



## Islamic entrepreneurship education in the era of disruption in indonesia

<sup>1</sup> Fadhlorrahman\*, <sup>2</sup> Muhammad Nurrosyid Huda Setiawan

Email: \*<sup>1</sup>fadhlorrahman@pai.uad.ac.id <sup>2</sup> nurrosyidhudasetiawan@unida.gontor.ac.id

<sup>1</sup> Faculty of Islamic Religion, Universitas Ahmad Dahlan, Indonesia

<sup>2</sup> Religious Studies, Universitas Islam Darussalam, Gontor

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### ABSTRACT

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The importance of Islamic entrepreneurship education in Indonesia, a country with a rapidly developing economy and large population, cannot be denied. Because entrepreneurship education is critical to economic growth, incorporating Islamic values into it can provide unique advantages. Islamic entrepreneurship education in Indonesia adapts to the era of disruption by incorporating technology and innovation into the curriculum. Although there is previous research on Islamic entrepreneurship and its potential impact on economic development, there is still a lack of research that focuses on Islamic entrepreneurship education in Indonesia, especially in the context of disruptive technology and business models. This research aims to bridge this knowledge gap by investigating the current state of Islamic entrepreneurship education in Indonesia and identifying potential areas for improvement. The method used is library research by searching for valid sources in both accredited national and international journals. The results of this research show that integrating Islamic values into entrepreneurship education can produce more sustainable and ethical business practices in Indonesia, especially in the context of disruptive technology and business models. The integration of technology and innovation into Islamic entrepreneurship education in Indonesia can produce a more competitive and dynamic entrepreneurial ecosystem. This study highlights the importance of Islamic entrepreneurship education in an era of disruption in Indonesia, emphasizing the need for a comprehensive approach to foster entrepreneurial skills and encourage sustainable business practices.

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### Introduction

In the current global socio-political situation, where rigid, extreme, and radical religious interpretations are widespread, the contribution of Indonesian postgraduate education, mainly Islamic higher education, has emerged and become a topic of serious discussion. In Indonesia's education world, it cannot be denied that Islamic education, including Islamic higher education, is not a new phenomenon. This situation has caused several international Islamic scholars to begin considering Islamic higher education in Indonesia as a potential alternative postgraduate education

system, including religious education and its content and methods of offering innovation and transformation. In today's global socio-political situation, when rigid, extreme, and radical religious interpretations are widespread and easy to find, the contribution of higher education, mainly Islamic higher education, must appear and become the subject of serious discussion. In the context of education in Indonesia, there is an undeniable fact that Islamic education, including Islamic higher education, is nothing new. The situation in Indonesia encourages international Islamic activists to consider Islamic higher education as an alternative for educational innovation and transformation in terms of materials and methodology. The key to Islamic higher education can contribute to realizing the welfare of humanity and the nation, especially the development of research that maps the weaknesses of the education system in Indonesia. Therefore, one thing that must be remembered is that the world academic community cannot wait any longer for solutions to cover these shortcomings, mainly because the development of religious and Islamic education in the Middle East, South Asia, and other regions of the Islamic world is not very promising for global prosperity and peace (M. Abdullah, 2017).

Islamic entrepreneurship education in Indonesia is an educational concept that integrates Islamic values with entrepreneurial learning (Khayati, 2018). In this aspect of entrepreneurship studies, we will discuss welfare. Islamic entrepreneurship education in Indonesia aims to produce a young generation with knowledge and entrepreneurship skills based on Islamic values. In Islamic entrepreneurship education in Indonesia, students are taught about business ethics through Islamic teachings, halal and blessed financial management, and an attitude of social responsibility in running a business.

Entrepreneurial management is not only in general education but also in Islamic boarding schools. Entrepreneurial management in Islamic boarding schools is one of the elements in education that can make the educational process successful and expedite the utilization of economic potential creatively and innovatively, systematically planned and evaluated correctly to achieve the expected goals. For example, it has been implemented at the Darul Fallah Bogor Agricultural Islamic boarding school. This Islamic boarding school is an educational institution that focuses on the self-development of its students in entrepreneurship to produce a generation with an independent spirit (Latifah & Rahmayanti, 2017).

The shift in national morals (Suwandi & Widodo, 2021) in Indonesia should be a concern in this modern era. Therefore, implementing character-based education is broader than the government's responsibility through formal education. However, the primary and first education is informal, namely the family, and non-formal education, namely the community. The nation's morals must be a concern because entrepreneurship should not develop while moral issues become obstacles. So entrepreneurship education and character education must go hand in hand. The

Islamic character is religious, honest, generous, caring about the environment, and having a social spirit.

