

Development Sharia Investment in Indonesia in the Digital Era

Miftachul Ulum¹⁾ Putri Dinanda Anum Farhana²⁾ Ita Yunia Nita , Wanto⁴

^{1,2} Universitas Sunan Drajat Lamongan, Indonesia ³Universitas Al Azhar, Egypt, ⁴Institut Alif
Muhammad Imam Syafii, Indonesia

Email: drajatulum@gmail.com¹ putridinanda110@gmail.com² itayunia472@gmail.com³,
wan.bariklana.to@gmail.com⁴

Abstract: *This study aims to analyze the development of sharia investment in Indonesia in the digital era, including the sharia capital market, sharia fintech, and investment instrument innovations. The study employed a library research method with a qualitative descriptive approach based on relevant academic literature. The findings show that digitalization has accelerated the growth of sharia investment through easier access, transaction efficiency, and innovations such as sharia fintech, online sharia mutual funds, and digital sukuk. Digitalization has also increased financial inclusion and public investment interest, particularly among younger generations. However, challenges remain, including low levels of sharia financial literacy, limited product diversification, cybersecurity risks, and technological infrastructure disparities. The study concludes that the digital era provides significant opportunities for the development of sharia investment in Indonesia, but sustainable growth requires supportive regulations, improved sharia financial literacy, and stronger digital infrastructure.*

Abstract : *Study This aim For analyze development Sharia investment in Indonesia in the digital era, including sharia capital markets, sharia fintech, and innovation instrument investment . Research use method studies library research with approach descriptive qualitative through assessment various article scientific and source relevant academic research results show that digitalization has push growth sharia investment through convenience access , efficiency transactions , as well as presence innovation such as sharia fintech, online sharia mutual funds, and digital sukuk. Digitalization also increases inclusion finance and interest investment society , especially generation young . However , the development the Still face challenge in the form of low literacy Islamic finance , limitations variation product , risk security cyber , and the gap infrastructure technology . Research This conclude that the digital era provides opportunity big for development sharia investment in Indonesia, but need support regulation , improvement literacy Islamic finance , and strengthening digital infrastructure for growth can ongoing in a way sustainable .*

Keywords: *Sharia Investment , Sharia Capital Market, Sharia Fintech, Digital Sukuk, Digital Era*

INTRODUCTION

As a country with amount resident Muslim the largest in the world, Indonesia has huge potential in development sharia investment . Potential the supported by increasing need public to instrument appropriate investment with sharia principles , namely free from element usury , gharar , and maysir . Although Thus , the level participation public in sharia investment is still relatively low compared to with potential owned . Capitalization of the national Islamic capital market moment This new donate around 17.5 percent of the total capitalization of the Indonesian capital market, which shows Still size opportunity growth sector this is in the future (Dalimunthe et al., 2025) . In addition , the number of

capital market investors in general also still classified as low , namely around 0.8 percent of the total population of Indonesia (Abubakar et al., 2024) .

Development digital technology has bring change significant in sector finance , including Islamic investment . Progress technology information , increasing internet usage , as well as development technology financial technology (fintech) allows public access various service investment with more easy , fast , and efficient . Through digitalization , the previous investment process considered complicated now can done online through various platforms and applications available .

The digital era also encourages birth various innovation sharia investments , such as online investment platforms , sharia- based mutual funds applications , sharia fintech, sharia crowdfunding, to digital sukuk (Halimatussaqdiyah et al., 2025) . The presence of innovation the No only expand access public to product sharia investment , but also increase inclusion finance as well as push investor participation , in particular from circles generation young and friendly with digital technology . On the other hand , the increasing awareness public Muslim to importance halal investment also become factor driver development industry sharia investment in Indonesia (Karim, 2004) .

One of form growing innovation rapidly is a digital sukuk that allows public invest in a way more practical through electronic platforms . In addition to providing convenience access , instruments this also supports financing development national at a time provide alternative appropriate investment with sharia principles . The development of sharia fintech also contributes in expand range service finance to the previous society Not yet served by institutions formal finance .

