Indonesian Journal of Economics and Management
Vol. 5, No. 3, 2025, pp. 341 – 360
https://doi.org/10.35313/ijem.v5i3. 6584

Empowering Human Capital Through Islamic Microfinance: A Pathway to Achieving SDGs in Indonesia

Nabiela Rizki Alifa[1*], Akbar Riskal Amani[2], Arif Rachman Zuhri[3], Norlila[4]
[1,3]*Universitas Islam Negeri Sunan Gunung Djati, Bandung, Indonesia*
[2]*Universitas Padjadjaran, Bandung, Indonesia*
[4]*Universiti Teknologi Malaysia, Kinabalu, Malaysia*

Research article

How to cite: Alifa, N. R., Amani, A. R., Zuhri, A. R., & Norlila, N. (2025). Empowering Human Capital Through Islamic Microfinance: A Pathway to Achieving SDGs in Indonesia. *Indonesian Journal of Economics and Management*, 5(3), 341-360.
***Corresponding author:** nabielarizki@uinsgd.ac.id

Abstract: This study examines how Islamic microfinance contributes to the Sustainable Development Goals (SDGs) in Indonesia, focusing on BTPN Syariah's Mekaar program. A qualitative approach was employed, combining thematic analysis with sentiment analytics using Python-based natural language processing (NLP). Data were derived from beneficiary statements, categorized into ten impact areas including poverty alleviation, education, health, empowerment, and sharia values. The results show that the program positively influences SDG 1 (No Poverty), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 16 (Peace, Justice, and Strong Institutions). Beneficiaries experienced increased income, improved access to basic services, enhanced financial literacy, and empowerment through sharia-compliant and value-driven financing. Sentiment analysis revealed a predominance of neutral and positive responses, with particularly strong positivity in categories related to spiritual comfort, ethical business practices, and social solidarity. This study concludes that Islamic microfinance, when implemented through a structured, ethical, and mentoring-supported model, functions not only as a financial instrument but also as a strategic development tool aligned with global sustainability goals.

Keywords: Islamic microfinance, SDGs, sharia values, sentiment analysis, qualitative research, BTPN Syariah

1. Introduction

Sustainable development has become a global agenda since the United Nations introduced the Sustainable Development Goals (SDGs) in 2015. Through 17 integrated objectives, the SDGs aim to address (Stafford-Smith et al., 2017) fundamental global challenges, including poverty, healthcare, education, and employment. As part of the global community (Cernev & Fenner, 2020) Indonesia has incorporated the SDGs into its national development framework through strategic initiatives such as the National Medium-Term Development Plan (RPJMN), Law No. 11 of 2009 on Social Welfare, and financial inclusion policies guided by the Financial Services Authority (OJK).

Despite significant progress, Indonesia continues to face major challenges in achieving the SDGs. Data from the Central Statistics Agency (BPS) and the World Bank reveal persistent issues such as poverty, limited access to education and healthcare, and a high prevalence of informal employment, particularly in regions with inadequate economic infrastructure. In this context, four specific SDGs are essential to human capital development: SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 8 (Decent Work

and Economic Growth).

Islamic microfinance emerges as an alternative solution that not only promotes economic efficiency but also upholds Shariah values such as justice, transparency, and inclusivity (Hasnat et al., 2025) Unlike conventional financial systems, Islamic microfinance avoids interest (riba) and implements profit-and-loss sharing schemes aligned with the principles of maqasid al-shariah, which emphasize the protection of faith, life, intellect, lineage, and wealth (Raimi et al., 2024a) This value-based financing model has proven effective in expanding economic participation among marginalized communities and supporting inclusive and ethical development (Nelson et al., 2001). Empirical experiences such as the success of Mit Ghamr Savings Bank in Egypt and the empowerment programs initiated by Bank BTPN Syariah in Indonesia illustrate the positive impacts of Islamic microfinance in improving household income, expanding access to education and healthcare, and fostering decent employment. These programs utilize digital technology and community-based approaches, serving as catalysts for comprehensive human development.

Islamic microfinance has gained increasing attention as a tool to support the achievement of various Sustainable Development Goals (SDGs), particularly those related to human capital development. In addressing SDG 1 (No Poverty), Islamic microfinance provides Shariah-compliant financial access that has demonstrated significant results in alleviating poverty. Mudarabah-based financing in Uganda substantially improved household incomes and supported microenterprise growth (Al-Ameen, 2016). Similarly, Alaro & Alalubosa (2016) confirmed that zakat and sadaqah can serve as effective microfinance instruments to foster entrepreneurship and reduce poverty in Bangladesh (IJFMR, 2023). Regarding SDG 3 (Good Health and Well-being), Islamic microfinance has contributed to better health outcomes by funding community health initiatives and wellness programs. A study by Bank Pembangunan Malaysia Berhad (BPMB) highlighted that Islamic social finance and corporate social responsibility (CSR) efforts have been strategically directed toward healthcare support, although their impact on post-pandemic financial sustainability remains in early stages (Hassanain, n.d.) In relation to SDG 4 (Quality Education), Islamic values emphasize the pursuit of knowledge. Research by (Hamzah et al., 2023) illustrated that Islamic Social Finance (ISF), through instruments such as zakat, waqf, and sadaqah, has the potential to bridge educational gaps, particularly for marginalized groups. The integration of Islamic ethical principles in educational financing has been shown to support lifelong learning and social advancement (Usman & Tasmin, 2016).

Concerning SDG 8 (Decent Work and Economic Growth), Islamic microfinance facilitates access to capital for micro and small enterprises, thereby promoting inclusive economic growth and job creation. (Ali et al., 2020) emphasized that zakat and waqf play significant roles in empowering small business development; however, instruments such as sadaqah and qard al-hasan remain underutilized despite their relevance in supporting employment among the poor and unbanked (RSIS International, 2024). Studies have largely reported positive impacts of Islamic microfinance, including increases in household income, enhanced access to education and healthcare services, and the stimulation of small-scale employment opportunities. These benefits align directly with the targets of SDGs 1, 3, 4, and 8. The ethical and inclusive design of Islamic microfinance schemes ensures that marginalized communities are not excluded from financial systems, thus promoting equitable development. However, several limitations persist. Access to capital remains a barrier for many potential beneficiaries due to strict risk-aversion or limited institutional outreach. Moreover, research reveals a lack of diversification in the instruments employed, with heavy reliance on zakat and waqf while other Shariah-compliant tools like qard al-hasan and sadaqah receive limited attention (Ali et al., 2020) Additionally, some programs lack long-term sustainability due to

weak monitoring, low repayment discipline, or insufficient integration with local development needs.

