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Review of Sharia Economic Law on Sharia Financial Inclusion Regulations in Indonesia

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ABSTRACT :
This study aims to examine the regulation of Islamic financial inclusion in Indonesia from the perspective of Islamic Economic Law, with a focus on the alignment between positive regulations and Islamic principles such as justice ('adl), maslahah, and maqasid sharia (including hifz al-mal). Amidst the growth of the national Islamic economy, the Islamic financial inclusion index remains low, at around 13.41% in 2025 according to the OJK's National Survey of Financial Literacy and Inclusion (NSFLI), even though Islamic literacy has reached 43.42%. The research employed a normative juridical approach with qualitative analysis of primary sources (the Quran, Hadith, DSN-MUI fatwas) and secondary sources (Law No. 21 of 2008 concerning Sharia Banking, the latest OJK/BI regulations, and the 2024-2025 SNLIK report). Data were processed through literature review and analysis of regulations related to inclusion, such as the Sharia Financial Roadmap and the TPAKD program. The research results show that regulations for Islamic financial inclusion in Indonesia are quite conducive and aligned with Sharia principles. However, challenges remain, such as limited access in rural areas, limited Sharia digital infrastructure, and a gap between literacy and actual inclusion. Regulations need to be strengthened to further emphasize inclusive contracts (mudharabah and murabahah) for MSMEs.

Key words: *Islamic Financial Inclusion, Islamic Economic Law, OJK Regulation, Maqashid Syariah, Economic Justice.*

INTRODUCTION

Indonesia's sharia economy has shown significant growth in recent years, with national sharia financial assets projected to reach between IDR 3,157.9 trillion and IDR 3,430.9 trillion by 2025. This growth is driven by increasingly strong regulatory support, such as Law No. 21 of 2008 concerning Sharia Banking, as well as a roadmap from the Financial Services Authority (OJK) and Bank Indonesia (BI) focused on developing a halal ecosystem and inclusive finance. As the world's most populous Muslim country, Indonesia has significant potential to become a global hub for the sharia economy, as reflected in its rising ranking in the Global Islamic Economy Indicator (GIEI). However, behind this asset growth lies a major challenge: the low sharia financial inclusion index. According to the 2025 National Survey of Financial Literacy and Inclusion (SNLIK) released by the OJK and Statistics Indonesia (BPS), the sharia financial literacy index reached 43.42 percent, up from 39.11 percent the previous year.

Despite this, the Islamic financial inclusion index is only 13.41 percent, indicating a significant gap between public understanding of Islamic principles and the actual use of Islamic financial products and services. This phenomenon demonstrates that although the public is increasingly familiar with Islamic financial concepts (such as mudharabah, murabahah, and ijarah contracts, which are free from riba, gharar, and maysir), actual access and use remain limited, particularly among rural communities, MSMEs, and vulnerable groups. This contradicts the principles of Islamic Economic Law, which emphasize justice ('adl), maslahah (public benefit), and maqasid sharia, particularly hifz al-mal (protection of wealth), which aims to create an equitable and inclusive distribution of wealth. From a sharia perspective, financial inclusion is not merely access to financial services, but rather a means to achieve the welfare of the people (falah) through halal and fair transactions.

The Quran, in QS. Al-Baqarah: 275 prohibits usury (riba) and encourages mutually beneficial transactions, while the hadith of the Prophet Muhammad (peace be upon him) emphasizes the importance of justice in transactions. The regulation of Islamic financial inclusion in Indonesia, which is governed by various regulations such as the Bank Indonesia Regulation (PBI) on Good Corporate Governance (GCG) for Islamic Banks and fatwas issued by the National Sharia Council-Indonesian Ulema Council (DSN-MUI), needs to be reviewed to ensure its alignment with these principles. This research is relevant because low levels of Islamic financial inclusion can hamper inclusive national economic growth, especially amidst the government's target of achieving 8 percent economic growth through optimizing sharia potential. Therefore, a review of Islamic Economic Law on the regulation of Islamic financial inclusion in Indonesia is expected to provide recommendations for strengthening regulations, increasing access for MSMEs and the lower classes, and realizing a truly maslahah-oriented Islamic economy.

