

Toward Sustainable Growth in Indonesian Islamic Banking: A Study from Academicians View

Bedjo Santoso, Indri Kartika, Putri Karunia D

Faculty of Economics Islamic University Sultan Agung Semarang (UNISSULA)

Email: santosobedjo@unissula.ac.id, indrikartika@yahoo.com, putridarma@gmail.com

Abdulsoma Thoarlim

Faculty of Islamic Contemporary Studies, Universiti Sultan Zainal Abidin (UniZA)

E-mail: abdulomad@uniza.edu.my

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ABSTRACT

The existing current research related approach and the relationship between Islamic banking and finance development and stakeholders' responsibility very interested and attracted some researcher, one of them was stated that government, Islamic mass organization, NGO's, Islamic shofars, and Political institution and vision have a significant role, however, they did not prepare deep discussion in more detail related to what extend the role and action each stakeholders involved in the Islamic banking and finance movement and what is the most important stakeholder to address with the issues. It is therefore the study aims to prepare a research to what extend the role and responsibility of each stakeholders involved toward sustainable Islamic financial phase which has been established by OJK (Indonesian Authority of Financial services) agency. A qualitative analysis by using existing literature and the risen idea as well as academicians' opinions was used in the study. The result revealed that the Islamic scholars and Islamic mass organization should be proactive and have the crucial determinant role and position. Besides that, government should change the political strategy to the core position and produce political support by facilitating some Acts. Besides that, government and politician in the parliament should establish the new strategy namely Indonesia as central (hub) of global Islamic banking and finance. However, in the preliminary level, educating people and socialization is the most appropriate action by involving higher education institutions, scholars, academicians and IBF activists.

Keywords: Sustainable Growth, Stakeholders, Islamic Banking and Finance

Introduction

In Indonesia, development of Islamic banking actually has been tremendous. Indonesian Central Bank estimates that Islamic banks' assets will grow around 10 percent in 2010. However, there are many obstacles has been faced by the Islamic banks in order to pursue the target. For instance, the Islamic banks' assets were still less than 2 percent in the end of 2007. In addition,

there are various perspectives among societies regarding to the Islamic banks. Some of them still accept an interest and reject profit-loss sharing; whereas the others can approve the concept of profit-loss sharing as well as the interest. Basically, this paradox is quite interesting in order to describe knowledge, perception and behavior of the societies on dual banking system. Ironically, Islamic banks' practitioners at the same time still do not construct the operational policies of Islamic banks well. For example, many Islamic banks' employees are still not understanding in *shariah* principles. In the other words, they look like *shariah* employments but having conventional paradigm in their mind (Abduh and Hafiduddin, 2006).

Accordingly, assessment on preference and perspective level of societies to Islamic banks is necessary to be conducted. More specifically, studies on this area are occurred through understanding structure of societies' perception as well as compassioning product, mechanism and system of Islamic bank which are important in order to escalate demand of Islamic bank. The development of Islamic banking is quite dependent to the demand of Islamic bank itself (Mutamimah, 2009).

In order to pursue the target of 20 percent asset growth in 2017, Islamic banks in Indonesia need a comprehensive development model. The model includes analysis of the potential market in Islamic banks, the strength of Islamic banks, the support from government and the customers' preference of Islamic banks. Besides that, all stakeholders should involve in the process.

It is therefore the study aims to prepare a research to what extend the role and responsibility of each stakeholders involved toward sustainable Islamic financial phase which has been established by OJK (Authority Financial services) agency. Deductive analysis by using existing literature and the risen idea as well as opinions was used in the study. Lastly, this study intends to propose some recommendations for the policy makers in the area of Islamic banking in Indonesia.

Research Gap

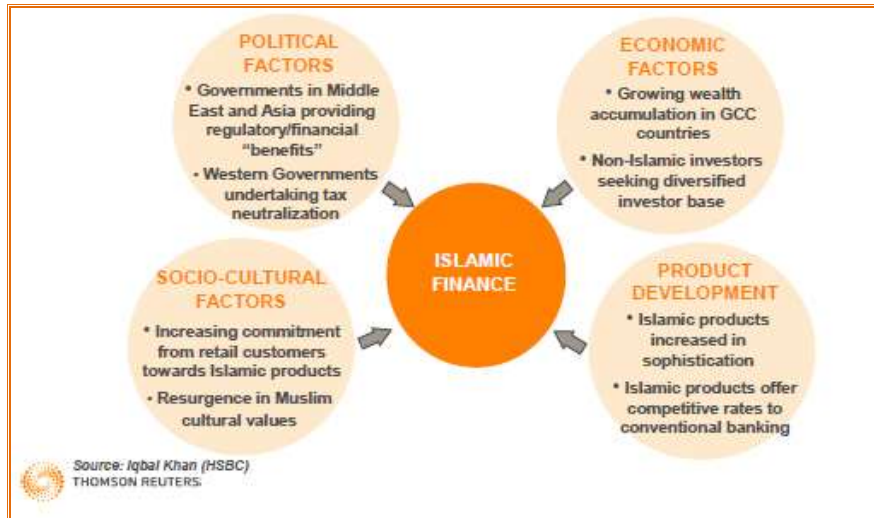
Strategy development of Islamic Banking and Finance many kinds, including those offered by Indonesians OJK (Financial Services Authority) and IFS (2014) 'The Recommendations of IFS Component Recommendation ', but there is no elaboration in detail applied in Indonesia, how to booster the growth. Besides that, Indri and Bedjo (2010) proposed six stakeholders in the Islamic financial development in Indonesia. However, there is no discussion in detail what and how the roles are?

