

CHARTING NEW FRONTIERS IN ISLAMIC ECONOMICS AND FINANCE: INNOVATION, SUSTAINABILITY, AND INCLUSIVE DEVELOPMENT

ABSTRACT

This issue brings together innovative research at the nexus of Islamic economic principles and sustainable development. It includes studies of community-based finance and empowerment, such as rotating savings and credit associations, and initiatives in the halal industry that uplift marginalized groups. Other papers examine the digital transformation of Islamic finance, assessing how religiosity and financial literacy influence fintech adoption and exploring investor behavior in Islamic markets. The issue also examines Shariah governance in the context of green banking and corporate sustainability, and analyzes Islamic banks' efficiency under economic stress; additionally, a systematic review of IFRS adoption in Islamic banking highlights regulatory convergence. Together, these contributions advance theoretical understanding and provide practical guidance for an inclusive, risk-aware, and sustainable Islamic finance sector.

Keywords: Islamic finance, financial inclusion, fintech, corporate governance, sustainability

INTRODUCTION

It is with great pleasure that I introduce this first issue of “*Share: Jurnal Ekonomi dan Keuangan Islam* (Share: Journal of Islamic Economics and Finance)” for 2025. In an era of rapid digital transformation and renewed focus on sustainability, the articles collected here reflect the dynamic evolution of Islamic finance and economics. They span topics from community-based finance models that empower the underserved to institutional strategies for green and inclusive banking. Each contribution offers a thoughtful analysis of pressing issues—grounded in Islamic principles—that bear directly on the economic and social well-being of our society.

In bringing together these papers, we have aimed to highlight how Shariah-compliant practices can drive inclusive economic development and inform effective policy responses to contemporary challenges. The authors examine a range of themes: from the empowerment of marginalized communities through innovative financial models, to the role of Islamic governance in promoting ethical investment and environmental stewardship. With this broad focus, the issue speaks to both local concerns in Indonesia and wider global trends, showcasing work that is rigorous in analysis and rich in practical insights.

As Islamic finance continues to grow in prominence as a viable and ethical paradigm, *SHARE* remains dedicated to fostering scholarly dialogue and innovation in the field. We believe that advancing research on financial inclusion, sustainability, risk management, and related areas is essential for

informing practitioners and policymakers. This issue reaffirms our commitment to publishing work that not only deepens academic understanding but also guides efforts to build a more inclusive and sustainable financial future.

METHODOLOGY OF ARTICLE SELECTION

The manuscripts featured in this issue were selected through a rigorous double-blind peer review process, ensuring high standards of originality, methodological soundness, and clarity. Submissions were evaluated by multiple experts on the basis of their contribution to Islamic economics and finance, the robustness of their methods, and the significance of their findings. We prioritized research addressing the journal's core themes—such as financial inclusion, innovation, governance, sustainability, and risk management—particularly studies that yield practical implications for policy and practice. This careful selection process underpins Share's commitment to quality scholarship and meaningful contributions to the field.

THEMATIC OVERVIEW

A major thread in this issue is the focus on inclusive finance and socio-economic empowerment. Several contributions explore how Islamic financial models can uplift underserved populations. For instance, research on grassroots rotating savings associations (known locally as *jula-jula*) and *waqf*-based microfinance illuminates ways to expand financial inclusion and community resilience. Similarly, a systematic review of the halal industry in Indonesia highlights how developing halal markets can economically empower marginalized communities and promote local entrepreneurship. Together, these studies demonstrate the potential of Shariah-compliant approaches to foster inclusive development and social welfare.

Innovation and digital transformation in Islamic finance also receive significant attention. One paper assesses how religiosity and financial literacy influence individuals' adoption of Islamic digital financial services, revealing key drivers of fintech usage among Indonesian consumers. Another investigates behavioral biases in Islamic retail investing, showing how demographic factors shape investment decisions in Shariah-compliant securities. An additional study proposes strategic approaches for developing Islamic tourism by integrating local cultural wisdom with digital innovation. These works underscore the intersection of Islamic finance with technology and consumer behavior, suggesting pathways to broaden access to financial services and enhance customer engagement.

Issues of governance and sustainability are highlighted through analyses of institutional frameworks. A study on green banking examines how core Islamic



concepts (*Hifz al-Dīn* and *Hifz al-Bi'ah*) underpin environmentally-friendly financial practices, linking religious compliance to ecological stewardship and financial stability. Another article investigates corporate governance and intellectual capital in shaping sustainability disclosure among Islamic firms, offering insights into the management drivers behind ethical reporting.

For policy context, a systematic literature review of IFRS adoption in Islamic banks in South Africa and Indonesia identifies models of regulatory alignment and convergence, underscoring the importance of standardized frameworks in Shariah finance. Collectively, these contributions emphasize the roles of Shariah governance and transparent reporting in promoting long-term sustainability in the Islamic finance industry.

Finally, the theme of resilience and risk management is addressed through empirical analysis of financial performance under stress. One study employs stochastic frontier analysis to compare the efficiency of Islamic and conventional banks in Indonesia during the COVID-19 pandemic, providing insights into how Islamic institutions fared under economic shock. The findings offer valuable lessons on managing financial risk and sustaining operational performance in turbulent times. In doing so, this research informs policymakers and bankers about strategies to strengthen institutional preparedness and stability in the face of future crises.

CONCLUSION

This issue showcases a rich tapestry of scholarship that deepens our insight into the evolving challenges and opportunities in Islamic economics and finance. The contributions presented here span grassroots innovation, digital finance, governance, and risk analysis, and together they offer a holistic perspective on how Islamic financial principles can be harnessed for inclusive and sustainable development. We trust that the findings and frameworks offered by our authors will inspire further research and guide policymakers, regulators, and practitioners in building a more robust and equitable financial system.

We extend our heartfelt appreciation to all the authors whose expertise and creativity are reflected in this issue, and to the reviewers and editorial board members for their dedication in ensuring the rigor and quality of the published work. Their collective effort upholds the high standards of '*SHARE*' and drives forward knowledge in the field of Islamic finance. We are also grateful to our readers: your engagement and feedback are invaluable. It is our hope that this issue enriches your understanding and spurs further discussion and collaboration in Islamic economics and finance.



As we continue navigating the complexities of the modern financial world, *SHARE* remains committed to fostering critical dialogue and ethical practice. We invite you, our readers, to engage with the ideas presented here and to join us in the ongoing pursuit of knowledge and innovation in Islamic economics and finance.

Warmest regards,

Prof. Dr. Azharsyah Ibrahim

Editor-in-Chief

Share: Jurnal Ekonomi dan Keuangan Islam

Universitas Islam Negeri Ar-Raniry Banda Aceh, Indonesia

Email: azharsyah@ar-raniry.ac.id

