

**Research Division
Islamic Research and Training Institute**

**Guideline of Visiting Scholars Program
(Version April 2017)**

Part 1: Introduction

1.1 General Statement

1.2 The IRTI's aim is to be known as the KNOWLEDGE CENTRE OF ISLAMIC ECONOMICS AND FINANCE BY SYNERGIZING RESOURCES FOR POLICY DEVELOPMENT. In order to provide a significant contribution toward this aim, IRTI would like to invite the interested applicant for Visiting Scholars Program (IRTI-VSP). This scheme is part of the research program of the Research Division. This document is based on the document entitled "Visiting Scholars Scheme for IRTI Research and Training Program (undated) and extracted minutes of IRTI Management Committee Meeting # 305 (09/01/1431H).

1.3 Objective

The aim of this program is to enable Research Division to bring in scholars from around the world with academic interests in Islamic economics and Islamic finance.

Part 2: Application

2.1 Eligibility

2.1.1 Applicant is a researcher at Higher Education Institutions or research institutions

2.1.2 Applicants must be mid-career or senior researchers.

2.1.3 This program is not available to individuals currently pursuing graduate degrees or post-doctoral studies.

2.1.4 Scholars who have previously held IRTI Visiting Scholars must wait five years after the completion of their program before reapplying

2.2 Application Procedure

2.2.1 Applicants are encouraged to submit their application via e-mail. Email applications must have the following attached documents (A4 size in PDF or MS word format):

┆ a completed application form (can be downloaded from our website

(<http://www.irti.org/iefrd/irti-vsp>)

- ┘ a curriculum vitae (not exceeding 5 pages, must include research experience and a list of main publications)
- ┘ two referees. Applicants must also contact their respective referees and request them to send their letters of recommendations to Research Division via email. The letter should be written in their institution's letterhead.

2.2.2 Email applications and letters of recommendations must be sent to this address: R-Division@isdb.org (**Important note:** please write “IRTI Visiting Scholars Program” as the subject or title of the email message, otherwise your message will not reach us).

2.2.3 It is the applicant's responsibility to ensure that he or she has submitted all the necessary documents. Application materials will not be returned.

2.3 Selection Criteria

2.3.1 The research proposal shall be a research that falls within the 3 research clusters of IRTI: Maqasid al- Shari'ah, Poverty alleviation, and Financial stability (See annex)

2.3.2 Research which is directed towards leading the development and sustenance of IFSI by supporting socio-economic development in MCs

2.3.3 Research that support and realize the IDB vision, where IRTI has to play a key role in becoming a world class knowledge-based organization

2.3.4 The timeline for the proposed research must fit within the duration of the researcher's stay at IRTI.

2.4 Application Deadline

2.4.1 Applications for the 2017 Visiting Scholar Program must reach us no later than June 3, 2017.

2.4.2 We regret that we cannot entertain individual queries or follow-ups about the results of selection by email, fax, or telephone.

2.4.3 Applicants will be notified of their application status by mail or letter soonest possible

2.4.4 For Information and updates, please see our website.
(<http://www.irti.org/iefrd/irti-vsp>)

Part 3: Visiting Scholar Program

3.1 Availability

Two visiting scholars will become available between September 6 and December 31, 2017.

3.2 Funding

3.2.1 Successful applicants may receive an appropriate stipend to cover international travel and living expenses in Jeddah

3.2.2 Research funds may be provided to facilitate his/her work.

3.2.3 Funds may also be allocated for domestic travel, subject to IRTI regulations.

3.3 Other

3.3.1 Visiting Research Scholars are considered as visitor of IRTI/IDB and are therefore subject to some of the IRTI/IDB's regulations.

3.3.2 They will be expected to reside in IRTI for the duration of the program.

3.3.3 They are expected to deliver a lecture during their term at IRTI and participate in conferences and other academic activities within Saudi Arabia as representatives of the IRTI.

3.3.4 They are strongly encouraged to contribute to the IRTI's journal, *Islamic Economic Studies*, IRTI Working Paper Series and IRTI Policy Paper Series and other in-house publications, and contribute to expanding the IRTI' global alumni network.

Part 5: Role

5.1 Role of Research Division

- ┆ Announcement of new application to visiting scholar
- ┆ Receive and process (i.e., feedback from Division Members and representative from other Division Members) the application form
- ┆ Inform the Academic Committee meeting
- ┆ Inform the researcher on the decision of Academic Committee Meeting
- ┆ Receive the exit report from Visiting Scholar
- ┆ Prepare monthly report to IRTI Executive Committee Meeting

5.2 Role of Visiting Scholar:

- ┆ participate in the research activities of the Research Division
- ┆ support fundamental and applied research of any area of the three [clusters](#)
(based on the proposed research activities)

- ┆ support our publishing program ([publication](#))
- ┆ promote international academic co-operation among scholars and institutions engaged in the study of Islamic economics and Islamic finance
- ┆ Shall acknowledge IRTI in the intended publication
- ┆ Send the exit report

5.3 Role of Academic Committee

- ┆ Review and decide the application within a stipulated time period
- ┆ Provide the reason(s) for amendment or rejection (if any)
- ┆ Safeguard the ethical and secrecy of application

Annex:

Research topics/areas

A successful proposal should be based on a sound research idea that can be used in research, policy formulation, and the academia, and should be centered on any of the following broad areas: *Maqāṣid* al-Sharī'ah based Socio-Economic Development, Poverty Alleviation, and Financial Stability. Below is a brief description of each of these areas of research interest.

