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Inclusion and Literacy, Strategies for the Future of Islamic Finance

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Abstract

Islamic finance is one of the sectors with great potential in supporting global economic growth, especially in countries with a Muslim majority population such as Indonesia. However, the development of this sector still faces challenges, especially the low level of Islamic financial literacy and inclusion. Islamic financial literacy is related to the public's understanding of the principles, products, and benefits of Islamic finance, while inclusion reflects the extent to which the public has access to Islamic financial services. The purpose of this study is to discuss strategies that can be applied to improve Islamic financial literacy and inclusion, including through community-based education, digitalization of financial services, increasing product innovation, and strengthening supporting policies. The methodology used is a descriptive qualitative approach. This approach was chosen because it provides space to gain a deep understanding of the phenomenon being studied, namely the role of Islamic financial literacy and inclusion. The results of the discussion show that synergy between the government, Islamic financial institutions, and the community is needed to overcome existing obstacles. With the right approach, Islamic finance can not only be an alternative, but also an inclusive and sustainable financial solution, and contribute to national economic development.

Keywords : Islamic Finance, Financial Literacy, Financial Inclusion, Strategy and Economic Development

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1. Introduction

Islamic finance has become one of the fastest growing economic sectors in the world, including in Indonesia. With principles based on the values of justice, transparency, and sustainability, Islamic finance has been able to attract the attention of the wider community, both Muslims and non-Muslims. However, despite its great potential to contribute to the national economy, the level of literacy and inclusion of Islamic finance is still relatively low (Fatkhur Rohman Albanjari 2024).

Islamic finance has developed into one of the important pillars in the global financial system, offering an alternative based on ethical values, fairness, and sustainability. In Indonesia, as a country with the largest Muslim population in the world, the potential for Islamic finance is enormous. This can be seen from the increasing public interest in sharia-based financial products, ranging from banking, insurance, to investment. However, this development has not been fully balanced by an adequate level of Islamic financial literacy and inclusion (Fatkhur Rohman Albanjari, Nugraheni Fitroh R. Syakarna, Fauziah 2020). Financial literacy is the result of a combination of consumer or investor understanding of financial products and concepts, the ability to assess risks and opportunities, and making the right decisions to improve their financial stability. (Alsayigh and Al-Hayali 2022). Sharia financial literacy refers to the public's understanding of the principles, products, and benefits of sharia finance, while sharia financial inclusion relates to the extent to which the public has access to and utilizes sharia financial services. The sharia financial literacy of the Indonesian population in 2024 was 39.11 percent, while the sharia financial inclusion index was 12.88 percent (OJK, 2024). Based

on data from a national survey, only a small portion of the population truly understands the concept of sharia finance and uses it in everyday life (Syaiful Suib and Amelia 2024).

In 2024, Indonesia's financial inclusion index will be around 75 percent. The same survey found that the country's financial literacy index reached around 65 percent. This shows that financial services are widely used, but are not equipped with adequate financial literacy (Statistia, 2024). This condition shows that there are challenges that need to be overcome, such as lack of education, limited access to sharia financial services, and low levels of public trust in sharia financial institutions. Therefore, a comprehensive and sustainable strategy is needed to improve sharia financial literacy and inclusion, so that this sector can grow optimally and provide benefits to all levels of society. According to the 2024 National Survey of Financial Literacy and Inclusion (SNLIK), the Financial Literacy Index of the Indonesian population was 65.4%, while the Financial Inclusion Index was 75.02% (Fiscal Policy Agency, 2024). Based on these data, it shows that although the general level of financial literacy has increased, sharia financial literacy is still far behind. For example, in the last survey, only a small proportion of the community understood the basic principles of sharia finance, such as the prohibition of usury, gharar, and maysir. On the other hand, sharia financial inclusion—which reflects how much the community utilizes sharia financial products—is also still limited, especially in rural and remote areas (Sahri and Darmawan 2024).

