INVESTIGATING STUDENTS LITERACY AND PREFERENCE ON THE EXISTENCE OF SHARIA COOPERATIVES

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ABSTRACT

This study aims to shortly explain the link between students understanding of literacy institute Islamic financial and service preferences Islamic financial institutions. Literacy is defined as a deeper understanding of Islamic cooperative institutions and knowledge of the products they use. Literacy of Islamic financial institutions is explained by indicators of knowledge of sharia terms, sharia substance and sharia institutions. The subjects of this study were students of the Faculty of Economics, State University of Malang from three majors: Management, Accounting and Development Economics. Samples were taken randomly and proportionally from the three majors. The results showed that the majority of students of the faculty of economics did not yet understand the basic principles of Islamic finance. Most students also have enough literacy about cooperative institutions. Economic students have good preferences towards Islamic cooperatives. Literacy of Islamic financial institutions affects the preferences of Islamic financial institution services.

Keywords: literacy, preferences, students, Islamic cooperatives.

INTRODUCTION

The emergence of Islamic financial institutions is a manifestation of the increasing awareness of the community, especially Muslims, about the importance of implementing religious values in economic, social and kemasarakatan life. The insistence from various sections of the Muslim community that monetary and financial authorities accommodate the sharia-based financial system has resulted in the promulgation of Law No. 7 of 1992 concerning Banking which outlines the operational basis of banks that use the sharia system. Although it alludes to the possibility of sharia in the banking system, Law No. 7 of 1992 has not clearly stipulated the legal basis and types of sharia business activities. The legal basis and types of sharia business activities only emerged when the Parliament passed Law No. 10 of 1998 which is a refinement of Law No. 7 of 1992.

The emergence of Law No. 21 of 2008 concerning Sharia Banking shows the growing support of the government and legislature for the development of the Islamic financial and banking system. The emergence of the Act can also be interpreted as the growing recognition of the government and legislature on the presence of banks that use sharia principles in their operations. Law No. 21/2008 regulates in detail, starting from the principles, objectives, functions, permits, legal entities, types of activities and services, governance, to financing and supervision.

Institutional finance sharia practice is increasingly finding its momentum ethical crisis of economic and monetary policy in 1998, where it industry-based financial sharias increasingly progressing significant amid the decline of conventional financial institutions. The development of industrial banking sharia proved quite prospective in pushing sector real and create stability economy in Indonesia (Sufri, 2012).

Islamic cooperatives as a form of financial institution that has a large role, especially in improving the welfare of society more broadly. The advantage of cooperatives compared to banking, from the institutional side is that cooperatives are formed by members and for members, as a people's economic movement and based on family principles (Law No. 25 of 1992). The difference between cooperatives and banks is that all cooperative property is owned by its members, whereas banks are only owned by their shareholders. Thus, Islamic cooperatives, besides being an icon of ethical financial institution practices, are also a symbol of financial institutions that have high social concern.

Students are potential cadres for the development of sharia-based cooperatives, because students will later be required to become entrepreneurs, not just become employees. To build a student entrepreneurial spirit, it is necessary to develop a Sharia Financial Services Cooperative Living Laboratory in an Effort to Encourage the Creation of New Entrepreneurs in the Campus State University of Malang. With the hope of term length can increase the number of wiraus a Hawan of the students and communities Sat in the neighbourhood campus.

LITERATURE REVIEW

Financial Literacy is a person's ability to obtain, understand and evaluate information relevant to decision making to understand the financial consequences (Mason and Wilson, 2000). Understanding is a mental process in adapting and transforming knowledge (Gardner, 1999). Understanding finance is an individual process to obtain stimulus messages from the media, to then process them mentally and physically (Sardiana, 2016).
Theory of Planned Behavior (TBP) is a theory that is often applied in predicting intentions to explain various kinds of behavior (Gakobo & Jere, 2016; Murugesan & Jayavelu, 2015).

Research on literacy has been done quite a lot by several researchers and institutions. Sardiana (2016) examined the influence of Islamic financial literacy on the preference for the use of Islamic financial services (Islamic financial services). Literacy indicators, including knowledge, have a significant effect on preferences for the use of Islamic financial services, while ability and confidence have no effect on the preferences for the use of Islamic financial services.

Fitra et. al. (2018) examined the financial knowledge of the investment decisions of PT Pertamina (Persero) Padang Branch employees. With the purposive sampling method of 43 employees obtained evidence that financial knowledge affects investment decisions.

Cardinal (2017) described the relationship of financial literacy with the use of financial products for STIE Multi Data Palembang students. By using a survey of 243 respondents, concluded that there is a link between financial literacy and the use of financial products.

