

Academic Capitalism in Southeast Asia: Lessons from Islamic Universities in Indonesia

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Abstract

Indonesia's demographic potential has fueled increasing demand for higher education, creating opportunities for private universities to address gaps left by public institutions. Many private universities in Indonesia, particularly Islamic institutions, integrate religious values as a core identity while navigating the pressures of academic capitalism. This research investigated how academic capitalism reshapes Islamic universities, compelling them to balance their religious values with global market demands and aspirations for world-class status. This research explored the strategies Islamic universities adopt to navigate these challenges by employing qualitative methods. The findings identify two dominant responses: a pragmatic model, which prioritizes global rankings and revenue generation as indicators of institutional success, and an idealistic model, which integrates rankings cautiously while emphasizing the preservation of Islamic values. These models reflect the diverse ways institutions reconcile external pressures with their missions. Despite challenges, Islamic universities demonstrate resilience, crafting strategies to balance their educational mission with the demands of globalization. The research emphasizes the need for context-sensitive approaches that align global frameworks with local religious and cultural values, offering insights into the evolving landscape of higher education in Southeast Asia. This balance underscores the critical role of identity and values in shaping the future of Islamic higher education.

Keywords: academic capitalism, Islamic university, Indonesia

Introduction

Higher education institutions have experienced rapid changes in global and regional markets, where the development of universities' role has increased by providing better education opportunities. This trend is not surprising given the rapid growth of the global economy since the 1950s, accompanied by the emergence of a burgeoning middle-class society. Southeast Asia is home to over 655 million people, with a significant portion (nearly 60%) under the age of 35, making the region one of the most demographically youthful globally (Statista Research Department, 2024). However, higher education enrollment rates remain relatively low, with only about 40% of the relevant age group enrolling in the region's tertiary education (UNESCO, 2021). This condition creates a significant untapped market for higher education, particularly in Indonesia, where Islamic values and institutions are gaining traction (UNESCO, 2021; Indonesian Ministry of Religious Affairs, 2023). Concurrently, the surging demand for higher education has spurred the proliferation of both public and private universities, aiming to meet the growing needs of students. This surge is evident in the region's sheer number of higher education institutions, which currently stand at around 7,000 (Lau, 2021). As such, the higher education sector in Southeast Asia is witnessing rapid expansion and transformation, driven by the convergence of demographic trends and increasing demand for educational opportunities.

The abundance of higher education institutions underscores the need to establish strong differentiation to stand out in the crowded landscape. Steiner et al. (2013) outline two crucial dimensions: organizational identity and symbolic identity. Organizational identity pertains to internal values and culture within the institution, shaping its trajectory for future development. This aspect reflects the core ethos and principles guiding the institution's operations, influencing decision-making processes and strategic initiatives. On the other hand, symbolic identity focuses more on aesthetic impressions and external perceptions, pivotal in enhancing the institution's overall reputation. Both dimensions of identity shape the university's image, subsequently impacting its societal reputation. Many higher education institutions prioritize specific values over others, strategically emphasizing them to cultivate a distinct identity and carve out a niche in the competitive higher education landscape.

As a rapidly developing region, Southeast Asia is witnessing the emergence of this phenomenon. Islam, the predominant religion in the area, has become one of the most favored values not only embraced by universities but also sought after by young scholars and families seeking to reinforce Islamic principles while pursuing higher education. This trend is particularly captured in Indonesia, home to the largest Muslim community globally. Indonesia is a country where not only is the younger generation increasingly conscious of religious values as a market, but there's also a noticeable increase in the number of universities prioritizing Islamic values as their core principle and promotional tool.

The forces of globalization have also amplified the commercialization of higher education, a phenomenon described as academic capitalism by Slaughter and Leslie (1997). In this context, universities are increasingly pressured to generate revenue through industry partnerships, tuition fees, and external grants. Islamic universities, traditionally focused on

religious and educational values, now find themselves engaging in global competition to enhance their rankings and secure funding, often at the cost of their academic integrity and mission (Slaughter & Rhoades, 2004; Jessop, 2018). This transition reflects broader global trends where universities, particularly in the Global South, are required to reconcile their core values with the market-oriented demands of the knowledge economy (Welch, 2019).

As of today, more than 1,000 Islamic universities are in Indonesia. There are 29 Public Islamic Universities, 24 Public institutes of Islamic Religion, and 5 Public Higher Schools of Islamic Religion (Ramadhani, 2023). On top of that, there are also 997 Islamic-based private universities, out of 2,982 private universities across Indonesia. These numbers show how lucrative religious values are in the higher education market, which manages to acquire around 1.5 million students for whole Islamic-based private universities (Menegaskan Peran Perguruan Tinggi Islam Swasta, 2023). On the other hand, there are also challenges to ensure that Islamic values are embedded in the education practice within Islamic universities when they also need to adjust themselves to the Anglo-Saxon model of the world-class university, where universities are getting more pressure to prioritize revenue-generating activities over their core research and educational purposes (Sam & van der Sijde, 2014).

