
INCREASING THE KNOWLEDGE OF TASIWALIE VILLAGE COMMUNITIES ABOUT SHARIA BANKS IN INDONESIA THROUGH SHARIA BANKING SOCIALIZATION

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Abstract

Collecting funds from the public and channeling them back to the community is a general banking activity, both conventional and Islamic banks. However, there is a fundamental difference, namely that Islamic banks not only focus on profit-oriented, but they also precipitate elements of benefit, for example carrying out social services such as qardh funds, infaq, zakat or other social services that are considered for the benefit of advantage. Tasiwalie Village, one of the villages in the Suppa sub-district, Pinrang Regency, is predominantly Muslim but generally uses conventional financial services. This is due to the need for more public knowledge about products at Islamic Banks. Community service needs to be carried out to increase the knowledge of the Tasiwalie Village community about Sharia banking which can be done through sharia banking outreach activities. This activity was carried out in 3 stages: planning, implementation and evaluation. This activity ran smoothly and was well received by community leaders and local residents.

Keywords: *Knowledge; Socialization; Sharia Banking.*

Abstrak

Menghimpun dana dari masyarakat dan menyalurkan kembali ke masyarakat merupakan kegiatan bank secara umum baik itu bank konvensional maupun bank syariah. Akan tetapi ada perbedaan mendasar yakni Bank Syariah tidak hanya berfokus pada *profit oriented*, juga mengedepankan unsur kemaslahatan misalnya melaksanakan jasa sosial seperti dana qardh, infak, zakat atau jasa sosial lainnya yang dianggap untuk kepentingan maslahat. Desa Tasiwalie salah satu desa yang ada di kecamatan Suppa Kabupaten Pinrang mayoritas penduduknya muslim, Akan tetapi pada umumnya menggunakan jasa perbankan secara konvensional. Hal ini disebabkan karna minimnya pengetahuan masyarakat tentang produk di Bank Syariah. Pengabdian masyarakat perlu dilakukan dengan tujuan untuk meningkatkan pengetahuan masyarakat Desa Tasiwalie tentang perbankan syariah yang dapat dilakukan melalui kegiatan sosialisasi perbankan syariah. Kegiatan ini dilakukan dengan 3 tahap yakni perencanaan, pelaksanaan dan evaluasi. Kegiatan ini berjalan lancar dan disambut baik oleh tokoh masyarakat dan warga setempat.

Kata kunci: Pengetahuan; Sosialisasi; Perbankan Syariah.



INTRODUCTION

Activities to collect funds from people who have excess funds and then channel them back to people who lack funds are bank activities in general, both banks that adhere to conventional and Sharia principles. Distribution of funds can be conducted to parties who need it in order to provide utilities for the community in meeting various demands of community needs according to their levels (Arwin & Sutrisno, 2022). However, there are fundamental differences between the two types of bank principles, namely that Islamic banks do not only focus on profit-oriented but also prioritize the element of benefit. The concept of Islamic banking obliges in practice to carry out social services such as qardh funds, infak, zakat, or other social services that are considered for the benefit of the people (Sumarno et al., 2021). This additional principle is unique to Islamic banking, which is not owned by conventional banking institutions.

Islamic banking always has a relationship with Islamic banks and Islamic business units, which includes institutions, methods and processes in maintaining its existence as a competitive financial institution (Ismail, 2011). Islamic banking always has a relationship with Islamic banks and business units, including institutions, methods and processes in maintaining its existence as a competitive financial institution (Marimin & Romdhoni, 2017). Sharia principles are emphasized to avoid all forms that do not follow Islam's teachings. The banking board must work in accordance with the shari'a, especially those related to Islamic ethics and procedures. The essence of the muamalat procedure is to avoid all forms of practice that contain elements of usury or interest to be filled with various investment activities based on revenue sharing and trade financing principles. In addition to the operational procedures referring to the Qur'an and Hadith, the procedures for operating are in accordance with the instructions contained in the Qur'an and Hadith.

