

## Internalisation of Ethical Values in Sharia Financial Literacy-Based Curriculum Integration at Islamic Boarding Schools

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**Abstract:** This study examines the development of ethical dimensions and Islamic principles in a sharia financial literacy curriculum at the Al-Mujtama Islamic Boarding School in Pamekasan, Madura, East Java. This research employed a qualitative approach within an empirical juridical design. Data were obtained from five informants, including leaders, teachers, and students. Data collection techniques used interviews, observation, and documentation. The study concluded that the integration of sharia financial literacy can be achieved through three main patterns: (1) horizontal curriculum integration, by inserting sharia financial values and principles into existing courses; (2) vertical integration curriculum, through the development of learning materials specifically for sharia financial literacy or management; and (3) co-curricular integration, through extracurricular activities such as sharia investment clubs, business competitions, and industrial internship programs.

**Keywords:** ethical values, curriculum, Sharia financial literacy.

**Abstrak:** Penelitian ini membahas pengembangan dimensi etika dan prinsip islam dalam pengembangan kurikulum literasi keuangan syariah di Pondok Pesantren Al-Mujtama Pamekasan Madura, Jawa Timur. Pendekatan penelitian ini mengimplementasikan kualitatif dengan desain yuridis empiris. Data diperoleh melalui dari lima informan mulai dari unsur pimpinan, guru dan para siswa. Teknik pengumpulan data menggunakan wawancara, observasi dan dokumentasi. Hasil penelitian menyimpulkan hasil kajian menunjukkan bahwa integrasi literasi keuangan syariah dapat dilakukan melalui tiga pola utama, yaitu (1) integrasi horizontal, dengan menyisipkan nilai dan prinsip keuangan syariah ke dalam mata kuliah eksisting; (2) integrasi vertikal, melalui pengembangan materi belajar khusus literasi atau manajemen keuangan syariah; dan (3) integrasi ko-kurikuler, melalui kegiatan ekstrakurikuler seperti klub investasi syariah, kompetisi bisnis dan program magang industri.

**Kata Kunci:** nilai etika, kurikulum, literasi keuangan syariah

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## Introduction

Sharia financial literacy is a series of processes and activities to increase the knowledge, confidence, and skills of consumers and the wider community so they can better manage their finances in accordance with Islamic law and the public interest (Ana Mufidah, 2025). Sharia financial literacy also relates to how to manage limited financial resources to consistently feel content, grateful, and free from a sense of lack (Utama, 2024). A poor understanding of Sharia financial literacy will negatively impact consumers' ability to understand the financial products and services sold to them. Understanding inflation, risk management, and portfolio diversification in investments is crucial for an individual's future economic development (Schüler, 2025).

Several previous studies have shown that financial socialisation, which involves teaching about money management from an early age, significantly influences financial literacy and confidence in managing personal finances (Jennifer & Widodoatmodjo, 2023). Financial literacy has also been shown to affect an individual's financial behaviour directly (Wang & Dang, 2025). Research by (Katnic dkk., 2024) found that financial literacy is closely associated with healthier financial behaviour, especially among individuals with higher levels of education and income. This is supported by (Anghel & Pochea, 2025) research, which found that financial literacy plays a crucial role in investment decisions.

A 2024 survey by Bank Indonesia showed that economic literacy is divided into four categories: well-literate (16.3%), sufficiently literate (27.2%), less literate (32.5%), and not literate (24.0%) (Suwoko & Musyrifin, 2025). Indonesia's Islamic economic literacy index is only 16.3% (Dewi dkk., 2024). This means that, out of every 100 people, only 16 are considered well-literate. This indicates that the public's understanding and knowledge of Islamic economics remain low (Nursaid dkk., 2023).

