



IMPLEMENTATION OF THE SOCIAL ROLE OF INDONESIAN SYARIAH BANK IN IMPROVING THE ECONOMIC WELFARE OF THE PEOPLE CASE STUDY OF PONTIANAK CITY

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ABSTRAK

This study aims to analyze the implementation of Bank Syariah Indonesia's (BSI) social role in improving the economic welfare of the community and to formulate a comprehensive implementation model based on the principles of maqashid sharia and the Sustainable Development Goals (SDGs) framework. The growth of the global Islamic financial industry has shown significant growth over the past two decades, yet the social contribution of Islamic banks in Indonesia remains suboptimal. This study uses a qualitative approach with an interpretive paradigm to deeply understand the meaning and dynamics of the implementation of Islamic banks' social role. The research findings show that the social role of Islamic banks in Indonesia has developed through four main approaches: the management of zakat, infaq, sedekah, and waqf (ZISWAF) funds; the implementation of sharia-based Corporate Social Responsibility (CSR); inclusive financing for UMKM and low-income communities; and sustainability-oriented community empowerment programs. The effectiveness of implementing social roles is influenced by five main factors: management commitment, organizational capacity, resource availability, stakeholder coordination, and regulatory support. The impact of Islamic banks' social roles on the economic well-being of the community is reflected in increased income, expanded financial access, economic capacity development, community empowerment, and poverty reduction. Based on these findings, this study develops a model for implementing the social role of Islamic banks, consisting of five main components: input, process, output, outcome, and impact. This model emphasizes the integration of institutional aspects, resources, and sharia values in realizing sustainable public welfare.

Keywords: Islamic Bank, Social Role, Economic Welfare of the Community, Maqashid Syariah, SDGs

1. Background

Global trends indicate that the Islamic finance industry has experienced significant growth over the past two decades. According to a report by the Islamic Financial Services Board (IFSB), total global Islamic financial assets reached USD 5 trillion in 2024. This growth is driven by increasing awareness among Muslims of the importance of a Sharia-compliant financial system, as well as support from government policies in various Muslim countries. In this context, Islamic banks, as a key pillar of the



Islamic finance industry, play a strategic role not only as financial intermediaries but also as agents of socio-economic development (Mohieldin et al., 2022).

The development of Islamic banking in Indonesia also shows a fairly rapid growth trend. However, its contribution remains relatively low compared to conventional banking. Data from the Financial Services Authority (OJK) Islamic banking in Indonesia recorded total Islamic financial assets reaching IDR 2,883.67 trillion by December 2024. This is despite Indonesia being the country with the largest Muslim population in the world. This situation reflects a gap between the large market potential and its suboptimal realization. Furthermore, the social role of Islamic banks in improving the economic welfare of the community has not been optimally implemented (Rusydia & Firmansyah, 2023). Bank Syariah Indonesia (BSI), the result of the merger of three state-owned Islamic banks (BUMN): Bank BRI Syariah, Bank Mandiri Syariah, and Bank BNI Syariah, in 2021, became the largest Islamic bank in Indonesia. This merger aims not only to strengthen the position of national Islamic banking but also to optimize the social role of Islamic banks in empowering the community's economy. BSI's vision is to become the Islamic bank of choice, excelling in service and performance, with a mission that encompasses both commercial and social aspects.

The social role of Islamic banks differs from that of conventional banks because it is based on sharia principles that emphasize the concepts of justice, mutual assistance (ta'awun), and shared prosperity (maslahah). Islamic banks are not solely profit-oriented, but also have a social function through various instruments such as zakat, infaq, sedekah, and waqf (ZISWAF), as well as financing that favors the real sector and micro, small, and medium enterprises (MSMEs). Through this social role, Islamic banks are expected to contribute directly to poverty alleviation, reducing economic disparities, and improving the welfare of society as a whole.

Pontianak, the capital of West Kalimantan Province, has unique demographic and economic characteristics. With a predominantly Muslim population and a steadily growing economy, Pontianak is a potential market for the development of Islamic banking. However, various economic challenges remain, such as poverty, unemployment, and limited access to financing for small businesses. These conditions require the active role of Islamic financial institutions, particularly BSI, in providing



solutions through targeted economic empowerment programs. The BSI Pontianak Branch Office has implemented various social programs, such as the distribution of ZISWAF funds, financing for MSMEs with a simple and sharia-compliant scheme, a sharia-compliant financial literacy education program, and various corporate social responsibility (CSR) activities aimed at improving the economic well-being of the community. However, the effectiveness and tangible impact of BSI's social role implementation on improving the economic well-being of the community in Pontianak City has not been studied in depth and comprehensively.

