Islamic Economic Development, Latest Trends and Global Challenges

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Abstract:

This study aims to determine the challenges and opportunities of Islamic economic practices in Indonesia in conventional economic development. Although Islamic economic practices have developed very well, they are also accompanied by challenges that may hinder the realization of its vision. The data that form the basis of the analysis are primary data and secondary data. Primary data were obtained by distributing questionnaires to 100 respondents in the form of open and closed questions. Secondary data were obtained from the results obtained from several journals, official websites, and literature related to the topic of this study. The results of this article show that the development of Islamic economics in Indonesia is experiencing a positive trend. This is supported by the existence of clear regulations, the role of Islamic economic activists, and the reality of the Indonesian population, which is predominantly Muslim. However, there are challenges to the development of Islamic economics in Indonesia. Public education and awareness regarding the implementation of sharia-based economic activities are still low.

Keywords: *Chance, Economic Growth, Global Economic, Islamic Economic, Opportunity*

A. INTRODUCTION

The development of Islamic economics continued until 1446 AD-1932 AD. At that time, the Islamic economic pattern was dominated by the thought of Shah Waliullah with the book *Hujatullah al-Baligah.* After those times, the development of Islamic economics entered the contemporary era that began in 1930 until now. In this era, the development of Islamic economics occurred in the realm of more comprehensive analyses related to socioeconomic problems, monetary economics, banking, and theory and the practice of the Islamic economic system (Budiantoro, 2018).

The birth of Islamic economics began with the awareness of Islamic scientists who realized the need to bring Islamic teachings back into daily life. This recognition is a reaction to the thinking of modern Muslim scholars about economic problems that are considered to be incompletely solved by the economic theories that developed at that time (Furqani, 2019). Islamic economics is based on the concept of equality and emphasizes the realization of the values of justice. This is the most important foundation for the importance of Islamic economic development. The existence of the Islamic economy is also considered an alternative economic system to the capitalist and socialist economic systems that have developed before it. Islamic economics as an alternative economic model is available to many parties, both Muslims and non-Muslims (Sutopo & Musbihin, 2019).

The development of the sharia economy in Indonesia has received a positive response from various circles. Indonesian Muslim intellectuals through the Indonesian Muslim Scholars Association (ICMI) formulated the establishment of Bank Muamarat Indonesia (BMI) in 1992 as the first Islamic bank. This is the first story of the birth and development of the Islamic economy in Indonesia. In the early years of the establishment of Bank Syariah, BMI was able to survive the 1997 crisis which had an impact on all aspects of the Indonesian economy. This success is a positive sign that Indonesia's sharia economy has the potential to continue to grow. The development of the sharia economy was also responded positively by the government seeing BMI's success in this field. Various supports are provided by the government through the issuance of legal products that support and regulate the implementation of sharia economic activities.

This study is based on the idea that the practice of sharia economics in Indonesia faces obstacles even though the opportunities for development are wide open. One of the obstacles is the low awareness of the sharia economy among the Muslim community. This is evidenced by the number of customers of Islamic banks that are much smaller than traditional banks. The development of the Islamic economy is evidenced by the slow growth of Islamic banks from year to year. Therefore, Islamic economics will face the following obstacles in its practice in the future. Lack of human resources for the Islamic economy. Lack of public education about the Islamic economic system. Furthermore, the absence of a sharia economics curriculum at various levels of education (general) causes a negative perception of the sharia economic system among the community.

B. LITERATURE REVIEW

Islamic Economy

The definition of Islamic economics is common among activists. According to Muhammad Abdul Manan, Islamic economics is a social science that studies economic problems in social life imbued with Islamic values. Islamic economics is closely related to the production, distribution, and consumption of goods and services according to Islamic Sharia standards in Kafa (Menita, 2017). In his book "Islamic Economics", Monzer Calf states that economics is a subdiscipline of religion. The concept of Islamic economics is an integral part of the Islamic paradigm, and its orientation is based on the Quran and Hadith. According to Karf, Islamic economics is part of interdisciplinary economics that cannot stand alone and functions as an analytical tool such as Islamic law and other supporting sciences, as well as mathematics. This means that the knowledge needs to be mastered properly and thoroughly. Statistics, Logic, Fiqih Ushr (Amalia, 2016).

