

MINDS

by Ika Yunia Fauzia

Submission date: 30-Oct-2020 10:08AM (UTC+0700)

Submission ID: 1430847991

File name: Okt_2020-REV_APA-MIND-Ika_YF.docx (72.14K)

Word count: 6303

Character count: 36260

ENHANCING THE LITERACY OF SHARIA FINANCIAL TECHNOLOGY FOR THE GENERATION X, Y AND Z IN INDONESIA

Abstract

This research tries to seek ways of improving the financial literacy through sharia fintech especially in the sector of payment gateway, peer to peer lending and crowdfunding. It focuses particularly on the question of how the X, Y and Z generations maybe educated to improve the financial literacy. The research uses qualitative approach in analyzing its case study, involving 30 informants in Indonesia who have knowledge or other ways and acces sharia fintech. The research then will select out of 30 informant, 10 peoples to represent each X, Y and Z generations. The ultimate of the objective research is to educated and promote sharia fintech, the improvement of sharia fintech infrastructure and the development of sharia fintech products and services which are still not popular among the three generations. The research shows that X generations are more literate in sharia fintech than Y and Z generations. In term of the dissemination and spreading out the sharia fintech, as well as the improvement of its infrastructures and services in its products.

Keywords: Financial literacy, sharia fintech, X, Y and Z generations

JEL: L25, G21, E22, E24

Paper type: Research Article

*Corresponding author :

DOI: 10.24252/minds.v7i1.12415

ISSN-E: 2597-6990

ISSN-P: 2442-4951

<http://journal.uin-alauddin.ac.id/index.php/minds>

Publisher: Program Studi Manajemen Universitas Islam Negeri Alauddin Makassar

1. INTRODUCTION

Financial literacy explains how a person thinks about his financial condition, so that he can make decisions in managing his finances to a better stage (Handida & Sholeh, 2018). Financial literacy is also defined as a series of processes and activities to increase knowledge, confidence and skills of consumers and the wider community, so that they are able to manage finances better (OJK, 2014 in ojk.go.id, accessed 06/07) / 2020).

Financial Service Authority (OJK) in the blueprint of the Indonesian Financial Literacy National Strategy has set the vision, mission and principles in financial literacy, with the vision of "realizing an Indonesian society that has a high level of financial literacy (well literate), so that people can choose and use finance to improve welfare." The mission of the SNLIK perspective literacy is "first, to carry out education in the field of finance to the people of Indonesia so that they can manage their finances intelligently; second, to increase access to information and use of financial products and services through the development of infrastructure that supports financial literacy. "

Along with the development of financial literacy carried out by many groups, a very crucial problem today arises, i.e the disruptive era that is represented by the development of digital-based business. Technology goes very fast, era 4.0 is inseparable from the long history of the presence of the industrial revolution. The 4.0 industrial revolution took place at the beginning of the 21st century, with the development of cyber technology with the development of the Internet of Things, Artificial Intelligence, Big Data, Block Chain, and so forth. Several eras in the future, Japan has started to declare its country as Society 5.0, where robots will help humans in overcoming problems in their lives (Japan.go.id, accessed 01/10/2019). According to Budiman (2019), the term industrial revolution 4.0 was first introduced by Professor Klaus Schwab, an economist from Germany in his book "The Fourth Industrial Revolution." Some countries also have a roadmap for digitizing similar industries, such as China with China made in 2025, Asia with Smart Cities, and the Ministry of Industry with Making Indonesia 4.0.

The emergence of several fintech-based business startups in Indonesia has changed the way people look at behavior related to their financial activities. For example, for some matters relating to the banking world, people need banking services that are replaced by fintechs rather than the banks themselves. The public also likes cashless by minimizing the use of cash because they prefer to transact with fintech gateway services. Therefore the existence of fintech confirms, there is a shift from face to face business to platform-based business.

The high use of fintech, along with fintech-based fraud complaints, explains that there is limited literacy from the public about the existence of fintech itself. Fintech, which also targets non-bankable segmentation of the community, has limited the public's knowledge of it. The public only follows trends in the use of fintech without understanding well the development process is related to regulations, rules and things related to it. In addition, regarding sharia fintech, there is even lower understanding of the form, operation and face. Whereas people with adult age, commonly referred to as Gen X, consist of the most professional figures, due to career maturity, finance and age. The next generation is Gen Y and Z who are supposed to be the most aware gene of technology, and when most of Y and Z genes cannot use technology proportionally, the great power of this generation will be wasted (Fauzia, 2019). This gene should be able to become productive economic and business actors, especially those related to Islamic fintech.

This research is expected to be able to answer the gap between the development of financial-based technology and the reality of the low interest of the community in using fintech. Indonesian people's knowledge of fintech is low, especially related to Islamic fintech. This makes the penetration of Islamic fintech is very slow. In running its business,

Islamic fintech in Indonesia must comply with the regulations of the FSA Number 77/POJK.01/2016 dated December 26, 2016, regarding "Information Technology-Based Lending and Borrowing Services." Sharia Fintech must also always comply with the rules of the Fatwa of the National Sharia Council-Indonesian Ulema Council (DSN-MUI), No. 117/DSN-MUI/II /2018 concerning "Information Technology-Based Financing Services Based on Sharia Principles. The fundamental difference between sharia fintech and conventional is the absence of interest that contains elements of usury in sharia fintech, some financing in sharia fintech is performed by *murabahah*, *ijarah wa al-iqtina*, *musharakah*, etc.

