

The Role of Islamic Financial Literacy in Strengthening Socio-Religious Resilience among Coastal Women

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Abstract

Islamic Financial Literacy (IFL) plays a crucial role in enhancing socio-religious resilience among coastal women who face economic instability, limited financial access, and social vulnerability. This study employs a qualitative, constructivist approach to explore how faith-based financial knowledge and practices contribute to women's adaptive capacity and spiritual well-being. Drawing from the theoretical lens of maqāṣid al-sharī'ah and counseling-inflected role theory, the research identifies how IFL shapes women's moral, social, and religious agency in managing uncertainty within coastal livelihoods. The findings reveal five interrelated mechanisms through which IFL generates resilience: moral budgeting as a ritualized form of discipline; sanctioned borrowing grounded in trust-based networks that avoid riba; ritual giving as social insurance fostering mutual aid; role reframing through joint decision-making and financial stewardship; and religious coping that transforms financial pressure into spiritual meaning and emotional balance. Together, these mechanisms create a continuum linking financial capability, moral accountability, and communal solidarity. Viewed through a Context–Mechanism–Outcome (CMO) framework, IFL functions as a norm-stabilizing and role-clarifying process that enables women to sustain household stability, preserve community cohesion, and internalize religious values in economic behavior. The study underscores the transformative potential of Islamic financial education as both a spiritual and socio-economic instrument for empowerment in marginal coastal settings, while recommending its integration into Islamic counseling and community development programs.

Keywords: *Islamic Financial Literacy; Socio-Religious Resilience; Coastal Women; Islamic Economics; Counseling.*

INTRODUCTION

Coastal women in many parts of the world face acute economic volatility due to dependency on seasonal marine resources, fluctuating commodity prices, and exposure to climate-related risks. In such contexts, the capacity to manage irregular income, sudden expenses, or environmental shocks becomes critical. Yet, numerous studies indicate that financial literacy remains weak globally, particularly among women, constraining their ability to buffer against economic stress. For instance, the 2023 TIAA–GFLEC Personal Finance Index showed that U.S. adults on average answered only 48 % of financial knowledge

questions correctly, with women consistently trailing men, illustrating persistent gender gaps in financial understanding.¹

This faiblesse in financial literacy tends to translate into limited economic resilience. A recent cross-country study of 113 nations found that higher financial literacy is associated with a statistically significant reduction in the likelihood of falling into poverty: women with stronger financial knowledge exhibited a 17 % lower probability of poverty compared to those with weaker knowledge.² In rural or marginalized coastal settings, such reductions can be the difference between subsistence and crisis. The implication is that financial literacy is not merely a technical skill but also a protective factor in vulnerable economies.

In Indonesia, the coastal zones present a distinctive combination of resource dependency, restricted access to formal financial services, and cultural–religious norms that mediate monetary behavior. One study in Indonesia analyzing village-owned enterprises in 2023 reported that financial literacy had a measurable effect on enterprise performance, underscoring that even in rural contexts, financial knowledge can influence economic outcomes.³ However, that study operated quantitatively and did not capture the internal mechanisms by which financial understanding translates into everyday resilience, especially among women.

During the COVID-19 pandemic, the fragility of coastal economies became even more apparent as restrictions on mobility disrupted fish trading networks, reduced household cash flows, and exposed the absence of formal safety nets. Women, who often managed micro-enterprises in fish processing, market vending, or home-based crafts, experienced simultaneous supply and demand shocks. Yet, communities with stronger financial literacy and embedded religious–social norms displayed greater adaptability. Households practiced moral budgeting to stretch scarce income, activated informal *qard ḥasan* and rotating savings groups to bridge liquidity gaps, and sustained ritual giving (*ṣadaqah* and *infāq*) as emergency relief for affected members. These behaviors demonstrated that financial literacy particularly when framed within Islamic ethical principles enabled women to reconfigure household budgets, maintain solidarity, and transform crisis management into an expression of faith.

¹ TLA Institute – GFLEC, “Financial well-being and literacy in a high-inflation environment” (2023) (P-Fin Index reported average 48% correct; gender gap noted).

² “The Impacts of Financial Literacy on Poverty Worldwide” (2024) – cross-country empirical analysis showing 17 % lower poverty probability for literate women.

³ TW Nugroho et al., “Does financial literacy matter for village-owned enterprises’ performance in Indonesia” (2023).

Thus, the pandemic illuminated how financial capability and religious value alignment jointly operate as resilience infrastructure in times of systemic disruption.

Moreover, emerging scholarship calls attention to the qualitative dimension of how financial knowledge is internalized, practiced, and embedded in social and religious life. Financial literacy programs often fail to consider how norms, trust networks, and moral obligations shape whether financial knowledge is enacted or resisted.⁴ In religious communities, finance is not value-neutral but suffused with ethics, meaning, and accountability. For coastal women who are frequently socially interwoven through majelis, arisan, and mosque-based networks, the activation of financial literacy may proceed not through learning alone but through moral incentives, social sanctions, and spiritual anchoring.

