

INDONESIAN HIGHER EDUCATION CONTRIBUTION TOWARD THE GROWTH OF ISLAMIC FINANCIAL INDUSTRIES: AN EARLY STUDY

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The emergence of Islamic banks and other financial institutions in Indonesia since 1990s has reveal significant growth and creating more job opportunities in the past decades. In the stakeholder perspective, Islamic finance offer a promising and more profound way to contribute in an honest way of conducting business as the world today needed, in terms of transparancy and full disclosure. Therefore, more experts and professionals in Islamic Finance are extremely needed nowadays. Regarding this matter, Indonesia suffers a prominent lack of human resources that mastering the Islamic Finance concepts. This is not a favorable condition and could force more foreign experts to come and occupy many related job opportunities existed. Therefore there is an urgent need to prepare a new education strategy to respond to this challenge. The objective of this study is to find out how well the preparation in Indonesia's higher education in establishing or enhancing the curriculum and research in Islamic financial educational system. As an early study, this research took 50 top universities in Indonesia based on Ranking Web of World Universities (Webometrics) in July 2011. By this research, it is hoped that further study of Islamic Finance concepts among academician and business practitioner will be increased as well as the awareness and promotion of the value-added within those concepts.

Keywords: Islamic Finance, Educational System.

1. Introduction

Indonesia commenced the development of Islamic finance through the establishment of Muamalat Bank in 1992. According to the Bank Indonesia, as the biggest Muslim populated country, Indonesia has the biggest potential market in developing monetary and Islamic banking industry. This tendency has shown by the high growth of the Industry, moreover, it is the highest compared to other nations that has the industry. However, the high growth is still considers small once it is compared to the huge market, which is available. Since the enactment of Act no. 21 of 2008 issued on July 16, 2008, the Indonesian Sharia banking and finance industry progress impressively.

In Economic Update (5 April 2011), 'Indonesia's Islamic banking institutions held more than \$11bn in assets as of the end of 2010, a steep increase on the \$7.7bn of the previous year. While this rate of growth represented an almost 50% increase, the total still only amounted to some 3% of the combined assets of the nation's banking sector. This is a far cry from the 20% of Malaysia's total banking assets held by that country's Islamic lenders, with Indonesia's Islamic banking assets equivalent to just 9% percent of Malaysia's in 2010, according to data released by the Indonesian central bank. Bank Indonesia forecast that Islamic lenders can expect to see asset growth of more than 50% this year, in part due to an increase in acceptance by clients. Islamic banking has emerged as one of the most rapidly expanding sectors in the nation's economy and is expected to play a significant role in the coming years, according to the report, with asset levels topping \$17.9bn by the end of the year.'

Based on data from Bank Indonesia (Tabel 1), as of May 2011 there are 11 Islamic Commercial Banks with 1,280 offices, 23 Conventional Banks with Islamic Business Unit with 298 offices and 153 Islamic Rural Bank with 299 offices spread across Indonesia. The data specify only to the Islamic banking sector, does not include the data from the Takaful or Islamic insurance, Islamic mutual funds and other sector-based Islamic finance.

Tabel 1 Islamic Banking Statistics, May 2011

	2005	2006	2007	2008	2009	2010	2011 - May
Islamic Commercial Bank							
Number of Banks	3	3	3	5	6	11	11
Number of Offices	304	349	401	581	711	1,215	1,280
Islamic Business Unit							
Number of Conventional Banks that have Islamic Business Unit	19	20	26	27	25	23	23
Number of Offices	154	183	196	241	287	262	298
Islamic Rural Bank							
Number of Banks	92	105	114	131	138	150	153
Number of Offices	92	105	185	202	225	286	299
Total	550	637	782	1,024	1,223	1,763	1,877

Source: Bank Indonesia (<http://www.bi.go.id>)

However, the increasing number of Islamic Banks and other financial institutions in Indonesia is not in line with the increasing number of trained and competent human resources in the Islamic finance. Muhtadi mentioned that 'there are big demand on the banking practitioners human resources. Based on data from Institute for Management and Islamic Economic Development (IMIE), on 2011, Indonesia Sharia banking industry require approximately 50 thousands well trained workers, and only around 20 thousands that can be fulfilled.' (Kompas.com, 2011) This can be a serious threat for the future of Indonesian Sharia banking and finance industry. According to the Sharia Indonesian Banking Outlook 2011, the insufficiency of human resources is a critical factor that gives significant impact on the growth of national Sharia banking industry, especially when the ASEAN Economic Community (AEC) in 2015 commenced. Bank Indonesia's director of the Islamic Banking Directorate, E Mulya Siregar mentioned "If up to the implementation of Asean Economic Community (AEC) 2015, the human resources supply in Indonesia inadequate, then the possibility of Islamic banking will be filled with foreign workers".

