



## Symbolic Literacy and Sharia Pseudo-Inclusion: A Paradoxical Analysis and TSR-Maqasid Strategy in Indonesia

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### Abstract

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This research is motivated by the phenomenon of a significant gap between the literacy index and Islamic financial inclusion in Indonesia, as well as the fraud case of PT Dana Sharia Indonesia (DSI) in 2026 which reveals the practice of "pseudo-inclusion". This study aims to identify the determinants of literacy and formulate an integrative strategy to overcome this paradox through the framework of Tawhid String Relationship (TSR) and Maqasid Syariah. The method used is descriptive qualitative with a literature study approach using data from the 2025 National Survey of Financial Literacy and Inclusion (SNLIK) and the Indonesia Sharia Economic Outlook (ISEO) 2024 report. The results of the study show that literacy is still "symbolic", where people know the term sharia but do not understand the risks of contracts, thus triggering financial vulnerability. The solution strategy includes contract-based education synergy, algorithmic ethics audits in financial technology, and regulatory strengthening. The implications of the study emphasize the need to transform education from cognitive to applicative to protect property (Hifz al-Mal) and reason (Hifz al-Aql). The novelty of this research lies in an in-depth analysis of the 2026 DSI default case and the use of the latest SNLIK 2025 data.

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## INTRODUCTION

Indonesia, as the country with the largest Muslim population in the world, has the fundamental potential to become the center of the global Islamic economy, which is reflected in the third position in the State of Global Islamic Economy (SGIE) 2023/2024 report (Ministry of

Finance, 2025). However, this growth enthusiasm is overshadowed by contrasting data anomalies. Based on data from the 2025 National Survey on Financial Literacy and Inclusion (SNLIK) by the Financial Services Authority (OJK), the Islamic financial literacy index in Indonesia has only reached 43.42%, far behind conventional literacy which touched 66.45%, and more worryingly, the Islamic financial inclusion index is stagnant at 13.41%, creating a wide gap with conventional inclusion reaching 75.02% (OJK-BPS, 2025).

This gap in understanding reached a critical point with the revelation of a massive fraud case of PT Dana Sharia Indonesia (DSI) in early 2026, which recorded investor losses of up to IDR 2.4 trillion. Furthermore, regarding the DSI fraud case, the National Police Criminal Investigation Branch also revealed that the company used a fictitious project mode to withdraw funds from around 15,000 lenders, where the payment success rate plummeted to an extreme figure of 6.92% (Rahmawati & Rumondang, 2026). This phenomenon shows the practice of "runkad berkah" (a popular term where victims lose billions but still believe in "Sharia blessings"), so that the labels "Sharia" and "Amanah" are used as a shield that paralyzes investors' critical reasoning, so they ignore the basic principles of risk management in favor of high returns. This vulnerability is most evident in Generation Z (aged 15–17 years), who have the lowest literacy rate (51.86%) but are highly exposed to fintech services and PayLater (OJK-BPS, 2025).

Therefore, there is a significant gap phenomenon where the increase in literacy from previous years is not automatically followed by active participation in healthy inclusion. People often use Sharia products only based on emotional labels without understanding the essence of contracts such as mudharabah or musyarakah. The urgency of this research lies in the need to mitigate the risks of illegal fintech and moral hazards that threaten the financial well-being of the community. In addition, there is a paradox at the level of the Islamic banking industry where authentic products based on Profit and Loss Sharing (PLS), such as Mudharabah, have a very small portfolio portion compared to products based on buying and selling (Murabahah), which provide certainty of profits similar to conventional systems.

Previous Research and theoretical foundations have identified that the low penetration of Sharia products is caused by the complexity of risk management, asymmetric information, and the limitations of competent human resources (Hisamuddin & Ismira, 2016; Mutawali et al., 2019; Roziq et al., 2024). Many Sharia products are currently considered to still "imitate" conventional products with fiqh terminology in a formality only. Therefore, this study uses the framework of *Tawhid String Relationship* (TSR) and Maqasid Sharia Theory. Furthermore, the TSR emphasizes the integration between belief (monotheism) and tangible action in every economic activity, which connects man's relationship with Allah (*habluminallah*) and fellow human beings (*Habluminannas*). From the perspective of TSR, financial decisions are a form of spiritual responsibility that must be free from *usury*, *gharar*, and *maysir* (Utomo et al., 2024). Meanwhile, Maqasid Sharia provides the foundation to protect the five basic elements of human beings, especially Hifz al-Mal (Protection of Property) and Hifz al-Aql (Protection of Reason) (Melzatia et al., 2024; Ridwan et al., 2023). Manipulative marketing strategies (dark patterns) on digital platforms often trigger excessive behavior (*Israf*) that is contrary to the principle of Iqtishoduna (moderation) and undermines the reasoning power of consumers. Furthermore, based on the phenomenon of the gap and the urgency of the research, the research questions or problem formulation in this study are as follows:

- What is the level of Islamic financial literacy in Indonesia, and what factors affect it?
- What is the public's perception of Islamic financial products and their impact on the level of Sharia inclusion?

- What are effective integrated strategies to address the paradox of Islamic financial literacy and inclusion in Indonesia?

In accordance with the formulation of the research problem, the objectives of this research include

- Identify the current level of Islamic financial literacy in Indonesia and identify the determinant factors that affect it.
- Identify public perception of Islamic financial products and their implications for the effectiveness of national Sharia inclusion levels.
- Knowing an integrated strategy that is able to synergize education, regulations, and technology to overcome the paradox of Sharia literacy and inclusion.

Furthermore, this research contributes to the Islamic economic literature by integrating the theory of TSR and Maqasid Sharia in analyzing the phenomenon of modern digital finance. As for practically, this research is expected to be a reference for OJK and industry players in developing a more applicable Sharia literacy curriculum and conducting an algorithm ethics audit on e-commerce platforms to protect consumers from exploitative consumptive behavior. The novelty of this journal lies in the use of primary data from SNLIK 2025 and an in-depth analysis of the Indonesian Sharia Fund-DSI fraud case (2026) as a case study of literacy failure amid high pseudo-inclusion.

## LITERATURE REVIEW

This research integrates two main theoretical pillars in Islamic economics, namely *Tawhid String Relationship* (TSR) and Maqasid Sharia. These two theories are used to dissect the paradoxical phenomenon between knowledge (literacy) and real action (inclusion) in the Islamic finance ecosystem in Indonesia.

### *Tawhid String Relationship* (TSR)

The TSR theory, popularized by several earlier researchers who used this concept as an epistemological framework that placed Tawheed (the Oneness of God) at the center of all economic and social activities (Arifta & Nugroho, 2025; Choudhury, 2010; Choudhury et al., 2018; Diani & Nugroho, 2024). The TSR formulation is expressed in dynamic circuits:  $\{\Omega, s\} \rightarrow * \Theta \rightarrow \Theta \rightarrow x \Theta \rightarrow W \{\Theta, x \Theta\} \rightarrow N \Theta \rightarrow \{\Omega, s\}$  where:

- $\{\Omega, s\}$ : Represents the Qur'an and the Sunnah as the source of absolute knowledge.
- $* \Theta$  and  $\Theta$ : The process of ijtihad and the accumulation of knowledge.
- $x \Theta$ : Implementation of knowledge through active participation (inclusion).
- $W \{\Theta, x \Theta\}$ : Achievement of social welfare or *Maslahah*

Therefore, TSR is very relevant to dissect the paradox in this study because the essence of TSR is the union between knowledge and action. The phenomenon in Indonesia shows the disconnection of the relationship - the "rope" (string); where people may have literacy (knowledge), but do not include (actions), or vice versa—do inclusion without the correct knowledge base (as in the case of DSI fraud). TSR provides a framework to restore the function of Islamic finance as a form of obedience to Allah through transparent muamalah activities.

### *Maqasid Sharia*

*Maqasid Sharia* refers to the ultimate goal of establishing Islamic law to realize the benefits (*Maslahah*) and avoid damage (*Mafsadah*) (Nindyar & Nugroho, 2025). The classification of the theory of *maqasid Sharia* includes the protection of five main elements (*Al-Dhuriyat Al-*

*Khamsah*): Religion (*Din*), soul (*Nafs*), Sense (*Aql*), descendants (*Nasl*), and treasures (*Evil*). Furthermore, this theory is used to evaluate the effectiveness of Islamic financial products in achieving their true goals. *Hifz al-Mal* (Property Protection) is the basis for the urgency of Islamic financial inclusion to protect the community from usury and exploitation practices. *Hifz al-Aql* (Intellectual Protection) is the basis for the urgency of financial literacy so that people are not trapped in manipulative marketing strategies (dark patterns) or investment fraud that paralyzes reasoning. *Maqasid Sharia* ensures that inclusion is not just a statistical number, but a means of achieving *Falah* (happiness of the hereafter).