Although show positive developments , sharia investment in the digital era is still face various challenges , such as low literacy Islamic finance , gap access technology , data security , and need capable regulations follow development digital innovation . Therefore that , study about development Sharia investment in the digital era has become important For understand opportunities and challenges faced industry This .

Based on description said , the article This aim For discuss development Sharia investment in Indonesia in the digital era, including growth of the sharia capital market, digital transformation through sharia fintech, innovation instrument investment , as well as the opportunities and challenges that accompany it .

METHOD

Study This use method studies library research with approach descriptive qualitative . The data used is secondary data obtained from various source literature , such as article scientific , books , journals national and international , as well as publication academic which is relevant with development Sharia investment in Indonesia in the digital era. Data collection was conducted through the process of

identification , selection and review literature discussing Islamic capital markets, Islamic fintech, digital sukuk, Islamic mutual funds , and opportunities and challenges sharia investment . Collected data Then analyzed use technique analysis descriptive qualitative with method compare , interpret , and synthesize various findings study For get comprehensive overview about development Sharia investment in Indonesia in the digital era.

RESULTS AND DISCUSSION

Development of the Islamic Capital Market in Indonesia

The Islamic capital market in Indonesia has experience significant developments along with increasing amount instrument investment sharia- based , such as sharia stocks , sukuk, and sharia mutual funds. Developments This reflect increasing need public to instrument investments that are not only profit - oriented financial , but also appropriate with sharia principles . The growth of the sharia capital market is supported by various policies and regulations aimed at strengthen ecosystem Islamic finance , increasing investor protection , as well as push innovation product sharia investment . In addition , digital transformation and development market infrastructure also contribute in expand access public to various instrument Sharia investment . Conditions the show that the Islamic capital market has promising prospects For Keep going develop and become an important pillar in strengthening industry Islamic finance in Indonesia (Selasi & Hernawati, 2024) .

Although show positive trend , the Indonesian Islamic capital market is still face a number of constraint in reach potential optimally . Various study show that limitations variation product investment , low level participation society , as well as lack of education public Still become challenge main in development of the Islamic capital market (Toha & Manaku, 2020) . Conditions the reinforced by the low level literacy Islamic finance which is still be on the numbers around 10.1 percent , so that Lots society that has not understand benefit and mechanism sharia investment in general comprehensive (Dalimunthe et al., 2025) .

Literacy finance own a very important role in push participation society in the Islamic capital market. The low level literacy cause public Not yet understand characteristics , benefits , and mechanisms sharia investment so that interest For invest Still relatively low . One of the study show that education and literacy finance play a role important in increase participation community in the Islamic capital market. The educational program carried out in a way sustainable capable increase understanding , trust , and interest public to instrument sharia investment . Therefore that , increasing education and socialization programs sharia investment becomes step strategic For expanding the investor base as well as increase literacy and inclusion Islamic finance in Indonesia (Wardani Umi &

Yoga Kundhani, 2023) .

Generation young people , especially generation millennials and Generation Z, become segments that have potential big in development of the Islamic capital market. Research show that interest generation millennials to capital market investment is increasing , especially since pandemic when digital activities are increasing dominate life public (Karatri et al., 2021) . In addition , motivation investment and level knowledge finance participate influence decision generation young For investing in sharia instruments (Abubakar et al., 2024) . Digital transformation has also been proven contribute to improvement interest public For investing in the sharia capital market. Ease access information , availability application investment , as well as increasingly fast transaction processes simple push society , especially generation young , for more active participate in investment sharia stocks (Syahrul Mubaroq et al., 2025) . Conditions This show that group age young can become driving force main growth of the sharia capital market in the future .

Transformation : Sharia Fintech as Accelerator Investment

Development digital technology has give significant impact to industry Islamic finance , one of them through the presence of sharia financial technology (fintech). Sharia fintech offers various service finance based technology that remains based on sharia principles , starting from peer-to-peer lending, equity crowdfunding, to digital investment platforms (Gani, 2023) . The presence of technology This has create alternative service more finances easy , fast and efficient compared to service models conventional .