Islamic economics as a scientific field requires a scientific foundation, a philosophical foundation, methodology and theory to form a collection of sciences. The foundation and foundation of Islamic economics is the Quran and Hadith. Islamic epistemology encompasses three sources of knowledge: divine revelation (al-wahy), the logic of human reason (alâaql), and the observation of human life experiences (al-anfus) or observation of natural phenomena (Al-Afaq).). Islamic economic methodology itself considers principles, procedures, and criteria to form theories that are consistent with the epistemological foundation and Islamic worldview (Furqani, 2019). According to Zubair Hassan (1998) in Irfan Syauqi Beik (2016), there are two methodological approaches in the development of Islamic economics. The first is an all-or-nothing approach and the second is a step-by-step approach. The most commonly used method is the second method (Beik, 2016).

Global Economic Development Trends

The era of globalization, in some literatures, is stated to have begun in the 1990s (Pervez, 2004:280). This era is marked by the presence of important phenomena in the economic sector, among others. Global economic activity is not only limited by geographical, linguistic, cultural and ideological boundaries, but also, especially, by interdependent and interdependent factors (Jan Pronk, 2001: 43). Especially with the rapid development of information technology, the world seems to have no limits. This situation presents many opportunities and challenges, especially in efforts to develop the Islamic economy (Walter, 2004: 18-19).

Colin Rose said the world is changing at an unprecedented pace and the process of globalization is expected to accelerate in the future. People's lives, including legal and economic life, are becoming increasingly complex (Collin, 1977: 1).

In the global era, various economic systems exist in countries in the world. But in general, the economic system can be divided into two poles: capitalism and socialism. Other systems, such as the welfare state, state capitalism, market socialism, and democratic socialism, also function within the framework of capitalism and socialism. However, since the collapse of the Soviet Union, the socialist system is believed to have collapsed along with the collapse of the Soviet

Union. Therefore, the capitalist economic system remains the strongest economic system in the world.

The capitalist economic system that is developing today is no longer the same as it was when it was first created. As mentioned in the preface to this article, in the course of the capitalist system there has been a development towards a more humane direction and more emphasis on ethics. The current global economic era is often referred to as the modern economic era or the new economy. The new economy actually affects entire industries (in the broadest sense) that compete for new orders and means. The new economy is not just high technology, but refers to the innovation of business methods related to products (goods and services). Production activities in the new economy face almost the same problems and characteristics. That is, fast, global, networked, more influenced by knowledge/decisions, and richer in technology/innovation.

The difference between the new economy and the old (previous) economy basically lies in the paradigm of implementation or management and development of economic activities. The new economy is characterized by rapid change, seemingly endless activities, and patterns of daily relationships that determine how the process of value creation is carried out and how connections and competitiveness are built and maintained. It is full of network dynamics. More importantly, knowledge and innovation are considered the main drivers of the new economy. This reality is now more evident in developed countries.

New Economic Development, giving rise to a knowledge economy or knowledge-based economy. The knowledge economy is an economy that makes effective use of knowledge for economic and social development. This includes tapping foreign knowledge, adapting and creating knowledge for specific needs (World Bank Institute).

A knowledge-based economy (KBE) is basically an economy in which the creation (production), dissemination (distribution) and utilization/utilization of knowledge are the main drivers of growth, welfare development, and job creation/expansion in all industries/sectors of the economy (McKeon and Weir, 2000). The different terms i.e. New Economy, knowledge economy, knowledge-based economy actually speak to the same philosophical core. The essential essence of the Modern Economic paradigm is that (1) Knowledge is one of the most important resources in development; (2) The ability to innovate increasingly determines the success of the business/economy; (3) Competence is the basis for focusing productive activities; (4) Networking/value chain linkage becomes the best pattern of economic activity; (5) The locality factor increasingly determines the advantage in global competition (the advantage in the global competitive system is increasingly determined by the ability to compete by relying on the best local potential).

A New Universal Trend

It is undeniable that the name Islamic economics gives birth to diverse impressions. For some circles, the word "Islam" positions Islamic Economics in a very exclusive place, thus eliminating the value of its fitrah as an order for all human beings (rahmatan lil'alamin). For others, Islamic economics is described as an economy that is a concoction between capitalist and socialist schools, so that the specific characteristics of Islamic economics itself are lost. Umar Chapra called Islamic economics the Economy of Tauhid. But in general it can be said to be godly economics. The reflection of the character of the "God" of Islamic economics is not in the aspect of the economic actors because the actors must be human but in the aspect of rules or systems that must be guided by economic actors. It is based on the belief that all economic factors including human beings basically belong to Allah, and to Him (to His rules) all affairs are returned (Q.S. 109).

