

Improving Sharia Financial Literacy in Indonesia on A Digital Basis with the Introduction of The Sharia Non-Bank Finance Industry (IKNB) and Its Instruments

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Abstract

The Islamic non-bank financial industry has experienced significant growth in recent years. In the context of an increasingly complex modern economy, this industry has played an important role in facilitating financial activities that comply with sharia principles. This journal aims to contribute to existing knowledge by presenting research papers, case studies, and theoretical discussions relating to the non-bank Islamic finance industry, while the purpose of the service is to increase public literacy towards Sharia IKNB. The method used in carrying out this community service activity is semi-structured and discussion, which includes material using short videos uploaded on social media with a discussion model in the form of asking questions and statements through the comment's column. That way the results obtained from this service activity are the participant's literacy level towards IKNB and Sharia IKNB indicating that on average new participants understand the concept of Sharia IKNB.

Keywords: IKNB, Sharia IKNB, Sharia Principles

Abstrak

Industri Keuangan Non-Bank Syariah telah mengalami pertumbuhan yang signifikan dalam beberapa tahun terakhir. Dalam konteks perekonomian modern yang dimana semakin kompleks, industri ini telah memainkan perannya yang penting dalam memfasilitasi aktivitas keuangan yang sesuai dengan prinsip-prinsip syariah. Jurnal ini bertujuan untuk memberikan kontribusi terhadap pengetahuan yang ada dengan menyajikan makalah penelitian, studi kasus, dan diskusi teoritis yang berkaitan dengan industri keuangan syariah non-bank, sedangkan tujuan pengabdian adalah meningkatkan literasi masyarakat terhadap IKNB Syariah. Metode yang digunakan dalam pelaksanaan kegiatan pengabdian ini adalah semi-terstruktur dan diskusi, dimana penyampaian materi menggunakan video pendek yang diunggah di sosial media dengan model diskusi berupa mengajukan pertanyaan dan pernyataan melalui kolom komentar. Dengan begitu hasil yang didapatkan dari kegiatan pengabdian ini adalah tingkat literasi partisipan terhadap IKNB dan IKNB Syariah menunjukkan bahwa rata-rata dari partisipan baru memahami konsep IKNB Syariah.

Kata Kunci: IKNB, IKNB Syariah, Prinsip Syariah

INTRODUCTION

The Non-Bank Financial Industry (IKNB) is a non-bank financial industry that offers financial products to the public and attracts funds from the public indirectly (non-

depository), while Sharia IKNB is a non-bank financial industry that conducts business activities based on sharia principles (Financial Services Authority, 2023).

The Islamic financial industry is generally in the form of banks, namely Islamic banks that have been scattered, especially in Indonesia, such as Bank Syariah Indonesia (BSI), Bank Muamalat Indonesia, and many more. Unlike the Islamic bank financial industry which is already known by many people, the Islamic Non-Bank Financial Industry is actually not widely known by some people, most people still think that the Islamic financial industry is only in the form of banks. While the Islamic non-bank financial industry has emerged as an important component of the global financial system.

Compared to the conventional financial industry, the Islamic non-bank financial industry has principles based on Islamic law, including prohibiting usury/interest, excessive claims, and unethical transactions such as gharar and maysir transactions. Thus these principles encourage the Islamic non-bank financial industry to carry out its operations in a more ethical, responsible and sustainable manner. So that Islamic IKNB has a field of activity related to activities in the Islamic insurance industry, pension funds, Islamic financing institutions, special Islamic financial institutions and Islamic microfinance institutions, as well as Islamic financial technology which is also the definition of Islamic IKNB.

The existence of the Islamic non-bank financial industry at large makes a significant contribution in meeting the financial needs of the community and providing alternatives for those who want to invest or get financial services with sharia principles. Based on data from (Financial Services Authority, 2023), the growth rate of Islamic IKNB actors on March 31, 2023, stagnated with 213 actors compared to March 2022, while the growth rate of Islamic IKNB assets increased by 22.60% year on year.

IMPLEMENTATION METHOD

The method applied in the implementation of this activity is semi-structured explanation and discussion. The implementation was carried out by providing basic material related to the Non-Bank Financial Industry (IKNB) and the Sharia Non-Bank Financial Industry (IKNB Syariah) through short videos on Instagram social media. Then provide material presentations related to the development between IKNB and Sharia IKNB in Indonesia. Participants were also given the opportunity to ask questions and also respond to the material that had been presented. The description of the material and discussion is intended to provide insight into knowledge about IKNB and Sharia IKNB. Questions and also responses are carried out with no time limit, so that participants can access information anytime and anywhere. The number of participants is not limited, all Instagram social media users who have access to the Instagram account of the service implementer can get the information submitted.

