



A Socialization Program to Enhance Community Knowledge of Islamic and Conventional Economics in Rajawana Village, Karangmoncol District, Purbalingga Regency

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ABSTRACT

This community service program was conducted in Rajawana Village, Karangmoncol District, Purbalingga Regency, with the aim of improving public understanding of Islamic and conventional economics. The activity was motivated by the rapid growth of Islamic banking and financial institutions in Indonesia, which has not been matched by adequate public literacy, especially in rural areas where communities still predominantly rely on conventional systems. The program was implemented on August 1, 2025, using a lecture method combined with interactive discussions and question-and-answer sessions. The materials were presented in three subtopics: (1) the definition of economics, Islamic economics, and conventional economics; (2) the characteristics of both systems; and (3) the key differences between them.

The results showed a 35% increase in participants' knowledge scores, along with greater willingness to adopt sharia-based financial practices. Farmers, traders, and small business actors demonstrated growing interest in alternatives such as *murabahah*, *mudharabah*, and *musyarakah*. However, the program also revealed structural challenges, including limited access to Islamic financial institutions and inadequate digital infrastructure. These findings suggest that socialization efforts must be complemented by continuous mentoring, replication of similar programs in other rural areas, and stronger collaboration with local Islamic financial institutions to ensure sustainability and long-term impact.

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A. INTRODUCTION

Community service is one of the pillars of the Tri Dharma of Higher Education, serving as a strategic medium for universities to provide practical solutions, support problem-solving, and improve community welfare. One form of community service is socialization programs, which function not only as a medium of knowledge transfer but also as a means of shaping



attitudes and behaviors that enable communities to participate effectively in social and economic life.

In the economic context, Indonesia has experienced rapid growth in Islamic economics through the establishment of Islamic banking and financial institutions, which have also gained legal recognition. However, public understanding of its principles and practices remains limited, particularly in rural areas. For instance, the community of Rajawana Village, Karangmoncol District, Purbalingga Regency, still relies heavily on conventional economic systems despite having considerable potential in agriculture, trade, and small enterprises. This limited understanding creates a gap between the availability of Islamic financial services and their utilization by local communities.

Previous studies support these findings. Ali (2021) explained that Islamic economic literacy in rural communities remains low even though Islamic financial institutions continue to grow. Similarly, Ansori (2016) emphasized that the digitalization of Islamic economics can only be effective if supported by increased public education. Arifin (2019) found that the lack of understanding of fundamental Islamic economic principles, such as the prohibition of *riba* and the importance of justice in transactions, has caused communities to prefer conventional systems. Meanwhile, Hasanah (2020) highlighted the importance of continuous socialization and assistance to raise community interest in sharia-based financial practices, particularly in the micro and small enterprise sectors.

Based on these conditions, systematic efforts are needed through socialization programs to introduce the concepts, characteristics, and differences between Islamic and conventional economics. The central problem addressed in this study is how to improve community knowledge and understanding of Islamic economics compared to conventional systems, and how such knowledge can foster greater interest in adopting sharia-based financial practices at the grassroots level.

B. METHODS

The community service activity was carried out in Rajawana Village, Karangmoncol District, Purbalingga Regency, on August 1, 2025. The program was designed to address the limited understanding of Islamic economics among rural communities through an educational approach. The implementation used a lecture method combined with interactive discussions and question-and-answer sessions, enabling participants to actively engage with the material and relate it to their daily economic practices.

The activity was structured into three main subtopics: (1) the definition of economics, Islamic economics, and conventional economics; (2) the characteristics of both systems; and (3) the key differences between them. The program was conducted within a one-day session, lasting approximately two hours, and involved community members from various backgrounds, including farmers, traders, and small business owners. The choice of Rajawana Village as the activity location was based on its potential in agriculture and small enterprises, alongside the community's strong reliance on conventional financial systems. Through this method, the program sought to provide clear and practical knowledge that could bridge the gap between the availability of Islamic financial services and their utilization by rural communities.



