

University-Industry Linkage: Curriculum Support for Indonesia Islamic
Economic Masterplan 2019-2024
(A Study in IAIN Gorontalo)

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ABSTRACT

This research is conducted to disclose the role of Islamic economics education in university in term of its contribution to support the Indonesian Islamic economy masterplan 2019-2024. This study is conducted using qualitative approach, to elaborate the problems in Islamic Economic education provider in Indonesia. The case of IAIN Gorontalo as one of the providers of Islamic Economics education in Gorontalo is presented in this paper. The presented data are retrieved using library research. This study found that IAIN Gorontalo through the implemented curriculum is in line with the masterplan of Islamic Economic Masterplan 2019-2024. The courses in the existing curriculum are already relevant to support the national Islamic development planning. The challenge ahead for Indonesian Islamic economic education provider are to provide for the digital literate human resources and to encourage the entrepreneurship skill in the learning process.

Keywords: *islamic economics education, islamic economics, islamic finance*

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1. Introduction

In the decade of 2010 up to now, Islamic economy across the world grew in many sectors of products and services that compromise the Islamic law. In accordance to the growth of population in Muslim-majority countries, the need of “halal” products and services become the huge market opportunity. This fact driven its growth to a multi-trillion-dollar industry across the sectors. Finance, fashion, tourism, cosmetics, pharmaceuticals, and other sectors that impact Muslim life, as well as the governance, social life, education and other social sectors received the impact of the Muslim population growth to comply with sharia values. In 2021, Indonesia placed in the 4th rank of Global Islamic Economy Indicator below Malaysia, Saudi Arabia, and UAE (Dinar Standard, 2021).

Indonesian government through KNKS constructed a masterplan to accelerate Islamic economics development in Indonesia. Several agenda have been focused to maximize the potential of Islamic economy to grow so that it could be beneficial for the Indonesian economy. Some sectors to accelerate and strengthen are the halal value chain, Islamic financial sectors, small and medium enterprises, and digital economy to boost the Islamic economy. To make them work, government should pay attention to education as the supporting environment to supply the qualified human resources in the field. Besides the industrial advantages, a qualified human resources in Islamic economics are expected to give social impacts since the Islamic economics principles should be advantageous for all, not only for business sector. However, the well-managed economic sector leads to prosperity and in the long run will result the positive social impact.

IAIN Gorontalo as the only provider for Islamic economics education in Province of Gorontalo could bear the mission to contribute in Islamic economy acceleration process. This research is to assess the suitability of the existing curriculum in with the agenda of Islamic economics industry development. This paper also proposes the solution to make the provider of Islamic economics education especially IAIN Gorontalo give the better impact to the industry especially in Gorontalo before contributes to national level.

2. Literature Review

2.1. Islamic Economics Education Agenda

Islamic economics and financial education have a long history of agendas since the need of Islamic economics emerged in Muslim majority countries after colonialism. The focused agenda was discoursed in conferences and seminars highlighting several discourses of Islamic economics, include education providers of Islamic economics. The table below summarized the conferences held by International Association of Islamic Economics (IAIE) in Nu'man & Ali, (2016).

Table 2.1. Conference Summary of IAIE on Islamic Economics and Finance Education

| Year | Result |
|------|---|
| 1975 | Emphasized on the need of teaching Islamic jurisprudence related to human relations in transactions and its principles in the faculty of commerce, economics, and administration in the Muslim countries. |
| 1983 | Establishing a working group on teaching Islamic Economics and reviewed development of the field in several universities in Asia and Middle East. |

