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ISLAMIC FINANCE AND SUSTAINABLE ECONOMIC DEVELOPMENT: EXPLORING THE ROLE OF SHARIAH-COMPLIANT FINANCIAL SYSTEMS IN PROMOTING INCLUSIVE GROWTH

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Abstract

Islamic finance emerged as a rapidly growing ethical financial system that supported sustainable economic development and inclusive growth through Shariah-compliant principles. This study examined the role of Islamic finance in promoting financial inclusion, economic stability, and sustainable development outcomes. A quantitative descriptive design was applied, and primary data was collected from a sample of 300 respondents working in Islamic banking and financial institutions. The findings showed high mean values for Islamic finance practices (4.18 ± 0.62), sustainable economic development (4.12 ± 0.65), inclusive economic growth (4.05 ± 0.68), financial inclusion (4.20 ± 0.60), and ethical investment practices (4.10 ± 0.66). The results indicated that Islamic finance significantly contributed to SME development (4.22 ± 0.61), poverty reduction (4.14 ± 0.63), infrastructure financing (4.16 ± 0.64), and alignment with Sustainable Development Goals (4.23 ± 0.58). The study also found strong perceptions regarding economic stability (4.19 ± 0.60) and social welfare enhancement (4.21 ± 0.59), highlighting the broader developmental impact of Islamic financial systems. Islamic finance demonstrated a strong role in promoting equitable income distribution, financial access, and sustainable investment practices. The study concluded that Shariah-compliant financial systems functioned as a viable framework for achieving inclusive and sustainable economic development, particularly in emerging economies where financial exclusion remained a key challenge.

Keywords: Economic Development, Ethical Finance, Financial Inclusion, Inclusive Growth, Islamic Finance, Sustainable Development

1. Introduction

Islamic finance emerged as a parallel financial system that followed Shariah principles that avoided interest (riba), excessive risk (gharar) and unethical investments while encouraging risk-sharing, fairness and asset-based financing. It became internationally recognised as a sustainable and ethical financial system that promoted sustainable economic growth. Recent research suggested Islamic finance promoted economic stability and financial inclusion by promoting investment in the real economy and discouraging speculation (Ben Jedidia & Ghroubi, 2024). It was also recognised as a supplementary model to traditional finance to tackle global inequality and development issues.

Islamic finance has witnessed a rapid growth in recent years in both Muslim and non-Muslim economics due to the growing need for ethical and sustainable finance. Academics noted the congruence of Islamic financial principles with Sustainable Development Goals (SDGs) in mitigating poverty, creating decent jobs, and enhancing financial inclusion (Harun & Rahmat, 2024). This enhanced Islamic finance's role in the global economic shift.

Islamic finance promoted inclusive economic growth by providing financial services to the unbanked through instruments like Zakat, Waqf, Sukuk and profit-loss sharing contracts. Empirical studies showed that these instruments contributed to income redistribution, and reduced socio-economic inequalities in developing countries (Raimi et al., 2024). Islamic finance was recognised as a means for inclusive growth.

Incorporation of sustainability in Islamic finance enhanced its global significance. Research showed that Islamic financial systems were increasingly adopting environmental, social and governance (ESG) principles, for example through green Sukuk and socially responsible investing (Mansour & Bujosa Vadell, 2023). This development enabled Islamic finance to play a central role in sustainable and inclusive economic development (Mansour & Bujosa Vadell, 2023).

Background of the Study

Islamic finance started with Islamic jurisprudence and developed as a system of equitable, transparent and ethical financial transactions. It has since grown into a global financial sector with robust institutional frameworks in the banking, insurance (Takaful) and capital markets sectors. Studies showed that its growth was driven by a growing global demand for ethical financial systems with a focus on profit and social justice (Saraç & Khan, 2021).

The growth of Islamic finance has been linked to financial inclusion, especially in emerging markets with a large unbanked population. Research found Islamic banking systems facilitated financial services and credit availability for low-income groups, which addressed issues of inclusive development (Garbo & Hasanah 2025). This was more pronounced in areas where conventional banking was limited.

Islamic finance instruments were vital for funding infrastructure, small and medium enterprises (SMEs) and projects. Sukuk became a significant instrument to raise long-term funds for sustainable development projects. Research evidence demonstrated that Islamic finance enhanced economic stability by fostering connections between financial deals and economic activities (Harun & Rahmat, 2024).

