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OPTIMIZATION OF ISLAMIC INSTITUTE ROLE IN PROMOTING SHARIA BANKING IN INDONESIA

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ABSTRACT: This study aims to provide recommendations for the optimization model of Islamic tertiary institutions' role in promoting Islamic banking development in Indonesia. This study uses a qualitative method with a phenomenological study and uses primary data obtained directly from the field (field research) at PTKI in Makassar. For secondary data, researchers investigated PTKI profiles in Makassar and respondents' perceptions of Indonesia's banking conditions. The results of this study suggest that Islamic higher education to preparing a ready to use human resources for the Islamic financial industry; to become a channel of education and financial knowledge in the financial behavior of students; and to perform the function as the Islamic literacy centre.

Keywords: Optimization, Universities, Promoting, Islamic banking, Perception

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INTRODUCTION

Bank Indonesia in 2017 stated that the market share of Islamic banking in Indonesia is only capable of reaching 5.3 percent of all assets of the national banking industry. So for seven years, it can only increase by 2.3 percent. From OJK 2017 data, institutionally, Islamic banking now has 13 Sharia Commercial Banks (BUS), 21 Sharia Business Units (UUS), and 167 Sharia People Financing Banks (BPRS). Although many achievements have been made, the development of the Islamic banking industry tends to be stagnant. From this data, it appears that the market share of Islamic banking in Indonesia is still relatively low and not as expected compared to its market potential. In contrast, Islamic banking has emerged as an alternative to conventional banks, which have not been per Islamic principles.

The largest Muslim population in Indonesia + 85 percent of Indonesia's total population makes Indonesia a promising market for Islamic finance, primarily Islamic Banking. However, unfortunately, this potential cannot be utilized optimally. Based on data from the 2017-2019 Sharia Financial Development Road-map for Indonesia, it appears that from 2013 to 2016, the total sharia financial assets increased, although the growth had decreased in 2014, namely the growth of 18.17% if compared to 2013, which grew by 26, 21% from the previous year. In December 2016, Indonesia's total sharia financial assets (excluding sharia shares) reached Rp889.28 trillion or around USD66.2 billion, which consisted of a. The Islamic banking industry is 41.12% with a value of Rp365.65 trillion; b. Government Sukuk and corporate Sukuk amounted to 47.59% with a value of Rp432.25 trillion; c. Sharia mutual funds 1.68% with a value of Rp14.91 trillion; and D. Sharia IKNB (sharia insurance, sharia financing, other sharia non-bank institutions) by 9.61% with a value of Rp85.48 trillion. The Islamic banking and financial system are getting more robust with enacting basic operational laws through Law No. 21/2008 concerning "Islamic Banking."

Data from the 2018 Dikti Forlap shows Islamic tertiary institutions, which are registered in approximately 761 units. Tertiary institutions dominate this figure with a high school status of 639 units. There are approximately 6 million students with 380,000 lecturers plus staff or education personnel from the total number of institutions. This figure is a potential market for Islamic banking products for savings products, credit, and other financial transactions. The magnitude of the potential that can be optimally managed by the Islamic banking industry, so it is necessary to conduct an in-depth study of universities' role in encouraging the development of a competitive advantage-based Islamic banking industry in Indonesia.

Various scientific studies have been carried out by both practitioners and academics so that it starts to be clear that the source of the problem is the cause of the Islamic banking industry has not increased significantly, but still, the increase in market share has not been able to exceed 5 percent. This condition can be considered an extraordinary event. Moreover, to handle this extraordinary event, an extraordinary study of innovation is also needed, namely the formulation of a mass development model for the renewable Sharia banking industry by strengthening Islamic tertiary institutions' role in encouraging Islamic financial institutions in Indonesia. This study aims to provide recommendations for the optimization model of Islamic tertiary institutions' role in promoting Islamic banking development in Indonesia.