As an economy that serves God, Islamic Economics borrows the term from Ismail Al Faruqi and has the source of "normative-imperative values", as a binding reference. By accessing the Divine rules, every human act has moral and worshipful value. Every human action must not be separated from values, which vertically reflect good morals, and vertically benefit humans and other creatures. Islamic economics was once unpopular at all. The popularity of Islamic economics can be said to be still not long. Therefore, the question often arises, is Islamic economics new at all? If you look at the history and meaning contained in the Islamic economy, it is not a new system. Arguments for this include:

First, Islam as a modern religion is a religion that is guaranteed by Allah its perfection, as affirmed by Allah in Surah Al-Maidah (5) 3. On the other hand, Allah SWT has also guaranteed the completeness of the contents of the Qur'an as a guide for the believers in carrying out their role as the caliph of Allah on earth. This is affirmed by Allah SWT in his words QS Al-An'am (6) 38.

Second, History records that Muslims once reached a golden age, which no one can deny. During that time, there were many contributions of Muslim scholars that are still highly recognized by all parties in various fields of science until now, such as mathematics, astronomy, chemistry, physics, medicine, philosophy and so on. History also proves that it is difficult to accept common sense a progress of the ummah with so many contributions in various fields of life and scientific fields without being supported earlier by progress in the economic field. History also records many Muslim economists who lived and prospered in their respective times, such as Tusi, Al-Farabi, Abu Yusuf, Ibn Taymiyyah, Al-Maqrizi, Shah Waliyullah, Ibn Khaldun and others (Mannan. 1986: 44). The Islamic economic system has experienced new historical developments in the modern era. According to Khurshid Ahmad, who is known as the father of Islamic Economics, there are four stages of development in the discourse of Islamic economic thought, namely: ***The First Stage***, begins when some scholars, who do not have formal education in the field of economics but have an understanding of the socio-economic problems of that time, try to solve the problem of interest. They argue that bank interest is haram and Muslims should abandon any relationship with conventional banking. This period began approximately in the mid-1930s and experienced its peak in the late 1950s and early 1960s. At that time in Pakistan a local Islamic bank was established which operated not on interest. Meanwhile, in Egypt, a financial institution that operates non-interest is also established called Mit Ghomir Local Saving. This stage is still premature and trial and error, so the impact is still very limited. Nevertheless, this stage has opened wide doors for further developments. ***The second stage*** began in the late 1960s. At this stage, Muslim economists, who were generally educated and trained at leading universities in the United States and Europe, began to try to develop certain aspects of the Islamic monetary system. They conducted an economic analysis of the prohibition of riba (interest) and proposed banking alternatives that are not interest-based. ***The third stage*** is characterized by concrete efforts to develop banking and non-usury financial institutions both in the private sector and in the government sector. This stage is a concrete synergy between the intellectual and material efforts of economists, experts, bankers, businessmen and Muslim tycoons who have concerns about the development of the Islamic economy. At this stage, Islamic banks and non-usury-based investment institutions have begun to be established with a clearer concept and a more established understanding of the economy. The first Islamic Bank to be established was the Islamic Development Bank (IDB) in 1975 in Jeddah, Saudi Arabia. ***The fourth stage*** is characterized by the development of a more integrative and *sophisticated approach* to build the overall theory and practice of Islamic economics, especially financial and banking institutions that are economic indicators of the ummah.

Opportunities and Challenges of Islamic Economics

Indonesia as a country with a Muslim population reaches 87.18 out of a population of 232.5 million people (Global Islamic Economics Report, 2018-2019). Indonesia has high potential to develop the sharia economic sector. With a large Muslim population, it is the largest consumer of halal products in the international market. However, the contribution to producing halal products in the world is still not optimal (BPPN, 2018). This is an opportunity for Sharia economic development that has a positive impact on the national economy. In addition, the Indonesian government also has several guidelines that are factors that support the existence of the Islamic economy, such as the banking sector which has a bank interest fatwa that can be used as material for the socialization of Islamic banking for its work. Demikain also in his community, there is an awareness in religion that can be an opportunity in implementing the Islamic economy in Indonesia (Ja'far, 2016).

