
**THE ACTUALIZATION OF SUSTAINABLE DEVELOPMENT GOALS (SDGs)
AND INDONESIA'S ECONOMIC GROWTH ON ISLAMIC ECONOMIC
PERSPECTIVE**

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Abstrak

Islamic economics has goals that are aligned with the SDGs, where economic growth must not come at the expense of greater things such as environmental damage and human rights. The purpose of this study is to find out how the actualization of the SDGs program on economic growth in Indonesia is viewed from an Islamic economic perspective. This research uses descriptive qualitative methods with literature studies related to theoretical studies and other references related to economic growth. The results of this study conclude that the actualization of the SDGs program in economic growth in Indonesia has not been fully achieved, even though it has gone on the right track. The indicator is that the efforts so far have been made aimed at alleviating poverty through fiscal policy accompanied by mobilization of zakat and productive waqaf, reducing unemployment and improving community welfare through direct assistance programs and business capital assistance. Efforts to preserve the environment have also begun intensively by reclaiming beaches, reforesting forests and reducing the use of fossil fuels through the conversion of conventional vehicles to electric vehicles. All these efforts are in line with the goals of the SDGs as well as the goals of the Islamic economy.

Keywords: *Economic Growth, SDGs, Islamic Economy, Community Welfare*

1. INTRODUCTION

The end of the Millennium Development Goals (MDGs) in 2015 still leaves some homework to be addressed. The program that was made as a refinement of the MDGs is the Sustainable Development Goals (SDGs) which involve more countries, both developed and developing countries, and have more issues that must be resolved together for sustainable development to ensure human rights, maintain environmental quality for a better quality of life from generation to generation and will finish on 2030 (Kahjuria et al, 2022; Wahyuningsih, 2018).

Economic growth is the most important part of economic policy in a country as well as any economic system. Overall, it can be assumed that economic growth will lead to greater economic opportunity and equality. With the expansion of technology in various parts of the country, a person must be able to master the ability in its operation to compete in various things including the economy (Chen et al, 2023). One indisputable fact is that global economic growth

over the past 2 centuries has caused 2 very important impacts, namely: the increasing prosperity or standard of living achieved by the global people, and the opening up of new job opportunities for an increasing population (Sadiq et al, 2023; Muttaqin, 2018).

Economic development is an effort to improve the quality of human life. Through development, prosperity, living standards and new jobs will be able to become better, so as to be able to overcome various development problems such as poverty, unemployment, and economic inequality (Harahap, 2019). Economic growth is one of the indicators to see an economic performance, both at the national and regional levels. According to Todaro, economic growth is defined as a process by which the production capacity of an economy increases all the time to generate an increasingly large level of income. The definition of economic growth according to Kuznets is the long-term increase in the capacity of a State to provide various types of goods and services to the population (Khan et al, 2022).

In the scope of the national economy, economic growth in reality does not always produce synergy from various parties with the aim of economic equality. Because the implementation of all policies to encourage economic growth actually causes social inequality in the community. So that the meaning of welfare can only be enjoyed by a few people, the rest are still in a circle of poverty or have no real improvement in living standards. Therefore, this must be the government's focus in sustainable development to meet the needs of the community such as economic services, health, quality education, social security, and others as a form of creating social welfare in a country (Dariah et al, 2022; Pamungkas, et al, 2018)

Various development planning always leads to the strengthening of the economic sphere. Indicators of successful development in a country can be seen in the achievement of economic targets, such as economic growth, per capita income of the population, the number of unemployed, poverty rates, and the balance of payments are measures achieved in assessing the success rate of economic development (Wang et al, 2022).

