

The Influence of Islamic Financial Institutions in the Sustainable Development Goals Agenda in Indonesia

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ABSTRACT

This study aimed to analyze the influence of the financing of Islamic Financial Institutions on the SDGs Agenda in Indonesia from 2017 to 2022. This study used secondary data, and the data analysis method used was panel data regression analysis using the Random Effect Model with the help of Eviews 10. The regression coefficient showed that (1) financing from Islamic Microfinance Institutions did not have a significant effect on the 5% real level with a probability value of 0.8734 and was negatively related to the coefficient value obtained of 0.018714, (2) financing from Islamic finance companies did not have a significant effect at the 5% real level with a probability value of 0.8956 and positively related to the coefficient value obtained of 0.018269, (3) sharia pawnshop financing had no significant effect at the 5% real level with a probability value of 0.9348 and was negatively related to the coefficient value obtained at 0.025233, (4) the variable of Sharia Venture Capital financing had no effect at the 5% real level with a probability value of 0.9854 and was negatively related to the coefficient value obtained of 0.000151.

Keywords: Islamic Finance Company, Islamic Financial Institutions, Poverty, SDGs

INTRODUCTION

In a global era of uncertainty and dynamic economic change, the role of Islamic economics in Indonesia has grown rapidly in various sectors, including banking, insurance, capital markets, and social financial institutions such as zakat, infaq, sadaqah, and waqaf (ZISWAF). Islamic financial instruments have become an integral part of national development, along with sustainable economic growth. The role of the Islamic economy is considered in line with the Sustainable Development Goals (SDGs) launched by UNDP, the World Bank, and the Islamic Development Bank (IDB), which aim to achieve sustainable development (Fauzan & Suhendro, 2018).

In the last 10 years, the development of Islamic finance in Indonesia has achieved significant progress in the Islamic banking sector, Islamic capital market, and Non-Bank Financial Industry (IKNB). Nevertheless, challenges are still faced, especially in supporting the SDGs, especially efforts to alleviate poverty by 2030. Therefore, the utilization of Islamic financial instruments such as Islamic banking, Islamic capital markets, and the non-bank financial industry is expected to contribute maximally in improving the welfare of the underprivileged (Hakim, 2019).

The importance of Islamic financial literacy is highlighted, given the low level of financial literacy in Indonesia. Mitchell et al. (2009) stated that financial literacy is defined as one's ability to proceed economic information and decide the financial issue (Putri et al., 2021). The results of the National Financial Literacy Survey (SNLK) by OJK in November 2019 showed a positive increase in the last three years, emphasizing the important role of Islamic financial literacy in managing the economy effectively. A good understanding of finance is expected to help people overcome the challenges of sustainable development, especially achieving the SDGs goals by 2030. As part of the financial industry, Islamic banking in Indonesia features financial inclusiveness characteristics that are in line with the principles of Islamic finance. However, low Islamic financial literacy is an obstacle in optimizing the role of Islamic banking. Through the development of financial literacy, it is expected that Islamic banking can more effectively achieve the goal of financial inclusiveness and make a real contribution to poverty alleviation.

The Islamic capital market is an important instrument in channeling asset-based financing, ethics, participation, and good governance. In the past decade, the Islamic capital market has become the second largest contributor after banking in the global Islamic finance industry. Instruments such as sukuk and Islamic mutual funds achieved significant value, reflecting positive growth. OJK considers that the utilization of the Islamic capital market as a source of long-term financing has increased, even being able to parallel the provision of financing from Islamic banking.

The Sharia Non-Bank Financial Industry (IKNB), which includes insurance, pension funds, financing institutions, and other financial services institutions, also makes a positive contribution to sustainable development. The growth of Sharia IKNB assets in recent years reflects improvements in sharia business actors, product development, and services. Institutions such as Sharia Microfinance Institutions, Sharia Financing Institutions, Sharia Venture Capital, and Sharia Pawnshops have a special role in empowering communities, especially low-income ones, to achieve the SDGs goals, especially in alleviating poverty.