### Sharia Financial Literacy

Islamic financial literacy is the level of knowledge, understanding, and skills of the community related to Islamic economic principles and Islamic financial products and services (Choerudin et al., 2023). The main indicators include understanding the prohibition of *riba* (interest), *gharar* (uncertainty), and *maysir* (gambling), as well as understanding of contracts such as *Mudharabah*, *Musyarakah*, and *Murabahah*. SNLIK 2025 data shows that the national Sharia literacy index is at 43.42% (OJK-BPS, 2025).

### Sharia Financial Inclusion

Islamic financial inclusion is defined as the availability of public access and real use of various products and services of Islamic financial institutions that are formal, safe, and affordable (Nugroho et al., 2025; Setyagustina et al., 2024). Inclusion includes the use of Islamic bank accounts, Islamic insurance, and sukuk investments. In Indonesia, the Sharia inclusion index is still stagnant at around 13.41%, creating a wide gap with conventional inclusion reaching 75.02%.

### Sharia Fintech and Digital Transformation

Islamic fintech is a technological innovation in financial services that produces business models or products that are in accordance with Sharia principles (Imani et al., 2023; Nugroho, 2022; Saidah et al., 2024; Saputra et al., 2023). These services include peer-to-peer (P2P) lending, e-wallets, and securities crowdfunding. Fintech acts as a catalyst for inclusion because of its ability to reach unbanked groups through digital infrastructure. However, the use of this technology must be guided by algorithmic ethics to prevent (excessive) *israf* behavior triggered by manipulative marketing strategies (dark patterns).

### The Literacy-Inclusion Paradox

This paradox refers to a condition in which an increase in literacy is not automatically followed by a proportionate increase in inclusion. This creates a loophole in the phenomenon where people may understand the theory but still use conventional services due to the perception that Islamic banks are more complicated or expensive. The paradox is also seen in the dominance of *murabahah* products, which provide certainty of benefits similar to the conventional system, compared to *more authentic mudharabah* products.

### Previous Research and Phenomena

Furthermore, there are several relevant studies that support this research topic, including:

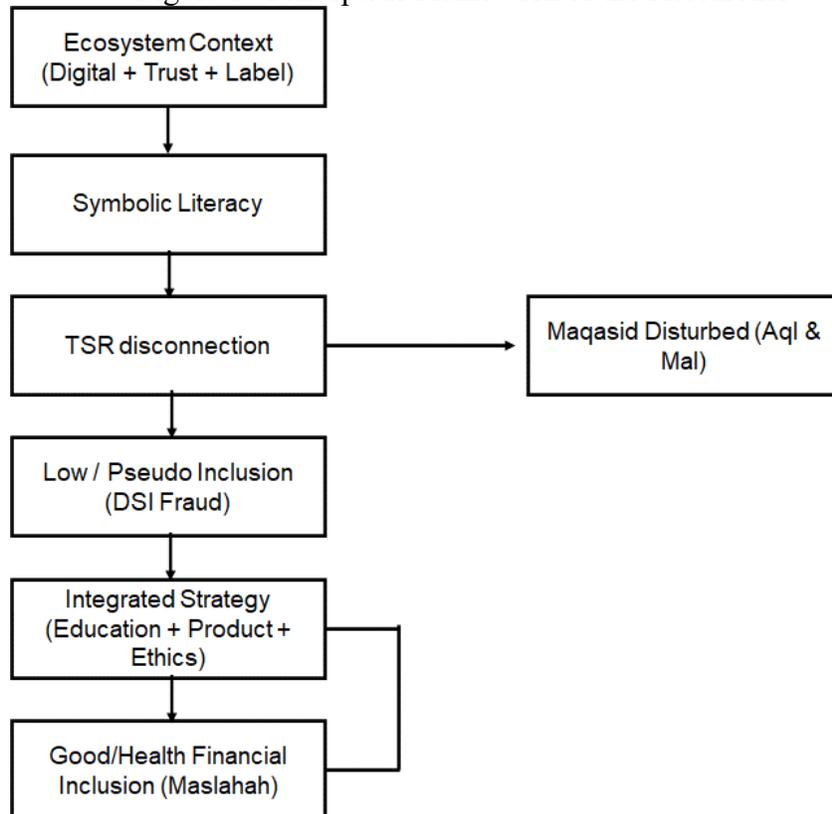
- Nurfalah & Rusydiana (2019) found that the digitalization of Islamic finance towards inclusive finance must be based on the framework of *Maqasid Sharia* to ensure that the halal needs of the community are met.

