

As SALAM: HALAL LIFESTYLE SOLUTIONS IN SUPPORTING INVESTMENT ISLAMIC SOCIAL FINANCE

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Abstract: *The value chain in Islamic social finance has a very important role in elements of society, including the millennial generation, in managing finances. The millennial generation has a wasteful nature or character. They very often buy packaged products to meet their needs. With a very large number of millennial generations in Indonesia, the amount of waste in Indonesia is also very large. This is because the millennial generation is very consumptive of packaged products. So, it is very difficult for the millennial generation to manage their finances, some of them waste their money buying packaged products which end up piling up in waste. The presence of As SALAM is a breakthrough for the millennial generation in Islamic social finance in this modern era. The aim of this study is to identify the value chain at As SALAM that can help the millennial generation in Islamic social finance, especially in terms of investment. This research uses qualitative research in case studies. This is an approach that raises issues and prepares a solution review of the As SALAM process, using primary data in the form of opinions and reviews from customers aged 17-35 years, accompanied by the opinions of academics and capital market experts. The results of this study state that As SALAM really helps the millennial generation in terms of Islamic finance and helps improve the Indonesian economy.*

Keywords: *Islamic Social Finance, Lifestyle, Value Chain*

Introduction

Vision of Indonesia Gold 2045 is an ambitious blueprint aimed at transforming Indonesia into a developed and prosperous nation by 2045, coinciding with the 100th anniversary of Indonesia's independence (Kadek et al., 2023). This vision encompasses various interrelated aspects of development, including the economy, education, health, and infrastructure. In the economic context, sustainable growth and digital transformation are crucial pillars that need attention to achieve these goals (Fahrurrozi, 2023). Additionally, Islamic values play a significant role in building sustainable and equitable solutions for all segments of society.

Sustainable growth is a development approach that not only focuses on economic aspects but also considers environmental and social impacts (Amsari, et al., 2024; Aziz and Haron, 2021). This concept is highly relevant to Islamic teachings, which emphasize balance and justice in all aspects of life. Islamic social finance becomes an essential instrument in achieving these goals. Islamic social finance includes various instruments such as investments, zakat, waqf, and sadaqah, all aimed at enhancing social and economic well-being in a fair and sustainable manner (Susanto, 2016).

Islamic capital market investments play a role in enhancing social and economic welfare in a fair and sustainable manner. They improve financial literacy, reduce environmental impact, and create more equitable wealth distribution as well as inclusive economic growth. Zakat, as one of the pillars of Islam, contributes to wealth redistribution from the more affluent to the less fortunate, thereby reducing economic disparities. On the other hand, waqf (endowment) is an instrument with significant potential to support the development of social infrastructure such as hospitals, schools, and other public facilities. Although voluntary, sadaqah (charitable donations) also has a significant impact on helping those in need. The combination of these four instruments can create a more inclusive and just financial system (Nisa et al., 2024).

Digital Transformation, on the other hand, refers to the integration of digital technology in all aspects of life, including the management of Islamic social finance (Sholeh & Efendi, 2023). Digital transformation enables the processes of collecting, distributing, and monitoring Islamic social funds to become more efficient and transparent. Digital technology can also expand the reach of Islamic social finance services, allowing them to benefit a larger number of recipients, including those in remote areas. By using digital applications and platforms, the management of investments, zakat, waqf, and sadaqah can be done more easily and quickly, while reducing the potential for fund misuse (Amaliyah et al., 2022).

Indonesia, with a population of over 270 million people, has significant potential to implement solutions based on Islamic values supported by digital technology. This potential is further relevant with the presence of the millennial generation, which is expected to be the majority of Indonesia's productive population by 2045 (Mas'ul, 2023). This generation is known for being tech-savvy and highly aware of social and environmental issues. Therefore, integrating Islamic values in efforts towards sustainable growth and digital transformation can be an effective strategy in achieving the Vision of Indonesia Gold 2045.

Moreover, integrating Islamic values into efforts for sustainable growth and digital transformation cannot be separated from the value chain (Islam et al., 2023). The value chain in Islamic social finance plays a crucial role in various societal elements, including the millennial generation, in managing their finances. In this context, the value chain refers to the series of activities that add value in the management of Islamic social funds, from fund

collection to distribution to beneficiaries. These activities involve various stakeholders such as donors, fund managers, and beneficiaries.

Millennials, born between 1990 and 2000, are known for their consumptive and extravagant characteristics (Aslamiyah & Reviandani, 2024). They often purchase packaged products to meet their daily needs, contributing to the increase in waste in Indonesia. According to data from the Ministry of Environment and Forestry (KLHK), Indonesia produces approximately 67.8 million tons of waste per year, with the majority coming from packaged products consumed by millennials (Solekah et al., 2022). The large millennial population in Indonesia faces serious challenges in managing their finances. The high level of packaged product consumption indicates that many spend money on needs that could be reduced. This not only negatively impacts their personal finances but also the environment, given the amount of waste generated from packaged products (Ncube et al., 2021).

