

Remarks by INCEIF PCEO Prof Dato' Dr Azmi Omar  
@ Virtual MoU Signing between INCEIF and Monash University  
11.30am, 18 Aug 2021

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahiwabarakatuh.

Good afternoon to our friends in Melbourne

Prof Simon Wilkes, Dean, Faculty of Business & Economics and Head, Monash Business School

Prof Paresh Kumar Narayan, Pandemic Research Group, Monash Business School

Ladies & Gentlemen,

It is a privilege for all of us to be here, amidst a global health and socioeconomic crisis that continues to throw new challenges our way as we race to curb its spread and stop the ravage COVID-19 has brought to our health, social and economic systems.

Add to that, the world is seeing increasing threat brought by extreme weather conditions in recent months that saw deadly floods, wildfires and heatwaves from Europe to Turkey and China. Scholars have pointed out the relationship between “climate, weather and environmental factors and the COVID-19 pandemic, and concluded that the pandemic “reflects the state of tension between man and nature”. (*\*Climate Change Congress organised by the World Meteorological Organization, August 2020*). Allah says in the Quran: “Impurity has appeared on both land and sea as an outcome of what the hands of people have done. (Surah Ar-Rum – 41)

The pandemic is a fire test on the fragility of the existing eco-system. As the spread of COVID-19 continues to widen economic and social stress globally, resilience is vital — on a personal, societal, and economic level. While it is impossible to conclude the true long-term consequences of the pandemic, it gives us an opportunity to re-set the way we should do things in order to minimise the risk, increase the resiliency and protect all levels of communities from any future unpredictable shocks.

The pandemic has highlighted the importance of stable research infrastructure, and funding for public health/ disaster preparedness, response and resiliency. It also fast-tracked the global adoption of digitalisation as everyone scrambled to adapt to a daily life that needs us to stay home and minimise social and physical contact. Fintech is one of the few sparks in a gloomy economy, spurred by the need for businesses and organisations to have an online presence.

What we do next to mitigate future crisis and provide resolutions are dependent on high quality applied research, aligned with top priority societal goals, that yields trustworthy data and actionable information. Trust and societal goals are the basic tenets of Islamic economy and finance as Allah says: “God commands you to render TRUST to whom they are due” (Surah An-Nisa – 58). Islamic finance and economy insist on trustworthy, inclusive, fair and equitable practices, offering a system based on commercial and social modes of risk-sharing and financing with structural solutions to the health, human and financial crises faced in this unprecedented time.

INCEIF looks forward to collaborating with a prestigious partner, Monash University through Monash Business School and specifically the Pandemic Research Group. We wish to bring the Islamic financial and economic perspective to the key issues that have surfaced in the pandemic as the world resets and reforms.

One area that we are keen to delve into is the impact of Islamic financing activity, particularly during a widespread human crisis that needs immediate aid. While Islamic finance already has a built-in centralised screening process that looks at the Shariah compliance process, it has yet to have structures to assess the impact of the financing activities.

We look forward to conduct applied research in the areas of Islamic social finance (ISF) tools with the objective to craft potential new instruments or modify existing ones. There is a need to look into the identification of potential, practical and viable suggestions on delivery and application of fintech for ISF instruments such as the delivery system, collection and distribution platform for zakat, waqaf and sadaqah, with the objective of maximising their social impact.

Applied research should focus not only on contemporary and innovative instruments, but also how to measure the impact that the instruments have on

society to identify the limitations and gaps between potential and actual output. This can then be followed by a framework that will enable a rigorous assessment of the impact of the various aspects covered by each type of the ISF tools.

As the world looks into ways to tackle the aftermath of the pandemic, the imperative for future finance is not only to be stable and resilient but also to become a deep anchor to the real economy and to generate positive benefit for the wider society and environmental sustainability. The motive of the research will be as the Prophet (P.B.U.H.) said: “Give glad tidings to people, and not add to their fear. Make things easy on them, and not make things difficult” (Abu Dawud).

We are honoured to share our knowledge, and together we have a shared responsibility to use this period of disruption to reflect and ensure what we do next is truly relevant to our lives, our community, and our planet.

Wabillahi taufik wal hidayah. Assalamualaikum warahmatullahi wabarakatuh.

ENDs