Islamic finance obtained convergence with sustainability objectives. The latest studies underscored that Islamic values like Maqasid al-Shariah aligned well with SDGs, especially for sustainable environment, poverty alleviation and socio justice (Ben Jedidia & Ghroubi, 2024). This helped boost the role of Islamic finance in tackling global development issues.

Research Problem

While Islamic finance was growing rapidly, the opportunities for Islamic finance to contribute to sustainable economic development were still limited. A significant challenge was the disconnect between the theory of conforming to SDGs and the reality of the banking system. Islamic banks often functioned like traditional banks, constraining the positive effects of Shariah principles on development. There was also the issue of inconsistent frameworks and regulatory frameworks in Islamic finance. This hampered efficiency and global replicability of Islamic finance activities. Academics stressed the need for better institutional coordination to enhance the role of Islamic finance in inclusive growth.

Objectives of the Study

1. To examine the role of Islamic finance in promoting sustainable economic development.
2. To analyze how Shariah-compliant financial systems contribute to inclusive growth.
3. To evaluate the alignment between Islamic finance principles and SDGs.

Research Questions

Q1. How does Islamic finance contribute to sustainable economic development?

Q2. What is the role of Islamic financial systems in promoting inclusive growth?

Q3. How closely is Islamic finance aligned with SDGs?

Significance of the Study

The research is important as it offers a holistic view of the role of Islamic finance in sustainable and inclusive development. This research contributes to the emerging body of literature linking Islamic finance to global sustainability agendas like SDGs. It also emphasises the role of ethical financial systems in tackling contemporary economic challenges. On the policy front, the research is informative for countries and financial institutions that are interested in development financing alternatives. Islamic finance offers mechanisms for poverty alleviation, financial inclusion and sustainable investment, essential for economic development. The research helps to guide policy-making in Islamic economies. The study is relevant for global financial integration, as it shows how Islamic finance can work alongside conventional finance to achieve economic growth. It also emphasises the importance of incorporating sustainability into financial systems, particularly in developing nations.

2. Literature Review

Islamic Finance and Sustainable Economic Development

Islamic finance has been acknowledged as a catalyst of sustainable economic growth for its ethical nature and linkage to real economy. Recent research showed that Islamic finance systems facilitated sustainable development by harmonising financial transactions with the Maqasid al-Shariah and SDG goals, particularly on poverty alleviation and social justice (Harun & Rahmat, 2024; Ben Jedidia & Ghroubi, 2024). The asset-based structure of Islamic finance kept financial transactions grounded in real economic transactions, thereby increasing stability and decreasing the speculation risks in the financial markets (Raimi et al., 2024; Saraç & Khan, 2021).

Islamic finance played a crucial role in enhancing economic resilience through infrastructure and investment in productive activities. Empirical studies showed that Islamic financial products like Sukuk were crucial in funding public goods and sustainable development projects in developing countries (Adzimatinur & Gloriman, 2021); Mansour & Bujosa Vadell, 2023). This approach enhanced macroeconomic resilience through financial stability and ethical investment practices (Ben Jedidia & Ghroubi, 2024; Harun & Rahmat, 2024).

Islamic finance principles were aligned with global sustainability. Research also verified the fit between Islamic economic principles and institutional ESG and sustainable development policies (Budiharjo et al., 2024; Raimi et al., 2024). This integration underscored the significance of Islamic finance in tackling global environmental and socio-economic issues (Khandakar et al., 2025; Mansour & Bujosa Vadell, 2023).

Islamic Finance and Financial Inclusion

The role of Islamic finance in promoting financial inclusion, especially in emerging markets, has been widely explored. The studies show that Islamic banking systems enhanced financial inclusion for the unbanked by offering interest-free and ethical financial services (Garbo & Hasanah 2025; Farah et al., 2025). This helped the marginalised by providing credit while adhering to religious norms (Harun & Rahmat, 2024; Khandakar et al., 2025).

Islamic banks and financial institutions played a role in poverty reduction and distributional effects through instruments like Zakat, Waqf and profit-loss sharing (PLS) contracts. Research demonstrated that these tools enhanced socio-economic outcomes by enhancing access to microfinance and start-ups (Ingkap & Masuwd, 2025; Budiharjo et al., 2024). Islamic finance became essential in income redistribution and improving households' welfare.