To address this issue, innovative solutions are needed to help millennials manage their finances better while also reducing negative environmental impacts. One such breakthrough is the Aṣ SALAM (Nabung Saham Modal Sampah), program, which provides a halal solution to support Islamic social finance in the modern era. This program allows millennials to turn waste they generate into capital for stock investments. Thus, they contribute to waste reduction and learn to manage their finances better through investment.

The main objective of this study is to identify the value chain in the Aṣ SALAM program that can assist millennials in managing their finances more effectively and sustainably. The program focuses on investment, where millennials can convert waste into capital for stock investments. Through this approach, it is hoped that awareness of the importance of good financial management and environmental impact reduction can be created. This study will analyze how the Aṣ SALAM program can be effectively implemented, as well as identify key factors supporting its success. Additionally, this research will examine the impact of the program on millennial consumption behavior and financial management, as well as its contribution to sustainable growth and digital transformation in Indonesia.

Methodology

This research uses a qualitative approach with a case study method. Data will be collected through in-depth interviews with stakeholders, including Aṣ SALAM program managers, program participants, and experts in Islamic social finance and sustainability. Additionally, secondary data such as reports, scientific articles, and policy documents will be used to support the analysis. The case study will focus on several regions in Indonesia that have implemented the Aṣ SALAM program. In-depth interviews with program participants will provide insights into their experiences with the program, including the benefits and challenges they face. Meanwhile, interviews with program managers will offer information about strategies and best practices in managing the program. Secondary data such as financial reports, waste management statistics, and policy documents will be used to analyze the impact of the Aṣ SALAM program on the environment and economy. Scientific articles and academic literature will also be used to understand relevant concepts and theories for this research and to identify factors influencing the success of Islamic social finance programs based on Islamic values and digital technology.

Result and Analysis

Based on observations and interviews, as well as data obtained in the field, it was found that the Nabung Saham Modal Sampah aligns with Islamic values and can serve as a viable solution within Islamic social finance to support Indonesia's 2045 vision. The author also examines the implementation of the halal value chain in the A₅ SALAM practice.

Mechanism of Nabung Saham Modal Sampah (A₅ SALAM)

Based on the data obtained from observations and interviews, the author designed an investment model named Nabung Saham Modal Sampah with the following mechanism. First, opening a securities account. Prospective investors open a securities account with Indopremier Sekuritas through the GIS BEI FEBI UINSA. They then open an account with BSS (Bank Sampah Syariah) dan deposit waste to BSS. The waste is weighed and converted into a monetary amount, which is recorded in a savings book under the wad'iah yad amanah wal wakalah contract. Under the wad'iah yad amanah contract, BSS as the custodian is not liable for loss or damage to the goods unless it is due to negligence. The money is then deposited into the prospective investor's securities account once it is ready. The transfer of funds from the waste savings account to the securities account is handled by BSS via transfer, not by the customer, as the customer has delegated authority to the Gallery Shariah Investment (GIS) for the transfer under the wadiah yad amanah wal wakalah contract. However, investors themselves conduct the purchase of stocks through online trading available on their gadgets.

Second, activating the securities account. Investors can continue to actively deposit waste (daily without a minimum amount) and convert it to BSS to obtain funds that can be used to purchase subsequent stocks (stock saving). Third, maintaining active investors. GIS BEI FEBI UINSA, together with BEI and Indopremier, will continuously hold investor forums (Learn & Invest), serving as discussion platforms for investors to become more active in stock investing.

During interviews with customers and designers of the A₅ SALAM program, it was explained that millennials have a high interest in stocks, evidenced by their dominance in the increase in the number of SID, but face financial challenges to become active investors (regular stock saving). Millennials still rely on monthly allowances mostly allocated for wants, with no plot for investments, only for saving. Through the innovative A₅ SALAM product, the author sees a very appropriate solution to address this issue. They can obtain waste daily, whether from themselves or from others, and convert it into money sufficient for regular stock transactions, as envisioned by the "Yuk Nabung Saham" program. The following are the types of waste most frequently brought by millennials and the purchase prices applicable at the BSS (July 2024).

Table 1: Types of Waste and Prices at BSS

Types of Waste	Price	Quantity
Large mineral water plastic bottles	Rp 3,000	8 bottles
Medium-sized mineral water plastic bottles	Rp 3,000	30 bottles
HVS paper	Rp 3,000	250 sheets

Based on data obtained from BSS, the monthly savings balance from waste deposits ranges between Rp 10,000 to Rp 50,000. This amount is more than sufficient for students to purchase stocks regularly. Stocks like ELSA, DMAS, WSBP, LPKR, and ASRI are favored by millennials due to their fundamentally sound nature. Although they are not LQ45 stocks, they have a good prospect and are priced within the typical balance found in BSS accounts. Additionally, CAMP is also a favorite among students because the company's location in

Surabaya allows them to attend General Shareholders' Meetings, which is very beneficial for enhancing the practical knowledge of millennials.