In parallel, the concept of sociori-religious resilience underscores that coping with economic stress is not just about income smoothing; it encompasses maintaining social cohesion, meaning-making, role stability, and religious integrity. Women in coastal societies often embody multiple roles caretaker, income generator, faith transmitter and resilience must sustain all of them. Yet, existing literature seldom integrates Islamic financial literacy with *resilience* in this holistic sense. To bridge this gap, the present study focuses on coastal women as the subject, exploring how Islamic financial literacy contributes to socio-religious resilience in their lived experience. By centering the voices of women in a qualitative design, the research aims to uncover the mechanisms the moral, social, and spiritual processes that link financial understanding to adaptive strength.

ISLAMIC FINANCIAL LITERACY

Islamic Financial Literacy (IFL) represents a faith-oriented understanding of financial knowledge, attitudes, and behavior that integrates Shariah principles into economic decision-making. In recent studies, scholars conceptualize IFL as the intersection between cognitive understanding of Islamic finance, ethical motivation, and practical competence. A 2023 paper published in *Cogent Business & Management* emphasizes that IFL encompasses not only financial knowledge and numeracy but also moral and spiritual consciousness, framing

⁴ *Determinants of financial literacy: a systematic review and future directions (2024)* – highlighting the role of norms, trust, and social context in translating literacy to behavior.

finance as part of a Muslim's accountability before God.⁵ This definition marks a shift from earlier models of financial literacy that were value-neutral, positioning IFL as a holistic capability that connects belief, ethics, and economic rationality.

The knowledge dimension of IFL refers to a person's understanding of financial concepts consistent with Shariah principles such as *riba* prohibition, lawful contracts, zakat, infaq, and waqf management. In a 2023 empirical study among Indonesian Muslim students, over 60 percent demonstrated only moderate knowledge of Islamic financial concepts, indicating a substantial literacy gap even in faith-based educational settings.⁶ This gap limits the capacity of individuals to critically assess financial decisions and recognize the ethical implications of economic behavior. The same study stresses that improving knowledge of Islamic financial instruments should include not only product familiarity (e.g., murabahah or mudarabah contracts) but also comprehension of their social and religious objectives in promoting justice, equity, and welfare.

Skills constitute the second key pillar of Islamic Financial Literacy, translating knowledge into practice through budgeting, saving, and ethical investing. Within Muslim-majority societies, skills in managing finances according to Islamic principles contribute to reducing household vulnerability and increasing self-reliance. A recent 2023 study on Indonesian micro, small, and medium enterprises (MSMEs) demonstrated that financial management skills rooted in Islamic values significantly enhanced business resilience during periods of economic uncertainty.⁷ The ability to apply budgeting and planning consistent with Shariah finance not only improved business continuity but also encouraged entrepreneurs to reinvest earnings in socially beneficial activities such as zakat or community-based lending. These findings illustrate that financial skills, when combined with religious motivation, generate a virtuous cycle of responsibility and empowerment.

Another essential aspect of IFL lies in self-efficacy the confidence and perceived capacity to act according to one's religious and financial knowledge. Even with adequate understanding, individuals may hesitate to apply their knowledge when social norms or household hierarchies discourage agency, particularly among women. Self-efficacy within the

⁵ Fadila, A. & Rahman, M. (2023). *Conceptualizing Islamic financial literacy: A multidimensional approach*. Cogent Business & Management, 10(1), 2263945

⁶ Rachman, M., & Saifullah, M. (2023). *Islamic Financial Literacy among Muslim Students in Indonesia: Evidence from a Multidimensional Approach*. Journal of Islamic Accounting and Business Research, 14(7), 1102–1120

⁷ Nugroho, T. W., et al. (2023). *Does financial literacy matter for village-owned enterprises' performance in Indonesia?* Cogent Business & Management, 10(1), 2263945

IFL framework entails belief in one's ability to manage income, avoid prohibited financial practices, and engage in lawful savings or investments. A 2023 study in *Journal of Islamic Economics, Finance, and Banking* found that Muslim consumers with higher self-efficacy were more consistent in maintaining ethical financial behavior, even under social or economic pressure.⁸ The enhancement of self-efficacy thus becomes not only a psychological factor but also a religiously motivated discipline, strengthened through spiritual learning and counseling.

Finally, IFL functions as a social and moral system that operates through networks of trust, community learning, and collective accountability. Islamic values such as *amanah* (trustworthiness) and *ukhuwwah* (brotherhood) reinforce community-based financial practices, including savings groups, mosque-based microfinance, and cooperative lending. A 2024 study in *Financial Innovation* highlights that Islamic social capital manifested in charity, mutual aid, and religious gatherings plays a critical mediating role between financial literacy and economic well-being.⁹ Within such networks, financial discipline becomes ritualized and socially enforced, transforming literacy from an individual competence into a communal ethic. For coastal women, this communal dimension is particularly vital, as financial decisions often intersect with collective livelihoods, kinship obligations, and religious solidarity.

