Economica Insight
Vol. 2, No. 2, May 2026, pp. 77-85
eISSN 3089-3623 | https://ejournal.gemacendekia.org/index.php/ecoin

The Role of Islamic Financial Institutions in Facilitating National Economic Development

Febriansyah[1,*], Siti Maryam[2], Gita Susanti[3], Amrita Nayak[4]

[1, 2, 3] Islamic Economics Study Program, UIN Sunan Kalijaga, Yogyakarta, Indonesia
[4] School of Management, Sapthagiri NPS University, Bengaluru, India
** Corresponding Email: febriansyah@gmail.com*

ABSTRACT

Islamic Financial Institutions (IFIs) play a strategic role in supporting national economic development through financing mechanisms based on the principles of justice, sustainability, and inclusivity. In 2025, the contribution of IFIs has become increasingly relevant alongside the growing demand for development financing, the strengthening of the real sector, and the promotion of sustainable and inclusive economic growth. This study aims to analyze the role of IFIs in facilitating Indonesia's national economic development by examining their financial intermediation function, support for Micro, Small, and Medium Enterprises (MSMEs), financial system stability, and social contributions through zakat, infaq, sadaqah, and waqf (ZISWAF) instruments. The research method employed is a literature study using a descriptive-analytical approach toward various scientific publications, official institutional reports, and related regulations. The findings indicate that IFIs play a significant role in promoting equitable economic growth through productive sector financing, increased financial inclusion, and the strengthening of the national Islamic economy. However, challenges related to Islamic financial literacy, product innovation, and policy synergy still need to be addressed to optimize the sustainable role of IFIs.

Copyright © 2026, The Author(s)
This is an open-access article under the CC–BY-SA license

Article History
Received 2026-02-04
Revised 2026-03-20
Accepted 2026-04-27
Published 2026-05-15

Keywords
Islamic Financial Institutions, Economic Development, Financial Inclusion, Islamic Economy

INTRODUCTION

Indonesia's national economic development remains a strategic agenda aimed at improving public welfare in an equitable and sustainable manner. Development challenges are not limited to economic growth alone, but also include efforts to reduce social inequality, expand access to financial services, and strengthen the real sector, particularly Micro, Small, and Medium Enterprises (MSMEs). In this context, the national financial system plays a central role as a provider of financing for productive and inclusive sectors.

Islamic Financial Institutions (IFIs) have emerged as part of the financial ecosystem by offering financing mechanisms based on Sharia principles, namely justice, transparency, and partnership. In principle, IFIs operate without riba (interest), gharar (excessive uncertainty), and maysir (speculation), positioning them as an ethical and equitable alternative financial system. These principles are considered capable of promoting economic growth that is not only strong but also inclusive and oriented toward public welfare. The development of IFIs in Indonesia demonstrates an increasing trend in asset contribution and operational performance. Islamic banks, Islamic microfinance institutions, and various Islamic financing instruments are increasingly playing a role in supporting productive economic activities across different segments of society. Bank Syariah Indonesia, for example, as the result of the merger of three major Islamic banks in Indonesia, reflects the growing significance of Islamic institutions within the national banking structure and their ability to strengthen financing support for productive sectors.

One of the primary roles of IFIs is financing the real sector, particularly MSMEs. MSMEs are recognized as the main drivers of the national economy due to their ability to absorb

labor and create local economic value. Through Sharia-based financing mechanisms, IFIs provide relatively fair access to capital for MSMEs. This aligns with findings showing that the role of IFIs in MSME growth has a direct impact on economic revitalization in Indonesia.

In addition, IFIs contribute to improving financial inclusion, especially among communities that have not yet been reached by formal financial services. Islamic financial technology (fintech) has become an important tool in expanding access to Sharia-compliant services for MSMEs and low-income communities, although it is still constrained by financial literacy and infrastructure readiness. The ability of IFIs to provide inclusive financial services is also supported by microfinancing approaches based on contracts such as murabahah and mudharabah, enabling low-income communities to obtain financing without burdensome interest charges. This approach helps overcome barriers to formal financial access and broadens financial inclusion within society.

