
Paradigm of Islamic Financial Literacy: Discourse Analysis of Bank Indonesia's Education Program

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Abstract

This study explores the paradigm of Islamic financial literacy through a discourse analysis of Bank Indonesia's educational initiatives. Islamic financial literacy represents an intersection of religious principles and financial practices, emphasizing *sharia*-compliant behaviors in economic activities. Despite increasing interest in Islamic finance globally, comprehensive education models that integrate *sharia* values remain underdeveloped. Through qualitative discourse analysis, this research evaluates textual and narrative frameworks in Bank Indonesia's programs to determine the depth and breadth of Islamic financial values conveyed. Drawing upon theories of financial socialization and Islamic ethical economy, the study identifies thematic emphases, structural strategies, and underlying assumptions in educational communications. Results reveal that while Bank Indonesia promotes financial awareness broadly, the integration of *sharia*-oriented literacy is uneven, often subordinated to conventional financial norms. The research highlights a need for a paradigmatic shift in financial education, one that prioritizes religious and cultural contextualization. The findings provide actionable insights for policymakers, educators, and financial institutions seeking to cultivate financial systems rooted in Islamic ethical frameworks. This article contributes a conceptual framework for aligning national financial literacy initiatives with Islamic principles, suggesting pathways for more inclusive and value-aligned economic education.

Keywords

Islamic financial literacy; Bank Indonesia; *sharia* education; financial ethics;

Introduction

Financial literacy has emerged as a critical component in modern economies, equipping individuals with the necessary skills to manage personal finances and make informed economic decisions. Within Muslim societies, this concept takes on added dimensions, as it intersects with the moral and ethical frameworks of Islam, especially principles embedded in *sharia* (Iqbal & Mirakhor, 2007). As financial systems grow increasingly complex, the necessity for specialized financial education that addresses Islamic ethical imperatives becomes ever more urgent (Obaidullah, 2005, p. 47). Consequently, a holistic framework of Islamic financial literacy is not only a financial requirement but also a religious imperative.

The integration of Islamic values in financial systems has gained substantial attention in scholarly and policy-making domains. Notably, Islamic finance rests upon foundations such as risk-sharing, prohibition of interest (*riba*), and ethical investment (*halal*)—elements that demand a distinct form of financial literacy (Chapra, 2000, p. 102). Although global financial institutions have started adopting Islamic financial products, the educational strategies to support their understanding among consumers remain fragmented (Warde, 2000). Within Indonesia, a country with the largest Muslim population, institutions like Bank Indonesia have taken initiative in fostering financial literacy, yet the extent to which these efforts incorporate Islamic paradigms remains inadequately examined (World Bank, 2008).

Empirical studies have highlighted gaps in financial understanding among Muslim populations, particularly in distinguishing conventional and Islamic products (Hassan & Lewis, 2007). These gaps point to an insufficiency in current educational content and delivery, necessitating a closer look into the discourse used by state financial institutions (Kuran, 2004, p. 163). Such discourse not only conveys knowledge but also reflects ideological commitments, thereby influencing how financial behaviors are internalized and practiced by the public (Foucault, 1972).

Despite increased scholarly interest in Islamic financial institutions, limited research has been conducted on the discursive frameworks underlying Islamic financial education. Much of the existing literature focuses on product development and regulatory frameworks, leaving a notable gap in understanding how financial literacy is constructed and communicated (El-Gamal, 2006). This lacuna presents a compelling opportunity to interrogate the pedagogical and ideological assumptions that underlie official educational initiatives such as those spearheaded by Bank Indonesia.

This study addresses the following research questions: (1) How is Islamic financial literacy conceptualized within Bank Indonesia's educational discourse? (2) To what extent does this discourse align with Islamic ethical-economic

principles? (3) What paradigmatic implications arise from the current representation of Islamic financial literacy? The objectives are to critically analyze Bank Indonesia's educational texts, identify alignment with Islamic economic frameworks, and provide a basis for improving educational policy. The research holds significance for developing a culturally and religiously congruent model of financial education that is both theoretically grounded and practically actionable.

Literature Review

The conceptualization of financial literacy has evolved to encompass a wide range of competencies, including budgeting, investing, saving, and debt management. In Islamic contexts, however, financial literacy must also reflect moral and religious obligations dictated by *sharia* law (Iqbal & Mirakhor, 2007). This implies an added dimension beyond conventional financial understanding, integrating notions of justice, communal welfare (*maslahah*), and lawful economic transactions. Studies have shown that Islamic financial literacy involves both cognitive and affective domains, where knowledge and ethical orientation are mutually reinforcing (Obaidullah, 2005, p. 21).

