

KNOWLEDGE FOR INVESTMENT IN ISLAMIC CAPITAL MARKET AND ISLAMIC STOCKS FOR THE YOUNG GENERATION TO MITIGATE FRAUDULENT INVESTMENT

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ABSTRAK

Abstrak: Perkembangan dari teknologi informasi dan komputer mengakibatkan akses informasi menjadi sangat mudah. Oleh karenanya, generasi muda yang saat ini akrab dengan penggunaan teknologi informasi dan komputer tersebut menjadi sangat optimal menggunakannya untuk berbagai keperluan, termasuk investasi. Tujuan dari pengabdian masyarakat yang dilakukan oleh dosen Universitas Mercu Buana berkolaborasi dengan dosen dari Universiti Sains Malaysia bertujuan untuk memperkenalkan pasar modal dan saham syariah sebagai salah satu alternatif investasi yang aman bagi para generasi muda. Metode yang digunakan pada kegiatan pengabdian masyarakat ini adalah sosialisasi maupun penyuluhan dimana objek dari kegiatan ini adalah siswa sekolah menengah atas kejuruan. Adapun jumlah peserta dari kegiatan ini berjumlah 129 siswa. Hasil dari kegiatan ini adalah peserta dapat mengetahui dan memahami produk pada pasar modal khususnya adalah saham syariah. Implikasi dari kegiatan pengabdian ini adalah meningkatnya literasi keuangan syariah dari generasi muda. Selain itu, berdasarkan hasil evaluasi diketahui bahwa dari seluruh peserta yang hadir sejumlah 97% atau sejumlah 125 peserta yang menyatakan kegiatan sosialisasi ini meningkatkan literasi mereka terkait dengan keuangan syariah.

Kata Kunci: Generasi muda, Pasar Modal, Investasi, Saham Syariah, Literasi.

Abstract: The development of information technology and computers has resulted in easy access to information. Therefore, the young generation who are currently familiar with information technology and computers have become optimal to use it for various purposes, including investment. The purpose of community service carried out by lecturers at Mercu Buana University in collaboration with lecturers from Universiti Sains Malaysia aims to introduce the capital market and sharia stocks as an alternative to safe investment for the young generation. The method used in this community service activity is socialization and counseling, where the object of this activity is vocational high school students. The number of participants in this activity amounted to 129 students. The result of this activity is that participants can find out and understand products in the capital market, especially sharia stocks. The implication of this service activity is the increase in Islamic financial literacy of the young generation. In addition, the evaluation results found that 97% of all participants or 125 participants stated that this socialization activity had increased their literacy related to Islamic finance.

Keywords: The young generation, Capital Market, Investment, Sharia Stocks, Literacy.



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A. INTRODUCTION

The development of information technology and computers has opened up investment opportunities for everyone. Therefore, it is necessary to have the ability to use information technology and computers in carrying out these investment activities. Moreover, according to Nugroho (2021) and Fasa et al. (2020), the young generation who are included in the millennial category or Gen Y and Gen Z, where the age range in 2021 is 9 years old to 40 years old, is the group that dominates the number of investors in Indonesia. Based on a survey conducted by the Katadata Insight Center (KIC), the purpose of investing in the majority of Gen Y and Gen Z is to prepare for the future, especially related to marriage and education funds (Pahlevi & Ahdiat, 2022). Furthermore, the young generation's investment objectives can be sorted to manage idle funds, prepare for retirement funds, and get short-term profits.

On the other hand, there is a growing phenomenon of investment in instruments that have high risks, such as cryptocurrencies. Where cryptocurrencies are one of the most popular digital investment instruments at this time, this is because profits on cryptocurrency investments can reach hundreds or even millions of percent of the funds invested, so many investors are interested in placing their funds in this instrument (Lin, 2020; Wang et al., 2022). Furthermore, the number of investors interested in cryptocurrency investment instruments is indicated by the number of cryptocurrency investors exceeding investors in the capital market. According to Dewi (2022), cryptocurrency investors have reached 11.2 million, while the number of investors in the capital market in 2021 is 7.48 million. However, the number of investment transactions in the capital market is still much higher. However, there is a principle that where there is profit, there is a risk. Therefore, the higher the risk, the higher the profit opportunity to be achieved (Lo Nigro & Abbate, 2011; Turner & Angulo, 2018). This is evident in cryptocurrency investments, where this investment is so speculative that cryptocurrency assets have decreased by 100%. Furthermore, the following is cryptocurrency data that has experienced a significant decline, as shown in Table 1.