Another equally important aspect is the role of IFIs in maintaining the stability of the national financial system. Since Islamic financing activities are based on real assets and profit-and-loss sharing relationships, IFIs tend to be more resilient to economic shocks compared to conventional banking practices that rely heavily on interest-based instruments. An ASEAN study demonstrated the positive contribution of Islamic financial institutions to economic stability and growth within the region.

The social role of IFIs also deserves attention within the framework of sustainable development. Instruments such as zakat, infaq, sadaqah, and waqf (ZISWAF) managed by Islamic institutions function not only as mechanisms for wealth redistribution but also as drivers of community economic empowerment, particularly for vulnerable groups. The management of these instruments contributes to poverty reduction and improved social welfare, thereby supporting inclusive development. Furthermore, Islamic financial principles emphasizing partnership and social responsibility create opportunities for IFIs to become agents of change in promoting sustainable economic development. Literature studies indicate that Islamic economics contributes significantly to promoting fair economic development in line with the Sustainable Development Goals (SDGs).

Nevertheless, the role of IFIs in national economic development still faces several challenges. The low level of financial literacy and limited public understanding of Islamic financial services may restrict the penetration and optimal utilization of Sharia financial services. Educational and socialization efforts still need to be intensified by regulators and Islamic finance industry players. Furthermore, limitations in product and service innovation also hinder the expansion of IFIs' reach in the digital era. The readiness of institutions to integrate technology and collaborate with Islamic fintech companies is key to improving the efficiency and accessibility of Islamic financial services across Indonesia.

Considering these potentials and challenges, a deeper study regarding the contribution of IFIs to national economic development in 2025 becomes highly important. Such a study will not only provide empirical insights into the contribution of IFIs to the national economy but also offer policy recommendations to optimize the role of Islamic financial institutions in responding to global and domestic economic dynamics.

LITERATURE REVIEW

Concept of Islamic Financial Institutions

Islamic Financial Institutions (IFIs) are financial institutions that conduct all operational activities based on Islamic Sharia principles derived from the Qur'an, Hadith, ijma', and qiyas. These principles emphasize justice (al-'adl), balance (tawazun), public welfare (maslahah), and universality (rahmatan lil 'alamin) as the primary foundations of economic activities. Therefore, IFIs are not solely profit-oriented but also aim to achieve social welfare and economic sustainability (Chapra, 2000).

The existence of IFIs is viewed as a response to the need for a more ethical and equitable financial system, particularly in addressing conventional financial practices based on interest. In the perspective of Islamic economics, interest (riba) is considered capable of

creating income inequality and economic exploitation. Therefore, IFIs offer alternative financial mechanisms that emphasize risk-sharing and equitable profit-sharing between fund owners and fund managers (Ascarya, 2017).

Institutionally, IFIs include various types of organizations such as Islamic banking, Islamic insurance (takaful), Islamic capital markets, and Islamic microfinance institutions such as Baitul Maal wat Tamwil (BMT). Each institution has specific functions within the financial system, but collectively they aim to support economic activities in accordance with Sharia principles. This institutional diversification demonstrates that the Islamic financial system has broad coverage and is capable of reaching various layers of society (OJK, 2024).

The fundamental difference between Islamic and conventional financial institutions lies in the return mechanism. IFIs do not apply interest-based systems but instead implement profit-and-loss sharing mechanisms through contracts such as mudharabah and musyarakah. Under this scheme, profits and business risks are shared jointly among the parties according to prior agreements, thereby creating fairer and more transparent partnership relationships (Karim, 2016). In addition to profit-sharing contracts, IFIs also utilize trade- and lease-based contracts such as murabahah, salam, istishna', and ijarah. These contracts are used to fulfill both consumptive and productive financing needs while remaining aligned with Sharia principles. The use of diverse contracts demonstrates the flexibility of IFIs in adapting financial products and services to modern economic needs without neglecting Islamic principles (Antonio, 2018).