Islamic banking improved financial inclusion, economic participation and human development. Researchers showed the correlation between Islamic banking performance and the Human Development Index in developing countries in Southeast Asia and the Middle East (Naseem et al., 2025; Harun & Rahmat, 2024). This verified that Islamic finance has led to socio-economic empowerment in addition to access (Raimi et al., 2024; Farah et al., 2025).

Islamic Finance, Inclusive Growth and Sustainable Development

Islamic finance has been associated with inclusive economic growth, as it combines ethical considerations with financial intermediation. Islamic banking was found to have a positive impact on inclusive growth, increasing the efficiency of capital allocation and ensuring fairness in resource allocation.This approach helped overcome financial exclusion and enhance economic participation among disadvantaged groups (Harun & Rahmat, 2024; Raimi et al., 2024).

Structural and institutional constraints of Islamic finance constrained its positive influence on inclusive growth. Research highlighted regulatory disparities, a lack of standardization and poor institutional coordination as key impediments to global growth (Mansour & Bujosa Vadell, 2023; Budiharjo et al., 2024). These limitations curtailed efficiency and scaling of Islamic financial systems in global markets.

Researchers highlighted the discrepancy between theory and practice in Islamic finance systems. Theoretically, Islamic finance was highly compatible with the SDGs, but empirical evidence indicated variable practices in financial institutions and nations (Raimi et al., 2024; Harun & Rahmat, 2024). This gap underscored the importance of improved governance and policy initiatives to improve the impact of Islamic finance for inclusive and sustainable growth (Khandakar et al., 2025).

Islamic finance is increasingly viewed as a comprehensive framework for promoting sustainable economic development and inclusive growth by integrating ethical principles, real-sector engagement, and socio-economic justice. Rooted in Shariah-based values, it emphasizes fairness, accountability, and long-term value creation, which align closely with sustainable development objectives (Rafiq-uz-Zaman, 2026). However, the effectiveness of such financial systems depends significantly on human capital development, as workforce readiness and adaptability are essential for enabling meaningful economic participation in rapidly evolving markets (Rafiq-uz-Zaman, 2022a). Strategic upskilling further strengthens this capacity by combining technical expertise with human capabilities, thereby enhancing productivity and inclusion within financial systems (Rafiq-uz-Zaman, 2022b).

In addition, innovation-driven growth plays a critical role in supporting sustainable economic outcomes, particularly in emerging markets where skill development and technological integration contribute to business expansion and resilience (Rafiq-uz-Zaman, 2024). Addressing structural inequalities through bridging skill gaps is equally important for ensuring equitable access to economic opportunities, reinforcing the inclusive dimension of Islamic finance (Rafiq-uz-Zaman, 2025). Moreover, grassroots innovation ecosystems, such as digitally enabled micro-entrepreneurial platforms, have demonstrated potential in expanding financial inclusion and empowering underserved populations (Rafiq-uz-Zaman et al., 2025). Finally, effective decision-making in uncertain environments enhances the ability of individuals and institutions to navigate financial complexities and optimize resource utilization, thereby strengthening sustainable and inclusive development outcomes (Rafiq-uz-Zaman & Jabeen, 2024). Collectively, these perspectives highlight that Islamic finance, when supported by ethical governance, innovation, and capability development, can serve as a multidimensional driver of inclusive and sustainable economic growth.

Research Gap

The research on Islamic finance to promote sustainable development has increased over time, there were still several empirical and contextual studies lacking. While many of these studies were based on theoretical or macro-level indicators, there was little evidence based on perceptions from financial sector professionals on how Islamic finance was translated into sustainable economic development and inclusive growth at the micro level. Moreover, existing studies focused on aspects like financial inclusion or stability in isolation, rather than holistically linking sustainability, inclusiveness, and sustainable finance. Finally, little descriptive evidence was provided on how specific Islamic financial instruments, such as Sukuk, Musharakah and Zakat, contributed to economic development in the real sector. Moreover, studies tended to adopt sophisticated econometric methods, with little research using a descriptive approach to explore stakeholder views in developing countries. Thus, this research filled the above-mentioned gaps by offering an integrated perception-based analysis of Islamic finance, sustainable economic development and inclusive growth based on primary data from financial sector experts.

