

Seminar Report**The Seminar on Islamic Economics**

(March 28-29, 1987)

The International Institute of Islamic Thought sponsored a major seminar on "Islamic Economics" in North America on March 28-29, 1987 at its Washington D.C. area headquarters in Herndon, Virginia. The seminar was coordinated by Dr. Muhammad Anwar, secretary of the Economic Discipline Council of the Association of Muslim Social Scientists. Although there was great interest expressed by numerous professors and graduate students of economics, the registration was limited to seventy participants due to some temporary physical constraints.

The program began with recitations of the Qur'an followed by addresses of Dr. Ṭāhā Jābir Al-'Alwānī, President of the International Institute of Islamic Thought; Dr. 'AbdulḤamīd 'Abu Sūlaymān, President of the Association of Muslim Social Scientists; and Dr. Raquibuz Zaman, Chairman of the Economic Discipline Council. A total of nine sessions, including a business session and a special session for Ph.D. candidates from various universities in the United States, were held during the two-day seminar which concluded with a farewell dinner on the final day. Among the highlights were sessions on Methodology of Islamic Economics, Islamization of Knowledge, Modeling Macroeconomics, Microeconomics, and Financial Accounting and Comparative Economics. Eighteen speakers delivered their research papers.

First session on Methodology of Islamic Economics was chaired by Dr. Abbas Mirakhor of the International Monetary Fund. Dr. Anwar, also of the International Institute of Islamic Thought, Dr. Salim Rashid of the University of Illinois, and the famous Islamic economist Dr. Mahmud Abū Saud delivered their papers on "Methodology of Islamic Economics," Islamic Economics: An Historic-Inductive Approach," and "Research Methodology for Islamic Economics", respectively during the session.

Lectures on Islamization of Knowledge were delivered by Dr. Al-'Alwānī, Dr. 'AbuSūlaymān, and Dr. Jamal Barzinji in the second session.

The third session on Modeling Macroeconomics was chaired by Dr. Mohsin Khan of the International Monetary Fund. In this session, Dr. Syed

Mahdi of Benedict College, Dr. Sattar Zaidi of the Catholic University of America, and Dr. Nader Habibi of the Michigan State University read papers entitled "A Model of Income Determination in an Interest-Free Islamic Economy," "Interest-Free Banking, Profit-Sharing, and the Islamic Macroeconomic System," and "Consequences of Islamic Banking in Macroeconomic Framework," respectively.

The fourth session, on Fiscal Economics, was chaired by Dr. Mohammed M. Safa of the Southeastern University. Dr. Hafeez Shaikh of Howard University and Oran Ahmad of the University of Illinois presented papers on "Tax Evasion and Revenue Yield Implications of the Profit-Loss Sharing System of Lending in Pakistan" and "Fiscal Policy in an Islamic State" respectively.

The fifth session on Islamic Finance and Insurance was chaired by Dr. Zubair Iqbal of the International Monetary Fund. A paper on "Some Issues in Risk Management and Insurance in a Non-Muslim State" was delivered by Dr. Raquibuz Zaman of Ithaca College. Dr. John Harrington, Jr. of Seton-Hall University also delivered a paper on "Islamization of Banking in Pakistan," while Dr. Shahrukh Rafi Khan of the State University of New York presented a paper on "Profit-Loss Sharing as a Land Tenure System."

Sixth session was on Modeling Microeconomics in which Dr. Asad Zaman of the Columbia University and Qasem Hamouri of the University of Utah presented papers on "Foundations of an Islamic Economic Theory of Microeconomics" and "Rationality, Time, and Accounting for the Future" respectively. The session was chaired by Dr. Akhtar Awan of Merrill Lynch.

The last session was on Comparative Systems and Financial Accounting and was chaired by Dr. Nadeem Ul-Haque of the World Bank. Concluding papers were read by Dr. Rasool Hashimi of Southern Illinois University on "Islamic Economic System: An Alternative to Capitalism and Socialism" and Dr. Abo-Hebeish, CPA from California, on "The Practical Application of the Islamic Rules in Business Administration: Financial Accounting." A complete package of proceedings was made available to the participants.

Research papers were submitted by Dr. Ali Darrat of the University of New Orleans and Monzurul Hoque of the University of Illinois, who could not attend the seminar. Their papers were entitled "Islamic Interest-Free Banking: An Empirical Analysis" and "Land Administration in Islam: A Second View of As-Swad," respectively, and were included in the proceedings.

Dr. Raquibuz Zaman and Dr. Asad Zaman, who supervised several dissertations, highlighted practical problems and issues confronting dissertation writers. Some of their students summarized their personal efforts, progress, and problems towards completion of their dissertations. Dr. Mohsin Khan kindly responded to institutional issues raised by students which were relevant for Islamic economics, while Dr. Mahmud Abu Saud made very

thoughtful contribution for handling issues in fiqh context.

It was decided by the Executive Board of the Association of Muslim Social Scientists that the Economic Discipline Council should conduct its independent elections for the positions of a Chairman, Co-Chairman and Secretary during the seminar. Consequently elections were held. Dr. Abbas Mirakhor of the International Monetary Fund, Dr. Muhammad Arif of Clark University and Muhammad Anwar of the International Institute of Islamic Thought were elected as Chairman, Co-Chairman, and Secretary for the Economic Discipline Council for the year 1987-88.

The business session was conducted by newly elected representatives Drs. Mirakhor, Arif, and Anwar under the chairmanship of Dr. 'AbuSūlaymān. Several proposals were brought forward while discussion mainly centered around the questions of developing 'Iqtisadul Islami' instead of Islamic Economics, measures to increase participation of Muslim economists in Islamization of knowledge particularly economics, and the need to publish the proceedings of the seminar. 'Iqtisadul Islami' is defined as the study of economic issues on the basis of the principles set out in the Qur'an and the Sunnah of the prophet Muhammad (PBUH).

All the participants unanimously agreed that the seminar was very beneficial for professors, students, and other professionals who interacted by expressing their opinions freely on a multitude of issues with consciousness, eagerness and enthusiasm. Panelists heeded genuine criticism without hesitation.

Success of this seminar has highlighted a need for such interaction among Islamic economists on an annual basis. Therefore it is very likely that the Economic Discipline Council will hold an annual conference next March, Insha Allah. Representatives are working hard to develop a theme for the upcoming annual conference to outline a direction for the development of 'Iqtisadul Islami'.

Muhammad Anwar
Secretary, EDC