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Islamic Financial Literacy in Malaysia: A Bibliometric Analysis

***Nurul Nadzirah Abdul Nasir[1], Surita Hartini Mat Hassan[2], Ramlan Mustapha[3], Mohd Kamal Azman Jusoh[4]**

[1,2,3] Academy of Contemporary Islamic Studies, UiTM Pahang Branch, Raub Campus, Malaysia
[4] Academy of Contemporary Islamic Studies, UiTM Pahang Branch, Jengka Campus , Malaysia

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ABSTRACT

This study seeks to comprehensively assess the Islamic financial literacy research field by conducting a bibliometric analysis of 660 papers from the Scopus database between 2019 and 2023. The study's objectives are to identify the most influential authors, universities, nations, and citations in the field, to highlight author, university, and country collaborations in the field, to learn about the most recent research topics being worked on by researchers, and to examine Malaysia's contribution to the field. According to the study, Pakistan, Malaysia, and Indonesia are the top three countries for using Islamic financial literacy. Most scholars studying Islamic financial literacy are based at Universiti Teknologi MARA, Universiti Malaya, and International Islamic University Malaysia. Sabri, M.F., is the most well-known author in this field. Malaysia has a particularly significant influence on the writing of articles on the topic due to its status as an Islamic country and its importance in the field of financial literacy in Islam.

Corresponding Author:

*Nurul Nadzirah Abdul Nasir,
Academy of Contemporary Islamic Studies, UiTM Pahang Branch, Raub Campus.
Email: nurulnadzirah@uitm.edu.my

INTRODUCTION

Financial literacy was gradually pushed as a crucial financial skill through several global efforts and was included in national financial inclusion programs as a result of the global financial crisis, which lasted from 1997 to 2008. The encouragement of entrepreneurial subjectivity and personal accountability for social hazards like unemployment, economic downturn, and retirement contributes to the advancement of neo-liberal governance. Some common definitions of financial literacy include: (1) knowing various financial concepts; (2) being able to manage finances; (3) being able to make wise financial decisions; and (4) developing one's financial capacity so that they can invest in their future endeavors Financial literacy curriculum includes information on financial planning, money management, budgeting, debt management, creditworthiness, saving, and investing in addition to teaching the fundamentals of finance (Ab Rahman, et.al, 2018).

Financial literacy has quickly evolved into a skill that everyone must acquire to improve their well-being. It incorporates abilities, information, attitudes, and behaviors related to money that may be put into practice while making financial decisions. Because personal requirements will only grow and financial institutions will likely offer more sophisticated yet increasingly diverse financial products and services, everyone should be financially literate. Since all citizens can utilize financial products to their full potential, financial literacy is a strategy to increase equality throughout society (Widityani, et al. 2020).

According to Saifurrahman & Kassim (2021), numerous empirical research suggests that low levels of savings, ineffective portfolio allocation, and poor risk diversification are all related to financial illiteracy. Recent developments in the field of microfinance have demonstrated that farmers and the impoverished take on debt that they are unable to service and take out loans that they cannot afford. These hypothetical situations show that instead of helping the poor, financial inclusion will simply make their situation worse if it doesn't go hand in hand with financial literacy. Financial education is more than just offering guidance and counsel on money matters. It requires having the ability to understand, keep track of, and successfully use financial resources to advance one's financial security, that of their family, and that of their business. Individuals' quality of life as well as the fairness and excellence of markets can both benefit from financial knowledge. A society that is more financially literate will be able to use its resources more effectively, and a society that is more financially capable will be more empowered and in charge of its financial lives.

The last ten years have seen a significant increase in community-wide initiatives to improve financial literacy, which has become a major agenda item for many nations, as evidenced by government-sponsored programs and studies on the subject. Finding research that addresses the assessment of Muslim financial literacy is still somewhat difficult. This is significant because some of the methods used to assess the current level of financial literacy have not been adequately adjusted to take into account Muslims' unique set of financial principles. Not only is there a need for research on Islamic financial literacy due to the Muslim community's internal obligation to uphold Islamic law, but also due to external factors like the supply of sophisticated financial instruments that make Muslims more aware of the need to make Islamic financial literacy-based financial decisions. (Setiawati, et.al, 2018). Since Islamic finance has grown over the past 20 years, there are more Islamic financial products available, including in the banking and financial sectors. Customers who are not Muslims as well as Muslims have access to Islamic financial products. As a result, it is important to improve public understanding of Islamic finance (Ahmad, et al. 2020).

