

# Islamic Finance and Economics as Reflected in Research and Publications

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In the past thirty years, Islamic finance and its banking industry have rapidly established themselves in the global market as an alternate method of investment. The present pace of growth shows a very promising future for Islamic finance. Along with this development there has been a significant increase in research in Islamic finance and economics, as seen in the growing number of publications in the field. Prior to the 1970s there were no journals or magazines devoted to Islamic finance and economics, although quite a bit was written on the topic in the form of monographs and articles published in mainstream journals.

When in the late 1940s and early 1950s authors introduced the concept of banking without interest, the majority of people considered it a novelty. It took almost thirty years to implement Islamic banking in practice, with the Dubai Islamic Bank becoming the first full-fledged Islamic finance bank. In the past three decades there has been a rapid rise in the implementation of Islamic finance both in the East and the West, as more and more institutions develop products and offer services.

The development of the Islamic Finance (IF) industry is closely linked to the research pursued in its field. As soon as new theories are generated by researchers, the industry picks them up and implements them. And as soon as the industry encounters new problems, they turn to the researchers to find a way to overcome them. A closer look at the relationship between research and the industry makes several trends apparent. This paper aims to discuss and analyze those trends so as to offer a general understanding of this burgeoning field.

Islamic finance and economics (IFE) is unique because of its interdisciplinary nature. The field stands at the intersection of economics, finance, religion, area studies, law, and sociology. Among the people who conduct research in this field are economists, who conduct empirical and theoretical studies that provide a solid foundation for the field. There are also financial professionals who address the practical problems faced by the field through case studies, product development, and business plans. There are *shari'a* scholars who provide the religious foundation based on established sources, such as the Qur'an, *hadith*, *ijtihad*, and the practices instituted by earlier scholars. They endeavor to translate and rationalize the long-standing practices into contemporary usage. There are also legal professionals who spend a great amount of time fitting financial contracts into the current legal frameworks. Because researchers come from such varied backgrounds, the ongoing research activities in the field are diverse, ranging from doctoral dissertations to articles published in popular journals to conference papers, and they deal with a vast array of subjects, from financial instruments all the way to the religious basis of Islamic banking.

One of the aims of this paper is to document the current status of Islamic finance research based on the available publications, and to identify trends in research activities, in terms of both the type and the content of the work. Through this analysis the evolution of IFE research over the last few decades will be traced. The study will initially deal with the various entities that produce IFE research, on both the institutional and regional level. Subsequently, the sources of funding for IFE research will be discussed, followed by a section on the means of research dissemination. Finally, this paper will touch upon the main topics of IFE research and other relevant issues, with the exception of *zakat* and *waqf*. Both of these topics need special attention and are very important, but they are beyond the scope of this paper.

The data used in this paper has been extracted from several primary and secondary sources pertaining to Islamic finance and economics. Most of the data was taken from Harvard's Islamic Finance Project DataBank (IFP DataBank)<sup>1</sup>, Islamic-finance.net, and several other publicly available sources. However, in many cases, these public sources lacked the amount of detail necessary for analytical purposes. These sources have therefore been used to outline more general trends; while more detailed analysis has been performed using samples from the IFP DataBank where more information was available. Even so, this sample is also limited because there is a lot of IFE research being conducted in languages such as Arabic, Persian and Bahasa that is not sufficiently well represented in the DataBank. These limitations must therefore be kept in mind.

The research output in the form of articles, books, conference papers, and other materials as represented by IFP DataBank in the last three decades is remarkable, totaling 6484 publications. Prior to 1979 this number was much lower, with only about 238 publications. This number jumped to 1098 from 1980 to 1989. In the following decade, 1990–1999, the number more than doubled to 2722. This rapid increase in the number of publications can be directly attributed to the establishment of Islamic financial institutions.

Examining the developments in IFE research both regionally and institutionally provides an indication of the geographical locations where IFE research is currently being conducted and uncovers the types of research that certain regions tend to favor. On the other hand, institutional trends reveal the growth and development of different organizations that in turn reflect the various areas of knowledge deemed necessary for building and supporting the Islamic finance industry.