In the context of economic development, IFIs play a strategic role because the financing they provide is generally based on real economic activities. Every financial transaction must be supported by tangible assets or business activities, thereby encouraging the growth of productive sectors. This aligns with the goals of economic development, which emphasize increasing production capacity and creating added value within the national economy (Sukirno, 2016). In addition to their commercial function, IFIs also carry out social functions through the management of zakat, infaq, sadaqah, and waqf (ZISWAF) funds. This social role differentiates IFIs from conventional financial institutions because they directly contribute to poverty alleviation and community economic empowerment. The integration of commercial and social functions makes IFIs important instruments in realizing inclusive economic development (Beik & Arsyianti, 2019).

With these characteristics, IFIs can be regarded as important pillars of the national financial system supporting sustainable economic development. The principles of justice, partnership, and social responsibility embedded within IFIs make tangible contributions to creating economic stability, equitable welfare distribution, and economic growth oriented toward collective prosperity.

National Economic Development

National economic development is a planned process aimed at increasing national income, production capacity, and public welfare sustainably. Development is not measured solely by economic growth but also by success in reducing poverty, unemployment, and income inequality. Therefore, economic development requires the involvement of various sectors, including the financial system, as the primary driver of economic activity (Todaro & Smith, 2020). In the Indonesian context, national economic development is directed toward achieving inclusive growth and social justice. This aligns with constitutional mandates emphasizing the welfare of all citizens. Development focused only on growth without considering equitable distribution may lead to widening social and economic disparities (Sukirno, 2016).

Sustainable economic development requires a balance between economic growth, social equity, and environmental preservation. This concept emphasizes that economic activities must meet present needs without compromising the ability of future generations to meet their own needs. Therefore, development policies must simultaneously consider economic, social, and environmental aspects (UNDP, 2023). The financial system plays a vital role in national economic development because it functions as a provider of funds for

productive sectors. Through its intermediation function, financial institutions collect funds from the public and redistribute them in the form of financing or investment. The effectiveness of the financial system in channeling funds to the real sector greatly determines the success of economic development (Mishkin, 2019).

Islamic economics offers a development approach emphasizing distributive justice, business ethics, and social responsibility. From this perspective, economic activities are not solely aimed at maximizing profits but also at creating public welfare for society at large. These values make Islamic economics relevant as an alternative model of economic development that is more humane and sustainable (Chapra, 2008).

The integration of IFIs into the national economic development strategy is expected to strengthen financing for productive sectors, particularly MSMEs and the real sector. Partnership-based Islamic financing encourages increased business productivity and job creation, thereby directly contributing to economic growth and poverty reduction (OJK, 2024). Furthermore, the existence of IFIs also supports increased financial inclusion by providing broader access to financial services for communities not yet reached by the conventional financial system. Financial inclusion is one of the essential prerequisites for economic development because it enables communities to actively participate in formal economic activities (World Bank, 2022).

Thus, national economic development and the development of Islamic financial institutions have a mutually reinforcing relationship. Optimizing the role of IFIs within the national financial system can become an important strategy in realizing inclusive, equitable, and sustainable economic development in Indonesia.

METHOD

This study employs a qualitative approach using the library research method. The qualitative approach was chosen because the study aims to gain an in-depth understanding of the concepts, roles, and contributions of Islamic Financial Institutions in facilitating national economic development, particularly in 2025. The data used consist of secondary data obtained from national and international scientific journals, textbooks on Islamic economics and finance, official reports from government institutions and financial authorities such as Otoritas Jasa Keuangan and Bank Indonesia, as well as regulations relevant to the development of Islamic economics and finance. The library research method is considered appropriate because it provides a strong theoretical and empirical foundation for analyzing economic phenomena conceptually and contextually (Sugiyono, 2020; Creswell, 2018).

The data analysis technique was conducted descriptively and analytically by reviewing, comparing, and synthesizing findings from relevant literature. Descriptive analysis was used to explain the characteristics of Islamic Financial Institutions, their operational principles, and their roles within the national financial system, while analytical analysis aimed to examine the relationship between the development of IFIs and national economic development. The stages of analysis included literature collection, data classification based on research themes, interpretation of findings, and systematic conclusion drawing. This approach enabled researchers to obtain a comprehensive and objective understanding of the strategic role of IFIs in supporting inclusive and sustainable economic development (Nazir, 2017; Todaro & Smith, 2020).

