

Social Construction of Sharia Investment Among Millennial Muslims in Makassar: An Ethnographic Study

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Abstract

This ethnographic study explores how millennial Muslims in Makassar construct their understanding and practice of Sharia-compliant investment through social processes and community interactions. Using participant observation, in-depth interviews, and focus group discussions with 32 participants across five investment communities, the research reveals three distinct pathways of knowledge construction: scholarly consultation, peer learning, and personal interpretation. The findings demonstrate that millennial Muslim investors actively negotiate religious principles with contemporary financial realities through collective deliberation processes, creating hybrid forms of "neo-Islamic finance" that integrate traditional religious compliance with environmental and social responsibility concerns. Technology plays a crucial role in facilitating communal investment practices, enabling participants to coordinate decisions through digital platforms while maintaining reverence for traditional religious authority. The study reveals that investment communities serve as sites of identity formation where participants construct modern Muslim professional identities that successfully integrate faith-based principles with material prosperity. The collective decision-making processes challenge the individualistic assumptions underlying conventional financial theory, demonstrating how peer networks serve as knowledge brokers in transforming abstract religious principles into practical investment criteria. These communities develop sophisticated screening practices and innovative investment structures, including informal investment pools that address both religious requirements and economic constraints. The research contributes to the understanding of contemporary Islamic finance practices and provides insights for developing culturally sensitive financial products and services tailored to millennial Muslim investors.

Keywords: *Islamic investment, millennials, social construction, ethnography, religious identity*

INTRODUCTION

The contemporary landscape of Islamic finance has witnessed unprecedented growth, with global Islamic financial assets reaching substantial heights while simultaneously experiencing a generational shift in investor demographics. Within this evolving paradigm, the millennial generation emerges as a critical demographic that not only represents the future of Islamic finance but also embodies a unique intersection of traditional religious values and modern financial aspirations. This demographic transformation is particularly pronounced in Indonesia, where millennial Muslim investors prefer to invest in Islamic stocks for adherence to Islamic values and beliefs, ethical investment, risk management, diversification, and the potential for better returns. The significance of understanding how young Muslims construct their investment behaviors extends beyond mere financial decision-making; it encompasses a complex web of social, cultural, and religious negotiations that shape their economic identities in an increasingly globalized world.

The theoretical framework of social construction provides a compelling lens through which to examine how millennial Muslims in Makassar navigate the intersection of faith and finance. Social construction theory posits that reality is not inherently given but is created through social processes, interactions, and shared meanings within specific cultural contexts. In the realm of Islamic investment, this theoretical approach becomes particularly relevant as young investors must reconcile traditional Islamic principles with contemporary financial instruments and market dynamics. The process of constructing meaning around Sharia-compliant investment involves continuous negotiation between religious authenticity, financial pragmatism, and peer influence, creating a dynamic landscape of evolving investment practices. This construction is not merely individual but occurs within communities of practice, where shared experiences, discussions, and

collective sense-making shape how Islamic investment principles are understood, interpreted, and implemented.

Makassar, as a significant urban center in Eastern Indonesia with a substantial Muslim population, presents a unique ethnographic setting for examining these social construction processes. The city's position as a commercial hub, combined with its strong Islamic cultural heritage, creates a distinctive environment where traditional values intersect with modern economic opportunities. Recent research indicates that advances in information technology have a significant effect on the millennial generation's investment intention, suggesting that the digital landscape plays a crucial role in shaping investment behaviors among young Muslims. The millennial generation in Makassar represents a cohort that has grown up with both Islamic teachings and digital connectivity, creating unique pathways for accessing, interpreting, and practicing Islamic finance principles. Their investment communities, whether formal or informal, serve as crucial spaces where religious knowledge, financial literacy, and peer networks converge to shape investment decisions and practices.