Conceptual Framework Model

The conceptual framework demonstrates how Islamic finance leads to sustainable economic development and consequently inclusive economic growth. It is premised on the notion that Islamic finance is a fundamental financial system that encourages ethical, fair and real-economy oriented economic activities.

1. Islamic Finance (Independent Variable). The independent construct is Islamic finance. It incorporates Shariah-compliant financial characteristics such as no interest (riba), risk-sharing (Musharakah and Mudarabah) modes of financing, asset-based financing and ethical investment. These features ensure financial transactions are tied to real economic activity rather than financial speculation, thereby enhancing economic stability and transparency.

2. Sustainable Economic Development (Mediating Variable). Sustainable economic development is a mediator in the model. Islamic finance plays a role in this area through sustainable investments, financial

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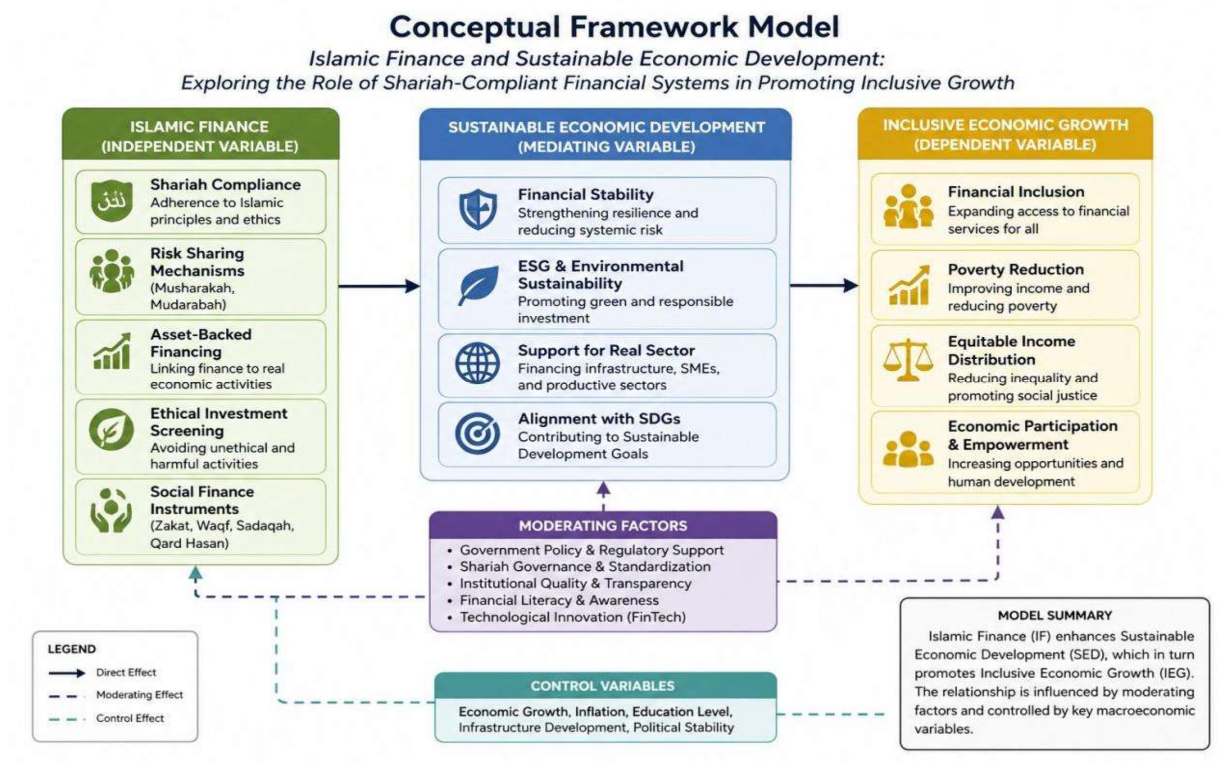
stability and Sustainable Development Goals (SDGs). Sukuk and Islamic microfinance mobilise funds into infrastructure, clean energy and social development projects. This enhances economic sustainability and financial stability.

