



## **GUEST EDITOR NOTE**

### **RETHINKING ISLAMIC ECONOMICS AND FINANCE: PAVING THE WAY FORWARD**

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#### **1. INTRODUCTION**

This Special Issue of International Journal of Economics, Management and Accounting (IJEMA) features 10 selected papers from the 11th International Conference on Islamic Economics and Finance (ICIEF) 2016 that was held at the Royale Chulan Bukit Bintang, Kuala Lumpur, Malaysia, on 11-13 October 2016. The theme of the 11th ICIEF 2016, “Rethinking Islamic Economics and Finance: Paving Way Forward for Inclusive and Sustainable Development,” fits the 40-year anniversary since the first conference that was held in 1976 in Makkah<sup>1</sup>. Allah has enjoined a person who has reached age 40 years to plead the special prayer:

“My Lord, enable me to be grateful for Your favor which You have bestowed upon me and upon my parents and to work righteousness of which You will approve and make righteous for me my offspring. Indeed, I have repented to You, and indeed, I am of the Muslims.” (Al-Qur’ān, 46:15).

According to Ibn Kathīr (2003), at 40 years old, a person’s understanding and patience should have reached the level of maturity. Hence, 40 years since the first conference, it is about time for all who have been part of Islamic economics and finance to reflect the past achievements so far in order to envisage a better plan for the future.

The 11th ICIEF 2016 is the best avenue for those who have made numerous contributions in the past to prepare and guide the next

generation of young scholars to continue their efforts in the right direction. Allah says:

“And upon Allah is the direction of the [right] way, and among the various paths are those deviating. And if He willed, He could have guided you all.” (Al-Qur’ān, 16:9).

Hence, it requires the cooperation and participation of everyone to ensure the great legacy of Islamization of knowledge continues in the future. International conferences such as the 11th ICIEF 2016 would promote collaboration, exchange and coordination among all higher education institutions involved in the teaching and research of Islamic economics and finance. The teachers and researchers of Islamic economics and finance must lead the way in bringing the discipline to a higher benchmark. The right way of pushing the frontiers in economics and finance is to promote inclusive and sustainable development. The historic United Nations summit in September 2015 saw many world leaders agreeing to adopt and implement the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda for Sustainable Development<sup>2</sup> on 1 January 2016. The main aim of the Agenda is to free humans from the tyranny of poverty, reduce income inequalities, and to ensure no one is left behind.

The main objectives listed in the UN Agenda are closely in line with *maqāṣid al-sharī‘ah*, the higher objectives and intents of Islamic Law. If one goes back to the rich scholarly heritage of Islam, one could see that the Theory of *Maqāṣid Al-Sharī‘ah* is very relevant in addressing the current and future challenges of achieving economic growth and financial prosperity while promoting inclusive and sustainable development.

The great classical scholar, Al-Ghazālī (1997), in his book *Al-Mustasfā min ‘Ilm al-Uṣūl*, first expressed the view that the essential interests (ḍarūrīyāt) of *maqāṣid al-sharī‘ah* are five, namely: the protection of faith, life, progeny, intellect, and property; in which the fight against poverty and inequality is closely related to the objective of protecting property through many religious actions such as zakat and *ṣadaqah*. Modern scholars such as Ibn ‘Āshūr (2004) include the realization of equality as one of *al-maqāṣid al-‘āmmah*, or the general objectives of Islamic Law. We could see how the issues of poverty and inequality, which are the core of the sustainable development agenda, have been addressed by our scholars throughout history.

From the four keynote addresses and a total 103 papers<sup>3</sup> that have been presented throughout the 3-day Conference, it is hoped that the delegates managed to achieve the main purpose of the Conference, which is to perform a *muḥāsabah*, reevaluate the state of the art and the direction of Islamic economics and finance for the past 40 years, and to lead the way forward on the global economic stage for inclusive and sustainable development.

## 2. SELECTION OF PAPERS

This special issue of IJEMA consists of five broad categories in Islamic economics and finance that are significant to reassess the state of the art of the discipline and chart the future direction of research in the area: (1) Islamic Economics: Past, Present and Future; (2) Microeconomic Foundation and Market Structure; (3) International and Development Economics; (4) Efficiency in Islamic Finance; and (5) Islamic Banking and Behavioral Finance. This special issue includes the keynote address on the future of financial reform delivered by Jomo Kwame Sundaram, one of the four keynote addresses from the Conference.

