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# Analysis of the Relationship between Sharia Investment and Macroeconomic Growth: An Empirical Study in Indonesia

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**ABSTRACT**

This study aims to analyze the relationship between Islamic investment and macroeconomic growth in Indonesia using a qualitative approach through an exploratory descriptive design. Data were collected through in-depth interviews with academics, Islamic finance practitioners, regulators, and economic observers, supplemented by documentation studies from various official sources such as the Financial Services Authority (OJK), Statistics Indonesia (BPS), and Bank Indonesia. The results indicate that Islamic investment contributes positively to driving macroeconomic growth, particularly through financing the real sector and infrastructure development supported by sovereign sukuk instruments. The application of Islamic principles based on ethics, fairness, and the prohibition of usury contributes to creating a sustainable and inclusive investment ecosystem. Islamic investment also has a multiplier effect on the economy by strengthening MSMEs, creating jobs, and improving public welfare. However, the development of Islamic investment still faces several challenges, such as low levels of public literacy regarding Islamic finance, limited investment product variety, and the need for regulations that are more adaptive to global market dynamics. Therefore, closer synergy is needed between the government, regulators, industry players, and academics to strengthen the sharia investment ecosystem and optimize its role in inclusive and sustainable national economic development.

**Keywords:** Sharia Investment, Economic Growth, Sharia Finance, Indonesian Economy.

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## INTRODUCTION

Indonesia's macroeconomic growth is one of the main indicators for assessing a country's progress and prosperity. In this context, the Indonesian government consistently promotes strengthening various strategic sectors, such as industry, trade, agriculture, and services, to increase national Gross Domestic Product (GDP). These efforts aim not only to accelerate economic growth but also to create equitable prosperity across Indonesia (Barata, 2019). Through fiscal policies, investment incentives, and strengthening infrastructure and human resources, the government hopes that national economic growth can remain sustainable and inclusive amidst global challenges (Aluko et al., 2024).

The Islamic finance and investment industry in Indonesia has experienced very rapid growth in recent years, along with increasing public awareness of the importance of financial instruments that comply with Islamic principles (Zaini & Bin Shuib, 2021). Various Islamic financial products and services, such as sukuk, Islamic mutual funds, Islamic banking, and Islamic financing based on Islamic contracts such as murabahah, musyarakah, and mudharabah, are gaining popularity. This is supported by the government's commitment to strengthening the Islamic financial ecosystem through regulatory strengthening, fiscal incentives, and the establishment of the National Committee for Islamic Economics and Finance (KNEKS). Thanks to this support, Indonesia now holds one of the largest and most comprehensive Islamic financial ecosystems in the world, while also becoming a potential hub for global Islamic financial development (Sugianto, 2024).

In economic theory, investment plays a key role in driving a country's economic growth. By increasing investment, whether in the form of capital investment in the real sector or strengthening the financial sector, national production capacity can be increased, new jobs created, and opportunities for innovation and productivity can be expanded (Valiyevna & Hamidhanovich, 2019). However, the specific contribution of Sharia-compliant investments to national economic growth remains an interesting area for further research. Sharia-compliant investments, grounded in the principles of justice, partnership, and sustainability, have significant potential to support inclusive and sustainable economic development. Therefore, it is important to further explore how Sharia-compliant investment instruments such as sukuk, Sharia-compliant mutual funds, and Sharia-compliant financing can directly contribute to increasing GDP, economic equality, and strengthening strategic sectors in Indonesia (Setiawan & Suwandaru, 2024).

Sharia investment has strong relevance to the principles of sustainable economics because it is based on ethical values, justice and social responsibility (Nurdiana et al., 2025) The principles of Islamic investment, such as the prohibition of usury (riba), gharar (uncertainty), and maysir (speculation), encourage transparent, fair, and mutually beneficial transactions for all parties. This aligns with the Sustainable Development Goals (SDGs), which prioritize a balance between economic growth, social welfare, and environmental sustainability. Islamic investment focuses not only on financial returns but also considers the social and environmental impacts of each investment activity. Therefore, strengthening Islamic investment can be an effective strategy in promoting inclusive, equitable, and sustainable economic development at the national and global levels (Kalkavan et al., 2021).