Despite growing interest, three major gaps emerge in the current literature. First, empirical studies on Islamic microfinance in the Indonesian context are limited, with most findings derived from other Muslim-majority countries such as Bangladesh, Egypt, and Uganda. Second, there is limited exploration of alternative financial instruments, beyond the commonly discussed zakat and waqf. Expanding the use of sadaqah, qard al-hasan, and micro-equity could provide deeper insights into their comparative effectiveness. Third, a holistic analysis linking Islamic microfinance with multiple SDGs simultaneously is rare. Most studies tend to isolate one or two goals, leaving a gap in understanding how these development objectives interact when influenced by Islamic financial interventions. Nevertheless, several challenges remain, including limited access to capital and the sustainability of micro-enterprises. Therefore, this study seeks to assess the extent to which Islamic microfinance instruments particularly micro-credit and micro-equitycontribute to human capital development in achieving the SDGs in Indonesia. By adopting a mixed-methods approach, this research employs Structural Equation Modeling (SEM) to quantitatively evaluate the influence of Islamic microfinance on education, health, and employment, while using Natural Language Processing (NLP) to analyze beneficiaries' sentiments and experiences. Accordingly, this study aims not only to enrich the academic discourse on Islamic finance and sustainable development but also to provide practical recommendations for policymakers, financial institutions, and development practitioners in optimizing the role of Islamic microfinance as a strategic tool for enhancing human capital and national resilience in the era of global transformation.

2. Literature Review

2.1. Islamic Microfinance and its Relevance to Sustainable Development Goals (SDGs)

Islamic finance is designed to promote the welfare of society through the fair and ethical distribution of wealth. Characteristics such as the prohibition of usury, contractual fairness, and the principle of risk sharing are the main advantages of this system (Hassanain, n.d.) Islamic social finance, including zakat, waqf, and qard al-hasan, contributes significantly to poverty alleviation and the improvement of people's welfare in line with the SDGs (Farhan Mohfarhan & Tinggi Agama Islam Al Falah Pamekkasan, 2024; Hamzah et al., 2023).

According to the Brundtland Commission's (1987) theory of sustainable development, inclusive and ethical access to finance is an important prerequisite for empowering poor communities. Islamic microfinance has the potential to drive the achievement of SDG 1 (No Poverty), SDG 3 (Good Health), SDG 4 (Quality Education), and SDG 8 (Decent Work) through an ecosystem that supports human dignity (Dirie et al., 2023) Recent research also corroborates that the Islamic finance model provides a structural foundation for sustainable finance in developing countries (Harun et al., 2018) Islamic microfinance institutions also have high flexibility of financing sources through zakat, infaq, and sadaqah, making them more resilient than conventional models (Raimi et al., 2024b) This expands the capacity of financial inclusion for vulnerable communities (Rahim & Idris, 2022).

2.2. Integration of Human Capital Theory and Islamic Social Capital

The human capital theory introduced by (Becker, n.d.) emphasizes the importance of investment in education, health, and skills as drivers of productivity and economic growth. In a more inclusive framework, the World Bank developed an inclusive human capital (Islam &

Ahmad, n.d.) approach that promotes equity in access to human development. Access to financial services has been shown to increase investment in education and household health (Gabor & Brooks, 2017a; Islam & Ahmad, n.d.).

Meanwhile, Islamic social capital theory as formulated by Mirakhor and Iqbal (2012) introduces the values of trust, collaboration and ethics in economic transactions. When these two theories are combined, it creates an inclusive financial framework that harmonizes economic and spiritual goals. Such a model is seen in the system of joint liability and group financing based on Islamic ethics. As an integrative framework, the "Financial Inclusion and Human Capital Framework" illustrates how Islamic microfinance is an enabling factor in sustainable human capital development (Gabor & Brooks, 2017b) Recent research has also shown that social and spiritual reinforcement plays an important role in the effectiveness of Islamic microfinance (Penulis et al., n.d.; Rahman & Dean, 2013).

2.3. Isl The Role of BTPN Syariah's Mekaar Program

Indonesia is one of the fastest growing countries in the world for Islamic finance, thanks to the active role of institutions such as BTPN Syariah through the Mekaar program. The program combines group financing with regular training, financial literacy, and spiritual guidance as a form of comprehensive empowerment (BTPN Syariah, 2022). Mekaar targets underprivileged women, especially in rural areas, and implements integrated Islamic finance. The results of Adiwibowo and Saadah's (2021) study show that the program has succeeded in improving economic resilience, business literacy, and strengthening customers' social solidarity. Regular interactions within the group also created space for Islamic value-based social capital to grow.

Other research reinforces that literacy and training in Islamic microfinance programs have a positive impact on increasing women's income and independence (Haneef et al., 2013; Mi'raj & Ulev, 2024) This supports the role of programs like Mekaar in overcoming multidimensional poverty. This finding is in line with the results of NLP-based sentiment analysis in a related study, which revealed that most beneficiaries perceive microfinance programs as a positive force for improved economic stability and empowerment (Valaskova et al., 2023).

2.4. Micro-Credit vs Micro-Equity in Human Capital Transformation

Microfinance in Islamic finance can be divided into two approaches: micro-credit (based on murabahah or qard al-hasan contracts) and micro-equity (based on mudarabah or musyarakah contracts). The micro-credit approach is considered more practical for the general public, while micro-equity supports business strengthening and long-term economic independence (Hermawan Adinugraha et al., 2023).

According to Haidar and Satifa (2022), the Islamic finance approach emphasizes fairness and sustainability. Therefore, micro-equity has the potential to accelerate human capital transformation as it encourages active participation and is partnership-based. The findings of Jimoh et al. (2024) confirm that both micro-credit, micro-equity, and Islamic charity products contribute positively to income and business development. Micro-credit as implemented by BTPN Syariah remains relevant because it is accompanied by structured financial coaching and education. Ginanjar and Kassim (2020) show that providing access to credit responsibly can help people escape poverty. This is further corroborated by Rokhmah et al. (2022), who argued that Islamic microfinance is a key driver of inclusive growth in Indonesia. An integrative approach as proposed by Sueb et al. (2022), the "Islamic microfinance-based zakat model", brings together social and economic functions in one framework. This model not only reduces income inequality, but also creates opportunities for

social development based on Islamic values.