Nevertheless, amid rapid developments in the fields of industry, science, and the technological revolution, in developed countries absolute poverty and a number of other economic problems still occur. Meanwhile, in developing countries, the conditions are even worse. To date, income inequality, unemployment, food shortages and various misery of life still color most of the world's population (Harahap, 2019)

How is Indonesia's economic growth? Has this pace of economic growth succeeded in creating social welfare in the community? The Central Statistics Agency or BPS reported that Indonesia's economic growth in the Second Quarter of 2021 increased by 7.07 percent on an annual basis (year on year / yoy). This shows that Indonesia has succeeded in improving the

national economy amid the Covid-19 pandemic that has hit various countries worldwide. However, despite the increase in economic growth, the level of public welfare has not achieved maximum results and has decreased. The level of welfare can be seen from 5 aspects, namely physical health, social relations, family, finance, and work (BKPM, 2021)

High growth is apparently accompanied by huge inequality between western and eastern Indonesia, between large and small companies, between urban and rural groups, between one ethnic group and another Economic development coupled with increasing government debt until the government does not have the power of funds to perform its main duties and functions in various fields such as education, health, infrastructure, defence/security and so on (Nasution, 2014).

The occurrence of an economic crisis in the Islamic perspective is of course inseparable from economic practices that are contrary to Islamic values, such as usury behaviour in a broad sense such as monopoly, corruption, and other acts of malpractice. If economic actors have become accustomed to acting outside the guidance of the *ilabiyah* economy, then it is not an exaggeration to have an economic crisis that hits us as a catastrophe that is deliberately invited to its presence due to the actions of one's own human hands (Harahap, 2019).

In the end, we need a concept of economic growth that is not only able to realize the goals to be achieved in an economic development appropriately, tested and applicable by all countries, but also the most important thing is the ability of the concept to minimize or even eliminate all negative effects of development carried out. The concept must also be able to pay attention to the human side without forgetting the moral aspect.

This paper tries to provide an analysis of the implementation of the Sustainable Development Goals (SDGs) on aspects of economic growth in the case of Indonesia which are reviewed from an Islamic economic perspective. This concept is expected not only to be able to become an alternative model for the development of Muslim countries, but also to be able to become a general reference for the development of world countries universally.

2. THEORETICAL STUDIES

2.1. Economic Growth Theory

Economic growth is an indicator of successful economic development. The most important goal of development is to reduce the poverty rate, which can be achieved through economic growth or income redistribution (Kakwani and Son 2003). This is based on the trickle-down effect theory, first developed by Arthur Lewis (1954) and expanded by Ranis and Fei (1968). This theory has become an important topic in the literature on economic development in developing countries (least developed countries/LDCs) since the 1950s and the

1960s. The trickle-down effect theory explains that the progress gained by a group of people will naturally trickle downwards, thus creating jobs and various economic opportunities, which in turn will foster various conditions to create an even distribution of the results of economic growth (Saikkonen & Väliverronen, 2022).

Economic growth is a process of increasing per capita output in the long term, which emphasizes three aspects, namely processes, per capita, and long-term output; the process of describing economic development over time, which is more dynamic; per capita output relates aspects of total output (GDP) and aspects of population so that the long term shows a tendency to change the economy in a certain period driven by an internal processes economy (self-generating). Economic growth is defined simply as an increase in total output (GDP) in the long term, regardless of whether the increase is smaller or greater than the rate of population growth and whether it is followed by growth in the structure of the economy (Yu et al, 2022).

States state that economic growth is a necessary condition for poverty reduction, while the sufficient condition is that economic growth must be effective in reducing poverty. That is, growth should spread to every income group, including the poor (growth with equity). Directly, this means that growth needs to be ensured in sectors with poor work (agriculture or labor-intensive sectors). As for indirectly, this means that a government is needed that is effective enough to redistribute the benefits of growth (Wang et al, 2022).

2.2. The Concept of Economic Growth in Islamic Economics

The occurrence of an economic crisis in the Islamic perceptive is certainly inseparable from economic practices that are contrary to Islamic values, such as usury behavior (in a broad sense), monopoly, corruption, and other acts of malpractice. If economic actors have become accustomed to acting outside the guidance of the divine economy, then it is not an exaggeration that the economic crisis that hit us is a catastrophe that is deliberately invited to exist because of the actions of human beings themselves (Wiharja et al, 2023).

This is as alleged by Allah Almighty in Sura Ar-Rum verse 40: "*It has been seen that the damage on land and in the sea is caused by the deeds of human hands, so that Allah may feel to the part of the (consequences of) they deeds, so that their returns (to the right path).*"

In Islamic economic studies, economic growth has become a concern for experts in the discourse on classical Islamic economic thought. This discussion, among others, departs from the word Allah SWT. letter Hud verse 61: "*He who has made you from the ground and made you his prosper*".