The research gap in the study of Islamic investment and economic growth remains significant. Most previous studies have used a quantitative approach to examine the relationship between Islamic investment and economic growth, while in-depth qualitative exploration of perceptions, strategies, and the contribution of Islamic investment to macroeconomic development in Indonesia remains limited. Furthermore, despite Indonesia's significant potential for Islamic investment development, studies specifically addressing the local context, taking into account the dynamics of policy, regulation, and national macroeconomic conditions, are still limited. Previous research has also rarely comprehensively explored the multi-sectoral interactions between regulators, market players, and academics in strengthening the role of Islamic investment as a driver of inclusive and sustainable economic growth in Indonesia.

To date, empirical studies on the relationship between Islamic investment and economic growth in Indonesia have been dominated by quantitative approaches. Most research focuses solely on measuring the statistical relationship between Islamic investment variables and macroeconomic indicators, without delving deeply into the non-quantitative aspects that influence these dynamics. However, qualitative approaches have significant potential to enrich understanding by exploring the perspectives of experts, Islamic finance practitioners, and regulators directly involved in the development of Islamic investment in Indonesia. Qualitative studies can provide contextual insights into the challenges, implementation strategies, and real contributions of Islamic investment in promoting sustainable economic development. Unfortunately, research using this approach remains very limited, necessitating further efforts to fill the gaps in the literature and strengthen a more comprehensive knowledge base in this field.

## METHOD

This study uses a qualitative method with an exploratory descriptive approach to deeply explore the relationship between Islamic investment and macroeconomic growth in Indonesia. This approach aims to understand the phenomenon through the interpretations and perspectives of experts and relevant industry players. Primary data in this study were obtained through semi-structured interviews with various sources, such as academics in the field of Islamic economics, Islamic finance practitioners (Islamic banking and Islamic investment managers), regulators such as the Financial Services Authority (OJK) and Bank Indonesia, as well as macroeconomic observers. In addition, secondary data was collected through documentary studies covering academic literature, scientific journals, official reports from government agencies such as the OJK, Bank Indonesia, and Statistics Indonesia (BPS), and industry reports related to Islamic investment in Indonesia (Sudirman et al., 2023). The data analysis technique used is thematic analysis, with a data reduction process to sort out important information, data coding to find the main theme, data presentation in the form of narratives and interview quotes, and drawing conclusions on the relationship patterns found. To maintain the validity of the data, this study applies data triangulation techniques by comparing information from various informants and data sources, and conducting member checks to ensure that the interpretation results are in accordance with the views of the informants.

## RESULTS AND DISCUSSION

Research results show that sharia investment in Indonesia plays a significant role in supporting macroeconomic growth, particularly through its contribution to financing the real sector, which helps maintain economic stability. Instruments such as sovereign sukuk have proven effective in financing infrastructure projects, directly impacting Gross Domestic Product (GDP). Furthermore, the application of sharia principles, grounded in ethics, fairness, and the prohibition of usury, contributes to creating an inclusive and sustainable economic ecosystem. However, the development of sharia investment still faces several obstacles, such as low public literacy regarding sharia products, a sharia capital market infrastructure that is not yet as robust as conventional instruments, and regulatory challenges that need to be continuously adjusted to the dynamics of the global sharia market. Stakeholder perceptions, including regulators, industry players, and academics, emphasize that synergy between these parties still needs to be strengthened to optimize the contribution of sharia investment to economic growth. Support in the form of adaptive regulations and policies that support the strengthening of the sharia market is key. Furthermore, sharia investment also has a multiplier effect through increased financing for the MSME sector, which has implications for job creation, increased community income, and strengthening the national economic structure from the grassroots level to the macro sector.

