

Research Article

The Role of The Government to Improve Financial Literacy in Efforts to Prevent The Use of Illegal Online Loans

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Abstract.

Financial Technology (Fintech) is a technological innovation developed in the financial sector so that financial transactions can be carried out practically, easily, and effectively. The progress of fintech in the field of money lending services has given rise to many applications/services based on peer-to-peer lending or online loans (pinjol). Based on the National Survey of Financial Literacy and Inclusion conducted by OJK in 2019, the financial literacy index reached 38.03%. However, 21 out of 34 provinces in Indonesia still have financial literacy levels below the average, with the lowest 3 provinces being: 1) East Nusa Tenggara (27.82%); 2) West Papua (28.87%); and 3) Papua (29.13%), besides that there is a very high inequality when compared to the province which has the highest level of financial literacy, namely Jakarta (59.16%). NTT is also included as one of Indonesia's 3T regions (The Outermost, The Frontmost, and The Lagging). This study aims to examine efforts to increase financial literacy and its relation to online lending trends in East Nusa Tenggara. The study used qualitative methods with data collection sourced from interviews, observations, and literature studies. Based on the research results, OJK has made efforts to improve financial literacy as well as to eradicate illegal online loans, which have been carried out in a planned, measurable, achievement-oriented, sustainable, and collaborative manner, one of which is demonstrated or manifested in the implementation of the Regional Investment Alert Task Force (SWID). However, the implementation of improving financial literacy needs to be continued and improved, especially in terms of the number of activities, socialization of activities that have been implemented, and improving coordination with other stakeholders.

Keywords: fintech, peer-to-peer lending, online loan, illegal, financial literacy

1. INTRODUCTION

Changes and modernization driven by the use of technology have shaped civilizations and societies with different characteristics, and many new business models are formed from the results of current technological advances. One of them is the use of doing business through gadgets, in this case specifically the fintech business. Fintech which

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stands for Financial Technology is a technological innovation developed in the financial sector so that financial transactions can be carried out practically, easily, and effectively, for example in the form of payment services, loans, retail, investment management, fundraising, social media advertising, and so on. This development certainly needs to be balanced by the level of understanding and knowledge of the risks and opportunities of the community as a market.

The advancement of fintech in the field of money lending services has given birth to many applications/services based on peer-to-peer lending online or online loans (pinjol) that continue to grow until now. The Financial Services Authority (OJK) which plays a role in regulating and supervising financial services activities in the Banking sector, Capital Market sector, and Non-Bank Financial Industry sector (IKNB) has regulated and supervised the growth of this lending sector. In OJK Regulation Number 77/POJK.01/2016 concerning Information Technology-Based Money Lending and Borrowing Services, it has regulated various provisions to become a loan service that is registered and supervised by the OJK (legal), including the basic principles of user protection which concern transparency, fair treatment, reliability, confidentiality, and security of data and dispute resolution in a simple, fast manner and affordable cost. This principle of implementation is the basis for the difference in operational practices between legal borrowers and illegal loans.

Even though there are already rules that apply, there are still many illegal loan services that continue to grow rampantly in Indonesia. From 2018 to 2021, as many as 3,631 illegal loans were identified and blocked by the government [1] but this does not mean that the threat of illegal loans disappears. In fact, in 2022, there was a decrease in the number of legal online loan businesses, which previously amounted to 2022, actually decreased to 103 loans. This shows that 47 loans have been revoked by the OJK and indicate the intersecting business practices between legal and illegal loans [2]. In response to this, financial literacy from the community is necessary so that a person can avoid financial problems, because according to Yushita, financial problems arise not only because of low-income levels but can also be due to a person's lack of knowledge in managing their finances [3]. It is following a statement made in ADDBA paper who stated "people need financial literacy to reduce online loan cases" [4].