Seen from the academic (education) sector, it can contribute to the development of the Islamic economy in a country. According to Abbas (2007) in Nur Kholis (2011) related to the existence of a challenge in this matter which is generally described that in the development of Islamic economic education there is a challenge, namely, there is not a lot of availability of research funds and scholarships offered for Islamic economics students facilitated by backing institutions. On the other hand, in the context of Indonesia, there are challenges in the development of its Islamic economy, namely there are still many people who do not understand enough about the financial system and Islamic banking, which in fact there are still relatively few people who use Islamic banking services compared to conventional banking (Kholis, 2011).

Maqashid Syariah

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C. RESEARCH METHODOLOGY

The purpose of this study is to analyze the opportunities and challenges of Islamic economics in Indonesia's economic development. The research methodology in this article uses mixed methods. Mixed methods combine or integrate qualitative and quantitative data in research. Qualitative data is usually open and does not include predetermined responses, while quantitative data usually includes closed responses, such as those found in surveys (Creswell, 2014). There are two types of data sources used in this study: primary data and secondary data.

Primary data was obtained from a questionnaire distributed to 100 respondents including Islamic economic regulators, Islamic economists, Islamic economic activists, and practitioners from Islamic financial institutions and the Amir Zakat Institute (LAZ) spread throughout Indonesia. Meanwhile, secondary data refers to the use of literature from previous research journals, official websites, and books related to this research. The data analysis technique uses data reduction. This means creating a summary, choosing a topic to discuss, and looking for topic patterns in this article. Using a data view means carefully analyzing and considering the results of the summarized data. Finally, it is continued with a conclusion, where the results of the research are summarized and explained in detail.

D. RESULTS AND DISCUSSION

Development of Islamic Economy in Indonesia

The concept of Islamic economics is a fair economic concept. In a literature it is described that *"Islamic Economics is a methodical study of the profitable problem of man and its results in the light of the Qur'an and the Sunnah* " (Tahir, 2017). In short, Islamic economics is a system that studies human economic problems, whose solutions are sourced from the Qur'an and Hadith. Therefore, the development of Islamic economics must be followed by a practical form of economic activity that aims for happiness in this world and the hereafter. To achieve such happiness, Muslims have the Qur'an and as-Sunnah (Hadith) as a guideline for life.

Basically, the Qur'an and Hadith are sources that are used as a principle in various forms of Islamic economic practice (Akbar, 2019). One of the forms and characteristics of the Islamic economy with Indonesian nuances is cooperatives (Ihwanudin, 2020). In addition, other forms of Islamic economics can be seen with the existence of Islamic financial institutions, such as Sharia Banking, Sharia Pawnshops, Sharia Insurance, Sharia Capital Market, Sharia Leasing, Sharia People's Financing Bank, Baitul Mal wat Tamwil, Sharia Cooperatives. In addition, there are also Islamic public financial institutions such as the Zakat Management Institution and the Waqf Management Institution as well as various other forms of sharia business. Furthermore, according to the Chairman of the DPP of the Indonesian Association of Islamic Economists (IAEI), Agustianto has the view that the development of Islamic banking and finance which is quite significant illustrates that Islamic Economics already has a form of practice in the financial sector.

Another form of Islamic Economics practice is in the academic sector, namely in the field of teaching that has begun to develop and be improved on campuses in Indonesia (Fitria, 2016). The government through KNEKS also supports the development of Islamic economics in the academic world by launching the Sharia Economics S1 Program Academic Reference Book, the Sharia Economics Real Work Lecture Guidebook (KKN-T), and the Guide to Internships/Work Practices in the Sharia economic sector. Furthermore, in terms of business units, there are sharia MSMEs (Micro, Small and Medium Enterprises) which are also categorized as a form of Islamic economy.

In their activities, Sharia MSMEs apply Islamic values, as well as in management activities and products, as well as in the process of seeking profits based on Islamic principles (Arifqi, 2021). Meanwhile, from the results of the survey of questionnaire data conducted by the researcher regarding Islamic economic forms, it was obtained that 76.9 respondents chose the economic system and respondents chose Islamic banking by 68.5, then other forms of Islamic economics namely zakat, infaq, shadaqah by respondents with a percentage of 67.6.