Financial literacy education is a crucial aspect that should be taught not only to economics majors but also to students in Islamic boarding schools, so they can develop the skills to manage their finances intelligently (Fathurrahman, 2023). The need to integrate Islamic financial literacy into the curriculum at Islamic boarding schools is urgent (Fahmi dkk., 2023). The Islamic financial literacy curriculum in Islamic boarding schools will serve as a guide for learning to understand and manage financial resources in accordance with Islamic teachings (Hamzah dkk., 2020). This curriculum aims to

equip individuals with skills in managing income, saving, investing, and understanding banking products in accordance with Islamic principles (Qosyim & Zarkasyi, 2024).

Islamic boarding schools (pesantren) are targeted in efforts to improve Islamic economic and financial literacy due to their large number, approximately 28,194 (Amin, 2024). There are 21 million students across Indonesia. Islamic boarding schools also represent a significant advantage in the development of Indonesia's Islamic economy and finance (Manaku, 2025). Islamic boarding schools have the potential to contribute to economic independence, based on their strong human resources, strong community ties, and potential to become a source of quality demand and production (Sahal dkk., 2025).

One of the largest and most well-known Islamic boarding schools, Al-Mujtama Islamic Boarding School in Pamekasan, signed a 2024 declaration to accelerate the development of the Islamic economy. Furthermore, in 2025, this Islamic boarding school was also invited to participate in the Sharia Festival at Grand City Surabaya. Bank Indonesia organised this event to support its vision of making Indonesia a global centre for Islamic economic and financial development, and Islamic boarding schools (pesantren) are among the agents of change in this effort.

Unlike previous research, which was generally partial and normative, this study offers a conceptual contribution by developing an integrative framework to guide the integration of Islamic financial literacy into the curriculum of traditional Islamic boarding schools. This framework organises institutional prerequisites—including curriculum policies, teacher competencies, teaching materials, industry-regulator partnerships (Hosen dkk., 2025), and digital learning infrastructure—within a learning design grounded in cognitive, affective, and psychomotor dimensions, explicitly linked to learning outcomes and evaluation mechanisms.

### **Research Method**

This study employed qualitative research. The researcher did not collect data all at once and then process it, but rather conducted a step-by-step approach (Bazen dkk., 2021), with meaning derived throughout the process, from beginning to end, in a narrative and holistic manner (Oliver Rudolf Herber, t.t.). The sources of information for

this research were the head of the Islamic boarding school, teachers, and administrators at the Al-Mujtama Islamic boarding school in Pamekasa, East Java.

Primary data collection procedures were conducted through observation and interviews. This study also employed literature review techniques to obtain secondary data (Tenny dkk., 2026). Data collection procedures involved reading, recording, quoting, and sorting materials sourced from the literature. The steps taken in data processing include: data selection, which examines the obtained data to ensure it aligns with the topic under discussion (Alexander Newman, 2024) The incorrect data is then corrected, and incomplete data is supplemented. Data classification is then performed, grouping the data according to a framework consistent with the predetermined topic.

The final step is data systematisation, which organises data by topic to facilitate analysis (Oliver Rudolf Herber, t.t.). To obtain an overview of the integration of the Sharia financial literacy curriculum among administrators and teachers at the Al-Mujtama Islamic Boarding School in Pamekasan, the factors that determine literacy levels, and how knowledge influences financial decisions, a descriptive and verification approach was used.

### **Research Results and Discussion**

The research results indicate that the integration of Islamic financial literacy at the Al-Mujtama Islamic Boarding School in Pamekasan is carried out through three main patterns, as detailed below:

The first pattern is horizontal integration, through efforts to embed Islamic financial values and principles into students' daily lives. The basic principle of integrating Islamic financial literacy into the curriculum at Al-Mujtama Islamic Boarding School is to mainstream Islamic values, encompassing the moral, ethical, and social aspects of wealth management. As explained by the Head of the Islamic Boarding School, who stated:

One of the main principles underlying Islamic financial literacy is the prohibition on the exploitation of *riba* (interest). *Riba* is considered a form of exploitation in economic transactions because it can lead to injustice between lenders and borrowers. This prohibition applies not only to interest-based loans but also to various transactions that contain *riba* elements. (Interview, Abdul Kahar, December 2, 2025)

