

EDUCATING NON-MUSLIM STUDENTS ON HALAL ECONOMY: A CASE STUDY OF AN UNDERGRADUATE COURSE

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ABSTRACT

This study aims to analyse and determine the impact of an introductory Islamic Economics Course to the groups of non- Muslim Economics undergraduate students at UNIMAS. The underlying objective is to highlight the relevance of Halal Economy to all and preferably propose a similar course as an elective to students of other programs offered by the Faculty of Economics and Business. Data was collected from 150 graduates between years 2015 and 2019 using online surveys. Findings show that respondents admit to having an increased understanding and appreciation of Islamic Economics as an alternative system. In general, the results suggest non-Muslims to be open towards the concept of Halal Economy in practice, provided efforts are both informative and inclusive. Interest, the willingness to apply and promote the Course to their juniors is also evident. In short, Halal Economy has the potential of becoming a global agenda beginning with education at tertiary level. Higher learning institutions should look into ways to incorporate it as a basic course for all business degrees.

Keywords: Education, Islamic Economics, Halal, Non-Muslims, Undergraduates

1. INTRODUCTION

Malaysia boasts itself as a progressive Muslim country with consistent economic development and growth as well as socio-political stability. It claims to be the leader in the world's halal industry. The success story of Malaysia as the pioneer in the halal industry began in 1974 when the Research Centre for the Islamic Affairs Division in the Prime Minister's Office issued to issue halal certification letters for products that met the halal criteria at that time. The first halal standards released in 2000 was an important milestone for Malaysia as it became the first country to have a documented and systematic Halal assurance system.

1.1 Brief History

The rapid development of Halal certification in Malaysia has also prompted the Department of Islamic Development Malaysia (JAKIM) to extend its halal section into a much bigger organisation in 2005, officially named JAKIM's Halal Hub. JAKIM was the world's first halal certification body responsible for monitoring the halal industry, leading to the amendment of Malaysia's Trade Description Act in 2011 which gives JAKIM a much stronger mandate to regulate the halal industry. JAKIM's recognition program for international Halal bodies is the most stringent and sought-after bilateral halal system recognition program in the world with over 50 international bodies registered to-date. The iconic Malaysia Halal logo is the most sought-after, globally recognised hallmark that serves as an emblem for the country's reputation as the world's leading halal hub. the Halal Industry Development Corporation (HDC) was also formed under the Ministry of International Trade and Industry (MITI) in 2008 specially tasked to develop Malaysia's industrial capacity and bring in foreign direct investment (FDI) into the country.

1.2 Growth and Contribution

Today, Malaysia is the leading global halal hub with an annual export value of RM35.4 billion for halal products, which contributes approximately 5.1% of the total exports for the country. The country provides the world's first halal in-flight catering on board its national carrier, Malaysia Airlines. The Malaysian halal standard is now being widely used by several renowned global multinational companies (MNCs) including Nestlé, Colgate Palmolive and Unilever. Malaysia's halal portfolio has also expanded beyond food and beverage, venturing into various other sectors such as cosmetics, logistics, pharmaceutical and most recently, tourism. The halal product market is expected to grow by 28% from 2016 to 2022, given its popularity among the Europeans (Mordor Intelligence, 2020a). According to Global Islamic Economy Report 2019/2020, UAE and Bahrain are tailing behind Malaysia in the GIE Index for 73 countries.

1.3 Sustainability Issues

To cope and keep up with the ever increasing demand for halal based products and services from the expanding borderless market (due to the advent of online business), Malaysia is well set in preparing for meeting the need of qualified human capital in this diversifying halal economy. The Ministry of Human Resource together with the Ministry of Higher Learning are assigned to ensuring that Malaysia is not in short of Islamic Economics and Finance

professionals for years to come. To that end, the government through its central institution, Bank Negara Malaysia is wholly committed to support the perseverance and efficacious performance as the halal hub.

Noticing the huge potential, several higher learning institutions began embedding Islamic economics concepts in practice in selective courses found relevant to their programs as early as the turn of the century. However, the International Islamic University of Malaysia (IIUM), established in 1983 with the main agenda to Islamize Knowledge is the pioneer. The earliest to leverage on Islamic Finance as a core course, amongst the private education sector in Malaysia is University Tunku Abdul Rahman (UTAR) in 2006. At present almost all public universities and colleges incorporate some degree of Islamic related business and management concepts either as stand-alone courses or as part of topics in their undergraduate programs. University Malaysia Sarawak (UNIMAS) also recognized the opportunity this field of study presented for its economics major and has been offering an introductory course to Islamic Economics since 2010. What makes it rather unique is the sheer reality of majority non-Muslim students undergoing the course relative to its counterparts in Peninsular Malaysia.