THEORETICAL REVIEW

Islamic Financial Institutions

Islamic financial institutions (LKS) are institutions which in their activities, both raising funds and in the context of channeling funds, provide and charge rewards or basic Islamic principles, namely buying and selling and profit-sharing (Hagi, 2020). The development of banks and Islamic financial institutions in Indonesia has increased in terms of quantity and type. Islamic banking began operating in Indonesia in 1992 with the founding of Muamalat Bank and was followed by Takaful Sharia Insurance, established in 1994. Both Islamic financial institutions can be said to be the pioneers of the growth of sharia business in Indonesia. At the beginning of its establishment, it was not easy to introduce sharia business in Indonesia even though most of Indonesia's population is Muslim. Islamic Financial Institutions, or more popularly called Islamic financial institutions, are financial institutions whose operating principles are based on Islamic Sharia principles. Islamic financial institutions are divided into 2 (two) banks, namely Islamic financial institutions and non-bank Islamic financial institutions (Tatiana et al., 2015).

Bank sharia financial institutions are banks that raise funds and channel funds, provide and impose rewards or basic sharia principles, namely buying and selling and profit-sharing. At the same time, non-bank Islamic financial institutions are Islamic financial institutions in the financial world acting as institutions that provide financial services for their customers, wherein financial regulations from the government govern public these institutions. Islamic financial institutions also have several principles applied, among others, the tabarru contract and *tijari* agreements, helping one another, avoiding the element of *gharar maysir* and *usury*, and investing only in companies' securities where their business activities are following Islamic law (Haron, 2014).

General Images of Sharia Banking in Indonesia

Islamic banks are intermediary institutions and financial service providers that work based on Islamic ethics and value systems. They are free of interest (usury), free from speculative non-productive activities such as gambling (*maysir*), free from things that are unclear and doubtful (*gharar*), is based on the principle of justice, and only funds halal business activities. Islamic banks are often equated with banks without interest. A bank without interest is a narrower concept than a Sharia bank when several instruments or operations are free of interest. In addition to avoiding interest, Islamic banks also actively participate in achieving the goals and objectives of an Islamic economy oriented to social welfare (Nurmammadov, 2011).

In Indonesia, Islamic banks have emerged since the early 1990s with the founding of Bank Muamalat Indonesia. Islamic banks are slowly meeting the public's needs who want banking services under Islamic sharia principles. Especially those relating to the prohibition of usury practices, non-productive speculative activities similar to gambling, obscurity, and violations of the principle of justice in transactions, and the necessity of channeling financing and investment to ethical and halal business activities in a Sharia manner (Beck, Demirgüç-Kunt and Merrouche, 2013; Abedifar, Molyneux and Tarazi, 2013).

However, the rapid development of Islamic banks has only been felt since the reform era in the late 1990s, after the government and Bank Indonesia gave outstanding commitments and took various policies to develop Islamic banks, mostly since the change in banking laws with Law No. 10 of 3 1998. The various policies involved expanding the number of offices and operations of Islamic banks to increase the supply side and develop public understanding and awareness to increase the demand side (Dusuki, 2008). The rapid development has been particularly noted since the issuance of Bank Indonesia regulations granting permits for opening new sharia banks and permits conventional banks to establish a sharia business unit (UUS). Since then, Islamic banks have grown everywhere like mushrooms in the rainy season.

As a regulator, Bank Indonesia strives to encourage the development of Islamic banking. This spirit is based on the belief that Islamic banking will bring 'benefits' for economic improvement and equitable distribution of people's welfare. First, Islamic banks are closer to the real sector because the products offered, especially in the financing, always use underlying transactions in the real sector to drive economic growth more real. Second, there are no speculative products (gharar), so that they have strong resilience and are tested for their resilience from the direct hit of the global financial crisis. At a macro level, Islamic banking can create financial system stability and the national economy. Third, the profit-loss sharing system that becomes the spirit of Islamic banking will bring more equitable benefits to all parties, both for the fund owner and the depositor, the entrepreneur as the debtor, and the bank as the fund manager.

Shariah banking is a financial institution needed by the public in conducting financial transactions, and here the bank acts as an intermediary financial institution between economic units having excess funds with other units experiencing shortages of funds. Due to carrying out the intermediary function, this Islamic banking institution will conduct business activities to raise funds, channel funds, and provide various financial transaction services to the public (Abedifar et al., 2013). Sharia banking development must also be supported by adequate insane resources, both in terms of quality and quantity. However, reality shows that there are still many insane resources that have been involved in Islamic institutions, not having academic or practical experience in Islamic banking (Imam & Kpodar, 2016). Of course, this condition is significant enough to affect the productivity and professionalism of Islamic banking itself. This fact is what has to get all of us' attention, namely to print human resources capable of practicing Islamic economics on all fronts because a sound system is impossible to run if adequate human resources do not support it.