The academic sector is the form of 50 majors or study programs, and the rest of the respondents responded with various kinds of answers, such as the form of Islamic economic practices also includes savings and loan cooperatives, Islamic IKNB (Non-Bank Financial Industry), tourism and halal products, Islamic economic law, and in various forms of business management that have sharia principles. In addition, respondents answered that economic development, public policy, and economic Islamization are also part of the Islamic economic form. Furthermore, there are respondents who stated that the forms of Islamic economics that have been mentioned above are true, namely included in the form of Islamic economics. In addition, some respondents have their own views, where they consider that the Islamic economic form is interpreted as a way to avoid harm by referring to the Qur'an and Hadith.

The development of Islamic economics cannot be separated from the development of Islamic economic institutions that synergize with each other, such as Islamic financial institutions, philanthropic institutions, government institutions, movement organizations, and educational institutions. OJK data until 2019 shows that there are 189 Islamic banks in Indonesia, consisting of 14 Sharia Commercial Banks, 20 Sharia Business Units, and 164 Sharia People's Financing Banks (KNKS, 2020). In a different field, another institution that develops Islamic economics is philanthropic institutions which number 30 institutions (Directory of Indonesian Philanthropic Institutions, 2021). Furthermore, in order to support the development of the Islamic economic and financial ecosystem, the government specifically established the National Committee for Sharia Economics and Finance (KNEKS), as an institution that focuses on developing the Islamic economy and finance to support national economic resilience. KNEKS is tasked with accelerating, expanding, and advancing economic and financial development. Meanwhile, in the position of the general public, there are several organizations that are the driving force of the Islamic economy, namely the Association of Islamic Economists (IAEI), the Sharia Economic Community (MES), and so on. Then in the academic field, until 2021 there are 173 universities that have Islamic Economics/Sharia Economics study programs recorded in data from the Higher Education Database (PDDikti) of the Ministry of Education and Culture, 2021). Thus, the development of the Islamic economy in Indonesia has been supported by many institutions that collaborate with each other.

Islamic economics has high potential to be developed in Indonesia. This is because Indonesia is the largest Muslim country in the world with a Muslim population of approximately 220 million people. However, the Minister of National Development Planning/Bappenas stated that the development of the Islamic economy in Indonesia tends to run in place. This is because Indonesian people play more of a role as consumers than producers (Safhira, 2020). This pattern of people's behavior that tends to be consumptive is a challenge in developing and spreading Islamic Economics in Indonesia. This development must involve many sectors, in order to have a direct and significant impact on the growth of the Islamic economy in the real sector (Fauzia, 2019). The distribution and practice of Islamic economics in Indonesia today from various clusters are as follows

Halal Food and Beverage Cluster

The halal food and beverage industry includes a series of industrial activities that lead to raw materials, management, conversion, preparation, preservation to packaging. The number of products that have LPPOM Halal Certificates is 259,984 products and the number of food and beverage companies that have LPPOM Halal Certificates is 6,055 units of companies (BPPN, 2018). Here are some multinational companies engaged in the food and beverage industry such as PT Indofood with flour, starch and processed products, PT Nippon Sari Copindo with its noodles, pasta, bread and processed products, PT So Good Food with its processed meat, milk and processed meat products, PT Belfoods with its processed meat and meat group products, and many other multinational companies (MUI, 2021).

Halal Tourism Cluster

Halal tourism aims to attract tourists from various friendly circles, especially Muslims. Tourism assiduity is related to many other assiduities such as food and beverage assiduity, Sharia financial industry, hospitality industry, MSME industry and media and leisure industry. The potential of halal tourism in Padang City, West Sumatra is a reference for other destinations in Indonesia to develop halal tourism (BPPN, 2018).

A few years ago, Indonesian tourism was awarded the World Halal Tours Award. The award was given to the Sembalun Valley, East Lombok, NTB as the best halal honeymoon destination in the world. Padang City is the best halal destination in the world and Aceh Province is the best halal cultural destination in the world (katadata.co.id, 2021).

Muslim Fashion Cluster

Indonesia is dubbed as the mecca of Muslim fashion in the world so that development in this field continues. This development increased in 2018 because Muslim fashion designers such as Dian Pelangi, Barli Asmara, Jenara Nasution began to introduce Muslim fashion at fashion week events in the UK, Germany, France and other Middle Eastern countries (BPPN, 2018). The Muslim fashion trend is spreading in Indonesia because many Muslim clothing companies have branches throughout the region such as the brands Rabbani, Zoya, Dian Pelangi, El-Zatta, Monel, Ria Miranda, Tunecca, Jenahara, KIA by Zaskia Sungkar, Si Se Sa and Suqma (Syuri, 2020). These fading brands are in demand in Indonesia, but there are still many other local brands that have varying quality and prices.