The Chairperson of the Indonesian Sharia Fintech Association (AFSI) Ronald Yusuf Wijaya explained that "the biggest challenge of the sharia fintech industry is to educate the public so that they can distinguish between sharia and conventional, because people misunderstand and assume that sharia fintech for the results is higher than the interest" (<https://www.indopremier.com/>, accessed 12/02/2019). Furthermore, he stressed that "we must be busy in educating the public in relation to sharia fintech" (<http://kanal24.co.id/> accessed 12/02/2019). This is in line with the OJK program together with Islamic finance activists in East Java play an active role in initiating various programs to improve literacy and Islamic financial inclusion in East Java (<https://www.beritasatu.com/>, accessed 04 / 12/2019). Therefore, the discussion about how literacy improvement is related to Islamic financial technology for X Y Z genes becomes very important to be investigated, to answer several questions related to the development of sharia fintech.

2. THEORETICAL REVIEW

2.1. Digital Based Financial Literacy

Financial literacy means the level of attitude-behaviour and knowledge that an individual has in respect to financial products and services and also talks about how good an individual is at personal finance (Tony & Desai, 2020). Financial literacy can be generally defined as a person's ability to understand, analyze, manage, and communicate personal finance matters. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions through their understanding of finances. It is the ability to make informed judgments and take effective decision regarding the use and management of money (Prasad & Meghwal, 2017).

The Financial Services Authority (OJK) explains that financial literacy is knowledge, skills and beliefs that influence attitudes and behaviors to improve the quality of decision making and financial management in order to prosper (OJK, 2019). According to Paul Gilster in his book Digital Literacy (1997) in KemDikBud (2017), digital literacy is defined as the ability to understand and use information in various forms from a very wide variety of sources that are accessed through computer devices. Bawden (2001) KemDikBud (2017), offers a new understanding of digital literacy that is rooted in computer literacy and information literacy. Computer literacy developed in the 1980s, when microcomputers were increasingly used, not only in the business environment, but also in society. However, new information literacy became widespread in the 1990s as information became more easily compiled, accessed, disseminated through networked information technology. Thus, referring to Bawden's opinion, digital literacy is more associated with technical skills of accessing, compiling, understanding, and disseminating information.

OJK (2017) in the Indonesian Financial Literacy National Strategy explains that Indonesia's financial literacy is intended in order to move towards a well literate and

financial inclusion Indonesian society. Financial literacy is useful for enhancing the ability to manage public finances. Financial literacy is also important in order to increase financial access for Indonesian people, in order to realize well being. The Government through the National Council for Inclusive Finance (DNKI) has discussed and established six focus financial inclusion activities in Indonesia in 2019. The six focuses are, first, Increasing Financial Literacy and Consumer Protection; second, the expansion of account opening; third, the acceleration of certification of community property rights that can be used as collateral; fourth, Optimization in Bank Agent Services; fifth, Improving Digital Financial Services and Non-Cash Transactions, as well as; sixth, Strengthening Financial Inclusion Monitoring and Evaluation (Kominfo, 2019).

2.2. Sharia Financial Technology

Financial technology is an innovation in technology-based finance. Transactions in fintech include payment gateways, peer to peer lending, personal financial management, crowdfunding, and so on (Fianto, Hendratmi & Aziz, 2020). Siregar (2016) states that digital-based financial services are currently developing in Indonesia, namely payment channel systems, digital banking, online digital insurance, peer to peer lending, and crowdfunding. Romanova and Kudinska (2016) explain that fintech is a software-based business and also modern technology that provides financial services. The competitive advantage of fintech is that financial services are highly standardized and low-cost, internet-based and less geographically concentrated. Lee and Shin (2018) explain that fintech promises a new ecosystem for the financial industry with a relatively low cost, by improving the quality of financial services and creating a more diverse and stable financial landscape. Firmansyah & Ramdani (2018) explain that Islamic FinTech start-up plays an important role in fostering financial inclusion and decreasing social problem in Indonesia by developing a new technology and new business model.

The five elements in the fintech ecosystem according to (Ryandono, 2018) are first, fintech for startups (payments, loans, crowdfunding, capital markets and insurance companies); second, technology developers (eg big data analysis, cloud computing, cryptocurrency and social media developers); third, government (eg financial regulators and legislative bodies); fourth, financial customers (eg individuals and organizations), and; fifth, traditional financial institutions (eg, traditional banks, insurance companies, stockbrokers and venture capital) Bank Indonesia Regulation Number 19/12/PBI/2017 concerning Financial Technology Implementation can carry out financial activities in the form of: first, payment systems; second, market support; third, investment management and risk management, fourth, loans, financing and capital supply, fifth, other financial services.