It cannot be denied that Islamic banking, Islamic finance, and Islamic economics have great potential and prospects to be developed in Indonesia. At least four things characterize this excellent prospect. First, most of Indonesia's population is Muslim as a potential market for developing Islamic banks in Indonesia. The latest data shows that the share of sharia banking in Indonesia is still minimal; namely, 1.65%, not yet reached 2% (see table), implying that Islamic banks' market share is still substantial. Second, the MUI fatwa on the prohibition of bank interest will continue to influence sharia banking growth. After the MUI fatwa, there was a shift in public funds from conventional banks to Islamic banks, which significantly increased from previous months. According to Bank Indonesia data, within one month after the MUI fatwa, third party funds entering sharia banking were almost Rp 1 trillion. This fatwa increasingly received support from Islamic economic scholars (Abduh and Omar, 2010; Faisal, 2016). Third, our hope in the government's attitude is big enough to side with the people's truth, justice, and prosperity. The government's political will to support the development of sharia banking in Indonesia is just a matter of time; over time, they will be aware of Islamic banks' advantages. Fourth, the entry of international financial institutions into sharia banking business services in Indonesia is an indicator that sharia banking business in Indonesia is prospective and trusted by foreign investors (Lindsey, 2012).

Basic Principles of Sharia Banking In its operations, Sharia banks follow Islamic rules and norms, as mentioned in the above definition, namely: 1) Free of interest (usury); 2) Free from non-productive speculative activities such as gambling (maysir); 3) Free from things that are unclear and doubtful (gharar); 4) Free from things that are damaged or illegitimate (false); and 5) Only finance halal business activities. In brief, the first four principles are commonly referred to as anti *maghrib* (*maysir*, *gharar*, *riba*).

Usury

Islamic banks operate not based on interest, as is commonly done by conventional banks, because interest contains an element of usury prohibited in the Quran. Islamic banks operate using other principles permitted by sharia. For Muslims who ignore this prohibition, Allah and the Prophet Muhammad Declare war with them (QS 2: 279).

Etymologically the meaning of usury comes from Arabic, namely from the word *riba yarbu, rabwan,* which means *az-ziyadah* (additional) or *al-Fadl* (excess). As also stated in the Qur'an: namely growth, increase, increase, increase, become large, and large, but also used in terms of little evidence (Kamla and Alsoufi, 2015). Understanding usury in general means increasing both in terms of quality and quantity. Meanwhile, according to technical terms, usury is taking additional assets from essential assets or capital in a vanity manner. *Riba* is eating other people's property without any toil and the possibility of taking risks, obtaining assets, not as compensation for work or services, licking rich people at the expense of the poor, and ignoring humanitarian aspects produce material. The scholars of '*fiqh* discuss usury in *muamalah fiqh* (daily life rule of conduct). To explain the meaning of usury and the law, the ulama' formulated the formulation of usury, and from that formula, economic activities were identified, can be included in the category of usury or not. In establishing the law, the ulama 'usually take the step in the fiqh proposal known as *ta'lil* (searching for *illat*). The law of another condition is called by the *nash* if it is the same (Khan, 2011).

Riba means 'additional,' i.e., "premium" payments that must be paid by the borrower to the lender in addition to the principal repayment, which is predetermined for each type of loan. In this sense, usury has the same meaning and interest with interest according to the consensus of the fuqaha without exception (Chapra, 1985; Syed and Omar, 2017). In technical terms, usury means taking additional from the necessary assets or capital in a false manner (Saeed, 1996).