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| 1992 | Highlighted the importance of integration between various stakeholders in developing standards and material through process of agreement (shura) |
| 2000 | The pressure to present truly Islamic products that fit the traditional banking model increased since the western banks started to notice the rapid growing of Islamic product market. This prompted a need for a greater range of Islamic economic and finance course offerings, as well as a more concrete definition on the core elements of this education. |
| 2003 | Emphasized the strong research, teaching and training support to gain the sustainability of Islamic economics education. The industry and its support institutions require a stable supply of trained professionals and continued applied research concentrating on the challenges faced by the industry. |
| 2005 | There was a need for systematic training that is based on well prepared training material supported by the use of information technology. Additionally, Islamic universities, educational institutes, and business enterprises were called upon to establish an entity capable of producing textbooks and training material of general acceptability among the academic and professional communities. |
| 2008 | Underlined the need of variety of textbooks and study materials to be established, and that existing efforts could benefit from more collaborative effort between institutions. |
| 2010 | to integrate Islamic economics and finance as part of the social science research agenda. Within this agenda it discussed the tasks it faced globally including e-learning initiatives. |
| 2013 | Re-highlighted the role of educational institutions in enriching the literature and the agenda for contemporary research in Islamic economics, as well as their role in encouraging and enhancing the production of basic and applied research to support the Islamic financial industry. |

2.2. Masterplan of Indonesian Islamic Economy 2019-2024

Islamic economics and finance in the global market has experience a rapid growth. Indonesia as a Muslim majority country has its strength to tap the market. The fast-growing population of Muslim majority countries has impact to the increasing of the total amount of halal food and halal

lifestyle expenses to grow to USD 3 trillion by 2023. This phenomenon will surely increase the amount of halal product and services demand.

To respond the huge market and potency, the government through Indonesian Ministry of National Development Planning formulated the masterplan as the direction to develop the Indonesian Islamic economy to contribute to the society welfare. The vision of the masterplan is to create “an independent, prosperous, and civilized Indonesia by becoming the centre of the world’s leading Islamic economy”. Based on the stated vision, the missions were focused namely 1) Enhancing Islamic economic of scale and financial business, 2) Upsurging the ranking of Indonesia in the Global Islamic Economy Index, 3) Intensifying the economic independence, and 4) Boosting the Indonesian wellbeing index.

There are four main strategies to implement in the masterplan: (1), Strengthening the Halal Value Chain, consisted of halal foods and beverage, halal tourism, modest fashion industry, halal media and recreation halal pharmaceutical and cosmetics, and industry of renewable energy, (2) Strengthening Islamic financial sector, (3) Strengthening the micro, small, and medium enterprises (MSMEs), and (4) Strengthening the Digital Economy (Indonesian Ministry of National Development Planning, 2018)

2.3. Industry-University Linkage

College-industry collaboration is defined as the interaction between industry and universities, especially in terms of knowledge transfer. Higher education and industry have their own challenges. Industry requires technology that is very fast changing, short product life cycles so there must be product diversification and innovation, and fierce competition on a global and regional scale. Higher education has challenges in developing science and funding challenges in research. The problems faced by each sector make collaboration needed to be able to solve problems in industry and universities (Ankrah & Al-Tabbaa, 2015).

Facing increasingly fierce industrial competition, the topic of industrial cooperation studies with universities has been echoed by many academics. Universities and other educational institutions play an important role in industrial progress in terms of dissemination of knowledge. The concept of university-industry collaboration is implemented in various forms of cooperation that will have an impact on the progress of universities and industry. Higher education contributes to the industrial sector to support the spread of innovation through knowledge transfer, strengthen the industrial sector by increasing competitiveness through research and development (Storz, et al, 2022). According to Assefa (2016), the involvement of universities in the industrial sector can be in the form of providing users who are knowledgeable about industrial products. In supporting industry through science, universities can also contribute to accelerating the adoption of innovation in society through students who are considered to have knowledge about innovation products.

In a more comprehensive study of university and industry collaboration, there are eight types of cooperation that can be built (Seppo & Lillies, 2012). Collaboration is formed between campus and industry in accordance with the functions of each sector in society. The college serves for education, teaching, and community service. While industry functions for the development of entrepreneurship, qualified workers, innovation of products, services, and processes, and functions to pursue profit

3. Research Methodology

This research utilized a qualitative approach to discover the suitability of Islamic Economics Department of Faculty of Islamic economics and Business IAIN Gorontalo with the Masterplan of Indonesian Islamic Economics 2019-2024. This research conducted using data from library research. Data collection method by using identification form various source from books, articles, report, etc. the data were presented using the Miles, Huberman, and Saldana Model.