Islamic finance plays a very important role in supporting inclusive and sustainable economic growth. As a country with the largest Muslim population in the world, Indonesia has tremendous potential to develop a sharia financial system. However, despite its great potential, to date, the level of inclusion and literacy of Islamic finance in Indonesia is still lagging behind compared to conventional finance. Islamic financial inclusion relates to the affordability, availability, and access of the community to Islamic financial products and services, including banking, insurance, fintech, and Islamic microfinance institutions. Meanwhile, Islamic financial literacy includes the community's understanding of the basic principles of Islamic finance, the benefits that can be obtained, and how to use them in everyday life.

To address these challenges, a comprehensive strategy is needed to improve literacy and inclusion of sharia finance in the future. Some steps that can be taken include strengthening education and socialization of sharia finance through various media, developing sharia-based financial technology to make it more accessible to the wider community, and strengthening regulations and policies that support the growth of the sharia financial industry. With the right strategy and synergy between the government, financial institutions, academics, and the community, it is hoped that inclusion and literacy of Islamic finance can increase significantly. This will not only support the growth of the Islamic financial industry, but also encourage national economic stability that is more equitable and based on Islamic values. This study will discuss the importance of literacy and inclusion in building the future of Islamic finance, as well as strategies that can be applied to accelerate the achievement of these goals. With the right approach, Islamic finance is not only an alternative, but also an inclusive and sustainable solution in the global economy.

2. Method

This study adopts a descriptive qualitative approach. This approach was chosen because it provides space to gain an in-depth understanding of the phenomenon being studied, namely the role of Islamic financial literacy and inclusion. By using this method, researchers can collect comprehensive data on how Islamic financial literacy and Islamic financial inclusion affect the attitudes and behavior of individuals and businesses related to sustainable and responsible financial decisions (Setiawan 2018). The descriptive qualitative approach allows researchers to explore diverse perspectives and understand the social, economic, and cultural contexts that influence the adoption of financial practices. Thus, this study not only explores the respondents' direct practices and experiences related to Islamic financial literacy and inclusion, but can also provide deeper insights into how these factors contribute to global efforts to achieve sustainable and environmentally friendly economic growth (Sugiyono 2013).

3. Results and Discussion

The Importance of Islamic Finance in the Modern Economy

Islamic finance consists of two syllables, Islam and finance. Finance indicates that financial markets and institutions that deal with the allocation of finance and credit risk. Thus, Islamic finance must be based on principles that are at least similar to other forms of financing. On the other hand, the word Islam indicates some fundamental differences between Islamic finance and conventional financial institutions, because of the presence of Islam as a source of teachings and values in finance (Kholis 2020). Islamic Finance is a field that is closely related to economic activities in the real sector, so that Islamic financial literacy cannot be separated from economic literacy or Islamic economics. The foundations underlying economics and finance that are in accordance with Islamic values are faith, morals, and Sharia. Therefore, Islamic economic and financial literacy is defined as knowledge, skills, and beliefs that influence attitudes and behavior to improve the quality of economic decision-making and financial management in order to achieve prosperity based on faith, morals, and Sharia (Mukhlisin Murniati, Soleh N Mohammad 2019).

Islamic banks, like conventional commercial banks, are financial institutions whose main business is also to collect and distribute funds from and to the community with the motive of making a profit, only that Islamic banks in every business and operation must be in accordance with the principles of Islamic law. ¹ In the Indonesian context, the operation of Islamic banks is in accordance with Banking Law No. 7 of 1992 which was revised through Law No. 10 of 1998 which expressly recognizes the existence and functioning of Islamic banks with the principle of profit sharing in every operation, Islamic banks may also carry out buying and selling or trading, finance goods and lease purchases like leasing companies and carry out direct financing, for example through the methods of murabahah and mudarabah, in this case in principle there is no profit sharing without any risk of loss sharing (Haq 1996).