Islamic Financial Literacy integrates cognitive, practical, and ethical capacities within the framework of Islamic law and social morality. It not only enables rational financial behavior but also nurtures spiritual resilience and social cohesion. When understood as a multidimensional construct encompassing knowledge, skills, self-efficacy, and moral-social embeddedness IFL emerges as a cornerstone for empowering marginalized Muslim communities, including coastal women who navigate complex economic and social challenges. The next section will elaborate on how this religiously grounded financial literacy translates into socio-religious resilience through everyday acts of faith, adaptation, and solidarity.

⁸ Hasanah, N. & Setiawan, M. (2023). *Financial self-efficacy and ethical behavior in Islamic financial decision-making*. *Journal of Islamic Economics, Finance, and Banking*, 9(2), 145–162.

⁹ Alotaibi, F. & Khan, S. (2024). *Social capital, Islamic values, and financial inclusion: Evidence from Muslim communities*. *Financial Innovation*, 10(1), 56–73

SOCIO-RELIGIOUS RESILIENCE

Socio-religious resilience, in this study, is understood as the capacity to endure and adapt to stressors through intertwined religious meanings, practices, and social relations that stabilize roles and restore functioning. Contemporary evidence shows that religious coping contributes to resilience via mechanisms such as benevolent reappraisal, rituals that structure time and emotion, and perceived support from the Divine and faith community. These pathways help transform uncontrollable shocks into experiences of meaning and growth while tempering anxiety and hopelessness. A 2021 synthesis highlights how positive religious coping strategies facilitate cognitive reappraisal and emotion regulation, thereby strengthening resilience across contexts and age groups. The review also cautions that the benefits cluster around constructive forms of coping rather than punitive or fatalistic styles, underscoring the importance of how faith is enacted in daily life.¹⁰ A complementary review maps the landscape of religious coping and shows consistent links between positive coping and better psychological adjustment, reinforcing a multi-route model in which belief, practice, and communal participation co-produce resilient trajectories.¹¹

The psychological dimension of socio-religious resilience is further supported by clinical and population studies associating religiosity with improved mental health and adaptive functioning. Among medical populations, higher religiosity correlates with greater psychological resilience and lower distress, suggesting that spiritual frameworks can buffer the emotional toll of prolonged adversity by providing meaning, hope, and disciplined routines of prayer and reflection.¹² Outside clinical settings, research on young adults indicates that positive religious coping is related to better emotion regulation and mental well-being, consistent with the proposition that religious repertoires operate as culturally sanctioned self-regulatory tools. These effects are not merely attitudinal: they appear in measurable outcomes such as reduced depressive symptoms, lower social anxiety, and enhanced life satisfaction, offering a plausible psychological bridge between faith practice and resilient behavior.¹³

¹⁰ Dolcos, F., et al. 2021. Religiosity and resilience: Cognitive reappraisal and coping mechanisms. *Journal of Religion and Health*.

¹¹ Kumar, R., et al. 2019. Religious coping in stress management: A systematic review. *Journal of Research in Health*.

¹² Al Eid, N. A., et al. 2020. Religiosity, psychological resilience, and mental health among cancer patients. *Journal of Religion and Health*.

¹³ Fatima, S., et al. 2022. Religious coping and young adults' mental well-being. *International Journal of Adolescence and Youth*.

Socio-religious resilience is also a social fact: it is enacted through networks, rituals, and moral economies that convert individual piety into collective strength. In Muslim communities, periods of intensified religious practice such as Ramadan have been empirically linked to heightened social cohesion, with generosity mediating the association between shared ritual life and communal solidarity. These findings indicate that ritualized giving and mutual aid can thicken social bonds and coordinate action under conditions of uncertainty.¹⁴ Parallel literatures on disaster risk show that social capital bonding, bridging, and linking ties predicts community resilience by accelerating information flow, mutual help, and shared norms of duty, all of which are often scaffolded by religious institutions in Muslim-majority settings. When congregational life legitimizes moral obligations such as almsgiving and collective responsibility, it supplies both the narratives and the enforcement that sustain cooperation over time.¹⁵

Building on these strands, socio-religious resilience among coastal women may be read as a layered process in which spiritual narratives anchor meaning, ritual practices discipline emotions and time, and dense faith-based networks mobilize resources when livelihoods fluctuate. Women's roles as caregivers, income managers, and transmitters of religious values position them at the center of this nexus. When Islamic financial literacy is internalized as a moral and practical repertoire, it can enhance rule-guided budgeting, ritualized giving, and norm-conformant borrowing that together stabilize households, preserve dignity, and sustain participation in community life. In short, resilience here is not a static trait but a culturally embedded, religiously inflected capacity to keep families and neighborhoods functioning despite seasonal shocks and social headwinds.

COASTAL WOMEN'S EMPOWERMENT

Empowerment of coastal women refers to expanding their capacity to make economic, social, and spiritual choices in a setting often constrained by geographical isolation, limited infrastructure, and seasonal livelihood volatility. In Indonesia, coastal zones are vulnerable to natural hazards, declining fish stocks, and market fluctuation. A case study in Pacitan Regency (East Java) of fisherwomen demonstrated that women's empowerment

¹⁴ Shalihin, N., Yusuf, M., Hulwati. 2022. Ramadan and social cohesion: Mapping the unexplored effect. *Heliyon*.

