

Empowering the Young Generation of Indonesia Through Sharia Investments

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Article Info	ABSTRACT
<p>Article history:</p> <p>Received 1 31, 2025 Revised 2 21, 2025 Accepted 3 1, 2025</p> <p>Keywords:</p> <p>Young Generation; Sharia Investments; Sharia Business</p>	<p>Shariah investment presents a powerful tool for empowering Indonesia's younger generation and promoting sustainable economic growth. This study highlights the role of Shariah-compliant investments in fostering an inclusive financial system that aligns with Islamic ethical principles. By integrating the prohibition of interest (riba), excessive speculation (gharar), and investment in unethical industries, Shariah investments encourage fairness and social responsibility in economic activities. The research emphasizes that beyond financial returns, these investments serve as vehicles for social justice, ethical finance, and equitable wealth distribution. Shariah investments also empower young individuals by offering a means to align their financial activities with their moral and religious values. With appropriate regulatory support and market growth, Shariah investment holds the potential to drive long-term prosperity and social cohesion, particularly in developing economies like Indonesia.</p> <p><i>This is an open access article under the CC BY license.</i></p> <div></div>

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INTRODUCTION

Shariah investment has gained attention as a promising option for economically empowering the younger generation, especially in the context of modern financial systems that emphasize ethical values and social responsibility. As the global economy shifts towards sustainability, Shariah-compliant financial products are emerging as viable alternatives for those seeking not only financial returns but also adherence to Islamic ethical principles. According to Paranke & Erragragui (2016), Shariah investment holds significant potential for sustainable economic development. This article highlights the importance of Shariah investment in fostering inclusive and sustainable growth, particularly in empowering the younger generation. The rise of Shariah-compliant investments reflects broader trends in ethical finance, which prioritize social welfare, environmental sustainability, and economic equity alongside financial profitability. This holistic approach differentiates Shariah investment from conventional investment vehicles, making it a more appealing option for investors concerned with aligning their financial activities with their moral and ethical values. Furthermore, Shariah investment is grounded in a well-defined set of principles derived from

Islamic teachings, such as the prohibition of interest (*riba*), the avoidance of uncertainty (*gharar*), and the exclusion of unethical business activities. These principles form the foundation of an economic system that promotes both individual welfare and collective prosperity, thereby addressing social and economic injustices.

One of the key characteristics of Shariah investment is its emphasis on ethical values, which extends beyond generating financial returns to encompass social justice and community welfare. As Al-Jayyousi (2016) suggests, Shariah investment offers an economic paradigm that is not only financially viable but also inclusive and sustainable. By adhering to principles such as profit-sharing (*mudharabah*) and joint venture partnerships (*musharakah*), Shariah investment fosters a more equitable distribution of wealth and ensures that the benefits of economic growth are shared by all members of society. This makes it an attractive model for developing economies seeking to address income inequality and promote social cohesion. A comprehensive review of the literature on Shariah investment reveals its profound impact on economic growth, particularly in terms of empowering the younger generation. Young people are increasingly interested in ethical finance as they become more aware of the social and environmental impacts of their financial decisions. Shariah investment provides them with a means to engage in financial activities that are consistent with their values while contributing to broader societal goals such as poverty alleviation and economic empowerment. For instance, Khavarinezhad et al, (2021) argue that Shariah investment can serve as a powerful tool for sustainable development, as it encourages responsible investment practices and promotes long-term value creation.

In the context of Indonesia, the world's largest Muslim-majority country, Shariah investment has the potential to play a critical role in achieving balanced and sustainable economic growth. As the Indonesian economy continues to evolve, there is increasing recognition of the importance of aligning financial activities with Islamic principles. The Financial Services Authority (Otoritas Jasa Keuangan, OJK) has reported a positive trend in the growth of the Shariah financial market in recent years, indicating growing interest from both the public and market participants in Shariah-compliant investments (Otoritas Jasa Keuangan (OJK), 2023). This trend is particularly significant in light of Indonesia's efforts to promote financial inclusion and empower its youth population. Shariah investment is also characterized by its focus on risk-sharing and fairness. Unlike conventional finance, where risk is often transferred from one party to another, Shariah-compliant financial products require both parties to share the risks and rewards of their investment. This ensures a more balanced relationship between investors and entrepreneurs and reduces the likelihood of exploitation or unfair treatment. Dzulkepli & Barom (2021) emphasize that this principle of fairness is central to Shariah investment, as it aims to promote a more just and equitable economic system that benefits all participants. By encouraging a fair distribution of wealth and reducing economic disparities, Shariah investment contributes to the creation of a more inclusive society.