Given the importance of the role of financial institutions and banking institutions in economic development, especially their role as intermediary institutions and transformation institutions in accelerating the flow of exchange of goods and services, it is undeniable that banking institutions are one of the places where money gathers which can be used as capital in economic development. This is one of the most important factors in economic development, namely the capital formation factor and the occurrence of capital accumulation in driving economic growth and development (Sahri and Darmawan 2024). Islamic finance has developed into one of the essential elements of the modern economy, offering a unique approach based on sharia principles, such as fairness, sustainability, and prohibition of harmful practices. In the global and national context, Islamic finance plays a significant role in driving inclusive and sustainable economic growth (Amrin 2022).

Islamic finance has become one of the important pillars in the global economic system, offering an approach that not only prioritizes profit, but also ethical values, justice, and sustainability. In a modern economy that often faces challenges such as social inequality, financial instability, and environmental degradation, Islamic finance provides relevant and long-term solutions (Mashuri 2014). The basic principles of Islamic finance, such as the prohibition of riba (interest), gharar (uncertainty), and maysir (gambling), create a more stable and fair system. This system replaces interest with a sharing of profits and risks, thus encouraging a mutually beneficial relationship between providers and users of funds. In addition, Islamic finance also focuses on ethical and productive investments, such as infrastructure development, education, and health, which have a direct impact on the welfare of society.

In the global context, Islamic finance plays a significant role in supporting economic development. Instruments such as sukuk (Islamic bonds) have been widely used to finance large infrastructure projects, including the construction of roads, hospitals, and educational facilities. With its value-based approach, Islamic finance is also in line with modern investment trends that increasingly pay attention to aspects of sustainability and social responsibility (Suryana 2017). In Indonesia, Islamic finance has great potential to contribute to economic growth. As a country with the largest Muslim population in the world, Indonesia has a large market for Islamic financial products. Government support through policies such as the establishment of the National Committee for Islamic Economics and Finance (KNEKS) and the issuance of national sukuk shows a commitment to the development of this sector. However,

to maximize its potential, strategic steps are needed, such as increasing Islamic financial literacy, expanding access to financial services, and encouraging technology-based product innovation (Zuchroh 2024).

In an increasingly complex modern economy, Islamic finance is not only an alternative, but also a solution that can answer various challenges. By integrating the principles of justice, sustainability, and ethics in every transaction, Islamic finance can encourage more inclusive, stable, and sustainable economic growth. Therefore, strengthening the position of Islamic finance in the global market is a strategic step to create a better economy for all (Pratama and Nisa 2024).

Current Conditions of Sharia Financial Literacy and Inclusion

Financial literacy is related to the ability and skills of individuals in managing personal or business finances. In financial literacy, it can also be used as a reflection in the process of understanding financial concepts, financial products and services, and controlling financial management independently in individuals (Ismanto Hadi, Anna W 2019). In the era of rapid globalization and digitalization, financial literacy has become a very important skill for every individual, especially for the younger generation who will become future leaders. Good financial literacy not only helps individuals manage their personal finances wisely, but also plays an important role in achieving sustainable economic prosperity. Sharia financial literacy, which is based on Islamic principles, offers a unique perspective that can help individuals and communities manage their finances in accordance with Islamic ethical and moral values (Supriana et al. 2024).

This Islamic financial literacy improvement program has had a significant positive impact on students in Sumbawa district. Initial survey results show that Islamic financial literacy among students still needs to be improved. Through the preparation of comprehensive modules and the implementation of interactive training, this program has succeeded in improving students' understanding of Islamic financial concepts (Widjaya and Fasa 2024). Continuous mentoring and consultation have also proven effective in helping students overcome practical challenges in implementing Islamic finance. This is in line with previous research findings that emphasize the importance of mentoring in the learning process (Nugroho & Sari, 2023). The evaluation and feedback obtained showed a significant increase in students' Islamic financial literacy, reflecting the effectiveness of the methods used in this program.