3. Research Methods

This study employs a qualitative research approach to explore the perceptions and experiences of BTPN Syariah customers regarding the extent to which the bank's microfinance programs support the achievement of Sustainable Development Goals (SDGs) in Indonesia, particularly SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 8 (Decent Work and Economic Growth). Qualitative methods are appropriate for gaining deep, contextual understanding of how Islamic microfinance services are experienced by the target beneficiaries. The research focuses on how BTPN Syariah's programs influence individual and community-level transformations in terms of poverty reduction, access to education and healthcare, and employment generation.

The collected qualitative data were processed and analyzed through thematic analysis, following Braun and Clarke's (2006) six-step framework. Transcripts and written responses were coded manually and with the support of Digital Code Studio software with pyhton programming languange to identify recurring themes related to empowerment, financial access, educational outcomes, and community resilience.

Identify Subsections

The participants of this study consisted of 250 customers of BTPN Syariah from various regions in Indonesia. These individuals were selected using purposive sampling, targeting respondents who had participated in BTPN Syariah's microfinance programs for at least one year. This criterion ensured that participants possessed sufficient experience and insight into the services and impacts of the bank's empowerment initiatives. The respondents represented diverse demographics including age, gender, education level, and types of micro-enterprises run.

In addition, a subset of 20 participants was selected for in-depth interviews. This group was composed of individuals with varying socio-economic backgrounds and geographic locations to capture a broader range of perspectives and contextual nuances. These participants were asked more detailed questions regarding their experiences with BTPN Syariah's programs and the perceived links between those programs and SDG-related improvements in their lives.

Participant (Subject) Characteristics

Appropriate identification of research participants is critical to the science and practice of psychology, particularly for generalizing the findings, making comparisons across replications, and using the evidence in research syntheses and secondary data analyses. If humans participated in the study, report the eligibility and exclusion criteria, including any restrictions based on demographic characteristics.

Research Design

This study adopts a qualitative research design with a descriptive exploratory approach. The goal is to understand, from the perspective of program beneficiaries, how Islamic microfinance initiatives—particularly those provided by BTPN Syariah—contribute to achieving Sustainable Development Goals (SDGs), specifically SDG 1, 3, 4, and 8. Data were collected through structured open-ended questionnaires, which allowed respondents to express their personal experiences and opinions in their own words. The questionnaire items were developed to probe four thematic areas: poverty reduction, health and well-being, educational access, and employment creation—each aligned with a specific SDG target. To deepen the findings, semi-structured interviews were conducted with a smaller group of selected respondents. These interviews provided qualitative depth and enabled clarification

and expansion of ideas that emerged from the initial questionnaire responses. This research also incorporates computational text analysis tools such as Word Cloud and Sentiment Analysis to complement the traditional qualitative methods, providing a more comprehensive understanding of the data.

Data Analysis

The qualitative data collected from questionnaires and interviews were analyzed using thematic analysis, guided by Braun and Clarke's six-phase framework: (1) data familiarization, (2) generating initial codes, (3) searching for themes, (4) reviewing themes, (5) defining and naming themes, and (6) writing the report. Coding was carried out both manually and using Digital Code Studio software to assist in identifying patterns, repeated meanings, and emerging categories. In addition to thematic analysis, the study applied Word Cloud generation to visualize the most frequently used terms within the dataset. This technique helped to intuitively highlight key issues and topics raised by respondents.

Moreover, Sentiment Analysis a Natural Language Processing (NLP) technique was employed to classify the tone of respondents' answers into positive, negative, and neutral categories. This allowed for a quantifiable understanding of respondents' emotional and perceptual responses to BTPN Syariah's programs. The integration of these tools enhanced the richness and analytical rigor of the qualitative data. To ensure the validity and trustworthiness of the research findings, the study used triangulation by combining data from multiple sources (questionnaires, interviews, and text analytics) and conducting member checks with selected participants to verify interpretation accuracy.

4. Results and Discussion

General Impact of the BTPN Syariah Program on Beneficiaries' Lives

The general impact of BTPN Syariah's microfinance and mentoring program is reflected in a rich array of beneficiary experiences that collectively highlight transformative changes in both economic and non-economic dimensions of life. The word cloud generated from 150 representative statements reveals several dominant themes that serve as strong indicators of the program's effectiveness in empowering low-income individuals and communities.

Figure 1. General Impact

The general impact of BTPN Syariah's microfinance and mentoring program is reflected in a rich array of beneficiary experiences that collectively highlight transformative changes in both economic and non-economic dimensions of life. The word cloud generated from 50 representative statements reveals several dominant themes that serve as strong indicators of the program's effectiveness in empowering low-income individuals and communities. One of

the most prominent themes identified is confidence. Beneficiaries frequently emphasized a significant boost in self-confidence, particularly in their ability to initiate and manage business activities independently. This psychological transformation plays a critical role in enhancing agency, especially among women entrepreneurs who previously lacked the motivation or courage to engage in commercial activities.

Closely related to this is the theme of business and micro-entrepreneurship. The program has spurred the creation of small-scale businesses, enabling participants to transition from passive recipients of financial aid to active economic contributors. Many have reported not only the establishment of new ventures but also the expansion of existing businesses. This highlights the catalytic effect of the program on fostering entrepreneurship at the grassroots level. The theme of support and mentorship also emerged as a pivotal element in participants' narratives. Beneficiaries noted that consistent guidance from field facilitators created a nurturing environment where they felt emotionally and practically supported. This dimension of ongoing accompaniment distinguishes the program from conventional microfinance schemes and reinforces its developmental focus. Financial improvement was another recurring subject, as evidenced by frequent references to income generation, financial management, savings behavior, and economic independence. Participants reported better household budgeting practices, the ability to save regularly, and improved financial responsibility, all of which contribute to long-term financial resilience. Social capital also appears to be strengthened through the program, with key terms such as community, neighbors, and sharing surfacing prominently. Beneficiaries frequently referenced increased interaction, solidarity, and mutual support within their communities. This suggests that the program not only delivers individual benefits but also fosters communal cohesion and cooperation.

Additionally, the emphasis on knowledge, learning, and training underscores the program's contribution to human capital development. Participants gained practical skills in business planning, bookkeeping, and customer engagement, while also being exposed to basic financial literacy and values-based education. These learning experiences were often cited as pivotal in sustaining business practices and improving decision-making capabilities. Lastly, the themes of responsibility, independence, and management reflect a shift in beneficiaries' personal identity and self-perception. The program instilled a stronger sense of accountability and autonomy, empowering individuals to take charge of their economic trajectories and navigate challenges with greater resilience and foresight. The financing and mentoring programs provided by BTPN Syariah have had a generally positive impact on beneficiaries' lives. Participants reported improvements in social, economic, and spiritual aspects. Their confidence increased alongside their ability to manage businesses and finances independently. Continuous guidance also provided them with a sense of support in facing life's challenges.