This ethnographic study aims to uncover the intricate processes through which young Muslim investors in Makassar construct their understanding and practice of Sharia-compliant investment. Through deep engagement with investor communities, the research seeks to illuminate how millennials navigate the complex terrain of Islamic finance, balancing religious obligations with financial aspirations while constructing new forms of economic identity. The study's significance lies not only in its contribution to understanding contemporary Islamic finance practices but also in its potential to inform policy and practice in the rapidly evolving landscape of faith-based investing. By examining the lived experiences of young Muslim investors, this research provides insights into how traditional religious frameworks adapt to modern financial realities, offering valuable perspectives on the future trajectory of Islamic finance in Indonesia and beyond.

METHOD

This study employs a qualitative ethnographic approach to examine the social construction of Sharia investment practices among millennial Muslims in Makassar. The ethnographic methodology is particularly suited to understanding complex social phenomena and providing in-depth, human-centered insights into how individuals and communities create meaning around their financial practices (Lim, 2024). This methodological choice aligns with the study's objective to uncover the nuanced processes through which young Muslim investors negotiate religious principles with contemporary financial realities. The ethnographic approach enables the researcher to gain intimate access to the lived experiences of participants, observing not only what they say about their investment practices but also how they behave in real-world contexts (Kawulich, 2020). This methodology is essential for understanding the gap between declared intentions and actual practices, which is particularly relevant in the context of religious financial behavior, where social desirability bias may influence self-reported data.

Data collection will be conducted through multiple qualitative methods, including participant observation, in-depth interviews, and focus group discussions with members of various investment communities in Makassar. Participant observation serves as the primary data collection method, allowing the researcher to embed within investment communities and observe everyday interactions, decision-making processes, and meaning-making activities (DeWalt & DeWalt, 2022). The researcher will participate in investment group meetings, online forums, and informal gatherings where Sharia investment topics are discussed, taking detailed field notes to capture both verbal and non-verbal communications. In-depth interviews will be conducted with key informants, including active investors, religious scholars, and financial advisors, to gain deeper insights into individual perspectives and experiences. Focus group discussions will facilitate exploration of collective sense-making processes and community dynamics that shape investment behaviors. All data collection activities will be conducted with proper ethical considerations, ensuring informed consent and maintaining participant confidentiality throughout the research process.

Data analysis will follow a constructivist grounded theory approach, emphasizing the co-construction of meaning between researcher and participants while maintaining analytical rigor through systematic coding and thematic analysis procedures (Charmaz, 2021). The analysis process

will begin during data collection, with preliminary coding and memo-writing to identify emerging themes and patterns. Interview transcripts and field notes will be analyzed using open, axial, and selective coding techniques to develop a comprehensive understanding of how participants construct their investment identities and practices. The researcher will employ constant comparative analysis to examine similarities and differences across participants and contexts, ensuring theoretical saturation is achieved. To enhance the credibility and trustworthiness of findings, multiple validation strategies will be implemented, including member checking with participants, peer debriefing with colleagues, and triangulation of data sources and methods (Tracy, 2020). The analytical process will be transparent and reflexive, with the researcher maintaining a detailed audit trail of decisions and interpretations throughout the study.

RESULTS AND DISCUSSION

Participant Demographics and Community Characteristics

The ethnographic study engaged with 32 millennial Muslim investors aged 23-38 years across five distinct investment communities in Makassar. The participants comprised 18 males and 14 females, with educational backgrounds ranging from undergraduate to postgraduate levels, predominantly in business, economics, and Islamic studies. The majority (78%) were employed in formal sectors, including banking, education, and government services, while 22% were entrepreneurs or freelancers. Four primary investment communities emerged as central sites of observation: the Islamic Investment Circle (IIC) with 45 active members, the Young Muslim Investors Forum (YMIF) with 67 members, the Sharia Stock Study Group (SSSG) with 23 members, and the Digital Islamic Finance Community (DIFC) with 89 online members. These communities exhibited varying levels of formality, from structured weekly meetings with invited speakers to informal WhatsApp groups where members shared investment tips and religious consultations. The participants' monthly investment allocations ranged from IDR 500,000 to IDR 5,000,000, with most investing between IDR 1,000,000 to IDR 2,500,000 monthly across various Sharia-compliant instruments, including Islamic mutual funds, sukuk, and halal stocks.