Several previous studies have shown that Islamic banks have a positive contribution to community economic empowerment. However, various challenges remain in their implementation, such as a lack of public awareness, limited distribution networks, and suboptimal coordination with various stakeholders. Therefore, it is important to empirically analyze the implementation of BSI's social role in Pontianak City, the supporting and inhibiting factors, and its impact on improving the economic well-being of the community.

This research is also relevant and important to provide a comprehensive overview of the implementation of BSI's social role in Pontianak City, identify best practices, and formulate strategic recommendations to optimize the social role of Islamic banks in improving the economic welfare of the community. The results of this study are expected to contribute to the development of Islamic banking in Indonesia, particularly in the aspects of social responsibility and community economic empowerment, as well as serve as a reference for further research related to Islamic economics and community welfare.

From a theoretical perspective, there are still limitations in developing a comprehensive model for implementing the social role of Islamic banks. The majority of previous research has focused primarily on operational aspects and financial performance, while systematic studies examining how optimizing the social role of Islamic banks can promote public welfare are limited. Existing theories tend to be partial and fail to fully integrate the commercial and social dimensions of Islamic banks (Ascarya & Rahmawati, 2023). Therefore, a more holistic theoretical framework is



needed to understand the dynamics of implementing the social role of Islamic banks in supporting sustainable economic development.

Empirically, previous studies have also been limited in comprehensively measuring the impact of Islamic banking social programs on community economic well-being. Many studies use a descriptive approach and have not adopted quantitative indicators that can objectively reflect changes in welfare levels. Furthermore, the scale of research conducted is generally limited and does not comprehensively cover the various types of Islamic banking social programs (Nurhayati & Wasilah, 2022). This situation makes it difficult to generalize findings and develop best practices that can be adopted by other Islamic financial institutions.

The uniqueness of this research lies in the development of an implementation model for the social role of Islamic banks integrated with the concept of the economic welfare of the community based on the principles of maqashid sharia. This research seeks to fill the theoretical and empirical gaps through an integrative approach that combines conceptual aspects with field data in analyzing the effectiveness of Islamic banking social programs. The developed model encompasses the dimensions of input (resources), process (program implementation), output (program results), and outcome (impact on the economic welfare of the community). Furthermore, this research also integrates the Sustainable Development Goals (SDGs) framework in the context of Islamic banking, thus expected to contribute to the development of a sustainable Islamic economy.

This research is expected to contribute to the development of a comprehensive conceptual framework for implementing the social role of Islamic banks. Practically, this research is expected to produce a practical implementation guide for Islamic banks in designing and implementing social programs more effectively. Meanwhile, from a policy perspective, this research is expected to provide relevant recommendations for regulators in formulating policies that support the optimization of the social role of Islamic banks. In general, this research is also expected to enrich the literature on Islamic economics, particularly in the areas of Islamic banking and the socio-economic development of the community.

2. Research objectives

- a. Understand the implementation of the social role of Islamic banks in Indonesia.
- b. Understand the factors influencing the effectiveness of the implementation of the social role of Islamic banks in Indonesia.
- c. Understand the impact of the implementation of the social role of Islamic banks on the economic welfare of the community.
- d. Understand the comprehensive and effective implementation model of the social role of Islamic banks for the economic welfare of the community.

3. Literature review

a. The Concept of Islamic Banking

Islamic banks are financial institutions that operate based on Islamic sharia principles, which avoid the practices of *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation). According to Ascarya (2023), Islamic banks have unique characteristics that distinguish them from conventional banks, namely the social and spiritual dimensions in their operations. Islamic banks aim not only to seek profit (profit-oriented), but also have a social responsibility to improve community welfare (people-oriented) and preserve the environment (planet-oriented).

The concept of Islamic banking is based on fundamental Islamic principles: justice, transparency, and accountability. The principle of justice in Islamic banking is reflected in the profit-loss sharing system, which allows for a fair distribution of risks and profits between the bank and its customers. Transparency is implemented through the disclosure of information about the bank's products, services, and performance. Meanwhile, the principle of accountability is realized through adherence to sharia provisions and contributions to socio-economic development (Hassan & Aliyu, 2023).

b. The Social Role of Islamic Banks

The social role of Islamic banks is a manifestation of the concept of *maqasid sharia* which aims to achieve the welfare of the community.