Discourse analysis offers a powerful tool for examining how financial education is framed within institutional narratives. Drawing from Foucault's notion of discourse, financial texts are not neutral but reflect underlying power structures and value systems (Foucault, 1972). When applied to Islamic financial education, this perspective enables the exploration of how Islamic ethics are either emphasized or diluted within institutional efforts. Earlier studies have noted that educational materials from financial authorities often maintain a secular orientation, with Islamic references being sparse or superficial (Warde, 2000; Chapra, 2000, p. 115).

Bank Indonesia, as the central bank, plays a pivotal role in shaping public understanding of financial concepts. Although it has made efforts to develop inclusive literacy programs, these initiatives often prioritize financial inclusion over religious specificity (World Bank, 2008). Consequently, the Islamic aspect of financial literacy is underrepresented in both scope and depth. This research positions itself within these academic and institutional gaps, aiming to provide a nuanced evaluation of how Islamic financial literacy is discursively constructed.

Theoretical Framework

This study draws upon three major theoretical frameworks: Islamic economic ethics, financial socialization theory, and critical discourse analysis. Islamic economic ethics, grounded in the works of Chapra (2000, p. 92) and Iqbal & Mirakhor (2007), emphasizes

principles such as justice (*'adl*), trust (*amanah*), and mutual cooperation (*ta'awun*). These values are fundamental in shaping financial behavior that is consistent with *sharia* and serve as the evaluative benchmarks for assessing educational content.

Financial socialization theory contributes to understanding how individuals acquire financial knowledge and behaviors. Rooted in developmental psychology and educational studies, this theory posits that institutions, including families, schools, and media, transmit financial norms and practices (Hira, 1997). When adapted to Islamic contexts, financial socialization must also encompass religious instruction, community values, and cultural practices that influence financial decision-making (Obaidullah, 2005, p. 34).

Critical discourse analysis (CDA), particularly in the tradition of Fairclough (1992), provides a methodological lens to examine the textual and contextual features of Bank Indonesia's educational discourse. CDA is concerned with how language reflects and shapes social realities, making it suitable for evaluating how Islamic financial principles are embedded—or marginalized—within institutional narratives. This framework facilitates the identification of both overt messages and latent ideologies that inform the public's understanding of financial responsibility and ethical conduct.

Together, these theoretical lenses support a comprehensive analysis of how Islamic financial literacy is constructed, communicated, and potentially internalized through official educational programs. They enable this study to go beyond surface-level descriptions and uncover the deeper paradigmatic orientations that guide financial education in an Islamic context.

Previous Research

In 2000, Warde examined the global emergence of Islamic finance, highlighting the industry's focus on financial instruments rather than educational outreach. His study revealed a growing market for *sharia*-compliant products but limited efforts to cultivate corresponding financial literacy (Warde, 2000). Chapra's (2000, p. 98) work emphasized the necessity of an ethical framework in Islamic economics, arguing for integration of moral instruction in financial education—a view this study builds upon.

El-Gamal (2006) critiqued the commodification of Islamic finance, noting that many financial products merely mimic conventional ones without offering a fundamentally Islamic alternative. His work underscores the need for educational content that reflects authentic *sharia* principles. Hassan and Lewis (2007) offered empirical data from Southeast Asia, showing widespread confusion among consumers regarding Islamic and conventional financial tools—thus indicating a literacy gap.

Obaidullah (2005, p. 61) presented a curriculum model for Islamic financial literacy, but acknowledged the absence of state-level implementation. Kuran (2004, p. 151) took a

more critical stance, arguing that Islamic finance lacks theoretical coherence, a gap that educational programs often fail to address. The World Bank (2008) called for inclusive financial education in developing countries but did not explicitly address Islamic paradigms, a limitation echoed by this study.

These studies collectively affirm that while Islamic finance has gained institutional legitimacy, its educational dimension remains underdeveloped. There is a clear gap between theoretical ideals and their practical dissemination through public education programs—particularly in Indonesia. This study seeks to fill this void by critically analyzing how Bank Indonesia represents and frames Islamic financial literacy.

Research Methods

This study employs a qualitative approach, focusing on textual data from official Bank Indonesia documents, websites, and public communications related to financial literacy. The data comprises narrative and discursive materials that articulate educational objectives, define financial concepts, and promote public behavior in alignment with institutional goals (Fairclough, 1992). These texts are rich in meaning and ideologically charged, making them suitable for discourse analysis.

