his migration transformed the market of Madinah into an open market while earlier it was controlled by the Jews, this market was now supervised by Allah's Messenger (Pbuh) who introduced reforms in business dealing. He said even today they are the masters who control the economy. So the Ulema should be aware of its importance and awaken the public through their addresses and treatises about it. Instead of dividing knowledge in ancient and modern category we should differentiate them on the basis of their positive and negative aspects.

Maulana Khalid Saifullah Rahmani (General Secretary Islamic Fiqh Academy India) convener of the session with the permission of the president the resolutions to the participants who approved by raising their hands and were adopted unanimously Dr. Ausaf Ahmad proposed the vote of thanks. He complimented the three institutions whose collaboration made it possible to hold this workshop. He also expressed his gratitude to the participants and presiding personages who made it convenient to participate at the workshop in this scorching heat. It was their proximity to their faith that brought them here.

In his presidential remarks Maulana Mufti Sadiq Mohiuddin said in all ages the Ulema of Madaris have had risen to the occasion to guide the people in their affairs. Their participation in this workshop bears testimony that even today they are serious to discharge their obligations. He expressed his confidence that these endeavours will bear fruits and such people will emerge from this conclave that will play a vital role in emancipating this world from the repressive economic system.

Welcome Address

Ateeq Ahmad Bastavi Qasmi[♦]

I welcome you all at this unique program. The staff and members of Islamic Fiqh Academy of India are grateful that you took the trouble to under take a long journey in this scorching heat for a noble cause, at the invitation from the Academy. Keeping in view the extra ordinary significance of the subject of the seminar. You made it a point to attend this program. Your participation, on one hand, speaks of your interest in the topic of the workshop and, on the other, reveals your consideration for the Islamic Fiqh Academy India as your own institution. Indeed, whenever the Academy has given you a call, you have always responded positively.

This two days workshop on Teaching Islamic Economics and Finance at the Indian Madaris is being held under the joint auspices of Islamic Fiqh Academy India, Institute of Objective Studies and Islamic Development Bank Jeddah.

Under the prevailing global economic conditions the significance of the subject has a specific relevance. The world economic system in practice for the last two three centuries, based on interest, is now culminating to its logical end. The imposing and attractive economic institutions,

[♦] Secretary for Academic Affairs, Islamic Fiqh Academy (India).

large banks, companies etc, are collapsing one after the other. The economic slump has horrified the developed countries and their respective governments. Economic experts all over the world are at a loss to find out a solution to this economic turmoil and wonder how to bring stability to the crunching system.

You might recall that it has been said in the Quran that Allah eradicates usury and promotes charity. Today the economic system based on interest appears to be under collapse like a house made of cards. After the demise of communism and its accompanying economic system, now the capitalism is also showing the signs of being on its last legs. Economic experts are in a quandary where to go and where to turn to put into action a new and viable economic system that saves the world from the disaster. From the second half of the 20th century some attention to some extent is being focused on the Islamic economic system. But most of the economic experts were unwilling to accept that how could a system survive without having its base on interest. Islamic banking and Islamic economic system were the unfavorable terms that were rejected by the experts with a smile of contempt. But look the irony of the circumstances that today the same experts are seriously arguing to test the Islamic financial system as an alternative to their collapsing system.

There is no doubt in my mind that It is the Islamic economic and financial system that could save the world from economic devastation and provide a just, stable and viable solution. But it is most unfortunate that a present we are not in a position to offer the world the concept of the Islamic economic system as an alternative. We will have to work on war footing to achieve this target. Islamic banks and Islamic financial institutions have now become a reality. Although in the world economic system they have yet a smaller contribution but praise be to Allah their quality and quantity

is growing fast. Dr. Ausaf Ahmad Says: Experts have estimated that at present in at least 23 countries Islamic banking system is in operation. These institutions hold at least five hundred billion dollars (500 Billion \$). This amount prima facie appears to be a huge sum but in the world economy and finance it is like a drop in the ocean --- but what has astonished the economic experts is its rapid growth rate. As per the standard and poor company for the last 15 years Islamic banking has been growing @ 10% per annum. It is estimated that now more than 300 financial institutions are functioning across the world on interest free basis ”.

Under the prevailing conditions we need such *Ulema* who have deep insight in the Quran and Sunnah and the financial principles of the Islamic jurisprudence and have deeply studied the *Fiqh Al Mamlat* (dealings, contracts etc), At the same time they must be fully aware of the modern financial system and its functioning. Short courses with one or two months duration not be sufficient for this purpose. For the intelligent young scholars from Madaris there should be a course covering two years. For the *Ulema* who have ample knowledge of Islamic economic system one years course might do. For a transitive period short term courses may be introduced. But these cannot produce the expertise and insight required for the job.

The Madaris authorities and senior teachers have particularly been invited to this seminar keeping in view the importance of the subject of the Islamic economics and finances. They should express their views as to whether this subject should find a place on the curricula of Islamic Madaris. If response is in affirmative at what stage and to what extent it should be included in the curricula of Madaris, and how to accommodate this subject with the existing syllabi. Is it necessary to teach it as a subject or a simple

study of the topic would be sufficient? Or shall the students an orientation of the subject through some extension lectures during an academic session.

I am sure that the authorities of the Madaris and scholars *Ulema* and experts can sort out the problem through mutual deliberations.

So far as special training and education and specialization of the talented scholars who have qualified from the Madaris, in Islamic economic system and finance is concerned, it is extremely desirable. To guide Islamic banking and financial institutions in respect of the *Shariah* norms and dealings, such *Ulema* are needed in large number who with deep in sight in Islamic economic and financial system, have ample knowledge of the modern economic system, its terminology and its important institutions. It is therefore necessary that a two years course on the subject is compiled by the experts before it is introduced. During the period of study financial support to these scholars is also necessary so that they can complete the job course without financial constraints and are ready to take up the responsibility for which they have been trained.

Concluding my speech in conclusion, I welcome you all on behalf of Islamic Fiqh Academy India and Institute of Objective Studies. Your participation in the workshop augers well. I am sure that your sincere efforts and serious deliberations would be conducive to bring forth some important decisions at this workshop that will have positive to results for future.

Welcome to the Participants

Bambang P. Brodjonegoro[♦]

Respected Chairman of the Workshop
Respected Islamic Scholars

Assalam -u- Alaikum Wa Rahmatullah Wa Barakatuh

At the very beginning, I would like to express my profound gratitude and appreciation to the Institute of Objective Studies as well as to the Islamic Fiqh Academy (India) New Delhi, for extending their sincere and heartfelt cooperation with the Islamic Research and Training Institute of the Islamic Development Bank Group, Jeddah to organize a National Workshop on Teaching Islamic Finance at the Islamic Madaris of India.

Also I would like to take the privilege of thanking respected faculty members of the renowned Islamic Schools of India, prominent Islamic economists and Islamic financial experts for their interest in participating at this workshop.