In East Asian countries, including Indonesia, changes in poverty have become a crucial and growing issue. Data shows that the economically well-off "consumer" class has increased by 10% per year since 2002, while the poor class has increased by around (-) 2.2% per year over the same period. This increasing economic disparity seems to be a

major concern in the context of development in Indonesia. The population below the national poverty line, which is around Rp 300.000,- per person per month, faces a significant risk of falling into poverty in the following year, with a rate of increase of more than 10%. Meanwhile, the economically well-off consumer society, with expenditure of more than Rp 1 million per person per month, has a less than 10% risk of becoming poor the following year (World Bank, 2016).

The importance of addressing inequality is reflected in the no poverty indicator in the Sustainable Development Goals (SDGs) agenda for the next 15 years, until 2030. This indicator calls for efforts to end poverty in all its forms around the world, with a particular focus on the poor to ensure equal rights, productive resources and access to basic services. In this context, the World Bank systematically determines the global poverty line, which was initially \$1.25 per day in 2005 and then increased to \$1.90 in October 2015. Despite this change, the value of \$1.90 per day is considered equivalent to the value of \$1.25 per day in 2005. Understanding these changes will be key to designing effective development policies and strategies to address extreme poverty in the future (World Bank, 2023).

Indonesia has made significant progress in reducing poverty and improving the Gini Ratio index. However, challenges remain, and the role of Islamic financial institutions is crucial in ensuring that economic growth is equitable and sustainable. Moreover, efforts to achieve the no poverty goal in the SDGs require a major contribution from Islamic finance, both in terms of financial inclusiveness and the distribution of financing oriented towards sustainable development. Financing by Islamic financial institutions, especially microfinance institutions, Islamic banking, and Islamic venture capital, has a positive impact on micro, small and medium enterprises (MSMEs). In addition, the role of Islamic banking also has a significant negative correlation with the poverty rate, indicating a potential contribution in achieving the no poverty goal in the SDGs (Andriana, 2016).

Therefore, this article will further examine the role and impact of Islamic finance in the context of sustainable development in Indonesia. With a focus on Islamic financial literacy, financial inclusiveness, the growth of the Islamic finance industry, and its contribution to the SDGs goals, this article will present an in-depth analysis to illustrate the positive potential of Islamic finance in helping to achieve sustainable development in Indonesia.

LITERATURE REVIEW

Poverty

Poverty is one of the problems of humanity. Marhaeni et al. (2014) stated that poverty refers to the notions of one's inability to meet the bare minimum of a decent life including but not limited to economic, social, and spiritual needs (Aziz et al., 2021). From this problem, this brings a person to a sense of responsibility to be able to help the lives of others and get them out of this situation. Tammie O'Nei (2006) explains that the issue of poverty is one of the problems in terms of violations of human rights (Erlindawati, 2016).

In the view of Islam, poverty is the state of a person when he is unable to fulfill his primary needs. In Islamic law, there are three types of primary needs related to human needs, namely clothing, food and shelter. In the hadith of the Prophet Saw.: "Remember, that their right over you is that you do good to them in (providing) clothing and food" (HR. Ibn Majah). So in the hadith it is clear that what is said to be primary needs are needs related to clothing, food, and shelter, which basically that these needs are very close to human honor and existence (Hidayat, 2019).

Sustainable Development Goals (SDGs)

Sustainable Development Goals (SDGs) is an agreed agenda in terms of development faced in the global era in order to implement sustainable development in the development process. In the Sustainable Development Goals (SDGs) there are 5 fundamental principles that balance the economic, social and environmental dimensions, namely 1) People (human), 2) Planet (earth), 3) Prosperity, 4) Peace, and 5) Partnership (Wahyuningsih, 2018).

When discussing the issue of poverty, it is closely related to social welfare. The goals of the SDGs are considered appropriate and related to this connection. Social welfare has the following objectives. First, to achieve a prosperous life. The welfare referred to here is the fulfillment of basic needs such as clothing, food, and shelter. Second, to achieve good self-adjustment, especially in the surrounding community, such as increasing the maximum standard of living. Third, for the development of social welfare which aims to improve the quality of life of the community through economic capital (economic capital), human capital (human capital), society (society capital), and protection (security capital) on an ongoing basis. Based on the objectives of social welfare, there are objectives from the SDGs that are considered in line and related, namely the goal of ending poverty in all forms everywhere (No Poverty).