Contribution of the Program to Reducing Economic Burden and Poverty

BTPN Syariah has significantly contributed to reducing the economic burden of beneficiary families. Income increased through the development of micro and small businesses, while financing allowed families to meet basic needs. Many beneficiaries stated they were able to send their children to school and meet daily needs more steadily thanks to the program.

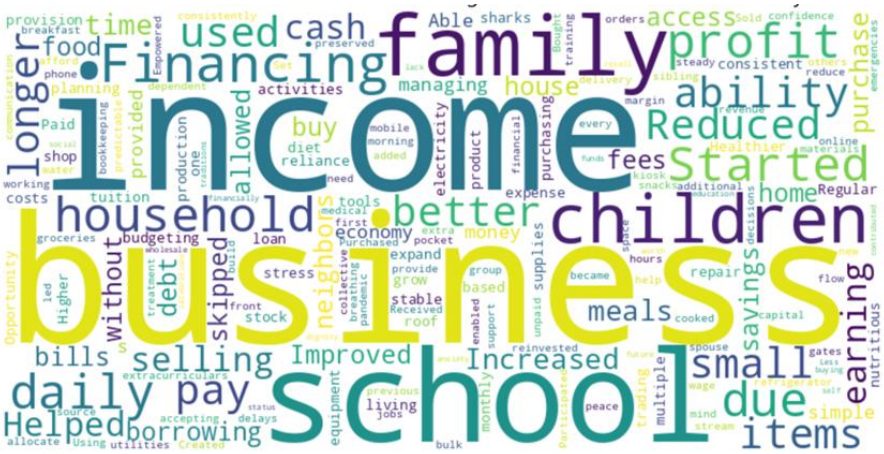

Figure 2. Program to Reducing Economic

The word cloud derived from beneficiaries' statements illustrates a comprehensive and multidimensional impact of the BTPN Syariah program in reducing economic burdens and alleviating poverty. The dominant presence of terms such as income, business, financing, school, and daily needs reflects the central role of micro-entrepreneurship in supporting household economies. Many beneficiaries emphasized that the program enabled them to establish or stabilize home-based businesses, which became a primary and consistent source of income. This shift helped reduce dependence on irregular wage labor or informal borrowing, and allowed for improved planning in household expenditures. The recurring appearance of words like school tuition, education, children, and supplies highlights the indirect yet powerful effect of income improvement on educational access. As beneficiaries gained the ability to pay tuition fees and provide learning materials, their children were less likely to miss school or drop out due to financial constraints. This demonstrates how economic empowerment can generate positive intergenerational outcomes and enhance human capital development.

Health and nutrition-related terms such as meals, medical treatment, and nutritious food also emerged in the word cloud, pointing to a better quality of life as a result of increased purchasing power. With more reliable income, families could afford basic healthcare services and maintain consistent food consumption, thereby improving overall household well-being. Another recurring theme is debt reduction and savings behavior, which underscores the shift from financial vulnerability to resilience. Beneficiaries reported being able to pay off previous debts, save regularly, and invest in productive assets such as kiosks or equipment. This transformation reflects not only short-term financial relief but also the foundation for long-term economic stability.

Social and emotional aspects are also captured through terms such as dignity, peace of mind, and empowered, suggesting that the program fostered not just material benefits but also psychological well-being. By accessing ethical financing grounded in sharia principles, participants felt a renewed sense of self-worth, independence, and control over their economic futures. In summary, the word cloud confirms that BTPN Syariah's intervention has delivered tangible and intangible benefits, from stabilizing daily household consumption to enabling strategic investments in education, health, and productive assets. This integrated impact plays a critical role in lifting families out of poverty and building a more inclusive economic environment for underserved communities.

Impact of the Program on Access to and Quality of Health Services

Some beneficiaries reported improved access to and quality of healthcare for their families. The program indirectly enabled them to allocate funds for health needs and increased awareness of the importance of family health. In some cases, the educational activities also included basic health topics.

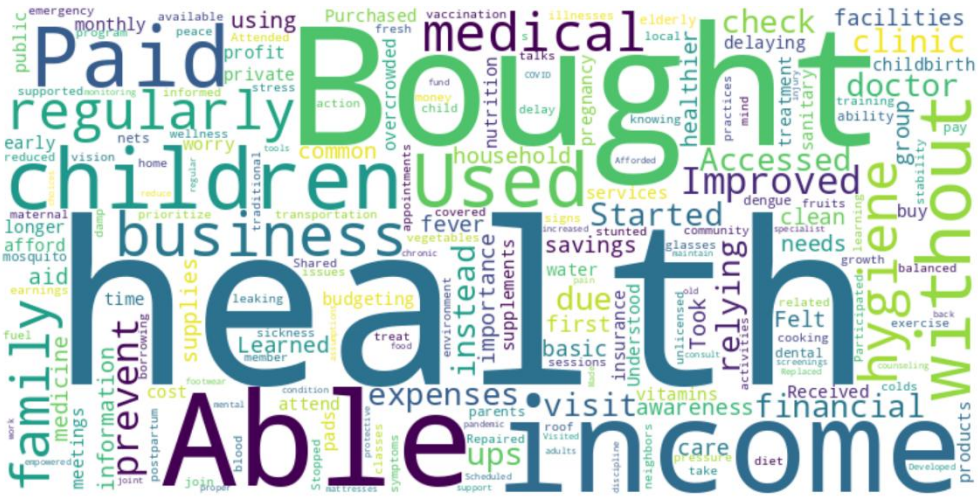

Figure 3. Program on Access to and Quality

The word cloud analysis reveals a clear connection between participation in the BTPN Syariah program and improved access to and quality of health services for beneficiary households. Terms such as clinic, medicine, check-ups, insurance, and health expenses dominate the visualization, highlighting how the program has enabled families to prioritize and allocate resources for essential healthcare. Through increased income generated from micro-enterprises, many beneficiaries reported being able to afford doctor visits, purchase medications, and seek professional medical advice without the financial anxiety they previously experienced. The presence of terms like pregnancy, childbirth, vaccination, and postpartum care underscores the program's positive impact on maternal and child health. Several participants were able to pay for pregnancy-related medical services, ensure proper immunization schedules for their children, and address issues of child nutrition. This indicates that the program indirectly contributes to reducing maternal and child health risks, which are commonly exacerbated by poverty.