Halal Media and Creation Cluster

The media and entertainment industry is a subsector of the creative economy including Film, TV and Radio Production Houses, Publishing, Application and Games Providers, and Music and Art Industries. Currently, the spread of fading media clusters is easy to find from Youtube applications such as the Nusa channel which produces Muslim children's stories in the form of animations. Youtube channels that preach Islam in the form of films such as Teladan Cinta and so on.

Halal Pharmaceutical and Cosmetics Cluster

Currently, Indonesia is in the 4th position as the country with the highest consumption of pharmaceutical products. Meanwhile, in the cosmetics sector, Indonesia occupies the 2nd position after India (BPPN, 2018). According to LPPOM MUI data, in May 2021 the number of halal-certified products reached 1,066 companies (LPPOM MUI, 2021). Here are some halal-certified cosmetic companies such as PT Paragon Technology and Innovation including Wardah Make

Over and Puteri brands. Meanwhile, halal-certified Pharmaceutical and Pharmaceutical companies include PT Sidomuncul, PT Nelcho Indofarma, PT Konimex, PT Jhonson and Jhonson Indonesia, and many other multinational companies (LPPOM MUI, 2021).

Renewable Energy Cluster.

Renewable energy clusters can be a catalyst for strengthening the halal value chain. Contribute to increasing economic independence and energy self-sufficiency. The latest energy results are expected to be used for other halal assiduity such as food, beverages, Muslim fashion, halal tourism and cosmetics. Currently, Indonesia is still dependent on electrical energy derived from coal. Based on statistical data from the 2018-2027 RUPTL, Indonesia's manual energy targets come from coal at 62, gas at 21, water at 7, gethermal at 5 and imports at 1. Indonesia has abundant natural resources and is not limited by one source so that this cluster is still being developed (BPPN, 2018).

Strengthening Islamic Finance such as Islamic Banking, Islamic Capital Market, Social Security, and ZISWAF.

The regulation of the merger of the three Sharia banks, which includes BNI Syariah, BRI Syariah, and Mandiri Syariah, is a strategy to strengthen Sharia finance in Indonesia. The integration will be carried out to 600 BNI Syariah and BRI Syariah branches so that Bank Syariah Indonesia will have 1,365 branches throughout Indonesia (Walfajri, 2021).

The Sharia Capital Market cluster includes sukuk, bonds, Sharia shares, Sharia mutual funds.

Social Security Cluster such as the management of Sharia pension funds and Sharia insurance. According to OJK data, in 2021 it has reached 13 Sharia insurance companies and 49 Sharia business units in the field of Sharia insurance (Purnamasari, 2021). Insurance that is in demand such as Allianz Syariah, takaful, and so on.

ZISWAF as an Islamic social finance sector includes state-owned and private philanthropic institutions. Currently, there are 16 amil Zakat institutions that have received permission from the Ministry of Religion. The following are registered amil zakat institutions such as Dhompet Dhuafa Republika, BAZNAS (National Amil Zakat Agency), Indonesian Zakat Initiative, Yatim Mandiri Surabaya, NU CARE LAZIS NU, LAZIS MU and other amil zakat institutions (Ramadani, 2018).

Strengthening MSMEs by providing education on proper MSME management. MSMEs have strong relationships and must synergize with other clusters.

Strengthening the Digital Economy provides infrastructure as a means and infrastructure for the community to easily transact, such as Sharia fintech, e-money, online financing, ATMs and others. According to OJK data as of June 10, 2021, the number of registered and licensed fintech operators is 125 companies (OJK 2021). Here are the best Sharia fintech versions of the first version of the momaju.id

Investree as the first online loan pioneer in Indonesia, Ammana, Dana Syariah, and Danakoo (momaju.id, 2021).

Literacy, Human Resources, Research and Development. For example, the development of Islamic economics by establishing an Islamic Economics study program in universities. According to data from the Ministry of Research, Technology and Higher Education in 2021, there are 39 Islamic Economics study programs that have been accredited throughout Indonesia (dataakreditasi.com, 2021).

Fatwas, Regulation and Governance

These three things are harmonized and become the standard for Islamic economic development in various clusters, including Fatwas from DSN MUI, Regulators from OJK, governance such as the Hajj Financial Management Agency.