Table 1. Top Ten List of Cryptocurrency Investments That Experienced the Biggest Declines as of May 18, 2022

Investment Cryptocurrency	Decline (%)
Terra (LUNA)	-100
Wrapped LUNA (WLUNA)	-100
TerraUSD (UST)	-91.05
Mirror Protocol (MIR)	-81.33
Perpetual Protocol (PERP)	-69.63
SuperFarm (SUPER)	-66.51
Spell Token (SPELL)	-64.13
Inverse Finance (INV)	-63.66
Decentralized Sos. (DESO)	-62.46
Gods Unchained (GODS)	-61.86

Source: Kusnandar & Ahdiat (2022)

Based on table 1 above, several types of cryptocurrency investments experienced losses of up to 100%, such as Terra (LUNA) and Wrapped Luna (WLUNA). Furthermore, the opinion of the Indonesian Ulema Council (MUI) states that investing in cryptocurrencies is one of the transactions that contain an element of *gharar* (uncertainty). This is also in line with the opinion of the Muslim scholar and the Dean of the International Islamic University of Indonesia's Faculty of Economics and Business, Dian Masyita. She stated that Cryptocurrency is not an investment instrument because there is no business activity where the investment funds are placed, contrary to Islamic principles (Ihsan, 2021).

Furthermore, based on the phenomenon, the increasing interest in investing in the young generation and the presence of several investments that have the potential to harm the community, therefore socialization and counseling to the young generation related to Islamic finance, the Islamic capital market, and the Islamic stock are essential. Therefore, to limit the scope of discussion, the problem formulation of this activity includes the following:

1. How to introduce Islamic investment to the young generation?
2. How to introduce the Islamic capital market to the young generation?
3. How to introduce Islamic stocks to the young generation?

Furthermore, referring to the formulation of the problem, the purpose of implementing this activity is to improve financial literacy, especially Islamic financial literacy for the young generation related to the Islamic capital and stock market. Therefore, the implication of this activity is to increase the community's Islamic financial literacy, which is currently still low.

B. METHOD

The implementation of community service activities was held on Monday, February 14, 2022, and was carried out online due to the Covid-19 pandemic. This community service activity is a follow-up to the collaboration between Universitas Mercu Buana, Universiti Sains Malaysia, and Vocational High School (SMK) Muhammadiyah 9, Jakarta. The participants of this activity consisted of lectures from Universitas Mercu Buana, lecturers from Universiti Sains Malaysia, Teachers from SMK 9 Muhammadiyah, Jakarta, and level 3 students at the school. The total number of level 3 students of SMK 9 Muhammadiyah attending this activity is 129. Furthermore, the method of this activity is socialization and counseling conducted by Lecturers at Mercu Buana University and Universiti Sains Malaysia. Moreover, the flow chart socialization mechanism in this activity can reflect as shown in Figure 1.

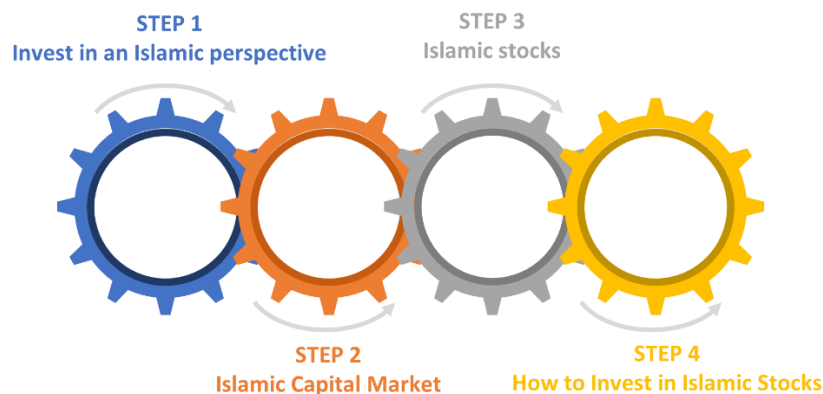


Figure 1. Socialization Mechanism

Furthermore, according to figure 1, the substance of this socialization explains the following:

1. Invest in an Islamic perspective

In this socialization and counseling, students are given an introduction to transactions related to the characteristics of sharia transactions which include:

- a. Transactions are only carried out based on the principle of mutual understanding and mutual pleasure;
- b. The principle of transacting in Islam is permissible as long as the object is halal and provides beneficiaries (*thayyib*);
- c. The functions of money as a medium of exchange and a unit of measure of value, not as a commodity.;
- d. Transactions may not contain elements that include: usury (*riba*), tyranny; *maysir* (speculation and gambling); *gharar* (uncertainty);
- e. Transactions must have a clear and correct agreement;
- f. There is no price distortion through re-engineering demand or supply;
- g. There is no element of collusion and bribery (*risywah*);
- h. Does not adhere to the principle of the time value of money.

