

The Urgency of Financial Literacy in Hajj Funds Management for Indonesian Muslims

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Abstract

It was not widely known by the public that the cost of performing the hajj exceeded the predetermined Cost of the Hajj Travel (*Biaya Perjalanan Ibadah Haji*/BPIH) set by the government. Although the government plays a role in subsidizing the cost of pilgrimage organizing (*Biaya Penyelenggaraan Ibadah Haji*/BPIH), the actual calculation is never shared with the public, leaving many in the dark. Indonesian Muslims must be educated about the importance of financial literacy. This article aims to provide a comprehensive understanding of Hajj, shedding light on the Muslim perspective in Indonesia regarding Hajj and its management. This comprehension will empower the community to approach matters with reason and facilitate their involvement in monitoring the management of Hajj funds. The concept of Hajj's financial literacy aims to address the communication gap in managing Hajj funds. The proposed solution is continuous education and stimulation actions that functioned in fostering a sense of novelty and raising public trust in the community. The Ministry of Religion, the Ministry of Education, and community-accessible institutions such as the police (e.g., Babinsa) and Indonesian National Army (*Tentara Nasional Indonesia*/TNI), as well as religious leaders, mass organizations, and other members of society, should work together to shift society's mindset.

Keywords: Communication; Education; Financial Literacy; Hajj funds; Public Trust

Abstrak

Belum banyak diketahui masyarakat bahwa biaya menunaikan ibadah haji melebihi Biaya Ibadah Haji yang telah ditetapkan pemerintah (BPIH). Meski pemerintah berperan dalam memberikan subsidi terhadap biaya ibadah haji (BPIH), perhitungan sebenarnya tidak pernah disampaikan kepada publik sehingga masyarakat tidak memahami apa yang terjadi. Umat Islam Indonesia membutuhkan edukasi tentang pentingnya literasi keuangan. Riset ini bertujuan untuk memberikan pemahaman komprehensif tentang haji, menyoroti perspektif umat Islam di Indonesia mengenai haji dan pengelolannya. Pemahaman ini akan memberdayakan masyarakat dalam menyikapi permasalahan dengan nalar dan memudahkan mereka untuk terlibat dalam pengawasan pengelolaan dana haji. Konsep literasi keuangan haji bertujuan untuk mengatasi kesenjangan komunikasi dalam memahami hal tersebut. Solusi yang diusulkan adalah tindakan edukasi dan stimulasi kegiatan berkelanjutan yang berfungsi meningkatkan kepercayaan publik di masyarakat. Kementerian Agama, Kementerian Pendidikan, dan institusi yang dapat diakses oleh masyarakat seperti polisi (misalnya Babinsa) dan TNI, serta tokoh agama, ormas, dan anggota masyarakat lainnya, harus bekerja sama untuk mengubah pola pikir masyarakat.

Kata kunci: Komunikasi; Pendidikan; Literasi Keuangan; Dana Haji; Kepercayaan Publik

INTRODUCTION

The public's attention has again been drawn to the issues surrounding the management of Hajj funds in Indonesia. Publicly available information regarding the increase in the cost of the hajj in 2023 was disclosed on Thursday, January 19, 2023. During a working meeting with Commission VIII of the House of Representatives, Yaqut Qolil Chaumas, the Indonesian Minister of Religious Affairs, conveyed.

That's the government's proposal (significant changes between the Bipih component that must be paid by pilgrims and the component whose budget is allocated from the value of benefits). In our opinion, it is the most logical thing to keep what is in BPKH (The Hajj Fund Management Agency) from being eroded, yes with such a composition. So the benefit fund is reduced, only 30%, while 70% is the responsibility of the congregation.

The sudden rise in Bipih, or Hajj Travel Costs, to 69 million for Indonesian citizens planning to undertake the Hajj pilgrimage in 2023 is indeed unexpected. Historically, the cost range for Indonesian pilgrims over the past four years has been between 35 to 39 million. The pattern of subsidy was elaborated by Dr H Tubagus Ace Hasan Syadzily, M.Si, a member of Commission Eight of White House Representatives, during the FGD on the development of the Hajj ecosystem at UIN Jakarta on November 10, 2022.