Er and Mutlu (2017) examined the "Financial Inclusion and Islamic Finance: A Survey of Islamic Financial Literacy Index." It begins with World Bank data which states that financial exclusion on religious grounds is as much as 7% in the world. 9.7% of this amount is in the D-8 country group. Group D-8 is a developing country declared as "Developing 8 Countries", having a majority Muslim population who want to cooperate well with one another in development. The eight countries are Bangladesh, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. In Turkey, Islamic Banks are the ones who benefit from a person's religious sensitivity. So the knowledge of Islamic financial literacy is very important, to be able to increase financial inclusion. Setyowati, Harmadi and Sunarjanto (2018) also examined the "Islamic Financial Literacy and Personal Financial Planning: A-Socio-Demographic Study", which aims to measure the level of Islamic Financial Literacy (IFL) in Solo and examine the effect of IFL on personal financial planning. Socio-demographic variables such as age, gender, marital status,

education level, and income are used as control variables. The study was conducted through surveys and Ordinary Least Square (OLS), using purposive sampling methods and limiting the level of education and income of respondents. The results showed that: (1) the IFL rate in Solo was 64.66%; (2) people with good IFL levels will be better at managing their personal finances; (3) people with a good level of IFL would prefer to invest in Islamic assets.

Rusydiana (2018) in her research "Developing Islamic Financial Technology In Indonesia" states that the financial technology market in Indonesia looks bright, but its utilization is still low. Even though Indonesia is a country with the largest Muslim population in the world. This study attempts to address several issues related to financial technology, related to basic foundations, key ecosystems or stakeholders involved in the development of Islamic fintech in Indonesia. This study uses an interpretative structural model (ISM) approach. Some of the problems that have hampered the development of the Islamic fintech industry are (a) the lack of policy instruments that support fintech; (b) the availability of human resources to develop fintech. The strategy for developing fintech is the ability to analyze data in the era of big data, and human resources in digital marketing. Ecosystems or actors involved in fintech development are also needed, namely the government / regulator, educational institutions / universities, industry / banks and financial institutions. Abdullah and Chong (2014) in their research "Financial Literacy: An Exploratory Review of The Literature and Future Research", conducted research in Malaysia, which was linked to the Governor of the Central Bank of Malaysia supporting several parties to be able to make Islamic financial products, which could be accepted by investors on a broader scale. The purpose of this study is to determine the factors that influence society, related to their literacy views on Islamic financial products and services. This has implications for the existence of recommendations to the service providers of Islamic financial products and services, related to public literacy knowledge about these products and services.

2.3. Generation X, Y, Z and Financial Technology

Gen X who was born between 1965-1980, gen Y or millennials were born between 1980-1994, and gen Z were born between 1996-2015. Each generation has its own characteristics. Past generations are more likely to be difficult to adapt to technological advancements, unlike the current young generation who are commonly identified with Y generation or millennial generation, they are very adaptive to follow the changing trends related to technological progress. The emergence of gadgets or smartphones and the rapid development of internet technology has brought great changes to the majority of humans, and this is precisely what marked the birth of generations Y and Z (Fauzia, 2019).

There are various kinds of human characters according to the differences in each generation. For example, generational differences in a marketing environment affect the behavior of each in a transaction. This gave rise to a variety of new approaches in the development of sales management, marketing management and so on. The difference between one generation and another arises because of the classifications made by researchers, say Mannheim (1952) in his sociological studies revealed that there is a gap between the values taught by the older generation and the reality faced and desired by the younger generation. Young and old have the same life span between one another, so they experience the same experiences and life events between them. Putra (2016) explains that there are some sociologists who classify several generations between human life spans, with other generations. These differences are important to study because they relate to

daily behavior, including those related to transaction behavior and internet media usage behavior.

The development of fintech and generation X, Y, Z begins with the background of the years of fintech development from fintech 1.0, 2.0, 3.0 to 3.5. Fintech is fintech 1.0 (1966-1987) still in a very simple form, then continued with the form of fintech 2.0 (1987-2008) which is realized in e-banking services. Fintech 3.0-3.5 is a form of fintech era from 2008 until now. The link between generation X, Y and Z with fintech must also be constantly connected with external factors, for example information technology factors due to uneven internet penetration from one place to another (Ministry of Communication and Information, 2018). Therefore, this research is limited to the Surabaya area, with better internet access than other areas for Gen X, Y and Z in this city.

3. ¹ METHODOLOGY 16

This is a qualitative research using a qualitative descriptive design approach. The purpose of descriptive research is to make a systematic, factual and accurate description, picture or painting of the facts, properties, and relationships between the phenomena investigated. This study aims to obtain primary data from several informants represented from Gen X, Y and Z, to obtain precise and accurate data so that it can be utilized in this study. The data analysis technique in this research uses a case study which is one of the strategies and methods of qualitative data analysis that emphasizes specific cases that occur on the object of analysis. In this research, the type of case study used is an observational case study, which, according to Bogdan and Biklen (1982) in Bungin (2011), emphasizes more on the use of observations in research to capture detailed and actual empirical information from the research analysis unit, whether this concerns the lives of individuals and certain social units in society in Indonesia.

The object of this study were several generations of X, Y and Z selected, to become informants in this study. In determining informants in this study, researchers used the snowball method (snowball) which is also known as the referral chain procedure or networking procedure. In this procedure, with whom participants or informants have been contacted or first met with researchers it is important to use their social networks to refer researchers to other people who have the potential to participate or contribute and learn or provide information to researchers (Bungin, 2011). Informants involved in this study were 30 people, 10 from Gen X, 10 from Gen Y and 10 from Gen Z. Specifically for Gen X, the informants consisted of practitioners, academics, and the general public. The informants from Gen X and Gen Z are also equipped from different educational and professional backgrounds. By way of exponential discriminative snowball modle, the researcher tried to get the 30 informants to be interviewed, so that researchers could produce good research about increasing literacy.

