

Conference Paper

The Effectiveness of Triple Cooperation among Government, Industry and University in Developing Student's Halal Investment Literacy: Case Study UIN Sumatera Utara Medan Indonesia

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Abstract

Indonesia has the largest Muslim population in the world right now. However, the users of halal investment in Indonesian Capital Market products and services in 2017 were still low. Therefore, there are some serious efforts to improve this situation, and one of them is triple cooperation among government, industry and university. This article explores the strategy of triple cooperation among Indonesian government, industry and university in developing students' literacy level at Halal investment, especially in Islamic capital market products and services. UIN Sumatera Utara Medan is one of the Indonesian Islamic University that has been involved in the triple cooperation program. UIN Sumatera Utara has operated Sharia Investment Gallery and has integrated halal investment products and services in the subject that must be taken by students in the Faculty Curriculum. This article used literacy-level questionnaires. The answer of the respondents then be interpreted with Guttman scale. This article proved that the level of student's halal investment literacy in general capital market products as well as halal capital market products are closer to correct literacy scale, that is, 85 percent at average after being exposed by the triple-cooperation strategy. This means that the triple-cooperation strategy among government, industry and university has positive impact toward the development of students' literacy on halal investment in Capital Market in Indonesia.

Keywords: triple cooperation strategy, awareness, halal investment

Received: 25 February 2018

Accepted: 26 May 2018

Published: 26 June 2018

Publishing services provided by
Knowledge E

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Selection and Peer-review under the responsibility of the ICIFEB Conference Committee.

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1. Introduction

Halal investments in capital market, in other words, in Indonesia are more known as Islamic Capital Market products and services. Islamic capital market in Indonesia has already achieved a number of developments, whether in the form of regulations, fatwa, products and services. Islamic capital market in Indonesia is not built separately from the state's capital market system. It is not using different mechanism for underwriting and trading system compared with conventional capital market. It is different from its conventional counterpart in the sense that the Islamic capital market is in compliance with Islamic teachings. None of the mechanisms and products of Islamic capital market must contradict with Islamic teachings. (Andri Soemitra, *The Future of Shariah Capital Market in Indonesia*, (Jakarta: Prenada Media Kencana, 2014), p. 112)

However, according to Indonesian Financial Services Authority, the halal investment users of Indonesian Capital Market products and services in 2017 were still at the level of 11.06 percent. (<http://ekonomi.metrotvnews.com/read/2017/01/24/647630/survei-2016-ojk-indeks-literasi-dan-inklusi-keuangan-masyarakat-alami-peningkatan>. Accessed at 24th March 2017) It means that from 100 Indonesians, only 8 people who used the products and services that are in conformity with Sharia. This is a signal that Indonesia still has problem with halal investment literacy in capital market products and services. This of course contradicts with the potential of Indonesia as the biggest Muslim population in the world. Halal investments that should be alternative for Muslims in Indonesia for investing their fund that comply with their Islamic belief are still far from the expectation. This indicates that there is a problem in people's literacy on halal investments in capital market products and services.

This study aims to explore the triple-cooperation strategy that has been taken by government, industry and university in developing students' awareness on halal investments in Indonesian capital market and study the students' literacy level after being exposed by the triple-cooperation strategy among government, industry and university through initiating Sharia Investment Gallery and capital market education in the University.

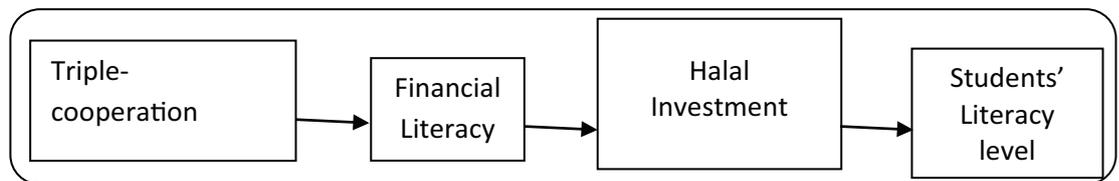
2. Literature Review

There is a scarcity in the studies of Islamic financial literacy in Indonesia, especially in Islamic Capital Market products. However, some literatures have promoted the importance of financial literacy toward the development of Islamic financial industry including in Islamic capital market products. Inutu Lukonga in his paper work argued that consumer protection and financial literacy are essential pillars of a the well-functioning and stable financial system. (Inutu Lukonga, Islamic Finance, Consumer Protection and Financial Stability, IMF Working Paper, Middle East and Central Asia, May 2015. The paper can be accessed at <https://www.imf.org/external/pubs/ft/wp/2015/wp15107.pdf>) Purnomo M. Antara, Rosidah Musa and Faridah Hassan argued that Halal Literacy and Islamic Financial Literacy are two crucial concepts where it can lead to the behavior of a person toward its decisions, especially in adopting Islamic financing. (Purnomo M. Antara, Rosidah Musa, and Faridah Hassan, "Bridging Islamic Financial Literacy and Halal Literacy: The Way Forward in Halal Ecosystem", *Procedia Economics and Finance*, Volume 37, 2016, Pages 196-202) Bünyamin Er and Mesut Mutlu argued that it is very important to know the relationship between Islamic financial literacy level of individuals with religious sensitivity for the purpose of increasing their financial inclusion. (Bünyamin Er and Mesut Mutlu, "Financial Inclusion and Islamic Finance: A Survey of Islamic Financial Literacy Index", *International Journal of Islamic Economics and Finance Studies*, Vol 3, No 2 (2017)) Nurul Afiqah and Ahmad Sabri concluded that the level of financial literacy is related to investment decision-making. The Millennials in Malaysia are highly literate in numeracy and not financially literate when it comes to inflation issues (they only possess basic financial literacy). (Nurul Afiqah Ahmad Sabri "The Relationship between the Level of Financial Literacy and Investment Decision-Making Millennials in Malaysia", *Taylor's Business Review*, Vol 6, August 2016) Siti Hafizah Abd. Rahim, Rosemaliza Ab. Rashid and Abu Bakar Hamed argued that Islamic financial literacy has been recognized as an important tool to increase inclusiveness. The results of their research showed that, specifically, religiosity was found to exhibit the highest variance followed by hopelessness and financial satisfaction. (Siti Hafizah Abd. Rahim, Rosemaliza Ab. Rashid, Abu Bakar Hamed, "Factor Analysis of Islamic Financial Literacy and Its Determinants: A Pilot Study", *The European Proceedings of Social and Behavioural Science*, International Soft Science Conference, 2016, eISSN: 2357-1330)