The Contribution of SMFIs to Poverty

Sharia Microfinance Institutions (MFIs), based on Law No. 1 of 2013, have an important role in providing loans or financing to the community, especially those who are hard to reach by conventional banks. Bank-based and non-bank-based MFIs offer a range of products, including savings, profit-sharing (shirkah), and sale-purchase (ba'i). Financing from MFIs, particularly from Baitul Mal wat Tamwil (BMT), is considered to reduce poverty by providing capital to micro-entrepreneurs. BMT is considered prominent because of its easy and simple distribution process.

Contribution of Islamic Finance Companies to Poverty

Islamic financing, as explained by Antonio (2001), includes mudharabah, musyarakah, ijarah, and various forms of buying and selling transactions. Islamic financing operates under sharia principles and differs from Islamic banking in terms of the management of public funds. While Islamic banking is not fully optimal in taking advantage of business opportunities (Fauzi, 2022). The contribution of Islamic finance companies to poverty involves the provision of funds that are in accordance with sharia principles and are channeled through various transactions according to customer needs.

Contribution of Pegadaian Syariah to Poverty

Pegadaian syariah uses a pawn contract as the main principle in providing financing to the community. The concept of Ar-Rahn (pawn) is implemented by providing loans based on collateral, with payments made in installments. Pegadaian syariah offers several financing products, including Pegadaian Rahn, Pegadaian Ar-Rum (for MSMEs), and Pegadaian Amanah. The Ar-Rum product is considered a solution for people with limited capital, especially in the micro and small business scale.

Contribution of Islamic Venture Capital to Poverty

Sharia Venture Capital is a form of financing with mudharabah and musyarakah principles. Its characteristics involve a Sharia Supervisory Board and business activities that are in accordance with sharia principles. Sharia Venture Capital can be provided in the form of investment, services, and other business activities.

The type of financing involves direct equity participation, indirect equity participation, and profit-sharing financing. Sharia Venture Capital plays a role in providing financing to large or small companies by following sharia principles, especially for micro, small, and medium enterprises (MSMEs).

RESEARCH METHOD

In this research, the object of research is the financing of each Islamic financial institution. While the research location is done by accessing the data that has been presented by OJK and BPS. Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by the researcher to study and then draw conclusions. And the sample withdrawal technique is using purposive sampling method, which is a sample taken with various considerations. Based on sampling during the 2017-2022.

Dependent variables are often referred to as output variables, criteria, consequences. In Indonesian, it is often referred to as the dependent variable. The dependent variable is the variable that is affected by the independent variable. So, in this study, the object that is affected is the no poverty indicator as variable Y.

Independent Variable

Independent variables are often referred to as stimulus variables, predictors, antecedents. In Indonesian, it is often referred to as the independent variable. Independent variables are variables that affect the emergence of dependent variables (bound). So, in this study, the independent variables are as follows: Sharia Microfinance Institution Financing (X1); Sharia Financing Institution Financing (X2); Sharia Pawnshop Financing (X3); and Sharia Venture Capital Financing (X4).

Classical Assumption Test

Multicollinearity Test

Multicollinearity test is a method used to see whether there is a similarity between independent variables.

Heteroscedasticity Test

A regression model is said to be affected by heteroscedasticity if there is an inequality in the variance of the residuals from one observation to another.

Data Analysis Method

In analyzing the problems in this study, the authors used the panel data regression method. Panel data (pool) is combined data between time series data and cross section data. This panel data regression test is used to determine the relationship between the independent variable and the dependent variable. The panel data regression model in this study is:

$$Y_{it} = \alpha + b_1X_{1t} + b_2X_{2t} + b_3X_{3t} + b_4X_{4t} + e$$

Notes:

Y = Dependent Variable (Number of Poor People in Indonesia)

α = Constant

X1 = Independent Variable 1 (MFI Financing)

X2 = Independent Variable 2 (Islamic pawnshop financing)

X3 = Independent Variable 3 (Islamic banking financing)
X4 = Independent Variable 4 (Islamic Venture Capital Financing)
E = Error Term
I = Province
t = Times

RESULT

Descriptive Research Variables

In this study, the data used is panel data, which is combined data between cross section and time series. The cross section data in the study are 34 provinces in Indonesia. While the time series data in this study is from 2017 to 2022.