In the National Financial Literacy Strategy established by the OJK for the 2021-2025 period, 4 principles need to be carried out in improving financial literacy, namely: 1) Planned and Measurable; 2) Achievement-oriented; 3) Sustainable; and 4) Collaboration

Based on the National Survey of Financial Literacy and Inclusion conducted by the OJK in 2019, shows that the financial literacy index reached 38.03% and the financial inclusion index was 76.19%. This figure increased compared to the results of the 2016 OJK survey, namely the financial literacy index of 29.7% and the financial inclusion index of 67.8% [5]. However, if you look at it in more detail, of the 34 provinces studied, as many as 21 provinces or it can be said that the majority of provinces in Indonesia still have financial literacy rates below the average, with the 3 lowest provinces, namely: 1) East Nusa Tenggara (27.82%); 2) West Papua (28.87%); and 3) Papua (29.13%), besides that there is a very high inequality when compared to the value of the province that has the highest level of financial literacy, namely Jakarta (59.16%). This could be a loophole for illegal players who have not been officially registered or who have had their business licenses revoked to be able to thrive and become a big problem in Indonesia, so this can be a double-edged knife, on the one hand, the ease of transacting digitally, on the other hand, if done illegally, it will be very dangerous because there are no official rules or legal paying if there is something that is not following the agreement, for example, it can be it's just a disadvantage, especially from the side of the general public.

East Nusa Tenggara (NTT) is included in Indonesia's regions in the Frontier and Outermost zones based on letter number: 2421/Dt.7.2/04/2015 dated April 21, 2015, which was determined by the Ministry of National Development Planning (PPN)/ National Development Planning Agency (BAPPENAS). In addition, NTT is also included in the areas designated as Lagging according to the Presidential Regulation of the Republic of Indonesia Number 63 of 2020 concerning the Determination of Disadvantaged Areas in 2020 – 2024.

Research conducted by Marginingsih revealed the role of the Investment Alert Task Force (SWI) in eradicating illegal investment incorporated as a cooperative is in the form of education and socialization to financial service industry players and the public about illegal investment in a regular basis and monitoring the potential for illegal investment [6]. Research conducted Haikal and Wijayangka [7] shows that financial literacy has a significant influence on online loans. Likewise, with research conducted [8] that the lack of financial literacy level is one of the factors that cause errors in borrowing decisions, it can encourage a person to make a loan excessively. According to other research, Credit loans are not all able to run as expected, especially at this time where there is a Covid-19 outbreak and impacts the community's economy [9]. Based on the preliminary description above, researchers are interested in further research on the topic "The Role of the Government in Efforts to Eradicate Illegal Online Loans in East Nusa Tenggara Province (NTT)"

2. THEORETICAL STUDY

Various studies have been conducted to prove the effectiveness of financial literacy rates on online loans. Research conducted by [7] shows that financial literacy has a significant influence on online loans. Likewise, research conducted [8] that the lack of financial literacy level is one of the factors that cause errors in borrowing decisions, it can encourage a person to make a loan excessively. In addition, another study concluded that loan service users who have a good level of literacy tend not to have financial problems in the future and there are no default cases. This is because service users who have a good level of literacy can calculate well the costs and benefits that will be obtained [9]. According to other research, financial literacy has a significant influence on online loans [7].

Another study by Camelia in 2019 identified the government's efforts by providing protection and supervision by presenting an investment alert task force (task force) tasked with protecting consumers from illegal companies, SWI formed a joint team coordinated by the Financial Services Authority (OJK) from various institutions and between ministries. The investment alert task force has sanctioned it by applicable regulations. From the results of other study, it is known that the government has launched assistance programs to maintain the sustainability of MSMEs [11], including offering funding alternatives through digital MSME loans (DigiKU) to strengthen MSME funding [12]. As for the implementation, the use of this assistance only covers some parts of the society [13]. OJK supports government programs to improve people's welfare, especially micro and small business actors [14].

As well as research by SD Ahmad, stated the role of the Financial Services Authority, namely in issuing regulations related to the prevention of illegal investment such as the Financial Services Authority Regulation Number 1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector. The Financial Services Authority also created an investment alert task force tasked with overseeing investments, especially unclear investments such as illegal investment [1].

Based on several previous studies that have been carried out, it can be concluded that basically, the level of individual financial literacy is an important aspect in decisions in making investments or crediting someone, low levels of financial literacy can cause mistakes in making loans, such as the use of illegal online loans. Therefore, in this study, researchers want to see how the Government's Role in Efforts to Eradicate Illegal Online Loans, especially in East Nusa Tenggara Province (NTT) which has the lowest financial literacy in Indonesia in 2019.