RESULTS AND DISCUSSION

The Role of Islamic Financial Intermediation

Islamic Financial Institutions (IFIs) perform the function of financial intermediation by collecting funds from parties with excess capital (surplus units) and channeling them to parties requiring funds (deficit units) through financing mechanisms that comply with Sharia principles. This function represents the core of the Islamic financial system, which aims to

support productive economic activities and promote equitable national economic growth (Mishkin, 2019).

Unlike conventional financial institutions that operate on an interest-based system, Islamic financial intermediation emphasizes profit and loss sharing principles. Financing schemes such as mudharabah and musyarakah enable IFIs and customers to share business profits and risks proportionally. This mechanism encourages prudence in fund distribution because the success of financing depends heavily on the performance of the financed business (Ascarya, 2017). Profit-sharing financing also promotes the allocation of funds to productive sectors with high added value, such as manufacturing, agriculture, trade, and services. Therefore, Islamic financial intermediation is not only oriented toward short-term profit but also toward strengthening the national economic structure through real sector development (Chapra, 2008).

In the context of national economic development, the intermediation role of IFIs becomes increasingly important because it can reduce speculative practices and encourage financing based on real economic activities. Every financing transaction must have a clear underlying asset, ensuring that public funds are not directed toward non-productive sectors that may trigger economic instability (Antonio, 2018). Furthermore, Islamic financial intermediation contributes to improving financial inclusion by providing more diverse financing products tailored to community needs. IFIs serve as a bridge between the financial sector and the real sector, thereby strengthening the relationship between financial growth and national economic growth (OJK, 2024).

The effectiveness of the intermediation function of IFIs is also reflected in the increasing proportion of Sharia financing directed toward MSMEs and productive businesses. This indicates that IFIs not only function as fund-collecting institutions but also as economic drivers that promote equitable development (Beik & Arsyianti, 2019). In the long term, Islamic financial intermediation has the potential to strengthen national economic resilience. Through more selective and partnership-based financing, the risk of default can be minimized, thereby supporting overall financial system stability (Iqbal & Mirakhor, 2011).

Thus, the role of Islamic financial intermediation serves as an important foundation for national economic development. Through fair, transparent, and real sector-based financing mechanisms, IFIs can make a tangible contribution to sustainable economic growth.

Support for MSMEs and the Real Sector

Micro, Small, and Medium Enterprises (MSMEs) constitute the backbone of the Indonesian economy because of their substantial contribution to employment absorption and gross domestic product formation. However, limited access to financing remains a major obstacle to MSME development. In this regard, IFIs play an important role in providing fairer and more affordable financing through Sharia financing schemes (Tambunan, 2019). IFIs offer various Sharia microfinance products designed according to the characteristics of MSMEs, such as murabahah, mudharabah, and musyarakah financing. These schemes allow MSME actors to obtain business capital without burdensome interest charges, thereby enhancing production capacity and business competitiveness (Ascarya, 2017).

Sharia financing for MSMEs also encourages partnership relationships between financial institutions and business actors. Under profit-sharing schemes, IFIs act not merely as creditors but also as business partners with a direct interest in the success of customers' businesses. This creates incentives for IFIs to provide more intensive business supervision and assistance (Karim, 2016). The support of IFIs for the real sector is reflected in the fact that most financing is directed toward productive business activities. Real sector financing contributes directly to job creation and increased public income, thereby positively impacting poverty reduction (Todaro & Smith, 2020).

In addition, the existence of Islamic microfinance institutions such as Baitul Maal wat Tamwil (BMT) expands financing access to regions not yet served by formal banking institutions. This strengthens the role of IFIs in promoting equitable regional economic development (Beik & Arsyianti, 2019). In 2025, the support of IFIs for MSMEs becomes

increasingly relevant in line with the government's agenda to strengthen the people's economy and entrepreneurship. Synergy among IFIs, the government, and MSME actors is expected to accelerate national economic recovery and growth (OJK, 2024).