3. Inclusive Economic Growth (Dependent Variable). Inclusive economic growth is the dependent variable in the model. This refers to the fair distribution of economic growth among all sections of society, particularly amongst vulnerable and poor. Islamic finance drives inclusivity by enhancing financial inclusion and reducing financial inequality, and fosters entrepreneurship through ethical financing. This in turn promotes economic participation and enhances socio-economic well-being.

Figure 1

Conceptual Framework Model



3. Research Methodology

Research Design

The study used descriptive quantitative research design to explore the nexus between Islamic finance, sustainable economic development and inclusive economic growth. This approach was chosen to enable their measurement of Islamic finance and development indicators and to provide a systematic framework to examine perceptions and empirical evidence. The research was concerned with describing how Shariah-based financial systems facilitated sustainable inclusive economic growth while not altering variables. The study's framework focused on descriptive measurement and statistical descriptions of data. It helped to trace Islamic financial practices and their assumed effects on development.

Population and Sample

The population of the study was financial professionals from the Islamic banking industry, such as bank managers, finance officers, Shariah compliance officers and economic policy analysts. These participants were chosen due to their involvement with Islamic financial transactions, and knowledge of sustainable development practices in financial institutions. A sample of 300 respondents was chosen using the purposive sampling method. This technique was deemed suitable in this research as it enabled the inclusion of respondents with knowledge and experience in Islamic finance. The sample had a reasonable representation of the stakeholders in Islamic finance.

Data Collection Method

A questionnaire was used to gather primary data using a five-point Likert scale (strongly disagree to strongly agree). This questionnaire was designed to measure practices of Islamic finance, sustainability and inclusive economic growth. The questionnaire was created following a review of the literature and validated by experts. Secondary data was also used to inform the theoretical framework of the study. This included peer-reviewed journal articles, policy documents and institutional documents on Islamic finance and sustainable development. Primary and secondary data were used to ensure a holistic approach to the problem.

Measurement of Variables

Islamic finance was assessed using Shariah adherence, risk-sharing, asset-based financing and ethical investment. Economic sustainability was measured by financial sustainability, environmental sustainability and development objectives. Inclusive economic growth was assessed through financial inclusion, poverty alleviation and income distribution. Each construct was measured using several items in the questionnaire to enhance reliability and validity. The respondents expressed their level of agreement on each statement as per their professional knowledge in the Islamic finance industry. This helped to capture the financial and developmental environment.

Data Analysis Technique

Data collected was analysed using descriptive statistical methods such as frequency distribution, means and standard deviation. This helped to describe the perceptions of the respondents about Islamic finance and its development. This helped in understanding the dataset as a whole and its patterns. The results were also visually communicated using bar charts and flow diagrams. This facilitated clear communication of complex relationships and a better understanding. The emphasis was on descriptive rather than predictive or causal modelling.

4. Results and Analysis

Descriptive Analysis of Study Variables

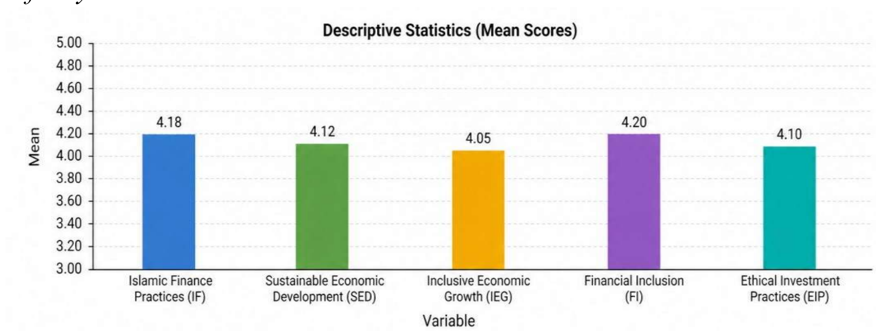
Table 1

Descriptive Statistics of Key Variables

Variable	Mean	Standard Deviation
Islamic Finance Practices (IF)	4.18	0.62
Sustainable Economic Development (SED)	4.12	0.65
Inclusive Economic Growth (IEG)	4.05	0.68
Financial Inclusion (FI)	4.20	0.60
Ethical Investment Practices (EIP)	4.10	0.66