In 2018 it rose again to 65 million, in 2019 it rose to 69 million, in 2021 it rose sharply to 80 Million, then in 2022 it continued climbed to 98 million. Why is there an increase? Ladies and gentlemen, you know that there is a policy from the Saudi Arabian government, especially the cost of the original congregation is only 1,500 per pilgrim, suddenly before departure it was increased by the Saudi Arabian government to 5,500 riyals congregation so that the cost rose very sharply to 98 million.

There is little information on what and how Hajj funds were managed to finance the Hajj departure of Indonesian pilgrims during the period of Hajj fund management while MORA was the primary manager. The absence of transparency has become an inherent circumstance in hajj funds management (Nasution et al., 2019). The information available to the public is the amount of BIPIH (Hajj Travel Cost) that the congregation must pay for individuals who have decided to conduct the pilgrimage in the relevant year. This condition is mentioned and published on the official MORA website (Bidang PHU Kanwil Kemenag Kalsel, 2023).

Since 2018, when BPKH accepted responsibility for managing Hajj money, the lack of transparency regarding the costs of Hajj has emerged as a significant issue. Before BPKH, the hajj funds were managed by the Minister of Religious Affairs or MORA with the *ta'awun* pattern meaning the principle of helping one another as pilgrims (Nasution et al., 2019). As a result, there was less transparency because governance from this principle considered religious value rather than financial value. Law 34/2014 is the fundamental legal standing of BPKH considered as a response to managing the Hajj fund for better conditions (Aziz, 2018). The pilot study on hajj fund management discovered that BPKH performed significantly better in delivering information to the public than the previous fund holder (MORA) (Indriani et al., 2023). Aligned with the reform spirit, BPKH discharges accountability through the

officials' media, such as a web-based filled with financial performance and other relevant, informative issues.

Interestingly, the availability of information from BPKH as the new manager of the Hajj fund did not answer people's curiosity. In both 2020 and 2021, issues regarding the management of Hajj finances arose due to the cancellation of Hajj journeys owing to the COVID-19 outbreak (Subakti, 2021). The 2021 reports have surfaced regarding the allocation of Hajj monies towards infrastructure projects and multiple issues with the disbursement of last year's payments. Additionally, since January 2023, it has been disclosed that there has been a modification to the significant increase in the Cost of Hajj per pilgrim, which is nearly twice as much as before. The public's confidence in the administration of Hajj funds has been eroded. Undoubtedly, this should foster a shared understanding of the prevailing lack of public confidence in the administration of Hajj money, which reflects the government's performance.

The significance of enhancing the management of Hajj for pilgrims in Indonesia provides evidence that the management during MORA was suboptimal for establishing competent and responsible governance of Hajj management (Aziz, 2018). Therefore, highlighting the public openness of BPKH in its early development heightened the urgency of the need for financial literacy because receiving the shared information regarding the management of Hajj funds will make people acknowledge the concerted accountability and understand the information (Indriani et al., 2023). Financial literacy emphasizes understanding money and its usage in borrowing, investing, and budgeting (Lahsasna, 2016). Society has a crucial role in supporting the government, financial institutions, and other businesses in fostering financial literacy in Islamic finance. It is crucial for community representatives to actively participate in interacting with regulators and financial institutions. Their goal is to ensure that government policies concerning the financial system are equitable for both the financial industry and society (Worthington & Marzuki, 2021). This study develops a conceptual framework that analyzes the utilization of accountability communication in gaining public legitimacy for hajj funds managers in Indonesia. Conclusively, the study aimed to examine the need to educate people on financial literacy to accelerate the public legitimacy of hajj fund managers in Indonesia.

LITERATURE REVIEW

Hajj Fund Management

According to legitimacy theory, companies share information about their social responsibility to show that they are socially responsible so that their stakeholder groups will accept their actions. The premise that there is a social contract in place between society and businesses forms the foundation of legitimacy theory (Tang, 2017). Therefore, highlighting proper and effective accountability is highly crucial for BPKH to legitimize its professionalism with accountable action verified and accepted by its multiple stakeholders.