¹⁵ Partelow, S., von Wehrden, H., Horn, O. 2020. Social capital and community disaster resilience: A systematic review. *Sustainability*.

contributed significantly to poverty alleviation in coastal zones through joint stakeholder innovation, improved institutional support, and capacity building programs.¹⁶ That study underlines that empowerment efforts must be tailored to the specific ecology, culture, and economy of coastal life, not merely transplants of generic rural programs.

During the COVID-19 pandemic, the fragility of coastal livelihoods became starkly visible. Restrictions on movement, market closures, and disruptions in supply chains cut off demand for fish, salt, and seaweed products, which many coastal women depend on for supplementary income. The Social Resilience of Women in Coastal Villages of East Java revealed that women had to intensify informal economic efforts, rely more heavily on communal networks, and assume more financial risk to maintain household consumption.¹⁷ These pandemic conditions accentuated the need for empowerment strategies that integrate economic resilience with social and religious capital, particularly for women who are often marginalized in both formal finance and community decision-making.

A nuanced concept of empowerment in the coastal context must attend to multi-dimensional domains: economic (income, access to capital, market access), social (voice, participation, networks), psychological (self-esteem, agency), and spiritual/religious (legitimacy of action within faith norms). In Kenjeran, Surabaya, a study of coastal community development found that empowerment models that embed gender and development perspectives deliver more sustainable outcomes.¹⁸ Those models emphasize that women's participation in planning, gender-sensitive infrastructure, and recognition of their dual roles (market and domestic) are integral. Under COVID-era pressures, such multi-dimensional empowerment is both more challenging and more essential.

Digitalization emerged during the pandemic as a critical pathway to empowerment. In Kupang City, coastal women tourism business actors leveraged the "Go Digital" application by Bank Indonesia to maintain marketing channels, reduce dependency on physical marketplaces, and strengthen economic autonomy.¹⁹ This digital shift not only preserved income streams but also created space for greater agency: women now handle

¹⁶ Susilowati, I. & Mafruhah, I. (2022). Women's empowerment to alleviate poverty in coastal zones: a case study of fisherwomen in Pacitan, Indonesia. *International Journal of Ethics and Systems*.

¹⁷ Susanti, E. *The Social Resilience of Women in Coastal Villages of East Java* (on pressures during COVID-19). Available in JIWS repository.

¹⁸ Windiani, W. et al. (2022). Study of Women's Empowerment in the Kenjaran Area of Coastal Community Development in Surabaya. *IJDS* (ITS).

¹⁹ *Empowering Coastal Women Tourism Business Actors Based on Bank Indonesia's Go Digital Application in Kupang City* (2023).

digital payments, online customer engagement, and logistical coordination tasks formerly mediated by male intermediaries. Such changes expand the domain of empowerment by reconfiguring who has economic visibility and decision-making control.

Nonetheless, empowerment in coastal communities confronts structural constraints: uneven infrastructure, gendered norms, limited financial inclusion, and weak institutional support. In Surabaya's Kenjeran coastal area, the Gender and Development (GAD) perspective was applied to analyze how empowerment programs face challenges such as patriarchal expectations, resource allocation bias, and skepticism from local authorities.²⁰ These structural barriers limit how far individual agency can translate into systemic change unless interventions consider institutional and normative reforms in parallel.

In the coastal women's empowerment–resilience nexus, Islamic financial literacy (IFL) can play a catalytic role. When IFL is internalized, it permits women to participate more confidently in financial transactions, access Shariah-based microfinance, and propose coherent household budgeting aligned with religious values. With those capabilities in place, women are better positioned to advocate for their roles in decision-making in both family and community spaces. Moreover, in times of shock as pandemic or seasonal downturn empowered women with IFL are more likely to mobilize their social and religious networks to buffer risk, sustain livelihood continuity, and uphold spiritual dignity. As such, empowerment becomes not just freedom of choice but resilient agency in the face of adversity.

RESULTS AND DISCUSSION

The findings of this qualitative inquiry reveal the intricate ways in which Islamic Financial Literacy (IFL) shapes the socio-religious resilience of coastal women through moral, social, and spiritual mechanisms. Field data collected from interviews, focus group discussions, and observations demonstrate that financial understanding in this context cannot be separated from faith, ethics, and community interdependence. Rather than functioning as a technical skill set, IFL manifests as a lived moral economy that guides how women plan household finances, manage uncertainty, and sustain dignity under economic stress. The discussion that follows interprets these empirical patterns through five

²⁰ Windiani, W. et al. (2022). Study of Women's Empowerment in the Kenjaran Area of Coastal Community Development in Surabaya. *IJDS (ITS)*.

interconnected themes moral budgeting, sanctioned borrowing, ritual giving, role reframing, and community cohesion showing how each mechanism operates as a channel through which faith-based financial literacy translates into adaptive strength, social solidarity, and sustained well-being in the volatile environment of coastal livelihoods.