The prohibition of usury in the Qur'an, Sunnah, and Islamic Law (*Fiqh*) lies in the underline characteristics that are forbidden in the Qur'an (Ponraj, Sriram and Amirtha, 2016). Usury in Islam stands along with the prohibition of others, such as gambling and liquor. The first stage will prove usury will move away from the wealth of God's blessing, while alms will increase the blessing multiplied (QS 30: 39). At the beginning of the Medina period, the usury practice was strongly condemned (QS 4: 161), crossing with the prohibition on the books being published. Riba is likened to those who properly take others' wealth and lend both sides with Allah's excruciating punishment. Allah calls for Muslims to avoid usury if they want welfare under Islam (Qur'an 3: 130-132). In the last stage, Allah strongly condemned those who took usury, decided the clear difference between commerce and usury, and demanded that Muslims be able to increase the funds needed by usury, called for them to choose it, and let the borrowers who overcome difficulties. In some *Hadith*, prophet Muhammad condemns all those involved in usury, including those who take, give, and take it. He is s.a.w. equates the sin of usury equals the sin of adultery 36 times or equal to the person who commits full adultery (Chapra, 1985). Islam's alternatives as a substitute for usury/interest are mainly the practice of profit sharing, a compilation of borrowers and those who spend sharing in interest and yields according to the agreement.

Usury is grouped into two states. Each of usury receivables and usury trading. The first group is divided into usury *qardh* and *jahiliyah* (Ali, Ali, and Khwaja, 2013). While the second group, usury trading, is divided into usury *fadl* and usury *nasiah*. The impact of usury in society is influential in economic life, but in all aspects of human life: a) Usury can cause hostility between individuals and reduce the spirit of cooperation / mutual help with fellow humans. By wearing additional money, the borrower does not know the difficulties and does not know others' difficulties. b) Cause the growth of mental wasteful and lazy. By lending money, creditors can get additional income from time to time. This situation raises the notion that he gets additional regular income in an unlimited time, reducing dynamization, innovation, and creativity at work. c) Usury is a form of colonialism.

Gharar

Gharar means effect, disaster, danger, or risk. In Islam, *gharar* is all economic transactions that involve elements of obscurity, fraud, or crime. Islam condemns that in the Qur'an (Qur'an 6: 152; 83: 1-5; and 4: 29) and the *Hadith*. In the business world, gharar means running a business blindly without having enough knowledge or running a transaction with excessive risk without knowing what the consequences are or entering the risk arena without thinking of the consequences, even though uncertainty elements, which are not large, may present if indeed cannot be abandoned (Afzal, Gow, and Rahman, 2019). Divides the concept of *gharar* into two: a). *Gharar* is the dominant element of risk that contains doubt, probability, and uncertainty; and b). *Gharar* because of a doubtful element associated with fraud or crime by one party against the other party. In this *gharar* trading system, there is an element of consuming other people's property by vanity. Though God forbid eating other people's property by vanity, as stated in His word. "Meaning: And let not part of you eat the treasure of another part of you by way of vanity and (do not) you bring (the affairs) of that treasure to the judge, so that you may eat part of the property of others with (the way of sinning), even though you know. " (Surat Al-Baqarah: 188)

The modern Fuqaha of the school of thought has described some forms of *gharar* that cannot be known due to buying and selling (Paldi, 2014). In general, there are three views of fuqaha in this matter, namely: a) *Gharar,* which is based on doubt, as conveyed by Al-Kasani and Ibn Abidin from the *Hanafi* group. That *gharar* is a balanced risk that merchants will face, and whether something is desired is obtained or not, this is called *syak* (doubt). b) *Gharar* is not understood (*jahalah*), as expressed by Al-Sarakhsi from the Hanafi group. In contrast, an unknown sale and purchase result in buying goods. Whereas the *Shafi'ite* school believes that the article on selling goods becomes illegal buying and selling must know the goods being traded from the point of view of the contract's grade and nature. c) *Gharar,* which bases on something unknown consequence. It is covered in two ways: positive and negative, but the negative element is more significant than the positive.

