

Islamic Financial Product Literacy in the New Normal Era

Devy M. Puspitasari¹, Eristy M. Utami², Lia Amaliwiati³

¹Fakultas Ekonomi dan Bisnis, Universitas Mercu Buana

²Fakultas Ekonomi dan Bisnis, Universitas Widyatama

³Fakultas Ekonomi dan Bisnis, Universitas Widyatama

Email: ¹devy.mawarnie@mercubuana.ac.id, ²eristy.minda@widyatama.ac.id,
³lia.amaliwiati@widyatama.ac.id

Abstract

Starting from the health crisis, the Covid-19 pandemic has had a domino effect on social, economic and financial aspects. The economy experienced a slowdown in line with the decline in people's purchasing power due to decreased income, no income and economic activity. Various efforts were made by the government to restore the national economy by adopting comprehensive fiscal and monetary policies. The government also allocates APBN funds for economic recovery up to Rp. 695.2 Trillion. The economic recovery began to grow from the banking sector with assets of 15.6% (yoy) in May 2021 until the Islamic capital market recorded 9.3% investor growth in the first quarter of 2021. Understanding of Islamic banking products in the community that is not yet optimal requires socialization of understanding of banking products Sharia in the new normal era. It is hoped that through socialization it can increase public literacy to accelerate economic recovery through Islamic financial products. Partners of this community service activity are Widyatama University students, Bandung. The flow of this community service activity consists of 3 stages starting from problem identification, implementation of activities, and evaluation of implementation. The results of this activity show that partners have increased understanding of Islamic financial products and there is a desire to make Sharia products their financial instrument.

Keywords: Sharia, Literation, Finance

INTRODUCTION

In the transition period towards the New Normal, the government continues to strive to be productive for economic movements, including the Sharia economy (Amaliwiati et al., 2021). In order to support the National Economic Recovery in the future, all financial service actors are deemed necessary to continue various efforts and policies that encourage the resilience and competitiveness of Islamic finance (Batubara and Tambunan, 2022). Therefore, the development of sharia finance and economy needs to be strengthened, among

others through institutional strengthening, synergy and collaboration with various parties, encouraging the strengthening of sharia financial infrastructure, including through digitization of products and services of sharia financial institutions, development of sharia economic and financial ecosystems, and increase awareness of business actors and the public towards the Islamic economy and finance (Rokhmawati, 2022). The contribution of Islamic finance to post-pandemic economic recovery is first, increasing support for MSMEs. This is because Islamic finance can offer a variety of features and instruments

that are more innovative and in accordance with the needs of MSMEs. Second, increasing financial inclusion through the use of digital technology. Third, special instruments in Islamic finance such as zakat, waqf, infaq, and sadaqah and takaful (sharia insurance) can be used as instruments to protect vulnerable groups of people. And lastly, the support of Islamic financial instruments in the recovery of the green economy by facilitating and channeling capital for green investment (Ertiyant and Latifah, 2022).

Islamic finance is believed to be one of the instruments that play an important role in supporting economic recovery programs and reducing poverty through community business/economic empowerment (Ikit, 2015). This is because Islamic finance provides a way, framework, which regulates assets and transactions based on the principles of fairness and sincerity. All of this can be seen from the fair risk financing mechanism in Islamic financing as well as the social presence of Islamic finance such as zakat, waqf, and infaq (Supriyadi and Ismawati, 2020).

Sharia bank funding products have four different types, namely: 1. Current accounts, with the principle of wadi'ah or qardh; 2. Savings, with the principle of wadi'ah, qardh, or mudharabah; 3. Deposits/Investments, with the mudharabah principle; and 4. Bonds/Sukuk, with the principle of mudharabah, ijarah, and others (Diana, 2022). Products from Islamic financial institutions are almost the same as conventional products, but have different principles or contracts. In this case, Islamic banks do so not with the principle of interest (usury), but with principles that are in accordance with Islamic law, especially

wadi'ah (deposit), qardh (loans), mudharabah (profit sharing), and ijarah (lease). . These products can certainly be an attractive investment alternative that is halal for the community (Muliawati and Khoiruddin, 2015).

Entering the new normal phase, banks cannot use the old way of doing business, including providing services to customers. As academics, we must move to educate the public about the development of the Islamic finance industry, especially regarding sharia investment products that are starting to adapt to the new normal situation. Therefore, it is necessary to have a scientific vehicle to increase public literacy of sharia products as an attractive investment option in the new normal era. This step in educating the community is a form of community service to improve financial literacy, especially Islamic financial products (Utami and Puspitasari, 2021).

IMPLEMENTATION METHOD

The target of this community service activity is 220 Widyatama University students consisting of undergraduate and postgraduate students. The selection of these respondents is an effort to increase literacy regarding developing Islamic banking products, especially after the establishment of Bank Syariah Indonesia (BSI) and the presence of the Islamic capital market in Indonesia. In addition, the audience is generation Z who needs financial literacy and financial management experience to improve their ability to plan for their financial future (Utami et al., 2022). It is hoped that respondents as academics can redistribute the insights they have gained so that they can provide a multiplier effect for economic recovery and growth, especially in the Islamic financial services industry.

The flow of the method of community service uses the following stages: pre-community service, implementation and post-community service. The processes in this service activity are:

1. **Counseling:** Socialization is the right way to convey information to the public to increase Islamic financial literacy skills. To optimize the activities and results of socialization and literacy, presentation materials from resource persons regarding Islamic bank products were given to all participants.
2. **Implementation:** at the implementation stage, informing the procedures for financial calculations for Sharia products and the components included in the calculation, especially margins.
3. **Guidance and consulting:** consultation dialogue accompanied by guidance to help solve obstacles or problems encountered by participants.
4. **Program Evaluation:** the final assessment of the activity is carried out measuring the achievement of the community service program. The success of this program is a significant understanding of Islamic financial product literacy and the desire to choose Islamic financial products as financial asset instruments.