Words such as hygiene, nutrition, balanced diet, and sanitation further suggest a growing awareness of preventive health practices among participants. Many gained access to health information through financial literacy group sessions or community health talks supported by the program, integrating financial empowerment with basic health education. This dual approach contributes not only to better treatment access but also to improved health behavior and decision-making within households. Importantly, the word cloud includes terms such as stress, peace of mind, and mental health, reflecting a broader understanding of well-being that extends beyond physical health. Financial stability, as facilitated by the program, appears to reduce chronic stress associated with poverty, and in some cases, even enables access to mental health services—an area often neglected in underserved communities.

The frequent mention of emergency funds, first-aid supplies, and screenings points to the development of household health resilience. With more reliable income, participants were better prepared for unexpected health expenses and more likely to engage in preventive measures. In essence, the program has contributed to transforming health from a reactive to a proactive priority in the daily lives of beneficiaries. In summary, the word cloud provides

compelling evidence that BTPN Syariah's program, while focused on financial inclusion, delivers substantial secondary benefits in the health domain. It enhances the ability of low-income families to access quality healthcare, promotes preventive health behaviors, and reinforces the importance of integrating health and economic empowerment in poverty alleviation strategies.

Improvement in Knowledge, Skills, and Education

The BTPN Syariah program not only provides financing but also delivers training and education that enhance financial literacy, business skills, and household management. The trainings have strengthened individual capacities and improved their readiness to face economic and social challenges.

Figure 4. Improvement in Knowledge, Skills, and Education

The word cloud highlights the significant role BTPN Syariah plays in enhancing beneficiaries' knowledge, skills, and educational capacity. Key terms such as learned, training, skills, bookkeeping, budgeting, and marketing appear prominently, indicating that participants not only gained access to financing but also received substantial non-financial support in the form of education and training. These learning opportunities covered practical business skills such as managing household and enterprise budgets, recording transactions, setting business goals, and understanding pricing strategies. The recurrence of words like confidence, decision-making, and leadership suggests an increase in personal empowerment and readiness to navigate economic challenges. Many participants experienced a shift in mindset, becoming more proactive and analytical in managing their businesses. Furthermore, group training sessions fostered collaboration, peer learning, and community engagement, providing a platform to share experiences and build collective knowledge.

Notably, terms such as entrepreneurship, digital tools, and financial literacy reflect the program's forward-looking approach, preparing participants not only for current business demands but also for future adaptability in an evolving economy. Beneficiaries demonstrated improved self-efficacy, with better planning and organization skills, as well as an appreciation for continuous learning and self-evaluation. In summary, the word cloud confirms that BTPN Syariah's intervention goes beyond microfinance by delivering meaningful capacity-building initiatives. These educational components contribute directly to business sustainability and indirectly to personal and community development, supporting long-term economic empowerment.

Program's Role in Business Creation and Sustainability

BTPN Syariah supports the creation and sustainability of small businesses by providing access to financing and regular mentoring. This consistent assistance helps participants start businesses from scratch or grow existing ones to be more competitive and sustainable.

Figure 5. Program's Role in Business Creation

The word cloud reveals strong evidence that BTPN Syariah's program plays a pivotal role in facilitating the creation and long-term sustainability of small businesses. Prominent terms such as started, opened, financing, mentoring, and business indicate that many beneficiaries successfully initiated new business ventures with the support of the program. These ventures range from home-based services and food stalls to kiosks and tailoring units, reflecting the accessibility of the program across various informal sectors. Key words such as expanded, grew, increased production, and diversified suggest that the program not only helped start businesses but also actively contributed to their scaling. Participants frequently invested in tools, stock, or better locations, while also developing operational improvements such as budget planning, supply management, and record-keeping. This indicates that business sustainability was strengthened through both financial capital and skill-building.

Mentorship emerged as a critical factor in this process. Terms like mentoring, guidance, advice, and support appeared repeatedly, illustrating how regular coaching helped beneficiaries navigate pricing strategies, market trends, and product development. Additionally, references to customer feedback, marketing tools, and sales targets show a deepened understanding of market dynamics, further enhancing business competitiveness. Several phrases such as repeat customers, loyalty strategies, and community promotions highlight the development of long-term customer relationships, which are vital for sustainable growth. The presence of terms like partnerships, collective selling, and peer sharing also reflects how the program fostered collaboration and peer-based learning within the business ecosystem.

Challenges and Obstacles Faced by Beneficiaries

Despite the benefits, beneficiaries also face challenges. These include limited access to networks, insufficient capital for certain business types, and a lack of training diversity. Furthermore, difficulties in understanding administrative systems or using technology were also reported by some beneficiaries.

Figure 6. Challenges and Obstacles Faced by Beneficiaries

The word cloud provides a comprehensive visual summary of the recurring challenges experienced by BTPN Syariah beneficiaries in their entrepreneurial journeys. Key terms such as difficulty, limited, lack, and struggled reflect the various constraints that persist despite the program's supportive structure. A dominant issue highlighted is limited access—whether to capital, digital platforms, quality raw materials, or broader market networks—showing that while microfinancing opens entry points, beneficiaries often face barriers when trying to scale their businesses. Technology-related challenges are also strongly represented. Words like digital literacy, online platforms, internet connectivity, and payment systems suggest that a significant number of participants are not yet fully equipped to leverage digital tools, which are increasingly essential for business growth in today's economy. The gap in training diversity and follow-up support also appears clearly, indicating that while foundational knowledge is provided, more specialized and contextualized training is needed to meet diverse business demands.

Operational difficulties such as calculating profit margins, managing inventory, responding to customer complaints, and record-keeping show a need for more hands-on, skill-specific guidance. Additionally, the emotional and structural strain is evident through terms like stress, insecurity, and overwhelmed, pointing to the mental burden that comes with managing both business and household responsibilities, especially for women entrepreneurs. Furthermore, challenges around formalizationsuch as understanding tax regulations, permits, and business registration reflect the ongoing difficulty in transitioning from informal to formal enterprise structures. These issues often result in missed opportunities for scaling and institutional recognition.

Role of Sharia Values in Enhancing the Program's Usefulness

The sharia-based values embedded in the program foster a sense of comfort and trust among beneficiaries. Principles of fairness, mutual support, and being free from interest (riba) create a sense of security and boost motivation to run businesses with honesty and responsibility. These values also strengthen social and spiritual bonds within the community.