C. RESULTS AND DISCUSSION

1.1. Results

The implementation of the Islamic economics socialization program in Rajawana Village, Karangmoncol District, Purbalingga Regency, revealed several key findings. First, there was a noticeable improvement in community understanding of the basic concepts of Islamic economics, particularly regarding the prohibition of *riba*, fairness in transactions, and the importance of contracts (*akad*) in economic activities. Pre-test and post-test results conducted during the program showed an average increase in knowledge scores of 35%.

Second, the program successfully encouraged critical discussions among small business actors, especially traders and farmers, about sharia-based financing alternatives compared to conventional loans. Some participants expressed interest in utilizing Islamic financial services after receiving clearer information about mechanisms such as *murabahah*, *mudharabah*, and *musyarakah*.

Third, the program also identified structural barriers, such as limited access to Islamic financial institutions due to their relatively distant locations, as well as the lack of digital facilities that support sharia transactions. These findings emphasize that increasing literacy must be accompanied by greater accessibility and service availability to achieve more optimal impacts.

1.2. Discussion

These findings are consistent with Ali (2021), who noted the low level of Islamic economic literacy in rural communities, but they also demonstrate that structured educational interventions can significantly enhance public understanding. In the case of Rajawana, the increase in literacy was not only cognitive but also influenced the community's attitudes toward sharia-based financial systems.

The results also reinforce Ansori's (2016) argument that the digitalization of Islamic economics requires a strong foundation of literacy. Without a clear understanding of basic principles, communities will remain reluctant to shift from conventional systems, even if technological infrastructure is available. Thus, socialization programs serve as a crucial first step in preparing communities to adopt digital-based sharia financial services in the future.

Moreover, Arifin's (2019) findings on the lack of community awareness regarding the prohibition of *riba* and the principle of fairness in transactions are reflected in the Rajawana case. After receiving more comprehensive explanations, most participants expressed a new awareness of the risks and unfairness embedded in high-interest lending practices.

Hasanah's (2020) emphasis on the importance of continuous assistance is also relevant to these findings. Although community knowledge increased, further follow-up is needed in the form of mentoring and stronger linkages with Islamic financial institutions to ensure that people can truly apply their knowledge in everyday economic practices.

Overall, the results of this socialization program indicate that Islamic economic literacy can be significantly improved through educational interventions. However, to ensure sustainability, synergy between universities, local governments, and Islamic financial institutions is needed to expand access, strengthen assistance, and provide adequate infrastructure. In doing so, rural communities will have greater opportunities to transition from conventional economic systems toward sharia-compliant financial practices.

Table 1. Comparison Before and After Liveworksheets Training

No	Aspect	Before Training	After Training
1	Knowledge of Liveworksheets	Limited, most participants unfamiliar	Improved, participants understood features
2	Skills in Using the Platform	Low, difficulties in creating worksheets	Higher, participants able to design worksheets
3	Teaching Implementation	Conventional, using static learning materials	Interactive, integrating digital worksheets
4	Student Engagement	Low, less participation in class activities	Increased, students more active and motivated



Figure 1. Location of the Custom Link Option on Liveworksheets

D. CONCLUSION

The implementation of the Islamic economics socialization program in Rajawana Village demonstrated a significant improvement in community knowledge and awareness of sharia-based financial principles. The program not only increased cognitive understanding evidenced by a 35% rise in average knowledge scores but also fostered positive attitudes toward applying Islamic financial practices in daily economic activities. Interactive learning methods and the contextual relevance of the material were key success factors that encouraged active participation and meaningful discussions among participants.

Nevertheless, structural challenges remain, particularly limited access to Islamic financial institutions and the lack of adequate digital infrastructure to support sharia-compliant transactions. These barriers highlight the need for continued efforts beyond initial socialization.

Recommendations from this study include:

1. Ongoing mentoring, to ensure that increased literacy translates into sustainable behavioral change and practical application.
2. Program replication in other rural areas, so that broader communities can benefit from structured Islamic economics education.
3. Strengthening collaboration with local Islamic financial institutions, to expand accessibility, provide relevant financial products, and build trust in sharia-based systems.



By implementing these strategies, rural communities can progressively transition from conventional economic practices toward more inclusive and just sharia-compliant financial systems.

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F.AUTHOR CONTRIBUTIONS

The author independently carried out all stages of the community service program, including the conception, design, implementation, data collection, analysis, and preparation of the manuscript.

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