



Strengthening Islamic Financial Literacy and Fintech Investment for Diaspora in Turkey

Aflit Nuryulia Praswati¹, Rahmatdi², Nandya Octanti Pusparini³, Nurul Latifatul Inayati⁴, Arief Dwi Saputra⁵, Syaban Al Musyaffa Ibnu Ahmad⁶

^{1,2,3,4,6}Universitas Muhammadiyah Surakarta

⁵Universitas Muhammadiyah Yogyakarta, Bursa Technical University

email: anp122@ums.ac.id¹, rahmatdi@ums.ac.id², nop545@ums.ac.id³, nl122@ums.ac.id⁴, ariefdwisaputra18@gmail.com⁵, b200230279@student.ums.ac.id⁶

ABSTRACT

The Indonesian diaspora in Turkey, particularly students and migrant workers, continues to face challenges in Islamic financial literacy as well as limited access to information on investment opportunities in Indonesia through financial technology (fintech). Such conditions may hinder optimal financial management. To address these issues, this community engagement program was designed to equip the diaspora with an understanding of Islamic financial principles and provide education on investment opportunities through fintech platforms, both sharia-based and conventional. The activities were conducted through interactive seminars, discussions, and mentoring sessions delivered in both online and offline formats, in collaboration with PCIM Turkey, the PPI Turkey community, and Gelin as strategic partners. The program adopted a multidisciplinary approach by involving lecturers from the Faculty of Islamic Studies to deliver counseling on sharia aspects of investment. The implementation stages included program planning, partner coordination, site surveys, seminars, and evaluation through pre-tests and post-tests. The evaluation results demonstrated an increase in participants' understanding of Islamic financial literacy and fintech utilization. Program documentation was disseminated through social media, the UMS news portal, and the Muhammadiyah news portal, while a social media group was established as a sustainable channel for communication and follow-up mentoring.

Keywords: Islamic Financial Literacy, Financial Technology (Fintech), Sharia Investment

1. Introduction

Turkey plays a pivotal role in the history of Islamic civilization. Following the fall of the Byzantine Empire in 1453 CE, the Ottoman Dynasty emerged, ruling for nearly eight centuries and leaving behind a significant legacy, including the fact that the majority of the Turkish population adheres to Islam. However, the application of Islamic principles in state governance, particularly in the economic sector, has not been fully implemented. This is largely due to the secular orientation introduced by Mustafa Kemal Atatürk, which created a discrepancy between Islamic economic principles and the dominant capitalist system (Kuru, 2010). Consequently, the implementation of Islamic economics in Turkey still faces numerous challenges, both for local society and for the diaspora residing there.

A survey conducted by Kuveyt Türk Participation Bank (2019) revealed that public interest in Islamic finance in Turkey remains relatively low. One of the primary reasons for this limited interest is the lack of adequate literacy and access to information concerning the benefits, systems, and advantages of Islamic financial services. As a result, people tend to rely more on conventional financial systems, despite Islamic teachings urging Muslims to avoid *riba*, *gharar*, and *maysir*. This aligns with Hasan's (2019) view that Muslims must understand and apply Islamic values in managing various aspects of life, including finance.

Islamic financial literacy is understood as the ability to comprehend and implement sharia-based financial concepts, enabling individuals to manage their finances effectively, ethically, and in accordance with Islamic principles (Faridho, 2018; Anriza, 2019). A lack of Islamic financial literacy can lead to poor financial decision-making, affecting both

students and the general public (Huda et al., 2021). Hence, enhancing Islamic financial literacy can serve as a strategy to promote wiser financial management while simultaneously improving social welfare (Manzilti et al., 2024).

Beyond literacy challenges, another issue faced by Turkish society, including the Indonesian diaspora, is the low interest in investment. The economic crisis characterized by high inflation and fluctuations in the Turkish lira has weakened investor confidence in the domestic market. This situation has prompted people to seek alternative investments abroad or in safe assets such as gold. The Indonesian diaspora in Turkey, however, holds significant potential for investment in Indonesia, driven by their ties to their home country and the wide range of opportunities available, from natural resources to demographics and market growth. Investment through financial technology (fintech) provides a relevant instrument, offering accessibility, efficiency, and diverse product choices, both sharia-based and conventional.

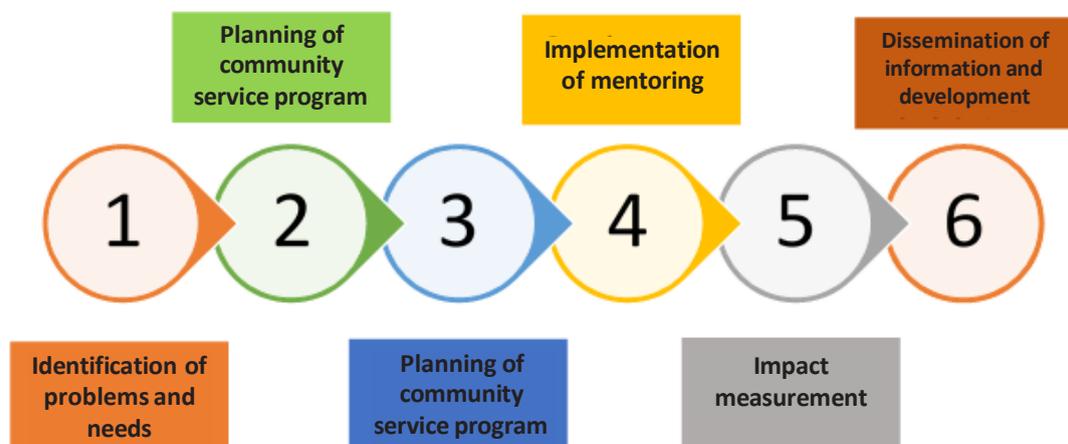
Nevertheless, there are still limited programs specifically targeting the Indonesian diaspora in Turkey to strengthen Islamic financial literacy and encourage the use of fintech as an investment instrument. Most financial literacy programs are concentrated domestically, leaving a knowledge gap among the diaspora who, in fact, possess considerable potential to support Indonesia's economic development through investment.