In the National Financial Literacy Strategy established by the OJK for the period 2021-2025, 4 principles need to be done in improving financial literacy, namely (OJK, Indonesia's National Financial Literacy Strategy (2021-2025) [5]:

1. Planned and Scalable; The activities carried out have a concept that is by the targets, strategies, policies of the authorities, and policies of financial service business actors, and have indicators to obtain information on increasing financial literacy.
2. Achievement-Oriented; The activities carried out can achieve the goal of increasing financial literacy by optimizing existing resources.
3. Sustainable; Activities that are carried out on an ongoing basis to achieve the planned goals and have long-term aspects. In applying sustainable principles, financial service business actors need to prioritize an understanding of financial management, institutions, products, and/or financial services.
4. Collaboration; The activities carried out to involve all stakeholders in the implementation of activities jointly.

Definition of online-based lending and borrowing based on Article 3 of the Financial Services Authority Regulation or POJK Number. 77/POJK.01/2016 that online-based money lending and borrowing services or information technology is the implementation of financial services to bring together lenders or creditors with loan recipients or debtors to carry out loan agreements in rupiah currency directly through an electronic system using the internet network.

The legal regulation of online-based lending and borrowing is regulated by OJK Regulation Number 77/POJK.01/2016 concerning Information Technology-Based Money Lending and Borrowing Services. Article 29 states that the Organizer is obliged to apply the basic principles of User protection, namely: a. transparency; b. fair treatment; c. reliability; d. confidentiality and security of data; and e. resolution of User disputes at a simple, fast, and affordable cost.

3. METHODS

This research uses a qualitative approach with a case study method. Qualitative research is research carried out through a process of exploring and understanding the behavior of individuals and groups, describing social problems or humanitarian problems, and the final activity is to make reports into a flexible structure as described

by Creswell [15]. This study used secondary primary data sources. Primary data sources are obtained through interviews and observations, while secondary data sources are obtained through document studies.

The data collection technique was carried out through semi-structured interviews with informants from the East Nusa Tenggara Provincial Financial Services Authority Office, the NTT Provincial Cooperatives and SMEs Office, and the community victims of illegal borrowing in the NTT area. In addition, data are also collected through frank and disguised observation, as well as the study of related documents. The locus in this study is NTT Province, especially Kupang City.

The stages of data processing or analysis activities are as follows:

1. Classification of data materials that include: interview notes, and secondary data.
2. Classification by units studied,
3. Manage data based on the interrelationships between components, symptom units in the context of the focus of the problem,
4. Describes as a whole and systematically the interrelationships between these symptom units.

Data analysis in this study was carried out before going to the field and after going into the field.

4. RESULTS AND DISCUSSION

4.1. Financial Services Authority

The Financial Services Authority (OJK) is a State institution formed based on Law Number 21 of 2011 which functions to organize an integrated regulatory and supervisory system for all activities in the financial services sector both in the banking sector, capital market, and non-bank financial services sectors such as Insurance, Pension Funds, Financing Institutions, and other Financial Service Institutions. More fully, OJK is an independent institution and free from interference from other parties who have the functions, duties, and authorities of regulation, supervision, examination, and investigation as referred to in law number 21. The task of supervising the non-bank financial industry and capital market officially switched from the Ministry of Finance and Bapepam-LK to the OJK on December 31, 2012. Meanwhile, supervision in the banking sector shifted to the OJK on December 31, 2013, and to Microfinance Institutions in 2015. OJK has

the legal protection authority for the people to providing customer complaints facilities, and handling illegal investment by revoking business license, or indemnification and or filing a lawsuit to the court [16]

The purpose of the establishment of the OJK is contained in Article 4 of Law Number 21 of 2011 concerning the OJK, which states that the OJK was formed with the aim that all activities in the financial services sector are carried out regularly, fairly, transparently, accountably and can realize a financial system that grows sustainably and stably, and can protect the interests of consumers and the public. With the establishment of the OJK, this institution is expected to support the interests of the financial services sector as a whole to increase economic competitiveness. In addition, the OJK must be able to safeguard the national interest. Among others, it includes human resources, management, control, and ownership in the financial services sector while still considering the positive aspects of globalization. OJK is formed and based on the principles of good governance, which include independence, accountability, accountability, transparency, and fairness.