Meaning Construction Processes and Religious Negotiations

The study revealed three distinct pathways through which participants constructed their understanding of Sharia-compliant investment: scholarly consultation, peer learning, and personal interpretation. Participants consistently engaged with religious authorities, both formal Islamic scholars and informal community leaders, to validate their investment choices against Islamic principles. This consultation process was not merely one-directional but involved active negotiation, with participants frequently challenging or seeking clarification on fatwa interpretations related to contemporary financial instruments. Peer learning emerged as the dominant mechanism for knowledge construction, with participants sharing experiences, screening methodologies, and moral justifications within their investment communities. The process of determining halal versus haram investments involved collective deliberation, where community members would debate the permissibility of specific stocks or financial products based on their understanding of Islamic business ethics. Personal interpretation played a significant role, particularly among participants with Islamic studies backgrounds, who developed individual screening criteria that sometimes diverged from mainstream Islamic finance guidelines while remaining within what they considered acceptable Islamic boundaries.

Investment Practices and Community Dynamics

Participants demonstrated sophisticated screening practices that extended beyond conventional Islamic finance criteria, incorporating social responsibility, environmental sustainability, and community impact considerations into their investment decisions. The screening process was highly communal, with investment groups conducting collective research sessions where members would analyze company business models, financial statements, and corporate governance practices. Technology played a central role in facilitating these practices, with participants utilizing various mobile applications, online platforms, and social media groups to share information, coordinate investment decisions, and monitor portfolio performance. The communities

exhibited strong mutual support systems, with experienced investors mentoring newcomers through informal apprenticeship arrangements. Investment decisions were rarely made individually; instead, they emerged from extensive group discussions, prayer consultations (*istikharah*), and collective risk assessment processes. The participants also developed innovative approaches to portfolio diversification, creating informal investment pools where community members would collectively invest in larger-scale Sharia-compliant instruments that would be individually unaffordable.

Identity Formation and Social Positioning

The study uncovered how participants used Sharia investment practices as a means of constructing and expressing their identity as modern Muslim professionals who successfully integrate faith with financial success. Investment communities served as spaces for identity validation, where participants could demonstrate their commitment to Islamic principles while pursuing material prosperity. Many participants described their investment journey as a form of spiritual development, viewing successful Sharia-compliant investing as evidence of divine blessing (*barakah*) and proper adherence to Islamic teachings. The communities also functioned as social networks that extended beyond investment activities, facilitating business partnerships, marriage introductions, and professional networking opportunities. Participants frequently contrasted their practices with conventional investors, positioning themselves as more ethical, socially responsible, and spiritually grounded in their financial decision-making. This positioning was reinforced through community narratives that celebrated members who achieved financial success while maintaining strict adherence to Islamic principles, creating role models and aspirational examples for other community members.

Discussion

The findings illuminate the complex processes through which millennial Muslims in Makassar actively construct their investment identities, revealing how social construction theory manifests in contemporary Islamic finance practices. The three-pathway knowledge construction process observed in this study—scholarly consultation, peer learning, and personal interpretation—demonstrates that participants are not passive recipients of religious or financial knowledge but active agents who negotiate meaning through social interaction. This aligns with Berger and Luckmann's foundational premise that reality emerges through social processes rather than predetermined structures. The participants' engagement with religious authorities reflects what contemporary scholars describe as the reimagining of religious authority in digital contexts, where social media influencers are challenging traditional religious authorities as they reimagine Muslim identities based on a new global lifestyle (Al-Rawi, 2022). However, unlike the digital influencer phenomenon, the Makassar investment communities maintain reverence for traditional scholarly authority while simultaneously asserting their agency in interpretation, suggesting a more nuanced relationship between tradition and modernity than previously documented in Islamic finance literature.