Respected Participants!

It is worth noting that currently there has been an urge among the Muslims to institutionalize Islam in their life, though it needs an in-depth correct survey over their aspirations as well as their concerns. Islamic schools are spread around the globe in all Muslim societies of both Muslim majority and Muslim minority states including

[♦] Director General, Islamic Research & Training Institute (IRTI) of IDB Group, Jeddah.

India. These schools have had their centuries old historic role in educating the Muslim generations. In the past, this Islamic education system met the Muslim's demands of their time. This role of Islamic education was really commensurate with their social development and as a corollary with their hopes and aspirations. The credit of the success story of these Islamic schools entirely goes to our respected great scholars in general, and the dedicated great faculty members of these schools, in particular. At the beginning of this workshop, I must pay due homage on behalf of the Ummah to their matchless contributions in the field of Islamic scholarship and literacy and their valuable services to the Whole Ummah. Also, I must put on record the contributions of our Islamic scholars to infuse inspiration and awareness about Islam through these schools into the Muslims at large in different parts of the globe. I may like to appreciate the sacrifices of the faculty members of these Islamic schools in providing Islamic education to the underprivileged class of the society.

It may be pertinent to mention here that Islamic schools never enjoyed state patronization. They have always been autonomous and it has been the source of strength that these schools exercised their autonomy in their administration and management and in the development of their curricula, syllabi and text books. These schools were, in large part, patronized by the Muslim masses from the *Awqaf* and *Zakat* resources. In this, I find a great response of the Muslim public to the call of the Muslim scholars and Muslim faculty members with respect to Islamic education, which is considered the effective tool for preparing Muslims to shoulder their responsibilities in different positions of the society. We had great *Mujtahids* and *Fuqaha* who were quite aware of the mechanism to guide the Muslims towards the right track drawing from the correct sources of *Qura'n* and *Sunnah*. Also we must appreciate that these Islamic

schools cater to the education of the underprivileged class which has very little access to the modern education obtaining in our different Muslim societies. We must bear in mind that the human society has now undergone a great change. Our great Islamic scholars and faculty members of the Islamic schools must study these changes of the society and they must be forward looking in addressing the Islamic education.

Islamic awareness has got its different expressions in our present life. There is a strong urge for institutionalizing *Zakat* and *Awqaf* in the society. Now initiatives are spread to guide our businesses and financing on the basis of Islamic ethics, creating alternatives for the institutions of interest. We observe with all satisfaction that Islamic businesses are appearing on the scene in the forms of Islamic banking and financing with their steady growth. As a result, Islamic auditing, Islamic accounting, and Shariah Supervisory Boards are appearing as distinct features of Islamic business management. At this present state of affairs, we need experts and we need the advice of the respected faculty members of our Islamic schools as to how and from where we can get these experts and what mechanism we may need:

- 1- To apply the institutions of *Zakat* and *Awqaf* in the way as they should be in the modern context;
- 2- To work on the Shariah Supervisory Boards of Islamic Banks and Islamic Financial Institutions;
- 3- To manage Shariah compatible businesses including Islamic banking and financing;
- 4- To guide public policies on the line of Islamic principles;
- 5- To run the Islamic auditing and accounting etc.

We may expect a lot from these respected faculty members to guide us and to provide us with conceptual and functional framework with respect to the knowledge developed in different areas of Muslim's life.

Respected Scholars of Islam!

I hope we all may agree that Islamic schools spread all over the Islamic countries and Muslim communities are the ones which can help prepare those experts and build mechanism in those and other needed areas. We expect that the respected teachers of our Islamic schools must act as vanguards and flagships in this great challenging task in their educational programs. I am pretty sure that there dawned an awareness amongst our scholars – both Shariah experts and Muslim scholars that this is a high time for the Muslims to rebuild their education system so that it can prepare them to guide properly not only the Muslims rather the whole mankind to alive a blessed life in their modern setting. I believe that this inspiration alone brought you here in this workshop together to think and deliberate over the issue how to make the present life compatible with the Islamic scheme of life not only in the belief pattern rather in the entire aspects of human life. You have been here in this workshop exploring how to develop our educational curriculum in our Islamic schools. The curriculum of our Islamic education, you may agree with me, should integrate all major areas of human needs including finance and business etc. for creating a universal human civilization under the umbrella of Islam.

I am, therefore, very much optimistic that you will be able to come up in this workshop with a preliminary program on the development of curriculum, syllabi and text books in the areas vitally needed at our present life. The dream may not be possible to come true overnight. It is an ongoing process.

It may have to be updated as the time demands. The new approach of Islamic education may not be easily implemented as it needs huge resources. I am pretty sure that if an Islamic education system in the member countries of OIC and the Muslim communities could be better developed in terms of its curriculums, syllabi and textbooks, satisfying the demands of modern life, the whole Ummah may recognize its worth and will one day switch over to this system freeing themselves from the yoke of secular education. Now the challenge is before our respected great scholars of Islam.

It may be on the successful accomplishment of this workshop in India to produce a nucleus document on the development of Islamic education, that IDB may contemplate to support such dialogues and workshops in other member countries and Muslim communities also. At the end, I also expect the participants of the Workshop to think of establishing a model higher seat of learning Somewhere in India, which should integrate its curriculum, syllabi, and text books in light of the needs of Muslims in their present settings.

IRTI may like to see a successful initiative in Indian workshop to its successful implementation.

I wish the workshop an outstanding success.

Inaugural Address

Khalid Saifullah Rahmani♦

Mr. President, respected elders and dear brothers.

It is an undeniable fact and history is a witness to it that *madaris* are the main centers for the training and supply of manpower to Muslim Ummah. The significance of these Madaris is being realized now all over the world. . In India, the *madaris* have played a very impressive role. Our scholars (*Ulema*) pioneered the freedom struggle and offered many sacrifices for this cause. It is most unfortunate that this historic fact has been thrown into oblivion.

During the past one and a half century many spurious movements that surfaced in India or elsewhere across the world, were challenged by the *madaris* or at least they played a key role in the eradication of such movements. Let Praise be to Allah for His favor and blessings. Atheism, unfair interpretation of the commandments of Shari'ah, misrepresentation of the meanings of the Quranic verses, were some of that issues that were forcefully challenged and rejected by them. They vigorously contested the movement against *Ahadith* (traditions of Allah's messenger) that emerged in India as well as in Egypt. The authority and authenticity of *Ahadith* in the Shari'ah was seriously

♦ General Secretary, Islamic Fiqh Academy (India).

questioned. This movement was patronized by the west and some heads of states also had supported it. Where finality of prophet hood or the impeccable character of Allah's Messenger (pbuh) was questioned, the scholars from our religious seminaries took it upon themselves to defend the dignity of prophet hood and his character. They were even willing to offer sacrifice of themselves as well as their dear and near ones. When Muslims were seduced to apostasy by the Arya-Samajis and Christian Missionaries, it was the *Ulema* from these *madaris* who successfully resisted it. They suffered badly for their efforts but were steadfast.