The younger generation in Indonesia, like in many parts of the world, is increasingly concerned with the social and environmental impact of their financial activities. Shariah investment offers them an opportunity to participate in the financial system in a way that aligns with their values and contributes to the broader goal of sustainable development. By investing in Shariah-compliant financial products, young people can play a key role in driving economic growth while ensuring that this growth is inclusive and socially responsible. To fully realize the potential of Shariah investment as a tool for economic empowerment and sustainable development, it is essential to create a supportive regulatory environment. As noted by Grassa, (2013), government policies and the role of financial institutions are crucial in promoting the growth of Shariah investment. In countries like Indonesia, where Islamic finance is still in its developmental stages, policymakers must focus on strengthening the regulatory framework and providing incentives for both investors and businesses to adopt Shariah-compliant practices. This includes offering tax incentives, simplifying the process of issuing Shariah-compliant financial products, and ensuring that financial institutions have the necessary expertise to manage these products effectively.

The integration of Shariah principles into investment activities also has important implications for the development of a more inclusive and resilient financial system. By encouraging responsible investment practices and promoting a more equitable distribution of wealth, Shariah investment can help mitigate some of the challenges associated with economic inequality and social

injustice. This is particularly relevant in the context of Indonesia, where poverty and income inequality remain pressing concerns despite the country's impressive economic growth in recent years. By promoting Shariah-compliant investments, the Indonesian government can take a significant step towards creating a more inclusive economy that benefits all members of society, including the younger generation. This article aims to provide readers with a deeper understanding of the importance of Shariah investment as a tool for sustainable economic development. By examining its characteristics, principles, and impact, it is hoped that readers will recognize the potential of Shariah investment to foster balanced and inclusive growth, particularly in the context of empowering the younger generation. As the global economy becomes increasingly interconnected, the role of Shariah investment in promoting ethical finance and sustainable development is likely to grow in significance. By embracing the principles of Shariah investment, countries like Indonesia can build a more resilient and equitable financial system that supports long-term prosperity for all.

METHOD

The research method employed in this article is a qualitative approach through an in-depth literature review (Jalali & Wohlin, 2012). Literature analysis on Shariah investment, including its fundamental concepts, principles, and its impact on the youth in Indonesia, serves as the foundation for the study. Relevant data will be sourced from various literary works such as academic journals, books, research reports, and reputable articles. This literature analysis aims to explore the fundamental concepts and principles of Shariah investment while highlighting its impact on the youth in Indonesia. The information gathered from diverse literary sources will establish a strong foundation for understanding the benefits of Shariah investment for the younger generation. Through a meticulous literature study method, this article will provide a profound understanding of how Shariah investment can be a crucial instrument in empowering the youth in Indonesia.

RESULTS AND DISCUSSION

The Contribution of Shariah Investment to the Empowerment of the Younger Generation

Shariah investment has emerged as a vital tool in empowering the younger generation in Indonesia, particularly within the realm of economic development. The findings from the literature review and empirical evidence suggest that the principles of Shariah investment align with ethical values and social justice, making it an effective means of achieving sustainable economic growth. According to Paranque & Erragragui (2016) Shariah investment provides a financial model that prioritizes not only financial returns but also the ethical impact of investments. This paradigm serves as a holistic strategy, contributing significantly to Indonesia's younger generation by equipping them with the tools to actively participate in the economy while upholding Islamic principles. A key outcome of Shariah investment is its ability to economically empower young people, allowing them to function as both consumers and investors. It provides them with an alternative to conventional investment, which often prioritizes profit over ethics. As Hassan & Kayed (2009) pointed out, Shariah investment not only generates financial gains but also embeds social and ethical values in financial practices. This empowers the younger generation to become agents of change, integrating moral and ethical principles into their economic decisions. By promoting responsible and ethical behavior, Shariah investment fosters a new generation of investors who are conscious of their social impact, contributing to a more equitable society.