RESULTS AND DISCUSSION

The implementation of this community service activity takes three stages as follows:

1. **Conseling:** this activity was carried out on December 17, 2021, aimed at mapping the focus of the problem. By conducting a pre-test to students who have taken courses in the financial services industry. The results of the problem mapping show that there is still a lack of financial literacy in Islamic financial products. Temporary suspicion, this is the reason why there are not many customers in Islamic banking or not many investors who play in the Indonesian Islamic capital market.
2. **Implementation:** service activities carried out for Widyatama University students follow the stages of all activities designed by the organizer or community service team starting from counseling, implementation, guidance and consultation.

It started with the singing of the anthem Indonesia Raya, followed by the opening of a webinar by the Head of LP2M Widyatama University. The first speaker, Mr. Andy Sukma, Area Micro & Pawning Manager, Bank Syariah Indonesia (BSI), provided insight into Islamic banking products, especially gold investment. The presentation is presented in a language that is easy for the webinar participants to accept. The provision of material is arranged systematically so that it can be easily understood and time can be used more efficiently.

3. **Guidance and Consulting:** In the guidance and consulting session was provided on the contract process and Islamic banking products starting from the introduction of Islamic finance concepts, contract theory, Sharia contract design and the calculation of thirdparty funds and financing. In

addition, the participants of the webinar were given examples of implementation cases for the calculation of profit sharing for Islamic banking. In the guidance and consultation session, participants are provided with information services that can be contacted to start investing in Islamic finance after the webinar.

4. Program Evaluation: In the next community service plan, continuous communication lines will be established with banks for financing programs in the short and long term and the Islamic capital market for usury-free investment options.

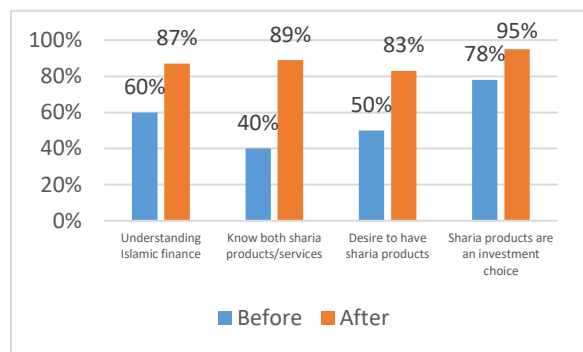


Figure 1. Conditions Before and After Socialization

CONCLUSIONS AND RECOMMENDATIONS

Counseling activities to improve literacy and implementation of Islamic financial products carried out for webinar participants have been carried out as expected. This can be seen from the increase in participants' knowledge about Islamic finance before and after the extension activities. Positive response from the

participants with several questions and discussions related to Islamic finance. Participants testified that this webinar provided an in-depth understanding of Islamic finance and opened up the desire to start choosing Islamic finance as an investment option. The lack of literacy regarding Islamic finance has made some of the webinar participants not yet choose Sharia products as their investment choice. This is certainly an evaluation that webinars or counseling and seminars need to be carried out by practitioners and regulators of Islamic finance to further increase the frequency of public literacy regarding Islamic finance.

Reference:

- Batubara, A., & Tambunan, K. (2022). Tantangan Ekonomi dan Bisnis Syariah Di Masa Pandemi Covid-19. *Mumtaz: Jurnal Ekonomi dan Bisnis Islam*, 1(1), 65-72.
- Diana, F. F. (2022). Pengaruh Produk Pembiayaan Dan Dana Pihak Ketiga Terhadap Profitabilitas Bank Umum Syariah Di Indonesia (Studi Masa Pandemi Covid-19). *JIES: Journal of Islamic Economics Studies*, 3(1), 32-43.
- Ertiyant, W. F., & Latifah, F. N. (2022). Peran Bank Syariah Terhadap Pembiayaan Umkm Di Masa Pandemi Covid-19. *Jurnal Tabarru': Islamic Banking and Finance*, 5(1), 199-206.
- Ikit. (2015). *Akuntansi Penghimpunan Dana Bank Syariah*. Yogyakarta: Deepublish.

- Amaliawiati, L. (2021). The Effect Of The Banking Activity Of The Economic Growth: Case In Indonesia. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, 12(8), 1095-1103.
- Muliawati, S., & Khoiruddin, M. (2015). Faktor-faktor penentu profitabilitas bank syariah di Indonesia. *Management Analysis Journal*, 4(1).
- Rokhmawati, D. (2022). Dampak Ekonomi Digital 4.0 Terhadap Kualitas Sumber Daya Manusia di Era Pandemi Covid Di Indonesia. *Eqien-Jurnal Ekonomi dan Bisnis*, 9(1), 79-86.
- Supriadi & Ismawati, Implementasi Prinsip-Prinsip Perbankan Syariah Untuk Mempertahankan Loyalitas Nasabah, *Jurnal Hukum Ekonomi Syariah*, 3 (1), (April 2020), 41-50
- Utami, E. M., & Puspitasari, D. M. (2021). A Geographical Comparative Study On Conventional Versus Sharia Mutual Fund Performance. *Review of International Geographical Education Online*, 11(1), 436-442.
- Utami, E. M., Puspitasari, D. M., & Nursjanti, F. (2022). Peningkatan Kemampuan Perencanaan Keuangan Generasi Z Melalui Literasi Keuangan Dan Pengalaman Keuangan. *Diklat Review: Jurnal manajemen pendidikan dan pelatihan*, 6(2), 142-150.