According to the IFP DataBank, in the last two decades there has been a westward shift in the major centers of IFE publications (Table 1). While nations such as Pakistan and Malaysia are important centers of IFE research, the large volume of published work, particularly in the form of journal articles, comes from outside those regions. A closer look at the publications shows that the overwhelming majority of these journals stem from Europe (including the United Kingdom), which has nearly twice as many publications as the United States. Pakistan and Malaysia are respectively the third and fourth largest contributors, but remain far behind the United Kingdom in terms of sheer volume of publications. This situation is changing now that numerous magazines and journals exclusively devoted to Islamic finance news are being published in many different parts of the world. This new development has completely changed the landscape of the research output and is currently shifting the major publications centers toward the Middle East and Asia. Table 2 provides a selected list of new publications that have appeared in the last two years. There are, in addition, many more newsletters and online publications that appear continuously.

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<sup>1</sup> IFP DataBank is a comprehensive source of information on Islamic Finance and Economics initiated at Harvard in 1995. The databank has nearly 10,000 items and it is used as a reference throughout this paper. Please bear in mind that this is only an indicator and does not represent the entirety of the publications in existence. For details, visit <http://ifp.law.harvard.edu>.

Table 1: Breakdown of various types of publications by regions

<u>Regions</u>	<u>Articles</u>	<u>Books</u>	<u>Conference Papers</u>
Asia	31.5% (806)	22.2% (215)	30.2% (477)
Europe	46.4% (1187)	19.6% (190)	19.4% (306)
Middle East	8.8% (224)	43.6% (425)	37.9% (598)
North America	13.3% (340)	14.4% (140)	12.4% (196)

*Source: IFP DataBank (search conducted in June 2006)*

In addition to the geographical shift in the centers of IFE research, there is also a significant difference in the focus of the research conducted across various regions. Based on the types of publications produced by each region (Table 1), we find that the bulk of published work from Europe, North America, and Asia comes in the form of journal articles, indicating a strong academic orientation. In contrast, the Middle East has produced substantially more non-journal publications, particularly monographs and conference proceedings. This reflects a focus toward more applied research in relation to market trends and product development and is related to the large number of companies based in the region that are actively involved in Islamic banking and investment.

Table 2: New Publications in Islamic Finance and Economics

Title	Country of Origin	Frequency	Publisher/ URL
Business Islamica	UAE	Monthly	Dubai Media City
Forbes Arabia	UAE	Monthly	<a href="http://www.dit-group.com/forbes/">http://www.dit-group.com/forbes/</a>
Islamic Business & Finance	UAE	Quarterly	<a href="http://www.cpifinancial.net">www.cpifinancial.net</a>
Investors Magazine	Kuwait	Monthly	<a href="http://mosgcc.com/english/">http://mosgcc.com/english/</a>
Islamic Finance News	Malaysia	Weekly	<a href="http://www.islamicfinancenews.com">www.islamicfinancenews.com</a>
Journal of Muamalat and Islamic Finance Research	Malaysia	Annually	<a href="http://fem.kuim.edu.my/jmifr">http://fem.kuim.edu.my/jmifr</a>
Islamic Finance Today	Sri Lanka	Quarterly	<a href="http://www.pioneer-publications.com/">http://www.pioneer-publications.com/</a>
Sharikah – Islamic Banking and Finance	Switzerland		<a href="http://www.Shrike-finance.com">www.Shrike-finance.com</a>

With regard to the institutions that publish the research, Islamic Development Bank's Islamic Research and Training Institution (IRTI), King Abdulaziz University (KAAU), the International Islamic University Malaysia (IIUM), the Institute of Islamic Banking and Insurance (IIBI), the International Institute of Islamic Thought (IIIT), and the Islamic Foundation in the United Kingdom have published the bulk of monographs that formulate the core collection in the field in addition to their scholarly journals. Recently commercial and university publishers, such as Kluwer Publishing House, Cambridge University Press, Edinburgh University Press, John Wiley Malaysia, Butterworth, Financial Times, and Euromoney have become interested in publishing Islamic finance books.

## RESEARCH TRENDS

Research in Islamic finance and economics can be divided into two main categories – academic and applied research. Academic research, which includes theoretical studies, is by far the more prominent, and is conducted at universities, colleges, and research institutes. Applied research is conducted mostly in the corporate world and yields relatively less publicly available written material. However, their research work is as important as the work carried out within academia.