## **Method**

The design of this research method is qualitative, which involves an in-depth examination of the literature on the topic discussed. The literature review for this research will focus on existing research on Islamic entrepreneurship education in Indonesia and the impact of disruption in this field. Data Analysis The collected data will be analyzed using thematic analysis to identify patterns and themes. Data validity by triangulating sources, not only looking for sources from national journals but also internationally accredited journals(Iman Gunawan, 2013).

## **Result and Discussion**

### **A. Islamic entrepreneurship education**

Islamic entrepreneurship education in the era of disruption in Indonesia is an emerging field that aims to develop entrepreneurial competencies, characteristics, and attitudes among Indonesian students. The development of entrepreneurial curriculum in Indonesian Islamic higher education is believed to change people's mindset, behavior, and attitude. The era of disruption in Indonesia is characterized by fundamental changes, fast-paced developments, and uncertainty, which have affected various aspects of life, including banking. Islamic social finance and entrepreneurship have been identified as potential opportunities for empowering society and community in Indonesia (Adinugraha et al., 2023). The characteristics of Islamic entrepreneurship, such as wisdom, trustworthiness, and honesty, have been found to have a positive impact on the performance of small and medium-sized businesses in Indonesia(Amalia & von Korflesch, 2021). Several studies have explored the impact of Islamic values and entrepreneurship education on Indonesian students' entrepreneurial intention(Fadilurrahman et al., 2021). However, the effectiveness of the entrepreneurship education program in Indonesia's higher education system has been questioned, and there is a need to develop an Islamic entrepreneurship education model that can effectively develop entrepreneurial competencies among Indonesian students(Wibowo et al., 2022).

Islamic entrepreneurship education plays a crucial role in the era of disruption(Musaad, 2023) in Indonesia. The term "disruption" refers to the rapid changes and advancements in technology and business models that are reshaping industries and societies. In this era, it is important to equip aspiring entrepreneurs with the necessary knowledge, skills, and values to navigate the challenges and opportunities presented by disruptive forces.

Islamic entrepreneurship education combines the principles of entrepreneurship with Islamic values, ethics, and principles. It promotes a holistic approach to entrepreneurship that takes

into account the ethical and social dimensions of business. Here are some key points regarding Islamic entrepreneurship education in the era of disruption in Indonesia: Ethics and Values (Iskandar, 2020), Innovation and Adaptability (Abdalla & Nakagawa, 2022), Sustainable and Responsible Business (Sedliačiková et al., 2021) (Villalonga, 2018), Technology and Digitalization (Persada & Sobandi, 2023), and Collaboration and Networking (Adongo & Kim, 2018).

Indonesia, the country with the largest Muslim population in the world, has a rapidly growing entrepreneurial scene. With a growing young population, a rapidly developing economy, and solid Islamic beliefs, Indonesia is fertile ground for the emergence of Islamic entrepreneurs. However, the era of disruption marked by rapid technological advances, globalization, and shifting consumer preferences presents new challenges and opportunities for Islamic entrepreneurship education.

Traditional Islamic entrepreneurship education often focuses on religious and ethical values like honesty, integrity, and social responsibility. While these values remain important, change requires a more comprehensive approach that equips Islamic scholars with the skills and knowledge to navigate the complexities of the modern business world.

The main focus areas of Islamic entrepreneurship education in the era of disruption include:

1. Digital literacy and technology adoption: As technology increasingly permeates all aspects of business, understanding digital tools and platforms is critical to achieving success. This includes e-commerce, social media marketing, and data analysis (Schin et al., 2023) (Nicolopoulou & Karatas-Ozkan, 2009).
2. Innovation and adaptability: The ability to identify and exploit new opportunities and adapt to changing market conditions is critical for entrepreneurs to thrive in a disruptive environment (Thandiwe Chisiri & Manzini, 2022) (Al Khuja & Björkqvist, 2023) (Sun & Kang, 2022).
3. Financial literacy and sustainable business practices: Understanding financial management, risk assessment, and responsible investment principles is essential to ensure the long-term sustainability of Islamic businesses (Babajide et al., 2023) (Hamdana et al., 2022).
4. Global mindset and intercultural awareness: Operating in a global world requires understanding different cultures and business practices (Smith & Webster, 2018).
5. Social entrepreneurship and community involvement (Neumeyer et al., 2021) (Ensar Mekić, Adis Maksić, 2020): Many Islamic entrepreneurs see their businesses as contributing to social good and meeting community needs (Li et al., 2022).