Where ever there were efforts to create dissipation in religion, the *Ulema* promptly came forward to uphold the truth. They were reviled and even declared to be infidels but their perseverance made them firm like a rock to defend the dignity of their faith.

Whenever the commandments of the Shari'ah were challenged the *Ulema* called upon the believers to stand up and defend its dignity. They had been in the fore front of the freedom struggle and tried their best to enforce Allah's Shariah the Allah's land.

These are some of the aspects of *Ulema's* defiance and resistance. But their efforts to keep Muslims integrated to their faith in a positive way are one of the brightest chapters in our history and during the later period their services are in fact unprecedented. Most People preaching on the dais and deliver long speeches on the need of universalization of education but they confine their activities to the threshold of wealthy people. But those are the *Ulema* who kindle the lamps of knowledge in the dingy cell of squalid and work in far away villages among the rustics to teach them the fundamentals of the religion.

These *madaris* not only teach the faith to the Muslims but also guard them against apostasy and atheism. If today Muslim society is alive to its obligations towards the Shari'ah and is ready to take care for permitted and prohibited rulings, it is due to untiring endeavors of these *madaris* and *Ulema* produced by them. There is no doubt that with the passage of time conditions are becoming worse. Today, there is a global campaign to defame Islam and disgrace its followers. After the fall of communism, the West regards Islam as its most formidable opponent. Capitalism could only be challenged by Islam they are well aware of the fact that a system of life can be replaced by another system. Conquest might be possible through military expeditions, maps of the countries could be changed, people can be subjugated through brutal force but mind and spirit cannot be enslaved through torture and torment. Conviction and faith cannot be defeated. They know that *Muslim Ummah* is so inflexible that it could not be made to move away even an inch from the Shari'ah and also the *Sunnah* of Allah's Messenger (pbuh). They also know that Islam conquers and it cannot be conquered. This is why that all sort of conspiracies, misrepresentation and misinterpretation have been unleashed. The *Ulema* have, under the prevailing circumstances, their daunting responsibilities to uphold the truth.

It need not be explained that one of the main characteristics of Islam is its moderation and poise and its conformity to human nature. Human beings depend on their livelihood. Man cannot survive without it. Islam not only upholds earnings but encourages it. The Quran has termed it as virtue and Allah's blessings. Keeping Allah's worship and activities to earn livelihood have been put on par. The Quran says when you have offered the prayers disperse on earth to earn your livelihood through Allah's blessings (*Al Jum'a*).

If money is earned with the discharge of its obligations, Islam does not prohibit it. So in Quran we find the mention of wealthy messengers of Allah, and *Ahadith* tell us of the companions of Allah's Messenger (pbuh) who were affluent. In the Quran, we find that mention of paying *Zakah* (Wealth tax) is about 65 places while accepting *Zakah* finds perhaps only one mention. It is also known that *Zakah* is paid by the wealthy believers.

But Islam does not allow earning that tramples all the moral and lawful means. Shari'ah explains both the aspects: how to earn money and where to spend it i.e. what would be the means of earnings and what would be the occasions to spend money. There are rulings of the Shari'ah that ensure fair dealings in the society and man gets reward of his labor. One must not be selfish. Islam does not allow such an ownership where people turn insensitive, greedy and tyrant and work like robot.

Personal profit leads to economic activities those results in economic development and prosperity. Islam rejects such private ownership that is based on selfishness exploitation and depriving others of their legitimate rights. This is the basis of the teachings of the Quran and the *Hadith* and the inferences of Muslim Jurists.

Keeping in view the significance of economics, the subject has been the main point of *Ulema's* attention. During the very early period we find Imam Muhammad bin Hasan Shaibani who compiled *Kitabul Kasb* (Book of earnings). In his work, he has mentioned the permissible and prohibited means of earnings and also the ruling and superiority concerning the point. The original book could not be published but its summery has been reproduced by Allama Abu Bakr Mohammad bin Ahmad Sarkhasi (483 AH) in his book *Al Mabsut*. Similarly, among the early works we find

Imam Abu Yusuf's book (*Kitab Al Khiaraj*) and Allama Abu Obaid's work (*Kitabul amwal*) which deals with the income and expenditure in an Islamic state. We also find relative discussion on jurisprudence of business in the books of jurists where all the points have been covered under the chapter. Apart from these books works like *Ahkam -e-Sultania* (Administrative laws), *Ahkam Qaza* (Judicial Laws), *Ahkam Seer* (International relationship) also cover ample economic aspects. Our jurists have always dwelt in depth on these subjects.

New thoughts that emerged on economic system consequent on the industrial revolution were developed in to theories and were the central point of deliberation and application. Communism and capitalism developed in to a system of life. In this perspective *Ulema* tried to explain Islamic economic system and its practical application. Although due to fall of *Khilafat -e-Usmania* (Ottoman Caliphate) and a tendency not to enforce Islamic norms in the social life, the endeavours of the *Ulema* could not succeed to the deserved degree. It is a matter of satisfaction that Indian *Ulema* played a vital role in these efforts.

Probably the most remarkable work on this subject is Islamic Economics by Mawlana Manazir Ahsan Gilani. The book covers five hundred pages of a large size; He has offered seminal research on the subject. The Maulana did not confine him to the views and opinions of the jurists of yore but he has offered his own insights and views. Dr. Mohammad Yusufuddin one of his students compiled his thesis on the subject under the guidance of Mawlana Gilani. Dr. Anwar Iqbal Quraishi former head of the department of economics at Osmania University edited his thesis in to two voluminous parts on the economic theories of Islam. Mawlana Gilani therefore enjoys the foremost position in

this field and even today the value of his work is unprecedented.

The Second name after Mawlana Gilani in this field is that of Mawlana Hifzur Rahman Seoharvi. His work *Islam Ka Iqtisadi Nizam* (Economic System of Islam) was authored as desired by Mufti Atiqur Rahman Usmani and was published by the *Nadwatul Musannfin* Delhi. It is a significant and comprehensive work on the subject. Afterwards, three renowned scholars in this field presented their remarkable works. Dr. Nijatullah Siddiqi whose work on method of investment and Dr. Ahmad Ali Nadvi (both from India) on finance and in Pakistan Maulana Mohammad Taqi Usmani name is well known in this field. His works are popular and in circulation. At present there is sizeable number of *Ulema* and economic experts in the Islamic world and many institutions are engaged in the formation also promotion of Islamic economic system. It appears to be paradoxical that this subject was first taken up in India but it gained popularity in the Arab and Islamic World. Probably it was due to the fact that in Muslim countries opportunities to give practical form to the Islamic economic system existed while in India economic laws resist Islamic financial system. It is hoped that obstacles in the way of an Islamic financial system shall be removed in the near future.