Besides IJEMA, journals of the 11th ICIEF 2016 co-organizers have also published their special issues in conjunction with the Conference. Both Islamic Economic Studies (IES) by the Islamic Research and Training Institute (IRTI)<sup>4</sup>, and Journal of King Abdulaziz University: Islamic Economics (JKAU:IE)<sup>5</sup> have published their special issues in April 2017 with six papers each, while Intellectual Discourse by the Kulliyah of Islamic Revealed Knowledge and Human Sciences (KIRKHS), International Islamic University Malaysia (IIUM) will soon publish its special issue.

### 2.1 ISLAMIC ECONOMICS: PAST, PRESENT AND FUTURE

In the first paper, ‘Modern Economics and the Islamic Alternative: Disciplinary Evolution and Current Crisis,’ Gattoo and Gattoo (2017) surveyed the past of modern economics to identify the root cause of the current crisis in the mainstream discipline. The discussions begin with Smith (1776) and other classical economists who tried to answer how to make a nation rich and wealthy by championing the free market notion. Mainstream economics were then dominated by Keynes (1936) and his adherents who called for active government involvement in the market to avoid recessions. Later, Friedman (1953) and the Monetarists proposed a limited government role while

focusing on the influence of money in the economy. Gattoo and Gattoo (2017) identified the strong link between academia and politics as among the main factors contributing to the rise of free market ideology. This link translates into powerful movements and campaigns that promote and spread free market ideas, which are supported by many academic institutions and adopted by government agencies. At the beginning of the 21st century, neoclassical economics were thought to be 'perfect' and able to prevent large-scale recessions. However, the Great Recession of 2008 has shaken the fundamentals of mainstream economics. Not only was neoclassical economics unsuccessful at avoiding the crisis, but it also failed to foresee the coming of the crisis and give adequate warning. This event has given stronger support to heterodox economics, including Islamic economics, as a possible alternative to replace neoclassical economics as the mainstream economics.

In the second part of the paper, Gattoo and Gattoo (2017) provide a brief narrative of Islamic economics from its inception in the early 1930s to its revival at the First International Conference on Islamic Economics held in Makkah in 1976 and its advanced development nowadays thanks to the surge in demand for Islamic finance. They admit that Islamic economics failed to surpass mainstream economics despite its longevity and the limelight it received after the Great Recession of 2008. Islamic economics seem to be supported by fellow Muslim economists but failed to attract adherents from non-Muslim academia with the exception of a very few. While Islamic banking and finance is gaining popularity globally with the offerings of Islamic windows in big banks and academic programs in universities, Islamic economics did not enjoy the same success. Gattoo and Gattoo (2017) listed five factors that causes the failure of paradigm shift in favor of Islamic economics: (1) superficial Islamization projects, (2) gap between theory and practice in Islamic banking and finance, (3) limited coverage of Islamic economics, (4) lack of empirical studies, and (5) too much focus on historical Islamic economics. Islamic economics is a product of Islamization of Knowledge, which was on the main agenda of the First World Conference on Muslim Education held in Makkah in 1977. The efforts to Islamize knowledge were spearheaded by two main proponents: (1) Syed Muhammad Naquib Al-Attas; and (2) Ismail Raji Al-Faruqi and the International Institute of Islamic Thought (IIIT) (Haneef, 2009).

Unfortunately, the Islamization of economics project is simply thought as the infusion of Islamic values into mainstream economics with an incorrect emphasis on form over substance. Hence,

the basic structure of mainstream economics is maintained. This view echoes Mahyudi (2016) who pointed out that *homo Islamicus* is unrealistic due to its nature as the most ideal servant and vicegerent of God on earth. The effects of Islamization in banking and finance are merely cosmetic; there are no real changes in the fundamentals of banking and finance. Islamic banking is still perceived to behave like any other capitalistic industry where it failed to incorporate the basic tenets of Islam such as justice and the higher objectives of *sharī'ah*. The inconsistencies between theory and practice in Islamic banking and finance aggravate the failure of Islamic economics to be the main paradigm. The stagnation of Islamic economics is also caused by research in peripheral issues without a serious attempt to address the core aspects of modern economics. Empirical studies are also lacking to support the theories proposed in Islamic economics. Finally, the failure in the paradigm push for Islamic economics is caused by over reliance on past rulings in *sharī'ah* and opinions of previous scholars that may not be relevant in today's economic environment, which is the common malady across Islamic knowledge due to lack of *ijtihād*. This view is analogous to Haneef and Furqani (2011) and Haneef (2016) that called for greater attention to development of *uṣūl al-iqtisād* that suits contemporary Islamic economics.