This explanation is supported by the statement of the deputy principal of the Al-Mujtama Islamic boarding school, who stated:

Exploitation in *riba* (usury) is the act of unilaterally profiting by the capital owner by exploiting the vulnerability and urgency of the borrower. This practice creates structural and economic injustice that is detrimental. *Riba* is prohibited in Islam because it can create an imbalance of wealth, where the lender will always benefit regardless of the condition of the borrower. (Interview, Soheb, December 9, 2025)

In addition to *riba*, another important principle in Islamic financial planning is the prohibition of *gharar* (uncertainty) and *maisir* (gambling). As the principal explained:

*Gharar*/fraud refers to uncertainty or ambiguity in a contract or transaction that could harm one of the parties. In the context of strengthening Sharia financial literacy at the Al-Mujtama Islamic boarding school, students must clearly and definitively state the terms and conditions of every financial transaction within the boarding school, both regarding the object being traded and the terms. This aims to avoid conflicts arising from unclear agreements. *Gharar*, on the other hand, refers to high-risk gambling or speculative activities that benefit one party at the expense of the other. (Interview, Abdul Kahar, December 2, 2025)

Another crucial principle for strengthening Sharia financial literacy at the Al-Mujtama Islamic boarding school is fairness in the distribution of wealth, as manifested in the obligation to pay *zakat*. As explained by the deputy head of the Al-Mujtama Islamic boarding school:

*Zakat* is one of the main pillars of the Islamic economic system, redistributing wealth from the wealthy to the less fortunate to reduce social and economic disparities. *Zakat* plays a central role in understanding Sharia financial literacy because, in addition to purifying wealth, it also serves as a tool to reduce poverty and improve social welfare. (Interview, Soheb, December 9, 2025)

Based on this explanation, it can be concluded that integrating values into the Sharia financial literacy curriculum at the Al-Mujtama Islamic boarding school emphasises understanding *muamalah* (interest-free transactions) and prioritises cooperation and mutual benefit. Furthermore, the administrators of the Al-Mujtama

Islamic boarding school teach that transactions should avoid speculative uncertainty and rely on productive, fair investments. Equally crucial is the redistribution of wealth, a core principle in Islam that addresses economic inequality and ensures equitable social welfare through zakat. Zakat transforms individual generosity into a structured social security system, ensuring that vulnerable groups receive their due share of the wealth of the wealthy.

These findings reinforce the view that Islamic economic ethics, grounded in a value-rich institutional culture like the Islamic boarding school, can serve as a moral compass and strategic resource for navigating complex financial transactions in the digital age. However, the transition from ethical intent to consistent ethical behaviour requires more than just doctrinal instruction. At this point, this research emphasises the importance of institutional strengthening, real-world simulations, and critical engagement with contemporary economic dilemmas. The second pattern utilises vertical integration by developing a dedicated course on Sharia financial literacy or management. During the interview with the head of the Islamic boarding school (pesantren) regarding the integration of Sharia financial literacy into the curriculum, it was revealed that the integration of Sharia financial literacy into the Islamic boarding school curriculum was underway.

The inclusion of the financial literacy curriculum at Pondok Al-Mujtama is guided by the Islamic jurisprudence books we teach. For example, the Fathul Qorib book provides a more general foundation for Sharia transactions, such as mudharabah and musyarakah, which involve profit-sharing and cooperation between capital owners and financial service managers. However, the more advanced Fathul Muin book discusses these transactions in more detail. It explains mudharabah in detail, including the percentage share and how profit sharing is calculated. It even provides an in-depth explanation of the laws arising from these financial transactions and how each party, both capital owners and managers, benefits.