3. Methodology and Approach

Students’ literacy level on halal capital market products can be defined as students’ knowledge and understanding on halal investment in capital market products. This research aims to study the effectiveness of triple-cooperation strategy in increasing the students’ literacy level on capital market investment. During the academic year of 2016–2017, there were five TICMI classes in UIN SU Medan with 150 students getting involved at the program. These students studied capital market for 2 credit hours and got enrichment program in Sharia investment gallery. To answer the problem statement, this research has a framework design that can be simplified as follows.

TABLE 1: The framework research.



The students’ literacy level that has joined this triple-cooperation program was then tested using literacy-level questionnaires. There were 10 questions in the questionnaire that consisted of 5 main subjects on halal products in Indonesian capital market. The statement and the number of questions can be seen in Table 2.

TABLE 2: The questionnaire of the research.

Statement	Number of question
Literacy on general knowledge and understanding on investment in capital market	1,2
Literacy on halal stocks/shares	3,4
Literacy on halal bonds	5,6
Literacy on derivatives	7,8
Literacy on halal mutual funds	9,10

The interpretation of the data uses Guttman Scale. The questionnaires contain correct and incorrect answers. Correct answer is equal with 1 and incorrect answer is equal with 0. The answers will be presented in the table of frequency so that the score and the percentage of respondents which answer correct as well as incorrect answer can be seen. The average of the total correct and incorrect percentage score will be interpreted according to the percentage ratio scale as follows.

TABLE 3: The literacy level interpretation scale.

<i>X Score</i>	<i>Interpretation</i>
0%	Incorrect
10–49%	Closer to Incorrect
50%	Neutral
51–99%	Closer to Correct
100%	Correct

4. Findings and Results

4.1. Halal investment in Indonesian capital market

Halal investment in this study means the investment in the capital market products that comply with Sharia. It means that halal investments are products in the capital market that are free from elements that are prohibited in Islamic law. There are two major prohibitions in Islamic law to make sure something will be permissible (halal). *First*, the investment products must be free from prohibited ingredients such as wine, alcohol, pork, intoxicants, prostitutions, blood and animal that have died without ritual slaughter. *Second*, the capital market investment products must be free from prohibited investment and trading mechanisms such as riba-based trading (interest-based), *maysir* (gambling), *gharar* (uncertainty) and any other market manipulations from supply side as well as demand side. (Andri Soemitra, "Higher Objectives of Islamic Investment Products: Islamizing Indonesian Capital Market", *Studia Islamika*, Volume 23, Number 2, 2016, p. 247)

From those two aforementioned major prohibitions, halal investment in capital market can be defined as capital market products that are free from those two prohibitions, that is, free from prohibited ingredients and free from prohibited investment and trading mechanism. As long as the companies that issue the securities are free from producing prohibited elements products and services and the investment and trading mechanism are also free from riba, gharar, maysir and market manipulations, Muslim may invest their fund in these kinds of investment products in capital market. At this point, the role of Indonesian Financial Service Authority is to make sure that Muslim investors in Indonesia can get easy access to find halal investment products in the capital market.

The Indonesian Financial Service Authority does not operate Islamic capital market separately from its conventional counterpart like in Iran, Sudan and Pakistan. Indonesian capital market has designed parallel Sharia and conventional capital market. Both

markets operate in the same market with the same investment and trading mechanism. However, the different point between Sharia and its conventional counterpart is that Indonesian capital market regulator has cooperated with Indonesian Sharia Council to make sure that investors can identify products and mechanisms that comply with Sharia.

Indonesian halal investment in capital market has existed since July 3, 1997 marked with the launched of Daraneksa Syariah. Later on July 3, 2000, Indonesian Stock Exchange cooperated with Danareksa Investment Management and launched Jakarta Islamic Index. This index is expected to be an indicator for Indonesian Islamic stocks performance that can be used for halal investments that do not conflict with Islamic principles. Finally, Indonesian Capital Market was officially launched at March 14, 2003. In 2011, Indonesian Stock Exchange launched Indonesian Sharia Stock Index. (Andri Soemitra, *Sharia-Bank and Other Financial Institutions*, (Jakarta: Prenada Media Kencana, revised edition, 2016), p. 106-107. Andri Soemitra, *The Future of Shariah Capital Market in Indonesia*, p. 236-239.)

Since 2007, twice in a year—on May and November—Indonesian capital market regulator issues Sharia Securities List. Sharia securities list is a collection of securities that are not in contrary with Sharia principles in Capital Markets, which is endorsed by Indonesian Capital Market Regulator. This list contains the names of halal products investment in Indonesian Capital Market. Indonesian capital market regulator in issuing Sharia Securities List is performing selection and screening process toward the existing securities in Indonesian capital market.