Figure 7. Program's Usefulness

The word cloud reflects how deeply embedded sharia principles contribute to the perceived usefulness and emotional resonance of the BTPN Syariah program among its beneficiaries. Prominent terms such as honesty, trust, interest-free, halal, and ethical underscore the centrality of Islamic values in shaping participants' comfort, motivation, and sense of security. Many beneficiaries expressed feeling peace of mind and dignity knowing that the financing structure is free from riba (interest), aligning their economic activities with spiritual and moral convictions. The frequent appearance of words like responsibility, justice, mutual support, and community points to the program's role in not only building individual businesses but also reinforcing social cohesion and collective values. Participants reported that the group-based model, infused with moral accountability, created a sense of solidarity and mutual encouragement that goes beyond material support. This community-based framework encourages cooperation and shared responsibility, aligning with the Islamic value of ukhuwah (brotherhood).

Words such as transparency, barakah (blessing), spiritual, and empowering suggest that beneficiaries experience the program not merely as a financial intervention, but as a form of holistic development—economically, ethically, and spiritually. The emphasis on values-driven mentoring and regular reflection helped shape behaviors that are sustainable and principled, fostering a culture of honest trade, fair profit, and integrity. Ultimately, the word cloud illustrates that sharia values are not only a distinctive feature of the BTPN Syariah model, but also a key driver of its impact. These values build trust, reinforce ethical behavior, and strengthen both personal and communal well-being—offering a development approach that resonates deeply with the lived realities and beliefs of the beneficiaries.

Perspectives on the Program's Long-Term Sustainability

Most beneficiaries hold a positive outlook on the program's sustainability. With systematic support and an empowering approach, the program is seen as having strong potential for continuation and growth. However, some suggested that the program should be more flexible in adapting to local needs.

Figure 8. Program's Long-Term Sustainability

The word cloud reflects a generally optimistic view among beneficiaries regarding the long-term sustainability of the BTPN Syariah program. Prominent terms such as confidence, support, trust, continuity, growth, and long-term highlight the participants' belief that the program is built on a stable foundation with the capacity to evolve and endure. This optimism stems largely from the consistent mentoring, values-based approach, and structured community support that beneficiaries experience throughout their participation. Phrases like ownership, resilience, discipline, and routine engagement suggest that the program has successfully instilled long-term habits and a sense of personal responsibility among participants. These behavioral changes are essential components of sustainability, as they indicate that beneficiaries are not only receiving external assistance but are also building internal capacity for self-reliance.

The inclusion of words like adaptable, feedback, innovation, and scalable demonstrates that the program is viewed as dynamic rather than rigid. Many participants perceive that their input is heard and used to improve program delivery, which contributes to a sense of co-ownership and relevance over time. Moreover, the integration of sharia principles continues to reinforce trust and moral alignment, further enhancing the perceived durability of the model. Community-focused terms such as collective, shared responsibility, and network emphasize that sustainability is also driven by social capital. Participants believe that the strength of peer networks and the community-based structure of the program play a vital role in ensuring its continuity and resilience, even in times of challenge or transition.

Suggestions to Improve Program Effectiveness

Suggestions from beneficiaries include more diverse entrepreneurship training, increased financing amounts for more developed businesses, and program expansion to underserved areas. Collaborations with educational and healthcare institutions are also seen as opportunities to broaden the program's positive impact.

Figure 9. Program Effectiveness

The word cloud presents a diverse range of suggestions from beneficiaries, highlighting areas for potential enhancement in the BTPN Syariah program. Prominent terms such as training, support, mentoring, tools, digital, and access suggest a strong desire for more varied, practical, and continuous capacity-building efforts. Many participants recommended advanced and specific training, particularly tailored to different types of businesses, indicating that as their ventures grow, so does their need for more specialized knowledge. The appearance of financing, growth, and expansion also reflects a demand for flexible and scalable financial support. Beneficiaries proposed larger loan options for businesses that have progressed beyond the micro stage, alongside more adaptive repayment structures, especially in times of emergency or seasonal downturns. Digital transformation appears to be a key area for improvement. The inclusion of terms like apps, marketplace, digital marketing, and online tools highlights a growing awareness of and interest in leveraging technology. Participants expressed the need for digital skills training, not only to improve business visibility but also to manage operations and payments more efficiently.

Furthermore, the word cloud emphasizes the value of collaboration and integration with external institutions. Suggestions for partnerships with vocational schools, health clinics, and government programs point to a vision of the program as part of a broader support ecosystem. Additionally, ideas like home visits, alumni networks, and peer learning platforms reflect beneficiaries' aspirations for more personalized and sustained engagement.

Evaluation of the Program's Contribution to SDGs

Overall, BTPN Syariah is considered to have made a meaningful contribution to the achievement of the Sustainable Development Goals (SDGs), particularly in areas of poverty alleviation, quality education, gender equality, and inclusive economic growth. The program demonstrates that a sharia-based approach can play a strategic role in community development.

Figure 10. Program's Contribution to SDGs

The word cloud offers a compelling visual representation of BTPN Syariah's alignment with multiple Sustainable Development Goals (SDGs), particularly those focused on poverty reduction, gender equality, quality education, and inclusive economic growth. Dominant terms such as poverty, income, education, gender, financial, and empowerment highlight the broad yet interconnected impact areas influenced by the program. The frequent appearance of entrepreneurship, women, and decent work reinforces the program's role in enabling sustainable livelihoods and promoting economic participation among traditionally marginalized groups. Notably, terms such as financial literacy, resilience, equality, and community reflect the program's holistic approach—moving beyond access to capital by equipping beneficiaries with the knowledge, tools, and support systems necessary for long-term change. The inclusion of ethical, values-based, and sharia-compliant within the word cloud underscores how the integration of Islamic principles strengthens both social trust and the moral foundation of economic behavior, aligning the program with the spirit of Goal 16 (Peace, Justice and Strong Institutions).

Additionally, phrases like sustainable, local economies, mentoring, and innovation suggest that the program actively contributes to strengthening human capital and supporting bottom-up economic development, two key components in achieving Goal 8 (Decent Work and Economic Growth) and Goal 1 (No Poverty). The visibility of inclusive, access, and growth highlights the importance of equity in the program's design, ensuring that benefits reach diverse populations including rural communities and women entrepreneurs. In summary, the word cloud confirms that BTPN Syariah's impact is not only measurable in financial terms but also resonates with the deeper goals of the SDGs—empowering people, building ethical systems, and promoting inclusive development. The program exemplifies how faith-based, community-rooted finance models can support sustainable development at scale, particularly when supported by structured mentoring and values-driven education.