According to Chapra (2023), the social role of Islamic banks can be categorized into four main dimensions: (1) providing financial access for underserved communities (Financial Inclusion), (2) managing social and religious funds such as zakat, infaq, sedekah, and waqf, (3) implementing Corporate Social Responsibility (CSR) programs, and (4) contributing to sustainable economic development.

The first dimension, financial inclusion, relates to Islamic banks' efforts to provide affordable financial services tailored to the needs of the community, particularly low-income groups and UMKM. Islamic banks have instruments that can be used to increase financial access, such as microfinance, microsavings, and Islamic microinsurance (Widiastuti et al., 2022). Effective implementation of financial inclusion can increase public participation in the formal financial system and encourage inclusive economic growth.

The second dimension relates to the management of religious social funds, a unique characteristic of Islamic banks. Zakat, as one of the pillars of Islam, has significant potential to reduce poverty and economic inequality. Islamic banks can act as professional and trusted zakat collectors, optimizing zakat collection and distribution to improve the welfare of those entitled to receive it (Rusydiaana & Firmansyah, 2023). In addition to zakat, Islamic banks can also manage infaq, sadaqah, and waqf funds, which have significant potential for socioeconomic development.

c. The Concept of Economic Welfare in Islam

Economic well-being from an Islamic perspective (falah) is a more comprehensive concept than the concept of well-being in conventional economics. Falah encompasses not only material aspects but also spiritual and social aspects. According to Chapra (2023), well-being in Islam encompasses three main dimensions: (1) fulfillment of basic needs (Basic Needs), (2) equitable distribution of income and wealth, and (3) sustainable economic

growth. Fulfillment of basic needs in Islam includes primary needs (Dharuriyyat) such as food, clothing, shelter, education, and health. Secondary needs (hajjiyyat) that can improve the quality of life, and tertiary needs (tahsiniyyat) that provide comfort in life. This concept aligns with Maslow's hierarchy of needs theory, but in the Islamic context, it places more emphasis on the balance between worldly and hereafter needs (Ascarya & Rahmawati, 2023).

The equitable distribution of income and wealth is a fundamental principle of Islamic economics. Islam teaches that wealth should be distributed fairly through various mechanisms, such as zakat (alms), infaq (donations), sadaqah (charity), and waqf (endowments). This principle aims to prevent the concentration of wealth in the hands of a small group and ensure that all members of society can benefit from the fruits of economic development (Mohieldin et al., 2022).

d. Policy Implementation

The policy implementation theory developed by Mazmanian and Sabatier (1983) states that effective implementation is influenced by three main factors: (1) the characteristics of the problem to be solved, (2) the structure and process of implementation, and (3) environmental variables. In the context of implementing the social role of Islamic banks, the characteristics of the problem are related to the complexity of the socio-economic problems faced by the community. The structure and process of implementation include organizational capacity, resources, and coordination mechanisms. Meanwhile, environmental variables include political support, socio-economic conditions, and community participation.

e. Stakeholder Theory

The stakeholder theory developed by Freeman (1984) states that an organization's success is influenced by its ability to manage relationships with various stakeholders. In the context of Islamic banks, primary stakeholders include customers, shareholders, regulators, the community, and socio-religious institutions. Effective implementation of Islamic banks' social roles

requires strong coordination and collaboration between various stakeholders to achieve the shared goal of improving the economic well-being of the community (Nurhayati & Wasilah, 2022).

4. Previous Research

Previous research serves as a scientific foundation to strengthen the theoretical foundation and clarify the position and novelty of this research. Several previous studies have addressed themes related to this topic, both in terms of methodology, variables used, and empirical findings.

First, the research was conducted by Suhada, in 2025, *The Influence of Sharia Financing, Social Innovation, and Social Inclusion, on the Growth of UMKM*, the method used in this research is a quantitative method with a sampling technique in this study using Accidental Sampling with a total sample of 131 MSMEs in Dompu Regency. In this study, partial findings obtained that Sharia Financing has an effect on the Growth of UMKM, Social Innovation has an effect on the Growth of UMKM and Social Inclusion has an effect on the Growth of MSMEs and simultaneously Sharia financing, social innovation and social inclusion have a positive effect on the growth of UMKM in Dompu Regency.

Second, Solikin, in 2025, *the Role of Sharia Financial Literacy and Inclusion in the Development of UMKM in Indonesia*. This research method uses a descriptive qualitative approach. The results of the study show that understanding and implementing sharia finance (sharia financial literacy) are very important for UMKM. Good sharia financial literacy helps MSMEs make better financial decisions and manage their finances more efficiently, which ultimately improves their performance and welfare. In addition, access to sharia financial services (sharia financial inclusion) is also important for UMKM. Good sharia financial inclusion makes it easier for UMKM to access financing and other sharia financial services.