Higher education hold an important role in term of educates and produces trained human resources, which contribute in supporting the development of Islamic banking and finance in Indonesia. The lack of trained and competent workforce and expertise in Islamic finance will be a barrier for achieving the goals of Islamic finance development. Academia as stakeholder that share concern with Islamic finance development in Indonesia, should see this as an opportunity that could be optimized by building human resources that has expertise in the Islamic finance. Thus, become competitive advantage of the higher education institution as well as participating in the improvement of the Indonesian economic development. And the question that should be address is to what extent the Indonesian higher education have accommodate and support the Islamic finance education.

Therefore, the objective of this early study is to mapping the action taken by economic or business faculty from Indonesian higher education. In support of the Islamic finance education, the study analyzes, using the content analysis its curriculum development, the availability of their supporting facilities such us: research and study center, and campus activity program such us: seminars and workshops that related especially to Islamic finance. We hope the findings from this research can best describe the current condition of Indonesian higher education's proactive contribution and concern for the development of Islamic finance in Indonesia. At the same time, to get a broader perspective on how the higher education institutions respond to the recent business and economic change. The various findings of the 50 listed best universities in Indonesia based on Webometrics rank along with the major limitations of this research, will be discussed and some suggestions for future research will be offered.

2. Literature Review

2.1. The Worldwide Growing Concern of Islamic Finance

'Islamic finance is emerging as a rapidly growing part of the financial sector in the Islamic world. Islamic finance is not restricted to Islamic countries, but is spreading wherever there is a sizable Muslim

community.’ (Iqbal, 1997,p42). “The success of Islamic banking and finance in the Middle East and Asian regions bears profound impacts on global financial markets. The increasing numbers of Western financial institutions are using Islamic banking and finance as an opportunity to add innovation and diversity to their operations and attract oil-wealth and local Muslim clientele to their doors. Islamic financial institutions are becoming partners with Western market players to promote Islamic banking and finance products and services in European and Western markets. The Western market environments have turned up more conducive for Islamic banking and finance practice. These developments are very encouraging and have given the Islamic banking and finance industry a window of opportunity to become truly competitive and integrated part of international financial markets”(Khan, M.M and Bhatti, M.I 2008, p. 723).

‘The Southeast Asian countries host the fastest growing economies in the world. The Southeast Asian financial markets are very liberal, competitive and globally integrated. The Islamic banking industry is becoming a vital segment of the Southeast Asian financial markets. Indonesia, Malaysia and Singapore aim to use Islamic banking and finance as a powerful tool to attract business and investments from the Middle East and Muslim world. These countries can play a very crucial role in promoting Islamic banking and finance in global financial markets.’(Khan,M.M and Bhatti, M.I 2008, p. 717).

‘The advent of Islamic economics and the spread of Islamic banking and finance had widespread impact on the academia. Research centers, academic journals, seminars, conferences, introduction of teaching courses, even establishment of departments of Islamic economics in universities and writing of hundreds of doctoral dissertations, in the western universities as well as in the Islamic world.’ (Siddiqi,M.N 2006, p.7). In addition, Khan, M.M and Bhatti, M.I also mentioned that ‘The Indonesian government rejuvenated its Islamic banking policies towards the end of 1990s. It has been working on improving Islamic banking regulatory framework, Shariah faculties and staff qualifications, which may ensure the worldwide competitiveness and exposure of its Islamic banking and finance industry’.