Sharia financial inclusion refers to efforts to provide access to financial services in accordance with Sharia principles to all levels of society, including those not yet covered by the conventional financial system. This concept encompasses not only physical access to financial institutions, but also literacy, utilization, and quality of services free from elements of riba (usury), gharar (gharar), and maysir (gambling). From a Sharia perspective, financial inclusion aims to realize economic justice ('adl) and the welfare of the community (maslahah), as emphasized in the maqasid (objectives) of Sharia, which protect assets (hifz al-mal) and promote equitable distribution of wealth. According to the Financial Services Authority (OJK) definition, Sharia financial inclusion involves increasing access for MSMEs and low-income communities through products such as mudharabah and murabahah. In Indonesia, this concept is supported by the National Strategy for Financial Inclusion (SNKI), which integrates Sharia elements to reduce economic disparities. However, challenges such as low sharia literacy (only 43.42% in 2025) hinder the achievement of full inclusion. Sharia Economic Law (fiqh muamalah) is a branch of science that regulates economic transactions based on the Quran, Hadith, ijma', and qiyas. Its main principles are the prohibition of usury (riba) (riba) (riba) (Quran, Al-Baqarah, 275) and an emphasis on fairness in contracts (akad). In the context of financial inclusion, this law demands that regulations ensure halal and fair financial access, such as through cash waqf or sukuk (Islamic bonds) for inclusive financing.

Scholars such as Yusuf Qardhawi emphasize that sharia economics must be inclusive to prevent exploitation, while the DSN-MUI fatwa No. 19/DSN-MUI/IV/2001 concerning Al-Qardh supports sharia financial instruments for the poor. In Indonesia, this law is integrated into Law No. Law No. 21/2008 concerning Islamic Banking, which ensures alignment between positive regulations and sharia principles to enhance inclusion. Several previous studies have shown that sharia financial inclusion has a positive impact on the profitability of Islamic banks in Indonesia, although this is influenced by religiosity and literacy factors. For example, Holle's (2023) research, in his book on financial inclusion in Islamic microfinance institutions (MFIs), highlights the role of digital innovation for rural access. Another study by Rustan (2023) discusses weak inclusion as a cause of the rise of illegal online lending in Makassar. Overall, these studies emphasize the need to strengthen sharia regulations to address the disruptions of the digital era. This research will build on this framework with a focus on normative legal review.

Methods

This research employs a normative juridical research method, focusing on the analysis of legal norms, sharia principles, and applicable positive regulations, without involving direct empirical data collection in the field. This approach was chosen because the research title, a legal review of Islamic economics regarding the regulation of Islamic financial inclusion in Indonesia, places greater emphasis on doctrinal studies and the alignment between positive law and the principles of Islamic jurisprudence (fiqh) in muamalah. This normative juridical method is conducted by reviewing library materials or secondary data as a basis, through tracing laws and regulations, fatwas, fiqh literature, and official documents related to Islamic financial inclusion. The research employs a statute approach and a conceptual approach. The statute approach analyzes key regulations, such as Law No. The legal framework used in this study includes Law No. 21 of 2008 concerning Islamic Banking, the Financial Services Authority Regulation (POJK) concerning Islamic financial inclusion, Bank Indonesia Regulations (PBI), and fatwas from the National Sharia Council-Indonesian Ulema Council (DSN-MUI). The conceptual approach examines the concepts of maqasid sharia, the principle of 'adl (justice), and maslahah (benefit) in financial inclusion.

Data collection was conducted through library research, which systematically inventoried and analyzed primary and secondary legal sources. Data were obtained from the official websites of the Financial Services Authority (OJK), Bank Indonesia (BI), academic repositories, and printed literature related to Islamic economic law. This method is expected to provide a comprehensive overview of the regulation of Islamic financial inclusion in Indonesia from a sharia economic law perspective, as well as suggestions for regulatory improvements to increase public access to halal finance.

Discussion

Regulation of Sharia Financial Inclusion in Indonesia Regulation of Sharia financial inclusion in Indonesia has developed significantly since the issuance of Law No. 21 of 2008 concerning Sharia Banking, which serves as the primary foundation for the operations of Sharia financial institutions. This regulation emphasizes the principles of profit-sharing, fairness, and the prohibition of riba (usury), gharar (gharar), and maysir (gambling), which aligns with Islamic jurisprudence (fiqh) in muamalah (Islamic jurisprudence). Subsequently, the Financial Services Authority (OJK) and Bank Indonesia (BI) strengthened the framework through various OJK Regulations (POJK) and BI Regulations (PBI), including the Sharia Financial Development Roadmap and the National Strategy for Financial Inclusion (SNKI). In 2025, the regulatory focus will be outlined in the Roadmap for Supervision of Financial Services Business Actors' Behavior, Consumer Education, and Protection (2023-2027), as well as the 2025-2029 National Medium-Term Development Plan (RPJMN), which targets increasing sharia inclusion through digital innovation and collaboration with the Regional Financial Access Acceleration Team (TPAKD). 3 Programs such as the Celebration of Sharia Financial Ramadan (GERAK Syariah) and the Sharia Financial Inclusion Center Ecosystem (EPIKS) are key instruments for expanding access in rural areas and MSMEs.