The success of this program also shows the importance of collaboration between academics, practitioners, and Islamic financial institutions in providing comprehensive and applicable education. With the increase in Islamic financial literacy among students, it is hoped that they can become an independent and highly competitive Muslim economic generation. Islamic finance is increasingly attracting attention as a dynamic sector in the global financial landscape, especially in Indonesia with its large Muslim population. The younger generation, known as the millennial generation, plays a significant role in shaping the future of financial markets. Understanding the factors that influence their involvement in Islamic finance is critical to driving inclusive economic growth (Mubasiroh, 2023). Service activities carried out in the community service program resulted in a significant increase in Islamic financial literacy among students, providing a potential model for improving financial inclusion and economic development (Irawan n.d.).

Financial inclusion is crucial for the millennial generation in Indonesia, not only for economic empowerment but also to drive sustainable development (Haryadi, 2023). As Indonesia follows the principles of Islamic finance, it is important to understand the various factors that contribute to millennial financial inclusion within this framework (Ozili, 2023). The rise of Islamic finance in Indonesia has caught the attention of the government, which aims to make Indonesia a leader in the Islamic economy (Yap et al., 2023). Furthermore, financial inclusion has been shown to be positively correlated with the Sustainable Development Goals (SDGs) related to finance (Almasah & Sirait, 2023).

In addition to literacy, Islamic financial inclusion is also crucial. This refers to the access and use of Islamic financial services by individuals and businesses. Improved Islamic financial

inclusion can improve economic opportunities for those below the poverty line or financially marginalized, by enabling them to access Islamic-compliant financing, such as microfinance and socially and ecologically sustainable investment products. Thus, Islamic financial literacy and inclusion not only strengthen the individual economy but also support the development of a more socially inclusive, sustainable economy (Nursjanti, Amaliawati, and Utami 2023).

Optimizing the role of Islamic financial literacy and inclusion can contribute significantly to supporting the transition to a green economy. Through Islamic financial literacy, individuals can better understand sustainable and ethical financial products, as well as the underlying concepts such as Islamic financing and environmentally friendly investment. This understanding allows them to make more responsible financial decisions, in accordance with Islamic values that emphasize justice, sustainability, and social welfare (Buono, Noviarita, & Iqbal, 2023). The author found that the current state of Islamic financial literacy and inclusion in Indonesia shows complex challenges, ranging from education to product innovation. To overcome this, an integrated strategy is needed involving the government, Islamic financial institutions, academics, and the community to encourage better understanding and access to Islamic financial services. Thus, this sector can grow significantly and have a positive impact on the national economy. The results of the study showed that the majority of respondents had a high understanding of Islamic financial inclusion. The number of respondents who had high Islamic financial inclusion was 69 people (ie 69.0 %), while those who were still low were 31 people (31%).

Strategy to Increase Sharia Financial Literacy and Inclusion

Financial literacy is a measure of a person's understanding of financial concepts, and having the ability and confidence to manage personal finances through appropriate short-term decision making, long-term financial planning, and paying attention to economic events and conditions. There are three dimensions of financial literacy, namely, calculation skills, understanding of basic finance, and having the ability and attitude towards financial decisions (Tedy and Yusuf 2020). Financial knowledge, skills, and beliefs possessed by an individual influence their financial attitudes and behavior. Increasing the knowledge possessed by a person can have an impact on active participation in financial-related activities, as well as more positive financial behavior in an individual. In addition, the link between behavior and a person's attitude is seen in a person who has a positive attitude for the long term is likely to show better financial behavior compared to someone who has a financial attitude for the short term (Fahlevi SI, Yusnaldi, and Irmalis 2021).