There is widespread consensus that stakeholders are organizations' primary drivers of environmental change pressures (Cutlip et al., 2000). For instance, stakeholders have the ability to use their interests, both individually and collectively, to exert influence on the modification of organizational policy. According to Scott (2003), organizations not only respond to their environments but also try to affect them by advocating for legislative change or shaping public opinion (W. Scott, 2003). This is in addition to the fact that organizations respond to the contexts in which they operate. As a result, companies must regularly monitor and comprehend the interaction between organizations and their environment.

Communicating Accountability

It is vital to remember that keeping the public informed is one way to exhibit responsibility. Given the history of the MORA's unaccountable conduct of Hajj fund management, rebuilding public trust in professional and accountable organizers becomes challenging for BPKH. Official web-based operationalized in accommodating the tools in transmitting the series of accountable actions of BPKH in managing the hajj funds to the public. This phenomenon explains accountability literature where public sector organizations compete using the 'web of accountability (Page, 2006). The Web-based media is considered a place to present and account for their management and achievements, among other sorts of 'forums' like inspections, auditors, or the media (Bovens et al., 2014).

Using the life cycle of legitimacy in explaining the accountability action performed by BPKH leads to the reconstruction of public trust (legitimacy) (Burlea-schiopoiu & Popa, 2013). The series of publicly accessible information will also provide a rationale for shaping organizational legitimacy and reflecting organizational behaviour. The internal and external environment of the legitimacy cycle will be explained in four phases. The first step is cognitive legitimacy, which goes beyond discursive evaluations to reach a "taken-for-grantedness" that makes the organization unquestionable and hides it in plain sight (Suchman, 1995, p. 571). Legitimacy theory handles stakeholders' perceptions of the need for legitimacy. The next step is the moral legitimacy that can be gained through communicating the organization's actions with accountability. Moral legitimacy is highly related to the value or belief perceived by its stakeholders. Depending on their relationship with the organization, stakeholders can also be outside or inside sources of legitimacy. No matter their role, when stakeholders give organizations legitimacy, they see those organizations as more "meaningful, predictable, and trustworthy" (Suchman, 1995, p. 575). Moral legitimacy means that the way an organization acts is "approved by norms." Interpreting this as the next phase after the organization communicates its action in meeting criteria answerable by its stakeholders.

The next is pragmatic legitimacy. It can come from an organization's expected value (exchange legitimacy), the belief that outside stakeholders can change the organization (influence legitimacy) (Suchman, 1995, p. 571). The maintenance phase

to pragmatic legitimacy is when the organization wants to be recognized by its most important stakeholders for short-term projects that immediately get attention. These projects aim to set the stage for long-term capacity development. The final phase is where the pragmatic phase can enhance cognitive legitimacy. Therefore, feedback is the method used by companies to detect and evaluate their adjustments to the environment, and it is the foundation upon which the learning process is based (Newsom et al., 2005).

The Financial Literacy

According to the Standard & Poor's Global Financial Literacy Survey conducted in 2014, people worldwide have the least knowledge regarding risk and risk diversification (Klapper et al., 2015). In a similar vein, the findings of the Allianz survey conducted in 2016, which gathered information from 10 European nations regarding money, financial literacy, and risk in the digital age, indicate that the level of risk literacy in all of the countries that were included in the survey is extremely low. According to Allianz (2017), less than twenty per cent of respondents in Austria, Germany, and Switzerland, which are the three countries that perform the best in terms of financial knowledge, can answer three questions about their understanding of risk and risk diversification concepts (Allianz, 2017).

The average person is making a significantly greater number of financial decisions throughout their lifetime, individuals are living longer, and individuals are obtaining access to a variety of new financial products. Many people in the United States of America are approaching retirement with a far higher level of debt than earlier generations did (Lusardi et al., 2018). The combination of these trends and the low levels of financial literacy that are prevalent worldwide, particularly among vulnerable population groups, suggests that increasing financial literacy should be a top priority for those responsible for formulating public policy. In summary, there is a widespread lack of financial literacy worldwide, and it is important to note that higher national income levels do not necessarily correspond to a population that is more knowledgeable about financial matters (Lusardi, 2019).