The prohibition of usury (*riba*), excessive speculation (*gharar*), and investment in haram (forbidden) industries serves as the backbone of Shariah investment. These Islamic principles ensure that investment activities are aligned with moral values, contributing to societal well-being. Alam et al., (2017) argue that this not only offers financial benefits but also cultivates a sense of responsibility towards society. Shariah-compliant investments are seen as a tool for sustainable economic development because they prioritize ethical considerations alongside profitability. This balance between economic returns and social good makes Shariah investment a compelling option for the younger generation, who are increasingly drawn to responsible and impact-driven financial practices. In terms of sustainable development, Shariah investment plays a crucial role by encouraging economic activities that prioritize long-term growth and social justice. Ismail & Shaikh (2017) highlight that Shariah investment promotes a balanced approach to economic development, where social welfare and environmental preservation are valued alongside economic growth. This holistic

approach to economic development is essential for addressing pressing global challenges, such as poverty and environmental degradation. The younger generation, being more aware of these issues, is particularly drawn to the principles of Shariah investment, as it offers a path to wealth accumulation that is aligned with their values and concerns about sustainability.

The concept of Shariah economics, which underpins Shariah investment, goes beyond individual interests and emphasizes the welfare of the broader community. Dzulkepli & Barom (2021) assert that Shariah investment can be a powerful tool for alleviating poverty and enhancing the welfare of society. This is particularly relevant in the context of Indonesia, where poverty and income inequality remain significant challenges despite the country's rapid economic growth. By promoting a more equitable distribution of wealth, Shariah investment contributes to reducing social and economic disparities, thus creating a more just and inclusive society. The growing importance of Shariah investment in Indonesia is reflected in the increasing interest from both the public and market participants. Data from the Financial Services Authority of Indonesia (Otoritas Jasa Keuangan, OJK) in 2023 indicates a positive trend in the growth of the Shariah financial market. This growth highlights the expanding role of Shariah investment in supporting Indonesia's economy and underscores its potential as a key driver of sustainable development. As more young people become aware of the benefits of Shariah investment, their participation in the market is likely to increase, further strengthening the sector's contribution to the national economy.

One of the most notable findings from this research is the potential of Shariah investment to empower the younger generation by providing them with opportunities to engage in ethical finance. The younger generation is increasingly drawn to financial products that align with their values, and Shariah investment offers them a way to invest in a manner that is consistent with their ethical and religious beliefs (Newaz, 2014). This not only empowers them financially but also encourages them to adopt a more responsible approach to investing, one that considers the broader social and environmental impact of their financial decisions. To maximize the potential of Shariah investment in empowering the younger generation, full support from the government and financial institutions is essential. Grassa (2013) emphasizes the importance of policies and regulations that create a conducive environment for the growth of Shariah investment. In Indonesia, there is a need for stronger regulatory frameworks that support the development of Shariah-compliant financial products and services. Additionally, government initiatives such as tax incentives, simplified regulatory processes, and public awareness campaigns can encourage greater participation in the Shariah investment market. Financial institutions also play a crucial role in providing the necessary infrastructure and expertise to manage Shariah-compliant investments effectively.

Ethical Principles in Shariah Investment

The ethical principles embedded in Shariah investment create a unique financial framework that extends beyond merely generating profits. These principles, such as the prohibition of usury (*riba*), excessive speculation (*gharar*), and investments in forbidden industries (*haram*), establish Shariah investment as an ethical alternative to conventional finance. Alam et al., (2017) highlight that these prohibitions form the bedrock of Shariah-compliant finance, ensuring that financial activities align with moral and social objectives. This approach contributes to a model of investment that not only achieves financial returns but also promotes social justice, fairness, and long-term sustainability. One of the core principles that distinguish Shariah investment is the prohibition of usury (*riba*). In the Shariah framework, *riba* is viewed not only as a financial injustice but also as a practice that harms society at large. Souaiaia (2014) emphasize that the exclusion of interest-based earnings ensures fairness in financial transactions and helps protect individuals and communities from the exploitative nature of interest. The absence of interest in Shariah investment provides a more equitable distribution of wealth, avoiding the concentration of capital in the hands of a few. As a result, this promotes a more inclusive financial system, where individuals from all socioeconomic backgrounds can participate without the burden of accumulating debt through interest-based loans.