In light of these conditions, this program was designed to empower the Indonesian diaspora in Turkey through the enhancement of Islamic financial literacy and fintech-based investment education. The program not only helps diaspora communities manage their finances ethically and effectively in accordance with sharia principles but also encourages their participation in Indonesia's economic development through productive investment.

Strengthening Islamic financial literacy and fintech utilization is therefore expected to deliver a dual impact: improving the welfare of individual diaspora members and contributing to national economic growth.

2. Method

The implementation of this community engagement program was carried out through the following stages:



1. **Problem Identification**
The initial stage involved meetings with the PCIM Turkey board to identify the primary challenges related to Islamic financial literacy among the Indonesian diaspora. It was found that the low literacy level stemmed from Turkey’s socio-political system, which separates religion from governance, including in the banking and financial sectors.
2. **Program Planning**
After identifying the key issues, the community engagement team and PCIM Turkey collaboratively designed a comprehensive program plan. It was agreed that the program would be conducted in a hybrid format (online and offline) divided into six sessions, including: (a) pre-program webinars (online), (b) on-site activities in Istanbul (offline), and (c) post-program follow-up sessions (online).
3. **Program Implementation**
The program was carried out in three main components:
 - a. **Pre-Program Webinars**
 - Session 1: “AI-Islam and Muhammadiyah Perspectives in Wealth Management” by Prof. Dr. Muzakar Isa, S.E., M.Si., CSBA., CIPE (attended by 25 participants).
 - Session 2: “Islamic Values in Personal Financial Management” by Rafiq Azzam Al Afif, S.H., S.E., M.E. (attended by 25 participants).
 - b. **Offline Activities in Istanbul**
 - A seminar and mentoring session on “The Use of Fintech for Sharia Investment for the Indonesian Diaspora in Turkey” facilitated by Rahmatdi, Ph.D., and Nandya Octanti Pusparini, S.Ak., M.Sc. (attended by 15 participants).
 - c. **Focus Group Discussion (FGD)**
 - On “The Use of Fintech in Sharia Investment” with Muhammad Aunul Muwaffaq, S.Akun., M.E. from PCIM Turkey as the main speaker (attended by 15 participants).
4. **Follow-Up Mentoring**
After the offline activities, a social media group was created to continue education, mentoring, and communication on a sustainable basis.

5. Program Evaluation

The final stage involved evaluating the program's effectiveness using three methods:

- a. Pre-test to measure participants' initial understanding.
- b. Post-test to assess improvement after the program.
- c. Satisfaction questionnaire to collect feedback from participants.

3. Result and Discussion

The community engagement program successfully enhanced both Islamic financial literacy and understanding of fintech-based investments among the Indonesian diaspora in Turkey. Evaluation results indicated significant

improvement in participants' knowledge as shown by pre-test and post-test comparisons, particularly concerning Islamic financial principles and their application in personal finance and sharia investments.

In terms of participation, the pre-program webinars were attended by 25 individuals, while 15 participants joined the offline seminar in Istanbul. Despite geographical and scheduling constraints limiting offline attendance, participant enthusiasm remained high. Moreover, the program involved lecturers from multiple disciplines—both from the Faculty of Islamic Studies and the Faculty of Economics—providing participants with a comprehensive understanding that covered both sharia aspects and technical knowledge of fintech-based financial management.



Figure 1. Implementation of PKM-KI

Additionally, the establishment of a social media group proved effective in ensuring continuous communication, mentoring, and information sharing beyond the program. Overall, the initiative demonstrated that the Indonesian diaspora in Turkey has a pressing need for education in Islamic finance. The social and regulatory context of Turkey, which differs from that of Indonesia, has led to limited awareness of Islamic financial institutions. By combining seminars, discussions, and FGDs,

the program provided participants not only with theoretical insights but also with practical skills for managing sharia-compliant finances.

4. Conclusion

This international community engagement program effectively improved Islamic financial literacy and understanding of fintech utilization among the Indonesian diaspora in Turkey. Through seminars, discussions,

mentoring, and evaluations, participants demonstrated significant progress in their knowledge of Islamic financial principles and fintech-based investment instruments. Furthermore, the creation of a social media group as a post-program platform ensured ongoing communication and sustainable mentoring. Consequently, this initiative not only delivered short-term benefits in the form of enhanced understanding but also opened long-term opportunities for diaspora communities to contribute to Indonesia's economic development through ethical and productive investments.

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