### *Academic Research*

Academic institutions are primary centers for research, and include both institutions of higher learning and other entities set up specifically to conduct original research and to spread awareness of Islamic finance. Research in such environments is mainly conducted by economists, professional researchers, *Shari‘a* scholars, and students. Academic research forms the backbone of any discipline, as it provides the theoretical framework in which the discipline will function. Islamic finance is no exception, and the industry has long realized the importance of academic research for its growth. Indeed, this emphasis on a theoretical basis has led Islamic finance and banking to become a professional industry in its own right, and not merely a trade.

A number of institutions actively conduct research in Islamic finance and economics. Among the institutions listed earlier, the Islamic Research and Training Institute (IRTI), the research arm of the Islamic Development Bank, and the Islamic Economic Research Centre of King Abdulaziz University (KAAU) in Saudi Arabia have taken a leading role in ongoing research projects. Other major academic centers that conduct both training and research in the field of IFE include the International Islamic University Malaysia (IIUM); the International Islamic University Islamabad (which has upgraded its International Institute of Islamic Economics to a College of Islamic Finance); Aligarh Muslim University in India, the Institute of Islamic Banking and Insurance (IIBI) in London; the International Institute of Islamic Business & Finance, India; the Institute of Middle East and Islamic Studies, Durham University; Trisakti University, Indonesia; the Markfield Institute of Higher Education, set up by the Islamic Foundation in conjunction with Loughborough University; the Centre for Islamic Banking, Finance and Management of Universiti Brunei Darussalam; and Kolej Universiti Islam, Malaysia.

In addition, many of the institutions mentioned above also offer postgraduate qualifications in the field. The presence of such universities plays a large role in the number of researchers present in each region. Table 3 displays the number of researchers from different areas in the world registered in the Islamic-Finance.com website<sup>2</sup>. This table does not cover all the researchers worldwide, but does include the most significant research centers. As the source of the data was scanned manually with a limited flexibility search engine, the figures are not exact. Furthermore, the research conducted in Arabic is not included.

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<sup>2</sup> The sample data for analysis extracted from <http://www.Islamic-finance.com>

Table 3: Number of researchers registered with Islamic-Finance.com

<u>Countries</u>	<u>Research Project</u>	<u>Theses/Dissertation</u>
Malaysia	164	23
Pakistan	94	13
United States	66	2
Indonesia	58	10
United Kingdom	41	11
India	22	7
Saudi Arabia	16	2
Jordan	11	4
France	6	3
Germany	6	0

The bulk of ongoing, unpublished academic research seems to occur in countries that have universities with programs dedicated to Islamic finance – Malaysia and Pakistan being cases in point. Those nations also have the most PhD level researchers. The United States, although it comes next in the list with regards to ongoing projects, has relatively few PhD level researchers, especially when compared to nations such as Indonesia and the United Kingdom. This can be explained by the fact that the latter countries house universities that offer full time postgraduate qualifications in the field of Islamic finance, while the United States does not.

The number of theses and dissertations completed in the United States and United Kingdom, as reflected in IFP DataBank, started with only 4 in the 1970–1979 period. The figure shoots up to 66 during the next decade, presumably because the number of students interested in undertaking research on the topic of Islamic finance and economics increased. During the subsequent decade of 1990–1999 the figure rose again to 104. Information on the number of theses and dissertations undertaken in these countries is easily accessible through secondary sources such as *Dissertations Abstracts International* (US) and *Index to Theses* (UK). On the other hand, research for doctoral degrees in India, Malaysia, Indonesia, and Pakistan has been substantial but since it is not surveyed by secondary services it is difficult to assess. Even so, the data presented in Table 3 is an indication of the increasing number of research activities in IFE.

The case is similar for the Middle East, where research projects have been pursued but these are not reported by any secondary sources and are therefore impossible to count. The gap between the number of theses published in countries such as the United States and the United Kingdom and other nations is extremely large and cannot be attributed to a statistical bias in the DataBank alone. Both of these nations publish many more theses yearly, even when they seem to have fewer ongoing research projects than nations such as Malaysia and Pakistan. This is understandable since universities in Europe and North America offer much better resources both in terms of available research facilities and publication media than most other countries. Universities in these two regions offer funding and support for researchers, and the interest in Islamic finance is also growing rapidly due to large Muslim minorities in these areas. A number of prestigious institutions, such as Harvard, Rice, and Durham have thus come to house budding Islamic finance researchers.