RESULT AND DISCUSSION

With the aim of service to increase public literacy towards Sharia IKNB, first a survey of participants was conducted by uploading a short video on one of the digital media platforms, namely Instagram. Based on a short video with a duration of 4 minutes 6 seconds, including an explanation of IKNB Syariah, the details of which are presented in the previous section on the implementation method, the following are details of the insights from posting short videos on Instagram social media with the account @shafathaya03 @diiffaaa_ @alifkahlilgibran which can be accessed via the link <https://www.instagram.com/reel/Cto5BY5JenT/?igshid=MzRIODBiNWFIZA==>

Table 1. Breakdown of Short Video Post Insights

Description	Result
Total watch time	7 hours 9 minutes 47 seconds
Average watch time	26 seconds
Video coverage	851 accounts reached
Number of plays	1.044 playback
Total likes	143 likes
Number of comments	17 comments

The insight data will continue to grow as the upload period gets longer. The numbers presented in the table are nominal numbers that will continue to change. The results presented in Table 1. are the results until this journal has been completed.

Figure 1. Screenshot of Short Video Post on Instagram



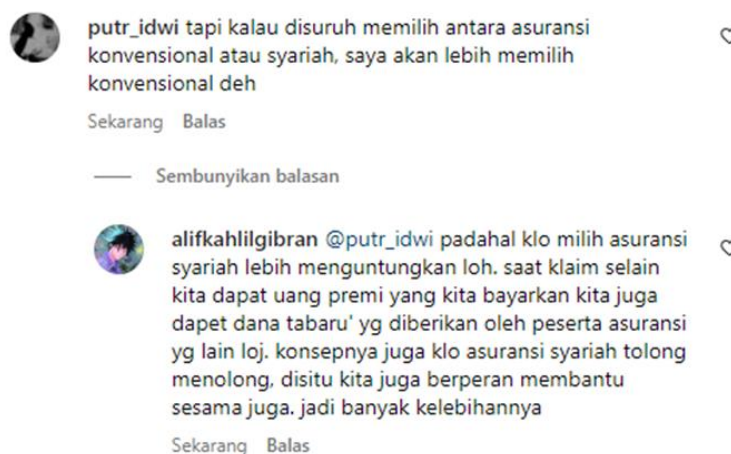
With 17 comments, various responses and questions emerged from participants. On average, participants gave reactions of gratitude and enthusiasm for this video containing the introduction of IKNB Syariah. And some asked questions and also discussed with the service implementer.

Figure 2. Screenshot of Participants' Responses to IKNB Syariah



Some participants have begun to know the existence and understand the concept of Sharia IKNB, but some are still new to it. Participants only recognize when given examples of industries or institutions. Then some participants prefer conventional over sharia, even though the advantages of sharia insurance have been mentioned.

Figure 3. Screenshot of Participant Comments Related to Insurance Selection



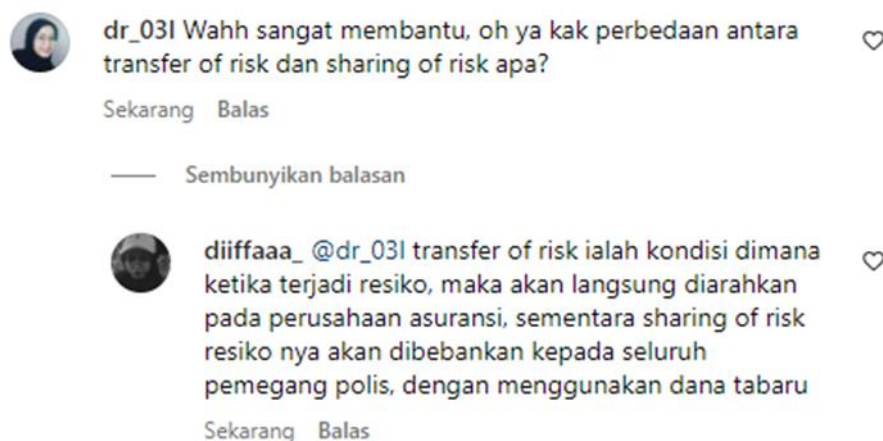
In sharia insurance, the public prefers the conventional sector over sharia, even though the public knows that between conventional and sharia basically both are a business in managing risk based on principles. Then in sharia insurance, there is an effort to protect and help each other among customers through investment in the form of assets and / or tabarru' which provides a pattern of return to face certain risks through contracts (agreements) in accordance with sharia (Fatwa of the National Sharia Council Number: 21/DSN-MUI/X/2001).