Until 2016, there were 345 halal stocks in the Indonesian Sharia Securities List. According to Indonesian Financial Service Authority, halal investments that may be included in Sharia Securities List are: (Sharia Securities at <http://www.idx.co.id/en-us/home/productandservices/sharia/aboutsharia.aspx>. See also <http://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/daftar-efek-syariah/Default.aspx>. Accessed at 24th March 2017)

1. Islamic Government Securities issued by the Government of Indonesia.
2. Securities issued by the Issuer or Public Company stating that the business activities and management are based on Sharia principles, as stated in the Issuer or Public Company Charter.
3. Sukuk issued by the Issuer, including Islamic bonds already issued by the Issuer prior to the enactment of Indonesian Financial Service Authority regulation.
4. Share of Sharia Mutual Fund.

5. Participation Units of Collective Investment Contract of Sharia Mutual Fund.
6. Sharia Asset-backed Securities.
7. Share typed securities, including Islamic Pre-emptive Rights (ER) and the Islamic Warrants, issued by the Issuer or Public Company that does not state that the business activities and management are based on Sharia principles, as long as the company or Public Company:
 - (a) does not conduct the business activities as stated in item 1, letter b, of the Regulation No. IX.A.13;
 - i. gambling and games considered as gambling;
 - ii. trading prohibited according to Sharia, among other things are:
 - A. trading which is not followed by delivery of goods or services;
 - B. trading with false offer or demand;
 - iii. usury-based financial services, among others are:
 - A. interest-based banks;
 - B. interest-based finance company;
 - iv. risk trading involving uncertainty (*gharar*) and or gambling (*maysir*), such as conventional insurance;
 - v. producing, distributing, trading and/or providing, among others:
 - A. prohibited goods or services due to the raw material (*haram li-dzatihi*);
 - B. prohibited goods or services due to other than the raw material (*haram li-ghairihi*) determined by Indonesian Sharia Council;
 - C. goods or services impairing moral values and/or having harmful effects;
 - vi. conducting transactions which involve bribery (*risywah*).
 - (b) meets the financial ratios as follows:
 - i. the total of interest-based debt compared to total asset no more than 45 percent;
 - ii. total interest income and other illegitimate (non-halal) income compared to total operating revenue and other income no more than 10 percent.
8. Securities that meet Sharia principles in the Capital Market issued by International Organizations in which the Government of Indonesia is one of the members; and

9. Other sharia securities.

According to the latest data on Indonesian capital market products that comply with Sharia, the numbers of stock in Sharia Securities List in 2016 were 345 stocks. There are also a number of Sharia obligations (sukuk) that are 52 corporate sukuk, still at the market (outstanding corporate sukuk) until February 2017. Government sukuk until 2017 reached Government Retail Sukuk Number 009, which means that it has been 9 years since Indonesian Government has issued Sharia obligation. The numbers of mutual fund that complied with Sharia until February 2017 were 140 Sharia mutual fund that shares 9.58 percent of total mutual fund market in Indonesia. (See <http://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/daftar-efek-syariah/Default.aspx>.. Accessed at 24th March 2017)

According to Indonesian Capital Market Regulator, statistic of Sharia Stocks Development in Indonesian Capital Market can be seen as follows:

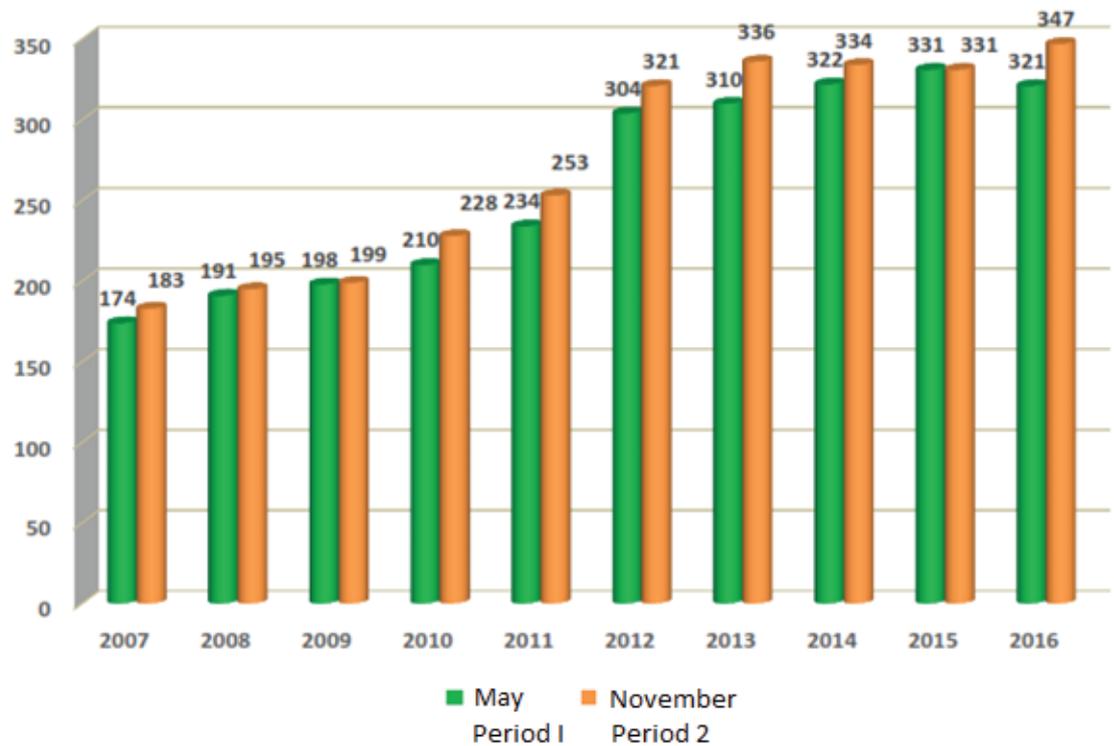


Figure 1: Statistics of Sharia Stocks Development. Source: Indonesian Financial Authority.