Many institutions, academic and otherwise, have also set up semi-independent projects dedicated to conducting and promoting research in Islamic finance. The Islamic Finance Project (IFP) at Harvard University was set up as a continuation of the Harvard Islamic Finance Information Program instituted in 1995. Its purpose is primarily to conduct research in Islamic finance from the legal point of view, as well as facilitating cooperation among scholars in the

field and developing the application of theoretical findings to practical matters. There have been fifteen relevant theses, dissertations, projects, and case studies on Islamic finance conducted by various individuals at Harvard. IFP is continuously receiving an increasing number of inquiries from other schools on how to conduct research in this subject and on how to teach it to students of various disciplines.

The IIBI, being the oldest of such institutions, has undertaken several major projects, including the translation and publishing of religious rulings (*fatwas*) in four volumes and the compilation of an encyclopedia on Islamic banking. The International Institute of Islamic Business & Finance (IIIBF) is an extremely useful source through its IBF-Net, discussion forum, E-Library, and publications, as well as its postgraduate diploma in Islamic Finance and Management, Certified Islamic Banker (CeIB), Certified Islamic Insurance Professional (CeIIP), and Certified Islamic Investment Analyst (CeIIA) programs, which are available online. Bank Negara Malaysia has established the International Center for Education in Islamic Finance (INCEIF). INCEIF (now chartered to become UNCEIF University) specializes in advanced education in Islamic finance, and offers professional certification in the form of the CIFP (Certified Islamic Finance Professional) program as well as postgraduate degrees, including Masters and PHD. The Securities and Investment Institute of U.K. along with the Ecole Supérieure des Affaires offer the Islamic Finance Qualification (IFQ), a certification available for those interested in a career in Islamic finance. A recent newspaper article by Tahani Karrar<sup>3</sup> stressed the importance of global standardization of these newly established certifications, for there to be uniformity across the industry and in this way avoid fragmentation. However, AAIOFI argues that it is difficult to ascertain what global standards are in an emerging industry such as Islamic Finance. It offers a Certified Islamic Public Accounting (CIPA) program and it will be offering a new Shari'a Auditor Advisor Certificate. Similarly, other academic institutions have been set up around the world with goals ranging from theoretical research to regulation to training, such as the Islamic Finance Program set up at the Oxford Center for Islamic Studies and the Bahrain Institute of Banking and Finance (BIBF).

### *Research in the Corporate World*

Most applied research undertaken by professionals in the corporate world is usually geared toward serving specific short-term and long-term goals of the company in question. Data on applied research is less accessible than that from academic centers, as most research is not published. Again, one of the major centers of both theoretical and applied research is the IRTI. Other financial institutions have also conducted limited applied research pertaining to their own institutions. Examples include the Dallah al-Baraka Research Center, which has been involved in research relevant to the collection of Fatwa rulings of their *Shari'a* board. The Organization of the Islamic Conference Fiqh Academy has undertaken efforts to pass various major rulings on Islamic banking. The Kuwait Finance House has also undertaken a research project of collecting fatwa rulings passed by their *Shari'a* board. In Malaysia, the Bank Islam Malaysia Berhad's Institute of Research and Training was established to handle research and consultancy functions. The Al-Rajhi Research Centre has also conducted research activities such as compiling *fatwas* passed by their own institution. The Dubai Islamic Bank (DIB) has initiated in house research and development activities which have culminated in the publication of a journal, *Iqtisaduna*.

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<sup>3</sup> Karrar, Tahani. Islamic Finance Struggles with Education Standard, *The Daily Star (Egypt)*, July 24, 2007.