2. Islamic Capital Market

In addition, there is a transfer of knowledge related to the legal basis of the Islamic capital market, which is related to the legal standing in the form of a fatwa from the National Sharia Board (DSN) and the Indonesian Ulema Council (MUI) No.135/DSN-MUI/V/2020 about stocks. In addition, the socialization also introduced sharia capital market instruments consisting of the Indonesian Sharia Stock Index (ISSI) and the Jakarta Islamic Index (JII).

3. Islamic stocks

In addition to Islamic stock, the socialization activities also explained how to carry out the screening process in determining that the shares were included in Islamic stock. At the same time, the Islamic stock screening process includes business screening and financial screening.

4. How to Invest in Islamic Stocks

- a. Prospective customers come to securities companies;
- b. Opening an account for securities transactions;
- c. Installing an application for securities trade;
- d. Securities trading transactions can be executed through an online application or a broker.

In addition to Islamic stock, the socialization activities also explained how to carry out the screening process in determining that the shares were included in Islamic stock. At the same time, the Islamic stock screening process includes business screening and financial screening. Some documentation of the implementation of community service activities in the form of socialization and counseling to increase the knowledge of the young generation related to Islamic investment, Islamic capital market, and Islamic stock are as shown in Figure 2.



Figure 2. Online Activity of Community Services

C. RESULTS AND DISCUSSION

Before the socialization and counseling activities were carried out, questionnaires about how students used information technology and computers were circulated. The results of the questionnaire are as shown in Table 2.

Table 2. The Purpose of Use of Information Technology, Computers, and the Internet by the Young Generation

No	Purposes of Use of Information Technology, Computers, and the Internet	Number of Students	%
1	Social Media	50	38.41%
2	Entertainment	24	18.41%
3	Access Information and News	16	12.70%
4	Purchase of Goods or Services	12	9.52%
5	Send or Receive Emails	11	8.57%
6	Purchase of Goods or Services	12	9.52%
7	Financial Services and Investments	4	2.86%
8	Others	2	1.59%
	Total	131	100%

Referring to Table 2 above, most students at SMK 9 Muhammadiyah use information technology and computers for social media purposes, as many as 50 people or 38.41% of the total respondents. Furthermore, the use information technology and computers by SMK 9 students are used for entertainment purposes, namely some 24 students or 18.41%. The third rank related to the young generation's use of information technology and computers is to access information and news. Meanwhile, for financial services and investment, it was only ranked 7th, or only four people with a share of 1.59% of the total respondents. This shows that students at SMK 9 are still very few using information technology and computers to access financial purposes and investment services.

Therefore, outreach and socialization activities related to introducing Islamic investment, Islamic capital market, and Islami stock benefited the participants. This is indicated by the results of the questionnaire. According to figure 3 above, it is known that from all participants, there were 101 students, or 78%, who stated that socialization and counseling activities could increase their interest in investing in following Islamic or sharia principles. While the rest, as many as 28 students or 22% of respondents, stated that they are not yet interested in investing under sharia principles. Their reluctance to invest is due to their limited funds, and they do not yet have a savings account in their name (still using the names of their parents).

In addition, students also understand how sharia principles are in investing, namely based on *Al Ghorm Bil Ghurmy*, *Al Kharaj Bid Dhamany*, which means investing based on the principle of prudence and responsibility so that it is not only based on large profits in the short term (speculation) but

considers risk in the long run (Aziz et al., 2021; Diantanti et al., 2021; Nugroho et al., 2020).

After being given socialization and understanding related to the purpose of investing in Islamic stock, the majority of participants have understood that investing following Islamic or sharia principles, in this case in Islamic stock instruments, will provide security and also conformity with Islam teachings, so that they can carry out their religious teachings in kaffah or totality (Ihwanudin et al., 2020; Mahliza et al., 2020; Sukmadilaga et al., 2021). In addition, understanding related to sharia transactions and Islamic investment can provide education from an early age-related to understanding the implementation of Islamic economics and finance in commercial activity and business transactions. This is in line with the government's program, which will make Indonesia a center of Islamic economy and finance (Matoenji et al., 2021; Nugroho, 2019, 2022). In addition, the impact of this socialization and counseling will increase the Islamic financial literacy of the community, which, according to previous researchers, states that the application of Islamic principles in financial, business, and economic transactions can prevent economic crises and environmental damage caused by the greedy nature of humans (Arafah & Nugroho, 2016b, 2016a; Masyita & Ahmed, 2013).

D. CONCLUSION AND SUGGESTION

Socialization and counseling related to the Islamic capital market and stocks received a positive response from all participants. This is because there is a transfer of knowledge related to transactions following sharia principles that can provide long-term benefits and the implementation of their religious teachings in totality. In addition, the impact of this socialization and counseling can mitigate the community against illegal investments and harm the community, which is rampant now. Suggestions for further community service activities are to increase the number of participants involved so that the impact will be more massive and the government's expectations in increasing community sharia financial literacy can be achieved.

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