Literature Review

Systemic Approach of Islamic Finance Development

Islamic finance development is a systemic strategy, it means that the involving several field is necessary i.e. Social, politic, culture, etc. as depicted in Figure 1.

Figure 1: Systemic Approach Developing of Islamic Financial



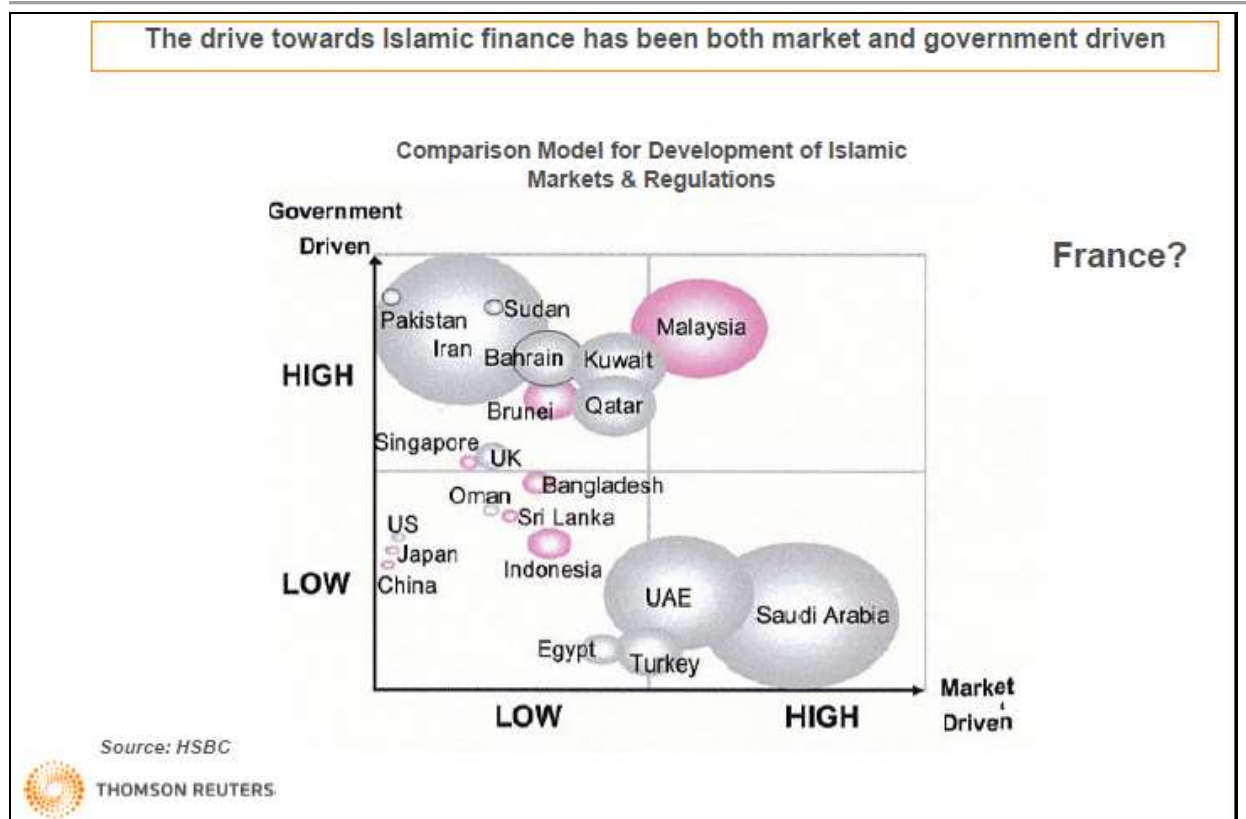
The mapping above explain about the factors that influence the development of Islamic finance, including:

1. Political factors
 - a. Governments in Middle East and Asia providing regulatory financial "benefits"
 - b. Western Governments undertaking tax neutralization
2. Socio-Cultural Factors
 - a. Increasing commitment from retail customers towards Islamic products
 - b. Resurgence in Muslim cultural value
3. Economic Factors
 - a. Growing wealth accumulation in GCC countries
 - b. Non-Islamic investors seeking diversified investor base
4. Product Development
 - a. Islamic products increased in sophistication
 - b. Islamic products offer competitive rates to conventional banking

Indonesian Islamic Finance Mapping

Islamic finance development in Indonesia from the aspects of market driven and government support shown as figure 2.