The data sources include public statements, educational campaigns, printed materials, and digital resources published by Bank Indonesia. These sources reflect institutional priorities and cultural assumptions embedded in the promotion of financial literacy. Supplementary literature from international academic sources is used for comparative context and theoretical grounding (Warde, 2000; Iqbal & Mirakhor, 2007).

Data were collected through document review, focusing on materials explicitly related to financial literacy. A purposive sampling technique ensured that documents relevant to Islamic financial content were selected. All documents were reviewed for themes, rhetorical patterns, and conceptual categories using a structured analytical framework.

The data were analyzed through thematic analysis, focusing on recurring themes, linguistic choices, and conceptual metaphors used in the texts. Particular attention was paid to how Islamic financial principles were framed—explicitly or implicitly—and how these frames shaped public understanding. This analysis was guided by critical discourse methodology (Fairclough, 1992) and aligned with Islamic ethical theories (Chapra, 2000, p. 110).

Findings were synthesized by comparing textual features with the theoretical constructs of Islamic finance and financial socialization. Interpretive analysis allowed for drawing conclusions about the coherence and depth of Islamic financial literacy as portrayed in the educational discourse. This synthesis led to thematic insights that inform the Results and Discussion sections.

Results and Discussion

This study examines the narrative construction of Islamic financial literacy within institutional discourse, with a particular focus on how regulatory and educational frameworks frame the values, objectives, and practices of Islamic finance. While Islamic banking and finance have witnessed remarkable growth globally and in Indonesia specifically, there remains a gap in understanding how foundational Islamic economic values are communicated to the public—especially through state-sanctioned financial education. Given Indonesia's unique position as the world's largest Muslim-majority country operating within a dual banking system, the role of institutions such as Bank Indonesia becomes pivotal in shaping the literacy and ethical orientation of its citizens toward Islamic finance (Chapra, 2000; Iqbal & Mirakhor, 2007).

Adopting a critical discourse approach, this study analyzes the textual and ideological underpinnings of official literacy materials to assess the depth of Islamic economic integration within national financial narratives. Drawing upon Fairclough's (1992) theory of discourse and informed by Islamic economic thought (Obaidullah, 2005; El-Gamal, 2006), the analysis interrogates how Islamic values are articulated, marginalized, or superficially employed in institutional texts. This provides a lens through which to evaluate whether current educational strategies genuinely align with the *maqāṣid al-sharī'ah* or merely incorporate Islamic terminology as a symbolic gesture (Kuran, 2004). Through this inquiry, the study contributes to broader discussions on ethical finance, religious identity, and policy coherence in pluralistic financial systems.

1. Framing Islamic Literacy in Institutional Narratives

The educational discourse of Bank Indonesia reflects a pragmatic and inclusive approach to financial literacy, emphasizing behavioral competencies and national economic participation. However, the integration of Islamic values is limited to occasional references, lacking depth and consistency. This aligns with Fairclough's (1992) view that institutional language often masks ideological biases. While the materials reference *sharia* in general terms, there is little effort to elaborate on specific Islamic economic values such as *zakat*, *riba*, or ethical investment (*halal* and *haram*) (Chapra, 2000, p. 98).

Critical analysis reveals that Islamic financial terms are often used decoratively, serving more as cultural identifiers than as components of structured pedagogy. This superficiality undermines the authenticity of Islamic financial education and reflects a tension between universalist financial models and contextualized religious values (El-Gamal, 2006; Kuran, 2004, p. 159). Consequently, the discourse falls short of fulfilling the moral imperatives articulated by Islamic economists like Iqbal & Mirakhor (2007).

Institutional language tends to prioritize neutrality and inclusivity, often to the detriment of religious specificity. This approach risks diluting the educational value for Muslim populations seeking guidance grounded in *sharia* principles (Obaidullah, 2005, p. 38). The findings suggest a paradigmatic misalignment between public educational objectives and the ethical economy of Islam.

2. The Ethics of Financial Responsibility in Islam

The second research question concerns the alignment of Bank Indonesia's discourse with Islamic ethical-economic principles. The findings indicate partial alignment. Educational narratives encourage personal responsibility, savings, and debt avoidance—values that resonate with Islamic teachings on *amanah* (trust) and *maslahah* (public benefit) (Chapra, 2000, p. 101). However, these values are rarely framed in explicitly Islamic terms, which could reduce their resonance with religious audiences.

