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The Role Sharia Non-Bank Financial Institutions To Support SDGS Program

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Abstract

Purpose - The purpose of this study is to describe the development of sharia IKNB and the role of Sharia IKNB to support SGDs.

Method - The type of research used is qualitative with literature study. The analytical technique used is descriptive qualitative describing the development of Sharia IKNB, and the role of Sharia IKNB to support realization of the SDGs.

Result - The results show the development of Sharia IKNB in the period from October 2020 to April 2021, Sharia Insurance assets grew by 6.26 percent, Pension Fund Institutions assets grew by 17.79 percent, Sharia Microfinance Institutions assets grew by 2.24 percent, Sharia Fintech Institutions assets grew by 85.54 percent. Meanwhile, Sharia Financing Institutions experienced a decrease in assets of -7.78 percent and Sharia Pawnshops experienced a decrease in assets of -6.95 percent. Certified halal products in 2021 grew by 2,531.49 percent.

Implication - Sharia IKNB supports SDGs to achieve the goal of reducing hunger, sharia IKNB can support the real sector, and also has a social aspect. SDGs achieve prosperity in line with the Islamic economic function of income distribution.

Originality - The research a more in-depth study of the role of Islamic finance in supporting the Sustainable Development Goals (SDGs) program. Researchers identify the role of Sharia Insurance, Sharia Financing Institutions, Pension Fund Institution, Sharia Pawnshop, Sharia Microfinance Institutions and Sharua Financial Technology.

Keywords: Sharia Non-Banking Financial Institutions, Sustainable Development Goals .

Introduction

Indonesia is a country where the majority of the population is Muslim, so Indonesia should have developed a sharia-based economic system to become the center of the world's sharia economy. Over the last few years, the growth of the global Islamic economy has continued to increase significantly. This is evidenced by the number of countries that have started using the Islamic economic system. Globally, based on 2019 Global Islamic Economic Indicator data, Indonesia experienced the largest increase in GIEI this year, from tenth position in 2018 to fifth position. This increase was driven by strong initiatives to increase economic growth through the development of an Islamic economic strategy. The government and related institutions have made new breakthroughs in an effort to increase sharia economic growth in Indonesia. We can see that the market share of the Islamic economy continues to increase every year. Thanks to the development of the sharia economy, sharia financing continues to increase. The consequences of the development of the Islamic economy in Indonesia are increasingly being felt. It can be seen from the increasing number of sharia investment products, sharia financing, sharia insurance, such as government sukuk, corporate sukuk to individual financing. In the development of Islamic finance on the financial side, there are several sectors, namely; banking sector, capital market sector, stock sector, insurance sector , multi-finance sector, and in the micro sector. (Syarifuddin. et al, 2020)

In the Indonesian context, the growth of Islamic economic and financial institutions is also very good, although the total assets of Islamic banking and finance are still in the range of 3-10 percent, with the exception of the Islamic stock market share which is close to 60 percent. This shows that Islamic economics and finance are increasingly showing a significant role in building the community's economy. The basis of welfare is when the value of Islamic teachings becomes the commander in the economic life of a nation. True prosperity can never be achieved if it is against the existing rules. Welfare will not be possible to achieve the three economic activities do not run at all. The essence of economic activity lies in the real sector, namely how to strengthen industry and trade. This real sector absorbs the most labor force and is the core of the Islamic economy. Even the financial sector in Islam is designed to strengthen the performance of the real sector, because all Islamic financial contracts and transactions are based on the real sector. Then the fulfillment of basic needs and the distribution system, a society cannot be called prosperous if basic needs are not met. The economic distribution system plays an important role in determining the quality of welfare. (Syauqi Beik & Arsyianti, 2016)

Islam regulates in such a way the economic problems of its people, especially in terms of poverty. Many factors are the cause of poverty, including the indifference of the rich which causes the poor to be increasingly trapped in the cycle of poverty. Responding to these conditions, Islam imposes an obligation on its people to pay zakat according to applicable regulations, and recommends giving and giving charity according to their abilities. The meaning of welfare in sharia economy aims to achieve human welfare as a whole, namely material welfare, spiritual and moral welfare. The concept of sharia economic welfare is not only based on the manifestation of economic values, but also spiritual and moral values. The conception of welfare and happiness (falah) refers to the goals of Islamic law by maintaining the 5 principles in maqashid shari'ah, namely the protection of religion (ad-ddin), the protection of the soul (an-nafs), the protection of the mind (al-aql), the protection of offspring (an-nasl) and wealth (al-mal). In detail, the objectives of Islamic economics can be explained as follows: 1). Economic welfare includes the welfare of individuals, society and the state, 2). Sufficient basic human needs, including food, drink, clothing, shelter, health, education, security and a state system that ensures the implementation of adequacy of basic needs fairly, 3). The use of power in an optimal, efficient, effective, efficient and not wasted , 4). Distribution of wealth, wealth, income and development results fairly and equitably, 5). Ensuring individual freedom, 6). Equality of rights and opportunities, and 7). Cooperation and justice. (Suardi, 2021a)