Islamic Financial Literacy in Malaysia

Malaysia is one of the regions with the lowest level of financial literacy among the emerging nations and is therefore not surprising. Before the turn of the millennium, only a small portion of society had any awareness of topics like setting a budget, saving money, investing, and getting insurance. Of course, those who conduct financial research or seek out expert financial guidance typically belong to the professional, semiprofessional, or knowledgeable financial management population (Ab Rahman, et al. 2018). According to (Aziz & Kassim, 2020), it was crucial to determine whether Malaysian financial literacy matched that of industrialized nations given the country's goal of becoming a high-income nation between 2016 and 2020. To better understand why bankruptcy is so common among young people, the AKPK (2018) looked into financial behavior (spending, saving, and debt management), concluding that Malaysians now have a low degree of financial literacy. This was particularly true for the low-income group, which has a tendency to lack financial literacy and prefers to deposit money rather than invest it out of fear of taking a risk. One in ten Malaysians admitted to lacking discipline in handling their monthly finances.

With an average score of 12.3 out of a possible 21, Malaysia's financial literacy was placed 25th out of the 30 nations in the OECD survey conducted in 2016. In comparison to the other three participating Muslim nations, Albania, Jordan, and Turkey, Malaysia has the lowest financial literacy rating. Thailand, a neighboring nation, came in at number 18 with a score of 12.8 out of a possible 21. Indeed, this demonstrates that

Malaysians' financial literacy is on the average level. Therefore, several initiatives must be made to improve Malaysians' financial literacy (Rahman, 2020).

Illiteracy in Islamic finance poses a severe threat to both individuals and the industry's ability to continue operating. Several years ago, the then-governor of the Central Bank of Malaysia declared that there was an urgent need to raise population levels of Islamic finance literacy to make Islamic financial products acceptable and recognizable among Malaysians. To ease financial transactions with a clear understanding and appreciation of the distinctive qualities and features of Islamic finance and its true economic value, this is important. Customers should be informed about financial market innovations since doing so would help them make better financial decisions, which will boost investment and growth. Islamic financial literacy is urgently needed because, as it turns out, consumer protection and financial literacy are key foundations in ensuring a strong and stable financial system (Nawi, et al. 2018).

Research Question

- What are the trend/What are the research trends in Islamic financial literacy studies according to the year of publication?
- Who has been published in the area concerning the authors, their affiliated organizations, and countries?
- Which are the most influential countries?
- What are the popular keywords related to the study?

METHODOLOGY

Bibliometrics is the collection, management, and analysis of bibliographic data from publications with a scientific focus (Verbeek, et al. 2002). According to Fahimnia, et al. (2015), an effective review of the literature, the creation of a bibliography, and the achievement of trustworthy results, respectively, need an iterative sequence of appropriate keywords, literature search, and analysis. In addition to general descriptive data like publishing journals, publication year, and major author categorization (Wu & Wu, 2017), it also includes sophisticated approaches like document co-citation analysis. By applying bibliometric analysis, readers can have a thorough grasp of the research topic across time. We looked through the Scopus database for relevant research.

Data Search Strategy

Scopus, according to Sudakova et al. (2022), is a premier research platform that enables the discovery, evaluation, and dissemination of data in the humanities, social sciences, and natural sciences. The Scopus database improves the productivity and effectiveness of the research process. The Scopus database was chosen because it indexes the best journals in the field of education and provides data for bibliometric research. We looked through the Scopus database for relevant research. The most exhaustive search was done, and many terms were preferred. An internet search was carried out on the Scopus database's website. "Islamic financial literacy" and "Malaysia" were picked as search terms. Later, restrictions like language were introduced. This search keyword was previously used.