Sentiment Analytics

The sentiment analysis across ten key thematic categories indicates that the majority of beneficiary statements were neutral, followed by a significant portion of positive sentiments, and very few instances of negative sentiment. Categories such as Health Access, Sustainability, and Suggestions exhibit a balanced mix of neutral and positive sentiment, reflecting a generally favorable perception of the program's effectiveness in supporting various aspects of development.

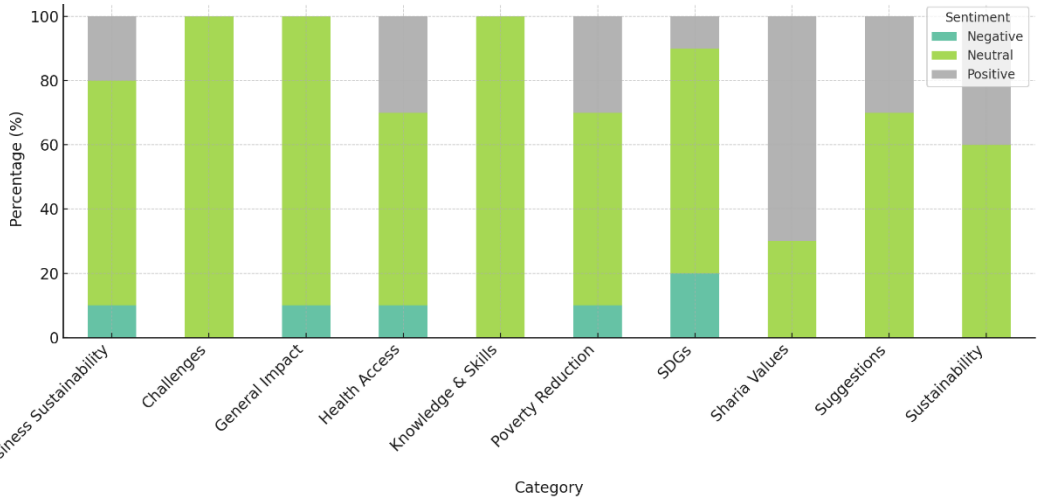

Figure 11. Sentiment Analytics

Conversely, categories like Challenges and Knowledge & Skills are predominantly neutral, indicating that while beneficiaries acknowledge the program's value, they continue to face real barriers such as limited access to advanced training or digital support. Categories like General Impact and Poverty Reduction also lean toward neutrality, suggesting that many participant statements were descriptive and fact-based, yet still reflect positive outcomes related to the program's benefits. Notably, the category related to Sharia values shows a strong predominance of positive sentiment, indicating that the Islamic financial approach emphasizing fairness, trust, and the absence of riba (interest) creates a sense of safety, confidence, and alignment with beneficiaries' spiritual and social values. This further highlights the moral and ethical foundations of Islamic microfinance as a driver of impact beyond just financial inclusion. Based on the sentiment analysis and qualitative data, it can be concluded that Islamic microfinance, as implemented through the BTPN Syariah program, makes a tangible contribution to the achievement of various Sustainable Development Goals (SDGs).

The BTPN Syariah program contributes meaningfully to several Sustainable Development Goals (SDGs), notably SDG 1 (No Poverty) through increased income and business sustainability; SDG 4 (Quality Education) by enabling financing for children's schooling; SDG 5 (Gender Equality) through the empowerment of women-led microenterprises; SDG 8 (Decent Work and Economic Growth) via the creation of dignified, productive self-employment; SDG 10 (Reduced Inequalities) through outreach to marginalized communities and enhanced financial inclusion; and SDG 16 (Peace, Justice and Strong Institutions) by embedding principles of justice, transparency, and community accountability into its operational mod. Rather than merely serving as a financing tool, the sharia-based approach provides a values-driven framework that nurtures not only economic empowerment but also social trust and spiritual well-being. This integrated model strengthens the program's long-term developmental impact and positions Islamic microfinance as a strategic and culturally relevant solution for sustainable development in Indonesia.

5. Conclusion

The findings of this study affirm that Islamic microfinance when implemented through structured and values-driven programs such as BTPN Syariah's Mekaar can significantly

contribute to achieving the Sustainable Development Goals (SDGs) in Indonesia. The program has improved beneficiaries' income levels, expanded access to education and healthcare, promoted ethical business practices, and facilitated the empowerment of women in rural areas. It also fosters community resilience and social solidarity, aligning economic initiatives with Islamic ethical values such as fairness, trust, and mutual responsibility. Most notably, the study shows that the integration of sharia principles enhances beneficiaries' trust, comfort, and motivation, making the financial inclusion process not only effective but also spiritually fulfilling.

These outcomes support the argument that Islamic microfinance should not be viewed merely as a financial service but as a holistic development tool. As such, it holds transformative potential in advancing multiple SDGs simultaneously, especially in Muslim-majority contexts. While this study provides valuable insights into the socio-economic impact of Islamic microfinance in supporting the SDGs, several limitations should be acknowledged. First, the research focuses solely on a single institution, namely BTPN Syariah, which may not fully represent the diversity of Islamic microfinance practices across Indonesia. Second, the study predominantly relies on self-reported data from beneficiaries, which may be subject to bias or social desirability effects. Third, although sentiment analysis enhances the interpretive depth of qualitative responses, it may not fully capture the complexity of emotional or contextual nuances.

Future research should expand the geographical scope of analysis to include multiple Islamic financial institutions and explore a broader range of instruments such as qard al-hasan, micro-waqf, and micro-equity. In addition, longitudinal studies are recommended to assess the long-term sustainability and scalability of Islamic microfinance initiatives in relation to dynamic socio-economic conditions. The integration of quantitative impact metrics and policy-oriented evaluations would further strengthen the evidence base for Islamic microfinance as a viable model for inclusive development.

References

Al-Ameen, A. (2016). Implementing Islamic microfinance in Nigeria: a matter of equity and social justice. Journal of Sustainable Development Law and Policy (The), 7(2), 211. https://doi.org/10.4314/jsdlp.v7i2.10

Ali, M. M., Devi, A., Furqani, H., & Hamzah, H. (2020). Islamic financial inclusion determinants in Indonesia: an ANP approach. International Journal of Islamic and Middle Eastern Finance and Management, 13(4), 727–747. https://doi.org/10.1108/IMEFM-01-2019-0007

Becker, G. S. (n.d.). HUMAN CAPITAL A Theoretical and Empirical Analysis with Special Reference to Education THIRD EDITION.