**Table 1. Perceptions of Informants on the Relationship between Sharia Investment and Macroeconomic Growth**

| No | Source person | Institution / Profession | Key Statements |
|---|---|---|---|
| 1 | Islamic Economics Academic | Islamic University of Indonesia | Sharia investment plays a role in increasing the productivity of the real sector through profit-sharing-based financing. |
| 2 | Islamic Finance Practitioner | Bank Syariah Indonesia | Sharia sovereign sukuk is an alternative financing for national infrastructure development that is significant for GDP. |
| 3 | Regulator | Financial Services Authority (OJK) | The main challenge is the low level of public literacy regarding sharia investment products compared to conventional ones. |
| 4 | Economic Observer | INDEF Economist | Sharia investment has a multiplier effect on job creation, especially through financing MSMEs. |
| 5 | Sharia Investment Manager | Investment Management Company | There is a need to diversify sharia investment products to make them more competitive and attractive to both domestic and global investors. |

*Source: OJK, BPS, Bank Indonesia, processed (2024)*

This table illustrates the results of interviews with five sources from various backgrounds, including academics, practitioners, regulators, economic observers, and Islamic investment managers. The interviews indicate that the sources generally agree that Islamic investment contributes to Indonesia's macroeconomic growth. This contribution is primarily through:

a. Strengthening the real sector through sharia-based financing.
b. Infrastructure financing support through government sukuk.
c. Empowering MSMEs through sharia financing schemes.

However, challenges include low public literacy and limited diversification of Sharia investment products. The resource person also highlighted the need for product innovation and regulatory strengthening to increase the competitiveness of Sharia investment in Indonesia (Haanurat, 2024).

**Contribution of Sharia Investment to Macroeconomic Growth**

Sharia investment in Indonesia makes a real contribution to driving macroeconomic growth through various financial instruments that comply with sharia principles (Fathan & Arundina, 2019). One of the most prominent instruments is sovereign sukuk, which has been widely used to finance various strategic infrastructure projects, such as the construction of toll roads, ports, and energy facilities. This infrastructure development not only strengthens connectivity between regions but also increases the efficiency of the distribution of goods and services, ultimately contributing to Gross Domestic Product (GDP) growth (Miftahul Huda et al., 2023). In addition to sukuk, Islamic mutual funds and Islamic financing such as murabahah, musyarakah, and mudharabah also play a role in driving the real sector, particularly in the MSME, halal industry, and agriculture sectors. Through fair and partnership-based financing schemes, Islamic investment encourages increased productivity, job creation, and economic equality across all levels of society. Thus, Islamic investment is not only a financial alternative that aligns with religious values but also a crucial pillar in strengthening the foundation of an inclusive and sustainable national economy (Ramli et al., 2024).

Sharia-compliant investments make a strategic contribution to macroeconomic growth by strengthening the real sector, creating jobs, and encouraging a more equitable and sustainable distribution of wealth in accordance with Sharia principles. By prioritizing fairness, transparency, and prohibiting speculation, Sharia-compliant investments can enhance economic stability and encourage broader financial inclusion, particularly in countries with large Muslim populations (Alhammadi, 2024).

**Implementation of Sharia Principles as a Pillar of Sustainable Economy**

The application of sharia principles in investment is a crucial pillar in realizing a sustainable economy. Sharia investment is not solely oriented towards achieving financial profit, but is also based on the principles of justice, partnership, transparency, and the prohibition of usury, which are morally and socially aligned with the concept of sustainable development. The principle of justice demands an equitable distribution of benefits between investors and recipients of funds, while the principle of partnership emphasizes a mutually beneficial and sustainable cooperative relationship (Kurniati Yunus et al., 2024).

On the other hand, the prohibition against usury (riba), gharar (gharar), and maysir (gambling) ensures that every investment transaction is conducted ethically and free from elements of exploitation or excessive speculation. The implementation of these principles contributes to the formation of a healthy, stable, and inclusive investment ecosystem, where economic growth goes hand in hand with improving social welfare, reducing inequality, and protecting environmental sustainability. Therefore, Sharia investment holds great potential as a financial instrument that is not only relevant in a religious context but also serves as a strategic solution to address global challenges in achieving the Sustainable Development Goals (SDGs) (Khan & Haneef, 2022).