Islam defines economic growth as the continuous development of production factors capable of contributing to human well-being. Thus, economic growth, according to Islam, is a value-laden factor. An increase experienced by production factors does not consider economic growth if production, for example, includes goods that are proven to have adverse effects and harm humans. In classical economic theory what is more highlighted is the influence of population growth on economic growth. Classical economists argue that between per capita income and population must match, the two factors will influence each other, because if population growth is low, then marginal production will be higher than per capita income (Khabibullah, 2022).

According to Ali Ibrahim (2016), there are three basic components needed for the economic growth of a nation: 1) Continuous increase in the inventory of goods; 2) Advanced technology is the main factor determining the degree of growth in providing a wide variety of goods to its inhabitants; 3) Widespread and efficient use of technology.

Many economists and jurists pay attention to the issue of economic growth, explaining that the intention of growth is not just production activities. Moreover, economic growth is an overarching activity in the field of production that is closely related to distribution fairness. Growth is not only an economic issue, but a human activity aimed at the growth and progress of the material and spiritual side of man (Ibrahim, 2016).

It is necessary to emphasize that Islamic attention to economic growth has preceded the Capitalist or Marxist system. The current condition is indeed an excess that can be inferred as the existence of historical causes and western civilization with its characteristics of liberalism or socialism. This condition does not indicate aridity. In the experience of Islamic banking and the experience of Islamic governments that history has swallowed up by referring to various works of Islamic thinkers and researchers, it shows that the problem of various growth is possible with a new innovative solution in terms of the Islamic view of growth (Abisamel, 2022). The understanding of economic growth in Islam can be explored from several verses of the Qur'an, including:

- a) QS. Noah Verses 10-12: It means: "So I said (to them) "Beg your Lord for forgiveness, truly He is all-forgiving. He will undoubtedly bring down heavy rain from the sky to you. And he multiplied the treasures which your children had and held gardens for you and held rivers for you".
- b) QS. Al-A'raf Verse 96: It means: "And if the inhabitants of the land have faith and devotion, surely We will bestow upon them the blessings of the heavens and the earth but it turns out that they are lying (Our verses), then We torture them according to what they have done".

- c) QS An-Nahl Verse 112: It means: "And God has made a parable (with) a land that was once secure again serene, sustenance came to him abounding from all places, but (its inhabitants) renounced the favours of God, therefore God bestowed upon them famine and fear because of what they did".

There are differences in assessing economic growth between the Islamic economy and the concept of a capitalist economy. The differences depart from different points of view about the meaning and purpose of life. Based on the basic capitalist concept whose main goal is the fulfilment of unlimited material needs, there arises an attitude of the fulfilment of unlimited goods and services as well. In contrast to Islam, although it sees the need for material, Islam does not forget the spiritual moral element and does not put the matter as the main goal, because in Islamic teachings humans will not only live life in the world but humans will be resurrected later in the afterlife (Siregar, 2018).

Islamic teachings not only lay down a number of orders or prohibitions that can guarantee a conducive economic life, but more than that, Islam also regulates a system of control and supervision in order to perpetuate economic life. This control system includes two aspects: the aspect of control of economic actors over themselves (internal) and the aspect of control exercised by outsiders (external). This internal control and supervision apply to each the self of a Muslim. This system of supervision is based on faith and devotion to Allah Almighty, in every Muslim, and this depends a lot on Islamic education and the strength of one's belief in Islam. External control, at a time when piety and faith can no longer be used as collateral and when religious aspects are no longer passionate, then economic actors exert their economic activities to negative ways, then in this condition, Islam provides a system of supervision and control carried out by the government and society which concerns several laws and rules to save the economic condition of the community (Solihin and Hasanah, 2018).