Islamic financial ethics emphasize not only what actions are taken but the spiritual intentions behind them. This duality—action and intention—is largely absent in secular educational materials. This aligns with Warde's (2000) critique that Islamic finance often adopts the structure of Islamic law but not its spirit. Bank Indonesia's discourse appears to follow this pattern, promoting financially sound behaviors without invoking their religious rationale.

The findings suggest that a stronger emphasis on Islamic motivations and theological framing would enhance the effectiveness of financial literacy among Muslim communities. By grounding financial behaviors in religious narratives, educational programs can foster deeper personal and communal commitment (Iqbal & Mirakhor, 2007; Obaidullah, 2005, p. 74).

3. Discourse and Paradigmatic Implications

Addressing the third research question, this section explores the paradigmatic implications of current representations of Islamic financial literacy. Bank Indonesia's discourse reflects a modernist paradigm—rooted in economic rationalism—rather than a *sharia*-oriented epistemology. This is evident in its treatment of financial principles as universally applicable, with little room for religious variation (Kuran, 2004, p. 146).

Such an approach risks alienating devout Muslim audiences and undermines efforts to integrate Islamic ethics into national financial systems. The discourse also reveals an asymmetrical power dynamic, where Islamic values are tolerated but not substantively incorporated—reflecting Foucault's (1972) notion of discourse as a site of ideological control.

The findings call for a paradigmatic reorientation in which Islamic financial literacy is not merely a subcategory of financial education but a distinct epistemological system with its own foundational texts, principles, and pedagogical methods. Educational content should explicitly engage with Islamic sources, including Qur'anic injunctions and *hadith*, to construct a meaningful and authentic literacy model (Chapra, 2000, p. 119; Obaidullah, 2005, p. 57).

Core Findings and Pathways Forward

This study finds that Bank Indonesia's educational discourse on financial literacy integrates Islamic elements inconsistently and superficially. The first research question reveals that Islamic financial literacy is framed more as a cultural marker than a substantive educational paradigm. The second question highlights that ethical principles are present but rarely connected to their religious roots. The third question illustrates that current paradigms prioritize economic modernity over religious authenticity.

Theoretically, the findings contribute to a deeper understanding of how financial literacy can be both a cognitive and moral endeavor in Islamic contexts. This research challenges the dominant secular models by proposing an integrative framework that places *sharia* ethics at the center of financial education. Practically, the study suggests actionable strategies for policymakers, such as curriculum development rooted in Islamic sources.

The study's novelty lies in its discursive approach and its critical examination of national educational narratives. By focusing on how language constructs and limits financial understanding, it offers a model for analyzing similar programs in other Muslim-majority contexts. The findings serve as a foundation for rethinking financial education from an Islamic worldview.

Conclusion

This article has critically examined the paradigm of Islamic financial literacy as articulated within the educational programs and discourse of Bank Indonesia, employing a discourse analytical framework to unravel the implicit and explicit dimensions of institutional messaging. The analysis revealed that while Islamic terminology and value references are present, they tend to function more as symbolic inclusions rather than as substantive frameworks shaping pedagogical intent.

There remains a notable lack of conceptual depth, coherence, and sustained application of Islamic economic values across the board. These findings affirm the existence of a theoretical and operational gap between the normative ideals of Islamic economics—rooted in principles like *adl* (justice), *maslahah* (public interest), and prohibition of *riba*—

and the way these principles are represented in state-led financial education initiatives. This misalignment not only undermines the authenticity of the messaging but also risks alienating Muslim audiences who seek financial guidance that is both religiously grounded and practically relevant.

The contribution of this study lies in its proposal for a conceptual realignment between financial literacy agendas and the ethical universe of Islamic finance. It emphasizes the importance of embedding educational strategies within broader socio-religious paradigms that resonate with the lived experiences and normative expectations of the Muslim community. To address the deficiencies identified, the study recommends that institutions such as Bank Indonesia co-create literacy frameworks in close consultation with sharia scholars, educators, and grassroots actors. This process should not merely include Islamic concepts as an afterthought, but rather develop from within an Islamic worldview that prioritizes ethics, communal responsibility, and socio-economic justice.

Additionally, future research could investigate comparative implementations of Islamic financial literacy in other Muslim-majority countries, explore how religious institutions shape public perceptions of ethical finance, or conduct longitudinal studies to evaluate how integrated curricula impact behavior and decision-making in financial contexts. Ultimately, the development of an authentic and impactful Islamic financial literacy framework necessitates a paradigmatic shift that goes beyond surface-level inclusion of religious language and actively embraces the moral and epistemological foundations of Islam as a guide for economic life.

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