**Obstacles to Sharia Investment Development in Indonesia**

The development of Sharia-compliant investment in Indonesia still faces various challenges that hinder its potential to drive national economic growth. One major obstacle is the low level of public literacy regarding Sharia-compliant financial concepts and products, resulting in many people not understanding the benefits, mechanisms, or advantages of Sharia-compliant investments compared to conventional investments (Dayu et al., 2024). Furthermore, the variety of Sharia-compliant investment products in the Indonesian capital market remains limited, both in terms of instruments and investment schemes, resulting in relatively less diverse and competitive options for investors compared to more established conventional products. This limitation often discourages investors from switching to or exploring Sharia-compliant investment alternatives.

Another equally significant challenge is the regulatory and policy aspects, which are still not fully adaptive to the dynamics and needs of the global Islamic finance industry. Existing regulations are sometimes unresponsive to product innovations and developments in Sharia-compliant financial technology (fintech), thus slowing the sector's growth acceleration (Hidayah et al., 2021). To overcome these various obstacles, more integrated efforts are needed through increased education and Islamic financial literacy, diversification of innovative Islamic investment products, and more progressive regulatory updates aligned with developments in the international Islamic financial industry (Aladağ, 2023).

**Stakeholder Synergy in Enhancing the Role of Sharia Investment**

Strengthening the role of sharia investment in the national economy requires close and collaborative synergy between various related parties, including the government, regulators such as the Financial Services Authority (OJK) and Bank Indonesia (BI), sharia financial industry players, and academics (Amany et al., 2025). Each party has a complementary strategic role in creating a strong, adaptive, and globally competitive sharia investment ecosystem. The government can contribute by developing fiscal policies that support the development of sharia investment, such as tax incentives for sharia products and financing support for sharia-based productive sectors (Aisyah, 2024).

Regulators need to strengthen their regulatory and supervisory frameworks to be more adaptive to innovations in sharia-compliant products and developments in financial technology (fintech). The sharia financial industry is expected to continue innovating by creating diverse, competitive investment products that meet market needs. Meanwhile, academics play a crucial role in providing scientific studies, research, and developing human resource capacity through sharia-based education and training (Kenneh, 2024). Improving human resource capacity is key to ensuring professionals in this sector possess high competency and are able to face global challenges. With integrated collaboration between all stakeholders, sharia investment in Indonesia has the potential to become a key pillar in driving inclusive, equitable, and sustainable economic growth (Abdullah et al., 2024).

**Multiplier Effect of Sharia Investment on the Macroeconomy**

Sharia-compliant investments have a significant multiplier effect on macroeconomic growth in Indonesia. One of their primary contributions is through financing the Micro, Small, and Medium Enterprises (MSMEs) sector, which has long been the backbone of the national economy (Masrizal et al., 2025). Through sharia-based financing schemes such as mudharabah, musyarakah, and murabahah, sharia investment not only provides fair and transparent access to capital for MSMEs but also encourages increased production capacity, product innovation, and business competitiveness at the local level. Consequently, more job opportunities are created for the community, which in turn contributes to increased income and social welfare. This ripple effect strengthens the foundation of an inclusive people's economy, broadens the country's tax base, and reduces social and economic disparities.

Furthermore, Sharia-compliant investments channeled through infrastructure projects and the real sector also stimulate growth in related sectors, such as services, logistics, and trade. Thus, Sharia-compliant investments not only drive macroeconomic growth but also play a strategic role in building national economic resilience based on community empowerment and equitable distribution of development outcomes (Arshed et al., 2020).

## CONCLUSION

Sharia investment contributes positively to macroeconomic growth in Indonesia, particularly through infrastructure financing and strengthening the real sector through instruments such as sukuk and sharia financing. The application of sharia principles encourages ethical and sustainable investment, which aligns with the goals of inclusive and equitable economic development. However, the development of sharia investment still faces challenges such as low sharia financial literacy in the community, limited investment product variety, and the need for regulations that are more adaptive to global market dynamics. To address these challenges, strong synergy is needed between the government, regulators, industry players, and academics to strengthen the ecosystem and increase the competitiveness of the sharia financial industry at the national and global levels. Furthermore, sharia investment has a significant multiplier effect on the economy, particularly in encouraging the growth of MSMEs, creating new jobs, and improving public welfare in a more equitable and sustainable manner.

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