Sharia economy has a role in supporting the implementation of SDGs in Indonesia with all existing product ecosystems. Starting with financial products, various halal food and beverages, Islamic entrepreneurs and others. The SDGs have 17 goals, among others, no poverty, no hunger, healthy and prosperous lives, quality education, gender equality, clean water and proper sanitation, clean and affordable energy, decent work and economic growth, industry, innovation and infrastructure, reduced inequality, sustainable cities and communities, responsible consumption and production, tackling climate change, marine ecosystems, terrestrial ecosystems, peace, justice and resilient institutions, and partnerships to achieve goals. The role of sharia economy in SDGs in Indonesia is the characteristics that exist in Islamic

finance are suitable for achieving SDGs, such as social funds and their nature that is free from speculation (Latifah, 2022).

3. DISCUSSION

3.1. The Correlation of Islamic Economics Principles and SDGs

If we look at history, many fundamental axioms of western economics. Both capitalists and socialists are inspired by the fundamentals of Islamic economics. What distinguishes it is that Islamic economics examines the behaviour of individuals based on ethics, values and morals. So the Islamic Rational Man (Rational Man) does not only satisfy material but must also pay attention to his spiritual satisfaction (Muttaqin, 2018). Islam also views economic growth as a means to ensure the establishment of social justice so that it does not change (Abidin, 2012).

Islam is also a definite view of life because in carrying out very basic development, society must be organized on the foundation of the Quran and Sunnah. The values, principles, provisions and regulations contained in the Quran and Sunnah must be upheld in order to develop in various fields, such as politics, economy, society, culture, law, education, and government. The basis of this belief is the recognition that the Quran and Sunnah are guidelines for the path of human life (Iswandi, 2013).

Islamic teachings not only lay down a number of orders or prohibitions that can guarantee a conducive economic life, but more than that, Islam also regulates a system of control and supervision in order to maintain economic life. This control system includes two aspects: the aspect of control of economic actors over themselves (internal) and the aspect of control exercised by outsiders (external). The difference between capitalism and Islam in the concept of growth, according to Imam Al-Ghazali, is that growth in Islam includes three important aspects, namely physical, mental and spiritual development (Gunawan, 2020).

Meanwhile, according to Naqvi, growth within the framework of Islam includes the moral-spiritual and material aspects of human life with the following details: 1) Islamic general demands to guarantee and secure a fair distribution of income (prosperity) and set limits in a decent rate of growth; 2) Maintain equity between generations. Because capital formation must be balanced with the formation of resilient human capital, a long-term investment.

Thus, according to the Islamic economic perspective, the new techniques and approaches that must be taken in development should abandon the use of aggregative growth models that emphasize the maximization of growth rates as the only index of development planning. Therefore, economic growth and high per capita income are not the main goals. This

means that per capita is high, but not in harmony with real conditions, poverty is getting higher, and inequality remains wide open (Muttaqin, 2019).

According to Chapra, to realize equality, at least five main elements must be considered. First, training and providing job vacancies for jobseekers so that full employment can be realized. Second, it provides an appropriate wage system for its employees. Third, compulsory insurance is prepared to reduce insurance costs, work accidents, old-age benefits, and other benefits. Fourth, provide assistance to those who are mentally and physically disabled so that they can live a decent life. Fifth, we collect and utilize zakat, infaq, and sadaqah through laws, as well as tax laws (Rusdiana et al., 2017).

Some study also reviews some Islamic principles from the Holy Qur'an that can positively promote several SDGs. *Wasatiyyah* (Moderation) principle can be used for sustainable consumption and production (SDG-12), *Khalifah* (God's vicegerent on Earth) for utilizing Water and sanitation (SDG-6) and energy (SDG-7). *Maslahah* (public interest) for dealing with natural resources; *Salam* (peace), *'Adl wa al-Ihsan* (justice and benevolence) for SDG-16 (peace, justice and strong institutions) and *Ta'awanū 'alal-Birri* (cooperation one another in goodness) for SDGs goals (Khan dan Haneef, 2022).