The importance of Islamic economic system its study and removing its impediments has recently gained momentum, After the First World War, the world was divided into two different economic systems viz capitalism and communism. The confrontation between the two some times went to such an extreme extent that both of them came to the verge of an atomic war. In 1992 the disintegration of Soviet Union caused the collapse of communist system there and in most of Eastern Europe. Now capitalism is trying to subjugate the entire world. It is only Islam that stands in the way of

capitalism and its attempt to take over the world economically. The capitalistic west is aware of this formidable challenge from Islam and is distraught. West knows that conquest is possible through weapons but ideologies could only be confronted only by a more forceful ideology. Tatars were stronger than Muslims but were bereft of any ideology, so Islam attracted them and they came within in fold of Islam.

The west today has been trying hard to stall the promotion and progress of the Islamic economic and financial system as it consider them against its interests.

In these circumstances it is incumbent upon Muslim jurists to evolve Islamic structures for the contemporary world which is on the peak of development and has brought the far flanged countries of the world countries closer to each other. The Muslim jurists should strive to transform the institutions that have become the back bone of the international economic system into Islamic institutions and save the world from the prevailing exploitative financial system. The prevailing financial crisis that has taken the entire world in its grip and has exposed the incompatibility of the capitalistic system, so these are favorable conditions in which, Islamic financial system may offer a better, feasible and practical alternative. Even the western economic experts are making confession in subdued words, of the failure of their system. Muslim Jurists should rise to the occasion and highlight the merits of the Islamic financial system.

The agencies, banks, insurance companies and stock exchanges form the basic structure of the prevailing financial system. Banks deposit the amount of their account holders and ensure its prompt return on demand. Banks extend loans to the major industrial and economic institutions and for other requirements. They also act as an

agency for the transmission of money and distribution of dividend to its account holders. Share holding companies are the main source of providing huge financial loans for business purposes. Common people can have access to the major companies and invest their money there. Heavy industry, export, import, foreign trade all offer opportunities for expansion and development. However, all is not well with Industrialization. Pollution, health hazards and huge industrial wastage have caused serious threats to the society. Insurance guarantees safety against these perils. So we can not call these institutions as unnecessary. Under the prevailing conditions when economy has attained global coordination, no country can survive without these agencies. But unfortunately those at the helm of affairs in these institutions have infested them with interest and speculation. Now it is incumbent upon us to come forward and act as a physician who treats his patient to save him from the ailment. We should offer Islamic remedy to the ailing system.

Thanks is to Allah that efforts are being undertaken on a global level to promote interest free banking, insurance, mutual funds and shares. It would not be wrong to say that Indian Muslims had pioneered Islamic banking. It was in 1856 that an interest free society was established in Hyderabad in 1925 to provide interest free loan. Perhaps in 1936 a Muslim fund was founded. Apart from these other institutions were also established in north and south India on these lines. In the Islamic world *Mit Ghamr*, a village in Egypt. is said to be the place where this system was first introduced where an interest free cooperative bank was established in 1963.

The first investment model for the Islamic banks was introduced by a professor of Allahabad. It was called Mudarabah Model. In 1972 Dubai Islamic Bank was

established. It was a complete bank. The Islamic banks established in the beginning were patterned on the lines of commercial banking. No development bank existed in the Islamic World. Hence, the Islamic Development Bank, popularly known as IDB, was established in 1975. In 1976, Islamic banks were established in Sudan and Bahrain by King Faisal.

It is a fact that Islamic banking system is gaining popularity across the world. Even non Muslim owners are opening Islamic investment counters at their institutions Non Muslim companies are also opting for Islamic Insurance. Under these circumstances on one hand we need experts who have command on the modern economic system and also have deep insight in Islamic jurisprudence, on the other monitoring of the functioning of these Islamic institution is also necessary, so that they do not drift away from the right path and follow un-Islamic practices in the name of Islam. It is therefore imperative that Islamic economics is taught as a subject in the Islamic seminaries (*Madaris*). Because these are the nucleus at which necessary training may be imparted to talented persons required for various jobs in the Islamic financial institutions. *Madaris* are like power house which supply energy to the *Ummah* for all its activities. They are like the heart in human body that supplies and ensure blood circulation to every organ. This seminar has been organized with the collaboration of three institutions. These institutions are busy in promoting interest free system according to their capacities.

IDB is an active and dynamic financial institution of global status and the foremost major Islamic bank. It is also active in welfare fields along with other financial institutions. We all are well aware of its extensive services. The Institute of objective studies, another collaborating institution, has completed twenty years of its existence. During this period it

has carried out remarkable activities in the field of research and training. It has also initiated its work with far reaching planning. There is no doubt in my mind that the services of the Institute deserve to be written in golden words. In the field of interest free investment also it has an outstanding record of services and has established a Shariah board to help such institutions.

The third institution is the Islamic Fiqh Academy (India). It's fundamental objective is to provide solutions to the problems surfacing in the contemporary era in the fields of Shari'ah and Islamic jurisprudence. It is now entering twentieth year of its existence. It enjoys a position of prestige in India as well as abroad. It has organized 18 seminars on modern problems where more than 175 topics on contemporary subjects were debated and deliberated. Financial problems have always attracted academy's specific attention. Positive part of Islamic economy pertains to *Zakah* and *Ushr* (Tith). So, many seminars have been organized on these subjects. Its other aspect is to purify the economic system from interest and speculation and to identify Islamic alternative to the modern economic institutions. The Academy has taken up for deliberation bank interest setup of the institutions that offer interest free loans, insurance, challenges confronting Islamic banking system, profit in business, sale through installments, credit cards, Multi-level marketing and similar other topics, and have provided collective guidance in the light of the Shariah. It is also worth mentioning that the Academy has made extensive efforts to explore the potentials of interest free banking.

A group comprising economics experts, legal luminaries, and Islamic jurists was constituted and the subject was deliberated in depth and ultimately a project report was compiled, It was appreciated by the great scholars and

economics like Maulana Mohammad Taqi Usmani (Pakistan) and Dr. Anas Zarqa (Saudi Arabia). It was however concluded that a full-fledged Islamic bank cannot be established under the existing Indian laws. However, It may be possible to promote Islamic investment may be through the cooperative route,

It is a matter of honor and blessing for these three institutions that today *Madaris* authorities from all over the country and other experts and scholars have been congregated to deliberate on those subjects. The main objective is to try to enforce Allah's Shariah on Allah's earth. While concluding these remarks I am reminded of a *Hadith* of Allah Messenger (pbuh) The *Ulema* on earth are like Stars in the sky which guide on the seas and on earth. If stars lose their twinkle, it might result that those treading the right path might go astray (*Masnad Ahmad Hadith No 12189*).