Third, Much. Syafiq Arislan, in 2024, Implementation of Green Banking in Indonesian Islamic Banking Through Bank Muamalat's CSR. The research method used was a qualitative approach. The results of this study indicate that Bank Muamalat has implemented several green banking programs, including energy efficiency, waste reduction, and minimal paper use. The strategies used include increasing staff awareness in resource use and utilizing technology to reduce paper consumption. CSR programs that support green banking include online financial literacy, utilization of local labor, and investment in social infrastructure.

Fourth, Lam Lam Pahala, 2023, The Role of Zakat and Infaq Social Funds in Developing Community Welfare Programs through Islamic Banks (Garut), this study uses a Qualitative method. The results of the study indicate that zakat and infaq social funds not only act as a source of financial assistance for people in need, but also play a strategic role in forming sustainable programs. Islamic Banks, as intermediaries, have successfully managed funds with high transparency and accountability, creating a positive impact on education, health, the economy, and the overall welfare of society. This study provides an in-depth understanding of how zakat and infaq social funds can be a driver for the development of sustainable community welfare programs through Islamic financial institutions.

Fifth, Eleven Karisma, 2025, Sharia Bank Strategy in Supporting Micro, Small and Medium Enterprises Financing, The research method used is a qualitative approach, The results of the study show that the main strategies of sharia banks include the development of contract-based financing products such as mudharabah and musyarakah, increasing sharia financial literacy for UMKM, strategic partnerships with supporting institutions, and digitalization of services to reach UMKM in remote areas. These findings provide important implications for strengthening the role of sharia banks in the UMKM financing ecosystem and supporting equitable financial inclusion.

Sixth Pratama, 2022, The Role of Bank Syariah Indonesia in Providing Financing to Support the Improvement of the Welfare of Small and Medium Enterprises in Cirebon Regency (BSI Study of Plered I Branch Office). This study uses a qualitative method, the results of this study indicate that Bank Syariah Indonesia Tbk Plered I Branch Office plays a role in the development of Small and Medium Enterprises for the community. By providing capital, it can greatly help the community to develop their businesses and is able to reduce poverty as well as help increase income and open opportunities for people who want to start a business. Although Islamic banks have various advantages and strengths in developing Small and Medium Enterprises, Islamic banks have weaknesses and have obstacles in developing Small and Medium Enterprises such as capital problems, Human Resources, and government policies that are slow to create standard regulations for the interests of Islamic banks.

5. Research methods

This research uses a qualitative approach with an interpretive paradigm to understand the meaning, experiences, and practices of implementing the social role of Bank Syariah Indonesia (BSI) in improving the economic welfare of the community. The interpretive paradigm is used to understand the social reality constructed by actors based on their experiences and contexts (Creswell, 2023). The primary research design is BSI Pontianak City, focusing on BSI practices in Pontianak City. A case study approach was chosen because it allows for in-depth exploration of the context, processes, and dynamics of social program implementation, which are complex and contextual.

6. Results and Discussion

a. Implementation of the Social Role of Islamic Banks

The research results show that the implementation of the social role of Islamic banks in Indonesia has experienced significant development, both in terms of institutions and program innovation. In general, this social role is realized through four main forms, namely: (1) management of zakat, infaq, sedekah, and waqf (ZISWAF) funds, (2) implementation of corporate social responsibility (CSR) based on sharia values, (3) inclusive financing for



micro, small, and UMKM and low-income communities, and (4) sustainable community empowerment programs.

First, ZISWAF fund management is a concrete implementation of the social function of Islamic banks as agents of development, oriented not only toward profit but also toward the welfare of the community. Bank Syariah Indonesia (BSI) is one example of successfully integrating digital technology with philanthropic activities through the BSI Hasanah Card platform. This platform facilitates customers in channeling zakat, infaq, sadaqah, and waqf funds easily and transparently. In 2022, BSI successfully collected Rp125 billion in zakat funds, with 65% distributed to productive economic programs such as micro-enterprise capital, entrepreneurship training, and business incubation, and 35% to consumptive programs such as social assistance and education. This digitalization of ZISWAF management demonstrates the transformation of the social role of Islamic banks, adapting to developments in financial technology.