Figure 2: Indonesian Position of Islamic Finance in Global Market



Map of the development of Islamic finance around the world shows that Indonesia is low market driven as well as low government driven. Whereas than in Saudi Arabia shows high market driven but low government driven. In contrast to Malaysia positioned is high market driven and government driven too. That is, Malaysia show regulatory and market driven models are ideal in Islamic finance in Malaysia.

The Components of Islamic Banking Development

Regarding IFS Commission, the strategy of Islamic banking involve 6 components:

1. Regulatory
 - a. Review existing regulations and guidelines to ensure compatibility with Shariah guidelines
 - b. Develop a regulatory agency to monitor secondary markets and exchanges
 - c. Develop a legal infrastructure to foster growth of the Islamic financial system
 - d. Develop a specific disclosure guideline for Islamic banks that increases transparency
2. Shariah
 - a. Create an independent National Shariah Board to provide oversight and governance to internal and independent Shariah boards.

- b. Develop seminar and training programs for Shariah scholars about Islamic banking operations and product development
- c. Increase collaboration between Shariah scholars and Islamic bank management
- 3. Infrastructure
 - a. Develop secondary markets for Islamic financial products
 - b. Develop exchanges for Islamic financial products
 - c. Adopt a national Islamic banking accounting standard
 - d. Reevaluate liquidity management frameworks for national banks
 - e. Develop a specific liquidity framework for Islamic banks
- 4. Product and Services
 - a. Increase range of Islamic products and services to satisfy the needs and demands of the Islamic finance and Islamic social finance client
 - b. Encourage innovation and adoption of new technology
 - c. Reevaluate tax implementations for Islamic financial services and products
- 5. Initiatives
 - a. Develop national campaigns to increase brand awareness of Islamic finance and social finance
 - b. Create a new campaign to focus on the positives of Islamic finance for non-Muslim investors
 - c. Encourage expansion of Islamic social finance in order to promote financial inclusion for the poor.
- 6. Talent Development
 - a. Promote and sponsor academic research on Islamic finance and social finance
 - b. Increase training and academic programs specific to Islamic finance
 - c. Develop industry certifications for Islamic finance
 - d. Create scholarship and grant programs that sponsor individuals who are interested in working in the Islamic finance industry
 - e. Create Islamic finance industry trade associations
 - f. Develop and host conferences for Islamic finance industry members, researchers, and regulators to share ideas and collaborate on ways of growing and improving the industry

Islamic Banking Development and Strategy in Many Countries

Islamic Banking Deleopment in the United Kingdom

United Kingdom consists of four independent countries, namely England, Irish, South Wales and Scotland, with the majority of Catholic Christians. Although UK is a world financial center in Europe with financial markets and infrastructures that are already well-established and integrated. However, the development of Islamic banks in Britain made significant progress, the following factors driving force:

- a. lntegrated financial system and the UK's position as a financial center in Europe easier for the UK to become the world Islamic financial center in Europe.

- b. The number of 2-5 million Muslim populations second largest after France. This means that the domestic market for Islamic financial is very high.
- c. United are not scared US to Muslims.
- d. Some British colony countries are Muslim.
- e. English is more friendly towards the Muslim conglomerate.
- f. The British government is quite open with the Islamic banking system

The first Islamic bank in the UK is the Islamic Bank of Britain (IBB) in 2004. The establishment of the Islamic bank is a systematic effort by the Muslim elite in the UK. In addition to IBB, is now standing four other Islamic banks, namely Gatehouse Bank, European Islamic Investment Bank, Bank of London and Middle East, and European Finance House. In just five years the English have succeeded in establishing five Islamic banks. Although Islamic banks in the UK developing quite well, its development did not escape the challenges to be faced, such as,

- a. Understanding of the public against sharia contracts have not been fully and thoroughly.
- b. Understanding of government and regulators are not yet fully understand Islamic banking contracts.
- c. Orientation establishment of Islamic banks and the development of Islamic finance is for liquidity. So that many growing is Islamic financial market and not real sector.
- d. Ccontroversialccontracts in the middle east main force Tawarruq in England.
- e. Islamic customer banks still dominated by Muslims

Islamic Banking Development in Singapura

The economic development of Islam in Singapore marked the launch of the first sukuk Singapore. Islamic finance program had actually been planned long ago and is intended to promote Islamic banking as well as make Singapore a new network point of Islamic finance in the region.