- Aripin et al. (2022) stated that Islamic bank digital services are the main driving factor that can simultaneously increase the Sharia literacy and inclusion index.
- Tubastuvi & Rusydiana (2024) used the Delphi method to determine the priority of Islamic financial literacy in MSMEs, emphasizing product softening to make it easier to understand.
- Sari et al. (2024) explore the use of Virtual Reality (VR) and Augmented Reality (AR) technology as Sharia literacy educational media for the younger generation to overcome understanding anomalies
- The case of the Indonesian Sharia Fund (2026) provides empirical evidence about the dangers of inclusion without literacy, where Sharia labels are used to trigger impulsive investment behavior that ends in mass losses of IDR 2.4 trillion.

### Research Conceptual Framework

Furthermore, visually, the conceptual framework in this study can be illustrated as follows:

Figure 1. Conceptual Framework of the Researcher



In accordance with Figure 1 above, the conceptual framework of this study refers to the phenomenon, namely the occurrence of the literacy-inclusion paradox of Islamic finance in Indonesia, namely the increasing public understanding of the concept of Islamic finance, which does not automatically lead to a wider and healthier use of Islamic financial services. The paradox does not stand alone, but is formed by the context of an interconnected ecosystem, especially changes in people's behavior in the digital era, the dynamics of the Islamic finance industry, and the way people build trust in the "Sharia" label. In many cases, the growing Sharia literacy is still symbolic, i.e. limited to the introduction of basic terms and product labels, without an adequate

understanding of the structure of the contract, rights-obligations, and risk assessment (Choerudin et al., 2023; Shawn & Shawn, 2021; Nugroho & Mahroji, 2024; Rizfani & Lubis, 2019). This condition makes some people not encouraged to use Sharia services because they consider Sharia products to be complicated, have limited access, or the benefits are no different from conventional services (Nugroho et al., 2020; Nuraeni et al., 2024; Nurohman & Qurniawati, 2022). At the same time, some people actually enter Sharia-labeled products without sufficient knowledge, so that financial decisions are easily influenced by promotions, ease of digital transactions, and moral claims that weaken critical attitudes.

Furthermore, the perspective of *Tawhid String Relationship* (TSR) is used to explain the core mechanism of the paradox, namely the disconnect between knowledge and action. TSR views economic activities as a series of values and knowledge that should flow into responsible economic actions and lead to benefits. When literacy is not internalized into behavior, the "rope" that connects values–knowledge–actions becomes loose; As a result, financial decisions become pragmatic and susceptible to being pulled by external factors such as aggressive marketing, paylater features, impulsive consumption patterns, and religious narratives that are symbolic in nature. This disconnect results in two equally problematic impact patterns: first, Sharia inclusion remains low because literacy is not strong enough to change preferences and behaviors; Second, there is pseudo-inclusion, namely participation in services that are considered Sharia but carried out without understanding the contract and risks, thereby increasing vulnerability to fraud, over-indebtedness, and uncontrolled consumptive behavior.

On the other hand, in accordance with the framework of *Maqasid Sharia*, the literacy-inclusion paradox is understood not to be just a statistical gap, but a signal of the lack of optimal Sharia goals in financial practice. When financial decisions are not supported by the correct understanding, then *Hifz al-'aql* (protection of reason/rationality) is disturbed because reason is easily manipulated or hijacked by digital design and asymmetric information. When financial participation leads to losses, fraud, or unhealthy debt burdens, then *Hifz al-Mal* (Property protection) is also threatened. Thus, this framework affirms that the inclusion needed is one that not only expands access but also ensures the quality of decisions and community protection, so as to truly produce *maslahah*.