1.4 Purpose of Study

This investigative research is mainly motivated by the necessity to critically review and revise the existing syllabus of Islamic Economics Course over the period of ten years. More specifically, the underlying objectives of the study include the following:

1. Identify the preliminary anticipations of the non-Muslim students of the Course
2. Examine the non-Muslim students' preferences for the Course
3. Estimate the change in awareness and appreciation for Islamic Economics
4. Determine the impact of different types of assessments offered
5. Explore ways to improve course for the benefit of the non-Muslim students

1.5 Integrated Research Question

How an introductory course directly associated with Halal Economy can effectively educate non-Muslims to embrace the extensive possibilities of a *Shariah* based economic system and prepare them to become knowledgeable graduates irrespective of their religious background?

2. SELECTIVE LITERATURE REVIEW

To date, studies related to higher learning institutes in Malaysia concentrate mainly on students' satisfaction and the impact of digitalizing education. Despite the availability of data sources, and the growth in number of colleges and universities, predominantly in the private sector education, systematic research on the impact of specific courses in any programs are limited.

Pranama et al., (2021) confirmed curriculum to be the key factor in improving the quality of education and graduates in Indonesia. This comes to show the importance of reviewing the relevance of existing courses to future ready university graduates. Ramalu, Abu Bakar & Nijar (2013) ranked education quality as the top criteria, followed by facilities and financial when deciding on tertiary education service providers.

The closest found with this study is a collective effort by Songan et, al. (2010) on factors influencing students to attend University Malaysia Sarawak. Their findings revealed both specific academic programs offered and teaching quality to be the driving force back then. A similar approach by Khoo et, al. (2015) in Penang, showed that parents influenced the choice programs and institution rather than the students themselves.

A study by Wahyuny Ikka Nur, Hakim, L., & Murtini, W. (2018), revealed that education modules with an important syariah theme is both essential and effective to ease the transfer of knowledge aimed at improving halal literacy. Although the purpose of their work was to measure the impact of the implementation of Islamic Financial Literacy and Halal Product Education Module for Micro, Small and Medium Enterprises (MSMEs) in Indonesia, the findings clearly showed that despite having the largest Muslim population in the world, a systematic course remains necessary to create awareness of the potential of a halal economy.

Based upon sample survey and interviews by Thameem Ushama and Abdul Rashid Moten (2006), on views of Malaysian non-Muslims about Islam and Muslims in Malaysia, most non-Muslims hold positive opinion about their counterpart in Malaysia which augurs well for the stability of the country. Nevertheless, there exists a substantial number of people holding a negative opinion about either, implying that there is need for more concerted efforts about improving the image of Islam in general and Muslims for the aspiration of Halal Economy to thrive nationally.

Wan Marhaini et al. (2019), investigated the awareness of non-Muslim foreign permanent residents regarding Islamic financial services the *takaful* products. Their findings indicate that South Korean citizens having lived in Malaysia for a long time had very limited awareness of Islamic financial services available. Upon personal briefing about the product, however, they appeared interested to learn more and prepared to consider participating in the Islamic financial and banking market. This again comes to show the importance of educating the public, preferably through early education on the access to and benefits of *Shariah* based business management.

Research by Farah, Ismail, et al. (2017) on the factors influencing halal products purchase behaviour among non-Muslim consumers revealed that the religion construct per se is not significant towards this group of shoppers but rather the marketing, safety and convenience factors had significant effect on their decision. They suggested channelling the right information to non-Muslim consumers and to better strategize in tapping the lucrative halal market in Malaysia.

Scholars doubted that the underlying concept of halal or permissibility in Islam is not well understood by non-Muslim consumers due to lack of knowledge and information about halal (Golnaz Renai et al., 2010). The continuous lack of insights towards halal consumption as well as significant evidence indicating otherwise raises concern for limiting the opportunity to efficiently venture and expand into the halal market itself (Vloreen Nity Mathewa et al., 2014; Golnaz Renai et al., 2012)

It is a similar scenario in countries with large populations of non-Muslims offering dual banking services. While they perceived the financial benefits of Islamic Banking highly, non-Muslim bank patrons in Ghana admit having low understanding of the products or its underlying principles. Coupled with adverse selection behaviour, there is a tendency for those reluctant to comply with the *Shariah* law to have weak intentions to adopt Islamic markets (Mbawuni, 2018).

To the best of the author's knowledge UNIMAS is the only public university in a Muslim minority state that risks to include an Islamic oriented compulsory course for its Economic majors, making the current work noble in its own right.