Sharia Financial Literacy

Financial literacy is a strategic program that is part of government and communities' efforts in various countries to realize a literate society regarding financial services. Experience from various countries proves that financial literacy has become a national program to improve its people's prosperity and welfare, given that financial literacy has various benefits. Financial literacy is knowledge, skills, and beliefs that influence attitudes and behaviors to improve the quality of decision-making and financial management in order to prosper (Agarwal et al., 2015). Based on this understanding, it can be concluded that consumers of financial products and services and the wider community are expected to not only know and understand financial service institutions and financial products and services but also can change or improve people's behavior in financial management to improve their welfare (Albaity and Rahman, 2019).
According to Chen and Volpe (1998); Hanson and Olson (2018) are the ability to manage finances so that life can be more prosperous in the future. According to Lusardi & Mitchell (2007), financial literacy is financial knowledge to achieve prosperity. According to (Kalwij et al., 2019) research, it is stated that financial literacy occurs when individuals have a set of skills and abilities that enable the person to be able to utilize existing resources to achieve the expected goals. Based on this understanding, it can be concluded that financial literacy is the ability of an individual or group to utilize and manage the resources owned to achieve prosperity.
Financial Literacy is knowledge, skills, and beliefs that influence attitudes and behaviors to improve decision-making and financial management quality to achieve prosperity (Financial Services Authority Regulation, Number 76 /POJK.07/2016). Purpose of Financial Literacy Article 3 Financial Literacy includes: (a). improving the quality of individual financial decision making; and, (b). Changes in attitudes and behavior of individuals in financial management for the better determine and utilize financial institutions, products, and services according to the needs and abilities of consumers or society to prosper. In

comparison, the scope of efforts to increase financial literacy article 4 in increasing Financial Literacy is the planning and implementing (a) Financial Education; and (b) infrastructure development that supports financial literacy for consumers or the public. The benefits of financial literacy for the community are (1) Being able to choose and utilize financial products and services as needed; have the ability to do better financial planning, (2) Avoid investing in unclear financial instruments, (3) Obtain an understanding of the benefits and risks of financial products and services.

Ana and Wan Ahmad (2020) state that there are four most common financial literacy things, namely budgeting, savings, loans, and investment. Budgeting acts as an initial stage of financial planning, including income received and expenses to be made. This plan is useful so that individuals know what faucets and gaps can be optimized or reduced. Savings is useful to set aside some funds to be saved in the form of fresh funds. Loans are an option that can be taken if there are conditions for spending more significantly than income or other things. Investment is carried out by setting aside a portion of the funds allocated in fixed or non-permanent assets. The Islamic financial literacy program has excellent benefits, including (a). The community can choose and utilize sharia financial products and services that suit their needs. (b). The community can do financial planning (sharia financial planning) better. (c). People avoid investment activities in financial instruments that are not clear (bulging). (d) The public understands the benefits and risks of Islamic financial products and services (Abdullah and Anderson, 2015).

METHODOLOGY

This research uses a qualitative method with a phenomenological study. Data collection methods for qualitative research consist of 6 types, namely documents, archival records, interviews, direct observations, role observations, and physical artifacts. In the acquisition of research data, this study uses primary data obtained directly from the field, from interviews with lecturers or institutional officials at PTKI in Makassar (Alauddin State Islamic University in Makassar, Muslim University of Indonesia, Makassar Islamic University and Muhammadiyah University Makassar). For secondary data, researchers need PTKI profiles in Makassar and the results of respondents' perceptions about banking conditions in institutions.

In qualitative research, data analysis must be in line with the collection of facts in the field. Thus data analysis can be carried out throughout the research process using the following analysis techniques: a) Data reduction includes: summarizing data, encoding, tracking themes, creating clusters. Presentation of data is an activity when a set of information is compiled, giving the possibility of drawing conclusions and taking action. Forms of qualitative data presentation can be narrative text and matrices, graphs, networks, and charts. b) Interpretation of data. The interpretation results are then linked to the existing theory so that the interpretation is not biased but can be explained by the theory. c) Writing reports; d) Testing the credibility of qualitative research; e) Credibility (internal validity); f) Transferability (external validity); g) Dependability (reliability); h) Confirmability (objectivity).

RESULT AND DISCUSSION

Results

Education and Socialization of Fintech Sharia Perspective for Gen X, Y, and Z

1. The Role of College in the Community

College is a party that has a considerable influence in determining policy. In the study of public policy, universities can be included in the epistemic community. The college has professionals who have studies in solving a problem and policymakers who need it. The existence of college has an important position and function in the development of a society. Education is expected to perform the role of community intelligence and cultural transmission. With research dharma, universities are expected to make discoveries of science and cultural innovation. With the community service dharma, universities are expected to provide community services to accelerate improving people's welfare and progress. Through this community service dharma, the tertiary institution will also receive feedback from the public about the level of progress and relevance of the tertiary institution's knowledge.