Sukuk basically prohibits the payment and receipt interest, and move to a revenue sharing system. The Singapore government tried to convince the world or entrepreneurs that sukuk can be run by Singapore based Al-Ijara structure and has been studied in depth and thorough by the scholars. In this case refers to the Islamic Bank of Asia and Standard Chartered Bank to obtain the rule as a guideline to banks running with the principles of Sharia.

The state bearing the lion's head which is known as the financial center of Southeast Asia also wants to be the new center point of the global Islamic banking industry bright prospects. But Singapore itself admits they will face enormous challenges from neighboring Malaysia, which has been a hub for Islamic banking and finance. Islamic finance has become one of the fastest growing sectors in the global financial industry. While globally, the Islamic banking industry that began almost three decades ago, has resulted in substantial growth and attracted the attention of investors and bankers across the world. Now there are nearly 300 Islamic banks and Islamic

financial institutions spread all over the world with total assets estimated to reach 1 trillion dollars in 2013.

Islamic Banking Development in Canada

Listen to news in Canada about the Islamic banking; Islamic development in the countries based on non-Muslims is largely not happened as fast as in countries based on Islamic such as the Middle East countries. However, who would have thought in the state of the American continent that the Muslim populations in Canada are being attracted to the system applied by Islamic banks because the Islamic banks do not know interest system and they more referring to the system of partnership in implementing Islamic banks to meet their needs.

Although in Canada was criticized by a bankrupt companies that offer financing home ownership is also based in Toronto, but the people of Toronto have a lot to take advantage of one of the products of Islamic banks, for example, many Muslim Canadians who are looking for product financing home ownership that are partnerships not like a conventional financial schemes offered. So with the systems offered by Islamic banks, a lot of people interested in remembering at least the risk of such interest has been averted. Besides The International Monetary Fund (IMF) recently also encourage the expansion of the Islamic financial line with the growth in demand and growing number of Muslims in the West and the growing wealth of the Muslim countries rich in oil and those who are looking for financial products by prioritizing ethical values as low risk, one of which Islamic banks are owned by the system.

Development Strategy of Islamic Banking in Sudan

The strategy chosen by the Sudanese government at the time is a comprehensive strategy with the first step requiring all banks to convert into an Islamic bank, after all the bank converted into an Islamic bank BOS establish high sharia supervisory board inside the structure level with the board of governors. Later, government securities are still based interest such as treasury bills and government bonds are replaced with instruments in accordance with the Islamic system. In addition there are other strategies that do that: Restructuring the Banking System and Instrument Liquidity Management and Technological Development Banking. In the development of banking technology, banking policies directed to set up the network and technology centers and information on BOS. The development of the banking system includes the branch system, supervisory and managerial advantages.

Indonesian Financial Services Authority (OJK) Road Maps

Indonesian Financial Services Authority or Otoritas Jasa Keuangan (OJK) has established the road maps for achieving the advance level of Indonesian Islamic financial system, that are: **First:** Strengthening policies synergies between authorities with government and other stakeholders: (a) Establish the National Committee for Development of Indonesian Islamic Finance. (b) Cooperation between regulator and universities / research institutes domestically and internationally. (c) Develop reference laws, laws based on sharia. (d) Establish a research and

development center of Islamic banking and finance. (e) Initiate sharia investment bank, to facilitate government projects.

Second, strengthening capital and business scale and improve efficiency. (a) Developing Islamic banking services to reach share of at least over 10% of assets. (b) Implement business process leveraging. (c) Arrange Roadmap UUS Spin Off. (d) Encourage the establishment of state-owned banks / enterprises sharia. (e) Encourage additional capital injection by the owner, Initial Public Offering (IPO) and invites Strategic partner / investor large capacity. (f) Completion of a minimum core capital policy and classification BOOK BUS (Agency Syariah Unit).

Third, improving the structure of a fund to support the expansion of finance segment: (a) Optimizing the management of haj funds through Islamic banking. (b) Recommendation and adoption facility Islamic banking micro-finance models according to the needs of government and economic sectors priority. (c) Optimizing the management of endowment funds, zakat, sadaqah infaq and simultaneously increasing integration of social functions in the business activities of Islamic banks. (d) Arrange strategy Islamic bank involvement in the management of government funds central / regional and state funds / enterprises. (e) Increase the proceeds of the fund placement sukuk Islamic bank. (f) Extending the incentive financing productive sectors of corporate and long term (infrastructure).

Fourth, Improving the quality of service and product diversity: (a) Increase the role of WGPS (Working Islamic Banking Group) in the development of Islamic banking products. (b) Develop funding instruments / alternative investments-sharing and product life cycle management of customers' investments in accordance. (c) Develop a sharia liquidity instruments and risk management (including hedging instruments). (d) Launch Sharia savings products for students e. The development and improvement of standard products (including documentation) Islamic bank according to the characteristics of business.