The prohibition of excessive speculation (*gharar*) further strengthens the ethical framework of Shariah investment. Excessive speculation introduces uncertainty and volatility into markets, which can lead to instability and harm societal well-being. Lewis, (2010) argue that this prohibition encourages Shariah investments to focus on tangible assets and real economic activities rather than

speculative ventures. By limiting speculation, Shariah investments aim to foster stable and sustainable financial growth, benefiting both investors and society. This approach aligns with the principles of risk-sharing, where all parties involved in an investment are expected to bear a fair share of the risk, thereby promoting justice and fairness in financial transactions.

Another significant ethical aspect of Shariah investment is the exclusion of investments in forbidden industries (*haram*), such as alcohol, gambling, tobacco, and businesses associated with unethical practices. This prohibition ensures that funds are not directed toward activities that contradict Islamic moral and social values. As Barom (2019) assert, this commitment to ethical investment supports the broader goal of achieving societal well-being by discouraging harmful or socially detrimental behaviors. This practice aligns Shariah investment with the concept of *maslahah*, or the pursuit of the common good, as it ensures that financial activities contribute positively to society, rather than causing harm. The prohibition of investing in industries that promote unethical or harmful activities also underscores the commitment of Shariah investment to promoting social responsibility. By avoiding investments in sectors that may contribute to social ills, Shariah-compliant investments create a positive impact on both investors and society at large. This approach goes beyond financial returns and addresses the moral obligations of investors to ensure that their investments are aligned with broader societal values. As a result, Shariah investment is not only a means to accumulate wealth but also a tool for promoting ethical behavior and social justice.

Ullah & Jamali (2010) emphasize that Shariah investment serves as a mechanism for equitable wealth distribution, promoting fairness in the financial system. Shariah investment ensures that financial transactions are structured in a way that benefits all parties involved, reducing economic disparities and providing opportunities for those who may be excluded from conventional financial systems. This is particularly important in developing countries like Indonesia, where income inequality remains a significant challenge. By adhering to the principles of justice and fairness, Shariah investment can help bridge the economic divide and provide equal opportunities for individuals from diverse socioeconomic backgrounds. Moreover, the social justice dimension of Shariah investment is critical in addressing economic disparities within society. Al-Ameen, (2016) notes that Shariah investment is grounded in the principle of wealth redistribution, ensuring that resources are not concentrated in the hands of a few but are spread more equitably across society. This is particularly relevant in the context of developing economies, where income inequality and lack of access to financial resources remain persistent challenges. Shariah investment provides a framework that promotes social justice by encouraging responsible financial practices that prioritize the well-being of society as a whole.

The ethical principles that guide Shariah investment not only enhance its appeal to socially conscious investors but also ensure long-term sustainability. Alam et al., (2017) argue that by adhering to these principles, Shariah investment promotes a more sustainable approach to economic development. Investments are directed towards sectors that contribute to the real economy, such as infrastructure, agriculture, and manufacturing, rather than speculative activities that may lead to financial instability. This focus on tangible economic activities fosters long-term economic growth and ensures that investments contribute to the overall well-being of society, rather than creating short-term financial gains at the expense of social stability. In the context of global financial markets, the ethical framework of Shariah investment has gained increased attention, especially in light of the growing demand for responsible and sustainable investment options. Investors, particularly younger generations, are increasingly seeking investment opportunities that align with their ethical values and social concerns. The principles of Shariah investment offer a compelling alternative to conventional finance by providing a model that prioritizes ethical considerations, social justice, and long-term sustainability (Yunus et al., 2024). This shift in investor preferences has contributed to the rapid growth of the Shariah investment market, particularly in Muslim-majority countries such as Indonesia.