May this seminar be fruitful and Allah favors us with making such decisions which cause to attract His approbation.

Lord let the right be manifested to us in its correct perspective and favour us to follow it and let the falsehood be shown to us and bless us to distance our selves from it. *Aamin.*

Presidential Address

Mohd. Salim Qasmi[♦]

Muslim dignitaries, Ulema, patrons and intellectuals!

You have chosen a very important topic for the conclave “Economics” it not only complements an important point that has been overlooked by the community but also fulfills the demand for its study. It also speaks of your sincerity and insight. It is however, something amazing that you have chosen me to preside over the congregation. I therefore with the confession of my inadequate academic caliber, have accepted the responsibility as a token of my submission to the order. I take this opportunity to offer my views on the subject.

Distinguished audience

Islam stands for human values and offers a perfect system for humanity. The nature has against other creatures, made piety and civility as the source of human perfection.

Piety gets its perfection through worship and veneration, civility stands on industry and trade and its evolution and development. In other words just as piety does not get divine favour without belief, faith and similarly, belief

[♦] Muhtamim Darul Uloom Waqf Deoband
Vice President All India Muslim Personal Law Board

without piety (worship) has no value. Like wise industry without trade and trade without industry not only fail to grow but find no credibility among the nations.

History bears testimony to this fact. Muslims conquered Iran during the reign of emperor Yazdegerd. Iranians after their defeat made a serious and fair analysis of the events and then turned to trade and industry. It helped them to maintain their economic prosperity as well as national prestige.

Contrary to this, when Indian Muslims lost to the colonial conquest by the British, they in their vanity of past glory. Thought it below to their dignity to take up trade and industry as their profession. This negative thinking resulted in their object privation and they are still in the grip of poverty. Under this negative approach they called their economic backwardness as Tawakkul (trust in destiny) and Qiamat (Contentment). So through their mental aberration made destitution as their identity. They forgot the point that economic prosperity is the key to the supremacy on earth as world could be conquered with means and not by merits only. This is the rule of nature.

Some of the fundamentals of the faith like defence, performance of Hajj and payment of Zakat also needs economic prosperity. Similarly dissemination of the message of truth is also not possible without ample economic means. Allah's Messenger (PBUH) has said that the hand that gives is better than that the lower one that receives. It supports the philosophy that economic prosperity is very much desirable.

That is why that during the various periods in the past, our sagacious scholars had pleaded for economic superiority to be the most effective tool for their practical training but they

themselves under took commercial activities despite their sublime academic status. Their economic activities gave currency to the common saying that Islam is the religion of prosperity.

But Indian Muslim, with their devotion to their faith, due to their un Islamic approach have been in the grip of poverty and the saying that Islam is the religion of prosperity has lost its meanings. It would be appropriate to find out historical causes of the destitution of Indian Muslims. One of the reasons of this fact on the historical basis is that majority of the Indian Muslims came within the fold of Islam from polytheisms. Prior to their conversion to Islam they were overwhelmed with superstitions, and economic backwardness had become their destiny due to their social system. They were attracted to Islam by the preaching of the Sufies (Mystics). They embraced Islam but no steps were taken to teach them the faith and transform their lives in to the Islamic model. For them the life of privation of the sufies become the role model of their lives and they took it for a part of the Islamic teachings. The ignorant Muslim majority still believe poverty as a norm of their faith.

This unIslamic approach not only kept Indian Muslims economically backward and unmindful of struggle for economic upliftment but for them a poverty ridden person was a pious one.

Then during the British colonial rule, in the name of upholding their faithy, Muslims generally distanced themselves from trade and industry. Thus they were deprived of a dignified life that comes from economic prosperity.

Today with the scientific evolution trade and industry have become the axis of nation's economic prosperity. New ways

and means of industry and trade have emerged. So if Muslims want to make advancement in this field they must get rid of the misguided belief that Islam favours poverty. Instead the conviction that Islam is the religion of prosperity should guide Muslim community. They must know that industry and trade is the key to economic prosperity that ensures a life with dignity. If Muslims failed to comprehend this point they would never be able to come out of the whirl wind of destitution and backwardness. They were fond wanting in the past and have ever since been suffering for their negligence.

May this call to awaken the economic sense among Muslims, from the Islamic Fiqh Academy's forum attract the community with overwhelming response? Allah is the one who favours and helps.

The Special Address♦

Dr. M. Manzoor Alam♦♦

Mr. President, Respected participants

Assalamo Alaikum Warahmatullah

It is an exhilarating experience to see a galaxy of Ulema have graced the occasion. I welcome you all with sincere sentiments. These are the Ulema who have devoted their lives to the propagation and dissemination of the faith and they are always busy in promoting virtues. They have kindled a lamp from Madarsa; the entire country is refulgent with its light. These Madaris are the nucleus of knowledge that guides the humanity and provides leadership to the Muslim society.

These Madaris with their meager means and destitution have been serving the society to make virtues prevail against vices, knowledge against ignorance, and light against darkness. It is well known that ignorance yields to enlightenment and darkness retreats before the light. No historian could dare deny the meritorious services of these Madarsahs. It is a different issue that due to various reasons

♦ Original in Urdu

♦♦ Chairman Institute of Objective Studies, New Delhi.

these institutions have, to same extent, a different system of examinations, a different curricula, a different tenure of study etc. However, it also shows intellectual I diversity of these institutions.

A human being is composed of both physical and spiritual elements. As an individual, he requires food, clothing, home and some form of conveyance. These basic necessities of an individual, broadly relate to economics. In his social life as husband, as a guardian and as a father, he is responsible to provide education and subsistence to his dependents; all this also comes under the category of economic activities. Allah has made ample provision of the material resources that make part of the basic/natural necessities of a man. So the significance of wealth, its need, and the way of earning wealth as taught by Allah's Messengers tells us that man is bound to earn money for his livelihood and other requirements. This world is a field to earn means. So earning and to make efforts for earning is not only something necessary but Allah tests a person through his ways of earnings, that how much he abides by the priorities, commandments divine and earning and spending wealth. The Quran says:

“It is not obedience that you turn face towards the east or the west. But obedience means that one believes in Allah, His Messenger. Day of judgment, angles, His prophets and scriptures, spends wealth for His sake, helps the poor, needy and distributes, frees slaves, offers regular prayers, pays Zakah and keeps promises, which are made. He is steadfast in his needs and in fighting (in Allah cause). They are the people who are men of truth and the pious ones. (2:177)

This verse shows that what Islam teaches concerning economy, its trend is prayer like. Man in his economic dealing is accountable to Allah. Allah made human being

his vice regent on earth that while enjoying all the bounties he should acknowledge Almighty as the Lord of everything in the Universe and perform economic activist on earth in accordance with the enjoins of his Lord Almighty.