Fifth, improving the quantity and quality of human resources, as well as other infrastructure TSI: (a) Establish a joint financing and marketing of products / services of IT-based bank between BR/S, BUK and BUS. (b). Develop curriculum standards of Islamic banking in college c. Mapping of competence and assessment of sharia standards competence bankers and review the budget allocation policy of human resource development bank. (d). Create professional certification programs and other human resource development programs for Islamic banking in cooperation with secondary and higher education institutions or banking consultant.

Six, Designing Technical Assistance (TA) program to sharia bankers for effectiveness / high value added sector / priorities / strategic: (a). Evaluate policies / regulations related to the use of the IT facilities together (sharing IT) between parent and subsidiary companies. (b). Create a policy for the development of inter-operability. **Seven**, Improving literacy and community preferences: (a). Maintenance of Islamic People's Market. (b). Plan campaign program against Islamic banking products and strengthen positioning, differentiation, branding Islamic banking. (c). Strengthen collaboration with the Education and Consumer Protection (EPK) and major stakeholders in improving the financial literacy of sharia. (d). Making sharia banking outreach programs for key opinion leader. (e). Socialization to enhance the role of SRB in the

management of central government funds / regions for the empowerment of the real sector with other LKMS.

Eight, Strengthen and harmonize the regulation and supervision: (a). Improving policy related to FTV. (b). The harmonization of the regulatory framework SRB rural banks, commercial banks and LKMS. (c). Develop applications Early Warning System (EWS) BUS and UUS. (d). Creating and implementing guidelines stress test the resilience of Islamic banks. (e). Improving institutional BUS-related regulations and supervision & licensing guide on institutional. (f). Establish a regulatory infrastructure in the form of drafting related regulations Taxonomy system of Islamic banking

Stake Holders Islamic Banking Development

According to Kartika and Bedjo (2010) for developing Indonesian Islamic finance should involve six stake holders namely; government, Ulama (Scholars), academicians, Islamic Finance activist, NGO's, and Bankers. All stake holders may share their contribution to develop Islamic finance particularly Islamic Banking. Besides that, according their finding classical Islamic scholars from *Pondok Pesantren*(Islamic boarding Schools) have potential role to support the movement, without their involvement then the growth will be slowly. The main role of the stakeholders are:

- a. Government: provide vision and mission, government as the main player in IBF (Islamic Banking and Finance) development i.e. as the ruling power to execute the policy, planning, controlling, and organizing.
- b. Politicians (parliament and Political Party): support the regulations and Act to provide and support the government actions.
- c. Scholars: to provide the view and fatwa (Islamic view) regarding the issue arose, besides that, scholars also conduct socializations to the society for Islamic banking products, and services.
- d. Academicians: to produce human resources in shariah laws, and financial literacy as well as education, research and training in IBF.
- e. Bankers: as main role in term of operational area and executors.
- f. Activist and NGO's: to provide the best method to promote society support and negotiation to government wants in order the gap to be closed. Besides that, these institutions should active campaign and promotion to spread IBF in forms events or programs domestic and international i.e. seminars, conferences, FGD, and summit.

Research Methodology

The research basically qualitative method by conducting in-dept interview to the respondents. Since the objective of this study is to investigate the important stake holder (academicians) in their opinions related the development Islamic finance in Indonesia based on the *OJK* (Indonesian Financial Services Authority) road maps established. Besides that, the stakeholders involved in the Islamic finance development based on the Indri and Bedjo (2010) finding that are: government, politicians, academicians, scholars, activists, and NGO's. However, this

research is just interviewed the selected academicians who experts and practitioners in Islamic finance in Indonesia. It is therefore considered sufficient to select six academicians to be interviewed.

Research Respondents

The selection of experts (academicians) were made based on judgment sampling technique. In the case of Islamic finance, this was inevitable since the number of academicians who are experts on Islamic finance is limited and due to unavailability of a sampling frame consisting of experts listing. According to Sekaran (2003), it is best to select respondents who possess the required knowledge and skills in their respective area.

In order to ensure the validity of the respondents' opinion the selection criteria for academicians were based on their qualifications, area of specialization and working experience. They should have a minimum of Ph.D. degree and at least Associate Professor who are experts on Islamic Banking, Islamic Capital market, micro finance, and zakat - waqf sector. Besides that, they should be directly involved in the Islamic finance movement in any area include teaching in this area.. The respondents were identified as AC1 to AC6 as follows:

Table 1. Respondents Profile (Academicians)

No	Code	Degree	Occupation
1	AC1	Ph.D. and Associate Professor	Lecturer in IBF and Head Department of Islamic Economic
2	AC2	Ph.D.	The Head of Islamic Economic Association
3	AC3	Ph.D. and Associate Professor	Lecturer and Activist on IBF
4	AC4	Ph.D. and Assistance Professor	Lecturer and Researcher
5	AC5	Ph.D.	Lecturer and head department of Islamic Banking
6	AC6	Ph.D. and Associate Professor	Researcher, Lecturer and the head of Islamic Micro Finance

Data Collection and Analysis

Data were collected by means of semi structured interviews. Permission was asked to tape the interview session using a media device. Semi structured interview was considered the best method as it enables the researcher to plan for the interview based on the themes of study and focus on specific questions to be discussed. Some of the questions asked were regarding their opinions on the theoretical and practical aspects of debt and equity. Their views were also requested on its operations and issues that arise in its implementation. The interviews were

conducted at the respondents' office with an average period of one hour per session (Dzuljastri and Fauziah, 2009).