Positive Legal Basis The main legal basis includes: a. Law No. 21 of 2008 concerning Sharia Banking. b. The Financial Services Authority Regulation (POJK) concerning Good Corporate

Governance (GCG) for Sharia Banks. c. The DSN-MUI Fatwa supporting inclusive contracts such as mudharabah and murabahah for low-income communities. Current Implementation Based on the 2025 National Survey of Financial Literacy and Inclusion (SNLIK), the Sharia financial literacy index reached 43.42%, while inclusion was only 13.41%, indicating an increase from the previous year but still low compared to conventional financial systems. Implementation involves Sharia fintech and microfinance for MSMEs. B. Review of Sharia Economic Law on These Regulations From a Sharia economic law perspective, financial inclusion regulations in Indonesia are quite aligned with the principles of maqasid sharia, particularly hifz al-mal and distributive justice. 8 The principles of 'adl (justice) and maslahah are reflected in the prohibition of usury and the promotion of inclusive profit-sharing contracts. 9 However, the low actual inclusion rate indicates an implementation gap, where positive regulations have not fully realized falah (the welfare of the people).

Alignment with Sharia Principles: Regulations such as the Sharia Banking Law support Sharia contracts (mudharabah, murabahah, and ijarah) that promote inclusion without exploitation.11 The DSN-MUI fatwa reinforces this with digital contract guidelines for broad access. Challenges and Evaluation: The main challenges are low Sharia literacy in rural areas and limited Sharia digital infrastructure, which contradict the principle of maslahah.13 Studies show that Sharia fintech has the potential to increase inclusion, but requires a more comprehensive fatwa. Recommendations: Regulatory strengthening is needed through the integration of AI for literacy, collaboration with Islamic boarding schools (pesantren), and revision of the DSN-MUI fatwa for inclusive innovation. 1. CONCLUSION AND SUGGESTIONS Based on the discussion in this study, it can be concluded that the regulation of Sharia financial inclusion in Indonesia has shown positive developments through a strong regulatory framework, such as Law No. 21 of 2008 concerning Sharia Banking, various OJK and BI regulations, and the support of the DSN-MUI fatwa. This regulation has supported the implementation of inclusive Sharia contracts, such as mudharabah and murabahah, as well as programs such as the National Strategy for Financial Inclusion (SNKI) and the Celebration of Islamic Financial Ramadan (GERAK Syariah).

However, although Sharia financial literacy will increase to 43.42% by 2025, the Sharia financial inclusion index remains relatively low, at only 13.41% according to the 2025 National Survey of Financial Literacy and Inclusion (SNLIK). 2 This indicates a significant gap between public understanding of Sharia principles and actual utilization of Sharia financial services, particularly among rural communities and MSMEs. From the perspective of Sharia Economic Law, these regulations are quite aligned with the principles of maqasid sharia, particularly hifz al-mal (protection of wealth) and 'adl (justice), as they emphasize transactions free from riba, gharar, and maysir. 4 However, implementation has not yet fully realized maslahah and falah optimally, so further strengthening is needed to achieve equitable distribution of wealth and more inclusive public welfare. Based on the above conclusions, this study offers the following recommendations: For the Government and Regulators (OJK, BI, DSN-MUI): Strengthen regulations by revising the sharia financial roadmap to focus more on digital innovation and rural access, and increase oversight of sharia fintech to comply with the latest fatwas. 6 Collaboration with the Regional Financial Access Acceleration Team (TPAKD) needs to be improved to close the inclusion gap.

Conclusion

Law No. 21/2008 on Sharia Banking, OJK/BI regulations, DSN-MUI fatwas, and programs like SNKI and GERAK Syariah promote inclusive contracts (mudharabah, murabahah) aligned with maqasid sharia (hifz al-mal, 'adl). Yet, 2025 SNLIK data shows literacy at 43.42% but inclusion only 13.41%, highlighting rural/MSME access barriers despite digital fintech potential.

Regulations uphold maslahah through riba/gharar prohibitions, but low utilization indicates falah not fully realized, necessitating stronger literacy and infrastructure.

Revise Sharia financial roadmaps for AI-driven education, enhance TPAKD collaborations with pesantren, and update DSN-MUI fatwas for rural fintech to bridge inclusion gaps and achieve equitable welfare.

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