The definition of welfare in the concept of modern society is a condition where a person can fulfill all needs, such as food, drink, clothing, shelter, social security, health insurance, education, work and others as part of the needs, if the above components are missing. then the existence of life will be threatened. Welfare in sharia economy aims to achieve human welfare as a whole, namely material welfare, spiritual welfare and morals. The concept of sharia welfare economy is not only based on the manifestation of economic values, but also spiritual and moral values. (Suardi, 2021b) Islamic teachings with their economic ideas have provided principles of life in establishing relationships with others. It contains directions and at the same time demands that his followers do their best and stay away from actions that are considered sinful. Therefore, Islamic economics which is part of the overall teachings of Islam does not only contain a collection of regulations but provides guarantees for the realization of prosperity. Welfare must be seen as the embodiment of God's command to his servants. So that welfare is a continuous effort of mankind to do the best, both to God and to fellow human beings based on the teachings of Islam. (Purwana, 2014)

The Islamic economy is superior to other economies, so it is important to raise awareness to implement Islamic economics in Indonesia for the sake of increasing people's welfare. In addition, the teachings of Islam in human economic behavior and Indonesian business are increasingly pressing for its application not only because the majority of Indonesians are Muslims, but because it is increasingly clear that these moral teachings are very often not obeyed. A prosperous life which has always been the goal of all human beings on this earth, is also the goal and aspiration of the founding fathers to establish the country of Indonesia. The main problem. Social welfare for all Indonesian people has not been realized evenly. (Fadilah, 2020) The concept of welfare in Islamic economic terminology is referred to as Maslahah. Maslahah is a very strong concept that covers all aspects of human life, both individual and collective economics, and is very relevant to the achievement of social and community welfare and in accordance with the objectives of sharia. (Pusparini, 2015)

The role of LKMS is to act as a financial institution and social institution capable of empowering small communities and overcoming socio-economic problems such as poverty etc. In empirical practice, the role of LKMS has maximally positioned itself as a financial and social institution. maximizing the financing monitoring function. As a learning center for its customers, namely by providing assistance, both in terms of business financial administration, as well as disseminating an understanding of Islamic economics. This is done so that the purpose of micro-financing aimed at women does not deviate, namely realizing benefit. (Qadariyah & Permata, 2017) Non-bank financial institutions have an important role in economic activity. The strategic role of non-bank financial institutions is as a vehicle that is able to collect and channel public funds effectively and efficiently towards improving people's living standards. Non-bank financial institutions are financial intermediaries (financial intermediaries) as a very vital supporting infrastructure to support the smooth running of the economy. Financial institutions basically have the function of transferring funds (loanable funds) from savers or surplus units (lenders) to borrowers (borrowers) or deficit units. (Firdausy, 2018)

The relationship that occurs between the financial sector (Conventional IKNB and Sharia IKNB) to economic growth is a positive bidirectional causality view which means that the development of Conventional and Sharia IKNB will encourage economic growth, and vice versa economic growth will increase demand for financial sector (Conventional IKNB and Sharia IKNB). In addition, the Sharia-based financial sector is considered more resistant to shocks that occur in economic growth and the variables themselves compared to the conventional financial sector. Given the increasing contribution of the IKNB sector, especially sharia IKNB to the economy, it is necessary to strengthen the role of the government in this sector. Various regulations needed for the development of the IKNB sector need to be oriented to the ease of their development, without compromising the precautionary principle as a financial intermediary institution. In addition, education and outreach to various Islamic communities and mass organizations also need to be improved, such as NU and Muhammadiyah, because they are the ones who are socially and culturally able to mobilize the economic potential of the ummah. (Faza & Wibowo, 2019) The presence of a Sharia IKNB Sharia economic institution can support economic growth in realizing prosperity. This is in line with the Sustainable

Development Goals (SGDs) Program. One of the SDGs points is the achievement of welfare, this is in line with the objectives of sharia economics to achieve the falah of happiness, including prosperity with maslahah. So that the presence of Islamic financial institutions can support the SDGs, including for Sharia IKNB.

In the variables of Financial Inclusion, Islamic Banks, Economic Growth and National Infrastructure, it is suggested to use other more varied indicators so that we can all reach how far the inclusiveness of Islamic finance in Indonesia is. And, be more focused and can have a positive impact on the SDGs program broadly for the national and international community. The uneven financial literacy of the Indonesian people indicates that there are people who have not been able to use the services of Islamic financial institutions, both financing and deposits at Islamic banks. The quality of infrastructure is still relatively poor so that the sustainable national development goals (SDGs) have not been created. (Frita et al., 2021) The existence of Islamic Economics and its components has an important role in achieving the Sustainable Development Goals (SDGs), in achieving prosperity and alleviating poverty. Islamic banks as intermediary institutions for collecting and distributing funds, can contribute to the SDGs. The role of social institutions in collecting and socializing zakat, infaq, shadaqah, waqf and other social and instruments is very supportive for the realization of the SDGs. Through social institutions the distribution of wealth can be achieved, part of efforts to overcome poverty, as well as income distribution. The form of concern for fellow human beings. (Trimulato & Rahmatia, 2020)

Islamic finance should be the main driving force in achieving the goals contained in the Sustainable Development Goals or known as the Sustainable Development Goals (SDGs). This is the expectation of the Director of Regulation and Licensing of the Islamic Banking Financial Services Authority (OJK) Deden Firman Hendarsyah. He said the principles contained in Islamic finance were very much in line with the goals of the SDGs. The principles include profit sharing, avoiding usury, avoiding speculative businesses, and backing up every transaction in the real sector. The real form of encouraging