Other institutions carrying out research within the industry include the Accounting and Auditing Organization for Islamic Financial Institutions of Bahrain (AAOIFI), which is involved in producing various standards for the industry that are now being used by most Islamic financial institutions in the Arab Gulf. AAOIFI also hosts an annual conference to promote its mission. The GCIBFI (General Council for Islamic Banks and Financial Institutions) has also become very active in collecting industry-wide information and compiling directories for research purposes. It has sponsored several conferences, including one in Washington DC. GCIBFI has filled the gap left by the closing of the International Association of Islamic Banks and Financial Institutions in 1999. The newly established Islamic Financial Services Board (IFSB) in Malaysia also carries out industry related research and has recently issued several standards on issues such as corporate governance and capital adequacy. It has also organized several conferences and seminars in various countries, bringing governors and other regulators together to discuss pressing issues confronting the industry.

In general, Islamic banks do not have the capacity to carry out large-scale projects on their own, with the exception of a few of those mentioned above, which have established full-scale departments for research and development. Because of this, many financial institutions have conducted their product development and market research in conjunction with third parties. Professionals involved in the senior management of both Islamic financial institutions and conventional institutions offering Islamic financial products are actively sharing their ideas and business plans through conferences and seminars. These presentations are the outcome of product research conducted by practitioners in various financial institutions. Typically, the structuring of deals and transactions requires input from three different groups within a given institution: financial professionals, *Shari'a* scholars, and legal experts.

Teaching and training are important aspects of the ongoing research. Despite the volume of published research present today, a comprehensive textbook on the subject of Islamic finance has yet to emerge. Until then, universities and colleges offering instruction in this field will have to rely on the expertise of the few people engaged in academic work on IFE. A few institutions that specialize in training and certification programs in Islamic finance have been set up within the industry; these include the Muamalat Institute, Bank Muamalat, Indonesia, Islamic Banking and Finance Institute of Malaysia, College of Islamic Banking & Finance, Malaysia, Bahrain Institute of Banking and Finance, Emirates Institute of Banking and Financial Studies, Institute of Islamic Banking and Insurance, London, and the Center for Islamic Economics, Pakistan.

## **SOURCES OF FUNDING FOR IFE RESEARCH**

Funding for IFE research is limited, considering the dearth of dedicated sources that specifically target research in this field. With respect to academic research, most researchers rely either on general purpose grants that are available at their respective institutions or universities, or on funding from their own pockets. External sources of funding for researchers are negligible.

One of the few resources that exist to promote academic research is the IRTI Scholarship Scheme to Support PhD Programs in Islamic Economics, Banking, and Finance. The scholarship of \$2000 yearly (renewable up to three years) was set up recently by the IRTI with the aim of promoting higher research within the field, and is specifically aimed at supporting PhD candidates enrolled in major universities who are writing dissertations on the subject of Islamic finance and economics.

For in-house product development, funding is not so much of an issue. Since there is a demonstrated need for research in order to generate new products and business plans, the parent organization funds such ventures. Industry players and central banks receive support from external ventures such as AAOIFI and IFSB to streamline and tackle some of the industry-wide

problems and issues. Such issues are beyond the scope of an individual bank but still affect the overall IF industry.

A major breakthrough in the promotion of academic research in IFE was the establishment of the International Centre for Education in Islamic Finance (INCEIF) with a generous grant of US\$50 million by the Bank Negara Malaysia. In addition to training, INCEIF has also set up grants encouraging independent and collaborative research in the field.

Only a few centers, such as the International Islamic Universities (Malaysia and Islamabad), are able to offer reasonable funding for postgraduate research. As a result, a number of students who are interested in Islamic finance turn away for lack of funds. In a growing field where research is of paramount importance for its development, this is unacceptable, even more so since there is a scarcity of qualified people in the field. Steps must be taken by institutions worldwide to ensure that potential researchers are encouraged to work within the field. Many researchers in India, Bangladesh, Indonesia, and Pakistan, as well as in the west, especially at the doctoral level, are frustrated because of the lack of scholarships available. To remedy this problem, more funding channels should be created and the requirements for such scholarships should be simplified.

In the case of industrial research funding is not a barrier. Major Islamic finance companies have their own research and development departments, with resources allocated for their functioning. Smaller companies allocate a significant amount of money for research, most often toward the enlistment of external agencies. A lot of input and effort goes into product development and market studies, and it is here in particular that external agencies prove helpful.