Table 1. Descriptive Statistics (N = 170)

	Y	X1	X2	X3	X4
Mean	688.3881	2.345228	3.118557	1.762053	5.416823
Median	12.81909	2.481568	3.007364	1.652880	6.624065
Maximum	114840.0	3.192532	3.498717	2.356694	6.853299
Minimum	10.61962	1.098612	2.771776	1.321489	0.841998
Std. Dev.	8806.834	0.706548	0.268445	0.363594	2.314032
Sum	117026.0	398.6888	530.1547	299.5490	920.8599
Observations	170	170	170	170	170

Based on the results of the descriptive table of research variables above, it can be seen that the number of observations from this study is 170 observations. The maximum or largest value of poverty is 114840.0. While the minimum or lowest value of poverty is 10.61962 or 10.61%. Meanwhile, the mean or average value of poverty in the study is 688.3881. In SMFI financing, the maximum value is 3.19% with the lowest value of 1.09%. While in PPS financing, the lowest value is 2.77% with the maximum value obtained is 3.49%. The next variable is in PS financing that the maximum value is 2.35% with a minimum value of 1.32%. While in MVS financing, the lowest value is 0.84% with a maximum value of 6.85%. The values of MVS financing have a larger number than other variables, namely the LKMS, PPS, and PS financing variables.

Multiple Regression Results

After estimating the panel data regression model, this study uses the random effect model as follows.

Table 2. Research Results

Dependent Variable: Y?
Method: Pooled EGLS (Cross-section random effects)
Date: 08/01/20 Time: 11:15
Sample: 2017 2022
Included observations: 5
Cross-sections included: 34
Total pool (balanced) observations: 170
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.95938	0.766601	16.90499	0.0000
PEMBIAYAAN_LKMS?	-0.018714	0.117251	-0.159610	0.8734
PEMBIAYAAN_PPS?	0.018269	0.138990	0.131442	0.8956
PEMBIAYAAN_PS?	-0.025233	0.308168	-0.081881	0.9348
PEMBIAYAAN_MVS?	-0.000151	0.008280	-0.018297	0.9854
Random Effects (Cross)				
_ACE--C	0.706784			
_SUMU--C	1.198819			
_SUMBA--C	-0.143617			
_RIAU--C	0.209149			
_JAMB--C	-0.360044			
_SUMSE--C	0.973765			
_BENGKUL--C	-0.281739			
_LAMPUN--C	0.975062			
_KEPBABE--C	-1.768027			
_KEPRIA--C	-1.206414			
_DKI--C	-0.089087			
_JABA--C	2.234943			

JATEN--C	2.307050		
_DI--C	0.124685		
_JATI--C	2.375006		
_BANTE--C	0.489668		
_BAL--C	-0.834221		
_NT--C	0.606870		
_NT--C	1.020491		
_KALBA--C	-0.066852		
_KALTEN--C	-1.090864		
_KALSE--C	-0.768994		
_KALTI--C	-0.641228		
_KALU--C	-2.172009		
_SULU--C	-0.732250		
_SULTEN--C	0.001600		
_SULSE--C	0.670513		
_SULTENGG--C	-0.260375		
_GO--C	-0.737827		
_SULBA--C	-1.002853		
_MALUK--C	-0.240374		
_MLKUTAR--C	-1.647663		

PABA--C	-0.641391		
PAPU--C	0.791422		
Effects Specification			
		S.D.	Rho
Cross-section random		1.105919	0.9982
Idiosyncratic random		0.047573	0.0018
Weighted Statistics			
R-squared	0.208317	Mean dependent var	0.248641
Adjusted R-squared	0.189125	S.D. dependent var	0.052830

	0.047573	Sum squared resid	0.373421
F-statistic	10.85419	Durbin-Watson stat	0.830314
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.000486	Mean dependent var	12.92718
Sum squared resid	202.1779	Durbin-Watson stat	0.001534

From the test results above, the calculation of MFI Financing, Islamic pawnshop financing, Islamic banking financing, and Islamic Venture Capital Financing on poverty in Indonesia is as follows.