2.2. The Islamic Economic

‘We can characterize the goal of Islamic economic in a very simple term as economic well-being. Introducing very briefly the basic Islamic concept of *Tawheed* and making reference to the relevant texts from the Quran and the Sunnah, the desirability of economic well-being can be established. Economic well-being is not, however, a value realized in isolation from or independent of the higher moral and spiritual values. Men and women should produce, distribute and consume wealth in such a manner that they are able to live a well-provisioned life, free in submission to Allah, as equal members of human family being fair to one another and cooperating among themselves’. Siddiqi (2005, p.6)

‘Islamic Financial Institutions (IFI) has a special religious and financial position in society. Religiously, IFIs have a responsibility to comply with the form and substance of Islamic law in all aspects of their operations. This is because they are in a representative and exemplary religious position, whereby they represent the interests of their stakeholders and at the same time are exemplars to their stakeholders. This implies that all aspects of their operations should be conducted in a permissible or recommended manner while no aspect of their operations should ideally be conducted in an impermissible or not recommended manner. If it is conducted in an impermissible or not recommended manner, it is an obligation to disclose to its stakeholders the reasons for that particular conduct. Financially, IFIs are intermediaries, which mobilize funds from investors and allocate funds to projects and other investments. In this context, it is the responsibility of IFIs to mobilize funds from permissible and recommended sources and invest funds in permissible and recommended projects. Further, IFIs are also in an exemplary position as financial intermediaries and hence can significantly impact the conduct of the IFIs stakeholders in terms of the ideal Islamic investment and allocation process’.(Farook, 2007,p36).

Are Islamic funding and lending operations similar to, or at least compatible with, conventional banking activity? there are some differences between conventional banks with Islamic bank. *Mudaraba* and *musharaka* are difficult to classify according to the principle of conventional banking activity since they seem to introduce, at least apparently, some characters similar to those typical of private equity or corporate banking operations. From the legal point of view, they cannot be considered as credit or financing operations but as trading activities in which the bank actively participates in the profit and loss sharing. Thus, under these two contracts, the project is managed by the client and not by the bank even though the bank shares the risk. The bank, as a partner, has the right of full access to the books and records, and can exercise monitoring and follow-up supervision. Nevertheless, the directors and management of the company retain independence in conducting the affairs of the company.

Prohibition to apply interest rate both on borrowing and lending operations. Riba is forbidden in Islamic transactions and interact directly with the conventional banking practices. At the end of 2003, it is officially declared illegitimate interest of conventional banks. Savings accounts also operate under the *al-wadi'a* principle and have no guarantee concerning return or capital reimbursement even though it is possible to withdraw: for this reason, it is possible to think about a certain kind of 'segregation'. Savings accounts differ from current deposits because, depending upon financial results, the Islamic bank may discretionally decide to pay 'dividends' periodically calculated on the basis of the profitability of related investments. As they are not liabilities at the nominal value, there is not a problem of depositors' protection and banks use collected resources for short-medium low-risk investments, even if the risk level still remains higher compared to traditional banks. Depositors have fewer guarantees: but the possibility to withdraw causes the bank a management problem in terms of both liquidity and risk control of lending operations.

Mudaraba is an agreement on a particular type of business partnership in which the first party (Shahibul maal) provides funding and a second party (mudharib) is responsible for managing the business. Profit will be distributed in accordance with agreed profit sharing ratio together since the beginning. However, in the event of loss, Shahibul Maal will lose some return from their work during the project (Yaya, 2009).

In lending activity, Islamic law expresses a clear preference for equity financing compared to debt financing. Contracts, limited in number, are all based on schemes that can be distinguished between those indirectly and those directly participating in the profits and losses of the financed company. In the first case, contracts (mainly *murabaha* and *ijara*) are substantially similar to a term sale that could characterize the bank as a trade intermediary that takes title and risks also on the underlying sold good; in the second case, contracts (mainly *mudaraba* and *musharaka*) are substantially similar to an association in participation that always requires the borrowers' analysis, as in the case of the loan portfolio of a conventional bank.

In the *mudaraba*, the *sahib al-mal* entrusts funds to the entrepreneur (*mudharib*) to undertake an activity: in this case, the entrepreneur brings non-financial resources (his or her job, creativity and engagement) and is the only manager of the activity while the financial resources remain the property of the bank that has no direct role in organizing and managing the investment project. The bank cannot interfere in the company's business policy, although it can contribute with nonfinancial resources, but only if it is clearly possible to determine the monetary value of its contribution before its effective employment. *Mudaraba* represents a PLS contract where the return to lenders is a specified share in the profit/loss outcome of the project in which they have a stake, but no voice. Only profits are shared among counterparts according to a proportion already defined and agreed, because losses are exclusively the responsibility of the bank and the entrepreneur is considered sufficiently penalized by the lack of gain and by the wasted investment in the job.