A study using a screening procedure revealed the search phrases for article retrieval. Islamic financial literacy, Malaysia, and the search criteria used to access the Scopus database and compile 1057 documents were AND (LIMIT-TO (PUBYEAR, 2019) OR LIMIT-TO (PUBYEAR, 2020) OR LIMIT-TO (PUBYEAR, 2021) OR LIMIT-TO (PUBYEAR, 2022) OR LIMIT-TO (PUBYEAR 2023). After that, 660 research publications in English that were used for bibliometric analysis were included in the final search string refining.

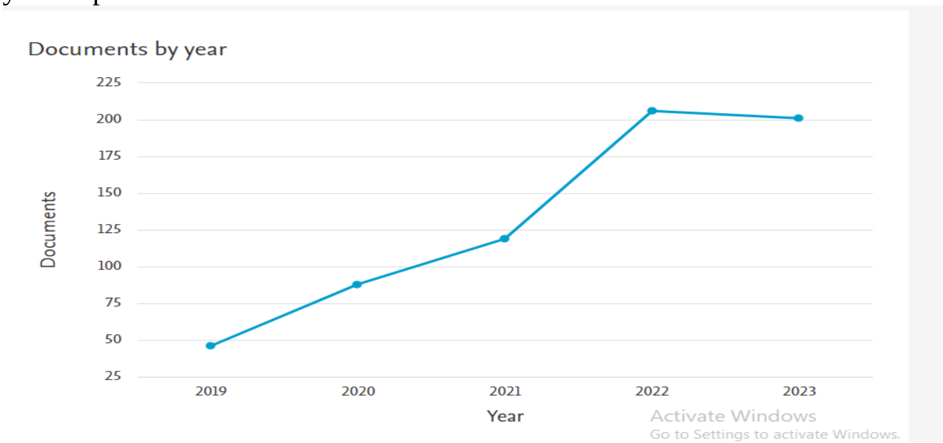
Data Analysis

The VOSviewer software version 1.6.15 was used to analyze data sets that were taken from the Scopus database and covered the years 2019 to 2023. The data sets included the year when the research was published, as well as the title, author, journal, citation, and keyword of the article. This program was utilized for analysis and map building using the VOS clustering and mapping techniques. The Multidimensional Scaling (MDS) method can be replaced with VOSViewer (Van Eck & Waltman, 2010) and in that it concentrates on positioning things in low-dimensional areas so that the distance between any two objects appropriately reflects how connected and similar they are to one another, it is comparable to MDS in that manner (Appio, et al. 2014).

The shape of a map is created by VOSviewer after reducing the weighted total of the squared distances between all item pairs. According to Appio, the LinLog/modularity normalization was used. Moreover, by using visualization methods with VOSviewer to the data set and performing studies like keyword co-occurrence, citation analysis, and co-citation analysis, patterns based on mathematical connections were found (Appio, et al. 2014).

RESEARCH FINDINGS

1. What are the trend/What are the research trends in Islamic financial literacy studies according to the year of publication?