Islamic universities in Indonesia face significant challenges as they attempt to align themselves with the hegemonic Anglo-Saxon model of world-class universities. This model prioritizes research output, global rankings, and revenue-generating activities, often at the expense of local educational values and religious identities. Moreover, this model forces universities into competition for capital, pushing them to focus on performance metrics that may undermine their traditional academic and moral missions (Slaughter & Leslie, 2001; Marginson, 2016).

This research aims to explore how Islamic universities navigate the prevailing challenges, particularly in safeguarding their values amidst the pervasive influence of the hegemonic Anglo-Saxon model of the world-class university. It will scrutinize the strategies employed by Islamic universities to preserve their distinct identity and ethos in the face of globalization and the homogenizing forces of academic capitalism. Therefore, this research questions how academic capitalism reshapes private Islamic universities in Indonesia, and what strategies these institutions employ to maintain their religious identity and values while competing in the global higher education market. By examining these institutions' responses, this research sheds light on the resilience and adaptability of Islamic higher education in Indonesia, which is one of the biggest populations and markets for higher education in Southeast Asia amid the evolving landscape of higher education.

Literature Review

Education is an important part of developing one's knowledge and capabilities. Many invested more capital in education than ever before. This investment is due not merely to the need to get a higher degree of education to expand their knowledge but more to the requirement for better opportunities in the professional world. In line with the rising global

economy, there is also rising demand for higher education services across the globe. This trend led to a rising number of higher education institutions that are trying to grasp the opportunity.

Since academic business also deals with markets, education institutions become more capitalized and struggle to keep their academic value and integrity. On the one hand, universities and faculties are bound to maintain their intellectual integrity by giving more access to education while pushing for knowledge development through class or even research activities. However, to achieve those goals, they need capital to fund those activities.

This research is grounded in the concept of academic capitalism. The concept is defined by Slaughter and Leslie (1997) as the process by which higher education institutions become market-driven entities, prioritizing revenue generation, competition, and global visibility over traditional educational and scientific missions. In this framework, universities engage in capitalist practices such as research commercialization, corporate partnerships, and rankings competition. While rooted in religious values, Islamic universities in Indonesia face the challenge of integrating these market-driven dynamics while maintaining their educational and cultural missions. This study applies academic capitalism to analyze the tension between these competing demands. Slaughter and Leslie (2001) further describe that academic capitalism happens since universities or faculties need to enter competition for getting capital for their funding, whether from external grants and contracts, endowment funds, university-industry partnerships, institutional investment in professors' spin-off companies, students' tuition and fees, or other revenue-generating activities.

The trend of academic capitalism is derived from capital-based relations in society. Jessop (2018) describes three major sources of academic capitalism. The first comes from the influence of the knowledge-based economy paradigm, which pushes views on how research and education should be able to fulfill the industry's demands. Education should provide needed skills in the labor market and economic activities so it can provide knowledge transfer and human capital needed for capital accumulation in the market. The second source is the rise of finance-dominated economic regimes that push for-profit research and education services. It is possible since there are rising neoliberalism practices throughout society, which also affect the academic industry in maintaining and funding academic activities within the universities or faculties. Lastly, the third source is the declining public funding of the education sector by state managers. It often happens due to monetary crisis or the need to prioritize other issues over education. In order for education institutions to survive, one way that could be explored is by capitalizing the academic activities so the institution could stay afloat and grow its research and education activities as well (Jessop, 2018).

Based on those arguments, academic capitalism becomes unavoidable in the education sector, especially in higher education. The increasing demand for education to provide human resources for economic growth and the lack of sufficient public funds to maintain sustainable research and education activities has led to the capitalization of education. Increasingly, higher education institutions are capitalizing on their education service to fund their activities and ensure their steady growth to keep them relevant to market demand.

As the higher education market becomes more competitive, an increasing number of higher education institutions have begun to develop their unique values. Some develop their unique advantages in expanding for-profit activities, such as establishing start-up companies or utilizing laboratories to develop commercial products as academic support activities. There are also those who turn to the path of selling or licensing patents from their research results. Some also put more weight on student tuition fees for institutional operations. (Rhoades & Slaughter, 1997).