Figure 4. Screenshot of Participants' Question Comments Regarding the Advantages of Sharia Insurance



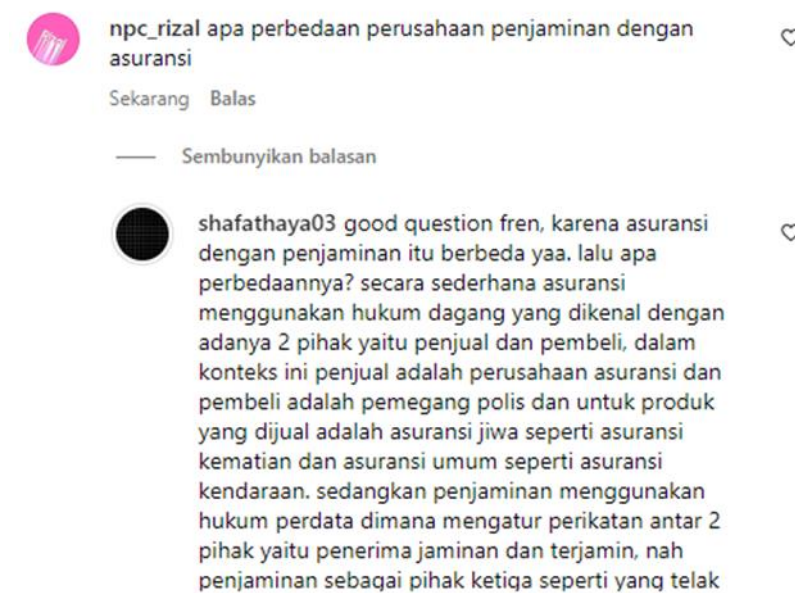
In addition, in sharia insurance another advantage is that when we claim we will get the premium money that has been paid and tabarru' funds, then the transparency of funds is more visible in sharia insurance.

Figure 5. Screenshot of Participant Question Comments Related to Risks in Sharia Insurance and Conventional Insurance



In sharia insurance, the principle used is sharing of risk, while in conventional insurance there is a transfer of risk or transfer of risk from the customer to the insurance company. That is, in sharia insurance, the risk is shared with the participants as a form of mutual help and assistance among them. And that is one of the advantages of Islamic insurance over conventional insurance.

**Figure 6. Screenshot of Participant's Question Comment Related to IKKB
Guarantee and IKNB Insurance**



There are IKNB guarantees and IKNB insurance, both of which are conventional and sharia. In Islamic insurance IKNB, its activities are in the form of conducting risk management businesses based on Sharia Principles in order to help and protect each other by providing compensation to participants or policyholders due to loss, damage, costs incurred, loss of profit, or legal liability to third parties that may be suffered by participants or policyholders due to the occurrence of an uncertain event. Meanwhile, Islamic guarantee IKNB carries out activities to provide guarantees for the fulfillment of guaranteed financial obligations to guarantee recipients based on Sharia Principles.

The existence of Sharia IKNB is not as sexy as conventional, as evidenced by survey data from the National Council for Inclusive Finance (DNKI) showing that the Financial Literacy Index is 49.88% while the Sharia Financial Literacy Index is 9.14% in 2022. With the service carried out in the form of digital introduction to Sharia IKNB, with a total participant reach of more than 850 user accounts, and the number of video screenings of more than 1,100 impressions, the Sharia Financial Literacy Index of the Indonesian people is expected to increase in the following year.

CONCLUSION

Based on the service that has been carried out, there are several conclusions that can be underlined to become lessons for further service. In accordance with the purpose of the service, namely, to increase public literacy towards the existence of IKNB Syariah, a survey of participants was conducted by uploading a short video on one of the digital media platforms, namely Instagram. Because with the explanation through video, participants are

expected to hear a direct explanation of IKNB Syariah without the need to read it. In the uploaded video, it can be concluded that the level of literacy of participants towards IKNB and Sharia IKNB shows that on average the participants only understand the concept of Sharia IKNB, even some of the participants are still stagnant choosing conventional concepts over sharia.

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