With these efforts, the richness will not be centred on specific people. In the Quran surah Al-Hasyr verse 7 emphatically says, "wealth should not be constantly circulated among the rich alone". Therefore, according to al-Tariqi (in Muttaqin, 2019) Islam must have its own characteristics so that its economic growth goals can be achieved. These characteristics are:

1. *Comprehensive (al-Syumul)*; Islam sees that growth as more than just a material problem also has a more universal purpose than the limited orientation that contemporary systems are trying to achieve, namely to create social justice. Growth must be goal-oriented as well as value-oriented. Material, moral, economic, socio-spiritual and fiscal aspects are inseparable. The happiness to be achieved is not only happiness and material well-being in the world, but also in the hereafter.
2. *Balanced (Tawazun)*; Growth isn't just oriented to forming an increase in production, but aimed at the principle of fairness of distribution in accordance with the word of God in Q.S. Al-Maidah: 8

"Do justice to you, indeed it is the closest to piety". Growth also requires a balance of growth efforts. Therefore, Islam does not accept the policy of urban growth by ignoring rural areas, industries that ignore agriculture or by concentrating the acceleration of the development of certain programs by ignoring public facilities and other basic infrastructure.

3. *Realistic (Waqi'iyah)*; *Realistic is a view of the problem according to reality.* In social theories in general, realism is the requirement that must be in them, because utopian theories that are

far from real conditions will be difficult for society to accept. Islam – which is a religion derived from Allah – is unlikely to establish idealistic rules far from human life and the possibility of its application. Realistic Islam is ideality, and the ideality of Islam is real.

4. Justice (*Al-Adlu*), As stated above growth must be accompanied by the existence of distributive justice. Allah said: "Verily Allah commands (you) to do justice and do virtue, to give to relatives, and Allah forbid from doing abominable, evil and enmity". (Q.S. Al-Nahl: 90). From the existing reality we can see how the gap between rich and poor in this country has been so great. The reality of this economic disparity is not only in Indonesia and other developing countries, but also developed countries that are warriors of capitalism, such as the United States. So this is where the importance of growth is accompanied by equitable equality.
5. Responsible (*Mas'uliyah*); When Islam gives space for freedom to the individual in any sphere with expressions that reflect respect for human beings to enjoy worldly pleasures, then this freedom is not given absolutely indefinitely. Freedom is limited by various rules that indicate the existence of a guarantee of happiness for all members of society. This characteristic is also related to another aspect of growth, namely that growth must be sustainable. Growth must pay attention to ecological factors by not exploiting all existing resources without regard to their sustainability.
6. Suffice (*Kifayah*); Islam not only establishes the existence of the characteristics of responsibility as expressed, but that responsibility must be absolute and capable of encompassing the realization of sufficiency for mankind. In this case, the jurists have established in the field of allocating property with a size that can meet the needs of food, clothing and boards within the proper limits.
7. Focusing on people (*Ghayatuba al-Insan*), This is in contrast to the modern concept of economic development which asserts that the area of operation of development is the physical environment only. Thus Islam expands the area of the reach of the object of development from the physical environment to the human. Islam pays great attention to the issue of economic development, but still puts it on the issue of greater development, namely the development of mankind. The main function of Islam is to guide people on the right track as well as the right direction. All aspects related to economic development must be integrated with the development of mankind as a whole.

Islamic economics, rooted in the principles and teachings of Islam, has several characteristics that align with the Sustainable Development Goals (SDGs). While the SDGs are

a universal framework, Islamic economics provides a unique perspective that can contribute to achieving these goals. Here are some ways in which Islamic economics is suitable for the SDGs:

Economic Justice and Eradicating Poverty: Islamic economics emphasizes social justice and equitable distribution of wealth. Zakat, one of the five pillars of Islam, mandates the redistribution of wealth from the rich to the poor. This focus on poverty alleviation aligns with goal number 1 is No Poverty

Sustainable Development and Environmental Stewardship: Islam emphasizes the concept of "Khalifa" or stewardship, which includes responsible use of natural resources and the protection of the environment. Islamic economics encourages sustainable practices and discourages wastefulness. This aligns with goal 12 (Responsible Consumption and Production) and goal number 13 Climate Action (Shahid et al, 2023).