Through financing oriented toward the real sector, IFIs contribute to building a stronger and more competitive national economic foundation. Growing and developing MSMEs will become an essential basis for creating an inclusive and sustainable economic structure. Therefore, the role of IFIs in supporting MSMEs and the real sector represents one of the main pillars of national economic development that must continue to be strengthened through policies and innovation in Islamic financing.

Contribution to Financial System Stability

Financial system stability is a primary prerequisite for sustainable national economic development. A stable financial system can support economic activities optimally and minimize the risk of crises. In this regard, IFIs possess characteristics that support financial system stability through the implementation of Sharia principles (Mishkin, 2019).

The prohibition of riba (interest), gharar (excessive uncertainty), and maysir (speculation) in Islamic finance limits excessive speculative practices. Every financial transaction must be supported by real assets and clear economic activities, thereby reducing the risk of economic bubbles that often trigger financial crises (Iqbal & Mirakhor, 2011). Profit-sharing financing also contributes to financial system stability because business risks are shared proportionally between IFIs and customers. This mechanism reduces unilateral risk pressure on financial institutions and encourages more prudent risk management (Chapra, 2008).

Several studies indicate that Islamic financial institutions tend to be more resilient to financial crises than conventional institutions. This resilience is attributed to the strong connection between Sharia financing and the real sector, meaning fluctuations in the financial sector do not directly have a major impact on institutional stability (Hasan & Dridi, 2010). Furthermore, the prudential principles applied in IFI operations encourage more selective financing distribution based on business feasibility. This approach helps maintain asset quality and reduce the risk of non-performing financing (OJK, 2024).

The contribution of IFIs to financial system stability is also reinforced by regulatory supervision and the development of increasingly comprehensive Islamic financial policy frameworks. Synergy between regulators and industry actors is an important factor in maintaining public trust in the Islamic financial system (Bank Indonesia, 2023). In the context of national economic development, financial system stability supported by IFIs creates a conducive environment for investment and business growth. This stability serves as an important capital for promoting sustainable economic growth. Therefore, the role of IFIs in maintaining financial system stability constitutes a strategic contribution that supports the long-term success of national economic development.

Social Role through ZISWAF Instruments

In addition to performing commercial functions, IFIs also carry out social roles through the management of zakat, infaq, sadaqah, and waqf (ZISWAF) instruments. These instruments are distinctive characteristics of the Islamic financial system, which is oriented toward social justice and equitable welfare distribution (Beik & Arsyianti, 2019). The management of zakat funds by Islamic financial institutions contributes to income redistribution from wealthy groups to underprivileged communities. This mechanism helps reduce social inequality and supports systematic poverty alleviation efforts (Qardhawi, 2011).

Infaq and sadaqah instruments provide flexibility in supporting various social and economic programs, such as education assistance, healthcare, and community economic empowerment. The role of IFIs in managing these funds increases the effectiveness and accountability of social fund distribution (Ascarya, 2017). Productive waqf has become one of the strategic instruments in supporting long-term economic development. Through

productive waqf management, IFIs can optimize waqf assets for business activities that generate sustainable economic benefits for society (Kahf, 2003).

The integration of ZISWAF instruments with Sharia financing opens broad opportunities for empowering the Muslim community's economy. Social funds can be utilized as initial capital for microenterprises, while Sharia financing supports sustainable business development (Beik & Arsyianti, 2019). In the context of national economic development, the social role of IFIs through ZISWAF complements the government's role in providing social safety nets. Collaboration between IFIs and government institutions can improve the effectiveness of socio-economic development programs (BPS, 2023).

The utilization of digital technology in ZISWAF management also enhances transparency and efficiency, thereby increasing public trust in Islamic financial institutions. This strengthens community participation in supporting Sharia-based social programs. Therefore, the social role of IFIs through ZISWAF instruments constitutes an important element in realizing inclusive national economic development. The integration of commercial and social functions positions IFIs as development agents that are oriented not only toward economic growth but also toward the welfare of society as a whole.