Second, the implementation of the social role of Islamic banks is also evident in the provision of inclusive financing for micro, small, and UMKM and low-income communities. Through the qardhul hasan scheme, margin-free microfinance, and collaboration with zakat institutions (BMT), Islamic banks play a crucial role in opening financial access to groups previously untouched by formal financial institutions (the unbanked). This approach aligns with the maqashid sharia principle of realizing economic justice and equitable distribution of prosperity. Third, in terms of community empowerment, several Islamic banks have developed sustainability-oriented social programs, such as community-based entrepreneurship training, women's empowerment through the creative economy, and food security programs in rural areas. These programs are not merely charitable in nature but also transform into social investments with long-term impacts on improving community welfare.



Thus, it can be concluded that the social role of Islamic banks in Indonesia has shifted from a charity-based orientation to an empowerment-based one. This shift demonstrates that Islamic banks function not only as financial intermediaries based on Islamic principles, but also as agents of social change that significantly contribute to inclusive and sustainable economic development.

b. Factors Affecting Implementation Effectiveness

An analysis of the factors influencing the effectiveness of implementing the social role of Islamic banks identified at least five main factors, namely: (1) management commitment, (2) organizational capacity, (3) resource availability, (4) coordination between stakeholders, and (5) regulatory support. These five factors interact with each other and form an institutional ecosystem that determines the extent to which Islamic banks can carry out their social functions optimally and sustainably.

First, management commitment is the most crucial factor in determining the successful implementation of social programs. Strong management commitment reflects the leadership's awareness and responsibility for the social mission of Islamic banks as financial institutions oriented towards the welfare of the community. This commitment is realized through the integration of social values into the corporate vision, mission, and strategy. Bank Syariah Indonesia (BSI), for example, has a dedicated organizational structure that handles social programs through its CSR and ZISWAF units, which are directly under the supervision of the president director. This structure demonstrates top management commitment to ensuring that social activities are not merely philanthropic activities, but rather part of a corporate sustainability strategy. Conversely, Islamic banks with low management commitment tend to view social programs as peripheral activities that do not significantly impact company performance.

Second, organizational capacity plays a crucial role in determining an Islamic bank's ability to effectively design, implement, and evaluate social programs. This capacity encompasses human resource competency, information systems that support transparency and accountability, and clear operational procedures. Islamic banks with dedicated social program divisions tend to be more structured in implementing, monitoring, and reporting their social activities compared to banks that combine social and business functions within a single unit. This finding aligns with previous research findings (Karim, 2022; Rahman & Huda, 2023), which indicate that organizations with strong institutional capacity are more adaptable to change and more effective in channeling social funds to target groups.

Third, the availability of resources, whether financial, human, or technological, is a crucial prerequisite for successfully implementing social roles. Effective social programs require adequate funding allocation, a competent workforce in social and zakat management, and information technology capable of ensuring efficient and transparent fund distribution. Limited resources are often a major obstacle to expanding the reach and enhancing the social impact of programs.

Fourth, inter-stakeholder coordination plays a significant role in ensuring synergy between Islamic banks, the government, zakat institutions, the community, and business partners. The effectiveness of implementing social roles will increase if there are effective coordination and communication mechanisms among stakeholders. Cross-institutional collaboration allows for optimal resource utilization and avoids overlapping social programs. Furthermore, strategic partnerships with external institutions can strengthen the legitimacy and expand the social impact of Islamic banks in the community.

Fifth, regulatory support is an external factor that contributes to the successful implementation of Islamic banks' social roles. Clear, consistent



regulations that support strengthening social functions will encourage Islamic banks to be more proactive in carrying out their social responsibilities. The Financial Services Authority (OJK) and Bank Indonesia, for example, have issued various policies encouraging sustainability reporting and corporate social responsibility based on the maqasid sharia. This regulatory support serves as both normative guidance and a control mechanism for Islamic banks, ensuring that their social roles are not merely symbolic but also substantive and measurable.

Thus, the effectiveness of implementing the social role of Islamic banks is determined not only by internal factors such as management commitment and organizational capacity, but also heavily dependent on external support in the form of regulations and cross-stakeholder collaboration. The integration of these internal and external factors is key to realizing the social role of Islamic banks that is inclusive, sustainable, and aligned with the principles of maqasid sharia.

c. Impact on the Economic Welfare of the People

Evaluation of the impact of implementing the social role of Islamic banks in improving the economic welfare of the community is conducted using a series of indicators compiled based on the Islamic principle of *falah*, the concept of happiness in this world and the hereafter, which is the primary goal of Islamic economics. These indicators reflect important dimensions of holistic economic welfare and encompass various aspects of community life.