Therefore, this study positions an integrated strategy as a recovery path to reconnect the TSR chain and ensure the achievement of *maqasid*. The integrated strategy is interpreted as a synergy between Sharia literacy education based on contracts and risks, improving product design and service communication that is simple and transparent, and strengthening ethical digital governance through consumer protection and limiting manipulative practices such as dark patterns. Through this synergy, literacy is expected not to stop at symbolic knowledge, but to become an understanding that guides actions, improves public perception and trust, and encourages the use of safe, fair, and beneficial Islamic financial services. The final output is healthy Islamic financial inclusion, which is value-based inclusion, protecting intellect and property, and contributing to social welfare according to the orientation of *maqasid*.

## RESEARCH METHODS

This study uses a descriptive qualitative approach to explore in depth the paradoxical phenomenon between Islamic financial literacy and inclusion in Indonesia. This approach was chosen because the researcher aims to provide a systematic overview of strategic challenges and integrated solutions through the interpretation of existing literature data (Napitupulu et al., 2020;

Nugroho et al., 2023; Oktris et al., 2022). Furthermore, the data used in this study are secondary data that are qualitative and quantitative. Data sources include scientific journals, previous research articles, and official reports from relevant authorities that are aligned with the topic of discussion. In particular, this study utilizes data from the 2025 National Survey on Financial Literacy and Inclusion (SNLIK) by the OJK, the Indonesia Sharia Economic Outlook (ISEO) 2024 report, as well as the latest news articles on investment fraud cases, such as the case of the Indonesian Sharia Fund (DSI) in early 2026.

The data collection technique is carried out through the library research method. Researchers search documents and literature digitally through academic databases such as arXiv, Google Scholar, and official portals of state institutions to obtain accurate and relevant information on research variables. Furthermore, data analysis is carried out systematically in line with the formulation of research problems to answer literacy and inclusion challenges. The analysis process is carried out in the following stages:

- Examining the level of literacy and the factors that affect it based on the findings of SNLIK 2025 and previous research on the limitations of human resources and asymmetric information.
- Analyze public perception and its impact on inclusion by linking the phenomenon of "pseudo-inclusion" to DSI fraud cases.
- Integrating these findings with the theoretical foundation of *Tawhid String Relationship* (TSR) to evaluate the relationship between beliefs (*tawhid*) and tangible actions (inclusion) in economic activities.
- Using the perspective of *Maqasid Shariah*, especially *Hifz al-Mal* (protection of property) and *Hifz al-Aql* (protection of intellect), to formulate mitigation strategies against moral hazard risks and manipulative marketing strategies (dark patterns) in the digital ecosystem.

The results of this analysis are then synthesized to produce an integrated strategy that synergizes educational, regulatory, and technological aspects as a strategic solution for the Islamic finance industry in Indonesia.

## RESULTS AND DISCUSSION

The discussion in this study is a synthesis of descriptive qualitative analysis that aims to unravel the paradox between Islamic financial literacy and inclusion in Indonesia. This section is prepared based on three main pillars that answer the formulation of research problems, namely the analysis of literacy level and its determinant factors, the influence of public perception on inclusion, and the formulation of integrated strategies that are able to reconnect the "knowledge rope" in the Islamic economic ecosystem.

### The Level of Sharia Financial Literacy in Indonesia and the Determinant Factors Affecting It

Based on the findings of this study, the level of Islamic financial literacy in Indonesia is currently at 43.42%, referring to data from the 2025 National Survey on Financial Literacy and Inclusion (SNLIK) (OJK-BPS, 2025). Although this figure shows an upward trend from 2022, which is only 9.14% and 39.11% in 2024, this index is still far behind compared to the conventional financial literacy index, which touched 66.45%. This phenomenon shows the existence of "symbolic literacy," where people begin to recognize the basic terms of Sharia but have not yet fully understood the structure of contracts, rights, obligations, and risk assessment. These findings are in line with previous research by Ilfita & Sophisticated (2021), which explains that the low level of Sharia literacy is caused by the public's lack of understanding of Sharia financial principles

such as the prohibition of *Usury*, *Gharar*, and *maysir* (MAGHRIB) (Jainuri et al., 2023; Lailatul et al., 2023; Menne, 2023). The argument that has emerged is that Islamic finance education has been more cognitive-informative than applicative. This is reinforced by the fact that the age group of 15–17 years old (Generation Z) recorded the lowest literacy rate, which is only 51.86%, even though they are the group most actively exposed to financial technology (OJK-BPS, 2025).