## **DISSEMINATION OF IFE RESEARCH**

The dissemination of research happens at various levels. Academic work is generally published first as articles in journals and then in the form of monographs. Avenues also exist for the distribution of theses. Scholars also tend to distribute their research themselves, through seminars, conferences, workshops, and even class lectures. Such dissemination happens much less within the industry; most developments and findings tend to stay within the institution of origin. However, they are sometimes unveiled during conference presentations and seminars.

Journal articles are by far the most popular means of dissemination. Prior to the 1990s papers were only published in secular, conventional economics and finance journals. A cursory check of IFP DataBank shows that the 2500+ articles represented in the database are distributed among some 400 different journals. The bulk of them, however, are concentrated in a very few journals – only 25 of these 400 journals have more than 20 articles in the DataBank both from Islamic Finance and secular journals. Non-Islamic finance journals which have published a number of Islamic finance articles prior to the 1990s and continue to publish them are: *American Journal of Islamic Social Sciences* (US), *Arab Law Quarterly* (U.K.), *The Banker* (U.K.), *Economic Outlook* (Pakistan), *The Economist* (UK), *Economic Outlook* (Pakistan) *Euromoney* (U.K.), *Far East Economic Review* (Hong Kong), *Financial Times* (UK), *Global Finance* (US), *Humanomics* (Canada), *Hamdard Islamicus* (Pakistan), *International Journal of Social Economics* (U.K.), *International Financial Law Review* (U.K), *International Journal of Bank Marketing* (U.K), *Investors' Digest* (Malaysia), *Journal of Objective Studies* (India), *Journal of Economic Cooperation among Islamic Countries* (Turkey), *Islamic Studies* (Pakistan), *Managerial Finance* (U.K), *Middle East Economic Digest* (U.K), *Muslim World League Journal* (Saudi Arabia), *Pakistan Development Review* (Pakistan), *Thunderbird International Business Review* (U.S), and *Al-Tawhid Islamic Journal* (Iran)

Since the mid-1990s more Islamic finance and economics magazines and journals have appeared. These journals can be subdivided into three categories: scholarly journals, middle-of-the-road-journals, and popular journals. The scholarly journals which publish more in depth

studies include: *Islamic Economic Studies* (IRTI), *Journal of King Abdulaziz University—Islamic Economics*, *Review of Islamic Economics* (Islamic Foundation, U.K), *IIUM Journal of Economics and Management* (International Islamic University Malaysia) *Thoughts on Economics* (Islamic Economics Research Bureau of Dhaka) and an online, *International Journal of Islamic Financial Services* (IBF-NET, India). The journals which fall in the middle-of-the-road category contain short papers of practical value to the practitioners and these include: *Islamic Economics News Bulletin* (Indian Association for Islamic Economics), *American Journal of Islamic Finance* (U.S), *Accounting, Commerce and Finance: Islamic Perspective* (Australia), *New Horizon* (U.K), *Journal of Islamic Banking & Finance* (Pakistan), and *Islamic Banking and Finance* (U.K). Finally, in the category of popular journals, which are reported to have large circulation figures and are widely read by the practitioners, publications include: *Islamic Banker* and *Sharika-Islamic Banking and Finance*, both of which are based in Europe. Other additions to this category are *Islamic Finance Today* from Sri Lanka and *Islamic Business & Finance* from Dubai. In addition to these, articles on Islamic finance are also frequently published in non-Islamic finance journals, as was previously mentioned. Also, a number of magazines have appeared in Arabic, with the most popular being *Al-Iktisaad Wal-Aamal—Arab Business Magazine*, *Forbes Arabia*, and *Investor Magazine*.

The recent launch of several new magazines indicates the increasing popularity of Islamic finance. Furthermore, the immense geographical spread of the countries of publication shows the growing global reach of IFE as a field. The list below contains several examples of these new publications.

Other popular means of dissemination, for both applied and academic research, are conferences and seminars. As Islamic finance is very much a growing field, conferences are both popular and productive, allowing financiers and bankers to acquaint themselves with the latest developments in the industry, and simultaneously providing excellent networking opportunities. It is here that a number of the latest findings are presented and case studies of different projects are discussed. The proceedings themselves may or may not be available in documented form afterwards, but the DataBank contains details of over 1500 conference proceedings. These conferences are an excellent means of spreading current knowledge about Islamic finance, and have become extremely popular within the community.