In the second paper, 'Reviving the Promise of Islamic Economics,' Zaman (2017) proposed a thorough analysis of the history of Islamic economics to identify the causes that hindered Islamic economics from realizing its noble objectives of a just system with equitable results superior to other economic systems. The paper provides excellent historical narratives of Islamic economics, where there are currently three generations of Islamic economists (compare with Furqani 2015b). The long period of colonization and imperialism destroyed or altered many economic institutions in Muslim countries that performed well in the past. The success of liberation movements that began after the Second World War have seen many Muslim countries struggling to fill the vast vacuum left behind by their colonizers. Unfortunately, many systems that were established by the colonists continue to determine the economic activities of these now independent Muslim nations.

After the First International Conference on Islamic Economics in Makkah in 1976, there was a consensus on the gradual approach to change the existing economic system in order to introduce Islamic economics. This explains why the majority of the second generation of Muslim economists are trained in modern economics, which somehow has led them to make three mistakes: (1) failure to

comprehend the substance of capitalism, (2) failure to note that institutions are reflections of the substance, and (3) failure to investigate the validity of economics as a science. The division of knowledge between secular and religious aggravates the challenge to solving contemporary problems in Islamic economics since the majority of the second-generation Islamic economists lack knowledge of Islamic heritage. This is parallel to Haneef's (2016) call for a genuine interaction between Islamic heritage and modern sciences. At the same time, Muslim economists should not be over-dependent on previous scholars' opinions and reluctant to engage *ijtihad* as highlighted by Gattoo and Gattoo (2017). Hence, many second-generation Islamic economists had become apologetic and tend to regard modern economics as a truly objective science where Islamic tenets could be compromised to accommodate economic theories. To support this claim, Zaman (2017) provided several examples, many of them from Islamic banking and finance. This view is similar to what Gattoo and Gattoo (2017) highlighted in their paper. After the Great Recession in 2008, there is now a stronger urge to perform a full review on the fundamentals and recommend structural change of the whole economic architecture. This paper provides an excellent advice to the third wave of Islamic economists so that they would not repeat the same mistakes of their predecessors and are able to uphold the promise made by the first generation of Islamic economists.

## 2.2 MICROECONOMIC FOUNDATION AND MARKET STRUCTURE

The next paper by Mahyudi and Abdul Aziz (2017) on "Rethinking the Structure of Islamic Economics Science: The Universal Man Imperative" provides a constructive critique and deep analysis on the micro foundations of the behavior of individual agent in an Islamic economy. The *homo Islamicus* concept commonly accepted as the notion that describes human behavior in Islamic economics is criticized as being too idealistic and impossible in an Islamic economy (Mahyudi, 2016). Hence, in contrast to Arif (1985) and Furqani (2015), Mahyudi and Abdul Aziz (2017) argue that the notion of universal man is a better alternative than *homo Islamicus* to describe the behavior of the individual unit in an Islamic economy. While *homo Islamicus* is focused on *maṣlahah* maximization via fulfillment of various rights guided by the fear of God (*taqwā*), the universal man aims for incremental welfare through dominant activated human element guided by justice, where the latter is more realistic and in harmony with human nature. Nevertheless, Furqani (2017) argues that

maximization of *maṣlahah* by *homo Islamicus* guided by *taqwa* is realistic. For further discussion on the concept of economic justice in capitalism and Islam, please see Javaid and Hasan (2013).

In “The Market Institution and the State in Islamic Economics: From Past to Present and Future,” Ersoy and Altundere (2017) call for a new paradigm based on a balanced approach that protects the interest of all parties in the market since the prevailing systems fail to allow the market to solve economic and social problems. Under capitalism, market powers have a significant influence on the rules of the game and effectively block the market from functioning freely; while similar situation occurs in socialism due to bureaucratic monopoly. The new approach proposed by them is developed from the principles of Islamic economics, where the primary role of the state is in establishing an environment conducive for commodity markets that operate freely based on supply and demand. Islamic economics support a market institution free from state intervention whereby the state role is limited to maintaining the balance of competing interests of various parties in all markets. This view is similar to Ismail (2016) who argued that state capitalism hampered free market competition and that it should have been developed by following the free market example during the time of Prophet Muhammad (peace be upon him). The idea that competitive market in capitalism is compatible with Islam was narrated by Koehler (2014) who proposed that capitalism first emerged during the early years of Islam in Arabia.