Cernev, T., & Fenner, R. (2020). The importance of achieving foundational Sustainable Development Goals in reducing global risk. Futures, 115. https://doi.org/10.1016/j.futures.2019.102492

Dirie, K. A., Alam, M. M., & Maamor, S. (2023). Islamic social finance for achieving sustainable development goals: a systematic literature review and future research agenda. In International Journal of Ethics and Systems. Emerald Publishing. https://doi.org/10.1108/IJOES-12-2022-0317

Farhan Mohfarhan, M., & Tinggi Agama Islam Al Falah Pamekkasan, S. (2024). Ar-Ribhu: Jurnal Manajemen dan Keuangan Syariah ANALISIS SWOT (KEKUATAN, KELEMAHAN, PELUANG, DAN TANTANGAN) SERTA EVALUASI TERHADAP MANAJEMEN ZIS (STUDI BAZNAS KABUPATEN PROBOLINGGO) (Vol. 5, Issue 1).

Gabor, D., & Brooks, S. (2017a). The digital revolution in financial inclusion: international development in the fintech era. New Political Economy, 22(4), 423–436. https://doi.org/10.1080/13563467.2017.1259298

Gabor, D., & Brooks, S. (2017b). The digital revolution in financial inclusion: international development in the fintech era. New Political Economy, 22(4), 423–436. https://doi.org/10.1080/13563467.2017.1259298

Hamzah, N., Haji-Othman Sultan Abdul Halim Mu, Y., Yusuf Haji Othman, A., & Ashraf, M. (2023). Sustainability through Quality Education: The Role of Islamic Social Finance. In International Journal of Islamic Studies, Islamic Finance and Management (Vol. 1). https://www.researchgate.net/publication/377085183

Haneef, M. A., Huq Pramanik, A., Mohammed, M. O., Dahiru, A., & Amin, F. B. (2013). Integration of Waqf and Islamic Microfinance for Poverty Reduction: A Survey in Kuala Selangor, Malaysia. Journal of Islamic Finance, 2(2).

Harun, M., Rashid, U., Uddin, M. J., Asadullah, S., & Zobair, M. (2018). Islamic Microfinance and Sustainable Development Goals in Bangladesh. International Journal of Islamic Business & Management, 2(1). www.cribfb.com/journal/index.php/ijibm

Hasnat, M. A., Khandakar, H., Rahman, M. A., Islam, S. N., & Hasan, K. K. (2025). Capitalism in modern ignorance (jahilliyah): exploring Islamic alternatives to reshape human behaviour and provide solutions for the 21st century. International Journal of Islamic and Middle Eastern Finance and Management. https://doi.org/10.1108/IMEFM-08-2024-0393

Hassanain, K. M. (n.d.). Integrating Zakah, Awqaf and IMF for Poverty Alleviation: Three Models of Islamıc Micro Finance. www.kspjournals.org

Hermawan Adinugraha, H., Shulhoni, M., & Achmad, udin. (2023). Islamic social finance in Indonesia: Opportunities, challenges, and its role in empowering society. https://doi.org/10.20885/RISFE

Islam, R., & Ahmad, R. (n.d.). Incorporation of Mudarabah, Musharakah and Musharakah Mutanaqisah with Microfinance: A Sustainable Livelihood Approach to Poverty Alleviation. https://www.researchgate.net/publication/361926166

Mi'raj, D. A., & Ulev, S. (2024). A bibliometric review of Islamic economics and finance bibliometric papers: an overview of the future of Islamic economics and finance. In Qualitative Research in Financial Markets. Emerald Publishing. https://doi.org/10.1108/QRFM-03-2023-0068

Nelson, G., Prilleltensky, I., & Macgillivary, H. (2001). Building Value-Based Partnerships: Toward Solidarity With Oppressed Groups. In American Journal of Community Psychology (Vol. 29, Issue 5).

Penulis, T., Wajdi, F., Rini Widya Astuti, E., Suldina Achmad, F., Mashita, M., Halimah, L., Hilal Nu, M., Subandi, Y., Markus Pereto Keraf, F., Hamson, Z., Kapatan Inda Robby, S., Riyanti, D., & Puspitasari, M. (n.d.). KAPITA SELEKTA PENDIDIKAN PANCASILA DAN KEWARGANEGARAAN. www.freepik.com

Rahman, R. A., & Dean, F. (2013). Challenges and solutions in Islamic microfinance. Humanomics, 29(4), 293–306. https://doi.org/10.1108/H-06-2012-0013

Raimi, L., Abdur-Rauf, I. A., & Ashafa, S. A. (2024a). Does Islamic Sustainable Finance Support Sustainable Development Goals to Avert Financial Risk in the Management of Islamic Finance Products? A Critical Literature Review. In Journal of Risk and Financial Management (Vol. 17, Issue 6). Multidisciplinary Digital Publishing Institute (MDPI). https://doi.org/10.3390/jrfm17060236

Raimi, L., Abdur-Rauf, I. A., & Ashafa, S. A. (2024b). Does Islamic Sustainable Finance Support Sustainable Development Goals to Avert Financial Risk in the Management of Islamic Finance Products? A Critical Literature Review. In Journal of Risk and Financial Management

(Vol. 17, Issue 6). Multidisciplinary Digital Publishing Institute (MDPI). https://doi.org/10.3390/jrfm17060236

Stafford-Smith, M., Griggs, D., Gaffney, O., Ullah, F., Reyers, B., Kanie, N., Stigson, B., Shrivastava, P., Leach, M., & O'Connell, D. (2017). Integration: the key to implementing the Sustainable Development Goals. Sustainability Science, 12(6), 911–919. https://doi.org/10.1007/s11625-016-0383-3

Usman, A. S., & Tasmin, R. (2016). The Relevance of Islamic Micro-finance in achieving the Sustainable Development Goals. In Int. J Latest Trends Fin. Eco. Sc (Vol. 6, Issue 2). http://excelingtech.co.uk/

Valaskova, K., Gajdosikova, D., & Lazaroiu, G. (2023). Has the COVID-19 pandemic affected the corporate financial performance? A case study of Slovak enterprises. Equilibrium. Quarterly Journal of Economics and Economic Policy, 18(4), 1133–1178. https://doi.org/10.24136/eq.2023.036