Books and monographs on Islamic finance and economics are published by a variety of publishers in various languages. The IFP DataBank itself contains over a thousand unique titles. These books tend to deal with overarching theoretical aspects and issues concerning the industry and are mostly published by IRTI, King Abdulaziz University, the Islamic Foundation of the United Kingdom, and the International Institute of Islamic Thought.

Theses and dissertations also form a part of the available literature on Islamic finance. The IFP DataBank contains over 200 dissertations completed at different universities around the world. As universities begin to produce more and more masters and doctoral theses in the field, they form a part of the ever-growing literature on IFE.

An important aspect of dissemination is coverage by secondary sources such as bibliographies and databases. A number of major research databases contain entries on the subject of Islamic finance<sup>4</sup>. As was previously stated, journals articles are by far the most popular means of publication. They provide the largest outreach value, and there are many more avenues for the publication of journal articles than there are for other types of publications. This is reflected in their availability through secondary sources.

Below (Table 4) is a suggested core list of publications in IFE for researchers and practitioners. The first category in this table is the scholarly journals, the second category is middle-of-the-journals, and the third category is composed of the popular journals. The three

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<sup>4</sup> Ali, S. Nazim. Information on Islamic banking and economics as represented by selected databases, *International Journal of Information Management*, 13, 1993, pp.205-219.

online services shown in the table are the General Council of Islamic Banks and Financial Institutions database, CIBAFI (<http://www.cibafi.org>), which includes a directory of Islamic finance institutions and important personalities in Islamic finance; the Islamic Financial Information Services (IFIS portal, <http://site.securities.com/ifis>), which is the product of Internet Securities International (ISI), and provides Islamic finance industry information; and finally the IFP DataBank (<http://ifp.law.harvard.edu>), the oldest among the three, launched by Harvard University in 1995, provides a comprehensive collection of research information. The information contained in the databank has full bibliographic data with original abstracts describing the work. Further details can be obtained on the websites.

Table 4: Core list of publication in Islamic finance and economics

**Scholarly Journals** (*in alphabetical order*)

Contemporary Jurisprudence Research Journal (Saudi Arabia)  
 IIUM Journal of Economics and Management (Malaysia)  
 Islamic Economic Studies (Saudi Arabia)  
 International Journal of Islamic Financial Services – Online (India)  
 Journal of Muamalat and Islamic Finance Research (Malaysia)  
 Journal of King Abdul Aziz University: Islamic Economics (Saudi Arabia)  
 Review of Islamic Economics (United Kingdom)  
 Thoughts on Economics (Bangladesh)

**Middle-of –the-Road Journals** (*in alphabetical order*)

Accounting, Commerce and Finance: Islamic Perspective (Australia)  
 American Journal of Islamic Finance (United States)  
 Islamic Banking and Finance (United Kingdom)  
 Islamic Economics News Bulletin (India)  
 Journal of Islamic Banking & Finance (Pakistan)  
 New Horizon (United Kingdom)

**Popular Journals** (*in alphabetical order*)

Business Islamica (United Arab Emirates)  
 Investors Magazine (Kuwait)  
 Islamic Banker (United Kingdom)  
 Islamic Business & Finance (United Arab Emirates)  
 Islamic Finance Today (Sri Lanka)  
 Sharikah – Islamic Banking and Finance (Switzerland)

**Newsletters** (*in alphabetical order*)

Islamic Finance News (Malaysia)  
 Islamic Finance.de (Germany)  
 IFIS Weekly Overview (United Kingdom)  
 There are several online newsletters (more than can be listed here).

**Online Services** (*in alphabetical order*)

CIBAFI (Gen Council of Islamic Banks & Fin Institutions) - Bahrain  
 IFIS (ISI Emerging Markets, Inc.) - United Kingdom  
 IFP DataBank (Harvard University) - United States

As mentioned above, journals have been the dominated publication method of choice over the last two decades. However, in the last six years there has been a dramatic increase in the number of conference proceedings published, outnumbering journal articles. This is indicative of

both the increase in the number of conferences and seminars taking place and the emphasis put on documenting the proceedings.