Academic capitalism is increasingly difficult to ignore when looking deeper into the structure of educational institutions. The higher education industry is considered labor-intensive since more than 70% of its expenditure would be on personnel costs. Since the academic profession is less likely to be interchangeable with machines or other technology, it would never be as efficient as other industries unless it is followed by lowering its employees' revenue or limiting its research and education activities' funding (Rhoades & Slaughter, 1997). In the end, academic capitalism is the new norm, especially in higher education institutions, whether public or private, which comes from its characteristics and the constant high demand which preserves its practice.

Reflecting on this phenomenon, there are strong relations between the continuity of the educational industry and the need to ensure its sustainable income-generating capacity. On the one hand, it is necessary to ensure that the education process can produce high-quality graduates who can implement and develop knowledge based on what they studied. It is important to keep this idealism to maintain knowledge development. However, there is also a dire need to keep financial input flowing steadily to fully support educational activities.

These facts then affect the practice of education in universities, which pushes them to fulfill market demands rather than expanding knowledge independently. It is worsened by the fact that since education level is becoming standard in the job-seeking market, universities tend to be seen as institutions that produce graduation certificates rather than knowledge-based ones. The higher education industry model with a massive labor force and high maintenance also shapes staff and lecturers to focus more on developing their income-generating prowess rather than genuine knowledge-driven

Higher education institutions are prone to external pressure. Stensaker (2015) explains that universities are becoming more exposed to the external dimension, which makes them more intertwined with state, industry, and labor markets. This condition is because not only do higher education institutions have a responsibility to give back to society from its knowledge development, but also how they could still be relevant for actors within the society (Stensaker, 2015). It shows that universities, as higher education institutions, cannot keep their idealism. However, they must also embrace the capitalist practice within the higher education business to survive and thrive.

In pursuing those goals, Stensaker (2015) also explained the need for identity to strengthen the university's value within society. Like Steiner et al. (2013), he agreed that identity would define the reputation shaped by the institution. He also explained that internal and external factors shape identity itself. Within the institution, identity is important for

keeping integration and interpreting where it should develop. However, on the other hand, the identity itself could also be used to build up the university's image and push innovation within its focused values (Stensaker, 2015). It is a key factor to not only keep a solid voice and perspectives inside the organization but also could be used for luring external stakeholders to partner with the university, whether on becoming students who see the similar value, industries who see the potential of collaboration, or the state who see similar stance.

To conclude, academic capitalism is a common phenomenon within the higher education industry. The need to develop knowledge has been scaled back, and the focus on monetizing academic activities has improved. As universities are becoming money makers, there is also the need to increase their competitiveness within the market. Therefore, a strong identity is needed to ensure that they can develop a distinguished reputation that would attract stakeholders to collaborate with them, from prospective students who pursue degrees for their professional needs to industries that could use laboratories and other university resources to improve their capacity.

Research Method

This research is based on the qualitative research method. Qualitative research method can help understand the dynamics and complexity of social issues. Moreover, qualitative research gathers data from in-depth interviews of individuals and small groups, systematic behavior observation, and analysis of documentary data (Darlington & Scott, 2002). This research employs a qualitative research methodology to explore the phenomenon of academic capitalism in Islamic universities in Indonesia. "Data were collected through in-depth interviews with key stakeholders and representatives from private Islamic higher education institutions in Indonesia." These interviews aim to capture the complex dynamics and challenges that private Islamic higher education institutions face under academic capitalism. Additionally, the research incorporates an extensive literature review of relevant academic works to provide a comprehensive understanding of the issues at hand. The qualitative approach is chosen to allow for a deep, contextual analysis of the participants' experiences and the institutions' strategies.

Analysis

Academic Capitalism in Indonesia

Globalization has profoundly impacted higher education governance, particularly in developing regions like Southeast Asia. As Marginson (2016) notes, globalization has ushered in a system dominated by American and Anglo-Saxon university models, where the pursuit of world-class status often sidelines local values and educational objectives. This governance shift has introduced a market-driven approach to education, forcing universities to compete in a globalized knowledge economy for prestige and resources (Mittelman, 2016). Universities

in Indonesia, including Islamic institutions, now face the challenge of balancing these global expectations with their mission to maintain religious and cultural identity.

Indonesia's increasingly stringent policies that bolster market mechanisms across various economic sectors are also evident within the educational domain. A notable manifestation of this trend is the transformation of numerous public universities into Indonesia State-Owned Legal Entity (BHMN). This transition grants universities greater autonomy in managing their organizational affairs, empowering them to make decisions such as opening or closing less-productive departments and exploring additional for-profit activities to sustain their operations independently (Singgih et al., 2022). Consequently, there has been a noticeable shift towards more capital-oriented policies governing university organization within Indonesia.