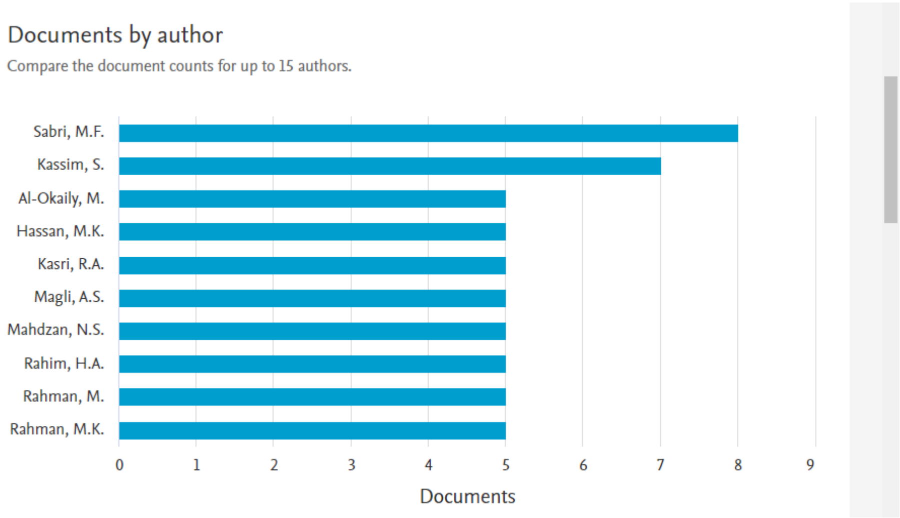
660 document results

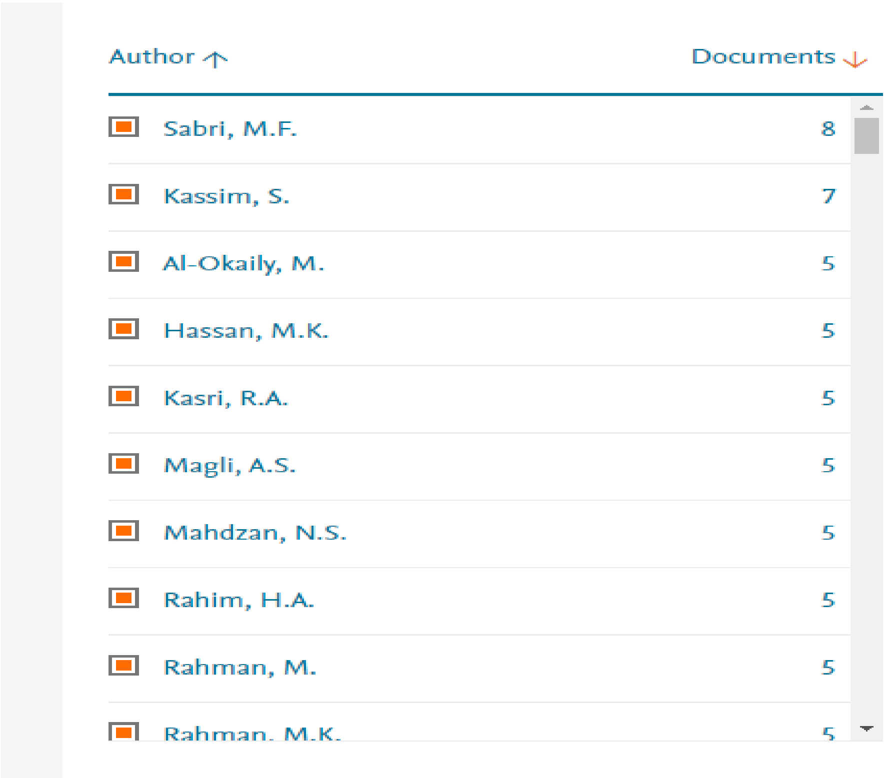
Year ↓	Documents ↑
2023	201
2022	206
2021	119
2020	88
2019	46

Figure 1: Research trends in Islamic financial literacy studies

Figure 1 shows the number of Islamic financial literacy articles published between 2019 and 2023. There were 46 articles published in 2019 (6.97%), 88 articles published in 2020 (13.33%), 119 articles published in 2021 (18.03%), 206 articles published in 2022 (31.21%), and 201 articles published in 2023 (30.45%).

2. Who has been published in the area concerning the authors, their affiliated organizations, and countries?





Author	Documents
Sabri, M.F.	8
Kassim, S.	7
Al-Okaily, M.	5
Hassan, M.K.	5
Kasri, R.A.	5
Magli, A.S.	5
Mahdzan, N.S.	5
Rahim, H.A.	5
Rahman, M.	5
Rahman, M.K.	5

Figure 2: The authors who write the most cited articles

Figure 2 shows that Sabri, M.F. published 8 articles representing 14.55%, followed by Kassim, S. published 7 articles representing 12.73%, and then Al-Okally, M., Hassan, M.K., Kasri, R.A., Magli, A.S., Mahdzan, N.S., Rahim, H.A., Rahman, M., and Rahman, M.K published 5 articles respectively representing 9.09%.