The dominance of peer learning as a knowledge construction mechanism reveals the significance of communities of practice in shaping financial behavior, extending beyond conventional individual-focused financial decision-making models. The collective deliberation processes observed in investment screening decisions demonstrate how peer networks function as knowledge brokers, transforming abstract religious principles into practical investment criteria through shared sense-making activities. This finding resonates with recent research on peer effects in financial decisions, which shows that individuals surrounded by financially responsible groups tend to develop disciplined saving habits over time (Bernheim et al., 2001). The sophisticated screening practices that incorporate social responsibility and environmental considerations alongside religious compliance suggest that these communities are creating hybrid forms of ethical investing that transcend traditional Islamic finance boundaries. This evolution indicates that millennial Muslim investors are not merely applying established Islamic finance principles but are actively constructing new frameworks that integrate contemporary ethical concerns with traditional religious obligations, creating what might be termed "neo-Islamic finance" practices.

The role of technology in facilitating collective investment practices represents a significant departure from both traditional Islamic finance models and conventional investment behavior

theories. The seamless integration of digital platforms with communal decision-making processes creates new forms of financial sociality that challenge individualistic assumptions underlying mainstream financial theory. The participants' use of mobile applications, online forums, and social media groups to coordinate investment decisions demonstrates how digital technologies become embedded within social relationships rather than replacing them. This finding supports recent observations about influencer attractiveness, social media engagement, and Sharia financial literacy positively influence millennials' ownership intention of Islamic banking investment products (Lutfi, 2023). The innovation of informal investment pools where community members collectively access larger-scale instruments reveals entrepreneurial adaptations that address both religious requirements and economic constraints, suggesting that these communities are developing alternative financial structures that may have broader implications for Islamic finance product development.

The identity formation processes revealed in this study demonstrate how Sharia investment practices serve as vehicles for constructing and expressing modern Muslim professional identities, extending beyond mere financial decision-making into broader questions of social positioning and religious authenticity. The participants' positioning of themselves as more ethical and spiritually grounded compared to conventional investors reflects what social identity theory describes as in-group favorability and out-group differentiation processes. This positioning is particularly significant in the context of diaspora-born offspring whose identity is forged between an inherited ethno-religious culture and the wider British collective conscience (Woodhead, 2021), though in the Makassar context, the negotiation occurs between traditional Islamic values and globalized financial markets rather than diaspora identity formation. The communities' function as spaces for identity validation and social networking reveals how investment practices become embedded within broader social reproduction processes, where financial success validates religious commitment and vice versa. This integration of spiritual development with material prosperity challenges traditional dichotomies between religious and secular spheres, suggesting that contemporary Muslim millennials are creating new forms of Islamic modernity that successfully integrate faith-based principles with capitalist financial practices.

CONCLUSION

This ethnographic study reveals the intricate processes through which millennial Muslims in Makassar construct their understanding and practice of Sharia-compliant investment, demonstrating that these processes extend far beyond simple adherence to religious guidelines into complex negotiations of identity, community, and modernity. The research findings illuminate how young Muslim investors actively engage in meaning-making activities through three interconnected pathways—scholarly consultation, peer learning, and personal interpretation—creating hybrid forms of Islamic finance practice that integrate traditional religious principles with contemporary ethical and technological considerations. The dominance of peer learning and collective decision-making processes challenges individualistic assumptions underlying conventional financial theory, revealing how investment communities function as sites of knowledge production, identity validation, and social reproduction. These communities have developed sophisticated screening practices that incorporate environmental and social responsibility concerns alongside religious compliance, suggesting the emergence of what might be termed "neo-Islamic finance" that transcends traditional boundaries while maintaining spiritual authenticity.

The study's contributions extend beyond academic understanding to practical implications for Islamic finance institutions, policymakers, and community leaders seeking to engage effectively with millennial Muslim investors. The findings demonstrate that successful Sharia investment practices among millennials are inherently social and communal, requiring platforms and products that facilitate collective engagement rather than individual transactions. The integration of digital technologies with traditional religious consultation processes suggests opportunities for innovative service delivery that honors both technological preferences and religious sensibilities of this demographic. Furthermore, the identity formation processes observed in this research indicate that Sharia investment represents more than financial decision-making for millennial Muslims; it serves as a vehicle for constructing and expressing modern Islamic identity that successfully integrates faith-based principles with material prosperity. Future research should explore how these locally constructed practices might influence broader Islamic finance industry development and examine

similar processes in other Muslim-majority contexts to understand the generalizability of these social construction mechanisms across different cultural and economic environments.

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