Data collection was done by focus group discussion (FGD) conducted with three groups in genes X Y and Z, to find out how the level of understanding of each gene. Observations were also made with in-depth observations and systematic recording of the symptoms and data relating to increasing financial literacy through sharia fintech for Gen X, Y and Z. Furthermore Indept interviewing was carried out by interviewing all the informants mentioned earlier. Interviews are unmanaged (unstructured) and guided (structured) (Soeratno, 1995 and Usman & Akbar, 1996). Interviews were conducted offline and online. Finally, documentation is done by documenting all matters relating to the object of research, whether in the form of personal documents or official documents (Bungin, 2011). To test the validity of the research results, the researchers' triangulation, methods, theories and data sources were analyzed.

This research was conducted by digging field data from 30 informants, which were divided into 3 age groups namely Gen X, Gen Y and Gen Z. The informants in Gen X and Y were mostly filled with practitioners and academics. The informants in Gen Z are dominated by students in university especially those who study in the Sharia Economics Study Program and also Islamic Banking.

Informants are limited to those who understand or use sharia fintech. Therefore several informants who did not fit this criterion were eliminated by the researcher. Researchers entered several discussion forums, seminars and Focus Group Discussion (FGD) related to fintech topics and topics. Due to limited research funding, researchers do not hold FGDs intensively, but researchers have attended FGDs related to sharia fintech and digging data in the forum, according to the research topic being carried out by researchers. For more details refer to informants in this study through the following table:

Table. 4. List of Informants in Research

Gen	Variables studied	Informant (Initial)	Information
X (Age 40-60 years old)	Sharia Financial Technology Education and Socialization	(1) Mr. AKR (UINSA lecturer) (2) Mrs. HS (Private company) (3) Mr. SS (Private company) (4) Mrs. VS (Catering Entrepreneur)	Interviews to all informants were carried out directly or indirectly, online or offline. Some informants were met through discussion forums and FGDs about fintech in Zoom media or at the FGD event about fintech at Airlangga University, Surabaya.
	Improvement of Islamic Financial Technology Infrastructure	(1) Mrs. ET (UNJ lecturer) (2) Mrs. FF (UINSA lecturer) (3) Mr. SS (UNAIR lecturer)	
	Development of Financial Products and Services of Islamic Financial Technology	(1) Mr. MM (OJK Jawa Timur) (2) Mr. E (PT. Fintech Karya Nusantara) (3) Mrs. AH (UNAIR lecturer)	
Y (Age 25-39 Years old)	Sharia Financial Technology Education and Socialization	(1) Mrs. RF (Teacher and Entrepreneur) (2) Mrs. RZK (Designer and Entrepreneur) (3) Mr. RR (A teacher of Islamic school) (4) Mrs. WW (Private employee)	Interviews to all informants were carried out directly or indirectly, online and offline. Some informants were met through discussion forums and FGDs about fintech in Zoom media or at the FGD event about fintech at Airlangga University, Surabaya.
	Infrastructure Improvement of Islamic Financial Technology	(1) Bapak SB (DSN-BI) (2) Bapak AN (Dosen UMS) (3) Bapak RR (Dosen UINSA)	
	Development of Financial Products and Services of Islamic Financial Technology	(1) Mr. HW (UIKA lecturer and practitioner) (2) Mr. MY (Sharia Banking Practitioner) (3) Mr. IS (Practitioner and Motivator)	
Z (Age 10-24 years old)	Sharia Financial Technology Education and Socialization	(1) NN (Undergraduate student) (2) NW (Undergraduate student) (3) WK (Undergraduate student) (4) SS (Undergraduate student)	Interviews to all informants were carried out directly or indirectly, online and offline. The selection of informants was performed after the snowball process and only involved informants who understood or utilized sharia fintech.
	Improvement of Islamic Financial Technology Infrastructure	(1) US (Postgraduate student) (2) TS (Postgraduate student) (3) NST (Postgraduate student)	
	Development of Fintech Sharia Financial Products and Services	(1) DD (Postgraduate student) (2) ERD (Postgraduate student) (3) LH (Postgraduate student)	

The table above explains some of the informants in this study. First, informants in the Gen X group were obtained from FGD forums, seminars and discussions that had been attended by researchers. For example, the FGD which was attended by researchers at Airlangga University, which involved the Heads of Sharia Banking Branches, OJK Central and East Java, the Indonesian National Sharia Board, owners of Sharia Fintech, and so on. The FGD was conducted by Airlangga University Lecturers who were researching about sharia fintech, and researchers attended the FGD as Representatives of the East Java Sharia Economic Community Management; secondly, informants in the Gen Y group were also discovered by researchers from intensive discussions with practitioners and academics from sharia fintech. In-depth interviews were conducted online with zoom media and whats'up video calls. Even researchers have a joint project to write a book related to Islamic fintech with Mr. HW as CEO of Islamic fintech and Lecturer in West Java, in good faith for the collaboration that was intertwined as a result of this research; third, informants in the Gen Z group were discovered by researchers when researchers dug up information related to the understanding and utilization of Islamic fintech among students on several campuses. The majority of informants in the research in the Gen Z group were students at STIE Perbanas Surabaya and UIN Sunan Ampel Surabaya.