An effective finance education program recognizes that individuals come from different backgrounds and offers tailored interventions to meet their needs. A 2013 case study involving workers of the US Federal Reserve System revealed that the completion of a financial literacy learning module resulted in notable alterations in retirement planning behaviour and improved investment portfolios (Clark et al., 2015). It is crucial to consider the delivery mechanism of these programs, video formats have a greater influence on financial behaviour compared to basic tales, and concise and relevant training is the most successful (Heinberg et al., 2014). As for Indonesians, the study of communication on public agencies during the pandemic found that the Indonesian government's management of public communication has not been working well because the information being shared with the public is not

clear or uniform. Research has shown that the government needs to give the public accurate and consistent information, keep an eye on and regulate mass and electronic media, and use social media and online media to give the public accurate information from the government and positive and educational information (Herman, 2021).

RESEARCH METHOD

The study is a part of the exploration of accountability in Indonesia's Hajj fund management where this study is the first part compilation after the pilot study (Indriani et al., 2023). It is a case study method and focuses on an interpretive approach to further understand BPKH (the new Hajj fund manager) accountable action through a direct interview session within 60 minutes. A case study is a detailed examination of a bounded system or a case through time that employs numerous data sources found in the environment (MacMillan & Schumacher, 2001). All of the materials gathered are compiled to arrive at the best potential answers to the study questions (data triangulation). Qualitative research often implies gathering subjective data through interviews, which might include various forms of media such as voice recordings, memos, photos, documents, and video recordings.

The interviewees in total are 14 people. They are people who currently work in BPKH (5) and have knowledge and experience in collaborating with BPKH (5). And as a representative of stakeholders, waiting list pilgrims (4). The interviewees joined the interview session by snowballing method. At first, it starts with the key informant from each category then he refers to the next interviewee. The data collection for this project spanned from September 2022 to April 2023. This time frame grasped significant importance for the BPKH, as it was aligned with the government publication of the statement regarding the Hajj cost 2023, which occurred on February 16th, 2023. The substantial rise in pilgrimage expenses had emerged as a prominent concern, with the BPKH drawing attention as the overseer of the Hajj fund. Complement this study's data collection method with generic descriptive, interpretive qualitative research (GDI-QR) (Elliott & Timulak, 2021). The subsequent methodological phase entailed coding the transcribed interviews, encompassing individual interviews and group forum discussions. To effectively analyze this data, researchers employed the computer-based systems Atlas. Ti, which is a specific software designed for Computer Aided Qualitative Data Analysis (CAQDAS).

RESULTS AND DISCUSSION

Cognitive Legitimacy: Phase 1

Cognitive legitimacy is the first phase representing accountability action in legal and financial issues of BPKH. The first phase in cognitive legitimacy is where BPKH developed a set of legal frameworks and systems that support the perceived

characters as "meaningful, predictable, and trustworthy" (Suchman, 1995, p. 575). The legal infrastructure is highly crucial since it represents the organization's character and the belief that it acts in the best interests of stakeholders (dispositional legitimacy). It is well said that insiders have been designing good governance since the early beginning. The detailed information on how insiders prepared it was shown by one of the expert team.

So as a start, we prepare the administration, various regulations starting from the institutional structure, human resources, governance, to business processes, monitoring, accountability, communication-related to various institutional stakeholders, and starting with preparing BPKH planning for the first five years. Then there, we have prepared BPKH for the next 25 years so that the process continues to run well at the beginning and certainly produces maximum performance. So from the start, it was prepared from the start.

The procedures and risk management within and outside BPKH were set in prudential manners, especially on investment action as the primary goal in managing the Hajj funds. The focus is on preparing information workflows inside the organization to provide reliable information for all stakeholders (Dubnick, 2007). As the issue was delivered clearly by supervisory board members from the expert team.

The investment unit, of course, if the target is to achieve the maximum for prudence and accountability to the public, then we implement it well, then there is the next unit, namely the risk unit which will be brought to the Supervisory Board by BPKH in its Law which aims at investment and placement. After the risk unit, the supervisory board and there is another investment committee to re-correct and the risk committee again. So it has three layers; in other words, we carry out well to prove accountability in the process mechanism. In principle, we can function in the process.