The informal economy has gained the attention of many conventional economists. However, it is less appreciated in the Islamic economics discipline as many studies tend to be limited to market and state domains. This is a puzzle since majority of informal economy activities are influenced by religious values. In this regard, the paper “The Informal Economy: A Neglected Area in Islamic Economics” by Abdul Malik and Mohd Arshad (2017) attempts to fill this gap and promote the informal economy sector as a potential research area in Islamic economics. The authors believe that informal economy is a plausible tool for solving real economic problems plaguing the global economy. The study begins with a review on the extant literature to define informal economy sector. Many studies suggest that an informal economy is characterized by two main traits: (1) unregulated within the existing legal framework, and (2) not subject to taxation. In this regard, they managed to detach the negative image of illicit economic activities from informal economy. This is important since the general Muslim society may have also perceived the informal

economy sector as consisting of *ḥarām* and *makrūh* activities. Next, they divided the legal activities in the informal economy sector into for profit and non-profit based activities. They used the ‘welfare triangle’ framework developed by Evers (1995), later modified into the ‘plural economy triangle’ by Roustang et al. (1997), and enhanced as the ‘welfare mix’ by Pestoff (1998) and many others (see Evers and Laville, 2004). The ‘welfare triangle’ framework clearly summarizes the many features of the informal economy sector and its location within the economic system. To investigate the impact of the informal economy on aggregate welfare, Abdul Malik and Mohd Arshad (2017) then analyze the traits of informal employment. A proper definition of informal employment would enable the government to formulate policies to safeguard the rights and promote the welfare of informal workers, in line with the ethical norms in Islamic economics. The authors identified four basic issues that are related to informal employment: (1) tax burden, (2) poverty level, (3) gender issues, and (4) education level. Tax burden is found to have an indirect positive impact on informal employment; as government raises tax, people are motivated to switch from the formal to the informal employment sector. Poverty level is positively associated with higher informal employment. Female is found to be more at risk of falling into the informal employment sector, while education level negatively affects the size of informal employment as it provides mobility into the formal employment sector.

### 2.3 INTERNATIONAL AND DEVELOPMENT ECONOMICS

Foreign aid has been seen as a tool for promoting inclusive development among poorer countries. However, the effectiveness of foreign aid on economic growth of developing countries remains a contentious issue in development economics. Past theoretical and empirical studies have produced varied findings. The findings by Boone (1995, 1996) where foreign aid is insignificant to economic growth of developing countries became the mainstream view toward the end of the 20th century (Hnath, 2010). However, at the beginning of the new century, Burnside and Dollar (2000) found that foreign aid positively contributes to economic growth with good macroeconomic policies. Foreign aid is also an effective poverty reduction tool (Collier and Dollar, 2002). However, Easterly, Levine and Roodman (2004) reexamined the Burnside and Dollar (2000) model but obtained the opposite results, where foreign aid has no impact on growth. Burnside and Dollar (2004) responded by highlighting the differences in the



sample used, while other studies such as Jia and Williamson (2016) used the same sample with updated data but find failed to obtain the same results as Burnside and Dollar (2000). In the meantime, several other studies found that aid positively affects growth irrespective of policy regimes (for example: Ram, 2004).

While studies on foreign aid effectiveness for economic growth receive much attention among researchers, many recent studies include social factors as variables of interest. Among the social factors added into the analysis are income inequality (Mosley, Hudson, and Verschoor, 2004), infant mortality rate (Verschoor and Kalwij, 2006), environmental quality (Arndt and Tarp, 2017), access to basic utilities (Ndikumana and Pickbourn, 2017), infrastructure and humanitarian aid (Asongu and Nwachukwu, 2017). In this special issue, Ishnazarov and Cevik (2017) follow this trend and widen the research scope by including social factors in addition to economic growth in their paper, "Aid Effectiveness in OIC Member Countries: Beyond Economics Indicators." They estimate foreign aid effects proxied by the official development assistance (ODA) on socio-economics of OIC member countries as represented by Human Development Index components: gross national income per capita, life expectancy, and years of schooling. Using panel data of all OIC member countries from 2002 to 2015, they found that ODA positively contributes to socio-economic wellbeing of OIC member countries, and the magnitude is greater than fiscal spending and foreign direct investment. They conclude that foreign aid must be complemented with civil institutions empowerment to maintain stability and avoid internal conflicts, which is similar to Burnside and Dollar (2000).