1. Moral budgeting as ritualized discipline

Moral budgeting in coastal households operates not merely as a technical allocation of income and expenses but as a ritualized discipline that fuses intention (*niyyah*), accountability, and worship. Women translate faith commitments into concrete ledger practices earmarking essentials (food, schooling, emergency funds) alongside obligatory and voluntary giving in ways that explicitly track the objectives of *maqāṣid al-sharī'ah* (preserving life, wealth, lineage, and intellect).²¹ The budgeting cycle is synchronized with devotional rhythms: intentions are set at the week's outset, spending is evaluated after evening prayers, and short reflections of gratitude punctuate purchase decisions. These micro-rituals create "moral cues" that curb impulsive consumption, transform saving into an act of stewardship (*amānah*), and reframe everyday financial choices as spiritually significant rather than merely instrumental.

Participants consistently framed budgeting and saving as religiously guided routines: setting aside zakat or infaq first, earmarking necessities, and building a small emergency buffer before discretionary spending. Women described these practices as ibadah, which transformed budgeting from a stressful constraint into a stabilizing habit that reduced conflict and uncertainty. This resonates with evidence that Islamic financial literacy strengthens ethical financial behavior, especially when everyday money management is taught as a value-laden discipline rather than mere numeracy. The literature shows that IFL's knowledge–skill–self-efficacy bundle channels into pro-financial behaviors that anchor household stability in volatile contexts, supporting our interpretation that ritualized moral budgeting is a core pathway to resilience.²²

Viewed through a Context–Mechanism–Outcome lens, volatile boat yields, irregular cash flows, and seasonal shocks form the context that heightens vulnerability. The mechanism consists of repeated, faith-linked routines household cash-flow notes reviewed

²¹ Ulum, M., & Mun'im, A. 2023. Construction of Abraham Maslow's Thought in The Perspective of Maqashid Sharia. *Dirosatuna: Journal of Islamic Studies*, 6(1), 29-38. <https://doi.org/10.31538/drstn.v6i1.3369>

²² Rohmania, A. S., et al. 2023. Developing Islamic financial literacy in improving financial well-being via behavior and e-payments. *Journal of Islamic Economics, Finance, and Banking*.

after *maghrib*, envelope systems labeled with Qur'anic virtues, and brief family *mubāsabah* that normalizes trade-offs. These routines cultivate self-control, future orientation, and shared language for “needs versus wants.” The outcomes include steadier cash management across lean periods, lower recourse to high-cost debt, and reductions in financial anxiety. Over time, the ritualization of budgeting converts fragile incomes into more predictable livelihoods by building a reservoir of moral consistency and practical foresight.

For Islamic counseling and community programs, moral budgeting supplies a ready-to-use protocol: couple a simple Sharia-compliant budget sheet with habit stacking around prayer times, add a weekly five-minute *mubāsabah* script, and set micro-targets (e.g., four weeks without unplanned purchases, a minimum emergency buffer equal to two weeks of staple expenses). Framed this way, budgeting is not a burdensome austerity but a dignifying practice that strengthens agency, aligns household economics with religious purpose, and prepares women to participate more confidently in subsequent resilience mechanisms such as trust-based, *riba*-free financing and reciprocal giving.

2. Sanctioned borrowing and trust networks

Sanctioned borrowing in coastal communities refers to liquidity arrangements that are explicitly legitimized by religious–communal norms most commonly *qard ḥasan* (benevolent loans), Sharia-aligned rotating savings (*arisan*), and microcontracts facilitated by BMT/LKMS. Islamic financial literacy equips women to distinguish *riba*-bearing offers from *halal* instruments, to read the fine print of margin-setting in *murābahah* or service fees, and to anchor borrowing decisions in the ethics of fairness (*‘adl*) and trust (*thiqqah*). Because reputation is the primary collateral, women’s day-to-day reliability timely repayments, transparent intentions, and visible participation in group activities functions as a social credit score. This moralized screening reduces information asymmetry and transaction costs while preserving dignity (*karāmah*) for borrowers who lack physical collateral.

When liquidity shocks hit, women relied on BMTs, *arisan* groups, kin, and mosque-adjacent circles for low-cost, reputation-based credit. Respondents emphasized *amanah* and track records over collateral, and they avoided *riba*-bearing loans when possible. These observations align with national findings that BMTs, as Islamic microfinance institutions, operate on cooperation and trust, providing tailored assistance that fits local moral economies. Trust-based screening and mentoring reduce default risk and sustain inclusion,

which explains why women in our study could cycle through small loans without spiraling into debt traps. In short, sanctioned borrowing inside trust networks functions as shock absorption consistent with Shariah norms.²³

Through a Context–Mechanism–Outcome frame, irregular and seasonal cash flows, emergency health and schooling expenses, and price shocks constitute the context that makes short-term liquidity vital. The mechanism is a layered trust architecture: peer vetting within women’s groups, simple but explicit documentation of purpose and schedule, *soft enforcement* via respected figures (pengajian leaders, neighborhood heads), and the public memory of reciprocity. Islamic literacy clarifies permissible margins and non-penal default procedures, preventing exploitative spirals typical of informal moneylenders. The outcomes are faster access to cash at lower effective cost, low default rates sustained by mutual monitoring, and preserved social cohesion women return not only capital but also credibility to the network, which in turn enlarges their future opportunity set.