At another place, the Quran says “and spend upon them from the wealth Allah has bestowed upon you” (24:33). It shows that wealth belongs to Allah and man is just a trustee and vice regent. He gets benefit from it and helps others. The Quran further says “And spend from the wealth He has made you its trustee” (57:7). The wealth and property man enjoys control on it, infact belongs to Allah Man is simply a caretaker. He is only an attorney.

Allah’s Messenger (Pbuh) in one of his Hadith has said that one who dies defending his property is a martyr. The Quran also says that those who don’t spend out of the wealth Allah has graced them with, should not think that it would be in their favor. Nay it would have an adverse effect on them (3:180). Had not the earning been of so paramount importance the Hadith would not have mentioned it that, (on the day of judgement) no one could move away until he answers the question pertaining his year (age), knowledge (studies) and that how he earned money and how he spent it. In another tradition (Hadith) it has been said that Allah favors man with wealth, properties and other bounties. If a man earns profit in his business and industry, but does not spend it to help the poor, the needy and destitute. Allah take away the wealth from him and bestows it upon others. This is a punishment of his greed and lust for wealth.

The Quran and the Hadith tell us that whatever exists between the heavens and earth has been made subservient to mankind. So it is incumbent upon mankind to earn wealth in accordance with the means Allah has provided. They should strive to earn money to make their economic

conditions better because a Hadith says that it is better that one should be a donor than a beggar. So to do every right thing, to earn money in the correct and prescribed way and to make all possible and practical efforts in this direction, is not only a natural instinct but something desired by the Shariah also.

It is an aberration to think earning money is un-Islamic as it leads to materialism. The Quran says then disperse through out earth to earn your livelihood by the grace of Allah. It further says: "O our Lord bestows upon us good things in the world and the hereafter". Also it says the world has been created for you. And it is said, He has put in every thing on earth under your control. In a Hadith it is said wealth you earn through fair means is beneficial to you and Allah will bless you with it. The Quran say we gave you power and authority on earth and there are means of livelihood for of livelihood for you in it. And Allah said that He has created everything for you on earth. Further, it has been said: "So tread Allah's path and consume what Allah has created for you. You will have to return to him after resurrection (67:15). Infact, as what the Quran and the Hadith teaches us is to seek Allah's favor, disposition of justice and to acknowledge that Allah is the real owner and donor of wealth and property Man is a trustee of his wealth. To earn and accumulate and spend it as per the divine rules, makes it grow.

It is well known that the scholars graduating from Indian Madaris have been active in various fields. No survey has yet been conducted to find out that in which academic fields these scholars, coming out of Indian madarsas are active and what has been their role in the social welfare, financial sphere and in reforming the prevailing social, political and fiscal system. What in their contribution in the sphere of literature and academic pursuits and how they have

influenced the society. But despite the absence of any such study, it can confidently be said that the sphere of services of Madaris is extensive multi dimension and comprehensive.

The vicissitude of time whether social, political, industrial or economic leave their imprints on the human society and are manifests. There is no region in the world where the chain of action and reaction is not visible. It is a natural process that human society is influenced by its surroundings. Modern changes have certainly opened new vistas of research and understanding but many questions have also surfaced. Globalization, efforts to strive for economic development with mutual cooperation and collaboration, competition in the economic field to adopt various methods and means, attempts to improve economic conditions. Developing various norms and model for strengthening economic situation by various countries have all divided the world in to different zones, resulting in the division of nations into poor and wealthy, ruler and the ruled.

Many poor nations have become poorer because of loans from the World Bank. Economic monopoly and attempts to gain control upon the global market and the mind boggling development in the industrial sector has led to a trend of competition that has resulted in serious confrontation among nations, countries and civilizations. This is the only one side of the picture. But the fact is that Islamic scholars (Ulema) who lead the Muslim Ummah, continued their work on economics on Islamic perspective. They produced such a rich literature on its theoretical and practical aspects that the professors of economics in the universities turned to the Islamic economic and financial system and developed an interest free banking system theory to replace the prevailing system of banking based on interest it became a permanent discipline and research and pursuit ensured every where on it.

At last Islamic finance has grown into a full fledged system thanks to the concerted efforts of Ulema and the economic experts so much so that even those supporting the interest based banking system it also turned towards the Islamic finance system, because this system is founded on reality, justice and free from all vices such as speculations and cheating. So when during the recent days the world has caught in serious economic recession the western economic experts felt the need to study the Islamic finance system and assess its practicality.

Modern world has suddenly awaken to the good qualities of the Islamic financial system and is ready to introduce enforce and operate it in different countries. The fundamentals of Islamic financial system and its basic principals on which this grand edifice stands particularly guarantee to the funds, security of the interests of an investor, fair dealing, abiding by the economic ethics and norms and to keep in view Allah's favour and blessings in earning and financial dealings and to protect the wealth from squandering and misappropriations.

The need of the hour is that keeping in view different aspects of the Islamic Shariah concerning economic activities and their fundamentals and covering all the economic and industrial changes, urban and civil evolution and the new forms emerging in the economic sector due to industrial and economic revolution and investment on global level, trade and banking system, opening the market of countries for the manufactures of other nations, encompassing all these spheres we should resolve that how could we teach Islamic economic to the students of Madaris so that they can solve the difficulties of this modern era in the light of the Islamic Shariah in a practical way.

Today the world wants to test the dynamism, utility and viability of the Islamic economic system. So it is incumbent upon our Ulema to train their students (the inheritors of the divine knowledge) in such a way that they are able to play an effective role at every concerned level.

Knowledge and reason are two qualities that make a man respectable and superior to others. The Quran says that superiority of a man lies in his supremacy in knowledge and wisdom. The good qualities a man nurtures are based on knowledge. The Quran says: “ He taught man every thing that he did not know”. It further says: “He taught Adam the names of all things”. It shows that the real talent is knowledge. The Quran addressed man with the word Iqra (Recite/Read). Knowledge has its own imperatives and it’s on urges and compliments. Man proceeds forward through knowledge and recognizes his own self and also knows his Lord. He tries to know what the relationship between himself and the Universe is and what he owns to his Lord and strives to maintain this relationship between the creator and the creation. When Allah blessed man with knowledge. He made him his vice regent on earth. This khilafah (Attorney) means to shoulder what the Lord has entrusted to him and to discharge the obligation of trust. The Quran mentions this point. Allah Almighty is the basic source of knowledge. The knowledge emanates from Him. He is the prime and ultimate of knowledge. He is all knowing and having knowledge of every thing. Man enjoys the vice regency of his Lord in knowledge also. So it is incumbent upon a Muslim to know all what is in the universe and through this knowledge he should serve the humanity and enforce what is approved of by his Lord.