First, the income increase indicator is used to assess the extent to which Islamic banks' social role is able to improve the income levels of individuals or community groups, particularly those in the lower economic strata. Second, access to financial services is a crucial measure in evaluating the community's affordability of inclusive and equitable Islamic financial products and services. Third, capacity development refers to the extent to

which Islamic banks' social programs, such as financial training and education, can improve the community's economic capabilities and skills.

Fourth, economic empowerment serves as a benchmark for the effectiveness of Islamic banks' social interventions in promoting the economic independence and productivity of the community. Fifth, the poverty reduction indicator is used to assess the tangible contribution of Islamic banks' social role in reducing poverty in a sustainable manner. Through these five indicators, an evaluation of Islamic banks' social role can provide a comprehensive picture of their contribution to realizing equitable and sustainable economic welfare for the community in accordance with Islamic values.

The research results show that Islamic banking social programs have a significant positive impact on improving the economic well-being of the community. The impact on access to financial services is particularly significant, especially for communities previously without access to formal banking. The Islamic micro-savings program has successfully increased financial inclusion, with 85% of previously unbanked participants now having access to financial services. Islamic micro-financing programs, with *mudharabah* and *musyarakah* schemes, provide sharia-compliant financing alternatives for micro and small entrepreneurs.

d. Implementation Model of the Social Role of Islamic Banks

Based on the results of the analysis of the implementation practices of the social role of Islamic banks and the factors that influence their effectiveness, this study formulates a comprehensive implementation model of the social role of Islamic banks, consisting of five main components: (1) input, (2) process, (3) output, (4) outcome, and (5) impact.

The input component encompasses all resources required for the implementation of social programs, including financial resources, human resources, infrastructure, and regulatory and institutional support.



Financial resources can come from Corporate Social Responsibility (CSR) funds, Zakat, Infak, Sedekah, and Waqf (ZISWAF), or special allocations from bank profits channeled to social activities and community economic empowerment. Human resources consist of professionals with competencies in community development and a deep understanding of sharia principles. Meanwhile, the infrastructure aspect includes information system support and the digitalization of social services, a network of branch offices and sharia service units, and strategic partnerships with social institutions, the government, and community organizations. Regulatory and policy support are also crucial factors in ensuring that the implementation of sharia bank social programs is carried out within the legal framework and the principles of maqasid sharia.

The process components include the planning, implementation, monitoring, and evaluation stages of social programs. The planning stage must be based on a needs assessment and local economic potential, ensuring the program's relevance and sustainability. The implementation stage emphasizes active community participation, stakeholder synergy, and the application of good governance principles such as transparency, accountability, and fairness. Monitoring is conducted periodically to ensure program implementation aligns with established objectives and performance indicators, while the evaluation stage measures the program's effectiveness, efficiency, and socio-economic impact. Evaluation results are then used as feedback to refine the strategy and policies of Islamic bank social programs in the future.

5. CONCLUSION

This study concludes that the implementation of the social role of Islamic banks in Indonesia, particularly at Bank Syariah Indonesia (BSI), has shown significant progress in supporting the social and economic development of the community. The social role of Islamic banks is no



longer oriented towards philanthropic activities (charity-based), but has evolved towards community empowerment (empowerment-based). Through the management of ZISWAF funds, Sharia-based CSR programs, inclusive financing, and sustainable empowerment activities, Islamic banks contribute significantly to improving the economic welfare of the community, particularly low-income groups and micro, small, and medium enterprises.

The effectiveness of implementing the social role of Islamic banks is largely determined by five main factors: management commitment to integrating the social mission into corporate strategy; adequate organizational capacity; the availability of financial, human, and technological resources; strong coordination between stakeholders; and regulatory support that supports strengthening social functions. This study also produced a model for implementing the social role of Islamic banks, consisting of five components: input, process, output, outcome, and impact, as a conceptual framework for measuring the effectiveness and sustainability of social programs. This model can be used as a guideline for Islamic financial institutions in designing more targeted and impactful social strategies.

From a theoretical perspective, this research enriches the literature on the integration of maqasid sharia values into Islamic social banking practices. Practically, the research findings provide recommendations for Islamic banks to strengthen their social commitment and expand innovative empowerment-based programs. Meanwhile, from a policy perspective, the findings can inform regulators in formulating policies that encourage the optimization of the social function of Islamic banks as a pillar of inclusive and sustainable Islamic economic development.

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