Meanwhile, it is essential to acknowledge the significant presence of private universities and other higher education institutions operating throughout Indonesia. With 2,990 private higher education institutions across the country, compared to 125 public universities (Badan Pusat Statistik, n.d.), it becomes evident that Indonesia faces a shortage of public higher education institutions to ensure broader access to higher education. This substantial gap is subsequently filled by the proliferation of private institutions, underscoring the competitiveness of the higher education market in Indonesia.

Given the intense competition within the national higher education market, universities are exploring various strategies to thrive and distinguish themselves. One such strategy involves developing strong brand awareness among prospective students. Brand awareness can be cultivated by emphasizing the university's core values, whether rooted in religion, ideology, or the institution's track record of successful alumni. By strategically highlighting these attributes, universities aim to enhance their brand loyalty among students and alumni, consequently generating positive word-of-mouth promotion within society. This, in turn, shapes the perceptions of prospective students and elevates their expectations of the institution they choose to attend (Pramudyo, 2018). Another way universities can enhance their competitiveness is by bolstering their reputation through favorable rankings provided by various ranking standards. Commonly utilized rankings include those issued by the Ministry of Research and Higher Education of Indonesia, Webometrics, and QS World Star. Achieving favorable rankings enhances the university's brand equity and augments its overall competitiveness within the higher education landscape (Sari & Suyanto, 2021). By strategically leveraging these rankings, universities can effectively position themselves as reputable institutions of choice among prospective students and stakeholders.

Even though the focus on achieving accreditation and rankings looks ideal, the fact says otherwise. Of thousands of higher education institutions in Indonesia, only 103 institutions are accredited A or *Unggul* (Excellent) by the government of Indonesia. The rest are accredited as *Baik Sekali* (Very Good), B or *Baik* (Good), C or *Cukup* (Adequate) (Badan Akreditasi Nasional Perguruan Tinggi n.d.). This accreditation does not mean that universities with accreditation less than A or *Unggul* will be abandoned by the stakeholders. However, they are seen as higher education institutions that are not at their optimum capability. Those

universities that get accredited less than A still could maintain their operations and gain steady student registration annually while maintaining continuous collaboration with industries and partners.

In contrast, many universities in Indonesia are strategically located in areas with a high concentration of stakeholders. More than 25% of higher education institutions are spread across five provinces in Java island. Among these, West Java boasts the highest number, with nearly 400 institutions, while even Yogyakarta province, with the fewest institutions, still hosts over 100 higher education institutions (Annur, 2022). This geographical concentration is not solely a result of political factors, such as Indonesia's capital being located in Java. Instead, it aligns with the demographic landscape of Indonesia, where Java stands as the most densely populated region. This demographic density translates into a sizable market. Moreover, the robust infrastructure within Java attracts investments from various industries and draws individuals from other regions, further augmenting its population. Consequently, Java plays a dominant role in Indonesia's economy, contributing over 50% to the national GDP (Yolandha, 2022). In the education sector, establishing higher education institutions on Java presents a rational choice for many, ensuring the sustainability of their operations within a thriving market environment.

Ensuring the possibility of growth is also a concern for many universities in Indonesia. In 2022, more than 3,400 new departments got permits to open from universities across Indonesia (Badan Akreditasi Nasional Perguruan Tinggi, 2022). It shows that there are demands from industries for the skills needed or prospective students for new studies needed for their future careers. On the other hand, the rising number of universities changes their identity to ensure that they could grow. One of the examples is how the Academy of Computer and Informatics Amikom Indonesia (STMIK Amikom) changed their status to university so it is possible for them to open up new departments outside the former identity, such as economics and international relations (Dedy, 2017).

From these observations, it becomes apparent that higher education institutions in Indonesia are increasingly operating as academic capitalist entities. This assertion is supported by the evidence that illustrates a significant disparity between the demand for higher education services nationwide and the uneven distribution of universities across Indonesia. Instead of ensuring equitable access to education, universities often prioritize areas with higher market demand, strategically positioning themselves to maximize profitability. This trend is further exemplified by the shift in institutional identity, where universities may adapt their branding and offerings to enhance their presence in the education market. This includes the universities' central branding theme based on accreditation and ranking rather than their core values to attract more students as the source of income for the institution. In essence, the overarching focus on market dynamics and profit maximization underscores the transformation of higher education institutions in Indonesia into entities driven by academic capitalism principles.

Political Economy of University Rankings in Indonesia

While the preceding section sheds light on how academic capitalism has drawn higher education institutions into cutthroat competition and a downward spiral, this section delves into how academic capitalism manifests in Indonesia in the form of university rankings. Over time, discussions surrounding university rankings have elicited a spectrum of responses from Indonesian universities. Notably, the growing recognition of the importance of university rankings began to emerge in the late 2010s, coinciding with trends such as the Webometrics University Rankings. This ranking system, updated biannually, has prompted numerous Indonesian universities to undertake initiatives to improve their standings within these rankings.