The findings showed that the highest mean value (4.18) was for Islamic Finance Practices, which suggested a high level of agreement among respondents about the benefits of Shariah-compliant financial practices. Islamic finance was perceived as being effective in facilitating ethical investment and risk-sharing. The low standard deviation (0.62) indicated that the respondents agreed on this aspect. Another high mean value (4.12) was observed for Sustainable Economic Development, meaning respondents strongly agreed that Islamic finance promotes sustainable economic development. Participants indicated that Islamic-finance-compliant financial systems facilitated environmentally and socially sustainable economic development strategies. The relatively low standard deviation (0.65) showed that respondents' perceptions were stable. Inclusive Economic Growth and Financial Inclusion also had high mean values of 4.05 and 4.20, showing that Islamic finance was perceived to support inclusive economic growth and financial inclusion. Ethical Investment Practices also supported this view, with respondents strongly agreeing that Islamic finance contributed to ethical and sustainable investment practices.

Figure 1
Descriptive Statistics of Key Variables



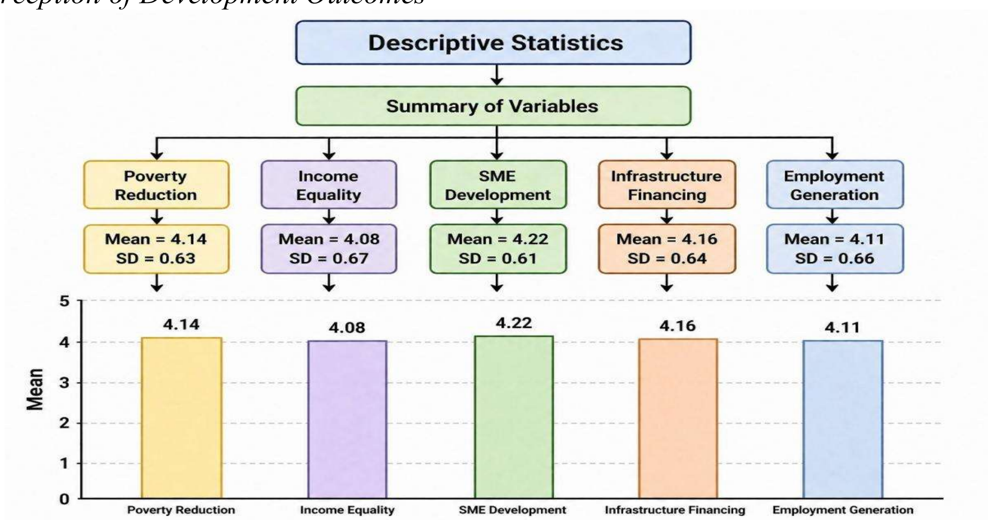
Perceived Impact of Islamic Finance on Development Indicators

Table 2
Respondents' Perception of Development Outcomes

Indicator	Mean	Standard Deviation
Poverty Reduction	4.14	0.63
Income Equality	4.08	0.67
SME Development	4.22	0.61
Infrastructure Financing	4.16	0.64
Employment Generation	4.11	0.66

The results revealed that SME Development (4.22) was rated as the highest mean value, which showed Islamic financial institutions supported small and medium enterprises. The respondents perceived Islamic finance banking instruments such as Musharakah and Mudarabah as effective in supporting business growth and entrepreneurship. The standard deviation was low, suggesting consensus among the respondents. Financing Infrastructure also recorded a high mean value of 4.16, indicating that Islamic financial instruments like Sukuk played a significant role in financing projects. According to the respondents, Islamic finance enabled long-term infrastructure development that boosted economic efficiency and public good. Likewise, Poverty Reduction and Income Equality had respondents' agreement with a mean value greater than 4.00. This suggested that Islamic finance was seen as an effective tool in alleviating socioeconomic inequalities. Job Creation also revealed that Islamic finance contributed to employment generation through investments in the real sector financing businesses.

