

Collaboration-Based Islamic Financial Services: Case Study of Islamic Fintech in Indonesia

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Abstract : Digital transformation has accelerated in the new millennium. It is reshaping the financial services industry from a traditional system to financial technology. Moreover, the number of financial inclusion rates in Indonesia is less than 60%. An innovative model needed to elucidate this national problem. On the other hand, the Islamic financial service industry and financial technology grow fast as a new aspire in economic development. An Islamic bank, takaful, Islamic microfinance, Islamic financial technology and Islamic social finance institution could collaborate to intensify the financial inclusion number in Indonesia. The primary motive of this paper is to examine the strategy of collaboration-based Islamic financial services to enhance financial inclusion in Indonesia, particularly facing the digital era. The fundamental findings for the main problems are the foundations and key ecosystems aspect involved in the development of collaboration-based Islamic financial services. By using the Interpretive Structural Model (ISM) approach, the core problems faced in the development of the models have lacked policy instruments guarding the collaboration-based Islamic financial services with fintech work process and availability of human resources for fintech. The core strategies or foundations that are needed in the framework of collaboration-based Islamic financial services are the ability to manage and analyze data in the big data era. For the aspects of the Ecosystem or actors involved in the development of this model, the important actor is government or regulator, educational institutions, and also existing industries (Islamic financial services). The outcome of the study designates that strategy collaboration of Islamic financial services institution supported by robust technology, a legal and regulatory commitment of the regulators and policymakers of the Islamic financial institutions, extensive public awareness of financial inclusion in Indonesia. The study limited itself to realize financial inclusion, particularly in Islamic finance development in Indonesia. The study will have an inference for the concerned professional bodies, regulators, policymakers, stakeholders, and practitioners of Islamic financial service institutions.

Keywords : collaboration, financial inclusion, Islamic financial services, Islamic fintech

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