Islamic Madaris are the centres of learning where the scholars learn about their own selves and also about their Lord. Madaris impart education of the Islamic Shariah and

all the relevant subjects that are associated with the practical life of human being. This knowledge makes a man aware of the fact what why he has been created and what he owes to his creator, what should be his role in this world. All this is related to knowledge and Madaris enlighten their students on these points. But the moot point is how far we are able to know of the changes that are taking place in the universe and why these changes are taking place. Is it not Allah's Sunnah (Practice) that He Himself causes changes and human civilization also undergoes rise and fall. It means that change is a sustained practice of Allah. But what are the causes of these changes why it is necessary to know its reason.

How could it be helpful in reforming the future course of action? The second question is what is beneficial knowledge? What are the disciplines of knowledge that would invigorate Islamic Ummah and its culture and achieve the highest point of progress? I think that time is in a state of permanent motion. It is never static. With the changes in time, changes the conditions, the dealings, culture and other fields of social life also keep changing. With the evolution of civilization and urban social life, necessities and requirement also undergo changes and there is increase in these necessities while telling us about the rise and decline of civilization and culture. Ibne Khaldoun has stressed this point under the evolution and decline of knowledge that when there was evolution of knowledge and people were close to evolution, culture and civilization also flourished when this relationship with knowledge was on the decline it gave way to the symptoms of decline in knowledge.

The problems and challenges that have emerged with the contemporary development in knowledge one cannot face the challenges unless one has the perception of these problems. So it is imperative for us to know and understand

these challenges and see what questions have surfaced in which field. It is necessary all this relates to our necessities. What is our necessity? Our first priority is our spiritual evolution. This evolution is meant to worship our Lord. Our second priority is our social interaction. How we behave with our brothers? Our third priority is to learn economics so that we are economically stable and sound and self sufficient and get rid of poverty and deprivation. Islam does not approve of begging because it is for human dignity and honor. So it is incumbent upon us to learn and have knowledge of all the disciplines of economics to lead a better and prosperous life. The sense of worship demands that we should promote virtue through economic welfare. History bears testimony that those who were economically sound they were in the forefront in the service of their faith and had a deep sense of gaining Allah's favour.

Most of the challenges of the modern time are related to economy. Economics, in modern times, is simultaneously connected with many other sister disciplines like finance, management, accounts and investment. It must be dealt with in entirety and in segments also work is in progress on both fronts. The global development, industry, production, manufacturing of new and sophisticated machines and new fields of economic endeavours all these demand that we should ponder upon how to make them more beneficial to the humanity and to transform them in accordance with the Islamic norms so that the world becomes a heaven of peace and justice.

In the prevailing circumstance one of the significant question is what steps should be taken. I think we should introduce courses of Islamic economics in the universities and institutions of Islamic learning, so that we can analyze the contemporary conditions and fast changing economy. Some steps have since been taken in this regard, for instance

Jamia Islamia Shantapuram, Kerala and Aligarh Muslim University have taken the initiative. They have started the courses in Islamic finance and Islamic Banking. Maulana Mazharul Haq Arabic and Persian University in Patna, Bihar also needs to be mentioned in this respect where curricula has been compiled as per the standards set by the University Grants Commission (UGC) and education is imparted under this curricula. It has been recognized at the national level. The University has stated some new courses. Alim and Fazil courses have been redesigned on the UGC pattern.

It is a positive step taken by Maulana Mazharul Haq University. Those who qualify for Alim and Fazil courses may also get admission to these courses. From the next year, the University is going to start Islamic finance course for the students of Madaris. It is an experimental model other academic institution might follow suit. However, action is still required in this respect.

Madaris management and economic experts should sit together and deliberate upon all the concerned aspects and points. This is what I desire and what I earnestly hope.

Decisions

In collaboration with the Islamic Fiqh Academy (India) and Islamic Research and Training Institute Jeddah and Institute of Objective Studies (New Delhi) a national workshop was held on 25-26 April 2009 corresponding to 29-30 Rabiul Thani 1430AH at the Convention Centre of Jamia Hamdard Delhi to explore the potentials of teaching Islamic finance and other relevant subjects in the Islamic institutions (*Madaris*). Delegates from the Islamic schools from all over the country participated in it. Some of the renowned institutions were also represented including Darul Uloom Deoband, Darul Uloom Waqf Deoband, Darul Uloom Nadwatul Ulama Lucknow, Jamia Nizamia Hyderabad, Jamiatul Falah Azamgarh, Jamia Darussalam Umerabad Tamil Nadu participated in it. The following resolutions were adopted:

- 1- It is a fact that Islam offers a comprehensive and complete system of life that stands for the welfare and reform of the humanity in all its aspects. It has offered a just and ideal economic system to the mankind. The experiences spread over centuries have more than convincingly shown that Islamic system can conform to the contemporary conditions. The Quran and the *Hadith* have provided fundamental guidance in this regards and Islamic Jurists have offered solutions to the contemporary economic problems by means of their inference based on

thanalogy in the *Shariah*. Economic principles, thus compiled, have been an integral part of the curricula in the Islamic *Madaris*. The significance of these principles will always be recognized.

- 2- In course of economic development that followed the industrial revolution, many economic institutions emerged. . Efforts have been undertaken during the last half a century to transform these institutions and to make them conform to Islamic values so that they fit in to Islamic structure. These efforts were admirable. . It shows that Islamic Jurisprudence has the capability to purify the prevailing economic institutions from prohibited items and present their improved version.
- 3- It is the duty of the Islamic scholars (*Ulema*) and the Jurists (*Fuqha*) to be aware of the prevailing conditions of their period to know *Shariah* related problems and offer their practical solutions. In the contemporary period, some new methods of investment have been evolved. Similarly Islamic financial institutions have also offered some new methods of investment to the world within the frame work of Islamic *Shariah* as an alternative to the prevailing means of investment. The scholars of *Madaris* and the students of *Ifta* in particular should have the knowledge of this system. The Islamic institutions are therefore requested to make provisions in their curriculum to teach some f the modern economic theories and fundamentals of Islamic economic and their practical applications.
- 4- There should be a general course of economics and finance in the *Madaris*. It should be a pre-*fazilah* course. An elementary book on

economics and finance may be prescribed at this stage that teaches definitions, terminology and fundamental theory. At this stage, the services provided by various financial institutions as well as Islamic finance, Islamic insurance, Islamic banking and their functions and techniques etc. may also be introduced and their relevance with the points debated in the books of jurisprudence may be explained.