Another role of college is quite essential in contributing to community development and becoming a supplier of human resources needed to run the economic, political, and cultural life. Even the concept of community development was also born from educated circles produced by universities. Furthermore, intellectual and political leadership in this country was also born from college. For Indonesia, which has entered a phase of democratization marked by a decentralization policy, tertiary institutions' role has begun to be directed to address local problems.

Concerning the growth of the Islamic banking industry:

1. College has a vital role in influencing changes in society. The role and function of college can be realized to build a community learning movement (literacy) to encourage the immediate creation of scientific transformation.
2. College can play a more progressive role in influencing changes in society and systematic and wide-ranging impacts in the future. For this reason, the closeness of universities and the community must be sought through partnership programs between student groups and the community with college so that the process of sharia financial literacy is more effective.

3. College is required to determine and choose policies that are genuinely strategic for changes in society. So it is time for college to be involved in the formulation of industrial development policies that will be taken by local governments. On the other hand, the college must continue to multiply research, engineering, and other specific engineering. In this way, colleges should be involved in designing regional development plans and monitoring the evaluation of development program implementation

2. Islamic Religious College as Human Resources Supplier for the Sharia Banking Industry

The existence of the College (PT) has an essential role in encouraging the preparation and supply of competent human resources under the needs of Islamic Financial Institutions. Thus, efforts to encourage the availability of human resources with a variety of competencies and the realization needed by Islamic banking must be planned and structured through a curriculum and learning culture that supports Islamic banking's needs. Islamic banking requires SDI, which has an understanding of four aspects. The four aspects are aspects of banking operations, managerial, leadership, and sharia understanding. SDI Islamic banks must have banking operational capabilities and understand the ins and outs of the business aspects that affect a bank's performance.

Based on the results of the interview recap of the four tertiary institutions. From the managerial side, human resources are needed to have capabilities that are following Islamic business ethics. Besides, it must also have the ability to lead (leadership) based on Islamic values. An important aspect that must be possessed by Islamic bank human resources is the understanding of sharia that is universal and by local wisdom. This understanding of sharia for human resources includes aspects of law and its application under the rules of *ushul fiqh* (Islamic law). So far, applying the IQF standard curriculum for hard skills includes several learning modules, including banking operations and Islamic banking fundamentals. KKNI Standards as a basis for determining technical competence. It is just that a correlation is still needed between the competencies contained in the IQF Standards with the competency curriculum used by universities.

In an organization, management is understood as a process of determining and achieving goals through the implementation of four primary functions, namely: (1) planning (planning/*at-takhthiith*); (2) organizing (organizing/*at-tanziem*), (3) directing (actuating/*at-tansiiq*); and (4) controlling (controlling/*al-muraqabah*) (Usman, 2015). As for what is meant by human resources is defined as people who exist in an organization that contributes thoughts and performs various types of work in achieving organizational goals (Sukirno et al., 2015). Concerning Islamic financial institutions, Imam Ghazali explained that human resources contribute to increasing its market share in all aspects and keeping it in good condition desired by the company (Ghazali, 2012; Nawaz, 2019). Human resource management is essential because it is closely related to an Islamic financial institution's performance or company producing something (product or service). Human resources are the primary key in a company so that it is vital to pay attention to both individual employees and as a group. Human resources must be able to meet the criteria needed by the company.