Dewi and Purbawangsa (2018) analyzed the effect of financial literacy on the behavior of investment decisions on employees of PT BPD Bali Branch Renon. With PLS technique to a number of 76 respondents, get evidence that financial literacy has a positive effect on the behavior of investment decisions.

Not much information can be obtained about the literacy and preferences of students, especially students with economic interests, about operational principles of Islamic finance, especially about Islamic cooperative institutions. Based on the above background, the objectives of this study can be formulated as follows: 1) Identifying the literacy conditions, preferences of UM economics faculty students towards Islamic cooperatives; 2) Identifying differences in literacy and preferences between UM economics faculty students who work with students who do not work towards Islamic cooperatives.

RESEARCH METHODS

Research is using the approach method of quantitatively to see the preferences and interests of students about the existence of the cooperative sharia, studies on student faculty of Economics University of Malang. Research Quantitative is research that uses the analysis of data in the form of numerical / figures. The method of research is also using descriptive as well, descriptive in nature are searching for a theory, not test theories. This method focuses on observation and natural atmosphere. The research is using research descriptive which are intended to make the descriptions in a systematic, factual, and accurate about the facts and the nature of the population or area specific. In Basically, the approach is describe the data through the numbers, such as the percentage rate of unemployment, poverty, the data ratio of financial, and other so on. The purpose of research quantitatively is to develop and use models of mathematical, theories and / or hypotheses are related to the phenomenon that was investigated by researchers (Suryani and Hendryadi, 2015). Based on the problem nature of the objectives to be achieved, this research is explanatory. An explanatory research generally aims to explain the position of the variables studied and the relationship and influence between one variable with another variable (Sugiyono, 2013).

DATA COLLECTION

The collection of data is done by spreading the questionnaire to the students of the faculty of economics University of Malang, in addition it also conducted interviews and observations directly were conducted to explore the information is in. The population of the research includes student faculty of economics University of Malang in random from semesters 1-8, and students of the faculty of economics consists of three departments, namely the Department of Management, Accounting and Economic Development. To calculate the size of the sample study used a formula Slovin with the value of error of 10%, then the number of total samples taken in research is as much as 150 students.

The techniques that are used in taking samples at This research is a simple random sampling, which is a technique to obtain a sample that is directly carried out on the sampling unit. By thus each sampling unit as an element of the population that is isolated acquire opportunities that together to be a sample or to represent the population. This method is used when members of the population are considered homogeneous (Margono, 2004).

ANALYSIS AND DISCUSSION

<table>
<thead>
<tr>
<th>Statistics</th>
<th>General Knowledge of Islamic Financial Literacy</th>
<th>Knowledge Works substance of Finance Sharia</th>
<th>Basic Knowledge of Institutional Cooperatives</th>
<th>Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Missing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>The mean</td>
<td>43.82</td>
<td>40.90</td>
<td>33.15</td>
<td>14.03</td>
</tr>
</tbody>
</table>

Table 4.1. Statistical Analysis Results
Variable dependent that is used in research this is preference Students, while variable independent is the Knowledge Works About Terms Finance Sharia, Knowledge Works On Substance Finance Sharia and Knowledge Base About Institutional Cooperation. The results of the processing of data descriptive can be seen from the table following this:

Normality test is done to see whether the residual value is normally distributed or not. To better ascertain whether the data residual distributed is normal or not, then the test statistic that can be done that is testing one sample Kolmogorov-Smirnov. Test is used to generate the numbers are more detail, if an equation regression that will be used to qualify for normality. A regression equation is said to pass normality if the significance value of the Kolmogorov-Smirnov test is greater than 0.05. The results of the testing of normality that do indicate that the data distribution is normal. This is indicated by the significance value of 0.821 > 0.05.

Table 4.3. Appendix Multicollinearity Test

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B Std. Error Beta Tolerance VIF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td>3.694 1.148 3.219 .002</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Knowledge of Islamic Financial Literacy</td>
<td></td>
<td>, 066 , 024 , 246 2.780 , 006 541 1.847</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Works substance of Finance Sharia</td>
<td></td>
<td>, 120 , 033 , 325 3.673 , 000 541 1.850</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Knowledge of Institutional Cooperatives</td>
<td></td>
<td>, 077 , 030 , 185 2.599 , 010 837 1.195</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the table at the top can be known that the value of tolerance value > 0.10 or value VIF <10 then it does not happen multikolinieritas.

Table 4.4. Appendix Heteroscedasticity Test

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B Std. Error Beta</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td>-1.160 2.666</td>
<td>- , 435 , 664</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Knowledge of Islamic Financial Literacy</td>
<td></td>
<td>, 019 , 055 , 039 3.48 , 729</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Works substance of Finance Sharia</td>
<td></td>
<td>, 030 , 076 , 044 3.392 , 696</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Knowledge of Institutional Cooperatives</td>
<td></td>
<td>, 099 , 069 , 130 1.452 , 149</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the table at the top can be known that the value of the probability of more substantial than 0.05, with such variables are presented in the study did not happen heterokedasitas.