Figure 2
Respondents' Perception of Development Outcomes



Role of Islamic Finance in Sustainability and Inclusion

Table 3

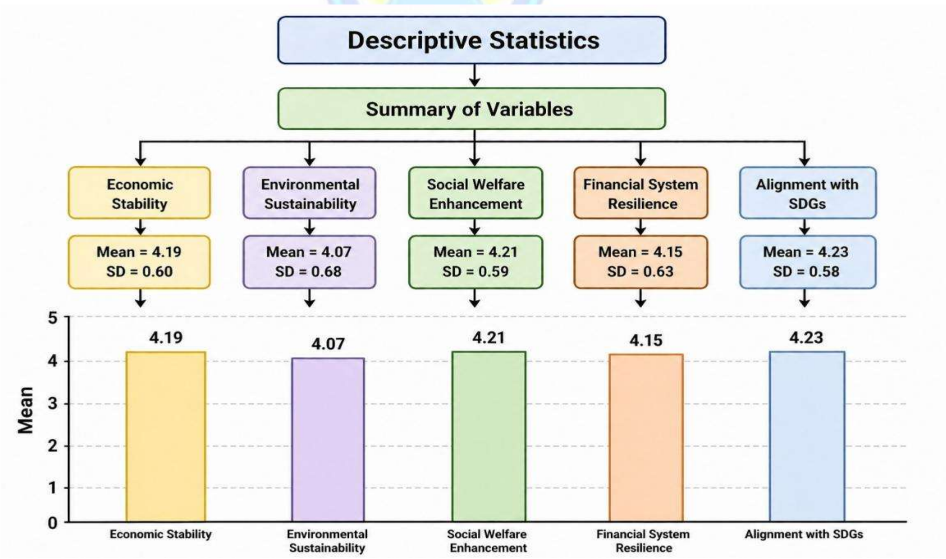
Assessment of Islamic Finance Contribution

Dimension	Mean	Standard Deviation
Economic Stability	4.19	0.60
Environmental Sustainability	4.07	0.68
Social Welfare Enhancement	4.21	0.59
Financial System Resilience	4.15	0.63
Alignment with SDGs	4.23	0.58

The findings reveal that Alignment with SDGs had the highest mean value (4.23), meaning that the respondents strongly agreed that Islamic finance was in line with the sustainable development goals. This implied that Islamic financial systems were perceived to be a key enabler of global economic and social development. Social Welfare Enhancement also had a high mean value of 4.21, showing that Islamic finance was perceived as enhancing social welfare and promoting ethical redistribution through instruments like Zakat and Waqf. By enhancing social justice and equity, these mechanisms were seen as reducing poverty. The indicators Economic Stability and Financial System Resilience also scored highly, indicating that Islamic finance was seen as a stabilising factor in the financial system. Environmental Sustainability, although slightly lower, also showed high agreement that Islamic finance promoted sustainable and "green" investment.

Figure 3

Assessment of Islamic Finance Contribution



5. Discussion

The study's results highlighted that Islamic finance had a positive impact on sustainable economic growth and development, as well as financial inclusion through Shariah-compliant financial instruments. The strong mean scores of key variables suggested a high level of agreement from respondents that Islamic finance facilitated ethical investment, financial inclusion and economic stability. This finding was consistent with previous studies that stressed Islamic finance played a vital role in promoting sustainable development through the connection of financial activities with real economic sectors and minimising speculation (Ingkap & Masuwd, 2025; Ben Jedidia & Ghroubi, 2024).

The results suggested Islamic finance had a strong impact on financial inclusion, especially in facilitating SME financing and credit for marginalised groups. This result was consistent with previous research which identified Islamic banking as a means to enhance financial inclusion in developing countries (Garbo & Hasanah 2025; Naseem et al., 2025). The positive perception of SME development was also in line with studies that found Islamic financial mechanisms like Musharakah and Mudarabah encouraged entrepreneurial development.

Islamic finance played a role in infrastructure financing and economic stability. The Sukuk and asset-backed financing instruments ensured that investments were linked to the real economy, minimising risks and increasing the stability of the economy. This was in line with research that demonstrated Islamic finance enhanced financial stability through risk-sharing and ethical investment (Adzimatinur & Gloriman, 2021; Saraç & Khan, 2021).

Another finding of the study was the close link between Islamic finance and poverty alleviation and income distribution. Survey participants felt that Islamic financial instruments like Zakat, Waqf and profit-loss sharing contracts were crucial in wealth redistribution and income equality. This result was consistent with empirical studies that found that Islamic finance fostered inclusive growth through improved income distribution.