Data collected was recorded into field notes and it will be analyzed by using tool (matrix) (Miles and Huberman 1994). Then, each matrix is built based on the answers to the research questions provided by each respondent. The process involved selecting, simplifying and coding the data collected into common themes. The process also involves identifying certain key words and phrases, direct quotes and counting their frequencies. The information gathered were placed under the respective matrices and further examined based on the research objectives and research questions as guidelines (Dzuljastri and Fauziah, 2009).

Moreover, the selected academicians (respondents) also requested to fill up items (40 indicators) of the questionnaires which is used Likert scale (1 to 10). Then, based on the respondent preferences, it will be grouped into 5 categories based on the involvement level (the average score): (a) Responsible : score >8, (b) Strongly Involve: score >6, (c) Should Involve : score > 4, (d) Could Involve: score > 2, otherwise (e) Not Involve.

The data analysis method used in this researchers is thematic network method. Thematic network is a qualitative data analysis technique based on the theme-relationships founded in the research findings (Attride-Striling, 2001). The findings will be grouped into three themes: basic theme, organizing theme and global theme. The basic theme is the basic idea arisen from the research (data) that has been converted into text form. Construction of a basic theme with similar pattern will be formed in the organizing theme. While the global theme is the final conclusion formed from several organizing themes.

Result and Discuss

Islamic Banking and Finance Development in Indonesia from Academicians Point of View

a. The Role of Government

In this study, the academicians were requested to share their opinion related to the role of government, politicians, academicians, scholars, bankers, activists, and NGO's in the Islamic Banking and Finance (IBF) development in Indonesia toward the sustainable growth in form of fill up 40 items of questionnaires. The items were derived from the OJK road maps as above mentioned.

Table. 2. The Academicians View of the Government Role toward Indonesians IBF Sustainable Growth

No	Components	Score Average	Explanation
1	Strengthening policies synergies between authorities with government and other stakeholders	8.9	Responsible
2	Strengthening capital and business scale and improve efficiency	9	Responsible
3	Improving the structure of a fund to support the expansion of finance segment	7	Strongly Involved
4	Improving the quality of service and product diversity	5.5	Should Involved
5	Improving the quantity and quality of human resources, as well as other infrastructure TSI	7.4	Strongly Involved
6	Improving literacy and community preferences	9.2	Responsible
7	Strengthen and harmonize the regulation and supervision	8.8	Responsible

Table 2. shows that the academicians proposed the government role should be responsible for components 1, 2, 6 and 7 while strongly Involved in components 3 and 5 and should Involved in component 4. This means that government role is needed in the development of sharia banks in Indonesia, either for policy, regulation, capital, funding, service, human resources and others.

Based on the interviewed conducted, AC1 to AC6 agree that the government should aware this job, however, they agreed that the role government is poor. Related to the issue AC2 postulated that:

“Although the government in Indonesia should responsible in the IBF movement, however, in the situation, it is very difficult for Indonesian government to take over this job, it is because , the government position is very weak in term of vision and mission to develop Islamic value include IBF. However, in Indonesia today, under new president, he considered that IBF is other way to support economic growth, therefore the new era of IBF movement in Indonesia now is beginning”

Moreover, AC1 added that”

” The development of Islamic banking needs supply side strategy which is government initiatives. If the government take responsibility and initiative then the other stakeholders will follow the actions or every policy of government will be followed by people, in other words ‘supply created own demand’.

b. The Politician Role.

The politician role in developing IBF in Indonesia shown as follows:

Table 3. The Academicians View of the Politician Role toward Indonesians IBF Sustainable Growth

No	Component	Average Score	Role
1	Strengthening policies synergies between authorities with government and other stakeholders	7.7	Strongly Involved
2	Strengthening capital and business scale and improve efficiency	6.7	Should Involved
3	Improving the structure of a fund to support the expansion of finance segment	6.2	Should Involved
4	Improving the quality of service and product diversity	6.9	Should Involved
5	Improving the quantity and quality of human resources, as well as other infrastructure TSI	8.0	Strongly Involved
6	Improving literacy and community preferences	7.2	Strongly Involved
7	Strengthen and harmonize the regulation and supervision	9.5	Responsible