4. Results And Findings

4.1. Curriculum of Department of Islamic Economics FEBI IAIN Gorontalo

The curriculum of Department of Islamic Economics in Faculty of Islamic economics and business was reviewed every two years to coordinate the curriculum and the needs of the stakeholder of the Islamic Economics Department. The curriculum is designed to meet the needs of all stakeholders of Islamic Economics, they are industries and the society in Gorontalo Province, the list of the courses provided in the Islamic economics department FEBI IAIN Gorontalo presented as follows:

**Table 4.1. Curriculum of Departemnt of Islamic Economics IAIN Gorontalo
*National and Institutional Courses***

| | |
|----|--------------------------------------|
| 1 | Pancasila and Civic Education |
| 2 | Bahasa Indonesia |
| 3 | English Language |
| 4 | Entrepreneurship |
| 5 | Arabic Language |
| 6 | Islam and local culture |
| 7 | Fiqih/Usul Fiqih |
| 8 | Al-Qur"an Hadist |
| 9 | Ilmu Kalamn |
| 10 | Akhlak Tasawuf |
| 11 | Philosophy of Science |
| 12 | Islamic Study Methodology |
| | Faculty Courses |
| 13 | Fiqih Muamalah |
| 14 | Arabic Language II |
| 15 | English Language II |
| 16 | Introduction to Economics |
| 17 | Introduction to Accounting |
| 18 | Economics Mathematic |
| 19 | Statistic |
| 20 | Introduction to Management |
| 21 | History of Islamic Economics Thought |
| 22 | Islamic Business Planning |
| 23 | Research Methodology |
| 24 | Taxation |

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|---|---|
| 25 | Practice & Field Learning (PPL) |
| 26 | Social and Field Learning (KKS) |
| 27 | Comprehensive Exam |
| 28 | Proposal Seminar |
| 29 | Undergraduate Thesis (skripsi) |
| Departement of Islamic Economics Courses | |
| 30 | Islamic Microeconomics theory |
| 31 | Islamic Macroeconomics Theory |
| 32 | Advanced Microeconomics Theory |
| 33 | Advanced Macroeconomics Theory |
| 34 | Political Economics in Islam |
| 35 | Statistic in Economics |
| 36 | Tafsir Ayat and Hadist in Economics |
| 37 | Advanced Mathematic in Economics |
| 38 | Econometrics |
| 39 | Islamic Business Ethics |
| 40 | Public Economics |
| 41 | Development Economics in Islam |
| 42 | Indonesian Economy |
| 43 | International Economics |
| 44 | Islamic Economics Research |
| 45 | Islamic Development Planning |
| 46 | Central Bank and Monetary Economics |
| 47 | Investment and Islamic Capital Market |
| 48 | Koperasi and SMES Economics |
| 49 | Public Sector Accounting |
| 50 | Islamic financial product development |
| 51 | Economics of ZISWAF |
| 52 | Sharia Tourism Economics |
| 53 | Labour and Human Resources Economics in Islam |
| 54 | Islamic Business Feasibility Study |
| Optional Courses | |
| 55 | Sociological Economics |
| 56 | Natural Resources Economics in Islam |
| 57 | Agricultural Economics |
| 58 | Syariah Public Economics |
| 59 | E-Commerce |
| 60 | Sharia Tourism Economics |

The main strategy to accelerate Islamic economics are mentioned in the masterplan of Indonesia Islamic Economic:

1. Strengthening the Halal Value Chain

As stated in the masterplan, the potentiality of halal products in Indonesian economy consisted of several clusters, they are Halal food and beverage, halal Muslim fashion, halal tourism, renewable energy, halal media and recreation, halal pharmaceutical and cosmetics. The value chain of these products should be improved to reach its maximum benefit from upstream to downstream. Halal value chain, contained of Halal distribution activities, halal consumption, and halal production activities. The existing curriculum has provided the courses in the curriculum to support the ecosystem of halal value chain, such as the course of Sharia Tourism Economics. This course weighted 3 credit points (150 minutes per week of learning). Although the other clusters of halal value chain revealed has not been included in the curriculum, the Halal tourism sector is relevant to one of the main focuses of the local government. It identified that the curriculum of Islamic economics department has accommodate the programs proposed by the local and national government and has contributed to create the human resources especially in the halal tourism sector of all the halal value chain projected in the local and national masterplan. The course of English Language 1 & 2, as well as the Arabic language in the curriculum also could be the supporting points to improve the quality of the human resource produced by the campus to support the halal tourism.