#### 2.4 EFFICIENCY IN ISLAMIC FINANCE

Efficiency remains an important area of study in economics since Farrell (1957). To achieve long term sustainable development, economic units must be efficient. This special issue contains two papers on efficiency: "Efficiency of Islamic Banks in Indonesia: Data Envelopment Analysis" by Farandy, Suwito and Dabutar (2017); and "Efficiency and Ownership Structure: Evidence from Rural Banks in Indonesia" by Jatmiko (2017). These two papers apply different efficiency measurement techniques; namely data envelopment analysis (DEA), and stochastic frontier analysis (SFA), respectively.

DEA is a nonparametric technique that imposes minimal assumption about the underlying technology. Charnes, Cooper and Rhodes (1978) developed DEA based on the relative efficiency

definition proposed originally by Farrell (1957). The efficiency frontier is obtained via segmented linear regression, which makes it less prone to specification error but with no scope for random error. DEA is useful for evaluating efficiency in complex production technologies with multiple inputs and outputs, but there is no diagnostic test to verify the model specification goodness-of-fit since it is a nonparametric technique. Furthermore, since the efficiency frontier of DEA is constructed by comparing the input-output levels of an individual unit with those of a small subset of efficient units, it can be sensitive to shocks at the individual unit (Jacobs, 2001).

On the other hand, SFA is a parametric method that requires specific assumptions about the input-output technology and the inefficiency term. The SFA method was developed simultaneously by Aigner, Lovell and Schmidt (1977) and Meeusen and van den Broeck (1977). Despite being relatively new, DEA has developed into a powerful instrument for measuring and evaluating the performance of decision making units in various contexts due to its simplicity and excellent features (Cooper, Seiford and Zhu, 2004). The efficiency frontier is obtained from the estimated average parameter values of the parametric input-output technology function. In this regard, the SFA efficiency frontier is not sensitive to shocks at the individual unit level. Furthermore, the SFA method allows output to be affected by for both technological inefficiency relative to the stochastic frontier, and external random shocks beyond the control of producers (Cullinane et al., 2006).

Since DEA regards all random errors as indications of inefficiency, DEA tends to set higher targets that make increase the distance between performance target and current achievements (Thanassoulis, 1993). DEA may produce a lower efficiency score than SFA (Ferrier and Lovell, 1990); thus, there are some trade-offs between these two methods. However, the reliability of the estimated efficiency scores depends on observing the specific assumptions and requirements of the two methods.

In this special issue, Farandy, Suwito and Dabutar (2017) use the DEA approach to evaluate the efficiency of Islamic commercial banks in Indonesia. They found that Islamic banks in Indonesia are not operating at an efficient level, where the Islamic banks could improvise higher levels of output via optimal resource use. In the second part of the paper, they estimated a Tobit model to analyze the impact of various financial indicators of individual banks on the efficiency level. The results suggest that total asset and return on asset positively affect efficiency, while number of branches has a negative

impact on efficiency. At the same time, capital adequacy ratio and total non-performing financing have no effect on efficiency.

The legal framework governing Islamic banks has been highlighted as the major obstacle to realizing their social objectives (Bakar, 2016). Motivated by the argument that sustainability of Islamic banks and the fulfillment of the objectives of Islamic law are trade-offs, Islamic rural banks are offered as an alternative for circumventing this hurdle. The next paper by Jatmiko (2017) compares the efficiency level between conventional and Islamic rural banks in Indonesia by controlling for their ownership structures. The efficiency score is estimated using the stochastic frontier analysis (SFA) approach, where the results suggests that Islamic rural banks are becoming less efficient over time compared to conventional rural banks. Using the generalized linear model (GLM) in the second part of the study, Jatmiko (2017) attributes the inefficient performance of Islamic rural banks to bank ownership structure. Higher ownership concentration in Islamic rural banks that are government owned lowers their cost efficiency. Furthermore, the results suggest a cubic polynomial relationship between ownership concentration and Islamic rural bank efficiency.

## 2.5 ISLAMIC BANKING AND BEHAVIORAL FINANCE

The ninth paper by Aliyu and Yusof (2017), titled “A Panel Survival Analysis for Islamic Banks,” predicts the survival rate of Islamic banks given the more challenging environment surrounding Islamic finance today. Stiff competition in the borderless world of finance, aggressive competition from the conventional banking industry and fellow Islamic banks, and the emergence of financial technology – coupled with stronger public awareness of how Islamic banks promote social interest while remaining sustainable – have made survival analysis of Islamic banks timely. As the Islamic banking and finance sector matures, rich data are available and the authors have taken this opportunity to use a panel data of 170 Islamic banks from 24 countries in their analysis. They use the Cox (1972) proportional hazard model, which is a semiparametric method with flexible functional form to avoid misspecification without complete knowledge of the distributional specification. This approach has been so successful in the empirical literature such that it has become the standard method used to estimate survival models (Cameron and Trivedi, 2005), including conventional finance (for example, see Lane, Looney and Wansley, 1986). In their discussion, Aliyu and Yusof (2017) maintain