By adhering to these principles, Shariah investment provides a financial model that not only generates economic returns but also contributes to the well-being of society. This makes Shariah investment a powerful tool for promoting social justice, reducing economic disparities, and fostering sustainable economic development. As the demand for ethical and responsible investment options continues to grow, the principles of Shariah investment offer a promising solution for investors seeking to align their financial activities with their ethical values.

Government and Financial Institutions Support

The growth and sustainability of the Shariah investment sector rely heavily on the support provided by both government and financial institutions. Active involvement from these entities creates an environment conducive to fostering Shariah-compliant investments, which, in turn, supports broader economic and social development. Grassa, (2013) underscores that the success of Shariah investment is not solely dependent on market forces or investor interest but also requires robust backing from the government in the form of regulations and incentives. Government roles as regulators and facilitators are essential in shaping the legal and financial frameworks that enable Shariah investment to thrive. One of the fundamental areas where government support is crucial lies in the development and enforcement of regulations that specifically cater to Shariah investment. El-Hawary et al., (2007) point out that without clear legal foundations, the sector remains vulnerable to market uncertainty, which can discourage potential investors. Regulatory frameworks that provide legal certainty are essential in fostering a stable investment environment. By clearly outlining the principles and boundaries of Shariah investment, such regulations help mitigate risks, create transparency, and ultimately build investor confidence.

Moreover, strong regulations also contribute to reducing market volatility by establishing guidelines that market participants must adhere to, ensuring that the investment environment remains ethical, transparent, and secure. Karim & Archer (2013) argue that when investors feel assured of the legal and regulatory protections in place, they are more likely to commit their capital to Shariah-compliant projects, thereby strengthening the sector. For Shariah investment to scale and integrate more deeply into national economic structures, governments must ensure that regulations are well-defined and adaptive to market needs. In addition to regulatory support, governments play a crucial role in promoting Shariah investment by offering targeted incentives. Yas et al (2018) emphasize that financial incentives such as tax exemptions, subsidies, or reduced transaction fees are vital in encouraging public participation in Shariah investment. These incentives serve to lower entry barriers for potential investors and make Shariah-compliant financial products more competitive compared to their conventional counterparts. For example, tax breaks on Shariah-compliant financial products can attract both institutional and individual investors who might have otherwise been deterred by cost considerations.

By aligning these incentives with national economic priorities, such as fostering sustainable development or enhancing financial inclusion, governments can create a positive feedback loop. Yas et al., (2018) highlight that these measures serve not only as financial enticements but also reflect a government's commitment to the growth of the Shariah investment sector. By demonstrating such commitment through tangible support, governments can build trust among market participants and signal their long-term dedication to Shariah finance as a pillar of the national economy. Furthermore, the provision of special facilities for Shariah investment, such as streamlined processes for issuing Shariah-compliant bonds (*sukuk*) or simplified procedures for investing in Shariah-compliant funds, can be instrumental in attracting more investors. Wahab & Mohamed Naim, (2019) suggest that when governments provide such facilities, they reduce administrative hurdles and make it easier for both local and foreign investors to engage with the market. This creates a more accessible and efficient investment environment, leading to increased liquidity and more dynamic market participation.

The domino effect of these government-backed initiatives cannot be understated. As Yas et al., (2018) observe, once incentives and facilities are in place, even individuals who were previously unaware or hesitant to engage in Shariah investment may become motivated to explore this avenue. This can result in a significant increase in the number of retail investors participating in the Shariah financial market, thereby broadening the base of capital available for Shariah-compliant projects. With greater participation from various segments of society, the Shariah investment market becomes more robust and diversified, which further enhances its resilience and ability to contribute to long-term economic stability. In addition to government actions, the role of financial institutions in supporting Shariah investment is equally critical. Financial institutions act as intermediaries that connect investors with Shariah-compliant products and services (Ahmed et al., 2015). By offering a range of Shariah-compliant financial instruments, including Islamic savings accounts, *sukuk*, and Shariah-compliant mutual funds, financial institutions provide the infrastructure necessary for the

Shariah investment market to function (El-Hawary et al., 2007; Maulana, 2020). Moreover, financial institutions can play a pivotal role in educating the public about the benefits of Shariah investment, thereby fostering a more informed and engaged investor base.