Supporting and Inhibiting Factors for Islamic Economic Development in Indonesia

There are several factors that can support the development of Islamic Economics. Among these factors is to increase knowledge and understanding of Islamic economics to the community who will become human resources in the future, and there needs to be awareness of the obligation of Muslims to apply the principles of Islamic economics. In addition, the support from the government in the form of regulations is also one of the keys that makes the Islamic Economy in Indonesia continue to develop. One of the informants, ZY, a sharia economic activist, highlighted the factors supporting the development of the Islamic economy in Indonesia. He said "The support is in the form of regulations or policies from the government related to the Islamic Economy" (Interview, June 2021).

The government has a strong role as a shaper of the country's political, social and economic policies, as well as a controller of the running of the economic system in Indonesia. Similarly, the government has issued 4 laws, and 138 fatwas of DSN-MUI that regulate Islamic Economic activities. There is a role of Sharia economic activists to preach and practice Islamic Economics practices to the community, because in fact Islamic economics aims to achieve the common good. As explained by MT, a Sharia economic activist who gave enlightenment in a statement, the development of strong Islamic science must be spearheaded from innovative ideas in dealing with the economic problems that are happening now so that this is an important factor. Because in fact, the Qur'an and Hadith only lay the foundation of economic principles in accordance with the sharia. The development in the form of ijtihad according to the times is what will make Islamic economics a system so that it is not just a mere concept" (Interview, June 2021).

Indonesia has a majority of the population who are Muslim. This can be used as a supporting factor in the development of the Islamic Economy in Indonesia. AF, a practitioner of Sharia Financial Institutions (LKS) and Amil Zakat Institutions (LAZ), acknowledged this condition. "The population factor of Indonesia, which is majority Muslim, is one of the supporting factors. Moreover, this factor is a da'wah factor from previous preachers who brought Islam to be an easy, inclusive, and dynamic teaching" (Interview, June 2021).

Factors that can hinder the development of the Islamic Economy in Indonesia.

First, the lack of knowledge about Islamic Economics so that doubts arise in practicing the Islamic Economics system in daily life. For example, there are still many people who do not fully understand Sharia Banks as a whole and optimally. Moreover, this factor causes the Indonesian people to feel skeptical of the Islamic economy which is considered to be no different from the conventional economy. This factor can be overcome by increasing massive socialization about Islamic economics from related parties, such as scholars, academics, and Islamic economic practitioners. In addition, there is still a strong mindset from the public who think that Islamic economics is only limited to Islamic banking. Therefore, Indonesian people in general, especially Muslims, have not comprehensively understood the concept of Islamic economics.

Second, there are still many Indonesian people in general who are not interested in exploring Islamic economics. So that this causes a lack of literacy and awareness, especially among the Muslim community in Indonesia, about the Islamic financial system. Because, indeed, most of the people are still not ready to run the Islamic economy due to their lack of interest and knowledge related to the Islamic economy. This is as expressed by MT, a Sharia economic activist, that one of the obstacles, namely the inability to see the problems faced and the inability to think are the obstacles of Muslims today in general and the economy in particular. This is because Islamic economic ideas in society, especially those who are Muslim, still cannot develop according to the times" (Interview, June 2021).

Third, Awareness of the faith he adheres to. It can be said that the awareness of carrying out the commandments and provisions of religion is still lacking. This, for example, can be the cause of corruption which is certainly contrary to the Islamic faith and there are also individuals who only care about targets so that they deliberately neglect sharia compliance. Under certain conditions, most people are still not fully aware that the teachings of Islam must be fully implemented. AM, an academic of sharia economics, admits this. He said that there are people who have knowledge about Islamic economics, but they are actually involved in conventional economics, which in the end the void in the Sharia economy is occupied by human resources who do not understand Islamic economics (Interview, June 2021). This is of course related to the lack of strength and awareness related to the faith that a person has, so that these people do not apply the Islamic Economics they have acquired which causes a person to switch to conventional economics. Therefore, if we talk about faith, the solution is not only to be aware of economic practices, but it must be accompanied by strong and critical religious knowledge so as to make him a Muslim who fully implements Islamic law in its entirety.

Fourth, the lack of Sharia financial infrastructure facilities in Indonesia. The minimal facilities are then aggravated by their remote location so that they are difficult to reach by the public. This condition is acknowledged by SR, an academic of Islamic economics, that the location of Islamic banks is far to reach, so the public prefers conventional banks that are located closer" (Interview, June 2021).