Similar to a joint venture, *musharaka* is considered to be the economic instrument with the greater degree of Islamic 'purity and harmony' hence its prominent role in many Islamic countries. The entrepreneurs add some finance of their own to that supplied by the investors, so exposing themselves to the risk of capital loss; the bank can directly take part in the decisions concerning the ordinary project's management and sometimes participates in its execution, perhaps by providing managerial expertise. Profits and losses are shared between the parties according to pre-fixed proportions – these proportions need not coincide with the ratio of financing input but also relate to the principle of the effective contribution to the development of the plan or the enterprise; and conversely, eventual losses are distributed between contractors in proportion to the capital given.

Murabaha, similar to a sale with a profit markup, still remains prevalent in the Islamic world even if it is criticized since many retain that it is no more than a 'masked' use of the interest rate. For being *murabaha* Islamic compliant, the good, even for a short period, must be in the possession of the lender who takes on the risks connected to its maintenance in good condition until a definitive transfer. In particular cases, it is the customer who has to find the good, acting as an agent of the bank. Then, the customer will ask to sell and only as a result of an explicit acceptance will the passage of property and of the implicit risk consequently happen. At each stage of the contract, the customer and the bank assume different roles and functions. At the beginning, there is a promise of sale and, correspondently, a promise of purchase based on an agreement of *murabaha*, therefore the roles are those typical of a guarantor and a promisee.

The *ijara* is accepted by Islamic law because revenues for the bank originate from the rental of a real good: the property and the connected risk remain in the bank while the customer has only the right to

use the good. *Ijara* is similar to an operating leasing contract, typically carried out in the western context, by specialized financial companies but not, at least not directly, by banks. The *ijara wa iqtina* is similar to a contract of sale with limited ownership in which the customer is obliged, at the expiration of the prefixed period, to buy the good previously acquired by the financial institution. The customer opens a banking account that cannot be subject to withdrawal but receives periodic deposits that the bank can use and reinvest. Only when the account balance reaches an amount equal to the cost of the purchase of the good plus the cost of the bank's services is it possible to carry out the exchange of property with the consequent transfer of the funds.

The *istisna'* is a contract to acquire goods on behalf of a third party where the price is paid to the manufacturer in advance and the goods produced and delivered at a later date. The agreement is applied to contracts of deferred exchange, with particular regard to assets produced on specific request. With no obligation to pay the agreed price in advance or at delivery, this contract can be conveniently used by small and medium enterprises and by families. Generally the *istisna'* is applied in two steps: (a) a contract within the bank and the buyer who needs a particular good (for example, machinery, a new plant, or a house); (b) a contract between the bank, transforming itself into a buyer, and a third party that will become completely responsible for the correct procedure of the project according to the predefined terms and conditions (Khan and Porzio, 2010).

Tabel 2 The difference of Islamic and Conventional Banks

Islamic banks	Conventional banks
Prohibition to apply interest rates both on borrowing and lending operations	Use of interest rates both on borrowing and lending operations
Profit and loss sharing	No profit and loss sharing
Bank as partner of depositors and borrowers	Bank as principal and agent of its customers
No profit if the financed counterpart has a loss	Interest has to be paid even if the financed counterpart has a loss
It is not possible to invest in companies operating in industries not compliant with the <i>Qur'an</i> law	It is possible to invest with no limits
Speculative activities are prohibited	Speculative activities are allowed
Banks are controlled by Central Bank, other supervisory authorities and an internal board responsible for compliance to <i>Shari'ah</i> and <i>Qur'an</i> law according to AAOIFI standards	Banks are controlled by Central Bank and other supervisory authorities; typically there is no internal ethics committee
It is necessary to create a special reserve in which put the Islamic tax (<i>zakat</i>) to be used for charity	Charity is discretionary

Source: Khan and Parzio, 2010

2.2. The Economic Growth and Human Resource Development

The importance of human capital development through educational systems for the economic growth is describes in Ranis, Stewart, and Ramirez (2000) that mentioned 'specifically,

- (i) health, primary and secondary education and nutrition raise the productivity of workers, rural and urban;
- (ii) secondary education, including vocational, facilitates the acquisition of skills and managerial capacity;
- (iii) tertiary education supports the development of basic science, the appropriate selection of technology imports and the domestic adaptation and development of technologies;
- (iv) secondary and tertiary education also represent critical elements in the development of key institutions, of government, the law, the financial system, among others, all essential for economic growth.'