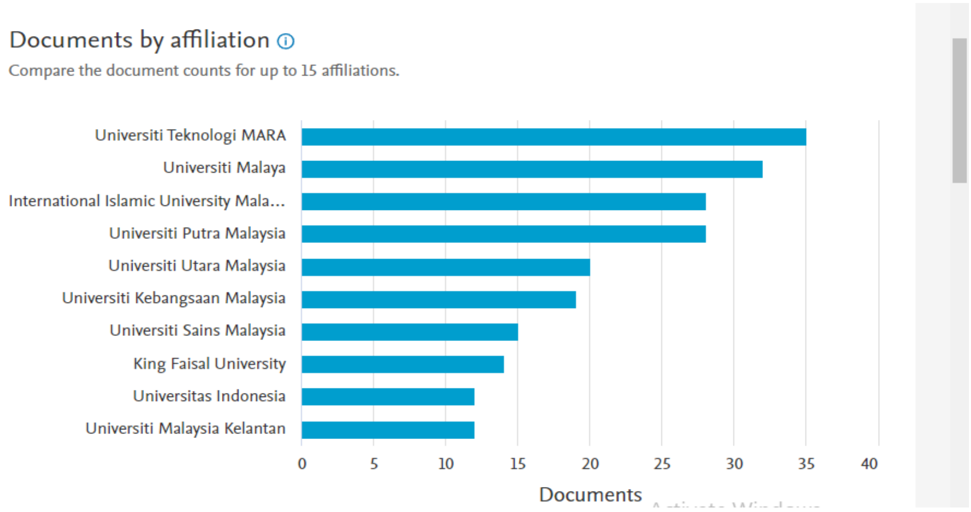
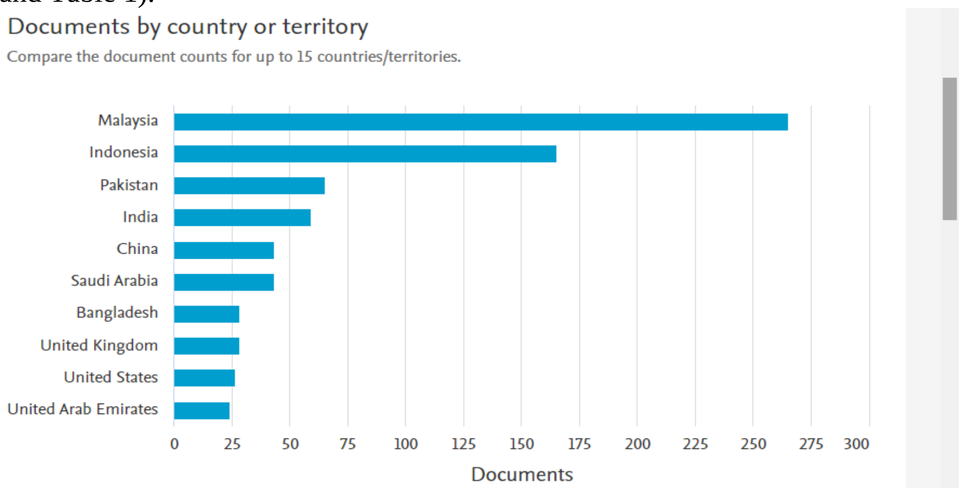


Figure 3: The affiliated organizations that published most articles

Table 1: List of affiliated organizations that published most articles

Affiliated organizations	**Number of articles published**
Universiti Teknologi MARA	35
Universiti Malaya	32
International Islamic University Malaysia	28
Universiti Putra Malaysia	28
Universiti Utara Malaysia	20
Universiti Kebangsaan Malaysia	19
Universiti Sains Malaysia	15
King Faisal University	14
Universitas Indonesia	12
Universiti Malaysia Kelantan	12

When it comes to the organizations, institutions, or universities that do outstanding work on Islamic financial literacy, we have "Universiti Teknologi MARA" with 35 articles, or 16.28%, "Universiti Malaya" with 32 articles, or 14.88%, International Islamic University Malaysia and "Universiti Putra Malaysia" with 28 articles respectively, or 13.02%, "Universiti Utara Malaysia" with 20 articles or 9.30%, "Universiti Kebangsaan Malaysia" with 19 articles or 8.84%, "Universiti Sains Malaysia" with 15 articles or 6.98%, King Faisal University with 14 articles, or 6.51%, "Universitas Indonesia" and "Universiti Malaysia Kelantan" with 12 articles respectively, or 5.58% (See Figure 3 and Table 1).