The motivations driving universities to participate actively in these ranking systems are diverse and multifaceted, varying from one institution to another. Some institutions may pursue improvements in rankings as an instrument to enhance their international reputation and attract a wider pool of students and faculty. Others might view it as a strategic maneuver to secure funding or governmental support. Additionally, for universities looking to improve their research output or global visibility, achieving a higher ranking will validate their academic standing and pave the way for partnerships with leading institutions worldwide.

Figure 1 illustrates several key driving forces compelling Indonesian universities to engage with ranking systems. These forces encompass a spectrum of factors, ranging from institutional aspirations for global recognition and competitiveness to pragmatic considerations related to funding and resource allocation. By dissecting these motivations, this research aims to provide a comprehensive understanding of the intricate interplay between academic capitalism and the pursuit of institutional excellence in Indonesia's higher education landscape. Thus, it contributes to the ongoing discourse on the subject.

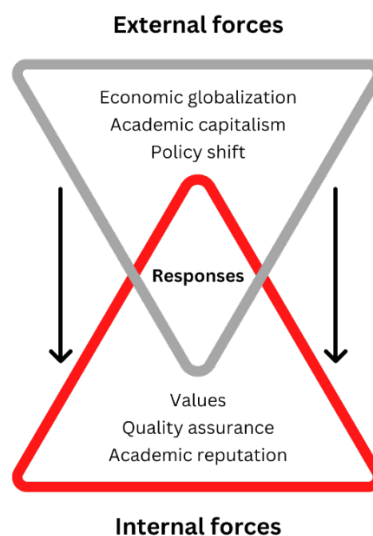


Figure 1. Driving Forces Behind Indonesian Universities' Participation in University Rankings

It is important to note that the responses of Indonesia's universities to university rankings are deeply influenced by the interplay of external and internal factors. External factors play a significant role, encompassing three main motives. First, economic globalization necessitates higher education institutions to expand their roles beyond the academics. As globalization increasingly emphasizes the quest for world-class products and services across all industries, higher education institutions have been compelled to reassess their positions and adapt accordingly. While globalization facilitates interconnectedness among people, businesses, and markets, it also catalyzes aspirations for social, economic, and political transformation. However, it is important to recognize the spillover effects of economic globalization. In particular, economic globalization has posed challenges to notions of history, national identity, and the preservation of spatial sovereignty, while simultaneously influencing the pace of temporal changes (Appadurai, 2020).

Within the Indonesian context, globalization has often led higher education sectors to adopt a perspective that looks predominantly toward the North. The economic advancements associated with globalization, primarily from Western countries, have inspired Indonesia to embrace teaching and research methodologies characteristic of Anglo-Saxon universities as benchmarks. Since the 1990s, many higher education institutions in Indonesia have transformed to align with global standards and address global challenges (Salahuddin, 2017; Sari, 2016).

Second, it is noteworthy that globalization's facilitation of capital mobility has led to intriguing developments within the higher education sector, contributing to the proliferation of academic capitalism. Higher education, particularly in developed economies, has emerged as one of the most lucrative service sectors in recent decades. This trend is characterized by the establishment of new universities driven by profit-seeking motives, with some even enjoying backing from multinational corporations. A similar trend is observed in Indonesia, with a growing number of fast-growing universities receiving funding from domestic billionaires or state-owned enterprises. Several of these rapidly ascending universities have garnered significant attention, demonstrating marked improvements in academic performance and rankings over the past decade.

This phenomenon underscores the transformative impact of capital mobility on the higher education landscape as entrepreneurial ventures and investments reshape the sector's dynamics. The emergence of profit-driven universities and the influx of capital from diverse sources reflect a paradigm shift in the perception of higher education as not merely a public good but also a lucrative investment opportunity. Consequently, this dynamic interplay between globalization, capital mobility, and academic capitalism reshapes the higher education landscape in Indonesia, presenting both opportunities and challenges for institutions seeking to navigate this evolving landscape.

Lastly, the influences of economic globalization and academic capitalism have led to a notable shift in governmental policies. It is to foster greater global adaptability within the higher education sector. Recognizing the pivotal role of higher education institutions in enhancing national innovation globally, governments have begun to prioritize measures that

align with global standards. Criteria such as world-class research output, global mobility, patents, and industry linkages have become instrumental in assessing the quality of universities.