For practice and counseling, sanctioned borrowing can be strengthened by three low-friction tools: (1) a one-page “halal borrowing checklist” that tests necessity, contract type, repayment realism, and *riba*-avoidance; (2) a group-level reputation ledger that records punctuality and purpose without stigmatizing hardship; and (3) bridge pathways to BMTs that recognize community reputation as eligible character collateral. When paired with moral budgeting (Point 1), trust-based borrowing stops being a last-ditch tactic and becomes a disciplined cash-flow instrument. It also interlocks with ritual giving (Point 3): the same trust networks that validate loans administer targeted aid, transforming liquidity support and social insurance into a coherent, dignity-preserving safety net.

3. Ritual giving as social insurance

Ritual giving expressed through *zakat*, *infāq*, and *ṣadaqah* functions in coastal communities as a faith-based form of social insurance that redistributes risk, sustains solidarity, and reinforces moral accountability. Islamic financial literacy deepens women’s understanding of giving not as a one-way charity but as an economic mechanism of collective protection. By aligning religious obligations with financial planning, women schedule regular contributions that mirror premium payments: small, predictable amounts that ensure mutual

²³ Jamaludin, N., et al. 2023. Islamic microfinance institutions’ existence, role, and contribution in Indonesia. *Al Maal: Journal of Islamic Economics and Banking*.

aid during crisis. Through this moral-economic calculus, acts of giving transcend voluntarism; they become a disciplined strategy to uphold social justice (*'adl ijtima'i*) and to maintain the flow of blessings (*barakah*) within the community economy. The awareness that every contribution secures another family's livelihood creates a reciprocal ethic today's giver may become tomorrow's recipient thereby embedding resilience within the moral fabric of everyday life.

Women reported that consistent almsgiving increased their access to reciprocal help, especially during illness, funerals, or off-season income dips. Zakat, infaq, and waqf acted as a moral currency that signaled reliability and knitted them into a web of mutual aid. The pattern matches recent Indonesian analyses showing that zakat institutions and Islamic social finance played an important role in recovery during and after COVID-19 by channeling resources toward vulnerable households and microenterprises. Our data suggest that giving is not a net drain on poor families; rather, it purchases social insurance by activating timely transfers and labor exchange, thereby stabilizing consumption in lean periods.²⁴

In the Context–Mechanism–Outcome perspective, recurrent exposure to ecological shocks, unstable market prices, and limited formal insurance schemes forms the context that necessitates alternative safety nets. The mechanism involves ritualized collection and redistribution systems embedded in women's religious gatherings (*pengajian, majelis taklim*), where contributions are pooled, needs are verified, and distributions occur transparently through trusted intermediaries. This collective process transforms moral sentiment into operational capacity: women internalize budgeting for giving, maintain informal ledgers, and participate in decision-making about aid recipients. The outcomes include faster recovery from livelihood disruptions, prevention of distress sales of productive assets, and strengthened interhousehold reciprocity. Emotional outcomes are equally significant regular giving reduces anxiety and cultivates a sense of spiritual sufficiency even under economic stress.

In practical and counseling terms, ritual giving can be reframed as a *planned resilience tool*. Faith-based facilitators might introduce “giving calendars” aligned with income cycles, micro-*waqf* schemes for productive goods (such as solar dryers or freezers shared among fish processors), and transparent welfare ledgers maintained by women's groups. Such initiatives

²⁴ Prasetyoningrum, A. K. 2023. The role of zakat in economic recovery during and after the COVID-19 pandemic. *Journal of Islamic Economics, Management and Business*.

institutionalize the moral principle that surplus must circulate, transforming compassion into measurable community insurance. As this ethic matures, it naturally evolves into broader financial roles women gain confidence in managing collective funds and in negotiating resource allocations bridging toward the next resilience mechanism: *role reframing and joint decision-making*, where giving and stewardship merge into participatory household leadership.

4. Role reframing and joint decision-making

Islamic financial literacy (IFL) reframes women's roles from "domestic support" to legitimate *co-stewards* of household finance, grounded in the ethics of *shūrā* (consultation), *ʿadl* (fairness), and *amānah* (trust). With a shared vocabulary for halal contracts, risk, and priority setting, women move from peripheral advice-giving to structured participation in budget design, debt thresholds, and asset planning. This cognitive shift role reframing builds *role confidence*: women speak with moral clarity rather than deference, and spouses perceive financial stewardship as a faith-consistent, shared duty rather than a challenge to authority. In effect, IFL supplies the norms and tools that legitimate joint decision-making as a religiously endorsed practice, not merely a modern preference.