Statistics of Sharia Corporate Sukuk in Indonesian Capital Market can be seen as follows:

Statistics of Sharia Mutual Funds in Indonesian Capital Market can also be seen as follows:

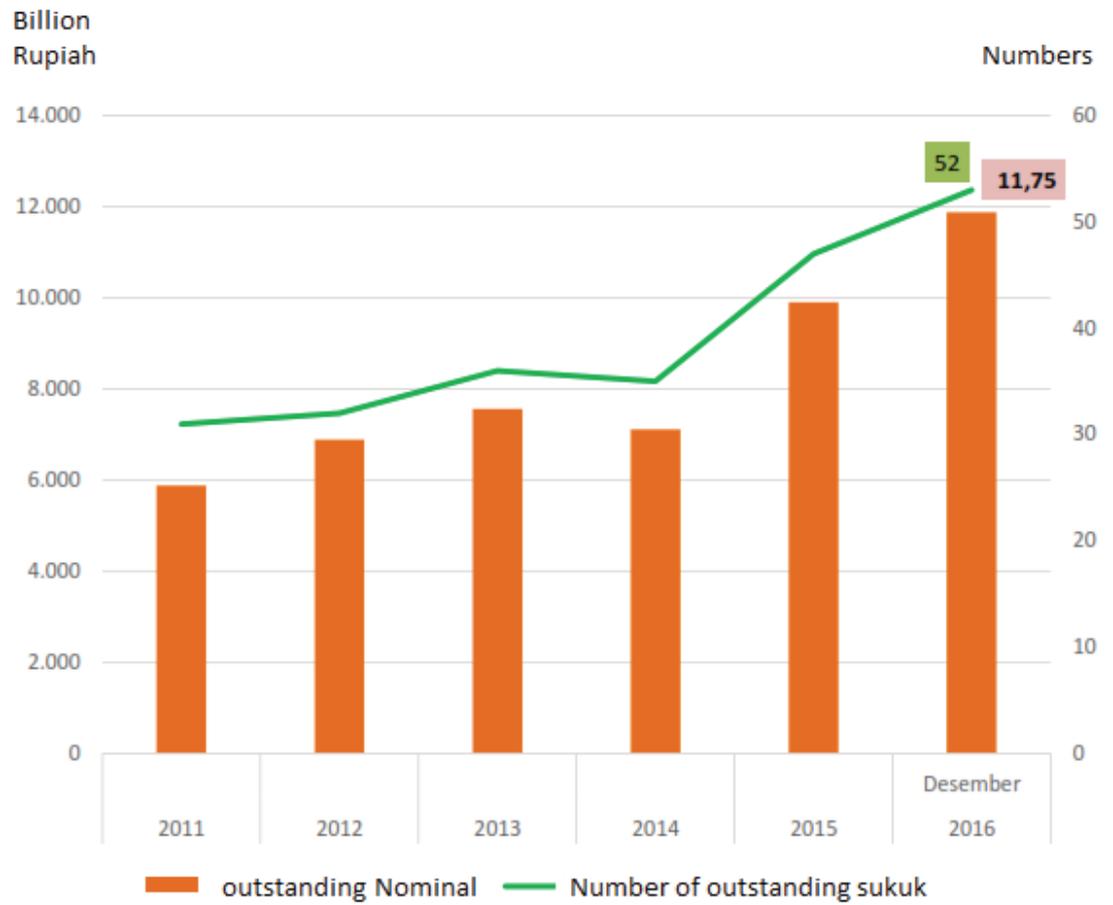


Figure 2: Statistic of Sharia Corporate Sukuk Development. Source: Indonesian Financial Authority.

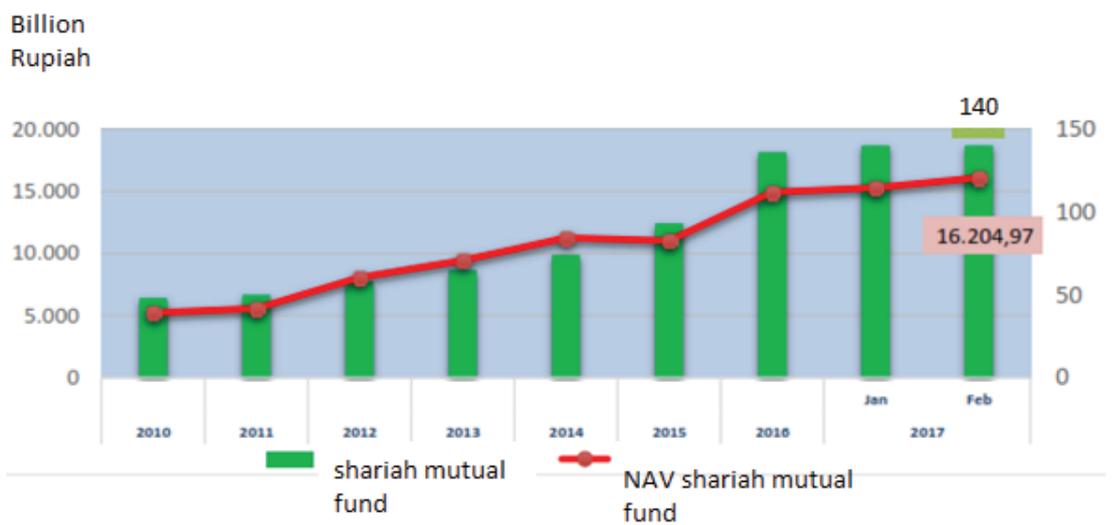


Figure 3: Statistic of Sharia Mutual Funds Development. Source: Indonesian Financial Authority.