Islamic banks in Indonesia have great potential to become the bank with the most significant number of customers and are able to compete with conventional banks, which are spread across various regions in Indonesia. This is based on the fact that the majority of the population in Indonesia are Muslims. That reason should be one of the brandings of Islamic banks to get public sympathy to use the services of Islamic banks. Gaining public sympathy means gaining public trust to transact in Islamic banks (Nasution et al., 2019). The higher public confidence in Islamic Banks will affect the public to always transact in Islamic banking. If public trust is low, it will undoubtedly involve a bank's performance because customers are one of the bank's sources of income (Paryanti, 2018). Gaining the public's trust to transact in Islamic banks occurs if the public's understanding of the profile of Islamic banks is good. However, in general, what happens in society is a need



for more understanding of Islamic banking (Rosyid & Saidiah, 2018). The low level of public experience can also be seen from the community's understanding of good Sharia, such as the contracts used in carrying out their activities. This is one of the triggers for the lack of Muslim communities to contribute to Islamic banking.

Tasiwalie Village is one of the villages in Suppa District, Pinrang Regency, which is predominantly Muslim. But ironically, most people need to learn and want to become users of Islamic banking services. Even though, as Muslims, the community should stay away from all usury practices which are clearly prohibited in Islamic teachings in fulfilling various needs, both for investment activities, transactions to finance managed businesses, or some other forms of cooperation that are the needs of the community. However, the people of Tasiwalie Village are still loyal users of conventional financial products to meet their various demands in life. The main cause is the intensity of public knowledge about Islamic banking, which is still very low in terms of concepts, products, and mechanisms. Knowledge will influence people's behavior through decisions to use Islamic bank products (Yuliawan eko, 2011).

Before this service activity was carried out, an initial interview was conducted with one of the residents of Tasiwalie Village (Mulyati). Informants said they were not familiar with the term Islamic bank or that there were even some people who had never heard of the term Islamic bank. The stigma given by the public says that Islamic banks are the reincarnation of conventional banks, which only add to the Sharia label (Sumarno et al., 2021). This is in line with the statement that saving in conventional banks is the same as saving in Islamic banks (Risal, 2019). This assumption is now one of the tough challenges faced by many groups, both practitioners and academics, to straighten out various public perceptions regarding the differences between conventional banks and Islamic banks. Seeing the existing phenomena, it seems that the intensity of public introduction to Islamic banking products does have obstacles, namely the lack of massive outreach from various parties to socialize Islamic banking. It is also undeniable that there is an assumption that the two mechanisms and the banking system, both conventional and Sharia, are actually the same. Therefore, all parties deemed competent to educate Islamic banking are a shared responsibility. Therefore, it is necessary to make education and strategic steps in making improvements so that in the future, more people will know about it that they are encouraged to become users of Islamic banking services.

Community service is one way that can be taken to increase public knowledge of an object (Hartini et al., 2022). Some of the results of



community service stated that there was an increase in community knowledge after counseling or education was carried out (Murwadji & Robby, 2017). Community service activities are the obligation of a lecturer because these activities are part of the tridharma apart from education and research. The purpose of this activity is to provide education or understanding to participants about the world of banking, especially Islamic banks, such as contracts in Islamic banking (Nadia et al., 2019). Socialization is seen as an activity aimed at informing and influencing the public to use an object that has been determined or planned.

Like the socialization of Islamic banking, the hope is that people can understand the essence of Islamic banking and leave various practices that are prohibited by religion, such as usury practices. In answering this problem, it is deemed necessary to carry out a massive movement by conducting outreach to educate the public so that an understanding of Islamic banking is formed in terms of concepts, products, and various muamalah practices that are prescribed according to recommendations from the Sharia Supervisory Board (DPS). So far, the socialization of Islamic banking is still not very adequate. This is because socialization focuses on Islamization, namely incorporating Islamic principles into the banking system. Socialization has not reached the scientific stage. The ineffectiveness of socialization is based on the lack of efforts in the socialization of Islamic elements so that they can be widely accepted by society with more rational examples. Therefore, the priority of Islamic banks is not only limited to Sharia loyalists but can also be more public. More effective Sharia banking socialization activities can be obtained when business actors can compete in the global economy. This is very important because Indonesia has a large Muslim population, so it has the potential to become a leading center for developing Sharia finance (Alamsyah, 2012). Achieving the target of socialization of Sharia banking is very important, so it needs real efforts. Its nature is to build public enthusiasm to contribute as consumers of Sharia institution products. To achieve this goal, it is necessary to take strategic steps in the form of improvements in socializing Islamic banking in society. Actively looking for the source of the problem by looking at the main factors that are a problem in increasing the effectiveness of sharia banking socialization in organizations, especially in the Tasiwalie Village community.