In Indonesia, the government embraces world university rankings as a key tool for evaluating higher education institutions. For instance, the QS World University Rankings is regarded as a benchmark by the Indonesian government, which aims to propel its top public universities into the top 100 rankings. This strategic preference signifies a significant policy shift over the past decade, transitioning from focusing solely on internal quality assurance to emphasizing the development of a world-class university. Moreover, the Indonesian government has actively supported students' global mobility through generous scholarship provisions. These scholarships enable undergraduate students from Indonesian universities to pursue study abroad experiences at the world's top 100 universities. This initiative reflects the government's commitment to nurturing a globally competitive workforce equipped with diverse perspectives and experiences, thereby enhancing Indonesia's standing in the global knowledge economy.

These three motives are the external driving factors compelling Indonesian universities to engage with university rankings. However, these external factors intersect with internal factors within the universities, which encompass three distinct motives: values, quality assurance, and the imperative to enhance academic reputation.

First, Indonesian universities are established with diverse values. Some institutions are established with the explicit purpose of increasing national competitiveness, while others have been nurtured as institutions rooted in religious values. In a broader context, the governance typologies of Indonesian universities also align with existing categorizations, encompassing state-centered, market-oriented, academic self-governance, and hybrid models that combine elements of the first three approaches (Jarvis & Mok, 2019).

Second, the evolution of internal quality assurance within Indonesian universities reflects a significant shift in policy focus. While governmental directives emphasize internal quality assurance as a priority in the early 2000s, its integration into the fabric of university policies and practices has become more pronounced in recent years. This shift underscores a growing recognition among universities of the importance of self-regulation and continuous improvement processes to enhance educational standards and institutional effectiveness. The establishment of dedicated quality assurance units within universities serves as a tangible manifestation of this shift. These units play a pivotal role in providing conceptual frameworks and practical guidance to various departments and units within the university. By offering expertise and support, quality assurance units enable institutions to systematically evaluate and enhance the quality of their teaching, research, and services. Thus, it fosters an environment conducive to academic excellence and student success.

Moreover, the responsibilities of these quality assurance units often extend beyond internal processes to encompass compliance with national accreditation criteria. In aligning with governmental standards, universities strive to meet regulatory requirements and demonstrate their commitment to delivering high-quality education that meets established

benchmarks. Thus, the integration of internal quality assurance practices within Indonesian universities reflects a multifaceted approach aimed at ensuring accountability, fostering continuous improvement, and upholding the reputation of higher education institutions within the national and international spheres.

Third, the imperative to enhance universities' academic reputation is also driven, in part, by internal forces responding to world university rankings. With over 4,500 higher education institutions scattered across the archipelago, many aspire to achieve the esteemed status of world-class universities. The urgency for improvement is evident, underscored by universities' deliberate efforts to expand their global outreach. This includes initiatives to enhance research quality, facilitate student and faculty mobility, and amplify community engagement efforts.

In this context, university rankings serve as a potent metric akin to a new currency, shaping the strategies and priorities of institutions nationwide. Aware of the importance of these rankings as a benchmark of excellence, universities are increasingly investing to position themselves favorably in global rankings. Achieving higher rankings enhances an institution's prestige and serves as a gateway to fostering partnerships with overseas universities. The pursuit of improved academic reputation through rankings-driven initiatives underscores universities' aspirations to elevate their standing on the global stage. Indonesia's universities actively seek to enhance their international visibility and relevance by embracing actions aimed at improving research output, facilitating knowledge exchange through student and faculty mobility programs, and engaging in impactful community service efforts. In doing so, they seek to utilize university rankings as an instrument to establish collaborative partnerships and enhance their contribution to the global knowledge

Considering this scenario, it is prudent to consider that the convergence of driving forces propelling Indonesian universities' involvement in university rankings may overshadow the internal forces within these institutions. The pursuit of rankings has increasingly become a policy imperative for many universities, often at the expense of deeper values and a steadfast commitment to quality assurance. Consequently, academic reputation has been reduced to a pragmatic perspective, primarily focused on meeting ranking criteria and metrics.

Furthermore, the prominence of world university rankings has steered the governance of Indonesian universities towards a singular typology: the market-oriented model. As universities prioritize strategies to improve their rankings and align with global standards, there is a discernible shift towards governance practices that prioritize market competitiveness and performance metrics over other considerations.

This shift raises concerns about the potential erosion of core values and the diminishing emphasis on quality assurance within Indonesian universities. As institutions become increasingly fixated on climbing the ranks, there is a risk of overlooking broader educational objectives and losing sight of the intrinsic value of academic pursuits. Therefore, while participation in university rankings may offer opportunities for global recognition and

collaboration, it is essential to maintain a balanced approach that upholds the integrity of higher education institutions and safeguards their mission to serve society's broader needs.