According to National Survey of Literacy and Financial Inclusion, Indonesian Financial Services Authority released the literacy rate and the inclusion of Islamic capital markets are still very low. From a survey conducted in 2015, the Islamic capital market literacy rate is only 0.02 percent, while the inclusion level of 0.01 percent. (See <https://www.asia-first.com/newsletter/indonesia-stock-exchange-to-lure-more-sharia-investors.html>. Accessed at 24th March 2017) The number of halal investment product investors in Indonesian Capital Market at the beginning of 2016 was 4.257 investors and by the end of the year, it was almost 11.000 investors. However, this number is still lower if compared with its conventional counterpart that has 530.000 investors.

Based on this situation, the Indonesian capital regulator has set strategy to widen the number of halal investment products in Indonesian capital market. One of the strategies is through massive education and socialization by doing triple cooperation among government, industry and university.

4.2. Triple-co strategy among government, industry and university

The concept of triple-cooperation strategy among government, industry and university is taken from the policy that has been operated in Indonesia. The Indonesian Financial Service Authority has taken serious efforts to improve Indonesian people financial literacy. According to some national and international surveys, the level of Indonesian people's financial exclusion is quite high. Indonesian government through the Indonesian Financial Service Authority has set comprehensive strategy to improve inclusive finance level in Indonesia which is called Inclusive Finance National Strategy. This strategy consists of six pillars including financial education, public finance facility, mapping financial information, supporting rules and regulations, distribution channel and intermediation facility and consumer protection. (See http://sikapiuangmu.ojk.go.id/FrontEnd/images/FileDownload/184_OJK_NATIONAL%20STRATEGY%20FOR%20FINANCIAL%20LITERACY.pdf. See also <https://en.tempo.co/read/news/2017/01/25/056839476/OJK-Optimistic-to-Reach-Inclusive-Finance-Index-Target>. Accessed at 24th March 2017)

Focus on financial education, Indonesian government took this strategy as a policy to improve people's capability to manage money that starts with the improvement of people's understanding and awareness on financial products and services. The scope of this financial education strategy includes knowledge and awareness on various

financial products and services, knowledge and awareness on risk in terms of financial products and services, consumer protection and financial management skills.

One of the applications of this financial education strategy, government has also set triple cooperation that involves government, securities companies and university. This triple cooperation is being chosen because of some reasons including improving the number of investors in financial products and services, improving position and competence of financial products and services broker, and improving investors' trust. From the industry perspective, this triple-cooperation strategy is needed for marketing strategy and wider the investors input. People need to be given education on how they can invest their fund in the field of capital market products and services.

From the university perspective, the triple cooperation among government, industry and university gives opportunity for university to supply more professionals in capital market industry. University will also run the program at affordable prices. University has already had the human resources and infrastructure that support the education programs in capital market industry. The university can also get benefit from this cooperation in fulfilling the demands of the ministry of education policy on Diploma Supplement that should be issued by both the university and industry.

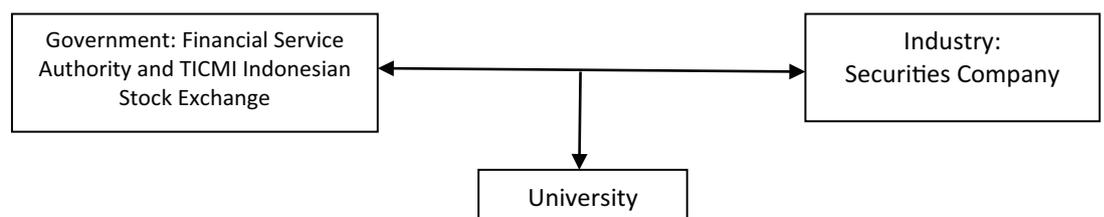


Figure 4: The triple-cooperation scheme processed by the author.

There are two types of cooperation application at the university level, that is, first, joint investment gallery between Indonesian Stock Exchange, Security Company and university; second, TICMI-certified program.

4.3. Investment gallery

Investment gallery is a three-party cooperation among Indonesian Stock Exchange (IDX), University and Securities Company IDX Member that does not only provide trading- and investment-activity information in the stock market as well as other capital market products and services but also plays the role of educating and socializing agent toward people that need to be informed as potential investors in Indonesian capital market. The Investment Gallery also provides opportunity for people who are

interested in having career in capital market industry. The investment Gallery can be perfect place to deepen knowledge and understanding on capital market industry. The gallery provides all publication in terms of capital market published by Indonesian capital market regulator including all the rules and regulations.

The investment gallery is expected to give more information about the benefit and the potential of investing in capital market industry, including the investment strategies and improvement of the level of awareness of the potential investor, particularly in the investment risk in capital market.

According to the regulator information, massive socialization and education that has been done so far has a positive impact in improving the number of capital market investors. There is 30 percent increase in the number of Indonesian investors in capital market in 2016 after the socialization and education program was released. Until March 2017, 251 Investment Galleries were built at university all around Indonesia and 17 of which are Sharia Investment Galleries.