METHOD

Implementing community service activities (PKM) with the Sharia Bank literacy improvement program through outreach will be carried out on Wednesday, November 2, 2022, at the Tasawalie Village Office, Suppa District, Pinrang Regency, which starts at around 10.00 WITA - 12.00 WITA.



Data was obtained through observation and question and answer with community leaders and residents of Tasiwalie Village. The method of implementation is carried out using direct communication techniques in the form of socialization through the delivery of material by resource persons followed by a question and answer session with the audience (residents of Tasiwalie Village).

RESULTS AND DISCUSSION

An understanding of Sharia banking needs to be done, considering that the majority of the population in Tasiwalie Village is Muslim. Therefore it is deemed necessary to have socialization activities to achieve this goal. The implementation of this activity is in accordance with the schedule that has been set and agreed upon by Tasiwalie Village and the executors. This socialization activity was opened by the Head of Tasiwalie Village, represented by Mr. Abdul Rahman, S.Pd. This community service is carried out in 3 stages, namely :

1. Begin the preparatory stage.

At this stage, observations and requests for permission were made to the Head of Tasiwalie Village as the place for this community service, as evidenced by an application letter from the chief executive with approval from the dean of FEBI IAIN Parepare. Apart from that, at the preparation stage, it is also seeking information on the willingness of participants, including the estimated number of participants who are ready to attend the planned outreach activities. Time agreement from Islamic banking practitioners is also an essential consideration for implementing this activity. After the implementation time was agreed upon, the Islamic Economics Study Program Lecturer team at the Faculty of Islamic Economics and Business at IAIN Pare-pare compiled an implementation schedule and agreed with the Head of Tasiwalie Village, including the 2nd resource person.

2. Implementation stage.

The opening of socialization activities was carried out by the village secretary, represented by Mr. Abdul Rahman, Spd. In his remarks, he conveyed that the presence of the socialization implementation team was a very useful activity for the people of Tasiwalie Village to understand Islamic banking, which so far has been very foreign to the public's ears. In addition, the people of Tasiwalie Village are very dependent on conventional products, so they strongly advise the community to study every material that will be provided by sources, both academics, and practitioners from Islamic banking itself.

Furthermore, the stages of carrying out the activity began by explaining the material carried out by resource person 1 (Lecturer of IAIN Parepare as the executor), explaining the differences between Islamic banks and conventional banks, differences in interest and profit sharing of contracts in Islamic banks and the advantages of Islamic banks. One of them is the existence of religious attachment will affect all parties to try their best with the teaching of their religion, which is believed to bring blessings (Antonio & Muhammad, 2008).

After the presentation of the concept of Islamic banking from the 1st resource, it was seen that several participants did not understand some of the concepts previously explained. So the PKM team opened a question-and-answer session for the material in session 1. Participants looked enthusiastic and understood more quickly if they were given examples of cases that were relevant to the discussion, for example, differences in interest and profit sharing. The 1st Resource person re-explained the basic difference between interest and profit sharing. One of the things explained by the 1st resource explained that the determination of the interest rate was made in the initial agreement, which was always profit oriented. This is inversely proportional to the system of determining the amount in Islamic banks. The profit sharing that is applied is based on profit and loss. In addition, it also explained the role of the Sharia supervisory board in Islamic banking institutions, which absolutely does not exist in conventional banking institutions. The part of the Sharia supervisory board is a bridge to identify whether or not the products to be offered to the public are appropriate. This identification is not only limited to product elements that only involve elements of community needs but must be guided by the Koran and hadith. The products offered follow the principles of muamalat, including no elements of masyir, gharar, and usury.

Picture 1.