that the CAMEL<sup>6</sup> supervisory rating system is adequate to explain Islamic bank survival. The results also suggest that Islamic bank survival is significantly affected by several financial indicators: non-interest liabilities, asset quality, liquidity, as well as GDP per capita. However, capitalization, size effect, and inflation are found insignificant to Islamic bank survival.

Behavioral economics has permitted the application of psychology to complement economic theories in predicting the economic decisions of individuals and institutions. It increases the explanatory power of economics by supporting it with realistic psychological foundations (Camerer and Loewenstein, 2004). Despite various criticisms on the profusion of models and lack of normative status, behavioral economists have been actively addressing issues such as experimental design, results interpretations and evaluation of assumptions to avoid parsimonious results that are impossible to be generalized to real situations (Wilkinson and Klaes, 2012). While behavioral economics has made excellent progress into mainstream economics, the use of psychology is also making its way into Islamic economics and finance. For example, Abdullah, Hassan and Masron (2016) look at the switching intention of Muslim depositors if there is no guaranteed return by Islamic banks on the Islamic deposit account. The Theory of Reasoned Action (TRA) as proposed by Fishbein and Ajzen (2010) is used as the research framework where pre-existing attitudes and behavioral intentions in individuals affect decision making. Concurrent with the trend of psychology application in Islamic finance, in this issue Mas'ud (2017) investigates the impact of risk vulnerability towards the intention for takaful acceptance in Nigeria in his paper, "Risk Vulnerability Moderating Effect on Takaful Acceptance: Evidence from a Frontier Market." Instead of TRA, Mas'ud (2017) uses the Theory of Planned Behavior (TPB) developed by Ajzen (1991) as the research framework, where perceived behavioral control, together with TRA components of attitude and subjective norms, predicts behavioral intention of economic agents. Mas'ud (2017) finds that while attitudes, perceived behavioral control and risk vulnerability significantly affect takaful acceptance intention, these effects are moderated by risk vulnerability which raises the intention to participate in takaful schemes.

### 3. CONCLUSION

All papers selected in this special issue had been sent for blind-review to at least one referee<sup>7</sup>. This is because all papers that were accepted

in the 11th ICIEF 2016 had undergone a review process where the papers have passed the initial review by the Academic Committee of the Conference and a double-blind review by two referees. The initial review process by the Academic Committee includes similarity test procedure to ensure original contributions by the authors. Out of 16 shortlisted papers for IJEMA, the 10 selected papers have passed the desk review stage by the Guest Editor and the Editorial Board of IJEMA and the review process by one referee. Hence, we hope to be able to maintain a high quality of publication in this special issue and meet the expectation of our readers. Let us pray that Allah will accept this little effort of ours as part of our good deeds, and that He would bless our countries with similar economic prosperity and spiritual success that He had blessed the people of *Saba* in the past: “[You have] a good country, and a forgiving Lord.” (Al-Qur’ān, 34:15).

#### ENDNOTE

1. For a brief history of the conference series, please see Iqbal (2017).
2. For more information about the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development, visit <http://www.un.org/sustainabledevelopment/>.
3. The 11th ICIEF 2016 Academic Committee received 370 submissions from 36 countries, where 110 were accepted. However, only 103 papers were presented during the Conference.
4. Islamic Economic Studies (IES) Vol. 25, Special Issue (April 2017) is available at <http://www.irti.org/English/Research/Documents/IES/220.pdf>
5. Journal of King Abdulaziz University: Islamic Economics (JKAU:IE) Vol. 30, Special Issue (April 2017) is available at <http://iei.kau.edu.sa/Pages-VOL-30-SI.aspx>
6. The CAMEL rating system was originally developed by the financial market supervisory and regulatory agencies of the U.S. to classify a bank’s financial health. It stands for capital adequacy, assets, management capability, earnings, and liquidity.
7. It is almost impossible to ensure a double-blind review process at the journal stage after the Conference since the referees could easily access the papers and identify the authors. However, to increase the possibility of anonymity of the authors, the Editorial Board did not inform the appointed reviewers that the paper sent to them is from

the Conference. It simply follows the journal's regular review procedure.

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