There are some easy steps to open Investment Gallery at the university that can be simplified in the flowchart as follows:

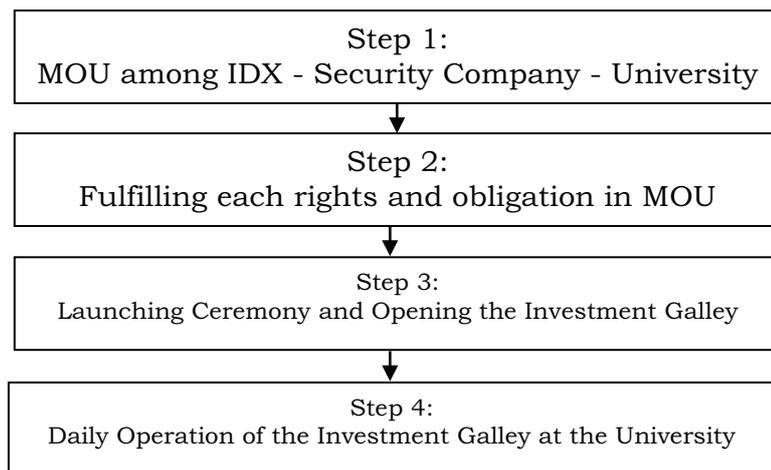


Figure 5: Steps to open Investment Gallery compiled by the author.

First Step: Signing the Memorandum of Understanding among Capital Market Regulator, Indonesian Stock Exchange, Securities Company IDX Member and the University. The MOU contains the agreement for these three parties to have specific cooperation to open Investment Gallery. There are some rights and obligations that must be fulfilled by each party, for instance, about the space, the equipment, the trading and investment software system, the programs and others.

Second Step: Each party must fulfill their rights and obligation in terms of opening the Investment Gallery. The Indonesian Stock Exchange plays a role as government

agent to set the socialization and education about Capital Market. IDX provides rules, regulations and also opens information channel to the gallery about Capital Market. The Securities Company member of IDX play role as capital market industry player. The Securities Company provides system, software and application for investment and trading mechanism. The University plays the role as the host of the gallery. The University provides space for the Investment Gallery and it will be open for public.

Third Step: After each party fulfills their obligations in terms with the opening of the Investment Gallery, the gallery can then be opened officially at the university by these three parties. The Investment Gallery generally is equipped with computer set for trading and investment practice under the securities company IDX member computer online trading and investment software system. The Investment Gallery is also generally equipped with TV set that plays IDX Channel.

Fourth Step: Daily operation of the Investment Gallery. Every day, the Investment Gallery is usually administered by an administrator that will manage the Investment Gallery's daily activities. The administrator will manage the business plan to operate daily activities of the gallery and open the gallery for public, not only for the university students. The prospect member of the Investment Gallery can apply to be the member of gallery. The prospect member will apply application in the securities company IDX Member that becomes the partner of the gallery in the cooperation.

4.4. TICMI certification program

TICMI Certification Program is a cooperation among Training Institute Capital Market Indonesia (TICMI) from Indonesian Stock Exchange (IDX) Regulator, Industry and University that have been involved in the Investment Gallery cooperation. TICMI Certification Program is education on Capital Market Program at the chosen University at a certain period. The program is expected to have Effect Securities Broker Agent as the output of the program.

According to the Main Director of TICMI Program, Mety Yusantiati, TICMI certification program is one of the most crucial instrument of Indonesian Stock Exchange to increase the number of Indonesian capital market investors. According to IDX regulator, the first step to increase the number of Indonesian capital market investors must begin from empowerment capital market broker position. In the context of supply and demand in the capital market trading and investment mechanism toward potential investors, the industry must provide competent professionals in capital market industry. This will improve the potential investors' trust and confidence toward capital market industry.

Higher education or university is of the best option channel for Indonesian capital market industry to improve the supply of capital market professionals.

TICMI IDX has a specific mission to improve Indonesian people’s knowledge on capital market, TICMI will also keep increasing the number of quality human resources and has sufficient knowledge and skill in capital market.

The process of TICMI Certification Program consists of four steps that can be simplified in the flowchart as follows:

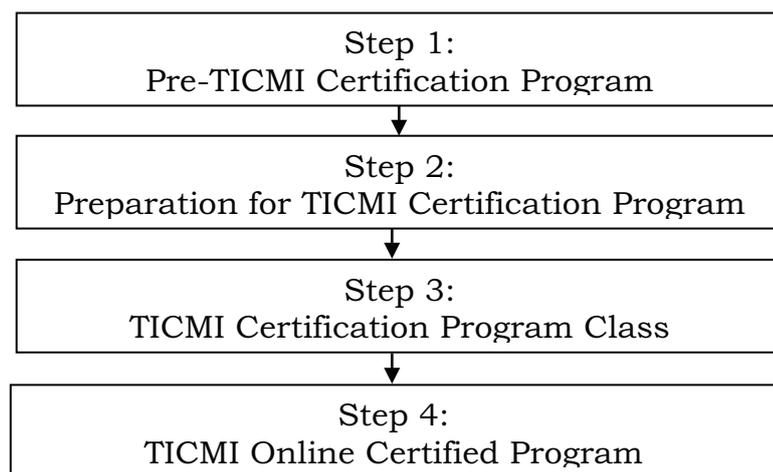


Figure 6: Steps for TICMI certification program compiled by the author. Sources: The Indonesian Capital Market Institute (TICMI).

