Islamic finance remains relevant today

In the pursuit of knowledge and wisdom we cannot ignore the tradition of knowledge and collective wisdom that is shared across tribes, nations and civilisation due to the tireless efforts of sincere scholars.

Interestingly we also can observe and confirm that knowledge and wisdom based on revelation and reason with altruism from centuries ago still bear relevance today, as they can help shape and guide contemporary society with particular reference to law and moral conduct.

Universiti Tun Abdul Razak (UNIRAZAK), Graduate School of Business deputy dean Assoc Prof Dr. Syed Musa Alhabashi recently gave his thoughts on the relevance of Islamic Finance.

“Islam is submission to Allah s.w.t. and executing the tasks according to Islamic Law (Shari’ah) and code of conduct (Akhlq). Where human and social values reside in disciplines such as economics, management and law, these need to conform to the Islamic law and code of conduct. These studies are meant to expand reform and provide direction to existing conventional perspectives and approaches.

“Islam brings to humanity a comprehensive and complete moral code of conduct and indeed, the complete guide on how to lead one’s life. This had however been reduced and limited to one’s personal conduct, religious life, and family relationships excluding its comprehensive role as a complete system moulding various organs of the society. “One of the challenges is to correct the perception that religion is antiquated or outdated and may petrify a discipline.

“The religion of Islam is dynamic and Muslims have pioneered various scientific fields prior to the Renaissance as well as the prevalent concept of modernity being introduced. “Science, technological progress and social development have always been consistent with belief (imaan), knowledge (ilm), practice (‘amal) and moral conduct (akhlq). In a more active sense Islamic based studies such as Islamic Finance have attracted global attention and are anticipated to shape the future society,” he says.

The impact of Islamic financial transactions on industry has exemplified how the Islamic belief and value system are holistic and influence all spheres of human life.

“With prohibition of usury in accordance to Shari’ah, financial intermediation models need to be re-visited, regulatory and governance framework reviewed and consumer as well as society expectations to be re-examined. Hence any attempt to decouple or separate business practices or financial transactions from Islam law and moral code is deemed Shari’ah non-compliant.”

Dr. Syed Musa further explains: “Islamic studies are as relevant nowadays as they have always been, because the guidance contained therein can and should be applied to modern times. “This is not because there are more and more Muslims in the world, but because of the appropriateness of the knowledge and guidance therein. It reflects a more universal and holistic approach, one that redresses and contributes a holistic perspective in addition to Western schools of thought.

“It also takes into consideration the needs of the community in a comprehensive manner as prescribed by the Shari’ah. As an individual and a member of society, the learner will derive purpose and meaning of life which is directed towards goodness and benefit of mankind.”

“From the industry standpoint, an executive who adopts a more innovative thought process with moral and social responsibility will inevitably enhance or transform existing business practices to be ethical and value added and hence open doors to a better future.”

Dr Syed Musa goes on to say that in legal, accounting, risk, banking, insurance and capital market sectors, there has been a high demand for Islamic studies from both academia and professionals.

Beyond the customary ritual practices that form the basis of a Muslim’s life, further Islamic based studies can provide new policies, procedures and solutions to address the needs of the industry and society.

“I believe that in the near future the core principles and values of Islam will contribute to shaping the convention of a better plural society,” he concludes.

For details on Islamic Finance studies, look out for UNIRAZAK’s ad in this Star Special.
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