Digital transformation through Islamic fintech also plays a role important in increase inclusion finance . Various digital services enable the previous society Not yet accessible to institutions formal finance for get access to product investment and financing sharia- based . With However , sharia fintech does not only functioning as means innovation technology , but also as instrument For expand equality access finance in Indonesia.

Digitalization has also change pattern transaction investment become more Fast , flexible , and transparent . Use of investment platforms digital- based allows investors to do various activity investment in real time so that increase efficiency and comfort in transaction . Conditions This be one of driving factors improvement use service digital investment in Indonesia (Ardelia Nurul Khasanah, Aziza, Rian Saputra, Aulia Putri Santoso, Aprilia Dwi Anggraini, 2025) .

Even though sharia fintech has potential big in push development investment and inclusion Islamic finance , its contribution in industry finance national Still face various challenge . One of the challenge main is limited understanding public to products and services digital- based Islamic finance .

The low level literacy Islamic finance causes part public Not yet capable utilise various optimal sharia fintech services , so that growth sector This Not yet fully reflect potential owned (Ramadani, 2024) .

Apart from the aspect literacy , level inclusion Islamic finance which is still need also upgraded to influencing factors development of sharia fintech. Literacy and inclusion finance are two elements that are interconnected related in push utilization service finance sharia- based . Increasingly Good understanding public about principles , benefits , and mechanisms product Islamic finance , increasingly big opportunity adoption technology Islamic finance in life everyday . Therefore that is , strengthening literacy , education and socialization programs Islamic finance is necessary done in a way sustainable so that development technology financial can followed with improvement understanding and participation public (Ramadani, 2024) .

For generation Z, sharia fintech is one of the... effective means For access service investment Because offer convenience use through device mobile and simple administrative processes (Salsabila A, Saleh S, 2025) . In addition , the financing model based Sharia contracts implemented by fintech also apply give access capital for perpetrator business micro , small and medium enterprises (MSMEs), so that contribute to growth Islamic economics in general more wide (Halimatussaqdiah et al., 2025) .

Innovation Instruments : Digital Sukuk and Online Sharia Mutual Funds

Development digital technology is driving birth innovation in instrument Sharia investments , one of which is digital sukuk. Through electronic platforms , the public can buy sukuk online with a more efficient process easy , fast , and efficient , all at once expand access for retail investors who previously Not yet Lots involved in investment sharia.journal (Anisya Putri, Imellia Kontesa, 2025) . In addition to increasing convenience access , digital sukuk also has the potential strengthen transparency transactions , efficiency costs , and inclusions Islamic finance . Latest study show that development of digital sukuk in the digital era can become an important strategy For expand participation public in the sharia capital market as well support financing Islamic economics in general more wide .

In addition to providing benefit For investors, sukuk also has role strategic in support financing development national . Sukuk is one of the instruments used government For finance various project infrastructure and development economy , so that the benefits No only felt by investors, but also by the community in a way wide (Sari & Firmadi, 2025) . With support digital technology , potential fundraising through sukuk is estimated will the more increase in the future .

Innovation other is development marketed sharia mutual funds through application online investment . The presence of digital platforms allows public For start invest with relatively small capital small and more process simple . Ease This be one of driving factors improvement number of retail investors in sharia instruments in a number of year final (Jayengsari et al., 2021) . Digitalization also

allows investors to obtain information and monitoring development his investment in real time.

On the other hand , development digital technology also bring up various instrument investment new ones that require study more carry on from sharia perspective . One of them is a cryptocurrency that raises debate about level its suitability with sharia principles and maqashid sharia. Conditions This show that innovation technology in sector investment must balanced with supervision and review sustainable jurisprudence to remain in accordance with sharia values .