The Shariah Investment Gallery also provides stock recommendations on what to buy and sell each day through a WhatsApp group. Brief education on both fundamental and technical analysis is routinely given in this group (along with face-to-face programs held every Friday), ensuring that millennial student investors have good product knowledge before deciding to buy stocks based on their financial strength. Regular stock saving in the style of BEI's "Yuk Nabung Saham" program is done with stocks priced according to the money they have earned from BSS. Generally, they look at Shariah-compliant stocks that meet the following criteria:

- Stock price per share below Rp 500
- Net Profit Margin (NPM) above 5%
- Return on Assets (ROA) above 5%
- Return on Equity (ROE) above 10%
- Debt to Equity Ratio (DER) below 0.9
- Price to Earnings Ratio (PER) below industry average

Using these criteria, we will exemplify CAMP and CMRY stocks, which have the following financial ratios (June 2024):

Table 2: Compare CAMP and CMRY

Ratio	CAMP	CMRY
NPM	7,66%	17,82%
ROA	6,97%	20,57%
ROE	7,97%	23,35%
DER	0.16	0.19
PER	28.53	24.9

These examples illustrate how the selected stocks fit within the financial parameters conducive to regular investment by millennial students using funds generated from waste deposits. The strength of this product lies in its integration of the activities of LEARN, CARE, INVEST, AND SYAR'I in one package. Millennials are thoroughly equipped with knowledge so they understand stocks in detail before making buying and selling decisions. The product also embeds the mission of building environmental awareness, not just as a means to earn money for investment, but as a real implementation of the belief that cleanliness is part of faith. Regular and periodic stock investing as promoted by the "Yuk Nabung Saham" movement is accelerated through this waste-to-investment initiative.

Contribution of the Product Innovation and Environmental-Based Islamic Social Finance Program

Based on interviews with A_s SALAM administrators and testimonials from A_s SALAM customers, the program has emphasized the concepts of justice, transparency, and sustainability in all economic transactions. In other words, this program is a manifestation of Islamic social finance. Islamic finance is a financial system based on Sharia principles or Islamic law. One of the main principles in Islamic finance is the prohibition of riba (interest), gharar (uncertainty), and maysir (speculation) (Kuyateh, 2022). Islamic finance also emphasizes the concepts of justice, transparency, and sustainability in all economic transactions (Hassan, 2024). In this context, capital market investments based on waste, such as the A_s SALAM program, can

provide innovative solutions to improve the social and economic welfare of the community in a fair and sustainable manner.

This concept is realized in the transformation of waste into investment capital. Programs like Aṣ SALAM allow communities to collect waste, which is then converted into investment capital in the Sharia capital market. This process involves waste collection, sorting, and recycling, so that the waste has economic value. This economic value can then be used as capital to buy stocks that comply with Sharia principles. Thus, communities that initially only produced waste can gain economic benefits from sustainable and environmentally friendly activities.

Aṣ SALAM also helps increase financial literacy. One of the main goals of this program is to improve the financial literacy of the community, especially the millennial generation. Through this program, participants are educated about the importance of investment and wise financial management. They learn about how the Sharia capital market works, how to choose stocks that comply with Sharia principles, and strategies to optimize their investments. This increase in financial literacy is very important in creating a financially literate society capable of managing their finances better (Faulkner, 2022).

Globally, Aṣ SALAM contributes to the SDGs by reducing environmental impact. By turning waste into investment capital, this program directly contributes to reducing the amount of waste disposed of in the environment. The recycling process helps reduce pollution and negative impacts on the environment. Additionally, this program encourages the community to be more environmentally conscious and adopt a more environmentally friendly lifestyle. These positive impacts are not only felt by the environment but also by the community as a whole, who can enjoy a cleaner and healthier environment.

There is also an element of improving social welfare where investments in the Sharia capital market can generate financial returns that can be used to improve social welfare (Bennett & Iqbal, 2023). The profits from investments can be used for various purposes, such as education, health, and overall quality of life improvement. Furthermore, this program can create new jobs in the recycling and waste management sector, providing additional economic opportunities for the community.

On the other hand, there is a more equitable distribution of wealth. One of the main principles in Islamic finance is justice in wealth distribution. By enabling communities from various layers to participate in Sharia capital market investments, this program helps create a more equitable distribution of wealth. Communities that may not have had access to the capital market can now participate and benefit economically from their investments. This helps reduce economic disparities and create a more inclusive and just society.