In Table 3. Shows that the academicians opinion revealed that the polician have various role. Strongly Involved in the component 1, 5 dan 6 should Involved in the component 2 – 4, and responsiblein the component 7. Based on the interviewed conducted, AC1 to AC6 very agree that the politician should be responsible to the job in term produce and prepare the regulations, Acts, and rule of the game that support the growth of IBF, however the currently, the support is not there, even, the politician demonstrated the contra productive to the IBF growth, it is because the politician just look from political interest. In this regard AC6 argued that:

“The politician is very bad to support IBF development, the just thought their own political interest, they did not yet consider that IBF is important for Indonesia. However, the current news, the president change his mind to put in place IBF is part of Indonesian economic growth. Hence, he proposed the people to vote Islamic party that put IBF is the main program, it is important to political deal in the parliament”

c. The Academicians and Scholars Role

The academicians and scholars role in the IBF movement to be sustainable growth level, shown in Table 4 as follows:

Table 4. The Academicians View of the Academicians and Scholars Role toward Indonesians IBF Sustainable Growth

No	Component	Score Average	Role
1	Strengthening policies synergies between authorities with government and other stakeholders	5.8	Should Involved
2	Strengthening capital and business scale and improve efficiency	5.9	Should Involved
3	Improving the structure of a fund to support the expansion of finance segment	4.8	Should Involved
4	Improving the quality of service and product diversity	4.7	Should Involved
5	Improving the quantity and quality of human resources, as well as other infrastructure TSI	5.5	Should Involved
6	Improving literacy and community preferences	5.0	Should Involved
7	Strengthen and harmonize the regulation and supervision	3.7	Could Involved

Table 4. shows that the role of academicians and scholars for IBF developments should involve in in component 1-6, while component 7 can Involved. The role of scholars and academicians should Involved in the development of Islamic banks in order to guard its development to keep running in the corridor of sharia, socialize it so that significant development can be benefited by the *ummah*, and guide the *ummah* into a *kaffah* muslim.

In this regard, AC1 to AC6 agreed that the academicians and scholars role were very huge. They perform some programs and event for IBF development, however, the effort is not enough as the government support does not there. In this point, AC4 stated that:

“The academicians look like struggle alone, they do everything to established many programs in order IBF growth in proper way, but the efforts do not show the significant result, it is because the rule and Act to protect the programs do not enough. Therefore, he said that if government and politician less aware of this job, every action conducted by society is less beneficial. Hence, he requested to government concern,”

d. Bankers Role

Bankers and official role in the IBF establishment shown in the Table 5:

Table 5. The Academicians View of the Bankers Role toward Indonesians IBF Sustainable Growth

No	Component	Score Average	Role
1	Strengthening policies synergies between authorities with government and other stakeholders	7.8	Strongly Involved
2	Strengthening capital and business scale and improve efficiency	9.1	Responsible
3	Improving the structure of a fund to support the expansion of finance segment	8.0	Strongly Involved
4	Improving the quality of service and product diversity	9.9	Responsible
5	Improving the quantity and quality of human resources, as well as other infrastructure TSI	8.4	Responsible
6	Improving literacy and community preferences	9.4	Responsible
7	Strengthen and harmonize the regulation and supervision	9.3	Responsible

Table 5 revealed that the role of bankers are various: the first and third components show strongly Involved while in component 2, 4-7 responsible. The role of bankers is related to human resources in the development of sharia banks, which in its development policies and its application in accordance with the principles of sharia applied by human resources that have a working in Islamic culture.

In this regard, AC1 to AC5 stated that the role of this part is important to take over the responsibility in the operational level, the performance of IBF mostly depend on their work. AC5 stated that, it is therefore, the knowledge and motivation based on Islamic value is urgent to encourage the employee demonstrated their best performance.

e. IBF Activist and NGO's Role

The role of the IBF activist and NGO's shown in Table 6, as follows:

Table 6. The Academicians View of the Islamic Finance Activists and NGO’s Role Toward Indonesians IBF Sustainable Growth

No	Component	Score Average	Role
1	Strengthening policies synergies between authorities with government and other stakeholders	5	Should Involved
2	Strengthening capital and business scale and improve efficiency	5.5	Should Involved
3	Improving the structure of a fund to support the expansion of finance segment	3	Could Involved
4	Improving the quality of service and product diversity	3.4	Could Involved
5	Improving the quantity and quality of human resources, as well as other infrastructure TSI	2.8	Could Involved
6	Improving literacy and community preferences	2.7	Could Involved
7	Strengthen and harmonize the regulation and supervision	3.9	Could Involved

Table 6. stated that from the academicians’s point of view of the Islamic finance activists and NGO’s role to support IBF growth in Indonesia. The component 1 and 2 should Involved and on component 3-7 could Involved. Islamic Finance Activists are indispensable to support existing policies in sharia banking. In addition, the quality of human resources, community preferences, regulation and supervision can also Involved the Islamic Finance Activists.