Table 4.5. Appendix Double Liner Regression Test

<table>
<thead>
<tr>
<th>Determination Summary Model</th>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>, 619 *</td>
<td>, 383</td>
<td>, 371</td>
<td>1.870</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Knowledge Base Institutional Cooperation, Knowledge General Literacy Finance Sharia, Knowledge Works substance of Finance Sharia
Berdasarkan analisis regresi linear multiple indicates the magnitude of the coefficient of determination (Adjusted R Square) = 0.371, meaning that the independent variables jointly affect the dependent variable of 37.1% the balance of 62.9% is influenced by other variables not included in the research model.

Table 4.6. F test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>317,382</td>
<td>3</td>
<td>105,794</td>
<td>30,256</td>
<td>.000*</td>
</tr>
<tr>
<td>1 Residual</td>
<td>510,511</td>
<td>146</td>
<td>3,497</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>827,893</td>
<td>149</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Preferences
b. Predictors: (Constant), Knowledge Base Institutional Cooperation, Knowledge General Literacy Finance Sharia, Knowledge Works substance of Finance Sharia

Results of testing analysis regression linear multiple shows that there is a value of the significance of 0.000 (0.000 < 0.05). Values that can prove the hypothesis accepted, which means that "There Influence of Knowledge General Literacy Finance Sharia, Knowledge Works substance of Finance Shariah and Empathy are simultaneously against Preferences".

Table 4.7. T test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3.694</td>
<td>1.148</td>
<td>3.219</td>
<td>.002</td>
</tr>
<tr>
<td>General Knowledge of Islamic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Literacy</td>
<td>.066</td>
<td>.024</td>
<td>2.780</td>
<td>.006</td>
</tr>
<tr>
<td>Knowledge Works substance of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Sharia</td>
<td>.120</td>
<td>.033</td>
<td>3.673</td>
<td>.000</td>
</tr>
<tr>
<td>Basic Knowledge of Institutional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperatives</td>
<td>.077</td>
<td>.030</td>
<td>2.599</td>
<td>.010</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Preferences

Results of testing analysis regression linear multiple shows that there are grades of significance for 0.06 (0.06 < 0.05). Values that can prove the hypothesis is accepted, which means that "There is the influence of the positive and significant in partially between variables Knowledge General Literacy Finance Syariah against Preferences." Results of testing analysis regression linear multiple shows that there is a value of significance for 0.00 (0.00 < 0.05). Values that can prove the hypothesis is accepted, which means that "There is the influence of the positive and significant in partially between variables Knowledge Works substance of Finance Syariah against Preferences."

Results of testing analysis regression linear multiple shows that there is a value of significance for 0.10 (0.10 < 0.05). Values that can prove the hypothesis is accepted, which means that "There is the influence of the positive and significant in partially between variables Knowledge Base Institutional Cooperation against Preferences."

CONCLUSION

After describing some issues and in-depth analysis, the writer can draw some conclusions as follows: In Islamic cooperative institutions, actually there is not too much difference to cooperative institutions in general, the difference here is the products and contracts in Islamic cooperatives because they refer to the concept of Islamic finance. D realm operations, cooperative sharia establish a card that is different from the cooperative k onvensional in general, which apply the system of interest. Cooperative Sharia quite well known by the students, is evident at the time the researchers give interviews and questionnaires were given to respondents about knowledge of general substance of finance sharia that almost the entire student has to know and understand about the cooperative sharia.

Characteristics of students in terms of in terms of demographic, economic, and social very diverse. From the demographic (Religion) proved that knowledge of the contract on cooperation sharia not only be knowledge for students that Muslims alone, but also by students of non-Muslims also seen dari background behind education before also very diverse, ranging from the level of high school to boarding school. Then when viewed from different characteristics and includes all elements of students, this will have a very good impact on the development of Islamic cooperatives.

The conclusion is, m ahasiwa Malang State University economics faculty of three majors: Management, Accounting and Economic Development, has a great preference to cooperatives sharia. Knowledge of Islamic financial institution iteration influences the preferences of Islamic financial institution services. Student preferences regarding Islamic cooperative institutions vary. There is no previous research that examines student preferences regarding the existence of Islamic cooperatives. of indicators that are used such as, the term sharia, sharia and institutional substance sharia. Of contract-a contract that applied
cooperative sharia many argue bahhwa sharia cooperatives provide comfort in Bertran witness, transparency of reporting of financial and quality of service excellence.

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