Financial institutions also contribute by conducting rigorous Shariah-compliance screenings to ensure that investment products meet the ethical standards required by Islamic law. This screening process builds credibility and trust in the market, as investors are assured that their funds are being managed in accordance with their ethical and religious values. As Karim & Archer (2013) highlight, trust is an essential component of any financial system, and in the case of Shariah investment, the assurance that funds are being used in a way that aligns with Shariah principles is paramount. Additionally, the partnership between governments and financial institutions can lead to the creation of Shariah-compliant financial products that are specifically designed to support national development goals (Ahmed et al., 2015). For example, governments can collaborate with banks to issue sukuk aimed at funding infrastructure projects or green energy initiatives, both of which align with Shariah principles of sustainability and social responsibility. By channeling Shariah-compliant investments into projects that contribute to sustainable economic development, governments can mobilize private capital for public benefit, creating a win-win situation for both investors and society at large.

Wahab & Mohamed Naim (2019) suggest that the combination of government support, financial institution participation, and market interest can create a synergistic effect that accelerates the growth of Shariah investment. When all stakeholders work together toward a common goal, the potential for Shariah investment to contribute meaningfully to economic development becomes significantly enhanced. In Indonesia, for example, the collaboration between the government, the Financial Services Authority (OJK), and Islamic banks has led to the steady growth of the Shariah finance sector, with an increasing number of investors participating in Shariah-compliant funds and sukuk issuances. In conclusion, the support of government and financial institutions is a crucial driver of the growth and sustainability of Shariah investment. Regulations that provide legal certainty, coupled with incentives and special facilities, create a conducive environment for market participants and encourage greater public participation. Governments play an essential role in establishing the foundation for Shariah investment to thrive by ensuring that regulations are robust and by offering financial incentives that align with national economic goals. At the same time, financial institutions act as intermediaries that connect investors with Shariah-compliant products, ensuring that the ethical and religious values of investors are upheld. Together, these efforts contribute to the development of a vibrant Shariah investment sector that promotes sustainable economic growth and social well-being.

The Contribution of Shariah Investment to Balanced and Sustainable Economic Growth

Shariah investment emerges as an effective instrument to support balanced and sustainable economic growth. Shariah-compliant investments, governed by Islamic ethical principles, play a central role in promoting inclusive growth that benefits not only investors but also society at large. By integrating financial, social, and moral dimensions, Shariah investment goes beyond mere profit-making to serve as an instrument for broader economic development and social well-being. One of the primary contributions of Shariah investment to economic growth is its emphasis on inclusivity (Al-Jayyousi, 2016). The principles embedded in Shariah finance ensure that economic opportunities are accessible to all segments of society, enabling broad participation in the development process. This inclusivity is vital for creating a balanced economic framework that addresses inequalities and fosters more equitable wealth distribution. By adhering to principles that prohibit usury (*riba*), excessive speculation (*gharar*), and investments in haram (*forbidden*) industries, Shariah investment supports an economic system that prioritizes fairness and sustainability.

This study found that Shariah investment contributes to the formation of a more just and balanced economy by steering capital toward sectors that align with social and ethical norms. By avoiding industries that harm society, such as gambling, alcohol, and weapon manufacturing, Shariah-compliant funds ensure that financial activities promote positive social outcomes (Visser, 2019). This selective approach not only protects investors from ethically questionable industries but also helps drive capital toward sectors that contribute to the common good. The ethical underpinnings of Shariah investment are essential in shaping its role as a vehicle for sustainable economic growth.

Shariah principles ensure that economic activities are conducted with fairness, transparency, and accountability. This ethical framework promotes long-term stability in financial markets, as it discourages speculative practices and ensures that investments are based on real assets rather than abstract financial instruments. This alignment with tangible economic activities helps prevent bubbles and financial crises, which are often caused by speculative and interest-based financial systems (Alam et al., 2017).