CONCLUSION

Islamic Financial Institutions (IFIs) play a highly strategic role in facilitating Indonesia's national economic development in 2025. Through financial intermediation functions based on Sharia principles, IFIs are able to distribute funds more fairly and productively to real economic sectors, particularly MSMEs, which constitute the backbone of the national economy. Furthermore, the characteristics of Sharia financing, which emphasize profit-sharing principles, prudence, and linkage to real assets, enable IFIs to contribute positively to national financial system stability and economic resilience amid global economic dynamics and uncertainty. In addition to their commercial functions, the social role of IFIs through the management of zakat, infaq, sadaqah, and waqf (ZISWAF) instruments strengthens their contribution to inclusive and equitable economic development. The integration of business and social functions positions IFIs as development agents that are not solely oriented toward economic growth but also toward equitable social welfare distribution. Therefore, optimizing the role of IFIs requires continuous support through the enhancement of Islamic financial literacy, product and service innovation, and policy synergy among the government, regulators, and industry actors so that IFIs can further contribute to sustainable national economic development..

REFERENCES

Aditya, M. F., Ansori, M., & Mubarok, A. F. (2025). The role of Islamic microfinance institutions in improving the community economy in Tahunan Village. *EKOMA: Journal of Economics, Management, and Accounting, 4*(2), 3444-3455.

Albab, U., Sutopo, H., & Algarini, D. (2024). The contribution of the Regional Committee for Sharia Economy and Finance (KDEKS) to the development of the economic sector in Bandar Lampung City. *Jurnal Alwatzikhoebillah: Islamic, Education, Economic, and Humanities Studies, 10*(2), 527-535.

Andriansyah, A., Sukri, M., & Nirwana, N. (2024). Toward improving economic welfare: Exploring the role of Islamic microfinance institutions. *Jurnal Ilmiah Ekonomi, Manajemen dan Syariah, 3*(2), 179-187.

Antonio, M. S. (2018). *Islamic Banking: From Theory to Practice*. Jakarta: Gema Insani.

Aprilia, T., Sari, R. M., Adawiyah, R., Efrilia, D., Anggesta, L., & Handayani, T. L. (2024). The role of Islamic economics in sustainable national economic development in the Society 5.0 era. *Journal of Economics and Business, 2*(2), 227-237.

Ascarya. (2017). *Contracts and Products of Islamic Banking*. Jakarta: Rajawali Pers.

Ayunda, A., Ramadhani, I. G., Fahlevy, R., & Hayati, F. (2025). The role of Islamic microfinance institutions (LKMS) in supporting the people's economy and poverty alleviation. *Jurnal Bina Bangsa Ekonomika, 18*(1), 1043-1052.

Badan Pusat Statistik. (2023). *Statistics Indonesia*. Jakarta: BPS.

Bank Indonesia. (2023). *Indonesia Islamic Economic and Financial Report*. Jakarta: Bank Indonesia.

Beik, I. S., & Arsyianti, L. D. (2019). *Islamic Development Economics*. Depok: RajaGrafindo Persada.

Chapra, M. U. (2000). *The Future of Economics: An Islamic Perspective*. Leicester: The Islamic Foundation.

Chapra, M. U. (2008). *The Islamic Vision of Development in the Light of Maqasid al-Shariah*. London: Islamic Research and Training Institute.

Creswell, J. W. (2018). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches (5th ed.).* Thousand Oaks: Sage Publications.

Dalimunthe, N., & Lubis, N. K. (2023). The role of banking institutions in economic development: Their functions and objectives in supporting employment. Jurnal Masharif *Al-Syariah: Journal of Islamic Economics and Banking, 8*(4).

Fadila, N., & Soumena, F. Y. (2025). Synergy between government and Islamic financial institutions in improving Islamic economic literacy. *Jurnal Ekonomi Islam, 3*(1), 56-86.

Handayani, I., Candara, R., Mardialta, I., & Zora, F. (2025). Comparison of the functions and roles of Islamic banks and financial institutions in the Indonesian economy. *Jurnal Ilmiah Pendidikan Scholastic, 9*(1), 1-9.

Ihsan, D. M., Aryandhes, R. D., & Abid, H. (2025). The role of Islamic economics in Indonesia's economic development. *JIMU: Jurnal Ilmiah Multidisipliner, 3*(03), 1439-1446.