4. RESULT AND DISSCUSSION

4.1. Sharia Literacy Improvement in Education and Socialization of Fintech Sharia Perspective for Gen X, Y and Z

OJK has issued OJK regulation No. 13 / POJK.02 / 2018 regarding Digital Financial Innovation in the Service and Financial Sector as a provision that oversees the supervision and regulation of the financial technology industry (Fintech). OJK has also previously issued OJK regulation No 77 / POJK.01 / 2016 concerning Information Technology Based Lending and Borrowing Services. Suharyati & Sofyan (2018) quoted Wimboh Santoso as saying that the regulations issued by the OJK were issued due to the rapid advancement of industrial technology in the digital financial industry. This needs to be managed well in order to provide great benefits for the community. Therefore, digital financial innovation can be upgraded to a service that is responsible, secure and promotes consumer protection because risks can be managed very well.

Socialization is an environmental examination of a social culture from the community. This includes some interactions and social behavior, which is a process of how to introduce a system to someone. Socialization is determined by the social, economic and cultural environment, which is determined by the interaction of the experiences of each individual. Buhler (1980) explained that socialization is a process that helps community members to learn and adapt, related to how they live and think, so that he can play a role and function in the group. The understanding of education according to the Big Indonesian Dictionary is the process of changing the attitudes and behavior of a person or group in an effort to mature themselves through teaching, training, processes and ways of educating.

The socialization of increasing sharia financial literacy on sharia fintech is related to the existing social culture in society. The system is then introduced and strengthened by the social, economic and cultural environment, and efforts for adjustment. According to AKR who is a lecturer, the socialization for Islamic fintech does not exist and even the existence of Islamic fintech is not known by the public. He stated:

"Fintech Sharia doesn't seem exist. A payment gateway is not available, even though it is needed. I am a lecturer at an Islamic-affiliated university; in my opinion Sharia payment gateways should exist to safeguard the rights of Muslim consumers. "

The statement regarding the need for a sharia-based payment gateway was also approved by several other informants. According to HS, a private employee, if conventional payment gateways are still based on usury, then Muslim consumers do not have the option to use financial facility services such as payment gateways to facilitate daily financial activities. He even added:

"If sharia-based financial services for payment gateways are not available, then one relies on Ustadz's opinion. Consumers do not make a sin when using a conventional payment gateway even if based on usury. When there is sin, it is the responsibility of the government. "

Regarding peer-to-peer lending products at Sharia fintech, all informants disagree with Sharia peer-to-peer. For them, peer-to-peer lending at Sharia fintech is not much different from conventional peer-to-peer lending. For the majority of informants, if a Sharia fintech propagates itself as Sharia, then it should not take high profits from borrowing customers. SS stated:

"My friend was fooled by conventional fintech, and the fintech was very cruel. I am not very familiar with Sharia fintech. However, from the information that I got, fintech Sharia also takes very high profits from customers. This is no different from the interest of conventional banks, even higher than conventional banks. In the end I was disappointed in many Sharia products, including fintech. "

The statement about Sharia peer-to-peer lending was stated by AKR, he explained:

"Actually there are a number of schools regarding bank interest. One states that if at the point where the borrower is not burdensome, the bank interest is not usury. If you see Sharia fintech then there is an element of wrongdoing because the profit for fintech is high and the borrower feels objected, then this removes the essence of sharia. "

Social culture in the community explains that peer-to-peer lending products in Islamic fintech are not well understood. Even Gen X in this study did not understand the existence of Sharia peer-to-peer lending. They only assume that the presence of Sharia peer-to-peer lending attracts high profits from customers, thus stating that the Sharia peer-to-peer lending is the same as conventional peer-to-peer lending.

In terms of Islamic crowdfunding, the informants welcomed the products. According to them, many parties felt the benefits of Islamic crowdfunding, especially to distribute the charity that the community wanted to distribute. They hope that Sharia fintech actors who have Sharia crowdfunding can carry out their business reliably.

Education to improve sharia financial literacy, especially for fintech products, is carried out by changing attitudes and behaviors, through testing, training and process efforts. Some of the education conducted by researchers to the four informants, initially was to explain well some of the products from Islamic fintech. After several meetings, the researcher asked the informant again about payment gateway, peer-to-peer lending and crowdfunding perspective of sharia literacy. AKR explained that the existence of Sharia fintech is not important to him, he explained:

"In my opinion, people's enthusiasm for conventional banks is normal. The same thing applies to the existence of Sharia fintech. "

Changes in people's attitudes and behavior to be able to understand the existence of Islamic fintech, according to the SS, must be driven by awareness of the needs of Islamic fintech itself. He explained:

"Our society is now smart. When they need one financial service product, the product will be in demand, whether sharia or not. However, sometimes a product is wrapped in sharia, but it makes people deceived, so they give up with the sharia product. "

The four informants agreed that sharia crowdfunding could be well developed, especially for product distribution and noble programs. They can be developed to alleviate poverty which can strengthen the Indonesian economy.

4.2. Sharia Literacy Improvement in Sharia Fintech Infrastructure Improvement from Gen X, Y and Z Perspectives

Fintech is one of the solutions in overcoming financial problems in the community, especially those far from banking access or non-bankable communities (Rumondang, 2018). The survey conducted by the Indonesian Fintech Association (Aftech), explained that more than 70% of the fintech startup focus provided services in segments not served by banks (Suryanto, Tahir, Hermanto, 2020).