Bank Indonesia has prepare the Human Capital Strategic Plan (HCSP) which aim to enhance the development of competent human resources. Sharia banking is a new industry which characterized by specialized skills and knowledge. Lack of operational skill would endanger its operational sustainability.

Bank Indonesia as banking regulatory authority, together with other stakeholders, supports human resources quality development through training programs that are purpose for:

- Staff of commercial banks that are interested in the banking operations according to Sharia principles
- Students from universities and other academics institutions, that are expected to be potential players or users of the Sharia banking system
- Lecturers from universities and other academics institutions, that are expect to socialize Sharia banking in their curriculum.

As mentioned in iB (Islamic Bank-Bank Indonesia-12 February 2010), at least, there are four competencies that must be possessed by the human resources of Sharia banking industry: First, the core competency. Islamic banking requires human resources that have views and beliefs in accordance with the vision and mission of Islamic banking. Second, the behavioral competence. the emphasis of this competency is the ability of HR to act effectively, have the spirit of Islamic, flexible and has high curiosity. Third, functional competence. Competence is talking about the background and expertise. The required human resources is the human resources that have basic Islamic economics, banking operations, financial administration, and financial analysis. The fourth, is managerial competence. It takes the human resources capability in leadership, responsive to the changes and able to build relationships with others.

According to Asnaini, (2008, p 44) As part of the human capital development for Islamic economic, they are several action can be taken into consideration:

- The government commitment
- The improvement of Islamic economic curriculum
- The development of Economic Islamic Higher Education
- The competent and expertise orientation

Islam encourages Muslims to choose candidates based on knowledge, experience and technical skills possessed. This is in accordance with God's word: "For indeed the best person that you take to work (on us) is a strong man can be trusted." Then the leaders should be selective in choosing prospective employees, they are people who are competent, have extensive knowledge, sense of responsibility and trust. Therefore, the selection of candidates is a very crucial issue (Hadist Rasulullah SAW)

- Trainings on Trainers of Islamic Economic

3. Methodology

3.1. Content Analysis Instrument

This research is an early study, using content analysis, aim to map to which extend universities especially faculty of economic has respond to the changing of business and finance environment toward the development of Islamic finance education. As shown in **Table 2**, the information contain in the websites were assessed in terms of five instruments that will be differentiated in to two category that being use in this research. The first is curriculum that consists of study program and course, the second is supporting facilities that consist of research or study center and journal or article published, and the activity programs such us: as seminars or workshops held. All of the instruments that being use, are consider equally weighted.

The curriculum set as an instrument due to the reason that the educational institution should corroborate their commitment for the Islamic finance education development through the establishment of study program or course that correspond directly with the quality enhancement of human resources in Islamic finance. The supporting facilities instrument such us: research and study center and journal/articles as an indicator to show the interest share among academia, researcher, lecture and students to conduct research upon Islamic economic and finance topics. The activity programs such us: seminars and workshop organized by institution can be describes as the proactive action taken by the higher education to help the socialization and promotion of Islamic finance for the society. These five instruments are considers as form of respond emphasized on Islamic finance education.

3.2. Sample

All population of data taken from the published information provided by the top 50 Universities in Indonesia, rank by Webometrics in July 2011. The consideration to use the Webometrics version based on the accessibility of information provide on each higher education website and the similar characteristics reason. The Webometrics Ranking is measuring the volume, visibility and impact of the web pages published by universities, with special emphasis in the scientific output (referred papers, conference contributions, pre-prints, monographs, thesis, reports, etc), but also taking into account other

materials (courseware, seminars or workshops documentation, digital libraries, databases, multimedia, personal pages, etc) and the general information on the institution, their departments, research groups or supporting services and people working or attending courses. (www.webometrics.info)