SDGs in Indonesia is contained in the implementation of sustainable finance in OJK Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies. This provision regulates the steps that must be taken by financial institutions in Indonesia in implementing sustainable finance, so that it is hoped that there will be a transformation of the financial system towards sustainable finance. That way it can make a significant contribution to the implementation of the SDGs. The POJK also regulates social development. Where is the role of Islamic economics and finance in the SDGs as poverty alleviation and income distribution. (KNEKS, 2020)

From the description above, the researcher is interested in conducting a more in-depth study of the role of Islamic finance in supporting the Sustainable Development Goals (SDGs) program. All parties have a role in realizing the SDGs for all levels of society. The Islamic Non-Bank Financial Industry (IKNBS), as a product of the Islamic economy can play a role in supporting SGDs. IKNB with its various variants and transactions can realize welfare justice in line with the SDGs. The purpose of this study is to describe the development of Sharia IKNB, as well as the role of Sharia IKNB in supporting the SDGs.

Literature Review

Sharia Non-Banking Financial Institutions (IKNBS)

Sharia IKNB is an activity in the insurance industry, pension funds, financial institutions, and other financial service institutions, which in its implementation does not conflict with sharia principles. In general, their activities are not different from conventional IKNB. However, Sharia IKNB has special characteristics, with products and transaction mechanisms based on the Qur'an and hadith. The fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) regarding Sharia Financial Institutions (LKS) is " Mudharabah Financing (Qiradh), Musyarakah Financing, Ijarah Financing , Wakalah, Mudharabah Musytarakah Contracts , and Kafalah Contracts" . The Financial Services Authority (OJK) is a regulatory and supervisory institution in Islamic finance that has the function and authority to integrate policy directions, strategies, and stages of development in the Islamic finance industry, including in Sharia IKNB. The regulatory instruments issued by the OJK are in accordance with sharia principles, involving the DSN-MUI. (Payabadar & Thamrin, 2021)

Islamic finance is a principle of financial commercial life derived from Islamic epistemology. There are two approaches that can be taken. First, a discipline that advances new alternatives to conventional commercial finance. Efforts were made to reinterpret the verses and hadiths related to finance to produce a theory based on religious texts, such as what was done by Baqir As-Sadr in the book Iqtishaduna. Second, reevaluating existing conventional financial concepts and practices with fiqh. By questioning and assessing whether existing concepts and practices are in line with sharia. the assessment will fall on the assessment of halal, makruh, permissible, Sunnah, or haram. It is interesting to question the various options from a sharia perspective. The development of Islamic finance is a representation of the entry of religious laws into the realm of commercial life. Islamic finance challenges secular commercial law which is presumed to be more efficient and superior, against commercial law which separates it from religious considerations and obedience to its ranks. (Rodoni & Fathoni, 2019)

Islamic finance has become a global phenomenon marked by the increasing number of institutions related to Islamic finance, both in terms of scientific development and practical business activities in various parts of the world. His presence which carries universal moral values including justice, honesty, morals and ethics, social care, altruism has given hope to the world for the realization of a business in the financial sector that fully humanizes humans, not just economic men. Its presence which has not yet had a positive impact on financial developments in the world, and even from the various scientific studies conducted, Islamic finance is more resistant to financial crises, so it is hoped that the application of Islamic finance in various parts of the world will make the world economy and finances more stable and sustainable. more prosperous in a fair and equitable manner. The era of globalization and the phenomenon of trends in the development of financial economics in the world have given birth to many opportunities as well as challenges, especially in efforts to develop Islamic finance. Therefore, the development of the Islamic financial economy in the future, apart from the need to learn from the successes and failures of the conventional financial economy with the various crises that occurred, it is also necessary to take advantage of new creative and innovative approaches to truly realize an Islamic financial economy that is rahmatan lil. natural in its various aspects. (Kholis, 2017)

Islamic finance sector in Indonesia includes The Sharia Non-Bank Financial Institutions (IKNB) grew quite significantly. During the 5 (five) year period, Sharia IKNB which consist of the sharia insurance industry, sharia financing, sharia underwriting, sharia venture capital and other sharia financial services have experienced an average growth of 62.29% per year. Although in the last 2 (two) years, there have been signs of a slowdown in the growth rate. Sharia IKNB will continue to grow with a significant growth rate. This is based on the high market potential of Sharia IKNB that has not been explored and the enthusiasm of IKNB players to carry out financial activities based on sharia principles, either by establishing a new sharia company (full sharia) or sharia business unit. The development of Sharia IKNB regulations to date is still not uniform. Certain sectors have complete regulations, such as sharia insurance, sharia financing, and sharia guarantees, while in other sectors they do not have complete regulations, even some of them do not have sharia-related regulations for their industrial sectors, such as sharia venture capital, sharia pension funds, and sharia pawnshops. (OJK, 2015)

Sharia Insurance

According to Law no. 2 of 1992, what is meant by insurance is an agreement between two or more parties, whereby the insurer binds himself to the insured, by receiving insurance premiums, to provide compensation to the insured due to loss, damage, or loss of expected profits, or liability. the law to third parties that the insured may suffer, arising from an uncertain event, or to provide a payment based on the death or life of the insured person. The definition of sharia insurance according to the DSN (National Sharia Council) fatwa is an effort to protect and help each other between a number of people or parties through investments in the form of assets or tabbarus that provide a pattern of returns to face certain risks through contracts or agreements that are in accordance with sharia. The principles that are implemented in sharia insurance are monotheism (taqwa), justice, not injustice, At Tawaun (please help), Amanah, Rida, Khitmah (good service), and free from elements of gharar, maisir , and usury. (Suripto & Greetings, 2018)