Poverty = 12.95938-0.018714 MFI Financing + 0.018269 Islamic pawnshop financing – 0.025233 Islamic banking financing – 0.000151 Islamic Venture Capital Financing. So, from the model, the following interpretation can be made as follows. First, if the constant value of poverty is 12.95938, it indicates that if the independent variables (MFI Financing, Islamic pawnshop financing, Islamic banking financing, and Islamic Venture Capital Financing) are zero, then the amount of poverty in Indonesia is 12.95938. Second, the coefficient value of MFI Financing is -0.018714, which means that every increase in the amount of MFI Financing by 1%, the amount of poverty in Indonesia decreases by 0.018714. Third, the coefficient value of Islamic pawnshop financing is 0.018269 which means that every increase in the amount of Islamic pawnshop financing by 1%, the amount of poverty in Indonesia increases by 0.018269. Fourth, the coefficient value of Islamic banking financing is -0.025233, which means that every increase in the amount of Islamic banking financing by 1%, amount of poverty in Indonesia decreases by 0.025233. Fifth, the coefficient value of MFI Financing is 0.000151, which means that every increase in the amount of Islamic Venture Capital Financing by 1%, the amount of poverty in Indonesia decreases by 0.000151.

Hypothesis Testing

Partial Significance Test (t Test)

The t-test aims to see the effect of the independent variables, namely SMFI financing, Islamic pawnshop financing, Islamic banking financing, and Islamic Venture Capital Financing on the dependent variable, namely poverty.

Tabel 3. t-Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.95938	0.766601	16.90499	0.0000
X1?	-0.018714	0.117251	-0.159610	0.8734
X2?	0.018269	0.138990	0.131442	0.8956
X3?	-0.025233	0.308168	-0.081881	0.9348
X4?	-0.000151	0.008280	-0.018297	0.9854

From the test results above, the independent variables namely Islamic Microfinance Institutions, Islamic pawnshop financing, Islamic banking financing, and Islamic Venture Capital Financing have a probability value greater than $\alpha = 0.05$ so it can be said that these variables have no influence on the dependent variable (poverty). The explanation is as follows.

Test the Islamic Microfinance Institutions Variable

The results of the table above show that the value of the Islamic Microfinance Institutions financing variable is $0.8734 > 0.05$. This value shows greater than 5%, meaning that the financing of Islamic Microfinance Institutions has no effect on poverty.

Test of the Variable, Islamic Pawnshop Financing

The result of the table above shows that the value of Islamic pawnshop financing variable is $0.8956 > 0.05$. This value is greater than 5%, meaning that Islamic pawnshop financing has no effect on poverty.

Test the Islamic Banking Financing Variable

The result of the table above shows that the value of Islamic banking financing variable is $0.9348 > 0.05$. This value is greater than 5%, meaning that Islamic banking financing has no effect on poverty.

Test the Islamic Venture Capital Financing Variable

The results of the table above show that the value of the Islamic Venture Capital Financing variable is $0.9854 > 0.05$. This value shows greater than 5%, meaning that financing from Islamic Venture Capital Financing has no effect on poverty.

Simultaneous Significance Test (F Test)

In this test, the value can be seen from the Prob. F statistic. The result of this value is 0.0000 which means it is smaller than 0.05 so that it can be said simultaneously, there is a joint influence of all independent variables (MFI Financing Islamic pawnshop financing, Islamic banking financing, Islamic Venture Capital Financing) on the amount of poverty.

Coefficient of Determination (R2)

The Adjusted R2 test is a test conducted to see how much the ability of the independent variable explains the dependent variable. In this study, the coefficient used is the coefficient of determination or Adjusted R2. From the regression results with the Random Effect Model, it can be seen that the coefficient of determination is

0.189125. This explains that the variation of the dependent variable (poverty) can simultaneously be explained by the independent variables (MFI Financing Islamic pawnshop financing, Islamic banking financing, Islamic Venture Capital Financing) by 18.91% while the remaining 81.09% is explained by other factors outside of the variables studied. Examples of these variables that can be explained by other factors such as inflation variables, then Gross Domestic Product (GRDP), and so on.

DISCUSSION

Relationship between SMFI Financing and Poverty

Financing provided by SMFIs continues to increase every year, this is based on the interest of the community, especially economic actors, in this financing as a source of funds. From the results of this study, it was found that financing from SMFIs showed a positive sign and had no effect on poverty. This can be seen from the Prob. Value obtained of 0.8734 which shows > 0.05 or 5% and is negatively related to the coefficient value of -0.018714 . This means that if financing from Islamic Microfinance Institutions increases, the poverty rate in Indonesia will decrease by 0.018714. From these results, in line with research conducted by Andriana (2016) entitled "The Effect of Sharia Microfinance Institution Financing on Micro and Small Business Development (Case Study of Sharia Financial Services Cooperative BMT Al-Fatih IKMI, Ciputat, South Tangerang City)" that if financing from SMFI increases it will reduce the poverty rate.