OJK functions to organize an integrated regulatory and supervisory system for all activities within the financial services sector. Related to the Regulation of Financial Services Institutions (Banks and Non-Banks) including Establishing regulations and decisions of the OJK; Establishing regulations regarding supervision in the financial services sector; Establishing policies regarding the implementation of OJK duties; Establishing regulations regarding procedures for determining written orders against Financial Service Institutions and certain parties; Establish regulations regarding procedures for determining statute managers in financial service institutions; Establish organizational structures and infrastructure, and manage, maintain, and administer wealth and liabilities; Establish regulations regarding procedures for imposing sanctions by the provisions of laws and regulations in the financial services sector.

Supervision under the OJK is based on the spirit to pay attention to protection and education for consumers. Financial consumer education and protection are geared towards achieving two main goals. First, increase the confidence of investors and consumers in every activity and business activity in the financial services sector. Second, it provides opportunities and opportunities for the development of the financial services sector in a fair, efficient, and transparent manner. In the long run, the financial industry itself will also benefit positively to spur increased efficiency in response to the demand for better service to financial services.

4.2. Investment Alert Task Force

The Task Force for Handling Alleged Unlawful Acts in the Field of Community Fund Collection and Investment Management (Satgas Waspada Investasi) was formed to realize effective coordination between supervisory agencies in the field of community fund collection and investment management as well as with other law enforcement officials, regulators, supervisory agencies, and law enforcement through the Decree of the Chairman of Bapepam-LK Number Kep-208/BL/2007 dated June 20, 2007, for the period of service in 2007 which updated annually.

The basis for the last formation was through the Decree of the OJK Board of Commissioners Number 2/KDK.02/2020 dated March 3, 2020, concerning the Establishment of a Task Force for Handling Alleged Unlawful Actions in the Field of Community Fund Collection and Investment Management (Investment Alert Task Force). Currently, there are 12 (twelve) ministries/institutions, namely the OJK (as the Chairman and Secretariat), the Indonesian Police, the Prosecutor's Office of the Republic of Indonesia, the Ministry of Trade of the Republic of Indonesia, the Ministry of Cooperatives and SMEs of the Republic of Indonesia, the Ministry of Communication and Informatics of the Republic of Indonesia, the Ministry of Religious Affairs of the Republic of Indonesia, the Ministry of Education, Culture, Research and Technology of the Republic of Indonesia, the Ministry of Home Affairs of the Republic of Indonesia, Bank Indonesia, the Center for Financial Transaction Reporting and Analysis and the Ministry of Investment/Investment Coordinating Board. The main tasks of the Task Force include:

1. Inventorying cases of illegal investment;
2. Analyze cases;
3. Stop or hinder the rise of fraudulent investment cases;
4. Providing education and socialization to the community;
5. Improve coordination of case handling with relevant agencies;
6. Conducting joint examinations of cases of illegal investment.

To eradicate illegal online loans, the Investment Alert Task Force continues to try to identify illegal online loans, so that from 2018 to April 2022, the number of illegal online loans that have been closed has become as many as 3,989 illegal loans. The Investment Alert Task Force encourages law enforcement to these illegal online loan actors by continuously blocking sites and applications from being accessed by the

public. The public is asked to be aware of all forms of new modes carried out by the perpetrators to ensnare victims.

4.3. The Difference Between Conventional Vs Online Money Loans

The definition of online-based borrowing is stated in Article 3 of the Financial Services Authority Regulation or POJK Number. 77/POJK.01/2016 that online-based money lending and borrowing services or information technology is the implementation of financial services to bring together lenders or creditors with borrowers or debtors to carry out loan agreements in rupiah currency directly through an electronic system using the internet network. The fundamental difference between online-based lending and borrowing is that parties do not do face-to-face to carry out the loan and loan agreement but through information technology intermediaries or online.

With the fintech application, students can make loans more easily and quickly. The comparison between the two loans is quite significant where banks usually disburse their funds spanning 7 to 14 working days, while online-based lending and borrowing services are only in the range of 4 hours to 3 days. But on the other hand, online loans have their risks. The online-based lending and borrowing service is in the form of a company but is included in the company providing financial services not a bank.

4.4. The Difference Between Legal and Illegal Online Loans

To establish an online lending entity, the government has regulated through the OJK in the Financial Services Authority Regulation or POJK Number. 77/POJK.01/2016 where the legal operator must be registered and have a business license with the provisions of the OJK. To register, in the form of a legal entity, a limited liability company or cooperative must have a paid-up capital of at least IDR 1,000,000,000.00 (one billion rupiahs) at the time of registration, then the Organizer must have a paid-up capital of at least IDR 2,500,000,000.00 (two billion five hundred million rupiahs) at the time of applying for a permit. Registration and licensing of entities are mandatory through the OJK. Then, operators who have been registered with the OJK, are required to apply for a permit as an Operator within a maximum period of 1 (one) year from the date of registration with the OJK. If the organizer cannot meet the licensing conditions, then the business license and registration will be canceled, and the status is an illegal online loan.