Sharia Financing Institutions

Sharia financing companies in Indonesia are intended to meet the needs of the community in terms of meeting the needs of goods and/or services through financing other than banks using sharia principles. As is well known, the majority of Indonesian people are Muslim, and in Islam matters related to economic transactions, buying and selling contracts, and leasing must be based on sharia principles. The existence of this sharia finance company is expected to meet the needs of the community for financing so that their livelihoods can be fulfilled and the quality of life can be increased without violating sharia principles. The financing referred to is the need for working capital, investment, rental of goods or purchase of goods and services. The provisions for sharia financing companies in Indonesia began with the issuance of the Decree of the Chairman of Bapepam LK Number 03/BL/2007 concerning Activities of Financing Companies Based on Sharia Principles and continued with the Decree of the Chairman of Bapepam LK Number 04/BL/2007 concerning Contracts Used in Activities of Financing Companies Based on Sharia Principles. Furthermore, the Financial Services Authority (OJK) also issued regulations governing Islamic finance companies, namely: Financial Services Authority Regulation (POJK) Number 28/POJK.05/2014 concerning Business Licensing and Institutional Financing Companies, POJK Number 30/POJK.05/2014 concerning Good Corporate Governance for Financing Companies, POJK Number 31/POJK.05/2014 concerning the Implementation of Sharia Financing Businesses, which was later replaced by POJK Number 10/POJK.05/2019 concerning the Implementation of Sharia Financing

Businesses and Sharia Business Units for Financing Companies. In the preparation of OJK regulations related to this sharia finance company, the Government also cooperates with the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) as the institution authorized to issue fatwas or standards related to muamalah in accordance with sharia principles. Sharia financing products are products that are universal, namely products that can be used or used by the whole community regardless of their background or religion. (OJK, 2019)

Sharia Pension Fund

Sharia pension funds are Islamic financial institutions that have characteristics that can be used in order to maintain the continuity of a person's income when they are no longer productive at work. Where this institution is very useful for the community to prosper their old age later. In the Qur'an also teaches his people not to leave weak offspring and prepare for a better tomorrow. Pension funds are allowed in principle if they are managed in a sharia-compliant manner. So that sharia pension funds that develop further need the support of strategies and regulations that are expected to develop in a more competitive market share. Encouraging the role of the Sharia Supervisory Board, where this board controls and ensures that the ongoing program is indeed in accordance with sharia principles and assures its stakeholders about the ongoing sharia. It is also necessary to improve the quality of human resources in the sharia supervisory board. Sharia Pension Funds must be more transparent regarding the management of participant funds. This is very necessary and necessary for the participants of the pension fund. Transparency will provide clarity regarding its management so that it creates a feeling of security and trust from participants which will result in more confidence in sharia pension funds. (Suryanto, 2018)

Sharia Pawnshop

Pawn is one of the categories of debt agreements, which is for a trust from the person who owes the debt, the person who owes it pawns the goods as collateral for the debt. Based on the legal basis above, it can be said that pawning in Islam is allowed and not prohibited in Islam. As a legal basis, it is found in the Qur'an, Hadith and Ijma'. Rahn is not only used in general pawnshops, but also this rahn practice has been applied or applied in Islamic banking, but not as a main product but as a complement. One of the benefits that the bank can take from this rahn practice is to provide security for all savers and deposit holders that their funds will not just disappear if the borrowing customer breaks his promise because there is an asset or collateral item (marhun) held by the bank. (Surepno, 2018)

Fatwa of the National Sharia Council (DSN-MUI) that loans by pledging goods as collateral for debt in the form of Rahn are allowed with conditions. Murtahin (the recipient of the goods) has the right to hold Marhun (the goods) until all of the debts of Rahin (who delivered the goods) are paid off. Marhun and his benefits remain the property of Rahin . In principle, Marhun should not be used by Murtahin except with Rahin's permission , without reducing the value of Marhun and its use is just a substitute for the cost of maintenance and care. The maintenance and storage of Marhun is basically Rahin's obligation , but Murtahin can also do it , while the cost and maintenance of storage remains Rahin's responsibility . Marhun's maintenance and storage costs cannot be determined based on the loan amount. Marhun's sale , if it is due, Murtahin must warn Rahin to pay off his debt immediately. If Rahin is still unable to pay off his debt, then Marhun is forcibly sold/executed through an auction according to sharia. The proceeds from the sale of Marhun were used to pay off debts, unpaid maintenance and storage costs and selling costs. The excess of the sale proceeds belongs to Rahin and the shortage becomes Rahin's obligation. (DSN-MUI, 2002)