3. METHODOLOGY

In line with the primary goal of the study, primary data was virtually collected using an online google form questionnaire in September of 2021.

3.1 Data Sampling

A total of 200 alumnus graduated between 2015 and 2019 were randomly contacted for voluntary participation with a 75% success rate. Upon agreement they were individually briefed about the purpose of the research and value of their feedback contribution for the betterment of the course in the near future.

3.2 Data Collection

The survey contained 2 sections and 14 enquiries, mostly self-explanatory open-ended type questions and, a ranking and yes no type each. A What's App Group was created to share the link and maintain communication with respondents. This helped keep the discussion easy, transparent, and timely.

3.3 Data Analysis

Responses were effectively processed by the Google Application itself, followed by auto-generated graphical summaries. Where necessary, respondents were reached for clarification, and verification of input.

4. FINDINGS AND DISCUSSION

4.1 Year of Study

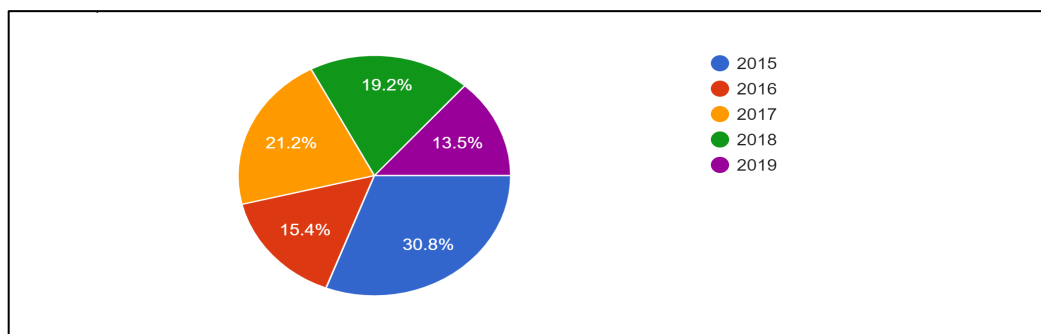


Figure 1. Year of Study

Majority responses (30.8%) sampled in the study, came from the 2015 cohort 2015 and least from the most recent graduates. Interestingly 40% of the respondents were male students, despite the average ratio of male to female economics major being 1 to 4. The more balanced gender distribution provides a less biased conclusion relating the attitude towards the course.

4.2 Registration Preference

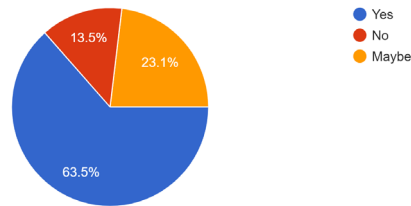


Figure 2. Registration Preference

To the question whether they would have opted to take the Introduction to Islamic Economics, if it was offered as an elective course, 63.5% replied yes. Curiously, 23.1% resorted to ‘may be’, allowing for probe which revealed that almost 86.5% suggested for the course to be opened to all business students.

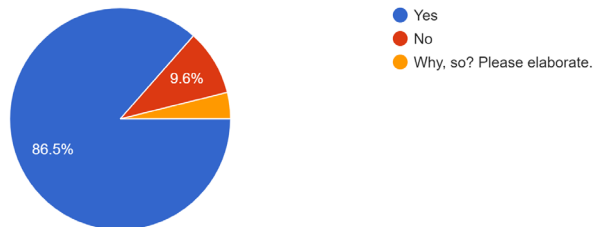


Figure 3. Support for Course

4.3 Pre vs Post Awareness

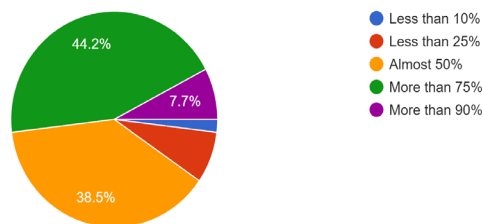


Figure 4. Knowledge Awareness

Only 13.5% admitted to having sufficient knowledge of Islamic Economics as a subject matter prior to attending classes, compared to 40.4% rating themselves unfamiliar. Conversely approximately 94.2% confessed to experiencing a significant increase in understanding of an economic system based on *Shariah* upon completing the Course. While 7.75% estimated the growth in learning to be above 90% mark, and 1.9% as less than 10% respectively.