This was clarified by the statement of the deputy head of the Islamic boarding school for curriculum development, who said:

Speaking of Islamic financial literacy here, we teach it based on existing texts, as this is a traditional Islamic boarding school. So, we do not immediately teach modern or practical things, but we always start with the original literature, which

in this case is the book. We read the book, understand its language and sentence structure, and then explain its application to everyday life. Islamic financial literacy, in our opinion, is more about how we study knowledge: first by reading the original literature, understanding it, and interpreting it. Now, in implementing it based on those books, we believe the students' level of understanding is already quite high, especially among the asatid who teach fiqh. However, many students find this chapter on muamalah more difficult to understand because it directly relates to money and ownership. (Interview, Soheb, December 9, 2025)

Based on this explanation, it can be understood that horizontal integration involves inserting Islamic financial values and principles into Islamic jurisprudence (fiqh) courses such as Fathul Qarib and Fathul Muin, which teach the basic principles of muamalah. This is then taught using traditional texts such as Fathul Qarib. Students are taught to understand correct contracts and avoid usury in muamalah. There is no specific program encouraging the use of Islamic banks, but the focus is on ensuring transactions comply with Sharia law.

The third pattern is co-curricular integration, through extracurricular activities such as a sharia investment club, halal business competitions, and industrial internship programs. As stated by the deputy head of the Islamic boarding school for curriculum development, he explained:

Improving Islamic financial literacy for Al-Mujtama students cannot be achieved solely through classroom learning; it requires the creation of an applicable and supportive educational ecosystem. The implementation of systemic strategies includes initiatives such as developing a santripreneur program, establishing a sharia cooperative within the school, holding halal bazaars or market days, and other programs that serve as real-life laboratories for students to practice sharia financial management on a micro-scale. (Interview, Soheb, December 9, 2025)

This information was confirmed by students active in extracurricular activities: Activities such as market days, managing donations and alms, and participating in the management of the school's sharia cooperative have resulted in measurable improvements in understanding and consistent positive responses from students

at this Islamic boarding school. These activities are conducted outside of school hours. (Interview, Student Class X, December 9, 2025)

Among the most striking findings from observations outside school hours is the growing trend of small-scale digital entrepreneurship initiated by Islamic boarding school students (*santri*), often in informal, experimental forms. Students at the Al-Mujtama Islamic Boarding School reported engaging in online sales (via Shopee, Tokopedia, and WhatsApp Business).

These activities began primarily without formal business education, relying on peer learning, online tutorials, or trial-and-error. An interesting finding from this study is that students often integrate Islamic branding and ethical messages into their digital presence, reflecting an effort to remain aligned with their religious values when entering commercial spaces.

The development of a Sharia-compliant financial literacy curriculum at the Al-Mujtama Islamic Boarding School and the creation of an experimental economic learning space grounded in Islamic ethics are important steps toward this transformation. Thus, Islamic boarding schools can evolve from their traditional role as places of spiritual development to proactive laboratories for nurturing a generation of ethical, digitally literate, and economically resilient young Muslims.

## **Conclusion**

The study results indicate that integrating Islamic financial literacy can be achieved through three main approaches: horizontal integration, by incorporating Islamic financial values and principles into existing courses. Vertical integration, through the development of a dedicated course on Islamic financial literacy or management. Co-curricular integration, through extracurricular activities such as Islamic investment clubs, halal business competitions, and industrial internship programs.

The Islamic financial literacy curriculum is a learning guide for understanding and managing financial resources in line with Islamic teachings. This curriculum aims to equip individuals with the skills to manage income, save, invest, and understand banking products in accordance with Islamic principles (free from usury, *gharar*, and *maisir*).

The development of extracurricular activities is an integral part of improving Islamic financial literacy, not only through classroom learning but also through the creation of an applicable and supportive educational ecosystem, such as market days, the management of infaq and alms funds, and participation in the management of school Islamic cooperatives.

The integration of an Islamic financial literacy-based curriculum at the Al-Mujtama Islamic Boarding School has demonstrated that the convergence of ethical formation and Islamic financial engagement among students does not occur in a vacuum, but is firmly embedded in a constellation of socio-religious, technological, and institutional dynamics. As ethical subjects nurtured within a moral community, students are endowed with a worldview rooted in Islamic principles—justice, trust, moderation, and service—that provides them with a unique lens for interpreting and navigating the rapidly evolving economic landscape shaped by digital technology.

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