Rankings: Lessons from Islamic Universities in Indonesia

In the context of the prospective market, Islamic universities in Indonesia held a unique position in serving the nation, owing to the demographic landscape where more than 80% of the population identifies as Muslim. This demographic profile underscores the significant role of identity in shaping the preferences of prospective students and their parents when selecting institutions for higher education. Consequently, Islamic universities benefit from having a strong foundation that allows academic capitalism to thrive.

In recent years, many Islamic universities in Indonesia have exhibited a heightened interest in participating in world university rankings. This trend reflects a strategic response to the evolving landscape of higher education, where global recognition and competitiveness play increasingly pivotal roles. In Indonesian context, Islamic universities' governance typologies can be broadly categorized into state-centered, market-oriented, and academic self-governance models.

Comprehensive research on this subject reveals that Islamic universities employ two distinct models in their approach to university rankings: pragmatic and idealistic. These models are shaped by various factors, including institutional priorities, resources, and strategic objectives. This research adopts a multifaceted approach incorporating qualitative measures to gain insights into the perspectives of Islamic universities in Indonesia regarding world rankings. By analyzing responses and policy views, this research delineates the underlying motivations and strategies adopted by Islamic universities in navigating the complexities of global rankings and enhancing their institutional profiles on the international stage.

Table 1 Views of Islamic Universities in Indonesia towards World University Rankings.

	Pragmatic model	Idealistic model
<i>Responses</i>	<ol style="list-style-type: none"> 1. Rankings as a social capital to boost up students' admissions through promotional materials. 2. Rankings' methodology determines the criteria for faculty members' performance assessments. 	<ol style="list-style-type: none"> 1. Rankings' as one of indicators to measure performance. Critical views towards metric based systems. 2. Rankings' methodology does not determine the criteria for faculty members' performance assessments.
<i>Policy views</i>	<ol style="list-style-type: none"> 1. Rankings as the final aim and instrument to boost up reputation at the international level. 2. Rankings' methodology is an absolute approach, universities must adapt to meet criteria. 	<ol style="list-style-type: none"> 1. Rankings as the result of internal quality assurance and deliberate commitment for continuous improvement. 2. Rankings' methodology should be treated with a cautious approach and should not neglect the values of the universities.

Table 1 shows the responses of Islamic universities in Indonesia towards world university rankings, which exhibit a spectrum of approaches. Within the pragmatic model, it is evident that this cohort of universities adopts reactive strategies in response to rankings. Global university rankings, such as QS and Webometrics, have become integral to higher education institutions worldwide, including Indonesia. These rankings help increase student enrollment and enhance institutional prestige on the global stage. Many Islamic universities have adopted these rankings as a tool for legitimacy, using them in promotional materials to attract prospective students (Sari & Suyanto, 2021; Indonesian Ministry of Research, Technology, and Higher Education, 2023)

As Welch (2019) argues, these rankings reflect the influence of global capital flows and the commodification of knowledge, positioning universities in a competitive, market-driven environment. While rooted in religious education, Islamic universities must now adapt to these global pressures, striving for improved rankings to attract students and secure funding. This shift can sometimes result in the prioritization of measurable outputs, such as research publications, over the preservation of core values (Goglio, 2016; Stack, 2021).

Moreover, it is noteworthy that this group of universities utilizes the methodologies employed by rankings to delineate assessment criteria for faculty members. Incentive structures within these institutions are often aligned with the weightage assigned to criteria in ranking methodologies. However, few universities are willing to critically review the methodologies underpinning university rankings. Despite potential methodological biases and philosophical concerns, the pursuit of rankings persists undeterred in the pursuit of perceived quality standards. Consequently, this policy orientation has engendered a transformation in the intrinsic motivations of faculty members, rendering them more materialistic and susceptible to external influences, particularly those associated with financial incentives (Fathana & Rachman, 2022). This shift underscores the complex interplay between institutional policies, external benchmarks, and individual motivations within the academic ecosystem of Islamic universities in Indonesia.

This condition shows how these Islamic universities focus more on capital-driven strategy than their fundamental value to gain more profit. Ranking is seen not as a way to enhance the practice of its value but rather as a tool to boost student enrollment. Their willingness to align themselves with accreditation and ranking regimes without internal measurement on maintaining their core value also weakens their stance on holding the core Islamic value that once became the reason of the university's establishment.

Furthermore, Islamic universities in Indonesia face increasing pressure to adopt corporate-style management, focusing on revenue generation and global competitiveness. However, this approach can conflict with their mission of delivering value-based education. As F. Wahid (personal communication, November, 18, 2023) warns, this trap will unknowingly shift the mindset of universities, viewing them as corporations that provide research and teaching services rather than institutions focused on the scholarly pursuit of higher education. This 'trap' of neoliberalism can shift universities away from their scientific

and educational focus toward functioning as service providers, ultimately compromising their core values and mission.