Country/Territory	Documents
Malaysia	265
Indonesia	165
Pakistan	65
India	59
China	43
Saudi Arabia	43
Bangladesh	28
United Kingdom	28
United States	26
United Arab Emirates	24

Figure 4: The countries that published most articles

Figure 4 shows that Malaysia published the most articles (265 articles, 35.52%), followed by Indonesia (165 articles, 22.12%), Pakistan (65 articles, 8.71%), India (59 articles, 7.91%), China and Saudi Arabia (43 articles respectively, 5.76%), Bangladesh and the United Kingdom (28 articles respectively, 3.75%), the United States (26 articles, 3.49%), and the United Arab Emirates (24 articles, 3.22%).

3. Which are the most influential countries?

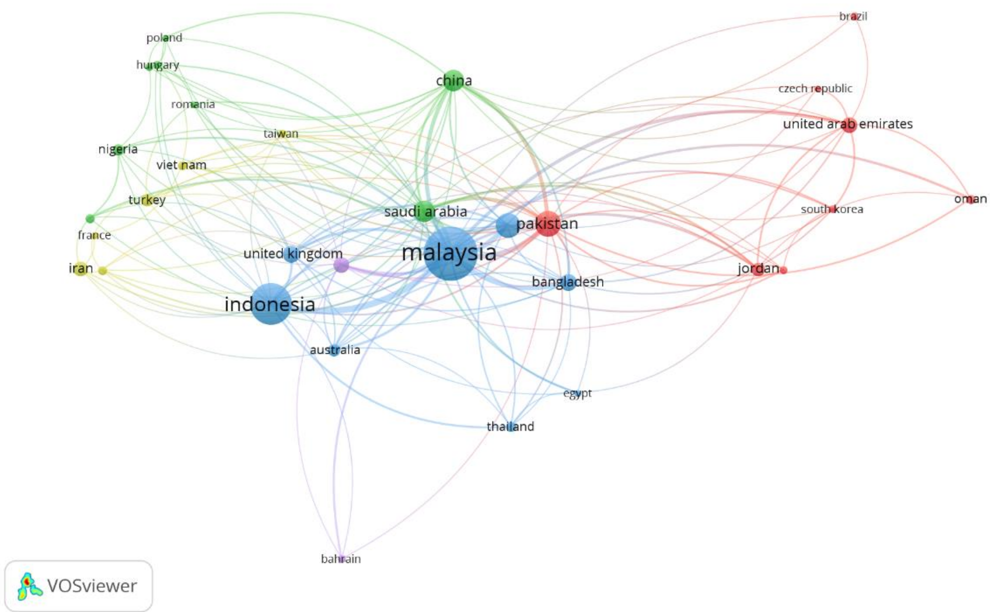


Figure 5: The country's co-authorship in Islamic financial literacy

The nations whose writers work on Islamic financial literacy are shown in Figure 5. Researchers from different countries are collaborating on Islamic financial literacy, as evidenced by the fact that the clusters displaying the nations in which authors cooperate most frequently are not significantly distinct from one another. The most influential nations in terms of cooperation, as measured by total link strength (TLS) value, are Malaysia, Pakistan, Indonesia, India, and Bangladesh. Surprisingly, Saudi Arabia and China both belong to the same group. Likewise, the United Arab Emirates and the United Kingdom belong to the same group.