In addition, other differences between Legal and Illegal Online Loans obtained from data collection are:

1. Interest and fines, illegal borrowers provide very large interest and fines, with non-transparent calculations. The Indonesian Joint Funding Fintech Association (AFPI) regulates the cost of loans to a maximum of 0.8 percent per day and the total costs including fines are 100 percent of the principal value of the loan, but the interest and fines on online loans can even reach 10 percent per day. There is also a profit scheme that can be obtained by inviting other users to use the platform.
2. Management, for legal loans registered/licensed by the OJK, the qualifications of the management (directors and commissioners) are required to have at least 1 year of experience in the Financial Services Industry, at the managerial level, but in illegal loans do not have minimum qualification requirements. In addition, illegal borrowers do not require any training or certification. Meanwhile, legal ones, directors, commissioners, and shareholders are required to follow the certification held by AFPI to equalize understanding in managing the loan business.
3. Collection and use of user data, legal borrowers will only request access to the camera, microphone, and location (Camila) from the user, but illegal borrowers ask for more access than that, such as access to the gallery and also telephone contacts. The data will be misused in the billing process to the user.
4. The billing process, illegal Pinjol carries out billing in rude ways, terrors, tend to be threatening, inhumane, use the user's data, and are contrary to the law, besides not having a complaint service on its system. Meanwhile, those who are legal are required to follow the certification of collectors carried out by AFPI.
5. The association, illegal borrowers do not have the auspices of the association and also cannot become members of the Indonesian Joint Funding Fintech Association (AFPI). While the loan is legal, all organizers are required to become members of AFPI.
6. Lending requirements, Loans on illegal loans tend to be very easy, without asking about loan needs. Meanwhile, those who are legal need to know the purpose of the loan and need documents to do credit scoring.
7. The location of the office/domicile, illegal loans do not have a clear physical office location and can even come from abroad, while for legal ones, the office location must be clearly stated for OJK survey visits and can be searched through Google.

4.5. Legal Regulations Related to Online Loans

There are several regulations governing the implementation and implementation of online-based lending and borrowing, among others, as follows:

1. Law Number 8 of 1999 concerning Consumer Protection
2. Law Number 19 of 2016 Amendments to the Law
3. Number 11 of 2008 concerning Electronic Information and Transactions.
4. Government Regulation Number 71 of 2019 Amendments to Government Regulation Number 82 of 2012 concerning the Implementation of Electronic Systems and Transactions
5. Bank Indonesia Regulation No. 19/12/PBI/2017 concerning Financial Technology Implementation.
6. Financial Services Authority Regulation Number 77/POJK.01/2016 concerning Online Lending and Borrowing
7. Circular Letter of the Financial Services Authority 18/SEOJK.02/2017 concerning the Implementation of Governance and Risk Management of Information Technology in Technology-Based Money Lending and Borrowing Services.
8. Bank Indonesia Regulation No. 18/17/PBI/2016 concerning the Second Amendment to PBI No. 11/12/PBI/2009 concerning Electronic Money.

4.6. Financial Literacy in NTT

Based on the third national financial literacy and inclusion survey (SNLIK) conducted by the Financial Services Authority (OJK) in 2019, the financial literacy index reached 38.03% and the financial inclusion index 76.19%. This figure is an increase compared to the results of the 2016 OJK survey, namely the financial literacy index of 29.7% and the financial inclusion index of 67.8%. Thus, in the last 3 years there has been an increase in public financial understanding (literacy) by 8.33%, and an increase in access to financial products and services (financial inclusion) by 8.39%. However, for NTT, nationally, the Financial Literacy Level in NTT Province was ranked the lowest at 27.82% and was in the second lowest position after West Papua for financial inclusion at 60.63%. When compared with the SNLIK conducted in 2016, NTT has a value of 28.00%, which means that in the interval of three years, it experienced a decrease in the level of public financial

literacy in NTT by 0.18%. Based on the interviews conducted, the low level of financial literacy in NTT is influenced by:

1. The peculiarity of the demographic form of NTT, which is an archipelagic province with 5 large islands, but access for each region is still quite difficult. Development and infrastructure are not evenly distributed.
2. The level of public education is still relatively low, the dropout rate in NTT can be said to be high where in 2019 alone, the number of school-age children who have dropped out of school in NTT is very large, namely as many as 111,040 people, out of a total of around 1.45 million students/students in NTT. NTT. In addition, in 2020, the dropout and repeat rate in SMA and SMK reached 1,518 students, and in SMK there were 1,059 students.
3. Availability of financial institutions in NTT, a network of financial institution offices in NTT is also needed to help educate the public and provide official and safe financial access. When something illegal enters, it will make it easier for the public to access the office network of financial institutions
4. Limited human resources are qualified to provide education and counseling to the community, and this is also influenced by NTT's limitations on infrastructure and adequate access to reach all its people.

4.7. Government Efforts to Improve Financial Literacy and Eradication of Online Loans

Principles in improving financial literacy:

4.7.1. Planned and Measured

The Financial Services Authority to increase the level of financial literacy has carried out education and consumer protection efforts by being involved in the Regional Investment Alert Task Force (SWID) which consists of 13 agencies including Bank Indonesia, Cooperatives, and MSMEs Office, Industry Service, Communications and Informatics Service, Police, Prosecutors, and others and are bound by a memorandum of understanding. In principle, the task is PREVENTIVE which is carried out through education, publication, and socialization, and REPRESSIVE/HANDLING through providing recommendations or law enforcement actions related to investment. One form of this preventive action is in planning activities to increase financial literacy as an effort to provide information to the

wider community to avoid investments that are detrimental to customers because they are carried out inappropriately or illegally.

These preventive activities manifest in implementing programs that aim to prevent the public from using illegal financial products. In 2019, twelve activities have been carried out, in 2020 eight activities have been carried out, and in 2021 there will be 11 activities, all of which aim to improve educational literacy, especially to be aware of illegal online investments and loans which are carried out directly by cooperating with parties who are members of SWID.

In addition, activities that are indirect in nature are also carried out in terms of providing financial literacy, such as if the Cooperatives and UMKM Service organizes an event and is attended by the wider community, OJK will try to insert information about the dangers of investment and illegal online loans. Likewise, in the socialization activities regarding everything related to the online or digital world by Department of communication and informatics, materials regarding online loans or investments that are included in financial literacy will also be inserted so that all plans that have been made previously to increase the level of financial literacy by the OJK can be implemented effectively massive.

OJK NTT is an extension of the Central OJK with operational and technical coverage areas directly to the public. OJK also has strategic references and guidelines to guide the focus of activities from year to year. In the context of achieving Indonesia's national financial literacy strategy for 2021 - 2025, three main missions have been set, namely:

1. Utilizing digital technology to increase the financial literacy index
2. Build and enhance strategic alliances in the implementation of Financial Literacy and Education programs
3. Expanding access and availability of inclusive financial products and/or services.

4.7.2. Achievement Oriented

Plans that have been carried out carefully and are targeted to the right target need control and evaluation in their implementation, one of the efforts made to ensure that what has been determined can be oriented to achievement is to carry out espionage or review what has been planned. For example, in this case, OJK has collaborated with Department of communication and informatics to carry out cyber patrols as well as working with Google to detect illegal online investment or loan applications to search for their company history, address whereabouts and the parties involved either directly

or indirectly, so that if legal action is needed in response to complaints from the wider community, it will be easy to do, or if something suspicious is found, appropriate steps can be taken immediately.

Another thing that can also be a manifestation of achievement orientation is being attached to the main tasks and functions mandated by the OJK which has been stated previously, in this case, OJK has the right to announce and disseminate to the general public a list of illegal online peer to peer lending so that people do not get caught up in transactions. detrimental. The public can also find out information about the list of legal and illegal loans through Whatsapp contact at number 0811-5715-7157 (OJK) or through information on the website www.ojk.go.id, for more technical matters, OJK cooperates with the Indonesian Fintech Funding Association (AFPI) for example to determine loan interest rates, register legal loan membership, and other technical matters, so that OJK will focus on the authority that has been attached to its main duties and responsibilities.