Socialization of IAIN Pare-pare lecturers about Islamic Banks



The following material was continued by a practitioner of Islamic banking in Indonesia, explaining the products offered in Islamic banking and some of the conveniences of making transactions. As practitioners who know in depth about Islamic banking, the second informant reiterates some of the previous sources' statements by exemplifying several relevant transactions between theory and products offered at Islamic banks. Program activities for the community are a form of reflection on knowledge with theory combined with experience in the field for the development of soft skills and creativity. So that in this activity, it is deemed necessary to present Sharia banking practitioners so that socialization activities are practical in accordance with the previous objectives. Furthermore, the resource person (practitioner) explained several products that fit the needs of the Tasiwealie village community, especially women who dominate as participants in this socialization activity. One of the Islamic bank products is a junior haj savings product that can be reached by children from an early age according to predetermined conditions. Almost all the participants who attended were not aware of the regulation that opening a haj account must be done at an Islamic bank, not a conventional bank anymore. In addition, the people of Tasiwalie village do not know that from an early age, they can become haj customers at Sharia banks, so they don't have to wait for old age to perform the pilgrimage. This information simultaneously answers anxiety and provides a solution to the complaints felt by the people of Tasiwalie Village, who have to wait for old age to go on a pilgrimage.

The people of Tasawalie village were very enthusiastic and even felt helped by some of the information. In addition, gold pawn products are also offered, which, so far, people are only familiar with the conventional system. Participants or some members of the public complained about the conventional gold pawn system, so that education from practitioners encouraged the public to use sharia pawnshop products. This Islamic banking education and literacy seminar in Taswalie Village takes place from 09.00 – 12.00 WITA.

Picture 2.
socialization by practitioners regarding products in Islamic banks



3. The final stage of activity (evaluation)

The final stage of this activity and evaluation is carried out to measure how far the success of the entire socialization program has been carried out. The community already understands the concepts, outputs, and work mechanisms that exist in Islamic banking. Understanding Islamic banking can be used as a reference for the community to leave the old culture in terms of using conventional financial services for Islamic products. Socialization participants, who are dominated by women, are expected to make a real contribution to the family environment, especially in making decisions that can be used to meet various demands of life. Enthusiasm was shown by the number of participants, which exceeded the expectations of the author, who only targeted 20 people, but only 40 participants attended. At the beginning of the activity, a preliminary survey and interviews were carried out with the target community for the training. The survey results revealed that a small proportion of people know about Islamic banking products, the forms of contracts in Islamic banking, and the differences between Islamic and conventional banks. However, they do not know in full and in-depth how the transaction models exist in the Islamic banking system, including the benefits that can be obtained from Islamic banking, including the results of several Islamic banking contracts. The loyalty of the Tasiwalie village community to conventional is always maintained. Socialization activities need to be carried out, starting with lectures and theoretical discussions. During the stages of these activities, participants are expected to have deeper knowledge and skills related to how to implement Islamic banking contracts and products in everyday life.

After the question and answer session, it was followed by a group photo with the Tasiwalie Village community. This is done to establish an emotional connection with local residents. Community leaders strongly recommend carrying out other outreach activities, including mentoring activities that increase community knowledge and add value to the community's economy, especially the people of Tasiwalie Village.

Picture 3.

Group Photo with the Tasiwalie Village Community



CONCLUSION

Sharia banking socialization activities can run smoothly, as expected. This is inseparable from teamwork with participants. In addition, there was support from the local government. Even in his remarks and closing, he gave thanks for being able to provide an understanding of Islamic banking to the people of Tasiwalie Village, who had only known conventional products so far. It influenced the decision of the Tasiwalie village community to use conventional bank products. The lack of understanding of Islamic banking is caused by the lack of massive socialization of Islamic banking both from the academic and practitioner sides. However, after the socialization, the public's enthusiasm emerged to immediately use Islamic banking services. This is evident from the desire of some participants, who were dominated by women, to use Islamic bank products, such as the desire to register their children to receive the haj portion from an early age in accordance with applicable regulations. In addition, it will carry out other transactions related to Sharia banking according to the needs of the Tasiwalie Village community, who are present at the socialization activity.

THANK YOU NOTE

The author of the Community Service Program (PKM) journal with the title "increasing the knowledge of the people of Tasiwalie Village, Suppa District about Sharia Banks through the Socialization of Indonesian Sharia Banking" would like to express his deepest gratitude to: Research and Community Service Institute (LPPM) IAIN Parepare which has entrusted the author with organizing this activity as a form of the author's contribution as an academic to always make a real contribution to society.

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