Opportunity Sharia Investment in the Digital Era

Digitalization open various opportunity strategic for development sharia investment in Indonesia. One of them opportunity main is the more its area access public to product sharia investment without limited by location geographical . The people who live in the area with limitations infrastructure finance now can access service investment through connected digital devices with the internet (Main, 2021) .

In addition , the use of technology capable increase efficiency cost operations and transactions so that product sharia investment becomes more affordable for society , especially novice investors (Rosdaniah & Aziz, 2022) . Digitalization is also possible institution Islamic finance utilizes data and analytics For develop more products in accordance with investor needs and characteristics .

Another opportunity for development Sharia investment in the digital era comes from from existence support regulation and strengthening institutions that encourage growth industry Islamic finance . Clear and adaptive regulations to development technology can increase trust public to product digital sharia investment as well create climate more investment safe and transparent . In addition , synergy between regulators, institutions Islamic finance , and actors industry play a role important in expand access public to various instrument Sharia investment . Conditions This show that support digital policies and innovations become factor strategic in speed up growth of the sharia capital market as well strengthen Power competition industry Islamic finance in Indonesia (Selasi & Hernawati, 2024)

Challenges Faced

Although own promising prospects , digital sharia investment is still face various challenge . Challenge main is low level literacy Islamic finance which causes part public Not yet understand characteristics , benefits , and risks product sharia investment in general adequate (Dalimunthe et al., 2025) . Conditions This can hinder improvement number of investors and slow down growth industry in a way overall .

In addition , variations product sharia investment which is still relatively limited compared to with product conventional also becomes constraint alone in interesting investor interest . Investors tend to need choice various instruments in order to be able to adapt investment with goals and profile respective

risks .

Aspect security cyber also becomes increasing challenges important in the digital era. The height activity transaction finance online to improve risk data leaks , fraud , and attacks cyber that can reduce trust public to service digital investment . Therefore that , strengthening system digital security becomes needs that are not can ignored .

Beside that , the gap infrastructure technology information interregional Still influence level adoption of fintech and digital investment in Indonesia. The differences quality internet network and access technology cause benefit digitalization Not yet felt in a way evenly distributed throughout society . From the side sharia compliance , emergence instrument investment new like asset crypto also demands study sustainable fiqh so that sharia principles remain awake in the middle development very fast technology (Abubakar et al., 2024) .

The Role of Regulation and Collaboration Institutional

Success development digital sharia investment is highly dependent on support regulation and collaboration various institution related . The Financial Services Authority , Bank Indonesia, the Indonesian Stock Exchange , and the DSN-MUI have role strategic in create ecosystem safe , transparent and compliant sharia investment with sharia principles .

Collaboration between institution required For strengthening literacy and inclusion programs Islamic finance , increasing quality digital infrastructure , as well as push innovation fixed product is at in sharia corridor . In addition , the development industry global Islamic finance shows that digitalization and innovation product is factor the main determining factor Power competition a country in sector Islamic finance .

With existence synergy between regulators, institutions finance , actors industry and society , sharia investment in Indonesia has great opportunity For Keep going developing . The digital transformation that is underway ongoing can become an important momentum in increase inclusion Islamic finance at the same time strengthen contribution sector Islamic finance towards development economy national .

CONCLUSION

Development Sharia investment in Indonesia in the digital era shows positive trend along with increasing utilization technology in sector Islamic finance . Digitalization has push growth of the Islamic capital market through presence various innovations , such as sharia fintech, online sharia mutual funds, and digital sukuk which are increasingly make it easier access public to instrument investment Sharia-based . In addition to opening opportunity expansion inclusion finance and improvement investor

participation , in particular generation young , digital transformation also brings challenge in the form of low literacy Islamic finance , limitations variation product , risk security cyber , as well as gap infrastructure technology . Therefore that , is necessary synergy between regulators, institutions Islamic finance , actors industry and society in increase literacy Islamic finance , strengthening digital infrastructure , as well as develop constant innovation in accordance with sharia principles so that sharia investments can grow in a way sustainable and provide more contributions big to economy national .

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