As a result of BPKH's role in arranging the hajj fund, openness and accountability started to be emphasized. The insiders' interview revealed that the voluntary action of financial performance is a form of reconceptualizing accountability and redefining legitimacy. Accessibility to financial performance and other relatives' information was presented to the public through the official media and various platforms of information. BPKH, in this term, reflects an organization that consciously manages its response behaviours to generate a more institutionally defined sense of legitimacy (Kuruppu et al., 2019).

Moral Legitimacy: Phase 2

The second phase is the moral legitimacy that can be gained through communicating the organization's actions with accountability. Understanding this phase, we contrast the perceived legitimacy between BPKH as the hajj fund manager and the pilgrims as the fund owner.

The Perceived Legitimacy of BPKH

Moral legitimacy is highly related to the value or belief of stakeholders. Before the BPKH, the hajj fund followed the *ta'awun* pattern, which involved helping fellow pilgrims in a good deed (Nasution et al., 2019). As the actor in the Hajj fund reform, BPKH complies with the requirement that actors should be publicly responsible. Therefore, they are obliged to offer an account of their conduct to the public and the forums in which they participated (Bovens, 2007). Commonly labelled as being answerable, as this action can stimulate social change in society. According to Scott (2003), companies attempt to influence and transform their environments with accountability (K. Scott, 2003). Understanding the vital role of accountability in the hajj fund management, one of the top management of the pioneer team mentioned accountability as their fundamental issue.

Accountability is clear, that being accountable for what we do is definitely one of the stakes in management, so we do not play games.

The presentation of accountability by BPKH shows that the Hajj fund is managed professionally in contrast to the old MORA system, which only gave the public a small amount of public information. The economic benefits information illustrates that BPKH communicates the strategy to accommodate the needs of pilgrims. From the BPKH's point of view, this situation is a reflection of moral legitimacy. BPKH's "good" reputation and the belief that it acts in the best interests of stakeholders are found legitimate through accessible information.

The Perceived Legitimacy of Pilgrims

The utmost importance for BPKH to legitimize its professionalism through accountable action is that its numerous stakeholders should validate and recognize it. The situation in Indonesia is susceptible to the hajj funds issues, and BPKH became a spotlight whenever the hajj issues were on the media. The unfriendly situation of awareness toward BPKH was found consistently from all interviewees. They started to know BPKH after they heard about Hajj fund issues in the media. The situation well described by one of the pilgrims.

We never get any information about our financial data, and I know about BPKH just recently because of the controversy from the media that they said the manager wanted to use the funds for infrastructure. It turns out that there is already a separate Hajj finance manager apart from the Hajj organizing body itself, or BPIH. BPKH specifically manages the financial issue.

As a phenomenon gains attention, its harmful influence grows. The community perceives the magnitude of negative phenomena based on the media's coverage. The reality in BPKH's performance of accountability actions was not found to be an effective strategy but considered a defensive action to answering social phenomena in the news media.

I do not feel the difference, ma'am (BPKH reform era) because I never checked the information. The point is like this: if the term is after 2018, let it be more professional, but every year the cost of the pilgrimage increases.

Society overlooked the information and ignorance due to the religious mindset (Steccolini, 2004) & (Yasmin et al., 2014). The most essential information for pilgrims is the departure time to Mecca as the form of a strong passion for performing the hajj. The rest of the information, other than departure details (timing and the cost of hajj) was assumed unimportant. The notes were revealed, as one of the comments.

No- no. I did not find out (any information). What I often check is only the time of departure, that is it, right, for sure that we want to go to Hajj immediately, so perform the Hajj, so the most important thing is, so actually look at the website of the Ministry of Religion to see that (information).