Sharia Microfinance Institutions

Islamic microfinance or sharia microfinance is one of the Islamic approaches to poverty alleviation, because poverty is contrary to maqashid sharia, namely, protecting religion (hifz al-din), protecting the soul (hifz an-nafs), protecting the mind (hifz al-din). (al-aql), protect offspring (hifz al-nasl), and protect property (hifz al-mal). Moreover, Islamic jurists unanimously hold the view that solving the problem of poverty is a collective obligation (fardhu kifayah) of the Muslim community to take care of the basic needs of the poor. The Islamic social fund is considered a financial instrument in Islam that plays an important role in poverty alleviation and eradication. In practice, Indonesia has a unique concept of microfinance in balancing the two paradigms without compromising the objectives of one another. The concept is known as Baitul Maal Wat Tamwil (BMT) which is a sharia microfinance concept that carries out a commercial orientation through its tamwil activities and social orientation through its maal activities in harmony. In the context of Islamic economics, the concept of BMT is a form of application of Islamic economics. The concept of BMT is designed as a socio-economic institution. By using resources including commercial funds or capital as well as social funds (zakat, infaq, alms, and waqf) from the community which are then managed and utilized for the local community itself. The BMT concept emphasizes the concept of a people's socio-economic institution, which conceptually and in fact focuses more on the lower class, the near poor, the poor to the poorest of the poor through capital assistance and empowerment to improve economic, social welfare, and spiritual. (National Committee on Islamic Economy and Finance, 2019)

Sharia Financial Technology (Fintek)

Fintech is a service that provides financial products by using and utilizing information technology that is experiencing rapid development. Also, Fintech is not a service provided by banking institutions, but a new business model that utilizes technological advances that can greatly assist the community in meeting their needs. Services and products offered by fintech companies to support the public regarding financial transactions without having an account like a bank. Although fintech is not a financial institution like banking, it has been regulated by the Financial Services Authority and Bank Indonesia so that the public is guaranteed and protected in its implementation. Therefore, a financial-based financial institution must or must register with the Financial

Services Authority (OJK) in order to become a legal institution. The type of fintech does have various sectors, from: payment, lending, aggregator, crowdfunding, personal or financial planning . The distribution sector of Islamic fintech is still the same, not much different from conventional fintech. Sharia Fintech means financial services and solutions provided by technology companies or fintech start-ups based on Islamic (sharia) laws. However, the regulations required by sharia fintech are also from the National Sharia Council – the Indonesian Ulema Council (DSN-MUI). (Maziyah et al., 2020)

In the Fatwa of the National Sharia Council (DSN-MUI) number 117 of 2018 Information Technology-Based Financing Services Based on Sharia Principles are the implementation of financial services based on sharia principles that bring together or connect financiers with financiers in order to carry out financing contracts through an electronic system using a network. Internet. Electronic System is a series of electronic devices and procedures that function to prepare, collect, process, analyze, store, display, announce, transmit, and/or disseminate electronic information in the field of financial services. Provider is an Indonesian legal entity that provides, manages and operates Information Technology-Based Financing Services. Information Technology-Based Financing Services are allowed on conditions in accordance with sharia principles. The implementation of information technology-based Financing Services must not conflict with Sharia principles, which include avoiding usury, gharar, maysir, tadlis, dharar, zhulm , and haram. (DSN-MUI, 2018)

Sustainable Development Goals (SDGs) Program

The Sustainable Development Goals (SDGs) or Agenda 2030 were declared on September 25 2015, coinciding with the United Nations General Assembly (UNGA) at the United Nations office - New York (United States. TPB/SDGs whose scope and substance are in line with Nawacita, consisting of 17 Goals and 169 Targets. These goals and targets describe the vision and scope of an inclusive and multidimensional global development agenda, which will serve as a guide for the global community over the next 15 years to realize the welfare of the global community. The United Nations through the UN-DESA Statistics Division has issued a metadata of 241 indicators (March 2016 version) to measure the achievement of the SDGs targets. Based on the Metadata of the Global SDGs Indicators, a Metadata of Indonesia's TPB/SDGs Indicators has been developed which includes 17 OBJECTIVES, 169 Targets and 320 Indicators (Bappenas, 2017)

The SDGs are designed in a participatory manner, different from their predecessors, the Millennium Development Goals (MDGs), SDGs are designed to involve all development actors, be it the Government, Civil Society Organizations (CSOs), the private sector, academia, and so on. Approximately 8.5 million citizens' voices around the world also contribute to the SDGs Goals and Targets. Leave No One Behind The main principle of the SDGs. With this principle, at least the SDGs must be able to answer two things, namely, Procedural Justice, namely the extent to which all parties, especially those who have been left behind, can be involved in the entire development process and Substantial Justice, namely the extent to which development policies and programs can or are able to answer the problems of citizens, especially disadvantaged groups. (sdgs2030indonesia, 2019) The Sustainable Development Goals (SDGs) are at the heart of the new global agreement on what society wants to be over the next twelve years. This agreement envisions a world free from poverty and deprivation, and where the basic conditions for human prosperity, healthy ecosystems, a stable climate, and a clean environment - are safely maintained. However, the SDGs do not offer a plan for how to achieve this laudable goal. (Ismail et al., 2018)

Sustainable development goals (SDGs) are the result of an agreement by world leaders on a global action plan that aims to end poverty, reduce inequality and protect the environment. The SDGs contain 17 goals and 169 targets which are expected to be met by 2030. (Jalaali, 2021) The concept of SDGs itself was born in the activities of the Conference on Sustainable Development held by the United Nations in Rio de Jainero in 2012. The goal is to achieve a universal common goal that is able to maintain a balance of the three dimensions of sustainable development: environmental, social and economic. In maintaining the balance of the three dimensions of development, the SDGs have 5 main foundations, namely people, planet, prosperity, peace, and partnerships that want to achieve three noble goals by 2030 in the form of ending poverty, achieving equality and overcoming climate change. Poverty is still an important and major issue, apart from the other two achievements. To achieve these three noble goals, 17 Global Goals have been developed. (Musri, 2020)