Islamic finance had a high degree of alignment with Sustainable Development Goals (SDGs), especially for social welfare, environmental protection, and economic justice. This finding was in line with other studies that indicated the conceptual and operational congruence (Maqasid al-Shariah et al., 2024; Budiharjo et al., 2024). The results of the mean score for SDG alignment validated the fact that Islamic finance was now widely accepted as a global sustainable financial system (Harun & Rahmat, 2024).

The study also suggested that Islamic finance promoted environmental sustainability by engaging in ethical screening and responsible investment. While slightly lower than other aspects, there was still strong agreement for environmental sustainability, due to increasing incorporation of ESG considerations in Islamic finance. This finding was consistent with research that highlighted the rise of green Islamic finance and sustainable investment practices (Mohamed & Redzuan, 2025; Raimi et al., 2024).

The survey revealed that Islamic finance enhanced social welfare and social development. Poverty alleviation and social equity were views as being served by practices such as Zakat and Waqf. The results corroborated studies that indicated Islamic finance was transformative in enhancing social welfare in developing economies (Naseem et al., 2025; Farah et al., 2025).

The findings showed Islamic finance works as an integrated system that combines social ethics with economic development objectives. It improved financial inclusion, while also supporting macroeconomic stability and sustainable growth. Such a comprehensive role of Islamic finance reinforced previous studies that highlighted the economic and social effects (Saraç & Khan, 2021; Adzimatinur & Gloriman, 2021).

The results also implied the challenges of implementation, especially in terms of harmonisation and institutional stability. Earlier research acknowledged regulatory variations across jurisdictions were a barrier to the scalability of Islamic finance systems. These highlighted the need for better governance and standardisation. The debate affirmed Islamic finance contributed to sustainable economic growth and financial inclusion. The findings strongly suggested that it was an alternative financial system that supported ethical investment, financial inclusion, and socio-economic justice, while contributing to global sustainability goals (Harun & Rahmat, 2024; Ben Jedidia & Ghroubi, 2024; Mohamed & Redzuan, 2025).

6. Conclusion

The research showed that Islamic finance contributed to sustainable economic development and inclusive growth through its ethical and Shariah-compliant financial system. The study revealed that Islamic finance had a strong positive impact on financial inclusion, SME financing, poverty alleviation and infrastructure financing. The high descriptive scores suggested respondents perceived Islamic finance as a stable and socially accepted financial system which empowered real-sector economic growth. The report also found that Islamic finance promoted macroeconomic stability and sustainability through financial activities anchored to real assets and investments. It also showed a high degree of compatibility with Sustainable Development Goals, especially in the domains of social welfare, economic justice and sustainable investments. Islamic finance was an integrated system that encouraged ethical financial practices and inclusive development.

7. Recommendations

The research suggested policymakers should build the institutional capacity of Islamic finance to improve its role in promoting sustainable and inclusive development. Harmonising Islamic financial regulatory frameworks should be a focus to enhance efficiency and internationalisation. Regulators should also promote innovation in Islamic financial products like Sukuk and Islamic microfinance to enhance funding opportunities for development. It is also suggested that Islamic financial institutions boost financial awareness and education initiatives to enhance public awareness of Shariah-compliant financial products. Government and regulators should encourage integration between Islamic finance and ESG investment systems to enhance sustainable development. Digital Islamic and fintech solutions should be supported to promote financial inclusion and efficiency.

8. Future Directions

Future studies should compare the impact of Islamic finance across countries to assess the role of economic and regulatory frameworks in determining the impact of Islamic finance. Longitudinal research should also be undertaken to examine the long-term effects of Islamic finance on poverty alleviation, income distributional measures and sustainable development. Future research may also employ more sophisticated research methods such as structural equation modelling or machine learning to explore relationships between Islamic finance and economic development. Future studies may also examine the impacts of the digital revolution and blockchain in enhancing Islamic financial systems and global financial inclusion.

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Contribution of Authors

All the authors participated in the ideation, development, and final approval of the manuscript, making significant contributions to the work reported.

Conflict of Interest Statement

The authors declare no conflicts of interest.

Funding Statement

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Informed Consent

Informed consent was obtained from all individual participants included in the study.

Ethical Approval

All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards.

Data Availability

The datasets generated during and analysed during the current study are available from the corresponding author on reasonable request.

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