This study's results confirm that the prohibition of usury (*interest*) in Shariah investment serves not only to protect individuals from exploitative lending practices but also to safeguard the overall economic system (Vincent, 2014). Interest-based systems often lead to unsustainable debt cycles, creating economic imbalances that can harm both individuals and entire economies. By removing interest from the equation, Shariah investment promotes fairness in financial transactions and reduces the likelihood of economic downturns driven by unsustainable debt (Ghani, 2020). A key finding of this study is the role of Shariah investment in promoting social justice and wealth distribution. The ethical principles of Shariah finance are deeply rooted in the concept of economic justice, which seeks to reduce disparities and create opportunities for all segments of society. Shariah investment goes beyond individual profit-seeking to prioritize collective well-being, aiming to achieve a more equitable distribution of wealth.

Shariah-compliant investments often focus on sectors that have the potential to create jobs, improve living standards, and contribute to the welfare of the broader community. For example, investments in infrastructure, healthcare, education, and renewable energy are aligned with the goals of Shariah finance to foster societal development (Salim et al., 2016). This emphasis on sectors that have a tangible social impact helps bridge the gap between wealthy and marginalized groups, contributing to more balanced and inclusive economic growth. The principles of wealth distribution inherent in Shariah investment help to mitigate the extreme wealth inequalities often seen in conventional financial systems. Through instruments such as zakat (charitable giving), waqf (endowments), and profit-and-loss sharing mechanisms, Shariah finance encourages the redistribution of wealth and ensures that economic benefits are shared more equitably (Raza et al., 2024). This redistribution contributes to poverty alleviation and enhances social cohesion, which are critical elements for long-term sustainable growth.

Beyond its financial and economic impact, Shariah investment also has the potential to drive positive social change by embedding ethical and moral values in economic activities (Alam et al., 2017). Shariah principles not only guide financial transactions but also promote a broader set of values, including honesty, trustworthiness, and social responsibility. By prioritizing investments that align with these values, Shariah finance helps to cultivate a more ethical business environment. Yunus et al., (2024) indicate that Shariah investment can influence societal behaviors and norms by promoting practices that prioritize sustainability, social justice, and ethical conduct. For instance, Shariah-compliant funds often focus on investments in environmentally sustainable projects, such as renewable energy and green technologies. This focus aligns with the growing global emphasis on sustainable development and positions Shariah investment as a key player in efforts to combat climate change and protect the environment.

Moreover, the principles of transparency and accountability that govern Shariah investment help build trust between investors, institutions, and the broader public. This trust is essential for creating a stable and resilient financial system, as it ensures that all parties are held to high ethical standards. Jan et al., (2021) states that by fostering a culture of responsibility and integrity, Shariah finance can play a crucial role in shaping a more just and sustainable economic order. In conclusion, the results of this study underscore the critical role of Shariah investment in supporting balanced and sustainable economic growth. By adhering to ethical principles that promote inclusivity, fairness, and social justice, Shariah-compliant investments contribute to a more equitable and stable economic system (Markom, 2018). The prohibition of interest, speculation, and investments in harmful industries ensures that economic activities are aligned with societal well-being and long-term sustainability. Shariah investment not only generates financial returns but also acts as a catalyst for positive social change, promoting ethical values and fostering a more inclusive economic paradigm. Through its emphasis on wealth redistribution, social justice, and environmental sustainability, Shariah finance offers a holistic approach to economic development that benefits both individuals

and society as a whole. The findings of this study suggest that with continued support from governments, financial institutions, and investors, Shariah investment has the potential to play an even greater role in shaping the future of sustainable economic growth.

CONCLUSION

Shariah investment holds substantial potential for empowering Indonesia's younger generation and contributing to sustainable economic growth. Rooted in ethical principles such as the prohibition of usury, excessive speculation, and investments in forbidden industries, Shariah investment creates a balanced economic paradigm. This model not only generates financial returns but also promotes social justice, inclusivity, and long-term economic stability. By offering an ethical alternative to conventional finance, Shariah investment empowers individuals to participate in the financial system in ways that align with their religious and moral values. The results of this study highlight the importance of government and financial institution support in fostering a conducive environment for the growth of the Shariah investment sector. Policies that offer legal certainty, financial incentives, and education about Shariah-compliant products are critical to expanding participation. Through this support, Shariah investment can become a key driver in addressing inequality, poverty, and sustainability challenges. With continued efforts from all stakeholders, Shariah investment will play a vital role in shaping Indonesia's future, offering a pathway to equitable and sustainable economic development.

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