From the description above, it appears that there is a great opportunity for the Islamic economy in Indonesia. The condition of the Muslim-majority population is one of the opportunities. However, this condition is not directly proportional to the public's knowledge of Islamic economics itself. This is also one of the challenges for the development of Islamic economics in the future.

Development and Innovation of Islamic Economics in Indonesia

The fact that Indonesia is the country with the largest Muslim population in the world promises a number of opportunities for the future of the Islamic economy. There are two major currents of views on the future of the Islamic economy in this largest Muslim country. First, an optimistic view. This is based not only on demographic facts, but also on the aspect of the existence of Islamic economic institutions that have begun to emerge in all their forms. In fact, Islamic economics can be a model for economic practices that have been dominated by conventional economic practices in Indonesia. Conventional economic practices are currently the reference of the majority of Muslims in the country. This is due to several factors such as fairly easy access to conventional banking institutions. This form of banking advice can be found in various corners of the country, including in rural areas. In contrast, Islamic economic institutions are still very limited and can only be accessed in urban areas.

The commitment to advancing the Islamic economy is currently very advanced. The merger of the largest Islamic banks into Bank Syariah Indonesia (BSI); support for the big plan in the form of the Indonesian Sharia Economic Masterplan for 2019-2024 which is a roadmap for the economic development of the sharia system; and the presence of Sharia Fintech services which are sharia-based financial service innovations by utilizing technological advances. This service makes it very easy for the giver and the recipient of funds when they are going to make a contract/agreement because it is technology/internet-based. The two parties are no longer waiting for each other to meet physically, they have been facilitated by this fintech service. The establishment of KNEKS (National Committee for Sharia Economics and Finance) is also concrete evidence of the government's seriousness to develop the Islamic economy in Indonesia in the future.

Second, a pessimistic view. This view is based on the fact that the literacy of the Indonesian Muslim community is still low regarding Islamic economics. In fact, there are concerns that the funds owned are stored in Islamic banking (Sharia) for various reasons. For example, there is still a high calculation of "worldly" profits of the community so that funds/money are actually stored in conventional banks (Fitria, 2016). Similarly, the Islamic economics curriculum is still focused on being taught in religious educational institutions such as Islamic Religious Colleges, Islamic Religious Institutes, and State and private Islamic Universities. This means that the medium to further promote the Islamic economy in educational institutions is still limited (Samad, 2018).

However, Indonesia can become the axis of the world's Islamic economy. There is a lot of support that is proof of Indonesia's seriousness in developing the Islamic economy. For example, the role of the government, sharia institutions as well as the role of activists and practitioners of Islamic economics, and supported by the academic sector which is expected to improve the country's economic condition. Therefore, if all of these parties can synergize well, then the Islamic economy in Indonesia in the future will become an example and can become a state policy, which will then realize the goal of the Islamic economy itself, namely, the achievement of Maqashid Assyariah.

E. CONCLUSION

The practice of Islamic economics has room for development in a better direction on the one hand, facing a number of challenges on the other. The existence of Islamic economic institutions is a strong indication of the growth and development of an economic system based on sharia. The growth of this economic system does not grow in profit, but is based on the achievement of the benefits of the people in their economic practices. The reality of the nation as the largest Muslim country with the support of the dominant ummah, is an important capital in realizing economic practices based on Islamic values. Islamic values are the basis of economic practices that prioritize the achievement of the common good. However, the reality is that the knowledge of Muslims about Islamic economics is still low and the support of human resources has not been maximized is a challenge for the development and progress of Islamic economic practices.

Islamic economic practices can be an alternative for Muslims in running the wheels of their economy. The presence of Islamic economic institutions will be able to facilitate this unconventional economic practice. Similarly, the presence of study programs in various educational institutions will be able to maximise efforts to disseminate knowledge about this economic practice. This is then complemented by the growth of Sharia-based economic institutions such as halal tourism, Muslim fashion, pharmaceuticals, cosmetics and the social security sector which has also penetrated to various regions in Indonesia. In this case, an introduction to Islamic economic practices can run comprehensively because the channels used are no longer single. Thus, the practice of Islamic economic practice can be achieved so that the economic goal, namely sharia maqashid, can be enjoyed by all circles. It is in this context that Islamic economics benefits all levels of society with an economic system based on sharia principles.

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