Irawan, H., Dianita, I., & Mulya, A. D. S. (2021). The role of Bank Syariah Indonesia in national economic development. *Jurnal Asy-Syarikah: Journal of Islamic Financial Institutions, Economics, and Business, 3*(2), 147-158.

Kahf, M. (2003). *The Role of Waqf in Improving the Ummah Welfare*. Kuala Lumpur: Islamic Research and Training Institute.

Karim, A. A. (2016). *Islamic Banking: Fiqh and Financial Analysis*. Jakarta: RajaGrafindo Persada.

Law of the Republic of Indonesia Number 21 of 2008 concerning Islamic Banking.

Maskur, M. (2022). The role of Islamic financial institutions in national economic growth after the Covid-19 pandemic. *Aksioma Al-Musaqoh, 5*(2), 64-73.

Mishkin, F. S. (2019). *The Economics of Money, Banking, and Financial Markets*. New York: Pearson.

Mufrih, A. N., & Hadiroh, J. (2022). The progressiveness of Islamic economic fatwas and regulations toward national economic development. *Alhamra Journal of Islamic Studies, 3*(2), 77-90.

Mukharom, M., Nuryanto, A. D., & El Ula, K. A. (2024). The role of Islamic social financial institutions in Indonesia toward digital transformation. *Jurnal Ilmiah Mahasiswa Perbankan Syariah (JIMPA), 4*(1), 365-382.

Muzakky, H. N. (2024). The role of Islamic financial institutions in providing Sharia-based business capital to improve the economy in the Sleman region. *Jurnal Ilmiah Ekonomi dan Manajemen, 2*(6), 449-462.

Nazir, M. (2017). *Research Methods*. Bogor: Ghalia Indonesia.

Otoritas Jasa Keuangan. (2024). *Roadmap for the Development and Strengthening of Indonesian Islamic Banking*. Jakarta: OJK.

Qardhawi, Y. (2011). *Fiqh al-Zakah*. Beirut: Muassasah al-Risalah.

Romadi, A. B., & Jaharuddin, J. (2024). Strategies of Islamic financial institutions in empowering micro, small, and medium enterprises in Indonesia. *EKOMA: Journal of Economics, Management, and Accounting, 3*(6), 556-563.

Sahri, M. (2024). The role of Islamic financial institutions in improving the economy through the implementation of financial literacy and financial inclusion in Tegal Regency. *Revenue: Journal of Development Economics and Islamic Economics, 7*(01), 51-61.

Sodiq, A. (2025). The role of BMT Nusantara Umat Mandiri in encouraging non-bank Islamic financial institution inclusion in Tulungagung. *Jurnal At-Tamwil: Kajian Ekonomi Syariah, 7*(1), 90-104.

Sudarmi, S., Masse, R. A., & Sapa, N. B. (2024). The development of Islamic financial institutions and their impact on economic growth in Indonesia. *EKOMA: Journal of Economics, Management, and Accounting, 3*(4), 1570-1579.

Sugiyono. (2020). *Qualitative Research Methods*. Bandung: Alfabeta.

Sukirno, S. (2016). *Introduction to Macroeconomic Theory*. Jakarta: RajaGrafindo Persada.

Tambunan, T. (2019). *MSMEs in Indonesia*. Jakarta: Ghalia Indonesia.

Todaro, M. P., & Smith, S. C. (2020). *Economic Development (13th ed.).* Boston: Pearson.

United Nations Development Programme. (2023). *Sustainable Development Goals Report*. New York: UNDP.

Wahab, A., & Mahdiya, I. (2023). The role of Islamic financial institutions in MSME growth in revitalizing economic development in Indonesia. *Islamadina: Journal of Islamic Thought, 24*(1), 109-124.

Wahyunitasari, E. D., Sopingi, I., & Musfiroh, A. (2023). Analysis of the role of Islamic financial institutions in the Indonesian economy: A library research approach. *JIES: Journal of Islamic Economics Studies, 4*(2), 103-114.

World Bank. (2022). *Financial Inclusion Overview*. Washington, DC: World Bank.