First Step: Pre-TICMI Certification Program is a series of activities performed before the TICMI Certification can be operated at the university. At this step, TICMI and the University must have pre-agreement about the type of the cooperation. At this stage, the university must meet minimum requirement to join the cooperation program. First, the university is a state or private university in Indonesia and has been accredited A or B in one of these major, that is, Capital Market, Economics, Accounting, Management, Business, Banking, and Business Administration. Second, the university can choose one of the two options, that is, A.1. or A.2 and option B.1 to B.4. The options can be explained in the Table 4.

There is also a requirement of the student to be fulfilled for a regular class. The student must have passed certain subjects with a minimum B at subjects of introduction of economics, introduction of accounting, introduction of statistics, financial management and portfolio management (optional).

Second Step: Preparation for TICMI Certification Program is a step in which university and TICMI IDX sign Memorandum of Understanding to operate TICMI Certification

TABLE 4: TICMI Certification Options Program.

Regular (Option A.1 and A2)		Non-regular (Option B.1 and B4)	
A.1	Creating New Regular Subject on Capital Market	B.1	Giving Specific Addition Lecture on Capital Market (for instance, giving extra-curriculum)
A.2	Inserting the Materials on Capital Market in existing Regular Subject	B.2	Giving short course on Capital Market
		B.3	Giving General Lecture on Capital Market
		B.4	Other programs that are possible to be done based on University Policy.
	14 weeks @150 minutes or 3 credit hours.		32 hours or 4 class meeting

Sources: The Indonesian Capital Market Institute (TICMI)

Program. At this stage, TICMI IDX and university have agreed to operate certain type of the program.

Third Step: TICMI Certification Program Class is a series of steps in operating the program. The operation of the program class begins with using syllabus and materials from TICMI IDX in which the university opens a regular class with option A.1 and A.2. At the first year, the lecturer comes from TICMI IDX who will assist the university in running the program. At the second year, the lecturers from university are certified and are then ready to replace the lecturer from TICMI IDX to operate the TICMI Certification program. Eventually, at the third year, the university can operate the TICMI Certification program under its own program.

Fourth Step: TICMI Online Certification program is the final test in the program. The students that have taken A.1 or A.2 option can join online certification test to get certification for Securities Trader Broker Agent (passed 65% per module) or Investment Manager Agent (passed 60% per module) issued by TICMI IDX. This final test can also be converted to certain mark according to the university standard for final mark at the subject of capital market.

4.5. Students' literacy level on halal investment: Case study UIN Sumatera Utara Indonesia

UIN Sumatera Utara (State Islamic University of North Sumatera-Indonesia) is the seventh university that signed the Memorandum of Understanding (MOU) at TICMI Certification Program from about 30 prospects MOU among Government, industry,

and university in 2017. UIN Sumatera Utara is the first Sharia Investment Gallery in North Sumatera. Sharia Investment Gallery in UIN North Sumatera is the 19th Sharia Investment Gallery in Indonesia and the 247th Investment Gallery in Indonesia. (See <http://keuangansyariah.mysharing.co/bei-resmikan-galeri-investasi-syariah-di-uin-sumatera-utara/>. Accessed at 5th April 2017)

The answer of the students' level on Halal Investment questionnaire can be seen in Table 5.

TABLE 5: Total score of the answer frequency on halal investment literacy.

Questions	Correct	%	Incorrect	%	Total
1	110	82%	24	18%	134
2	121	90%	13	10%	134
3	117	87%	17	13%	134
4	120	90%	14	10%	134
5	106	79%	28	21%	134
6	115	86%	19	14%	134
7	98	73%	36	27%	134
8	101	75%	33	25%	134
9	126	94%	8	6%	134
10	122	91%	12	9%	134
Mean	113,6	85%	20,4	15%	

Source: Processed by the author.

From the total score in Table 5, the answers of the respondents are at the point of 85 percent. According to the interpretation table, the position of the total score is at the scale of 51-99 percent, that is, closer to Correct. It can be said that the level of the students' literacy on Halal Investment in Indonesian Capital Market is closer to correct. It means that most of the students that have already joined the triple co-strategy program have closer to correct literacy on halal investment in Capital Market.

4.6. Students' literacy on general knowledge and understanding on investment in capital market.

Capital market is a part of a financial system concerned with raising capital by dealing in shares, bonds and other long-term investments. Capital market is also a necessity for Muslim society in modern area. Capital market provides another option for Muslim investors to invest their fund besides investment in real sector or any other financial investment sectors that comply with Islamic belief. Therefore, nowadays, besides providing conventional investment instruments, capital market also provides

halal investment products for Muslim society. Halal investment products in capital market by definition is capital market products that comply with Islamic ethical teachings. The students' literacy level on general knowledge and understanding on investment in Table 6 shows that the financial literacy level for general knowledge on capital market is quite high, where 110 students or 82 percent from 134 students gave correct answer, and for general knowledge on Sharia capital market is also quite high, where 121 students or 90 percent of 134 students gave correct answer.

TABLE 6: Respondents' answer frequency on general knowledge and understanding on investment in capital market.

Questions	Correct		Incorrect		Total
	Amount	%	Amount	%	100%
The capital market is a market for various long-term financial instruments that can NOT be traded, whether debt, equity (stock), derivative instruments or other instruments.	110	82%	24	18%	134
Sharia capital market is a capital market separate from the national capital market	121	90%	13	10%	134

Source: Processed by the author.