4. What are the popular keywords related to the study?

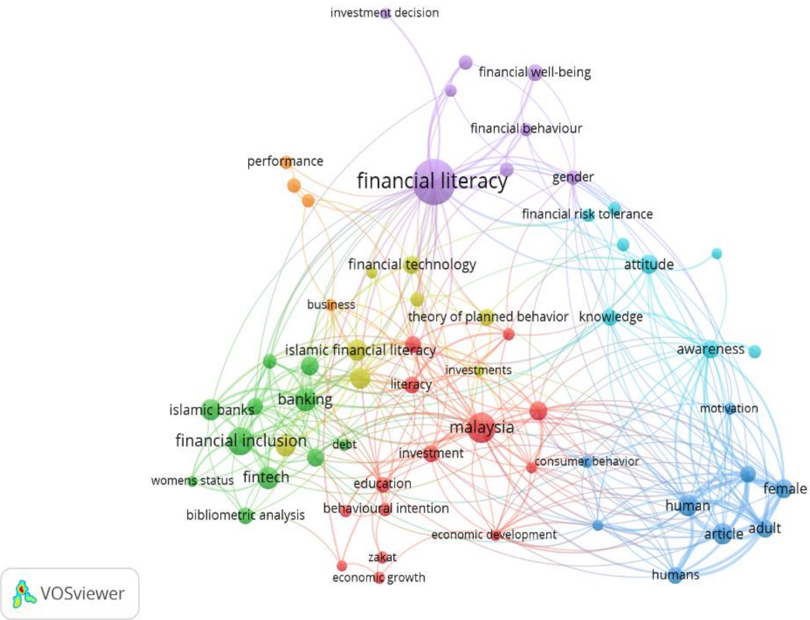


Figure 6: Network visualization of co-occurrence

The red cluster, which contains 14 keywords, is the largest, as can be seen in Figure 6. Highlighted terms include “Malaysia”, “literacy”, “perception”, “investment”, “education”, “behavioral intention”, “economic development”, “zakat”, and “economic growth”. With 11 terms, the second cluster is green. These include financial inclusion, fintech, Islamic banks, banking, finance, and debt. The most frequently used keywords in the third cluster, the blue cluster, were “financial management”, “consumer behavior”, “adult”, “motivation”, and “human” totaling 9 keywords. The fourth-largest cluster is the one in yellow, which has 8 keywords. Financial technology, investments, Islamic banking, Islamic finance, and Islamic financial literacy were the most popular keywords in this cluster. In other clusters, the most popular keywords are financial literacy, financial behavior, financial knowledge, financial well-being, and gender for the purple cluster (8 keywords); financial risk tolerance, awareness, Islamic bank, knowledge, and retirement planning for the turquoise cluster (8 keywords); business and financial performance in the orange cluster (4 keywords). These findings emphasize the education related to finance to improve financial literacy and achieve financial well-being.

DISCUSSION AND CONCLUSION

Between 2019 and 2023, 660 research articles on urban Islamic financial literacy in Malaysia were published, accounting for 62.44% of the 1057 total research articles listed in Scopus. We objectively evaluated the database to first determine the production by years, colleges, countries, authors, and citations.

The year 2022 will see the most articles on urban poverty published- a total of 206 in the five years between 2019 and 2023. According to the writers, Sabri, M.F, Kassim, S., and Al-Okally, M. have the most articles in the field published under their names. Institutions that do outstanding work on urban poverty include "Universiti Teknologi MARA," "Universiti Malaya," and International Islamic University Malaysia. Due to its status as an Islamic nation and prominence in the field of financial literacy in Islam, Malaysia has a particularly strong influence on the creation of articles on the subject.

The quantity of publications from a single nation, establishment, or author does not determine the most important organization in the field. For a piece of work to serve as a reference in a field of study, quality-particularly the community that can read and assess it -is more significant than quantity. Finding a recognized journal in the field is therefore necessary before submitting your work there.

This study does have some constraints. Firstly, because we only used Scopus, not all scholarly journals, such as WoS, were incorporated into the data collection. Nevertheless, the findings showed that, despite the possibility that employing synonymous search terms could yield a dataset that is more accurate on the subject, our dataset, which was acquired from Scopus, is acceptable because it encompasses all essential elements of financial literacy. In addition, although terms such as "financial management," "financial status," and others may be used to widen the search scope, we only used the term "financial literacy" as a search term in the data search. We also looked up articles specifically about Malaysia, and other articles may have been found elsewhere in Asia or the world. Future research should concentrate on the financial literacy of Muslims in both developed and Islamic nations.

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