In August 2015, 193 countries agreed on the following 17 goals: Goal 1- No poverty, Eradication of all forms of poverty everywhere. Goal 2- No hunger End hunger, achieve food security and improved nutrition, and promote sustainable agriculture. Goal 3 - Healthy and prosperous lives, Promote healthy living and promote well-being for all ages. Goal 4 - Quality education, Ensure adequate and inclusive quality education and promote lifelong learning opportunities for all. Goal 5 - Gender equality, Achieve gender equality and empower all women. Goal 6 - Clean water and proper sanitation, Ensure access to water and sanitation for all. Goal 7 - Clean and affordable energy, Ensure access to affordable, reliable, sustainable and modern energy for all. Goal 8 - Decent work and economic growth, Promote sustainable and inclusive economic growth, employment and decent work for all. Goal 9 - Industry, innovation and infrastructure, Build strong infrastructure, promote sustainable industrialization and encourage innovation. Goal 10 - Reducing inequality, Reducing inequality within and between countries. Goal 11 - Sustainable cities and communities, Make cities inclusive, safe, strong and sustainable. Goal 12 - Responsible consumption and production, Ensure sustainable consumption and production patterns. Goal 13 - Addressing climate change, Take important steps to combat climate change and its impacts. Goal 14- Marine ecosystems, Protection and sustainable use of oceans, seas and marine resources. Goal 15 - Land ecosystems, Manage forests sustainably, fight land conversion to deserts, stop and rehabilitate land degradation, stop biodiversity loss. Goal 16 - Peace, justice and strong institutions, Promote just, peaceful and inclusive societies. Goal 17 -

Partnerships to achieve goals, revive global partnerships for sustainable development.

The SDGs program in Indonesia is very important to realize considering that economic conflict is very high and continues to change from time to time. With the condition of the Indonesian economy that is always experiencing obstacles due to the impact of strong political interests and foreign intervention, a number of innovations and policies are needed so that the achievement of the SDGs in the field of economic growth and employment can be realized. One of the strategies is to create a digital economy platform that uses the principle of collaboration from all parties and strengthens policy management, infrastructure, and the consumer sector. This rationale can not be separated from the strong foreign intervention which is a consequence of the national debt which always increases every year. Through President Jokowi's instructions, the government in 2021 has focused on sustainable development programs as stated in international agreements, one of which is economic growth and employment. (Nur Alim Mubin AM, 2021)

Conventional Banks must prepare a spin-off process not only structurally but also how the Sharia Business Unit can face the SDGs era as the responsibility of the parent bank. Sharia Business Units that have become Sharia Banks are required to apply the SDGS principle as an obligation as mandated by the government in several laws and regulations. Islamic banks can play a role by taking management preparation steps, implementing banking services according to the aims and objectives of the SDGs and implementing CSR following the SDGS. (Mentari & Sutikno, 2019) The Islamic Economics perspective views that the realization of the SDGs in Indonesia can be achieved. This can be seen from the results; Measurement with several models tested, Islamic banking deposits always have an effect on poverty reduction. This means that if more and more Islamic banking Third Party Funds are channeled in the form of financing and benevolent loans, poverty will decrease. This is in line with the principle of the existence of Islamic banking in addition to profit oriented, also social oriented which can reach more poor people. (Ferawati, 2018)

Zakat has the potential to achieve the Sustainable Development Goals (SDGs) which are expected to be achieved in 2030. This can be seen from several models of zakat distribution and empowerment of mustahik that have been carried out by BAZ and LAZ. Generally, the intersection between SDGs and zakat meets in an objective goal, namely to reduce poverty including hunger that occurs in this world and its various derivatives. but also must keep up with technological developments so that muzakki have the convenience of paying the zakat whenever and wherever. The presence of the digital era must of course be utilized as well as possible by Muslims, one of which is the ease of paying zakat through applications on gadgets. Rapid technological advances, allow every human being to do everything through his device, be it a smartphone or laptop. (Hasanah & Istiqomah, 2019)

Methods

The type of research used in this research is qualitative. With a library research approach, with various sources related to the development of sharia IKNB, which consist of Sharia Insurance, Sharia Pawnshops, Sharia Financing Institutions, Sharia Pension Fund Institutions, Sharia Microfinance Institutions, and Sharia Fintech as well as the form of the role of IKNB sharia in supporting the SDGs program.

The source of data used in this research is secondary, namely data that has been presented by a particular institution and then processed the data. Sources of data used in this study are from the Financial Services Authority (OJK), and the National Committee for Islamic Economy and Finance (KNEKS), as well as from several other sources.

The data collection technique used in this research is literature from several sources that are considered relevant to the research theme. Namely about sharia IKNB, and the SGDs program. From several good sources from books, journals, and others that are relevant to the theme.

The analytical technique used in this study is a qualitative descriptive analysis technique, namely analyzing, describing, and describing the conditions of the research object. In this case, it describes the development of sharia IKNB, analyzes the role of sharia IKNB to supporti the SDGs program.