4.7. Students' literacy on halal stocks/shares

Financial transaction under Islamic law implies direct participation in asset performance which constitutes entrepreneurial investments that assigns to financiers clearly identifiable rights and obligations for which they are entitled to receive commensurate return in the form of state-contingent performance. Islamic law does not object to the payment for the use of an asset as long as both lender and borrower share the investment risk together and profits are not guaranteed ex ante but accrue only if the investment itself yields income. (Andreas A. Jobst, "Derivatives in Islamic Finance", Islamic Capital Markets: Product, Regulations & Development, 2008, Jeddah: Islamic Research and Training Institute, Islamic Development Bank Group dan Muamalat Institute, p. 98.)

Shares or stocks are units of ownership interest in a corporation or financial asset that provide for an equal distribution in any profits, if any declared, in the form of dividends. Halal shares are any share that complies with Sharia teaching and does not conduct the business activities that conflict with Islamic teachings such as gambling, pork and alcohol beverages. This is called Sharia compliance. An investor in the share

capital of a company becomes technically a part owner of the company, and therefore responsible for its internal structuring as well. For Muslim investors, they may not invest in the company that contradicts with the Sharia compliance. The students' literacy level on halal stocks in Table 7 shows that the financial literacy level on stocks in general is quite high, where 117 students or 87 percent of 134 students gave correct answer, and also for Sharia share, it is quite high, where 120 students or 89 percent from 134 students gave correct answer.

TABLE 7: Respondents' answer frequency on halal stocks/shares.

Questions	Correct		Incorrect		Total 100%
	Amount	%	Amount	%	
Advantages of buying stocks are dividends, interest-coupons rate and capital gains.	117	87%	17	13%	134
Sharia Shares are capital market products derived from Companies/Issuers that expressly mention themselves in memorandum and article of association as Sharia Companies.	120	89%	14	11%	134

Source: Processed by the author

4.8. Students' literacy on halal bonds

A *bond* is a contractual debt obligation of the issuer to pay to bondholders, on certain specified dates, interest and principal. Halal bonds are structured in such a way as to generate returns to investors without infringing Islamic law (that prohibits *riba* or interest). Sharia-compliant bond is called Sukuk that is defined by the AAOIFI as securities of equal denomination representing individual ownership interests in a portfolio of eligible existing or future assets. The students' literacy level on halal bonds in Table 8 shows that the financial literacy level on bonds in general is quite high, where 106 students or 79 percent from 134 students gave correct answer, and also for halal bonds, it is quite high, where 115 students or 85 percent from 134 students gave correct answer.

4.9. Students' literacy on derivatives

A derivative is a contract that derives its value from the performance of an underlying entity. The development of derivative market in emerging market plays a special

TABLE 8: Respondents' answer frequency on halal bonds.

Questions	Correct		Incorrect		Total 100%
	Amount	%	Amount	%	
Bonds are classified as fixed-price investments with variable and fixed dividend values.	106	79%	28	21%	134
Sukuk is a Sharia Bond that uses an instrument that promises a fixed profit without requiring underlying asset or underlying transaction because it is purely a debt.	115	85%	19	15%	134

Source: Processed by the author.

role as financial instruments to manage market, credit and interest-rate risk in largely underdeveloped local capital markets. Derivatives in general are financial contracts whose inherent value derives from, and exists by reference to, a pre-determined payoff structure of securities, interest rates, commodities, credit risk, foreign exchange or any other tradable assets, indices thereof and/or baskets of any combination of the aforementioned with varied maturities. (Andreas A. Jobst, "Derivatives in Islamic Finance", 98) Despite their importance for financial-sector development, derivatives are still few and limited in development. In Indonesian capital market, there are some halal derivative products including rights issue and Sharia warrant. Based on the survey, Table 9 shows that the financial literacy level on halal derivative is quite high, where 98 students or 73 percent from 134 students gave correct answer, and also for general knowledge on Sharia capital market, it is quite high, where 101 students or 75 percent from 134 students gave correct answer.

TABLE 9: Respondents' answer frequency on derivative products.

Questions	Correct		Incorrect		Total 100%
	Amount	%	Amount	%	
Derivative products are very risky instruments if not used very carefully.	98	73%	36	27%	134
There are no derivative products in Sharia capital market.	101	75%	33	25%	134

Source: Processed by the author

4.10. Students’ literacy on halal mutual funds

A mutual fund is an investment vehicle made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. According to the survey in Table 10, the financial literacy level on general knowledge on mutual funds in capital market is quite high, where 126 students or 94 percent from 134 students gave correct answer, and also for their financial literacy on Sharia mutual fund, it is quite high, where 122 students or 91 percent from 134 students gave correct answer.

TABLE 10: Respondents’ answer frequency on halal mutual funds.

Questions	Correct		Incorrect		Total
	Amount	%	Amount	%	100%
Every mutual fund company has an investment manager.	126	94%	8	6%	134
Sharia Mutual Fund is a place to invest in mutual fund companies that have obligation to have an investment manager who understands Sharia products in capital market.	122	91%	12	9%	134

Source: Processed by the author

5. Conclusion

Triple-cooperation strategy is a specific strategy that has been taken by Indonesian capital market regulator. Triple cooperation involve Indonesian Stock Exchange regulator, Industry and University. This research showed that the Triple cooperation has been success to develop and improve university students’ literacy on capital market and its products in general. Related to Halal products in Indonesian capital market, the regulator has also set Triple cooperation in Sharia Investment Gallery. This research has also showed that the Triple cooperation through Sharia Investment Gallery has been success to develop and improve university students’ literacy on halal products in Indonesian Capital Market. This research has supported the role of Triple cooperation strategy in increasing financial literacy in Capital market products in Indonesia.

Acknowledgement

This Paper has been presented at the 1st Islamic Halal Management Conference 17-18 August 2017 organized by Universiti Sains Islam Malaysia and Sejong University, Korea

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