The fact of ignorance in society regarding the information on hajj fund management visualized the contradiction of perception between the BPKH as the manager and Pilgrims as the fund's owner. While pilgrims felt no difference in the availability of information. BPKH introduced the new atmosphere of public transparency, believing it is a strategy to answer the social environment expectations and norms (Dowling & Pfeffer, 1975) & (Suchman, 1995). The contradiction between the manager and the stakeholder in viewing the availability of information is called asymmetric information. It creates a gap of disharmony in meeting criteria answerable by its stakeholders. Based on self-view, BPKH is still developing a foundation for legitimacy in the perspectives evaluation from the internal point of view.

Pragmatic Legitimacy: Phase 3

The third phase is pragmatic legitimacy, the belief that outside stakeholders can change the organization (influence legitimacy) into the organization's "good" character and the belief that it acts in the best interests of stakeholders (dispositional legitimacy). This action is the organization's expected value (exchange legitimacy). In fact, instead of negative issues, BPKH is recognized by pilgrims with good character. The interview session revealed that people somehow learned something despite the negative media coverage. It is a good situation and a kind of early awareness about BPKH. The good character was pronounced slightly differently, but conclusively, it has a positive vibe.

The point is like this because the people are sure and trust even though they hear about the news being misused, the people will still believe and keep saving on the haj savings deposit.

Pilgrims' religious value in understanding the Hajj journey as a good religious deed full of tests, makes them more permissive toward any negative issues around

Hajj funds. Even though the culture contributes that the public takes all the conditions for granted, the trust in the hajj fund manager is shallow.

As a response to social adaptivity demand, BPKH's projects, the virtual account is a strategy to promote accountable and professional manners in organizing hajj funds. It will provide the personal financial information update on each pilgrim (in sequence project terms). Recent literature also emphasizes transparency for pilgrims, especially those with Virtual Accounts (Nasution et al., 2019) & (Aziz, 2018). The same narration came from one of the insider team, and it revealed the situation on how the project in the community.

If you say whether everyone already has (The Virtual Account), yes. The question is whether the pilgrims understand how to use it, now this is still homework. So since the founding of the BPKH, all pilgrims who have registered before the BPKH existed will all have a virtual account. He can check how much his funds increase each year. We only do the addition of funds twice a year. So we count it per semester so there is a first semester and a second semester so if you want to check in July and January.

It was found that almost all pilgrims had not used the program, and some pilgrims were clueless but also those who had heard not move to get the information. Conclusively, the pragmatic phase of BPKH runs with the VA strategy and is not received well by society. The reality revealed that society was unaware of the Virtual Account (VA) program. Pilgrims only focus on their departure time and cost to go to Mecca. Unfortunately, BPKH in 2023 is still in the pragmatic phase since the strategy used is not based on social feedback. The focus is on building infrastructures regarding transportation and accommodation, making better coordination with all the links of pilgrimage organizers, financial strategy (portfolio diversification and tax relief), and improving the support system in all levels of phases. The insiders of BPKH are more interested in self-correction instead of changing its structures or procedures to improve or impact its interactions with the public in response to opportunities and dangers (Newsom et al., 2005).

Discussion

The year 2023 is a "Silver Lining" in the Hajj fund management in Indonesia. The unspoken information regarding the management of Hajj funds for years was finally revealed and became an open topic of discussion in scientific and academic forums. As a result, various interests will "press" the need to develop "public trust." As a result, it is regarded as critical that the Indonesian population be introduced to the concept of Hajj financial literacy. The concept of financial literacy must be comprehensive enough to include the Shar'ia perspective and economic, social, and cultural principles. This comprehensive Hajj literacy is supposed to address several phenomena that have previously existed, such as the rise of public awareness and the necessity for accountable administration of Hajj finances.

The discussion's main idea is to evaluate the procedural aspects of governance, including accountability, transparency, inclusiveness, and openness (Schmidt &

Wood, 2019). The accountability dissemination was dominantly delivered in the form of a financial report, which is considered a common tool for communicating performance measurements (Vosselman, 2013). The Public never realized that the cost of performing hajj was far beyond the predetermined BPIH. They understand that the government takes a part in subsidizing the cost of pilgrimage, but they never understand the real calculation since it is never shared with the public. Since BPKH was the manager of the hajj fund in 2018, the untold information on hajj cost is one of the issues that actively controls to establish a more institutionally recognized sense of legitimacy (Kuruppu et al., 2019). It is important to recognize that the public's pressure should not be seen in a negative or punitive light. Instead, it should be seen as a means of ensuring the organization's credibility and legality.

