

Urgency of Islamic Economic System Implementation in Indonesian Banking

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Abstract : Indonesia is the country that uses conventional financial system adopted from European countries as a form of finance in the national banking system. Many of the derivative products of conventional banks either investment, buy and sell, saving and loan, which is not in accordance with Islamic Ethics. While the majority population in Indonesia are belief in Islam, which Islam has had financial management guide is written in the Quran, the Hadith, as well as the opinions of experts who strongly prohibits the use of interest in each transaction activities. Many different expert opinions on the application of the Islamic financial system in Indonesia. However, as the majority of the population of Indonesia, Islamic community have not been able to get the opportunities to choose the Islamic financial system that has mutual benefit between consumers and banks, particularly fairness in transactions, ethical investment, uphold the values of solidarity and brotherhood in every transaction activities, and avoid speculation. In this paper, we will discuss the reasons for the importance of providing an option for Islamic community as the majority of the population of Indonesia to use the banking system which adopted the Islamic ethical values that have been much discussed by other researchers in various countries. The existence of this research is expected to Government, academia and the general public aware of the urgency of Islamic economic system implementation in Indonesian banking as the solution and justice especially for the Islamic community to use the values which they held.

Keywords : Islamic economic system, conventional system, Islamic value, banking

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