## **THE EMERGENCE OF THE WORLD WIDE WEB**

The Internet has revolutionized the world by bringing together information on all aspects of life, from all corners of the world. As far as IFE is concerned, there is a lot of information on the subject available on the Internet. The Internet is useful for finding introductory information, the turn-over time is short, and resources are unlimited. However, there is no barrier to entering information, and as a result people who aren't experts on the subject can insert anything they want. The question of quality is important. Quality can come from the professional's authority (who is writing the article), institutional authority (where is the research being undertaken), or the publisher's authority (by whom is it being published). Therefore, the Internet is a good source of industry news, market news, and consumer perceptions, but for more in-depth information on the subject, only established outlets both in printed and non-printed form should be sought out.

Another important trend in the last decade is that the majority of financial institutions have created websites to share their information. They upload their annual reports, product information, and even libraries of essays and papers providing background information on the field of Islamic finance. When Vogel and Hayes conducted the Islamic Investment Study at Harvard University in the mid 1990s<sup>5</sup>, collecting data from Islamic financial institutions was a challenge. Today the situation has improved a lot. In addition to these organizational websites, there are numerous independent sites providing very useful information, such as: [www.inceif.org](http://www.inceif.org); <http://www.islamic-banking.com>; [www.netversity.org/index1.html](http://www.netversity.org/index1.html); <http://www.financeinislam.com>; <http://www.islamic-banking.com>; <http://islamic-world.net/economics/index.htm>; <http://scholar.google.com>; <http://www.alhudacibe.com>; and [www.insif.org](http://www.insif.org).

## **CONCLUSION**

There has been a distinct upsurge in IFE-related publications in the past two decades. Figures obtained from the IFP Databank show that the number of publications produced between 1980 and 1990 was 1229. The number went up to 3040 for the 1991–2001 period, a nearly threefold increase. Most of the online databases containing a significant amount of IFE-related articles show a substantial increase over these two time periods. More recently, numerous journals exclusively devoted to reporting Islamic finance and banking news are now being published in different parts of the world.

With regards to the research currently being undertaken, there is a lack of coordination as most of the research is not result-oriented and thus has little impact on the field. Further efforts to identify areas of research that have an impact on the industry are needed.

IFE is still a field in its developmental stage. Research and development activities will play a vital role in shaping its course over the coming decades, and it is therefore imperative that it be given appropriate attention. In particular, issues such as lack of funding and the relative scarcity of institutions conducting IFE research in languages other than English must be remedied urgently, as they are a deterrent to potential researchers in the field. Additionally, there is also a need to coordinate the disparate research efforts that are going on in different parts of the globe, in order to avoid overlap and conflict. In order for these research efforts to achieve wider

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<sup>5</sup> Vogel, Frank E. and Hayes, Samuel L. *Islamic Law and Finance: Religion, Risk, and Return*. Boston: Kluwer Law International, 1998, 330p.

dissemination, information produced (articles, books, conference papers, etc) must be included in other international databases and important secondary sources. Major centers of academic research need to communicate with each other about their research projects and to improve incentives to promote greater interest in IFE research. In this way, the development of the field can be furthered, and IFE will be able to provide a viable alternative to traditional interest-based systems worldwide.

The Islamic finance industry has responded to this need by supporting more conferences, which encourage the sharing of data and business plans. However, an intellectual capital gap in all players involved in IF still exists. For example, there is a significant lack of *Shari'a* scholars who choose to specialize in Islamic finance.

Another hindrance to the development of IFE is lack of implementation of standards across the industry. There is no overarching regulatory body entrusted with the task to oversee the implementation of these standards. As of now, they exist only as recommendations or guidelines.

Harvard's efforts in the IF field include introducing new forum sessions such as one on academic research to generate new scholarship, seminars on career opportunities in IF, and bringing Muslim economists and *shari'a* experts to discuss methodological issues, such as the recent workshop on Tawarruq co-sponsored at the London School of Economics. One significant recommendation made in one of the workshops is to initiate a journal in the *fiqh* of Islamic finance. This is one way to coordinate economists working on Islamic finance issues and the *Shari'a* scholars advising the industry.

During the last three decades, IFE has been able to establish itself in the industry and grow, thanks to the efforts of researchers and scholars working since the 1940s. Despite the enormous progress the industry has undergone, more research and consolidating efforts should be pursued today, so that in the coming decades IFE can persist and continue to flourish.