There are some previous researches that considering the use of website for educational research purpose. Educational websites were also studied from many different perspectives. Zhang and Dran (2001) in Hasan.L and Abuelrub, E, (2010) developed a theoretical framework for evaluating website quality from a user satisfaction perspective. Others concentrated on some specific features of websites. For examples: Lautenbach et al. (2006) in Hasan.L and Abuelrub, E , (2010) developed a framework to measure usability of websites, while Yoo and Jin (2004) investigated and evaluated the design of university websites. Other researchers, while assessing the university websites took in consideration other features. Osborne and Rinalducci (2002) designed the criteria to evaluate web resources for utilization within the context of scholarly research within the discipline of the art history. Singh and Sook (2002) attempted to find solutions to user problems and involved evaluating South African university websites on certain factors.

The used of purposive sampling for this research is intended to describe the current condition of Indonesian higher education's concern and respond for the development of Islamic finance through the information provide on the websites. The scope of this research mainly considers university that has economic or business faculty, because of Islamic finance related directly with the economic or business field of study. Therefore from 50 listed universities, we used 43 universities that has economic or business faculty as sample, and removed 7 others university without economic or business faculty from the sample (Institute Teknologi Sepuluh Nopember, Electronic Engineering Polytechnic Institute of Surabaya, Informatics and Computer College STMIK Amikom, Institute Sains and Technology Akprind, ISI Denpasar, Sekolah Tinggi Ilmu Manajemen Informatika dan Komputer Jakarta., Institute Teknologi Telkom).

3.3. Procedure

After identified the objectives of this research, we analyzed the information provide in higher education websites, by using keyword such us: Islamic Economic, Islamic Finance, Islamic Banking, Sharia Economic, Sharia Banking, Sharia Finance, and Sharia Accounting. This research used five instruments that equally weighted or assume to have same value, as mentioned previously. Then, the information being analyzes further in order to find out how many higher educations already established study program or provide the course related to Islamic Economic or Sharia Economic in their curriculum. And how many institutions that already have research and study center and produce journals or articles, or student thesis topics that are directly related to Islamic economic and also how many have engaged in organized a seminars or workshops to promote and socialized the Islamic economic. In order to ensure the analysis procedure, we carefully review and discuss information derived from the websites and categorized all the findings according to the instruments that has been set up previously.

4. Findings

As the Sharia banking industries and financial institution continue to grow worldwide, the banking industries in Indonesia also continue to grow through the establishment of new Sharia banks and units. Indonesia as country with the world's largest Muslim population creates a huge potential market, and attracts major conventional banks and even some foreign banks in establishing Sharia banking units. This led to the increasing demand of human resources with competency in Sharia banking products knowledge. To coupe up with this challenge, university should be able to see this as a competitive advantage in striving to provide excellent service in education sector by proactively involved in generate trained and competent human resources for Sharia banking and financial industries.

The Higher Education Concern on the Islamic Finance Education

From 43 universities, generally almost the whole universities have shown their concern by fulfilling the instrument given. The result as shown in Table 2 found 9% or 4 universities fulfilled the whole 5 instruments; 19% or 8 universities that fulfilled 4 instruments, 16% or 7 universities fulfilled 3, 23% or 10 universities fulfilled 2 and the rest 14 universities or 33% fulfilled less than 2 instrument.

From 43 universities, there are 4 (four) universities or 9% out of 43 universities: Bogor Agricultural University (5), Airlangga University (12), Brawijaya University (14), Universitas Trisakti (39) has shown that they have fully support on Islamic finance education, as shown in Table 4, the six university has established study program, course, research and study center, journal/article/thesis, and seminar/workshop related to Islamic finance.

No	Description	Σ	%
1	Study Program	6	14%
2	Course	25	58%
3	Research/Study Center	15	35%
4	Journal/Article/Thesis	37	86%
5	Seminars/Workshops	21	49%

As shown in Table 3, The data describes that less than 20% of top universities in Indonesia have shown their concern to support the development of Islamic finance or economic, through establishment of Islamic Economic study program.