A. *Maqāṣid* al- Sharī'ah Theoretical and policy oriented research in the area of comprehensive human and socio economic development is an important segment of work at Islamic Research and Training Institute, IDB. IRTI has embarked on a project to develop a *Maqāṣid* al-Sharī'ah based Index of Socio-Economic Development. It is therefore encouraging research that focuses on:

- *Maqāṣid* al-Sharī'ah in socio-economic policy making;
- Gauging the performance of socio-economic policies in the light of fulfilment of *Maqāṣid* al-Sharī'ah;
- Measurement of the socio-economic development in the light of *Maqāṣid* al-Sharī'ah.
- Performance evaluation of Islamic financial sector and institutions in the light of *Maqāṣid* al-Sharī'ah.

The research proposal can address some of the following questions:

- (1) What are the relationships between Sharī'ah rules and their objectives? How do those objectives translate into economic and financial decision making at the level of individuals, family, business organizations, financial institutions, regulators, government, and the society as a whole?
- (2) Designing and piloting surveys to measure socio-economic development based on *Maqāṣid* al-Sharī'ah.
- (3) *Maqāṣid* al-Sharī'ah and Sustainable Development Goals (SDGs): an analysis for possible index creation.
- (4) What would be the “objectives of financial sector regulation” in the light of *Maqāṣid* al-Sharī'ah? Do the current objectives of financial sector regulations sufficiently cover all *Maqāṣid*? How can these objectives be operationalized in the regulations of Islamic banking, and in the regulations of Islamic capital markets?
- (5) Any other topic within the cluster.

Poverty alleviation Poverty alleviation is a core component of the vision and mission of the IsDB group. Making a dent on high and rising levels of poverty through social finance and other forms of intervention in a Shariah-compliant manner is a key policy concern in the IsDB member countries as well as in Muslim societies in non-member countries. There are many challenges in achieving this objective that need to be understood and addressed. Unlike other areas in mainstream (for-profit) Islamic finance, poverty alleviation involves interventions in philanthropic (zakat, sadaqa and awqaf), not-for-profit (qard, kafala), cooperation-based and for-profit sectors of the economy. Major gaps currently exist that require theoretical and empirical research into these sectors in a concerted and coordinated manner. The research focus will be on empirical and theoretical aspects of the

system of Islamic social finance, e.g. zakat, waqf, microfinance, for the financial inclusion and poverty alleviation. Possible areas of research will include:

- (1) The role of Islamic Social Finance in poverty reduction.
- (2) Divergence between potential and actual zakat collection. Where the difference goes and who receive such transfers?
- (3) Exploring the potential of waqf in IDB member countries
- (4) Social finance and financial inclusion
- (5) Relationship between cost/price of credit and financial & social inclusion
- (6) Relative contribution of microfinance services on financial and social inclusion
- (7) Any other topic within the cluster.

C. Financial stability is one of the most widely discussed issues in today's economic literature. The relevance of financial stability gained a lot of attention because of the recent global financial crisis. Hence, policymakers have become much more concerned as to what could lead to financial instability and what is needed to address or prevent it. These developments have prompted many policymakers and regulators across the globe to shift from micro-prudential to macro-prudential framework in order to address systemic risks and financial instability. Therefore, research in this area will look into:

- (1) *Financial Development and Prudential Policy* – The research will focus on issues surrounding financial development and macro prudential orientation, specifically on issues related to regulatory and supervisory framework and assessment of financial stability. The research will seek to address the gap in the academic and policy literature, by providing an understanding of the behavior of the Islamic financial system with respect to specific monetary policy, macro prudential policy, regulation, and supervision that could be employed to mitigate systemic risks as well as in creating an incentive structure for Islamic finance market players.
- (2) *Risks Management and Stress Testing* – The research will focus on the uses of a different risk approach due to regulatory (i.e., financial and capital markets), legal, product and financial innovation, *fiqh*, and operational requirements that may dictate a certain approach to manage the associated risks. The research will provide an in-depth insight of assessing these risks and tools for the Islamic financial system and attempt to develop a comprehensive “Stress Testing” model to measure the risk in Islamic banking sector. It is also expected to supplement the existing work of the Financial Sector Assessment Program for the Islamic financial sector (iFSAP) and development of risk management toolkits for Islamic finance.
- (3) *Any other topic within the research cluster.*