Ethical Business Practices and Fair Trade: Islamic economics promotes ethical conduct in business transactions, discouraging exploitation and unfair practices. Concepts such as "riba" (usury) and "gharar" (uncertainty or deception) are prohibited, fostering fair trade and transparency. This aligns with SDG 8 (Decent Work and Economic Growth) and SDG 16 (Peace, Justice, and Strong Institutions). **Inclusive Financial Systems:** Islamic finance principles, such as interest-free banking and profit and loss sharing, aim to provide inclusive financial services to all members of society. This can help promote financial inclusion and reduce economic disparities, aligning with SDG 10 (Reduced Inequalities). **Social Welfare and Community Support:** Islamic economics emphasizes the importance of community support and welfare programs. Waqf (endowment) institutions, for example, have historically played a crucial role in providing social services such as healthcare, education, and poverty relief. This aligns with various SDGs, including SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 16 (Peace, Justice, and Strong Institutions) (Khan and Haneef, 2022)

Islamic finance is an important driver to support the implementation of sustainable development goals. Theoretically, the core principle of Islamic finance aligns with the sustainable development goals. Moreover, the application of Islamic social finance instruments especially zakat, waqf, and sadaqah can be managed efficiently and effectively to support the specific sustainable development goals. However, there are many issues and challenges in the understanding and application of Islamic social finance, and some perceptions of the sustainable development goals agenda from the Islamic perspective (Rosman et al, 2022).

It's important to note that while Islamic economics offers a framework that aligns with the SDGs, the implementation and effectiveness of these principles may vary in different

contexts. Furthermore, it is essential to adapt and integrate Islamic economics within broader economic systems to fully leverage its potential contribution to the SDGs.

3.2. Actualization of SDGs in Indonesia's Economic Growth

Economic growth is a benchmark for assessing the success of an area's development policies. Growth itself is a process of increasing per capita output in the long term, accompanied by dynamic economic aspects. The government's efforts to spur economic growth include increasing export activities. Increasing exports is no longer just an option but a necessity to support a country's economic growth (Bustami, 2013).

The big strategy of economic growth in Indonesia includes downstream industries; the digitalization of micro, small, and medium enterprises (MSMEs); and a green economy. The downstream industry began by stopping the export of raw materials for a number of commodities. Raw export materials such as nickel, bauxite, gold, copper, palm oil, and derivatives will become exports of semi-finished goods, and it will even be better if they become finished materials. The second strategy is the digitization of MSMEs. According to the BPS data (2022), as many as 15.5 million MSMEs have entered the digital platform and marketplace. The next strategy is a green economy. In this strategy, the government plans to build a Green Industrial Park with green product output products using new energy, namely green energy.

Analyzing Indonesia's economic growth over a 10-year period requires considering various factors, including GDP growth, inflation, unemployment, investment, exports, and government policies. While I can provide a general analysis based on historical trends, please note that future economic predictions are speculative, and unforeseen events can significantly impact the actual outcome. Here's an overview of Indonesia's economic growth in the past decade:

Indonesia has been experiencing relatively stable GDP growth over the years. From 2011 to 2020, the country's annual GDP growth ranged between 4.88% and 6.05%. However, it's important to note that the COVID-19 pandemic, which began in 2020, had a significant impact on global and national economies. Controlling inflation is a crucial factor impacting the purchasing power and stability of an economy. Indonesia has managed to keep inflation relatively under control, although there have been fluctuations. In the past decade, inflation rates in Indonesia ranged from around 3% to 8%, with efforts by the central bank to maintain price stability. Besides that reducing unemployment is a critical goal for any economy. In Indonesia, the unemployment rate has shown gradual improvement over the years. However, it is essential to address the issue of underemployment, as many workers are engaged in low-paying or informal jobs (BPS, 2022).

Investment plays a vital role in stimulating economic growth. Indonesia has actively sought to attract foreign direct investment (FDI) through various policy reforms. The government has implemented measures to improve the ease of doing business and create a more favourable investment climate. The success of these efforts has led to increased FDI inflows, contributing to economic growth. On the other side, Indonesia is a significant exporter of commodities such as natural resources, textiles, and manufactured goods. The country has seen growth in its export sector over the past decade. However, Indonesia also faces challenges such as trade imbalances and fluctuations in global commodity prices, which can impact export earnings. Government policies play a crucial role in shaping an economy. Indonesia has implemented several policy initiatives aimed at promoting economic growth, such as infrastructure development, social welfare programs, and structural reforms. These policies, along with political stability, are essential factors for sustained economic growth.