Description	Σ Instrument						Total
	0	1	2	3	4	5	
Σ Higher Education Institution	3	11	10	7	8	4	43
%	7%	26%	23%	16%	19%	9%	100%

The Islamic Economic Curriculum

The improvement of the higher education curriculum is very important. As stated in the Grand Strategy of Islamic Banking Market Development Directorate of Islamic Banking-Bank Indonesia July 2008, for a solid banking service quality in the future, improvement on service quality must be conduct in general areas or those related to uniqueness consist of the banking general area and the competitive advantage area of Islamic Banking. As part of the Bank Indonesia target of improvement is the human resources sector. The uniqueness emphasized as competitive advantage area of Islamic banking, require human resources who are experts in finance and Islamic. Therefore, the significant contribution of higher education is can be conduct thoroughly by improving the curriculum to support the Bank Indonesia grand strategy.

The result found that 6 universities or 14% out of 43, have established study program in Islamic Economic. From further examination of information captured in each university website, in random order, the Airlangga University offer advanced study program range from Bachelor degree, Master to Doctoral Program in Islamic economic. Brawijaya University offer Bachelor and Master degree in Islamic Economic. Bogor Agriculture University, Universitas Islam Negeri Maulana Malik Ibrahim Malang, Institute Agama Islam Negeri Sunan Ampel with their Bachelor degree in Sharia economic. Universitas Trisakti that offers Bachelor degree as well as Master program specialized in Accounting and Finance Sharia (Accounting) and Shariah Finance (Economic Science). This could be seen as a higher education

competitive advantage, that provide advanced study program in Islamic economic, since many finance and banking industry demand a higher level of Islamic finance knowledge from their employee.

The data describes that less than 10% of top universities in Indonesia have shown their concern to support the development of Islamic finance through establishment of Islamic Economic study program. The curriculum indicator for study program is not describes into specific major program such us: accounting, management, economics science or banking and finance.

Study Program		Σ	University
1	Diploma (D3)	1	39
2	Bachelor Degree (S-1)	6	5,12,14,24,35,39
3	Master Degree (S-2)	4	12,14,39,40
4	Doctoral Degree (S-3)	2	12, 39
Total		12	

There are 19 universities or 44% (exclude the universities with study program) or total of 25 universities or 58%out of 43, that have accommodated in their course under the course of Islamic Economic. The common use of term found from the information of course offered from several higher education that has established a study program or course, are: Islamic economic, Sharia Economic, Sharia Accounting, Sharia financial management, Islamic Banking. There are universities that considered it as a mandatory course and other as an elective course within their study program or even selective concentration within major.

However, because the level of accessibility of each university website may differ in some degree that influenced the degree of information that can be derive for further research evaluation, such us the accessibility of course syllabus that might contain specific subject related to Islamic economic or Islamic banking and finance, but can not be accessed fully and the quantity of course from each university.

The importance of improvement can be describes into two actions that is improvement in curriculum and the empowerment of faculty experts. The advanced curriculum standard setting also being actively promote by the first Islamic Bank in Indonesia, Bank Muamalat through its subsidiaries in the field of Islamic Banking Training and HR, pioneered the birth of the standard curriculum for students Vocational School (SMK) with national standards. However, the national standard for higher education has not been launching by the authorized institutions, such us: the DIKTI, DEPAG and other Government institutions.

Islamic Economic Higher Education Research Interest and Activity Program

The data reveal there are 15 out of 43 universities or 35% that already established the research or study center, among of them are: University of Indonesia with Center for Sharia Business Economics (Pusat Ekonomi Bisnis Syariah), Universitas Gadjah Mada with Institute of Islamic Economic and Business, Bogor Agricultural University with Research Center for Syariah Development, Brawijaya University with Center of Islamic Economic Studies, Universitas Padjajaran with Islamic Studies of Economic Group, Yogyakarta State University with the Sharia Banking Laboratory, etc.

From the data, they are 37 out of 43 universities or 86% that raise the Islamic economic and finance as their research topics. Although there are limitation in terms of the quantity for further consideration, these number show that there are significant interest on Islamic economic among academia.

Thus, the campus activity program related to the Islamic finance is less adequate compare to the academic research and study interest. The data found quite surprisingly because almost 50% universities, exactly 21 out of 43 universities or 49% had held the seminars or workshop related to the Islamic economic topic as shown in Table 2. These could be inferred as an early indication that there is increasing interest to understand about the Islamic economic r finance. Because the relatively nature of workshop and seminars less frequent compare than the published journal, articles or student thesis, therefore it is expected that the university can improve the program to support the interests of existing research. From findings and recommendation on research, could contribute valuable information to design advanced curriculum, programs, delivery method and popular literature that might help creating the supporting

environment for the development of Sharia human resources and thus, contribute to the nation economic building.