Some specific examples shared by the respondents are presented below:

- i. Through the course, I got interested in socialism as an alternative to conventional capitalist economics. It thought me that economics does not have to be a zero sum game and there could be humanity in what we learn.
- ii. The differences I learned between IE and Conventional Economics sparks an interesting debate especially on the topic of interest.
- iii. Previously only knew that Islamic economics only for Muslims. But now I practice it in my current wholesale business.
- iv. Interest as practiced in the orthodox capitalism is a reinforcing system which perpetrates rich-poor gap. Islamic economics replaces interest with a balancing system by not imposing ownership of an asset until it's fully afforded by the borrower.
- v. After completing the course, I had knowledge about the prohibition of interest (riba) charged on loans and the behavioural norms and moral foundations.
- vi. I learned and understood more about Zakat. Before, I only know about Zakat Fitrah.
- vii. Had a clearer understanding of the Sharia-compliant modes of financing in Islamic Finance.

4.4 Impactful Topics and Type of Assessment

As anticipated, issues relating to Islamic banking and finance was voted highest by all, whereas contributions of Muslim economic scholars and the comparative analysis of capitalism with *Shariah* based economy came in as second favoured. Policy topics (monetary, fiscal, etc) and micro issues (heavy on philosophy) remain less popular amongst the respondents even though these areas are relatively easy to score.

By far, the handwritten individual assignments were said to have had the most reinforcing effect, according to 50% of the respondents. Apparently, the hands-on experience not only helped them avert short cuts (cut and paste job) and risk plagiarism but also remember the facts better. Undoubtedly, the Midterm Test was identified as the least effective simply because the questions demanded critical thinking and imaginary skills, not many students commit to acquiring or mastering.

4.5 Practicality of Islamic Economics

Amazingly, almost 78.8% of the respondents' stated that they find the knowledge of Halal Economy useful both personally and professionally. One particular comment is worth sharing.

“This course can benefit non-Muslim students in terms of economic decision making, and economics decision making. Conventional economics emphasize on the self-interest and the rationality of the consumer whereas Islamic economics accentuates on the social and moral values, scale of welfare etc. Non-Muslim students can look into the difference between society-based decision making and self-based decision making.”

5. CONCLUSION AND RECOMMENDATION

The straightforward nature of the survey conducted to investigate the impact an introductory course of Islamic Economics had on all final year economic students in UNIMAS revealed several thought-provoking facts. In addition to satisfactorily meeting the 5 interrelated research objectives, this study enabled an impartial approach to discovering sources for quality improvement from the perspective of the learners instead. Most respondents' feedback favoured the existing syllabus.

As the underlying objective of the study was emphasized in the beginning and throughout the survey period, a considerable number of senior students (meaning the ones working longer in the industry) took the initiative to offer thoughts on ways to improve the usefulness of the course to the juniors. A list of the most common suggestions made by the respondents follows:

Table 1. Constructive Comments

Ideas	Percentage
Extend the Course over two semesters to do justice to the syllabus	20%
Include comparison of other economic systems for each topic	15%
Provide more coverage of current practices in Malaysia	
Increase references for additional reading for non-Muslim students	12%
Encourage open dialogues between the Muslim and non-Muslim students	7%
Expanded use of blended learning tools such as videos and online activities	5%

Restructure the Course to focus at promoting basic understanding

5%

In line with the findings of Wan Omar al at. (2016), there is a critical requisite for non-Muslim students to first have a positive impression about Islamic Economics as an alternative system to enable them to keep an open mind to buying in the grand idea of a near future possibility of Halal Economy. Studies continue to show the significant relationship between attitude towards and acceptance to participate in socio economic activities related to Islam in general. Thus, it is reasonable to imply that a basic level course such as the one being offered to students in the Economics Programs now, can be seriously considered for all business management students, perhaps as an elective course.

Clearly in the long run, at least the Marketing and Corporate Management graduates will in one way or another be exposed to dealings involving Islamic business principles, values and methods in their respective job scopes. Also, based on the feedback, bridging the gap between theoretical understanding and the practice with the use of relevant applications in Malaysia is perceived to be the most effective way to attract non- Muslim students towards appreciating the commercial value of Islamic or Halal Economy knowledge.

The final noteworthy remark is related to the possibilities of academic research work connected to the increasing approaches to teaching and learning at higher learning institutions. This point is consistent with the feedback received when queried about methods to enhance effectiveness. Evidently, capitalizing on technology can be advantageous when analysing course assignments, assessments and student performance. Both the content (syllabus) and structure eventually affect the conception of non-Muslim students of Islamic Economics as a compulsory course. It is a special case of form and substance which demands attention to details given the sensitivity of the name of the course itself. Inclusivity compels an inviting approach.

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