Furthermore, the determining factors that affect financial literacy in Indonesia include:

- Education Infrastructure Gap: Lack of integration of Islamic finance principles into formal and non-formal education curricula (Qomarrullah, 2024; Ratnawita et al., 2023).
- Asymmetric Information: There is an imbalance of information received by the public regarding the advantages of Sharia products compared to conventional products, so that people's critical reasoning is often hampered (Agustin et al., 2025; Rahmadewi et al., 2024).
- Socio-Cultural Barriers: Lack of support from religious leaders and community leaders in promoting Sharia literacy in a structured manner (Rahmatika & Yustati, 2024; Warsitasari & Hidayati, 2025).

In addition, based on the perspective of *Tawhid String Relationship* (TSR), this phenomenon of low literacy reflects weakness at the level of  $\Theta$  (Knowledge) (Nugroho et al., 2022; Nugroho & Mariyanti, 2021). Therefore, if based on the TSR formula:  $\{\Omega, s\} \rightarrow * \Theta \rightarrow \Theta$ , the Qur'an ( $\Omega$ ) and the Sunnah ( $s$ ) become the main source processed through *ijtihad* ( $*\Theta$ ) to produce knowledge ( $\Theta$ ) that guides human actions. Therefore, when  $\Theta$  (knowledge/literacy) is weak, the string of "ropes" to  $x\Theta$  (Inclusion/Implementation) becomes fragile. This interferes with the achievement of *Maqasid Sharia*, especially *Hifz al-Aql* (Protection of Reason). A mind that is not equipped with strong literacy will be easily manipulated by manipulative marketing strategies (*dark patterns*) in the digital ecosystem, which triggers behavior *ISRAF* (excessive) and contrary to the principle of moderation (*Iqtishoduna*)

### Public Perception of Sharia Financial Products and Their Impact on the Level of National Sharia Inclusion

This study found that the national Islamic financial inclusion index is still stagnant at 13.41%, creating a wide gap with conventional inclusion, which reaches 75.02%. There is a strong negative perception among the public, especially MSME actors, who consider Islamic banking services to be more complicated, expensive, and less flexible than conventional banks. This creates "pseudo-inclusion", where some people use Sharia-labeled products only because of emotional-religious impulses without an adequate understanding of the risks.

The massive fraud case of PT Dana Sharia Indonesia (DSI) in early 2026, which cost around 15,000 investors Rp2.4 trillion, is the most relevant empirical evidence. The findings of the study show that the labels "Sharia" and "Amanah" are used as shields to paralyze investors' critical power. People are trapped in the promise of high returns (16-18%) without realizing that the company's payment success rate has plummeted to 6.92%. This proves that perceptions that are based only on religious symbols without proper literacy actually endanger financial well-being.

Previous research by Alahouel & Loukil (2021), Indriastuti & Pratiwi (2019), Risfandy et al. (2016), and Tarmizi et al. (2022) supports this finding by stating that the lack of socialization about the Islamic banking mechanism causes people to be reluctant to switch from the conventional system. In addition, the paradox at the industry level shows that authentic products are based on *Profit and Loss Sharing* (PLS) such as Mudharabah has a very small portfolio compared to buying and selling (Murabahah)-based products that provide certainty of profits

similar to conventional systems. This further reinforces the perception that Islamic banks are merely "twins" of conventional banks, with fiqh terminology used to confer formality.

Theoretically, this shows the existence of a TSR Disconnection (Chain of *Tawheed* Disconnection) between beliefs and economic actions. Inclusion (action) that is not based on correct literacy (knowledge) will not lead to a healthy Maslahah. Within the framework of *Maqasid Sharia*, this pseudo-inclusion directly threatens *Hifz al-Mal* (Protection of Property). The neglect of risk management principles for the sake of profits that are not in accordance with the Sharia causes great losses for the *ummah*, which ultimately distances the community from the ultimate goal of the Sharia, which is to achieve *Falah* (happiness in the hereafter).