Results and Discussion

Development of Sharia Non-Banking Financial Institutions (IKNBS)

The table 1 shows the development of the Sharia Non-Bank Financial Industry (IKNB) in the period October 2020 to April 2021. Sharia IKNB is quite affected by the effects of the COVID-19 pandemic. Sharia IKNB consisting of Sharia Insurance Institutions, Sharia Financing Institutions, Sharia Pension Fund Institutions, Sharia Pawnshops, Sharia Microfinance Institutions, and Sharia Financial Technology Institutions.

Table 1.Development of Sharia IKNB Period October 2020 – April 2021

No	Sharia IKNB	Indicator	October 2020	April 2021	Growth
1	Sharia Insurance	Number of Industries	13	13	0
		Asset	41,613	44,220	6.26
		Earning Assets	34,774	36,763	5.72
2	Sharia Financing Institutions	Number of Industries	9	9	0
		Asset	23,846	21,991	-7.78
		Earning Assets	16.504	15,998	-3.06
3	Pension Fund Institution	Number of Industries	4	4	0
		Asset	6,991	8,235	17.79
		Earning Assets	6789	8042	18.46
4	Sharia Pawnshop	Number of Industries	3	2	-33.33
		Asset	11.042	10,275	-6.95
		Equity	3,747	3,931	4.91
5	Sharia Microfinance Institutions	Number of Industries	77	81	5.19
		Asset	488.75	499.70	2.24
		Equity	264.45	274.91	3.95
6	Sharia Financial Technology	Number of Industries	11	9	-18,18
		Asset	58,77	109.04	85.54

Table 1 shows that there are several components that are experiencing growth and some are experiencing a decline. In Insurance, the number of fixed industries and assets grew by 6.26 percent. Islamic finance institutions experienced a decline in assets of -7.78 percent. Islamic pension fund institutions experienced asset growth reaching 17.79 percent. Sharia pawnshops experienced a decline in the number of industries by 33.33 percent and assets down by -6.91 percent. Islamic microfinance institutions experienced an increase in industry players by 4, and assets grew slightly by 2.24 percent. And Islamic financial technology institutions experienced a decline in industry players of -18.18 percent and asset growth reached 109.040 million. If you look at asset growth, the largest growth in the Islamic financial technology industry is 85.54 percent. The largest productive asset growth was in Islamic pension fund institutions of 18.46 percent. For industrial players, the largest growth in Islamic microfinance institutions grew by 5.19 percent.

The Role of Sharia IKNB in Supporting (SDGs) Program

Sharia IKNB which consists of several financial institutions, namely; Sharia Insurance, Sharia Pawnshops, Sharia Pension Funds, Sharia Financing Institutions, Sharia Microfinance Institutions (LKMS), and Sharia Fintech, adjusted to the transaction mechanism to support the SGDs program. The contribution of Islamic banks and conventional banks to the SDGs is proven by moderating the role of income. Both types of banks have profit control (sufficient profit) to stimulate the country's development, and Islamic banks have less destructive effect than conventional banks. In the second hypothesis, credit or bank financing can directly increase the country's sustainable development. In the third hypothesis, the impact of credit/financing is reflected in the low controllable profit/sufficient profit, in order to encourage community economic growth. While the fourth hypothesis proves that the quality of financing can distinguish whether the low profits obtained by banks are due to social orientation for sustainable development or due to poor market conditions (bad credit/financing). banks can contribute to the SDGs through their credit or financing, as long as the financing is of good quality and the goals of the bank itself. Whether the bank's goal is capitalism-oriented or falah, it can be reflected in the profits it demands for itself. Islamic banking provides financing through the principle of buying and selling and the principle of profit sharing, and the funds are channeled to the real sector. While conventional banks apply an interest system in their credit business, and invest their funds in the financial sector, money market, and foreign exchange. Thus, Islamic banking has a better contribution than conventional banking and Islamic banking has a less destructive impact than conventional banking. (Ghoniyah & Hartono, 2020)

Based on the ta'awun principle, this can provide benefits for SMEs in the halal industry sector and for sharia insurance companies/LKMS in supporting government programs such as the national economic recovery program (PEN), especially for SMEs engaged in the halal industry, especially after the COVID pandemic. -19 in Indonesia. In addition, there are risks that will be faced by both sharia insurance companies and LKMS in implementing this model for SMEs such as moral hazard. However, good governance and the application of IT can reduce and prevent various risks including the risk of moral hazard that may arise in the application of this model. (Sulaeman & Wirawan, 2021) There is a positive and significant effect of ARRUM Pegadaian Syariah financing on the income of SMEs customers. This shows that Pegadaian Syariah's mission to help government programs improve the welfare of the lower middle class by providing the best financial solutions through lending to micro and small business customers has been achieved. (Nisfi, 2016) The practice of sharia-based finance companies will be more appropriate and prospective alternatives considering that the majority of Muslims constitute the majority of the population in Indonesia. In the medium term ahead, it is still very possible for the rapid growth of Islamic finance companies considering that there are still very few companies that open sharia units as a financing option. So it requires the attention of all parties, so that sharia-based financing companies can develop and be well controlled in real sharia. Once again, the commitment and role of the government is a necessity that is the main supporter of the growth and development of Islamic finance companies in Indonesia. (Muhaimin, 2012) Management of pension funds in accordance with Islamic teachings will have many benefits for the community, especially people who are loyal to sharia. The Koran itself teaches its people not to leave weak offspring and prepare for a better tomorrow. This teaching can be interpreted as the importance of saving some wealth for the future. This is very important, considering that after retirement, humans still have basic needs that must be met. With these reserves, when someone enters a less productive period, they still have a source of income. (Putri, 2011) Microfinance Institutions are institutions that provide financial services for micro-entrepreneurs and low-income communities, both formal, semi-formal, and informal which are not served by formal financial institutions and are market-oriented for business purposes. Meanwhile, Sharia Microfinance Institutions are microfinance institutions engaged in business activities carried out according to sharia principles. Along with the development of sharia business activities, sharia microfinance institutions such as Baitul Mal Wat Tamwil (BMT), Sharia Cooperatives, also experienced very rapid development from year to year. Since the presence of Bank Muamalat Indonesia (BMI) in 1992, it has provided inspiration to rebuild a financial system that is more accessible to the grassroots. (Suharto, 2014) Sharia fintech can facilitate the space to sell products online by utilizing the marketplace and websait owned by sharia fintech. (Trimulato, 2020) The development of sharia-based finance has begun to develop in society. Sharia fintech is the latest technology-based financial service innovation by not forgetting Islamic sharia so that it provides benefits and helps the community to easily access financial products and services that were not found in financial services in the past. (BILLAH, 2021)