Relationship between LPS Financing and Poverty

Financing from LPS is basically almost there with the financing provided by Sharia Banks. The difference is in the way of withdrawing funds that cannot be taken directly in the form of demand deposits, savings, and others. Financing from Sharia Financing Institutions shows a positive sign and has no effect on poverty. This can be seen from the Prob. 0.8956 shows > 0.05 or 5% and is positively related to the coefficient value of 0.018269. This means that if financing from Islamic Financing Institutions increases, the poverty rate in Indonesia will increase by 0.018269. From these results, it is not in line with research conducted by Destiana and Jubaedah (2015) entitled "Implications of Sharia Financing for Micro, Small and Medium Enterprises (MSMEs) in Cirebon Regency" due to the possibility that the financing channeled is not on target, then does not have sufficient amount of financing to be channeled to people who have limited capital to do a business, and so on.

Sharia Pawnshop Financing Relationship

Against Poverty, the financing provided by Pegadaian Syariah to the community has good value, especially in the ar-Rum product offered. This financing is specifically aimed at developing MSME businesses. Financing from Pegadaian Syariah shows a positive sign and has no significant effect on poverty. This can be seen from the Prob. Value of 0.9348 which shows > 0.05 or 5% and is negatively related to the coefficient value of -0.025233 . This means that if financing from Sharia Pawnshops increases, then poverty in Indonesia will decrease by 0.025233. From these results, in line with research conducted by Fuad and Trianna (2018) entitled "Analysis of the Role of Financing by Sharia Pawnshops for MSME Development (Case Study of ar-Rum Products in Langsa City)" that if financing from Sharia Pawnshops increases, poverty will decrease. And the financing products carried out are also in line with the research conducted, namely ar-Rum financing.

Islamic Venture Capital Financing Relationship

Against Poverty, Financing from Sharia Venture Capital is considered to provide a good solution for business actors who have limited capital in their business. It is usually aimed at large companies and small companies. Financing from Islamic Venture Capital shows a positive sign and has no effect on poverty. This can be seen from the Prob. Value of 0.9854 showing > 0.05 or 5% and negatively related to the coefficient value of -0.000151. This means that if financing from Sharia Venture Capital increases, then poverty in Indonesia will decrease by 0.000151. From these results, in line with research conducted by Haridhi (2011) entitled "Analysis of the Effect of Venture Capital Financing on the Income of Business Partner Companies (PPU) from PT Sarana Aceh Ventur" that if financing increases, it will reduce the poverty rate.

CONCLUSION

From the results of the research that has been carried out, by going through the stages of data collection, data processing, data analysis regarding the effect of financing from Islamic Financial Institutions, namely Islamic Microfinance Institutions, Islamic Financing, Islamic Pawnshops, and Islamic Venture Capital on the SDGs agenda, namely the No Poverty indicator in Indonesia in 2017-2022.

From the test results, the panel data equation model used is the Random Effect Model. Random Effect Model is a model that serves to estimate nuisance variables that may be interconnected between time and between individuals. Then the classic assumption test in this study used is the multicollinearity and heteroscedasticity test. The classic assumption test is an analysis used to see if there is a disturbance in a research model. Then the conclusion is as follows. First, financing from Islamic Microfinance Institutions has a negative influence but has no effect on poverty. This means that if financing from Islamic Microfinance Institutions increases, the poverty rate in Indonesia will decrease. Second, financing from Islamic Financing Institutions has a positive influence but no effect on poverty. This means that if financing from Islamic Financing Institutions increases, the poverty rate in Indonesia will increase. Third, financing from Islamic Pawnshops has a negative influence but no effect on poverty. This means that if financing from Islamic Pawnshops increases, poverty in Indonesia will decrease. Fourth, financing from Sharia Venture Capital has a negative influence but no effect on poverty. This means that if financing from Islamic Venture Capital increases, poverty in Indonesia will decrease.

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DECLARATION OF CONFLICTING INTERESTS

Studies related to Islamic financial institutions are of particular interest in Indonesia, because Islamic financial institutions continue to experience development. Of course, the author hopes that there will be further studies using different variables depending on the conditions and changing times.

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