The Indonesian government has recognized the importance of Islamic entrepreneurship education and is investing in initiatives to support its development. There is increasing interest in Islamic entrepreneurship education from international institutions and organizations. The success

of Islamic entrepreneurship education will depend on collaboration between educators, the business world, and policymakers.

## **B. The Rise of Islamic Entrepreneurship in Indonesia**

Islamic entrepreneurship in Indonesia has a rich historical background. The islands have a long tradition of Islamic trade and commerce, dating back to the days of ancient kingdoms. Islamic principles such as fairness, justice, and ethical behavior have always been an integral part of Muslims' business practices in Indonesia.

Islamic finance plays a vital role in promoting Islamic entrepreneurship in Indonesia. Islamic banks and financial institutions fund and support entrepreneurs who adhere to Islamic principles. The prohibition of interest (*riba*) and emphasis on risk sharing (*mudarabah*) in Islamic finance align with entrepreneurial values, fostering a fairer and more sustainable business environment.

Recognizing the potential of Islamic entrepreneurship, the Indonesian government has taken steps to encourage its development. The Ministry of Religion has launched various programs and initiatives to foster entrepreneurial skills among the Muslim population. The initiative includes training programs, workshops, and the establishment of Islamic entrepreneurship centers nationwide.

Examples of innovative Islamic entrepreneurship education initiatives in Indonesia:

1. Indonesia Islamic Business School (IIBS): Offers MBA and undergraduate degree programs that integrate Islamic values and business principles with contemporary management practices.
2. Santripreneur Indonesia: Provides training and mentoring programs for young Islamic entrepreneurs, focusing on digital marketing, financial literacy, and business plan development.
3. Rumah Zakat: Empowering local communities through microfinance initiatives and entrepreneurship training programs aligned with Islamic principles.

## **C. Integrating Islamic Values with Entrepreneurship Skills in the Era of Disruption**

Islamic entrepreneurship education goes beyond conventional business education by incorporating Islamic values and ethics into the curriculum. It equips students with the necessary business skills while emphasizing the importance of social responsibility, ethical behavior, and sustainable practices. Individuals are prepared to create businesses that positively contribute to society by integrating Islamic values with entrepreneurial skills.

1. Foster Innovation and Adaptability

In this disruptive era, entrepreneurship requires individuals to be innovative and adaptable. Islamic entrepreneurship education encourages students to think creatively, identify

opportunities, and develop solutions that align with Islamic principles. By cultivating a mindset of innovation and adaptability, students are better prepared to face the challenges posed by technological advances and changing market dynamics.

## 2. Develop a Supportive Ecosystem

Islamic entrepreneurship education also focuses on developing a supportive ecosystem for entrepreneurship. This gives students access to mentors, industry experts, and networking opportunities, allowing them to build valuable connections and receive guidance throughout their entrepreneurial journey. This ecosystem increases the chances of success and encourages collaboration and knowledge sharing among entrepreneurs.

Islamic entrepreneurship education in Indonesia faces several challenges—awareness and understanding of Islamic entrepreneurship among the general public help its growth. Additionally, the need for a standardized curriculum and qualified educators challenges the quality of education provided. Furthermore, the perception that Islamic entrepreneurship is limited to specific sectors must be addressed to encourage entrepreneurship in various industries.

Despite the existing challenges, there are great opportunities for the growth of Islamic entrepreneurship education in Indonesia. The country's sizeable Muslim population provides enormous market potential for Islamic businesses. The increasing demand for Islamic financial products and services creates opportunities for entrepreneurs with expertise in this field. Moreover, government support and initiatives create a conducive environment for developing Islamic entrepreneurship education.

### Challenges and opportunities:

1. Balancing religious values with market realities: Ensuring Islamic businesses adhere to religious principles while remaining competitive in the market can be challenging.
2. Developing quality educators: More educators with Islamic knowledge and business skills are needed.
3. Access to funding and resources: Many aspiring Islamic entrepreneurs need the financial resources and networks needed to succeed.

The future of Islamic entrepreneurship education in Indonesia is bright. By embracing innovation, integrating technology, and cultivating a culture of lifelong learning, Indonesian Islamic entrepreneurs can play an essential role in shaping the country's economic and social development in an era of disruption.

## Conclusion

In conclusion, Islamic entrepreneurship education in the era of disruption in Indonesia offers a holistic approach to entrepreneurship that integrates Islamic values, ethics, and principles with the necessary entrepreneurial skills. It prepares aspiring entrepreneurs to navigate the

challenges and opportunities presented by disruptive forces while contributing to the development of a sustainable and ethical business ecosystem.

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