At the theoretical and conceptual level, we still feel the very shortage of SDI who deepens the science of *ushul fiqh*, *muamalah fiqh*, *qawa'id fiqh* at the same time modern financial economics. Competence like this is still very rare for the Islamic community in Indonesia and many countries, including other countries whose Islamic economic development is relatively rapid. Most SDI Islamic banking today are fluent in talking about contemporary financial economics but lay in ushul fiqh or muamalah fiqh. Conversely, many experts are proficient in fiqh and fiqh proposals but lack an understanding of financial economics, even though such competencies are needed as human resources for Islamic financial institutions. In connection with the qualifications needed by the Islamic finance industry, Bank Indonesia details it in several forms of qualifications that must be possessed by the Islamic industry SDI namely (Mensi et al., 2020) : (1) understanding moral values in the application of *mualamah*/Islamic economics. (2) understand the concepts and objectives of Islamic economics. (3) understanding the concept and application of transactions (contracts) in Islamic economic muamalah. (4) recognize and understand the working mechanism of Islamic economic, financial, banking, and business institutions. (5) know and understand the mechanism of work and related interactions; regulators, supervisors, legal institutions, consultants in the Islamic finance, banking, and business industries. (6) know and understand sharia law (*fiqh muamalah*) and related positive law. (7) mastery of the specific Arabic language or English. (8) know the working mechanism of conventional economic, financial, and banking institutions. (9) meet behavioral competencies.

Various steps that can be taken to make college alumni as ready-to-use human resources are the interconnection of cooperation between Islamic financial institutions and other parties, including the Islamic Financial Services Authority, Sharia Council, National Indonesian Ulema Council (DSN-MUI), Association of Economists Islam (IAEI), Sharia Society and Economy (MES), to formulate a stakeholder-based academic curriculum jointly. This is intended to produce experts under the demands of the Islamic financial industry. The need for curriculum evaluation and revision is conducted by careful inquiry to the market, especially the Islamic finance industry. Another agenda is to equip students with applied knowledge in the job market to compete in the labor market or even become influential entrepreneurs.

3. PTKI as a Center for Literacy and Inclusive Sharia Banking products

In the development of Islamic financial-economic competence in the future, Islamic tertiary institutions' role is critical. Islamic universities may tailor their institutions as Islamic financial clinics, intended to equip participants who are students and practitioners of financial institutions with the knowledge and understanding of the latest developments around Islamic finance, increase the ability of participants to become trainers or facilitators of Islamic finance teaching and training and motivate participants to be more actively involved in the development of Islamic finance, primarily through teaching and training in Islamic finance in universities. Based on observations from the three Islamic tertiary institutions, most students have a consumptive and instant lifestyle that makes students often spend on things that are not needed. As the development of existing information technology supports them behaving completely online such as online shopping. Internet usage also makes the consumption of pulses and quota more than without the use of the internet. Therefore, one effort that can be done is to provide literacy for students related to financial management they have. The importance of financial literacy is a means to improve student saving behavior related to the problem of the low Marginal Propensity to Savings for students.

From the questionnaire results regarding Islamic banking, 74 percent already own and transact with Islamic banking products. For learning on campus that affects Islamic banking services, 68 percent agree, and 78 percent agree on the faculties as facilitators in using Islamic banking services. From these results, it appears that tertiary institutions' role in titling students and the community about Islamic finance still needs to be improved. Financial behavior is an essential aspect of financial literacy education because education will certainly be more valuable if it can shape students' behavior. Various studies have shown that financial education and knowledge both from schools and universities play a role in students' financial behavior. (Abdul Aris et al., 2013) it was shown that students who have gone through financial courses tend to have high subjective financial knowledge, which then causes them to have low risk paying behavior. Borden et al. found that students intended to behave financially effectively and reduce risky financial behavior after attending a financial literacy seminar. Besides, the results of the analysis by Shih & Ke indicated that financial literacy had a significant effect on the financial behavior of 535 students in Taiwan (Setiawati, 2014).

Besides being a literacy center, Islamic tertiary institutions can contribute more by utilizing Islamic financial services for appropriate transactions, such as student tuition receipts, salary payments for lecturers and employees, and others. Universities can also contribute by utilizing Islamic financial services to finance asset procurement, both short and long, with transparent markets from individuals (students, lecturers, and staff).

CONCLUSION

In optimizing Islamic tertiary institutions to encourage the development of Islamic banking in Indonesia; it can be achieved through 1) preparing human resources that are ready to use for the Islamic financial industry such as understanding of contemporary financial economics, *ushul fiqh* or *muamalah* by the improved curriculum, and interconnect them with other related association. This is intended to produce experts per the demands of the Islamic financial industry. 2) become a media of education and financial knowledge in the financial behavior of students or students. 3) Besides being a literacy center, Islamic tertiary institutions can contribute more by utilizing Islamic banking financial services.

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