It's important to note that the COVID-19 pandemic has had a significant impact on the global economy, including Indonesia. The extent and duration of the pandemic's effects on Indonesia's economy will influence the country's economic growth in the coming years.

Overall, while Indonesia has shown positive economic growth trends over the past decade, continued efforts to address challenges such as unemployment, income inequality, and attracting sustainable investments will be crucial for the country's long-term economic development.

Indonesia, as a predominantly Muslim country, has shown an interest in promoting Islamic economics as part of its economic plans. Islamic economics is based on the principles and teachings of Islam and aims to create a just and equitable economic system that promotes social welfare and discourages exploitative practices. Here are some key aspects of Indonesia's economic plans from an Islamic economics perspective:

Sharia-Compliant Finance: Indonesia has been actively developing its Islamic finance sector. Islamic banking and financial institutions operate in accordance with Sharia principles, which prohibit interest-based transactions (*riba*) and promote risk-sharing and asset-backed financing. The country has established a regulatory framework to support the growth of Islamic banking and encourage the issuance of Sharia-compliant financial products.

Zakat and Islamic Philanthropy: Zakat is an obligatory form of charity in Islam, and Indonesia has recognized its significance in addressing poverty and inequality. The government has implemented programs to encourage the collection and distribution of zakat funds, which are used to support the welfare of the poor and needy. Additionally, Islamic philanthropy,

including voluntary charitable contributions (*sadaqah*), is promoted as a means of social development and poverty alleviation.

Halal Industry Development: Indonesia aims to become a global hub for the halal industry, which encompasses products and services that comply with Islamic principles and requirements. The country has implemented initiatives to improve halal certification processes, promote halal tourism, and support the development of halal-compliant businesses. This focus on the halal industry aims to enhance economic growth and create employment opportunities.

Islamic Social Finance: Indonesia recognizes the importance of Islamic social finance instruments, such as waqf (endowments) and microfinance, in promoting social development and poverty eradication. The government has encouraged the revitalization of waqf institutions to support education, healthcare, and other social services. Additionally, microfinance initiatives that adhere to Islamic principles, such as profit and loss sharing (*mudarabah*) and partnership (*musharakah*), have been promoted to provide access to finance for low-income individuals and small businesses.

Islamic economics emphasizes ethical conduct in business transactions. Indonesia seeks to promote business practices that are fair, transparent, and socially responsible. This includes discouraging exploitative practices, promoting ethical investments, and ensuring compliance with Islamic principles in commercial activities. It's important to note that while Indonesia's economic plans incorporate Islamic economic perspectives, the country's economy is not entirely based on Islamic principles. The government seeks to strike a balance between Islamic values and the practical considerations of a modern, diverse economy.

The implementation of the Sustainable Development Goals (SDGs) in Indonesia involves various strategies and initiatives undertaken by the government, civil society organizations, and other stakeholders to address the country's development challenges in a sustainable and inclusive manner. Here are some key aspects of the SDGs implementation in Indonesia:

Indonesia has developed a National Action Plan for the Implementation of the 2030 Agenda for Sustainable Development. This plan aligns the SDGs with the country's national priorities and development plans, ensuring a coordinated approach to achieving the goals.

The Indonesian government has established a dedicated institutional framework for SDG implementation. The National Development Planning Agency (Bappenas) leads the coordination efforts, working closely with various ministries, local governments, and other stakeholders. Provincial and local governments are also actively involved in implementing the SDGs. Indonesia has integrated the SDGs into its national development plans, including the

Medium-Term Development Plan and the National Long-Term Development Plan. This mainstreaming approach ensures that the SDGs are considered across sectors and policies, promoting coherence and synergy in implementation. Indonesia has been aligning its policies and regulations with the SDGs. This includes incorporating sustainable development principles into laws and regulations related to environment protection, poverty reduction, education, health, gender equality, and more. Adequate data and monitoring mechanisms are crucial for tracking progress and making informed decisions. Indonesia has been working to improve data collection and management systems to monitor SDG indicators effectively. This involves enhancing statistical capacity, establishing data partnerships, and utilizing technology for data collection and analysis.