Sharia insurance as its role in its efforts to provide protection, or protection can support the SDGs program, sharia insurance activities support the development of the real sector, and provide protection from various business activities without SMEs. In addition to providing protection products, the unit-link program that combines protection and investment is a means for the community to earn additional income. Furthermore, the development of sharia insurance can open up more job opportunities. Sharia pawnshop institutions can take a role in supporting the SDGs, with their products in terms of obtaining funds, people who need additional funds for business capital. Financial access provided by Islamic pawnshops makes it easy to obtain business development capital, from which it can increase the real sector. Then sharia pawnshops also have gold investment products, so there are opportunities to increase the real sector and income through investment. Then sharia financing institutions can provide support in the form of financing, for example the procurement of goods that can be used as support for production activities that can encourage the income of business actors. With financing products provided as an effort to earn income and can support economic activities so that income distribution and equity occur. Growing businesses will support the real sector, and provide job opportunities.

Sharia pension fund institutions can support the SGDs program, providing access and opportunities for the community to set aside income to be saved for purposes in old age. Funds in Islamic pension institutions are also channeled to finance the strengthening of the real sector, so that the funds stored provide benefits in old age, and the funds can be used for economic development. Furthermore, sharia microfinance institutions as institutions that are very close to SMEs, provide financial access for the lower classes of society, so that people take advantage of sharia microfinance institutions to obtain additional business capital, easier and friendly business development. Microfinance institutions also provide access to finance in the form of savings and time deposits so that they become a means of placing funds and investing opportunities to earn profits. Then sharia fintech institutions, as sharia financial institutions that are relatively new, can support the SDGs program, by providing financial access by utilizing technology to fulfill transactions. With access to finance that is not limited by time and place and is more efficient, it can be used to earn income. Multipayment type fintech is used as a business medium to earn income from services. Fintech type of peer to peer sharia (P2P), can be used to obtain additional business capital, through applications. Then sharia P2P can be used as a medium for investing in many business offerings, as well as sharia fintech crowdfunding, the togetherness of fundraising in supporting a business and earning income from placement of funds.

The presence of sharia IKNB can support the SDGs program for several purposes, especially those related to the economy. Sharia IKNB can contribute to poverty reduction, with access to finance and business development. Sharia IKNB with various variants of institutions and products provide financial access for real sector development and income distribution. Sharia IKNB supports the SDGs to achieve the goal of reducing hunger, sharia IKNB can support the real sector, and also has a social aspect. SDGs achieve prosperity in line with the Islamic economic function of income distribution. Including meeting the lack of gaps, and copy sharing by sharing transaction schemes. Then increase Decent Work and Responsible Economic Growth, Consumption and Production. And Peace, Justice and Strong Institutions.

Conclusion

Development of Sharia IKNB in the period October 2020 Until April 2021, Sharia Insurance assets grew by 6.26 percent, Pension Fund Institutions assets grew by 17.79 percent, Sharia Microfinance Institutions assets grew by 2.24 percent, Sharia Fintech Institutions assets grew by 85.54 percent. Meanwhile, Sharia Financing Institutions experienced a decrease in assets of -7.78 percent and Sharia Pawnshops experienced a decrease in assets of -6.95 percent. Certified halal products in 2021 grew by 2,531.49 percent.

Sharia IKNB has a role in supporting the SDGs program, with various sharia financial institutions and various products supporting the real sector providing working capital, providing protection protection through sharia insurance, increasing capital through sharia pawnshops, financing production goods through sharia financing institutions, saving for old age preparation through Placement of savings funds, investment and business financing through sharia microfinance institutions, as well as investment advice and business development through sharia fintech. Sharia IKNB supports the SDGs to achieve the goal of reducing hunger, sharia NBFI can support the real sector, and also has a social aspect. SDGs achieve prosperity in line with the Islamic economic function of income distribution. Including meeting the lack of gaps, and copy sharing by sharing transaction schemes. Then increase Decent Work and Responsible Economic Growth, Consumption and Production. And Peace, Justice and Strong Institutions. Further research can identify the achievement of the SDGs in different industries and impact on society.

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