On the flip side, it is noteworthy that the second group of universities adopts a contrasting approach towards university rankings. This idealistic model regards rankings as one of several indicators to measure university performance. Within this framework, there is a prevailing skepticism towards metric-based systems while still acknowledging the significance of university rankings. Moreover, this model contends that despite the plethora of methodologies and criteria, rankings often reflect a homogenized approach akin to what some scholars call *Harvardometers*. These rankings measure parameters heavily influenced by the Anglo-Saxon-style elite research university model, with Harvard University in the United States serving as the quintessential archetype (Goglio, 2016; Stack, 2021). In contrast to the pragmatic model, the idealistic model of universities does not advocate for using ranking methodologies in faculty members' performance assessments. This stance underscores a commitment to uphold academic integrity and resist the potential homogenization of academic standards driven by rankings-oriented approaches.

The contrasting difference between the pragmatic and idealistic model of Islamic universities in Indonesia in responding to world university rankings is also apparent in their policy views. This research reveals that the pragmatic model of Islamic universities perceives rankings as the ultimate benchmark of quality assurance, emphasizing the importance of enhancing global reputation. Moreover, this model views ranking methodologies as unquestionable, leading universities to conform to meet the established criteria. This perspective aligns with findings from other studies, which suggest that universities may be tempted to engage in data fabrication and manipulation to secure inclusion in rankings lists (Balatsky & Ekimova, 2012; Dearden et al., 2019). The allure of achieving higher rankings can incentivize institutions to prioritize short-term gains over long-term integrity, potentially compromising the credibility of academic standards.

In contrast, the idealistic model of Islamic universities adopts a more critical stance towards rankings, recognizing the limitations and biases inherent in ranking methodologies. Rather than viewing rankings as the sole arbiter of quality, this model emphasizes a broader and more nuanced understanding of academic excellence, encompassing other factors beyond those captured by rankings. Overall, the divergent policy views between the pragmatic and idealistic models underscore the complex interplay between institutional objectives, ethical considerations, and the pursuit of global recognition within the academic landscape of Islamic universities in Indonesia.

However, the findings of this research have also indicated that the idealistic model adopts a more tempered perspective towards rankings. Rankings are perceived as an outcome of internal quality assurance processes and a deliberate commitment to continuous improvement. This model emphasizes the importance of considering the specificity of each university when assessing their performance, recognizing that there is no one-size-fits-all methodology for university rankings. This specificity encompasses various dimensions, including space-based factors, time-based considerations, and discipline-based specificity

(Nemec et al., 2020). As such, the idealistic model approaches rankings methodologies with caution, recognizing the need to contextualize rankings within universities' broader mission and values. Rather than viewing rankings as the ultimate measure of success, this model places greater emphasis on intrinsic qualities such as academic excellence, institutional mission, and societal impact. By prioritizing these qualities, universities can maintain a sense of integrity and purpose, ensuring that ranking is a tool for improvement rather than an end.

The idealistic model shows the acknowledgment of accreditation and ranking as one of measurement to ensure continuous improvement, while also maintaining the core Islamic values of the university. It manages to find a balance between the need to fulfill the income-generating sector, especially in attracting new students, while also strongly maintaining the core value of the institution by contextualizing rankings not as the ultimate goal but rather as the impact of continuous improvement on holding the core Islamic values for perfecting the academic practices.

Conclusions

This research has explored how academic capitalism has reshaped Islamic higher education institutions in Indonesia, transforming them into aspiring world-class universities while upholding their values. By examining the responses of Indonesian universities to university rankings, this research has uncovered the nuanced interplay between external and internal forces shaping their strategies. Through careful observation of private and state-owned Islamic universities, two distinct models have emerged: pragmatic and idealistic. These models reflect varying approaches toward university rankings, with the pragmatic model prioritizing rankings as quality assurance indicators and the idealistic model taking a more critical and nuanced stance.

This research shed light on the complex dynamics within Islamic universities in Indonesia by measuring university responses to rankings and examining their policy views. Despite the pervasive influence of academic capitalism through rankings, these institutions have demonstrated deliberate approaches to navigating the landscape. Some adopt practical strategies to enhance global reputation, while others maintain a cautious and idealistic outlook, prioritizing internal quality assurance and values alignment. In essence, Islamic universities in Indonesia actively engage with the challenges posed by academic capitalism, leveraging rankings as tools for improvement while remaining steadfast in their commitment to uphold their values and mission. By embracing diverse approaches tailored to their unique contexts, these institutions are poised to navigate the evolving landscape of higher education with resilience and integrity.

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