SDG implementation in Indonesia involves collaboration and partnerships with various stakeholders, including civil society organizations, private sector entities, academia, and international organizations. These partnerships contribute to resource mobilization, knowledge sharing, and capacity-building efforts. Indonesia has identified priority areas and sectors for SDG implementation. These include poverty eradication, inclusive economic growth, environmental sustainability, social protection, healthcare, education, infrastructure development, and climate action. Specific programs and initiatives are implemented to address challenges within each sector. Indonesia recognizes the importance of localizing the SDGs to address diverse regional and community-level challenges. Local governments are encouraged to adapt the global goals to their specific contexts, develop localized action plans, and involve local communities in decision-making processes.

Financing SDGs: Mobilizing financial resources is a critical aspect of SDG implementation. Indonesia has been exploring various financing mechanisms, including domestic resource mobilization, public-private partnerships, international aid, and impact investment, to fund SDG-related programs and projects.

Capacity Building: Building the capacity of government officials, civil society organizations, and other stakeholders is essential for effective SDG implementation. Indonesia invests in training programs, workshops, and knowledge-sharing platforms to enhance understanding, skills, and expertise related to sustainable development.

It's important to note that the implementation of the SDGs in Indonesia is an ongoing process, and progress may vary across different goals and indicators. Continuous efforts are required to address challenges, monitor progress, and ensure that no one is left behind in the country's sustainable development journey.

4. CONCLUSION

Indonesia's economic growth has the potential to actuate the Sustainable Development Goals (SDGs) in several ways. The SDGs are a set of 17 interconnected goals adopted by the United Nations in 2015, aimed at eradicating poverty, promoting social development, and protecting the environment by 2030. Here's how Indonesia's economic growth can contribute to achieving the SDGs:

Poverty alleviation: Economic growth can provide opportunities for income generation, job creation, and improved living standards. By promoting investment, entrepreneurship, and industrial development, Indonesia can reduce poverty rates, which aligns with SDG 1: No Poverty.

Education and skills development: Economic growth can enhance funding for education and skills development programs. Increased government revenue from economic activities can be allocated to improve educational infrastructure, access to quality education, and vocational training, contributing to SDG 4: Quality Education.

Health and well-being: Economic growth enables increased government spending on healthcare infrastructure, access to essential services, and public health programs. It can help improve healthcare systems, reduce maternal and child mortality rates, combat diseases, and promote universal health coverage, aligning with SDG 3: Good Health and Well-being.

Gender equality: Economic growth can provide women with better economic opportunities, empowerment, and access to resources. It can lead to more inclusive policies, reduced gender gaps in labour force participation, and improved gender equality, supporting SDG 5: Gender Equality.

Sustainable infrastructure and innovation: Economic growth allows for investment in sustainable infrastructure, renewable energy, and technological advancements. By adopting sustainable practices and green technologies, Indonesia can contribute to SDG 7: Affordable and Clean Energy and SDG 9: Industry, Innovation, and Infrastructure.

Sustainable consumption and production: Economic growth can drive sustainable consumption patterns by promoting eco-friendly practices and responsible production methods. It can support the transition to a circular economy, efficient resource use, and waste management, aligning with SDG 12: Responsible Consumption and Production.

Climate action and environmental protection: Economic growth can facilitate investment in climate mitigation and adaptation measures. Indonesia can promote renewable energy sources, sustainable agriculture, conservation of ecosystems, and sustainable

management of natural resources, contributing to SDG 13: Climate Action and SDG 15: Life on Land.

Partnership and global cooperation: Economic growth can provide resources and capabilities for Indonesia to engage in international collaborations, partnerships, and development assistance. By fostering cooperation, knowledge sharing, and capacity building, Indonesia can contribute to SDG 17: Partnerships for the Goals.

It's important to note that while economic growth can actuate the SDGs, it must be accompanied by effective governance, inclusive policies, and sustainable development practices to ensure that the benefits are equitably distributed and environmental considerations are prioritized.

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