2. Strengthening the Islamic Financial Sector

Several strategies to strengthen the Islamic financial sector in the masterplan, they are; a). Establishing National Halal Fund to support halal industry, export oriented, and linked to the halal value chain discussed above, b) Establishing the Islamic Inclusive Financial Service Board to focus on the social finance, c) Integration of ZISWAF, fiscal, and commercial sectors to serve all segments of market, d) Develop the indicators and framework related to macroeconomics and monetary policy, e) Establish the Islamic bank own by the government (BUMN).

From the elaboration of Islamic financial sector strategy in the masterplan, the Department of Islamic Economics in IAIN Gorontalo provided several courses that relevant to the goal. The course of *Islamic Financial Product Development* is relevant to the content of support the strategy. *Research in Islamic economics* course also could fit the goal. Both courses supporting the goal through the content of updated and farsighted program for Islamic financial development. *Economics of ZISWAF* is also important to create the linked financial ecosystem to support all segment of market in Islamic financial target market. Besides, *Economics of Koperasi and Small medium enterprises*, is also play a role in supporting both local and national development planning. *Investment and Islamic Capital market* is also an important subject because the variety of products in the Islamic capital market could support the halal industry from its funding mechanism. The mentioned courses are provided by the Islamic economics department curriculum.

3. Strengthening Micro, Small and Medium Enterprises

The MSMEs are mostly contributed to Indonesian economy since MSMEs total is far greater than large business. In 2017, the number of MSMEs reached the total of 62.922.617 units consisted of 98,7% micro businesses, and 1,3% considered as small and medium businesses. To supply its needs of qualified human resources, the university should play a significant role as the education provider. This strategy is reinforced by several business-related courses in

the curriculum. The basic courses like *introduction to management, accounting, and economics* play as the basic understanding to business activities. Additionally, the business-focused courses like *Business Ethics, Islamic Business Planning, Islamic business feasibility analysis, and Economics of Koperasi and SMEs* are expected to play significant role in strengthening micro, small and medium enterprises in Indonesia Islamic economic environment. As the MSMEs is the largest absorber of labour and the highest contribution to GDP compared to other sized of business, the curriculum also fits the need with the course of *labour and human resources economics*.

4. Utilizing and strengthening the digital economy.

This strategy is interlinked with the previous sectors declared above. Digital economics growth can be tracked using the growth of numbers of ecommerce and fintech. The development of digital economy in Indonesia keeps increasing and will continue to grow. The halal digital products in both financial and ecommerce are promising field to boost the halal industry. The challenge ahead is the lack of digital literate human resources so that Indonesia could not meet the huge demand and market of this digital economy. Besides, the imbalance digital facilities among the regions also create the inequality in term of maximizing the regional potentiality. One of the threats in this industry is the lack of the presence of curriculum for digital economy in university.

Fortunately, Department of Islamic Economics has redesigned its curriculum to meet the needs of the industry. The subject of *E-commerce* is taught in the fifth semester to response the capability to boost the halal industry. This course also relevant to the provincial development planning which emphasize on the global quality of human resources so it could create Gorontalo province to be more globally competitive.

5. **Conclusion And Future Challenges**

This research found that the Department of Economics, of IAIN Gorontalo has already designed the curriculum that is appropriate and fit to the Masterplan of Indonesia Islamic Economic 2019-2024 and also suitable with some main priority of regional development planning of the provincial government of Gorontalo. This finding also acknowledged that IAIN Gorontalo as the main government-owned Islamic education provider has gives its best responses to the updated and growing subject like Islamic economics and finance development to contribute to the welfare of the Indonesian society locally and nationally.

The future challenge for the university is to prepare for, first, the high digital literate human resources in the university to boost even more the potency of the region and the country to earn more benefit from the Islamic product and services market. The second is to prepare the entrepreneurship skill in the campus environment to encourage the student to be entrepreneur and have their best understanding from their learning process in campus. The digital literacy for the students and entrepreneurship skill in the university are the quality required by the halal industry to tap the larger market, furthermore it will create benefits for the Indonesian people through job creation.

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