In the national economy, Aṣ SALAM helps promote economic sustainability. Investments in the Sharia capital market supported by waste management programs like Aṣ SALAM also contribute to economic sustainability. By promoting investments based on Sharia principles, this program encourages responsible and sustainable investments. Additionally, by reducing dependence on non-renewable natural resources through waste recycling, this program helps create a more sustainable and resilient economy.

Aṣ SALAM also utilizes digital technology to facilitate administrators and customers who have collaborated with the Exchange Member, in this case, IPOT, and has formed a mobile phone

application called SCALLA (Shariah Capital Market Literacy Application), which has collaborated with TICMI. This program also utilizes digital technology to increase efficiency and transparency in investment management and waste collection. Through the mobile application, participants can monitor the amount of waste they collect, see the economic value of the waste, and monitor the progress of their investments. Digital technology also enables more transparent and accountable fund management, allowing participants to feel more confident and comfortable participating in this program.

Capital market investments based on waste, as implemented in the A_s SALAM program, are an innovative solution that can improve the social and economic welfare of the community in a fair and sustainable manner. By turning waste into investment capital, this program not only helps communities manage their finances better but also contributes to reducing waste and improving environmental quality. Additionally, this program also increases financial literacy, creates a more equitable distribution of wealth, and promotes economic sustainability. By utilizing digital technology, this program can be implemented more efficiently and transparently, providing greater benefits to the community.

Halal Value Chain Indicators in As SALAM

A_s SALAM plays an important role in forming a halal value chain that contributes to the vision of Indonesia Emas 2045, through innovative Islamic social finance solutions. Firstly, waste collection and conversion is a critical initial step, where the community collects waste and deposits it in the BSS. This waste is then converted into economic value through sorting and recycling processes, conducted according to Sharia principles using wad'iah yad amanah wal wakalah contracts. This process ensures that all transactions are conducted transparently and accountably, in accordance with Sharia provisions.

Furthermore, the capital from waste conversion is deposited into the prospective investor's Securities Account, enabling them to participate in Sharia capital market investments (Mitra et al., 2020). These investments are carried out carefully, avoiding sectors prohibited in Islam, and focusing on Sharia-compliant stocks listed on the Indonesia Stock Exchange (IDX). This program also emphasizes the importance of education and investment monitoring. Through discussion forums and mobile applications such as SCALLA (Shariah Capital Market Literacy Application), investors gain knowledge about how the Sharia capital market works, investment strategies, and the risks involved. This transparent monitoring increases community trust and participation in the program.

The social and environmental impacts of the A_s SALAM program are also significant. By turning waste into investment capital, this program helps reduce the amount of waste disposed of in the environment, contributing to environmental conservation and pollution reduction. The financial benefits from investments are used for various social purposes, such as education and health, improving the community's social welfare. Moreover, this program creates new jobs in the recycling and waste management sector, providing additional economic opportunities for the community.

Economic sustainability is also a major focus of the A_s SALAM program. Responsible and sustainable investments through waste management reduce dependence on non-renewable natural resources, helping create an economy that is more resilient to change. A more equitable distribution of wealth, in line with Islamic financial principles, enables communities from

various layers to participate in Sharia capital market investments, reducing economic disparities and creating a more inclusive and just society.

By utilizing digital technology, the As SALAM program increases efficiency and transparency in investment management and waste collection. The mobile application allows participants to monitor the amount of waste collected, see the economic value of the waste, and monitor their investment progress easily and transparently. Thus, the As SALAM program not only helps the community manage their finances better but also contributes to waste reduction, environmental quality improvement, and the creation of a more equitable and sustainable wealth distribution, in line with the vision of Indonesia Emas 2045.

Conclusion

The As SALAM program successfully embodies the principles of Islamic social finance by emphasizing justice, transparency, and sustainability in economic transactions. This innovative approach transforms waste into investment capital, offering a viable solution to improve both social and economic welfare in a fair and sustainable manner. By integrating waste management with Sharia-compliant capital market investments, the program not only enhances financial literacy among participants but also promotes environmental conservation by reducing waste and pollution. The As SALAM program significantly contributes to the achievement of Sustainable Development Goals (SDGs) by fostering a cleaner environment and encouraging responsible financial practices. It also enhances social welfare by generating financial returns that can be used for essential services such as education and healthcare, and by creating job opportunities in the recycling and waste management sectors.

Through equitable wealth distribution, As SALAM enables broader community participation in Sharia capital market investments, thus reducing economic disparities and fostering a more inclusive society. The program's reliance on digital technology through applications like SCALLA improves efficiency and transparency, making the investment process more accessible and trustworthy for participants. Overall, the As SALAM program not only aids in better financial management for the community but also significantly contributes to environmental preservation and economic sustainability, aligning with the vision of Indonesia Emas 2045.

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