Regarding other achievements, the OJK has not made direct efforts regarding legal action, due to the existence of SWID, the functions that consist of it have been able to run optimally, for example, if there is a complaint, in addition to complaining to the OJK, the public also goes directly to the police and by the police. will be followed up by first coordinating with other SWID teams. The socialization efforts that have been carried out by the OJK are quite well received by the wider community, although there are still relatively few complaints against cases of illegal online loans in NTT, namely 2 cases in 2022. This is understandable because in principle sometimes borrowers use illegal online loan services. They may already know the risks of their choice, and the decision to do so may be due to circumstances that prevent them from choosing the safer option.

4.7.3. Sustainable

Efforts to improve financial literacy that have been carried out can be said to have been carried out sustainably. This is indicated by the socialization program that has been carried out for at least 4 consecutive years according to the researcher's notes, namely from 2019 to 2022. The intensity of the socialization activities, although fluctuated, is still held in the context of socialization. This means that the OJK authorized by their main duties and functions not only releases the results of investigations in the form of illegal online loans and investments but massively and continuously carries out socialization activities to continue to improve public financial literacy, both directly and indirectly.

However, when compared to other regions, activities to increase financial literacy and financial inclusion in the NTT region are still relatively low and can be improved further.

4.7.4. Collaboration

Collaborations that have been carried out to improve public financial literacy have been carried out. The institution is the Regional Investment Alert Task Force which consists of the Chairperson of the NTT Province OJK, with members from the representative office of Bank Indonesia, the High Court, the Regional Police, the Regional Office of the Ministry of Religion, the Department of Industry and Trade, the Office of Communication and Information, the Cooperatives Service, the Department of Manpower and the Office of Investment and One Stop Services of the Province of NTT. SWID holds events related to collaborating on activities that become work plans to provide awareness to the wider community regarding everything related to illegal investments, especially in the form of coordination meetings which are held every semester for one year.

Every strategic program in the 2021-2025 SNLKI cannot be implemented without cooperation with related parties. Therefore, a strategic alliance is needed between the OJK and other Ministries and Institutions. Strategic alliances that are established with Ministries or Institutions are expected to be established by the roles they have related to the strategic program in question. Therefore, it is necessary to map out strategic alliances that are forged by strategic programs and core actions that will be implemented in the future.

OJK NTT has made several efforts to improve financial literacy in terms of eradicating illegal online loans, namely: 1) Prevention efforts in the form of education to the wider community where throughout 2021 educational activities have been carried out 11 times, Broadcasting Public Service Advertisements on social media and media mass, Implementation of knowledge sharing with SWID members through WA Group; and 2) Handling efforts in the form of coordination meetings, announcing and socializing the list of illegal loans to the public, implementing cyber patrols and submitting regular site and application blocks to Kominfo, coordinating information reports to the National Police Criminal Investigation Agency and cutting off financial access by asking banks or payment service companies. not to cooperate with illegal Pinjol.

The peculiarity of the NTT region is that it is an archipelago with uneven infrastructure and development, including the level of internet penetration which is not as high as in other regions. Therefore, the highest threat to the people of NTT is the need to increase

awareness of financial literacy, especially fraudulent investments. So continuous coordination with the local cooperative office is also a key factor, given the dominance of the use of cooperative services for local communities in terms of financial assistance.

5. CONCLUSIONS

Based on the results of research and discussion, the conclusions of this study are as follows:

1. Efforts carried out by OJK in terms of improving financial literacy as well as in the context of eradicating illegal online loans have been carried out in a planned, measurable, achievement-oriented, sustainable and collaborative manner. This is one of them shown or manifested in the implementation of the Regional Investment Alert Task Force which consists of several agencies that work together to reduce or eradicate illegal loans.
2. Efforts made by OJK are focused on prevention efforts (education, advertising, sharing knowledge), and handling efforts (cyber patrols, coordination meetings, termination of financial access, coordination with SWID, etc.)
3. Nevertheless, the implementation of improving financial literacy needs to be continued and improved, especially in terms of the number of activities, socialization of activities that have been implemented, and improving coordination with other stakeholders.

Suggestions for the results of this study are:

1. Coordinate with the central government in terms of preventing online loans, such as making regulations prohibiting the use of more than one SIM card for each NIK resident.
2. Coordinate at the SWID level to make literacy improvement activities with greater impact
3. Involve regional leading figures for approaches in each region.

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