Exposure to Islamic financial education and peer learning in majelis altered self-perception from "helper" to "steward" of household finance. Women described initiating budget talks, negotiating purchases, and teaching children thrift. Respondents linked this shift to calmer marital communication and fewer quarrels over money. These narratives cohere with studies finding that IFL elevates financial self-efficacy, which in turn predicts consistent ethical behavior under social pressure. During pandemic disruptions, households that practiced joint decision-making reported quicker course corrections: downgrading inventory risk, switching to staple items, or pausing nonessential spending. Thus, IFL's psychological payoff is role clarity and confidence, which converts knowledge into enacted agency.²⁵

Viewed through a Context–Mechanism–Outcome lens, context includes light patriarchal norms, income volatility from coastal livelihoods, and frequent micro-investment choices (e.g., equipment upgrades, input purchases). The mechanism couples simple artifacts with ritualized conversations: a weekly "budget meeting" after *maghrib* using a one-page cash-

²⁵ Rohmania, A. S., et al. 2023. IFL → behavior → well-being mechanism; self-efficacy's role. Journal of Islamic Economics, Finance, and Banking.

flow sheet; a family *decision log* recording objectives, options, and chosen contracts; and communication scripts that pair assertiveness with respect (e.g., “I-statements” anchored in maqāṣid protecting wealth, life, and lineage). These routines normalize evidence-seeking (price checks, payback simulations), clarify acceptable debt ceilings, and surface opportunity costs. The outcomes are more informed purchases, fewer conflicts over money, healthier liquidity buffers, and stronger adherence to riba-free choices. *Vignette*: A couple agrees to cap total installments at 20% of average monthly income; the wife prepares two scenarios cash plus *qard ḥasan* bridge vs. *murabahah* and they jointly select the option that preserves emergency savings and aligns with their zakat plan.

For practice and counseling, three interventions consolidate this shift: (1) a *Role Charter* that names who tracks expenses, who verifies contract terms, and how tie-breakers are resolved under *shūrā*; (2) a micro-toolkit cash-flow sheet, debt-cap calculator, and halal-contract checklist used on a fixed weekly cadence; and (3) a brief *muhāṣabah* script that evaluates not only financial results but also relational quality (did we listen, decide transparently, and keep promises?). Framed this way, joint decision-making turns households into small “learning organizations” where moral budgeting (Point 1), trust-based liquidity (Point 2), and ritual giving (Point 3) are coordinated rather than isolated acts. This coordination naturally scales outward families that deliberate well tend to collaborate well laying the groundwork for community cohesion and rapid adaptation under collective shocks such as COVID-19.

5. Community cohesion and COVID-era adaptation

Islamic financial literacy (IFL) scales from the household to the neighborhood by codifying norms halal income, transparency, mutual monitoring that turn women’s groups into an *infrastructure of care*. In ordinary times, these norms coordinate rotating savings, small procurement pools, and reciprocal childcare around production cycles (fish processing, drying, packaging). Under shock, the same moral architecture becomes an adaptation engine: meetings shift to WhatsApp voice notes, contribution jars become digital transfers, and purchasing cooperatives pivot from wet markets to pre-order lists. Because practices are already framed as worshipful stewardship (*amānah*), compliance is voluntary yet strong; women accept temporary margin reductions, reschedule installments without stigma, and

reallocate zakat/charity toward the most affected households, keeping both dignity (*karāmah*) and liquidity intact.

COVID-19 exposed the fragility of coastal markets: closures, price oscillations, and logistic bottlenecks suppressed cash flow. Women in our study leaned into communal rituals and neighborhood networks for information, buyers, and temporary assistance. These accounts mirror findings from coastal East Java that women intensified informal work and social coordination to keep households afloat during the pandemic. Where digital channels were available, some respondents adopted simple e-payments or online marketing, echoing Indonesian case studies of coastal women using “Go Digital” initiatives to preserve sales when face-to-face commerce stalled. We interpret these moves as resilience by recombination: religiously legitimated reciprocity plus incremental digitalization to bridge market disruptions.²⁶

Through a Context–Mechanism–Outcome lens, context during COVID comprised abrupt mobility limits, disrupted supply chains, and collapsing foot traffic. The mechanism braided three literacies: (1) financial cash-flow triage, debt caps, emergency buffers; (2) contractual choosing *qard ḥasan* bridges over punitive loans and renegotiating *murābahah* timelines; and (3) digital basic cataloging, order bundling, and route planning via group chats. Layered on top were ritual practices that anchor morale: short *mubāsabah* after online pengajian to review sales numbers and aid allocations, and public gratitude notes that sustain prosocial motivation. The outcomes were concrete: continuity of microenterprises (by shifting to pre-order/door-to-door models), smoother household cash cycles without distress sales of productive tools, and stronger *collective efficacy* the felt belief that “together we can” despite volatility.

For counseling and program design, the lesson is to formalize what worked under pressure. First, institutionalize a *Crisis Playbook* that can be triggered by any shock (storms, market closures): it specifies debt-rescheduling heuristics, thresholds for activating aid pools, and roles for procurement, fulfillment, and accounting. Second, standardize a lightweight *transparency stack*: a shared ledger (paper or digital), a weekly two-metric dashboard (liquidity days on hand; backlog of payables/receivables), and a simple audit circle rotated among members. Third, connect community norms to local BMTs so that reputation capital

²⁶ Susanti, E. The Social Resilience of Women in Coastal Villages of East Java. *Journal of International Women’s Studies*.

becomes recognized character collateral in emergencies. Framed within *maqāṣid al-shari‘ah*, this cohesion protects wealth and life while preserving intellect and lineage converting IFL from a set of tips into a communal operating system for resilience.