Regarding infrastructure improvements in Islamic fintech, several informants stated that infrastructure in Islamic fintech is still very limited. Therefore, efforts to improve infrastructure in Islamic fintech are the task of many parties. SS stated:

"There are many technological gaps that make Islamic fintech lag behind conventional fintech. Many Islamic banks cannot issue payment gateways."

SB also stated that the underdevelopment of infrastructure in Islamic fintech ultimately inhibited the development of Islamic fintech. This, especially happens when it comes to the relationship between Islamic fintech and venture capital. SB stated:

"While there are only two sharia fintechs that get financing from venture capital, the main reason is because sharia fintechs has not been supported by good infrastructure."

The existence of infrastructure in sharia fintech greatly affects the fintech market ecosystem with prospective demand being Muslim communities. Indonesia, with the largest Muslim population in the world, is an opportunity that should be utilized by Islamic fintech to develop. Therefore, infrastructure improvement in various sectors that support the acceleration of the development of Islamic fintech should be performed well.

4.3. Sharia Literacy Improvement in Sharia Financial Products and Services Development from Gen X, Y and Z Perspectives

The development of Islamic financial products and services in Islamic fintech greatly influences the development of Islamic fintech itself. MM explained very well that sharia fintech niches were utilized by many MSME players, because the access was felt to be easier. He explained:

"Many business players, especially MSMEs, use sharia fintech. Many MSMEs also hope that fintech sharia is predicted to be able to provide sharia-based capital solutions with quick and easy access. "

Furthermore, there are very good opportunities to be able to develop Islamic fintech products and services by cooperating with several institutions and also other parties. E stated that the government provided good support for the development of Islamic fintech. This was stated by E:

"The vice president supports the good cooperation between fintech sharia with micro-financing of Islamic banks and Islamic banks. By utilizing digital technology, products and services in Islamic finance will be accessible to the wider community, using the Islamic fintech form. "

Efforts to develop products and services on Islamic fintech will not be able to run properly without the intervention of the government, Islamic fintech association (AFSI), SMEs,

capital providers, and also from DSN-MUI that can facilitate the rules of conducting transactions Islamic finance based on Islamic fintech.

5. CONCLUSIONS AND SUGGESTIONS

5
This research concludes that there are still many obstacles in the development of Islamic fintech, especially in the acceleration there is a sharia-based payment gateway. Peer-to-peer lending based on fintech sharia has been relatively developing, although at the infrastructure level it is still very behind compared to that of conventional fintech. The socialization and education of Islamic fintech is very meaningful for the development of Islamic fintech, especially to increase the fintech-based Islamic financial inclusion. Many have not felt the presence of Islamic fintech, both Gen X, Y and Z. In Islamic crowdfunding, online reporting-based accountability of the activities carried out is still awaited by the public. This needs to be done to boost the popularity of Islamic crowdfunding, so that the trust of the public is nurtured.

According to X generations, sharia fintech must be disseminated among the Muslim communities, so that peer-to-peer lending sharia can easily accessed. With regard to the sharia fintech infrastructure the Y generations think that there is a gap between sharia fintech and conventional fintech. X and Z generations in the meantime assume that the strengthening of the financial literacy as far as the product and services of sharia finances are concerned may have good contribution in the empowerment of the small medium enterprises.

The research finally find that there is an unfortunate fact that Z generations are not in favour of sharia fintech, in the area of payment gateway, peer to peer lending and crowdfunding.

6. REFERENCES

- Abdullah, M. A., & Chong, R. (2014). Financial literacy: An exploratory review of the literature and future research. *Journal of Emerging Economies and Islamic Research*, 2(3), 1-9.
- Agustinus, M. (2019). *RI juga Butuh Infrastruktur Keuangan Bukan Hanya Infratraktur Fisik*. Dalam *finance.detik.com* diakses 20 Juni 2020 pukul 19.00.
- Budiman, A. (2019) *Kolom Pakar: Industri 4.0 VS Society 5.0* dalam *Fakultas Teknik Universitas Gadjah Mada*, di *ft.ugm.ac.id* (diakses 27/09/2019, pukul 09.15).
- Bungin, B. (2007). *Penelitian kualitatif: komunikasi, ekonomi, kebijakan publik, dan ilmu sosial lainnya* (Vol. 2). Kencana.
- Buhler, C. (1980). *Practice Kinder Psychology*. Boston: Houghton Mifflin, Co.
- Direktorat Jenderal Aplikasi Informatika, Kemetrian Komunikasi dan Informatika. (2018). *Big Data, Kecerdasan Buatan, Blockchain dan Teknologi Finansial di Indonesia: Usulan Desain, Prinsip dan Rekomendasi Kebijakan*. Jakarta: Centre for Innovation Policy and Governance (CIPG).
- Fianto, B. A., Hendratmi, A., & Aziz, P. F. (2020). Factors determining behavioral intentions to use Islamic financial technology. *Journal of Islamic Marketing*. Ahead-of-print. Accessed from <https://doi.org/10.1108/JIMA-12-2019-0252> (25/09/2020).
- Er, B., & Mutlu, M. (2017). Financial inclusion and Islamic finance: A survey of Islamic financial literacy index. *International Journal of Islamic Economics and Finance Studies*, 30(5661), 33-54.