As part of the second goals which is research goals, some of the higher education in Indonesia are already thriving to conduct research collaboration with several major Sharia banking industry to develop the knowledge and further study to enhance the Islamic finance such us: Universitas Indonesia with Bank Muamalat, Universitas Airlangga with bank syariah mandiri and Bahrain Institute of Banking & Financial,

This action can be seen as a way to help educate the society about the Sharia banking and finance product knowledge and also help to increase the interest. The higher education in Indonesia has conduct socialization in form of public lecturing, talk shows, seminars and workshop related to the Islamic banking and financial industry. These various activity program has been conduct in cooperation with Bank Indonesia and also several community based on Islamic economic such us: Sharia Economic Society (MES), Association of Islamic economists (IAEI) and many more association that are also put their concern on Islamic finance education.

5. Discussion and conclusions

As an early study, this research attempt to map to which extend universities especially faculty of economic has respond to the changing of business and finance environment. We focused on the existence improvement in curriculum, the research conduct and the establishment of research and study center, the availability of journal or articles or student thesis, the existence of workshop and seminars regarding the Islamic finance topics. These emphasized on the availability of supporting action taken by higher education can be indication on how ready the Indonesian Sharia banking and finance industry facing the implementation of AEC in 2015. The fact that there are many graduate unemployment at one side, but in other side, the Sharia banking industry and financial institutions having trouble to find employee. This can be an early indicator that there has been a significant lack of competency for the higher education graduate in Indonesia. The requirement of human resources, that are capable not only in contemporary financial economic but also in Islamic economic is a must. In this research, we also highlight the challenges of development of human resources for Islamic economic in Indonesia.

There still very few universities from the top 50 list Indonesian Universities that shown their concern regarding the Islamic economic, through its curriculum development, study program, and campus supporting facilities such us: research and study center, journal or articles or seminars and workshops. The findings from each economic faculty shown 58% have develop their curriculum with Islamic economic and finance. This condition considered the argument that educational process must followed conformity with the Islamic education standard.

The discussion of this paper still limited in the concept of Islamic economic and finance. A further empirical research of the concept, especially the implementation in real practice world is highly recommended to support the findings. The finding has shown that we still need improvement on our higher education strategy for providing a quality of education especially related to the Islamic finance education. They all have the equal opportunity to improve their learning process and by establishing study program, or accommodate course in Islamic finance or economic.

There are several strength and opportunity that can be optimize for higher education institutions, to create the competitive advantage in order to compete with the globally changing market such us: the availability of various fields of sciences and research study that will contribute and support the enhancing economic development in Indonesia. The availability of expertise and competent human resources, the supporting facilities such us: integrated laboratory, multi media, the advanced curriculum with an emphasized in building the human character that has the local content of Indonesian culture. The cooperation between the Indonesian higher education, the government institution, and the business industry and other related parties that directly have concern to the development of human resources.

This finding should be viewed in the context of long-term development of capabilities and access to education opportunities especially concerning the Islamic finance education, either for Islamic higher education or for non Islamic higher education. Furthermore, there is a pivotal role for higher education institution commitment to contribute to business industry change and society need for competent human resources in Sharia banking industry that has the knowledge and capability to explain and inform the society upon Sharia various banking products. This is done through the institution correspond concern that should be viewed as complement to social commitment.

6. Limitations and future research

The scope of this research is limited to the higher education, which has established faculty of economic or business and the information derived from the institutions website. However, there are certain conditions that can be consider also as the limitations of this research, first, this research does not differentiate between the Islamic based and non-Islamic based university, state or non state university and second, the level of accessibility of each university website may differ in some degree that influenced the degree of information that can be derive for further research consideration. Third, the curriculum instrument for study program does not detailed into specific major program such us: accounting, management, economics science or banking and finance. Fourth, further study that consider the total research or journal articles and thesis and also differentiate between the lecture and student research journal could be address for next study. Therefore, future research regarding the Islamic economic education could use more advance perspectives and improved research methodology that could modify and improve the result of this early study.

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