The portion subsidized takes around 50% of the actual cost. The empirical data of hajj fund management in Indonesia indicates that the government, as the representative of the State, provides a 50% contribution for each Muslim pilgrimage in the country. For a considerable duration, there has been a consistent pattern each year regarding the disclosure of the Hajj organizing cost by the Ministry of Religious Affairs.

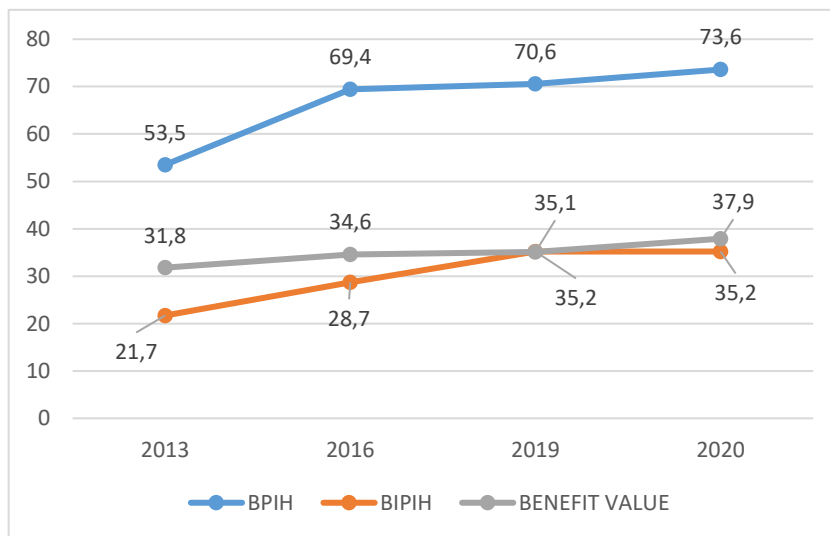


Figure 1. Comparison of BPIH, Benefit Value, and BIPIH

Source: (<https://bpkh.go.id/Planning and Risk Management Division of BPKH>)

Explanation

- BPIH : Cost of Organizing the Pilgrims (Actual Cost of organizing the pilgrimage @pilgrim)
- BIPIH : The Hajj travel Costs (The Cost of Hajj set by the government annually)
- Benefit Value : The subsidy given to pilgrims taken from the ROI of the hajj fund management by BPKH

Figure 1 illustrates the trends in the cost of hajj components where benefit value (ROI of the hajj fund) consistently showed a significant contribution of approximately 50% over the years. This subsidy is from the government with the resources from the Hajj funds administered by BPKH (Hajj Financial Management

Agency). The fact is, the amount of BIPIH is set without the exact calculation of the pilgrimage cost or, in other words, is a psychological number that comes from the political dialogue between House representatives and the Ministry of Religious Affairs (MORA). By the time covid 19 affected the pilgrimage, this subsidises extremely sized up due to the long extra process of the pandemic health issue.

The sizable increase in the amount of pilgrimage costs became a hot issue, and as usual, BPKH was also in the spotlight as the new manager of the Hajj fund. According to Lahsasna (2016), the governments of Muslim countries must ensure that the people are generally aware of the Islamic financial system (Lahsasna, 2016). This literacy notion is crucial in establishing public confidence in the administration of Hajj finances. Moreover, governments should be thinking about ways to understand the need to enlighten the public about Islamic financial products on the hajj management instruments. Those governments should naturally promote financial literacy to raise awareness of society's participation in monitoring public money. It should be properly developed with a shared goal in mind. Effective communication strategy ensures accountability and fosters agreement and awareness among key stakeholders of Hajj funds management through open and honest conversations between leaders and their audiences, which are built on trust (Bouckaert et al., 2020).