In fact, financial literacy and financial inclusion of the community with the rapid progress in the field of information technology and the increase in internet and gadget users, so that an innovation transforms an existing system or market, by introducing practicality, ease of access, convenience, and cost and economy, known as Disruptive Innovation. The phenomenon of Disruptive Innovation also occurs in the Financial Services Industry globally. Starting from the structure of the industry, its intermediation technology, to its marketing model to consumers. All of these changes encourage the emergence of a new phenomenon called Financial Technology (FinTech) (Rurkinantia 2021). Related to financial literacy, it is defined as the ability or capability in financial matters. A person with good financial literacy (well literate), will be able to see money from a different perspective and have control over their financial condition. The extent to which a society's literacy level is measured by the financial literacy index (Tedy and Yusuf 2020).

Low financial knowledge will lead to wrong financial planning and cause bias in achieving welfare when the age is no longer productive. There are four most common things in financial literacy, namely budgeting, savings, loans, and investment 15. Therefore, researchers focus on how the national strategy of financial literacy and the obstacles and challenges in increasing the share of the sharia market in Indonesia. The low level of knowledge about the financial industry and its products makes it easy for people to fall into investment products that offer high profits in the short term without considering the risks. Seeing this, the Financial Services Authority (OJK) together with the Association of Financial Services Institutions (LJK) from all financial industries such as banking, insurance, capital

markets, financing, pawnshops, and pension funds will launch the National Financial Literacy Strategy program (Pratama and Nisa 2024). The background of the financial literacy strategy began with various surveys from various parties such as the World Bank, that Indonesia has a low level of literacy compared to the world and globally. The mission of financial literacy is to provide education in the financial sector to the Indonesian people so that they can manage their finances intelligently.

Increasing financial literacy has become a global issue. Empowering consumers through financial literacy is believed to support efforts to achieve financial system stability, improve public welfare and more inclusive development. On November 19, 2013, the President of the Republic of Indonesia launched the Indonesian National Financial Literacy Strategy (SNLKI) as part of the Trilogy of Policy Instruments in order to increase public confidence (market confidence) and equality between consumers and the financial services industry (level playing field) (Kroniko 2023). However, there have been dynamics in recent years, namely the rapid progress in the field of information technology, shifts in community preferences, the growth of the middle class and the increasing complexity of financial products and services. Financial literacy, which is increasingly getting attention in many developed countries, is increasingly making us aware of how important the level of financial 'literacy' is. In some countries, financial literacy has even been declared a national program. Research results generally show that there is still a low level of financial literacy in developed countries and even more so in developing countries including Indonesia. This condition is a fairly serious problem considering that financial literacy has a positive effect on financial inclusion and behavior (Widjaya and Fasa 2024).

Based on the study and analysis, the author found a number of strategies that can be applied to improve Islamic financial literacy and inclusion. This strategy is designed to overcome existing challenges and take advantage of opportunities in the digital era and global economy. This strategy emphasizes the importance of synergy between education, technology, and policy to improve Islamic financial literacy and inclusion. Community-based education and digital technology are considered the most effective ways to reach the wider community. In addition, the active role of the government and Islamic financial institutions is very important in creating an inclusive, innovative, and sustainable Islamic financial ecosystem. With a comprehensive approach, Islamic finance can be a relevant and beneficial solution for the modern economy.

Well Literate and Financially Inclusive Indonesian Society

Indonesia has great potential to become one of the countries with high levels of financial literacy and inclusion, especially in the Islamic financial sector. With a population dominated by Muslims, the need for a financial system that is in accordance with Islamic values is increasingly relevant. However, to date, Islamic financial literacy and inclusion in Indonesia are still a challenge, with data showing that only a small portion of the population understands and optimally utilizes Islamic financial services (Fahlevi SI et al. 2021). "Well Literate" society means being able to understand the concepts, benefits, and risks of various financial products and services. Good financial literacy enables people to make smarter and wiser financial decisions. In the context of Islamic finance, this literacy includes an understanding of the basic principles of sharia, such as the prohibition of usury, gharar, and maysir, as well as an introduction to products such as sharia savings, microfinance, and halal investment. Community-based education, formal curriculum in schools, and digital campaigns are important steps to increase public awareness of Islamic finance (Nursjanti et al. 2023).