- 5- The next stage of teaching economics and finance may be a post - *fzilah* course. It may be a one-year or a two years course. Economics and the business jurisprudence may be an important part of it Practical application of the economic theories and at least two months internship at a financial institution should also be a part of it. English language should also be taught under this curriculum. Central Islamic universities (the *Jamiat al Islamia*) are requested to take practical steps in this direction and set up a department of specialization in Islamic economics along these lines.
- 6- The institutions where department of training of *Ifta* and specialization in *fiqh* are already functioning, are requested to include fundamentals of economics in their jurisprudential discussions relating to working in the Islamic institutions to make students can understand modern terminology. .
- 7- Under the prevailing circumstances Islamic Fiqh Academy India New Delhi, Institute Of Objective Studies, New Delhi and Islamic Research and Training Institute, Jeddah, are requested to prepare text books on Islamic economics in collaboration with *Ulema* and the economic experts. Rich literature is available on

these subjects in Arab and other Islamic countries, Necessary help must be taken from this literature because it has a direct link with Islamic sources. Modern terminology in English should also be included in it so that the scholars completing this course can guide Islamic financial institutions on the points related to the *Shariah*.

- 8- Extension lectures should be arranged to provide orientation to the students on the subjects. Madrasa may arrange themselves such programmers, Islamic Fiqh Academy (India) is also requested to take steps in this direction as it is a part of its basic aims and objectives.
- 9- It is also felt that so long as proper teaching of economics is not introduced; training camps should be organized for the teachers and jurists to make them fully aware of the subject and to enable them to apply the norms of the *Shariah*.
- 10- The scholars who teach jurisprudence are requested that while teaching chapters of jurisprudence on the subject they should explain modern points, to the students, emerging out of the discussion.
- 11- This conclave requests the Islamic Fiqh Academy (India), Institute of Objective Studies ,New Delhi, and the Islamic Research and Training Institute, Jeddah to chalk out a coordinated programme to include Islamic economics in the syllabi and provide expert training to the teachers and take immediate steps in this direction.
- 12- To translate these resolution adopted d at this conclave a committee is constituted comprising of the following members to ensure that action is taken urgently.

- 1-Dr. Mohammad Manzoor Alam
- 2-Dr. Ausaf Ahmad
- 3-Maulana Khalid Saifullah Rahmani
- 4-Maulana Ateeq Ahmad Bastavi Qasmi
- 5-Maulana Ameen Usmani Nadvi.

- 13- This conclave requests the financial institutions functioning in Muslim as well as Non- Muslim countries to try to introduce Islamic finance and Islamic economics and related subjects in their sphere of influence. They are also requested to set up Islamic banks and financial institutions so that Islamic economic values and principles are put in to practice and Islamic financial institutions are set up in accordance with the ethical values.
- 14- Urdu writers and publication centers are also requested that keeping in view the prevailing requirements they should focus their attention on compilation and publication of literature on Islamic economics. It should be a part of their priorities.
- 15- This conclave places on record its deep sense of appreciation for Islamic Fiqh Academy (India), Institute of Objective Studies New Delhi, and the Islamic Research and Training Institute, Jeddah, that they arranged to hold this consultative meeting of Islamic *Madaris* on a very significant and relevant issue and provided a cordial atmosphere for its deliberation and debate. This step will certainly be of far reaching consequences and will be conducive to establish interest free financial institutions in India, *Insha Allah*.

PROGRAM

SATURDAY, APRIL 25, 2009

9.00-10.00 A.M.	Registration
10.00 A.M. – 12.30 P.M.	Inaugural Session
Recitation of Holy Quran	<i>(Maulana Abdullah Tariq)</i>
Welcome: IFA	<i>(Maulana Ateeq Ahmad Bastawi, Academic Secy. IFA)</i>
Welcome: IRTI of IDB	<i>(Representative of the Bank)</i>
Welcome: IOS	<i>(Dr. Ishtiaq Danish, Deputy Secretary Generl, IOS)</i>
Inaugural Speech	<i>(Maulana Khalid Saifullah Rahmani, General Secretary, IFA, NewDelhi)</i>
Key Note Address	<i>Dr. M. N.Siddiqi Dr. Manzoor Alam</i>
Aims, Purpose and Strategy of the Workshop	
	<i>(Ml Ateeq Ahmad Bastawi, Academic Secy. IFA)</i>
Presidential Speech	<i>(Ml. Mohammad Salim Qasmi, Darul Uloom Waqf Deoband)</i>
Vote of Thanks	<i>(Ml Zubair Ahmad Qasmi, Member of IFA)</i>
12.30 - 12.45 P.M.	Tea Break and Socialization

12:45 -14.30 hours

First Technical Session:

Teaching of Islamic Economics and Finance at Religious Schools in India

Chairman: Maulana Dr. Sayeedur Rahman Azmi, Nadwatul Ulema, Lucknow

Paper: *Economics in the Present Syllabi of Religious Schools*
Maulana Khalid Saifullah Rahmani (IFA)

Paper: *Education of Islamic Finance in Indian Madaris*
Dr. Ausaf Ahmad

DISCUSSANT: Prof. M. N. Siddiqi

General Discussion

Presidential Remarks Maulana Dr. Sayeedur Rahman Azmi
Convenor

14.30-Maghreb Prayers **Lunch, Prayers and Rest**

After Maghreb till Isha

Second Technical Session: **Teaching Islamic Finance and Economics at Religious Schools in India. Case Studies**

Presentations by Dr. Abdul Azim Islahi, Dr. M.I Bagisiraj,
Presentation by Dr. Dr. Shariq Nisar, Dr. Rahmatullah
Presentation by Dr. Mohammed Palath

General Discussion

Presidential Remarks Maulana Mufti Nematullah Azmi
Darul Uloom Deoband

Sunday, April 26, 2009 09.00-11.30 A.M.

Third Technical Session: **Teaching Islamic Economics / Finance at Religious Schools in India: Educational Issues** [Preparation of Syllabi,

Text books, Teachers' training, Duration, Nature and Recognition of Certificates, Practical training etc.]

Chaired by **Maulana Kaka Sayeed Ahmad Umari** CEO Jamia Darus Salam, Umarabad, Tamil Nadu

Presentations: Dr. Ausaf Ahmad, Dr. Abdul Azim Islahi,
Dr. Shariq Nisar and others

Presidential Remarks: **Maulana Kaka Sayeed Ahmad Umri**

Convener: **Maulana Khalid Saifullah Rahmani**

11.30-12.00 Noon **Tea & Networking Break**

12.00 -1400 P.M.

Fourth Technical Session: **Teaching Islamic Economics / Finance at Religious Schools in India: Administrative and Financial Issues**

Chaired by: **Maulana Syed Nizamuddin**, (General Secretary
All India Muslim Persenol Law Board)

Presentations

General Discussion

Presidential Remarks: **Maulana Syed Nizamuddin**

Convener: **Maulana Ateeq Ahmad Bastavi**

14.00-Till Maghreb ***Lunch, Prayers & Rest***

After Maghreb till Isha

Concluding Session

Chaired by: Maulana Mufti Sadiq Mohiuddin
Mufti, Jamia Nizamia, Hyderabad

Vote of Thanks: **Dr. Ausaf Ahmad**
Institute of Objective Studies, New Delhi

Convener: **Maulana Khalid Saifullah Rahmani**

Isha Prayers & Dinner

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