- Fauzia, I. Y. (2019). *Pemanfaatan Jaringan Internet dalam Transaksi Perspektif Bisnis Islam*. Jakarta: PT. Raja Grafindo Persada.
- Firmansyah, H. B., & Ramdani, A. L. (2018, May). The role of Islamic financial technology (FinTech) start-up in improving financial inclusion in Indonesia case: Angsur. In *3rd International Conference of Integrated Intellectual Community (ICONIC)*. Available at SSRN: <https://ssrn.com/abstract=3194546> or <http://dx.doi.org/10.2139/ssrn.3194546>
- Jepang. (2019). *Realizing Society 5.0* (Powered by News Pick Brand design) dalam japan.go.jp (diakses 01/10/2019, pukul 15.45).
- Kominfo. (2019). *Pemerintah Petakan 6 Fokus Inklusi Keuangan Indonesia Tahun 2019*. Dalam kominfo.go.id (diakses 27/10/2019, pukul 21.30)
- Kementrian Pendidikan dan Kebudayaan. (2017). *Materi Pendukung Literasi Digital: Gerakan Literasi Nasional*, Jakarta.
- Mannheim, K. (1952). The Problem of Generations in *Essays on the Sociological Knowledge*. *Essays on the Sociology of Knowledge*, 24(19), 276.
- Otoritas Jasa Keuangan. (2017). *Strategi Nasional Literasi Keuangan Indonesia*. Dalam ojk.go.id
- Peraturan Bank Indonesia Nomor 19/12/PBI/2017 tentang Penyelenggaraan Teknologi Finansial dapat menyelenggarakan aktifitas keuangan.
- Putra, Y. S. (2017). Theoretical review: Teori perbedaan generasi. *Among Makarti*, 9(18), 123-134.
- Patria, R. (2020). *Tantangan Fintech Sharia di Indonesia*. Dalam domainesia.com diakses 20 Juni 2020, pukul 18.22.
- PT. Telkom Indonesia. (2017). *Kajian Bisnis Fintech Sharia*. Bandung.
- Puslitbang Kebijakan dan Penerapan Teknologi. (2019). *Fintech: Alternatif Pembiayaan untuk Mendorong Pengembangan Ekonomi Wilayah*. Dalam <http://litbang.pu.go.id/>, diakses 20 Juni 2020, pukul 21.00.
- Prasad, H., & Devendra M., (2017). Digital Literacy: A Study of Households of Udaipur. *Global Journal of Advanced Research*. Vol. 4, Issue 5, PP. 201-2019. ISSN: 2394-5788 201. Accessed www.gjar.org. (30/09/2020).
- Romānova, I., & Kudinska, M. (2016). Banking and Fintech: a challenge or opportunity?. In *Contemporary issues in finance: Current challenges from across Europe*. Emerald Group Publishing Limited.
- Rumondang, A. (2018, April). The Utilization of Fintech (P2P Landing) as SME's Capital Solution in Indonesia: Perspective in Islamic Economics (Qirad). In *International Conference of Moslem Society* (Vol. 2, pp. 12-22).
- Rusydiana, A. S. (2018). Developing Islamic financial technology in Indonesia. *Hasanuddin Economics and Business Review*, 2(2), 143-152.
- Ryandono, M. N. H. (2018). Fintech Waqaf: solusi permodalan perusahaan startup wirausaha muda. *Jurnal Studi Pemuda*, 7(2), 111-121.
- Siregar, (2016). "Financial Technology Tren Bisnis Keuangan ke Depan". Diakses pada 1 April 2018 di (<http://infobanknews.com>) diakses 22 Oktober 2019 pukul 14.55.
- Suharyati, S., & Sofyan, P. (2019). Edukasi Fintech Bagi Masyarakat Desa Bojong Sempu Bogor. *Jurnal Bakti Masyarakat Indonesia*, 1(2).
- Hermanto, B., & Tahir, R. (2020). Edukasi Fintech Bagi Pelaku Usaha Mikro, Kecil dan Menengah. *Kumawula: Jurnal Pengabdian Kepada Masyarakat*, 3(1), 18-28.
- Setyowati, A., Harmadi, H., & Sunarjanto, S. (2018). Islamic financial literacy and personal financial planning: a socio-demographic study. *Jurnal Keuangan dan Perbankan*, 22(1), 63-72.

- Setyaningsih, E. D. (2018). Analisis SWOT Implementasi Financial Technology Syariah pada PT Telkom Indonesia. *Syiar Iqtishadi: Journal of Islamic Economics, Finance and Banking*, 2(2), 73-91.
- Tony, N., & Kavitha D., (2020). Impact of Digital Financial Literacy on Digital Financial Inclusion, *International Journal of Scientific & Technology Research*, Vol. 9: (1). ISSN. 2277-8616 1911. Accessed from <http://www.ijstr.org/final-print/jan2020/Impact-Of-Digital-Financial-Literacy-On-Digital-Financial-Inclusion.pdf> (25/09/2020).

Sources from internet:

- <https://www.indopremier.com/>, diakses 02/12/2019.
- <https://www.beritasatu.com/>, diakses 04/12/2019.
- <http://kanal24.co.id/> diakses 02/12/2019.