Meanwhile, a "Financially Inclusive" society is a society that has full access to financial services, including sharia finance, without geographical, social, or economic barriers. Sharia financial inclusion allows people in various levels—including those in remote areas—to take advantage of services such as business financing, sharia insurance, and sharia-based digital payments. Digitalization and the development of sharia-based financial technology are key to expanding the reach of financial services, especially in hard-to-reach areas (Keuangan 2017). Towards a well-literate and financially inclusive Indonesian society requires multi-party collaboration. The government has an important role in creating supportive policies, such as

incentives for Islamic financial institutions and regulations that facilitate access to financial services. On the other hand, Islamic financial institutions need to strengthen product and service innovation to meet the needs of modern society, including the technology-savvy younger generation (Zuchroh 2024). Achieving a literate and inclusive society not only impacts individual welfare, but also supports national economic development. By increasing literacy and inclusion, people can be more productive, manage their finances well, and contribute to equitable and sustainable economic growth. Towards a well literate and financially inclusive Indonesia is a strategic step to create a society that is more financially independent and resilient in facing global economic challenges (Supriana et al. 2024).

Inclusive finance is essentially all efforts aimed at eliminating all forms of barriers to public access to utilize financial services. Based on World Bank research, various countries have implemented inclusive finance in an effort to eradicate poverty, reduce income disparities in society, and encourage economic growth. In Indonesia, the formulation of a national strategy for inclusive finance was launched in early 2013, with the aim of achieving economic prosperity through poverty reduction, income equality and stability of the financial system in Indonesia by creating a financial system that is accessible to all levels of society (Junaidi 2013).

Inclusive finance is a multidisciplinary concept and consists of several components, all of which are relevant to the development agenda in a country. Bank Indonesia (2014) views that to determine the extent of the development of the inclusive finance process, a performance measure is needed. The Alliance for Financial Inclusion (2010) generally defines the complexity of inclusive finance into 4 (four) components, as follows:

Access

This component mainly emphasizes the ability to use financial services and products provided by formal financial institutions. To understand the level of access to financial services, analysis and knowledge of potential obstacles that occur when opening and using a bank account for all matters, as well as the costs and locations of bank services are needed.

Quality

As a measure of the suitability of financial services or products to consumer needs, the quality component includes consumer experience shown in opinions and attitudes about financial service products available to them. Quality will be a measure of the relationship between financial service providers and consumers, as well as the choices of financial products available and the level of consumer understanding of the implications of their chosen financial products.

Usage

Not only emphasizing the use of banking services, the usage component focuses more on the permanence and depth aspects of financial sector services and products in a country. In other words, the usage component explains in detail the frequency and duration of use of services from a financial service product. In addition, the usage component also measures the combination of financial products used by households or individuals.

Welfare

One of the most difficult components is measuring the impact of a financial product or service on consumers, such as changes in consumption patterns, business and investment activities, and welfare.

Financial inclusion will be able to influence people's personal financial behavior. This personal financial behavior is defined by Nababan and Isfenti (2013) as a person's attitude and procedures for treating, managing, and using the financial resources they have. Ardiani (2011) explains in more detail about managing finances, namely the process that starts from planning, implementing with discipline, and conducting evaluations or revisions if necessary. Therefore, in managing personal finances, the role of the banking industry is needed as one of the driving forces in daily economic

activities including for financial activities in the household scope, such as to obtain alternative financial resources due to financial shortages or for productive activities such as business capital needs. In addition, it is also used by the community through savings products with the aim of obtaining a certain rate of return (Widjaya and Fasa 2024).