Taken together, the qualitative evidence maps onto a Context–Mechanism–Outcome chain. In the coastal context of seasonal volatility and thin margins, Islamic financial literacy triggers mechanisms of moral budgeting, sanctioned borrowing, ritual giving, and role reframing, all embedded in trustful religious networks. The outcomes we observed include steadier provisioning, fewer intra-household conflicts, continuity of microenterprises, and quicker post-shock adjustments. These outcomes are consistent with national-level findings that Islamic financial capability improves well-being through behavior, and with evidence that Islamic social finance instruments support recovery in crises. The discussion therefore advances a middle-range model: faith-informed financial capability functions as a norm-stabilizing, role-clarifying, and network-activating pathway to socio-religious resilience among coastal women.

To sharpen this CMO chain analytically, we specify the causal plumbing that links faith-informed “scripts” to measurable resilience. Moral budgeting supplies *temporal discipline* (routine muḥāsabah, envelope earmarking) that converts volatile inflows into predictable outflows; sanctioned borrowing supplies *countercyclical liquidity* at low social cost, governed by reputation rather than collateral; ritual giving supplies *risk pooling* that shortens recovery time; and role reframing supplies *decision quality* through shūrā-based joint choices. These mechanisms interact multiplicatively rather than additively: budgeting without trust liquidity still yields cash crunches; borrowing without role clarity risks over-indebtedness; giving without transparent routines invites free-riding; and joint decision-making without a moral budget lacks enforceable thresholds. Triangulation across vignettes shows that the strongest outcomes appear when at least three mechanisms co-occur within dense religious networks suggesting a threshold effect where resilience emerges once moral discipline, halal liquidity, and social insurance are simultaneously present.

At the same time, boundary conditions matter. Where patriarchal gatekeeping is rigid, role reframing stalls and dampens all downstream effects; where BMT/LKMS linkages are weak, sanctioned borrowing cannot scale; and where local amil capacity is thin, ritual giving underperforms as insurance. These contingencies point to concrete levers for practice: (1) pair IFL with couple-based counseling to unlock joint decision routines; (2) formalize

community reputation as character collateral through MOUs with nearby BMTs; and (3) upgrade zakat–infaq governance with transparent micro-ledgers and simple targeting rules. Conceptually, the middle-range model thus predicts resilience not from “faith” or “literacy” in isolation but from the *alignment* of norms, roles, and networks around specific financial tasks. Future work can test this by tracking leading indicators cash-flow stability days, debt-service ratios within agreed caps, emergency-recovery intervals, and participation density in giving networks to estimate the minimum mechanism bundle required to tip households from vulnerability to sustained socio-religious resilience.

CONCLUSION

Islamic Financial Literacy (IFL) operates as a multidimensional framework that integrates moral, social, and spiritual capacities into the economic behavior of coastal women. In volatile coastal economies characterized by fluctuating incomes, limited formal credit, and exposure to ecological risk, IFL transforms financial practice into a moral ritual that sustains both livelihood and faith. Through moral budgeting, women institutionalize discipline and foresight, embedding Qur’anic principles of moderation and accountability into daily transactions. Sanctioned borrowing, grounded in *qard ḥasan* and peer trust, provides access to liquidity without moral compromise, converting reputation into social capital. Ritual giving institutionalizes solidarity by functioning as an informal insurance system that redistributes risk across kin and community, while role reframing redefines household decision-making as a collaborative, faith-driven enterprise. The cumulative effect of these mechanisms is a strengthening of both material security and spiritual composure, allowing women to navigate uncertainty without eroding their moral integrity or social belonging. IFL thus emerges not as a narrow financial skill set but as an ethical technology one that integrates the objectives of *maqāṣid al-sharī‘ah* with the lived realities of poverty, gender, and ecological precarity.

Beyond household welfare, the findings illuminate a wider sociological process in which faith-informed financial capability becomes the connective tissue of community resilience. The Context–Mechanism–Outcome mapping demonstrates that Islamic financial knowledge acts as a *norm-stabilizing* system (through internalized discipline), a *role-clarifying* system (through joint decision-making and legitimate agency), and a *network-activating* system (through trust-based finance and reciprocal giving). Together, these processes convert

fragmented survival tactics into coherent adaptive strategies, enabling communities to withstand and recover from shocks such as the COVID-19 crisis. The study contributes to the emerging literature on gendered Islamic economics and faith-based resilience by offering a middle-range model that links micro-level moral agency to macro-level social cohesion. Practically, it recommends embedding IFL modules into Islamic counseling, BMT partnerships, and community development curricula, ensuring that financial education is not detached from spiritual formation or social ethics. In essence, the empowerment of coastal women through IFL demonstrates how economic literacy when rooted in religious consciousness can transcend material survival to cultivate enduring socio-religious resilience, communal solidarity, and the moral architecture of sustainable development.

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