MINDS

ORIGINALITY REPORT

16%

SIMILARITY INDEX

13%

INTERNET SOURCES

9%

PUBLICATIONS

10%

STUDENT PAPERS

PRIMARY SOURCES

1	worldwidescience.org Internet Source	1%
2	www.nepjol.info Internet Source	1%
3	Submitted to Universitas Negeri Semarang Student Paper	1%
4	www.mdpi.com Internet Source	1%
5	jimf-bi.org Internet Source	1%
6	journal.uin-alauddin.ac.id Internet Source	1%
7	jurnal.untag-sby.ac.id Internet Source	1%
8	www.ijstr.org Internet Source	1%
9	Submitted to UIN Syarif Hidayatullah Jakarta Student Paper	1%

10	Submitted to Universitas Ibn Khaldun Student Paper	<1%
11	Submitted to Universitas Jenderal Soedirman Student Paper	<1%
12	Submitted to School of Business and Management ITB Student Paper	<1%
13	papers.ssrn.com Internet Source	<1%
14	jurnalmahasiswa.unesa.ac.id Internet Source	<1%
15	www.tojned.net Internet Source	<1%
16	Submitted to Sriwijaya University Student Paper	<1%
17	journal.isi.ac.id Internet Source	<1%
18	Submitted to Universitas Diponegoro Student Paper	<1%
19	repository.upy.ac.id Internet Source	<1%
20	ejournal.iainbengkulu.ac.id Internet Source	<1%

Andi Zulfikar Darussalam, Bambang Tutuko,

21	Ahmad Dahlan, Ahmad Hudaifah, Andi Darussalam Tajang. "ISLAMIC FINANCIAL TECHNOLOGY TOWARDS THE ADVANCEMENT OF ISLAMIC BANKING IN INDONESIA", NISBAH: JURNAL PERBANKAN SYARIAH, 2019	<1%
Publication		
22	diversity.social Internet Source	<1%
23	ejournal.undip.ac.id Internet Source	<1%
24	Submitted to STIE Perbanas Surabaya Student Paper	<1%
25	Er , Bünyamin Mutlu , Mesut. "Financial Inclusion and Islamic Finance : A Survey of Islamic Financial Literacy Index", International Journal of Islamic Economics and Finance Studies, 2017	<1%
Publication		
26	journal.uinjkt.ac.id Internet Source	<1%
27	Amrin Barata. "STRENGTHENING NATIONAL ECONOMIC GROWTH AND EQUITABLE INCOME THROUGH SHARIA DIGITAL ECONOMY IN INDONESIA", Journal of Islamic Monetary Economics and Finance, 2019	<1%
Publication		

28 [Pranoto, Kukuh Tejomurti, Munawar Kholil. "Environmental Investment Protection in The Era of Industrial Revolution 4.0", IOP Conference Series: Earth and Environmental Science, 2020](#) <1%

Publication

29 [Submitted to Universitas Gunadarma](#) <1%

Student Paper

30 [Muhammad Nafik Hadi Ryandono, Ida Wijayanti, Kumara Adji Kusuma. "Determinants of Investment In Islamic Crowdfunding", Muqtasid: Jurnal Ekonomi dan Perbankan Syariah, 2020](#) <1%

Publication

31 [eprints.uny.ac.id](#) <1%

Internet Source

32 [link.springer.com](#) <1%

Internet Source

33 [etheses.uin-malang.ac.id](#) <1%

Internet Source

34 [Fayaz Ahmad Lone. "Islamic Banks and Financial Institutions", Springer Science and Business Media LLC, 2016](#) <1%

Publication

35 [digilib.iain-palangkaraya.ac.id](#)

Internet Source

<1%

36

Farokhah Muzayinatun Niswah, Lu'liyatul Mutmainah, Diah Ayu Legowati. "MUSLIM MILLENNIAL'S INTENTION OF DONATING FOR CHARITY USING FINTECH PLATFORM", Journal of Islamic Monetary Economics and Finance, 2019

Publication

<1%

37

Muhamed Zulkhibri. "Financial inclusion, financial inclusion policy and Islamic finance", Macroeconomics and Finance in Emerging Market Economies, 2016

Publication

<1%

38

V K Siswanto, Sardjito, F E Nugroho. "Mapping of triple helix cooperation to develop local economic activation in Kampong Dolly, Surabaya", IOP Conference Series: Earth and Environmental Science, 2019

Publication

<1%

39

Mohamad Azmi Abdullah, Siti Nur Aqilah Ab Wahab, Salehudin Sabar, Falah Abu. "Factors determining Islamic financial literacy among undergraduates", Journal of Emerging Economies and Islamic Research, 2017

Publication

<1%

Salma Fadhilah Widityani, Taufik Faturohman,

40

Raden Aswin Rahadi, Yulianti Yulianti. "DO SOCIO-DEMOGRAPHIC CHARACTERISTICS AND ISLAMIC FINANCIAL LITERACY MATTER FOR SELECTING ISLAMIC FINANCIAL PRODUCTS AMONG COLLEGE STUDENTS IN INDONESIA?", Journal of Islamic Monetary Economics and Finance, 2020

Publication

<1%

41

Submitted to The State University of Zanzibar

Student Paper

<1%

42

Submitted to Universitas Islam Indonesia

Student Paper

<1%

Exclude quotes On

Exclude matches Off

Exclude bibliography On

MINDS

GRADEMARK REPORT

FINAL GRADE

/0

GENERAL COMMENTS

Instructor

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13