The higher the level of financial literacy possessed by business actors, the better their ability to manage businesses with the right business decisions so that this can also help to realize business sustainability. Business managers with adequate financial knowledge can lead their companies to survive even in the midst of a crisis situation and tend to have long-term sustainability. Aribawa (2016) found the same thing in his research, namely that there is an influence between financial literacy and business sustainability. The ability to improve business sustainability can also increase if the financial literacy possessed is also adequate (Pratama and Nisa 2024). Research conducted by Adomako et al. (2014) in Ghana stated that company growth can occur due to the positive influence of financial literacy. Wise (2013) stated that financially literate business actors tend to be more routine in making financial reports. The study also stated that entrepreneurs can have a higher probability value to reduce the possibility of ending a business and tend to be able to maintain business continuity in the long term if they are routine in producing financial reports.

Efforts towards a well-literate and financially inclusive Indonesian society in Islamic finance face complex challenges, but can be overcome with integrated and innovative strategies (Amrin 2022). Here are some key findings that highlight both the challenges and opportunities for improving Islamic financial literacy and inclusion in Indonesia:

1. The Level of Islamic Financial Literacy is Still Low

Many Indonesians do not yet understand the basic concepts and benefits of Islamic financial products. This is due to the lack of systematic education, both in formal and informal environments. Islamic financial literacy has not been optimally integrated into the education curriculum or community empowerment programs.

2. Gap in Access to Islamic Financial Services

Islamic financial services are still concentrated in urban areas, while many people in rural or remote areas do not have adequate access. Factors such as limited infrastructure, minimal branches of Islamic financial institutions, and lack of digitalization are the main obstacles.

3. Digitalization as a Potential Solution

Digital technology, such as sharia-based fintech applications, has great potential to reach communities that are difficult to reach by conventional financial systems. However, the adoption of this technology is still limited, especially among communities that are less familiar with digital devices.

4. Multi-Party Collaboration as the Key to Success

The author emphasizes the importance of synergy between government, financial institutions, communities, and technology players in creating an inclusive Islamic financial ecosystem. The government can provide incentives, such as subsidies or national literacy programs, while Islamic financial institutions must increase transparency and product innovation.

5. Great Opportunity for Young Generation

The younger generation, who are familiar with digital technology, is an important segment in efforts to improve Islamic financial literacy and inclusion. The author found that social media and digital application-based approaches are very effective in targeting this group.

The author concludes that Indonesia has great potential to achieve a well-literate and financially inclusive society in Islamic finance. The main strategies include targeted education, digitalization of services, strengthening policies, and multi-party collaboration. By overcoming existing obstacles, Islamic finance can contribute to improving people's welfare and sustainable economic development. The author emphasizes that this step is not only a national need, but also part of Indonesia's commitment to promoting inclusive finance at the global level.

4. Conclusions

Islamic finance has a strategic role in building an inclusive, fair and sustainable economic system. However, literacy and inclusion challenges remain major obstacles to maximizing its potential, especially in Indonesia. The low level of public understanding of the principles and benefits of Islamic finance, as well as limited access to Islamic financial services, creates a gap that needs to be addressed immediately. Targeted literacy strategies, such as community-based education, digitalization of literacy campaigns, and integration of Islamic finance into formal education curricula, can improve public understanding of Islamic financial concepts and products. Meanwhile, inclusion strategies, such as adoption of digital technology, development of innovative products, expansion of service infrastructure, and progressive regulatory support, are key to expanding the reach of Islamic financial services to all levels of society. Collaboration between the government, Islamic financial institutions, technology industry players, and communities is an important factor in building an inclusive and innovative Islamic financial ecosystem. With an integrated approach, Islamic finance can contribute significantly to reducing socio-economic disparities, increasing community productivity, and driving sustainable economic growth. Going forward, the success of building the future of Islamic finance depends on the commitment of all parties to improve literacy and inclusion. With planned steps, Islamic finance will not only be a pillar of the national economy, but also a global solution to create a fairer financial system that is oriented towards shared prosperity.

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