In the point, AC3,AC4, AC6 argued that, IBF activist and NGO in Indonesia has shown their best effort to develop IBF. However, some time coordination i.e. communication and collaboration among them should be increased to achieve the best result. In the future, they pessimistic that these stakeholders could be the key of the IBF development.

The result can be concluded in the three themes: First, the research concluded to develop IBF toward sustainable growth di Indonesia, the proactive role of government and political support from the parliament is needed. Politician produce some regulation and Act to smoothing day to day operation. The Acts can be divided into three topic. (a) Developing topic. (b) Running Topic and (c) Barrier alleviation topic.

Second, government should struggle to achieve Indonesian status as central (hub) of global Islamic finance. Moreover, the politician especially from Islamic party should change

their strategy from political interest based on material value to spiritual value. Third, then the society i.e. academicians, scholars, community, activists, and NGO's should support the action formulated by the government.

Last but not least, the relations all stakeholders and role in the IBF development toward sustainable growth can be depicted in Table 7 as bellow.

Table 7. Summary The Relations Stakeholders and The Role in the IBF Development

No	Component	Involvedment					
		Government	Politician	Academicians & Scholars	Bankers	Islamic Financial Activists	NGO's
1	Strengthening policies synergies between authorities with government and other stakeholders	Responsible	Strongly Involved	Should Involved	Strongly Involved	Should Involved	Could Involved
2	Strengthening capital and business scale and improve efficiency	Responsible	Should Involved	Should Involved	Responsible	Should Involved	Not Involved
3	Improving the structure of a fund to support the expansion of finance segment	Strongly Involved	Should Involved	Should Involved	Strongly Involved	Could Involved	Not Involved
4	Improving the quality of service and product diversity	Should Involved	Should Involved	Should Involved	Responsible	Could Involved	Could Involved
5	Improving the quantity and quality of human resources, as well as other infrastructure TSI	Strongly Involved	Strongly Involved	Should Involved	Responsible	Could Involved	Not Involved
6	Improving literacy and community preferences	Responsible	Strongly Involved	Should Involved	Responsible	Could Involved	Could Involved
7	Strengthen and harmonize the regulation and supervision	Responsible	Responsible	Could Involved	Responsible	Could Involved	Could Involved

Table 7 shows that there are some stakeholders who play a role in the development of Islamic banks are government, politic, academicians and scholars, bankers, activists and NGOs. Of each role involved in the development of Islamic banks. Such as government and politics, both have a role in developing and responsible for policies and regulations in the development of Islamic banks in Indonesia. Moreover, scholars and NGOs play a role in strengthening policies, capital and funding in accordance with sharia principles that have a crucial determinant role in its development. Furthermore, Bankers and activists play a role in human resources that strongly involve in sharia development.

CONCLUSION AND RECOMMENDATION

Islamic banks in Indonesia need a comprehensive development model. The model includes analysis of the potential market in Islamic banks, the strength of Islamic banks, the support from government and the customers' preference of Islamic banks. Besides that, all stakeholders should involve in the process. Strategy development of Islamic Banking and Finance many kinds, including those offered by IFS but there is no elaboration in detail applied in Indonesia, from the perspective of the stakeholders.

The factors that influence the development of Islamic finance are; political factors, socio-cultural factors, economic factors, and product development. From Islamic finance development around the world, shown that Indonesia is low market driven as well as low government driven. Whereas than in Saudi Arabia shows high market driven but low government driven. In contrast to Malaysia positioned is high market driven and government driven too. That is, Malaysia show regulatory and market driven models are ideal in Islamic finance in Malaysia. Besides, the Components of Islamic Banking Development are, regulatory, shariah, infrastructure, product and services, initiatives, and talent development. T

Based on the data analysis regarding stakeholder's role revealed that government and politician should concern in term of responsibility to take over the Islamic banking and finance development in Indonesia. Whereas, regarding stakeholder's concern revealed that the government and politician do not yet optimal effort to support Islamic Banking growth.

Finally, the research concluded : Firstly, to develop IBF toward sustainable growth di Indonesia, the proactive role of government and political support from the parliament is needed. Politician produce some regulation and Act to smoothing day to day operation. The Acts can be divided into three topic. (a) Developing topic. (b) Running Topic and (c) Barrier alleviation topic. Secondly, government should struggle to achieve Indonesian status as central (hub) of global Islamic finance. Moreover, the politician especially from Islamic party should change their strategy from political interest based on material value to spiritual value. Thirdly, society i.e. academicians, scholars, community, activists, and NGO's should support the action formulated by the government.

Recommendation

Further next research is needed that interview other stake holders in term of Islamic banking development i.e. politicians, governments, scholars, bankers and activists. Their view is important especially to what extend each stakeholder should involve in Islamic banking

development i.e. government expenditure and budget should be placed in Islamic banking account, etc.

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