### **Integrated Strategy to Overcome the Paradox of Sharia Financial Literacy and Inclusion through Educational, Regulatory, and Technology Synergy**

Furthermore, to overcome this paradox, this study formulated an integrated strategy that targets the strengthening of the digital ecosystem and mass education. Key findings suggest that this strategy should include three dimensions: contract-based education, transparent technological innovation, and binding regulations. The explanation of the strategy is as follows:

- **Integrated Education and MSME Empowerment.** This strategy places MSMEs as the main agents of Islamic financial literacy at the grassroots level. This study found that the active involvement of business actors in education is more effective than socialization *top-down*. This is supported by research, including Tubastuvi & Rusydiana (2024), which emphasizes the importance of simple and affordable product development for MSMEs to promote inclusive growth and reach all levels of society. The use of Virtual Reality (VR) and Augmented Reality (AR) technologies, as proposed by Akhtar et al. (2024) and Martsenyuk et al. (2024), can be an innovative educational medium to overcome the anomaly of understanding among Generation Z.
- **Digital Transformation Based on Algorithmic Ethics Audit.** Research from Das (2024), Faisal & Sudibyo (2020), and Shahid et al. (2025) recommends the use of Artificial Intelligence (AI) and Blockchain to create a Sharia-compliant social media credit scoring system. The integration of this technology aims to increase access for unbanked groups while still filtering out non-halal flags. Furthermore, a comprehensive Sharia audit is needed on e-commerce platforms to prevent manipulative practices that exploit consumer reason.
- **Strengthening Regulation and Harmonization of Fatwas.** Although DSN-MUI Fatwa No. 117/2018 on technology-based financing services already exists, these findings show that the fatwa is not yet fully legally binding in Indonesia's positive legal system. Therefore, synergy is needed between OJK, KNEKS, and the government to develop clear operational standards of procedures, including strengthening digital infrastructure in remote areas to expand access to Sharia services.

Within the framework of the *Tawhid String Relationship* (TSR), this integrated strategy serves as a recovery pathway to reconnect the chain of knowledge and action. By improving product design and transparent communication, literacy no longer stops at symbols, but guides responsible economic action. This will result in Healthy Sharia Financial Inclusion that supports *Maqasid Sharia* in maintaining social welfare and sustainable growth of national assets. The final output of this strategy is the achievement of Maslahah (public benefit), which leads to New Knowledge (NØ) for the development of Sharia economic policies in the future.

## CONCLUSION

This study concludes that the paradox of Islamic financial literacy-inclusion in Indonesia is structural and qualitative, not just a statistical difference. First, the national level of Sharia financial literacy does show an improvement (43.42% in SNLIK 2025), but the increase is still largely at the level of "symbolic literacy": the public is familiar with the term Sharia, but is not sufficiently able to assess contracts, rights, and product risks. This condition is influenced by gaps in educational infrastructure, information asymmetry, and barriers to access and quality of services—especially in low-educated, low-income, and non-urban areas.

Second, public perception has proven to be a "fragile bridge" between literacy and inclusion. The low Sharia inclusion (around 13.41%) shows that the understanding is not yet complete, the perception of "complicated/expensive/less flexible Sharia products", and trust issues make people stick to conventional services. At the same time, there is also pseudo-inclusion, i.e., participation in Sharia-labeled services without sufficient knowledge, which increases financial vulnerability. The fraud case of PT Dana Sharia Indonesia (DSI) in early 2026 (loss ±Rp2.4 trillion) is clear evidence that the label "Sharia/trust" can paralyze critical reasoning when risk management literacy is weak, so that inclusion without literacy actually leads to new exclusion in the form of loss and trauma of trust.

Third, an effective integrated strategy needs to synergize education, regulation, and technology to reconnect the "chain of knowledge-action" as the logic of the *Tawhid String Relationship* (TSR), while ensuring policy and innovation directions achieve *Maqasid Sharia*, especially *hifz al-'aql* (protection of intellect) and *hifz al-mal* (protection of property).

With academic implications, this study emphasizes the importance of the TSR-*Maqasid* framework to explain the literacy-inclusion gap as a matter of values, trust, and ecosystem governance. The practical implication is that regulators and industry need to shift literacy from mere socialization to applicable learning (contract-cost-risk), strengthen supervision and enforcement of Sharia-labeled entities, and conduct algorithmic ethics audits in the digital ecosystem so as not to encourage israf through dark patterns.

The limitation of this study is the use of a qualitative descriptive approach based on secondary data, so that it has not tested the causal relationship statistically and has not captured the variation in behavior across regions in a granular manner. Therefore, further research is recommended using mixed-methods, evaluating the effectiveness of community/school-based Sharia literacy interventions, examining the role of trust and perception in the adoption of Sharia products, and examining the governance of Sharia fintech (including product design and algorithm ethics) to increase inclusion without sacrificing the protection of reason and property.

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