There is a notion that ignorance happens due to information transmitted to the public is too complicated. It makes the society not comprehending and grasping the information (O'Neil, 2006). It is critical to prioritise efforts to improve financial literacy to suit an individual's specific needs and capacities. Nonetheless, there is disagreement on the components of financial literacy, with Hütten et al. (2018) proposing the concept of "critical" financial literacy as an alternative to the widely recognised "mainstream" financial literacy (Hütten, 2018). Developing a thorough grasp of financial literacy allows individuals to critically assess the impact of finance on society and highlights the importance of civil society interests in regulating financial activities.

To address the issue of information neglect within the community due to unpleasant images (Schweiker, 1993) of the Hajj funds managers, it is imperative to emphasize effective communication strategies for promoting Hajj financial literacy. At the societal level, it is crucial to prioritize the obligatory nature of the Hajj obligation for those who have the means, as it serves as a fundamental pillar for fostering the concept of *istithoah*. The term "capable" refers to a condition essential for every Muslim to fulfil the law of hajj and is easily comprehensible to the community. The other alternative is to select the most effective communication method from various ways that centre on direct connection and are collectively called "strategic communicative action" (Unerman & Bennett, 2004). In another context, Abdul Rahman (2020) asserts that mosques, which serve as focal points for the cultivation of human resources within the Muslim community, are crucial social establishments that should actively contribute to the provision of Islamic financial

education (Rahman, 2020). In Islam, mosques serve as not just places of worship, but also as centres for the development of the ummah (community). Mosques can enhance the intellectual capacities of their congregants by organizing knowledge-based events, such as lectures, which can benefit them in both their worldly life and the afterlife. This includes improving their understanding of financial matters. Mosques can contribute to financial literacy by raising awareness among congregants through sermons.

A financially robust society manages its money well, has the money to invest, and is successful (OJK, 2017). This national plan was introduced by the OJK in July 2017, the Revised National Strategy on Indonesian Financial Literacy was a revision of the November 2013 strategy (OECD, 2019). A novel communal culture will emerge once Hajj financial literacy is continuously implemented through direct education. A thorough comprehension of Hajj management would result in a more favourable attitude towards the community while dealing with different matters related to Hajj fund management (Bovens et al., 2008) & (Meijer & Schillemans, 2009). Furthermore, the concept entails an ongoing and repetitive instructional process. The continuous dissemination of the rules and regulations of Hajj should be conducted by various entities, including the Ministry of Religion, the Ministry of Education, and community-accessible institutions like the police (e.g., Babinsa) and ABRI, as well as by religious leaders, mass organizations, and other elements of society. The continuous actions are intended to bring about a transformation in forming society's mindset.

Next, the focus is emphasis on the economic dimension. This is significant because the economic factor will generate a general interest among individuals in obtaining advantages or increased value in their Hajj deposits. Particularly those who are facing financial difficulties. The spreading awareness of the financial effect on pilgrims' accounts will make the early alarm on economic benefits from hajj funds. Initially, Hajj management can communicate financial facts in a manner that is more straightforward and accessible for the general public to comprehend (W. R. Scott et al., 2000). The demographic dispersion of most Indonesians, who possess diverse communication networks, span different age groups and have varying levels of access to education are highly crucial to underline. Exploring a more flexible platform and concept for the socialization process is advisable to prioritize the crucial elements of economics and reduce the lenient culture associated with their religious beliefs.

CONCLUSION

BPKH's role in arranging the hajj fund, openness and accountability is a form of reconceptualizing accountability and redefining legitimacy. Accessibility to financial performance and other relatives' information through the official media and various platforms was ignored by society visualizing the contradiction of perception between the BPKH as the manager and Pilgrims as the fund's owner (asymmetric information). The phenomenon heightened the need for financial literacy. It will help society to grasp the information shared by public agencies. The establishment of this culture

must, naturally, persist as a practical implementation of the community's everyday endeavours and consistently reiterated in the educational journey of the entire element of the nation. Adhering to the ethical conduct of accountability and refraining from rationalizing familiar practices of effective and direct communication within the community. It should serve as a means of enacting societal reform accessible to every individual in Indonesian society. Effective coordination and communication among all sectors of government and society, utilizing all available resources, humility, and open-mindedness from all parties involved are highly essential.

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