

Introduction: Financial Innovations, Policy Adjustments, and Economic Resilience

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In its second issue of 2022, continues to present cutting-edge research and insightful discussions on topics that shape the global economic and financial landscape. This edition brings together studies that critically examine contemporary issues ranging from macroeconomic policy adjustments and financial stability to the evolution of Islamic financial technology and the impact of political disruptions on investment patterns. The contributions in this volume collectively provide an in-depth exploration of key challenges and opportunities faced by economies in an era of rapid transformation and global interdependence.

The primary themes covered in this issue highlight the complexity of financial and economic systems, offering valuable perspectives on policy implications, financial innovation, and structural economic adjustments. The discussion begins with an analysis of retirement age adjustments and their macroeconomic impacts, followed by a critical examination of sovereign financing practices through international loans. The issue also delves into the economic and social implications of Islamic banking mergers, explores the growing role of Islamic FinTech in the MENA region, and assesses the effects of political instability on foreign direct investment (FDI). These topics not only reflect the journal's commitment to fostering academic and professional discourse but also serve as a crucial reference for policymakers, financial practitioners, and researchers.

Economic Policy Adjustments and Financial Stability

The research in this edition examines key macroeconomic policy shifts, including retirement age adjustments and sovereign financing through international loans. The findings highlight both the economic benefits and socio-economic challenges associated with raising the retirement age, particularly its impact on labor markets and income inequality. Additionally, the discussion on international loan facilities underscores their dual role in fostering economic growth and posing financial risks, emphasizing the need for effective debt management strategies, risk diversification, and structured renegotiation of loan terms to ensure long-term stability.

The study on retirement age adjustments explores how increasing life expectancy and aging populations necessitate new retirement policies. While extending the working years can boost productivity and reduce pension burdens, it also poses equity concerns, particularly for workers in physically demanding jobs. The analysis calls for flexible retirement schemes to balance economic benefits with social fairness. Similarly, the discussion on sovereign financing through international loans assesses how borrowing strategies impact national economies. Although these loans can accelerate development, they also introduce risks such as debt dependency and vulnerability to financial crises. Effective debt governance and diversification of financing sources are essential for long-term financial health.

The Evolution of Islamic Finance and Investment Risks

This edition also explores significant developments in Islamic banking mergers, FinTech innovation, and foreign direct investment amidst political instability. The study on Indonesia's state-owned Islamic bank merger illustrates how consolidations can enhance competitiveness and efficiency, while also presenting challenges in corporate culture integration and Shariah compliance. Furthermore, the analysis of Islamic FinTech in the MENA region highlights its potential to transform financial accessibility and resilience but stresses the need for strong regulatory frameworks and technological advancements. Lastly, the investigation into Myanmar's political crisis reveals the profound effects of governance instability on FDI flows, offering insights into how political unpredictability shapes investor confidence and economic security.

The merger of Indonesia's leading state-owned Islamic banks into Bank Syariah Indonesia (BSI) represents a milestone in the region's financial sector. The study highlights the financial gains achieved, including enhanced capital efficiency and stronger market positioning. However, it also identifies significant challenges such as ensuring seamless cultural integration and maintaining strict adherence to Shariah principles. Addressing these challenges is crucial for sustaining growth and credibility in the Islamic banking industry. Additionally, the section on Islamic FinTech in the MENA region explores how digital financial solutions are transforming markets. While Islamic FinTech aligns with Shariah-based financial ethics, barriers such as regulatory fragmentation and cross-border limitations hinder its full potential. The study advocates for a harmonized regulatory framework to foster FinTech innovation and broader financial inclusion. Finally, the analysis of Myanmar's political crisis and FDI highlights how instability disrupts economic confidence. The study reveals that investors have diverted capital to neighboring ASEAN countries due to uncertainties in Myanmar, showcasing the interplay between political governance and foreign investments.

Conclusion

The research contributions in this edition offer a wealth of knowledge on critical financial, economic, and policy-related issues. From the complexities of retirement age adjustments and

sovereign financing to the evolving dynamics of Islamic banking, FinTech, and investment risks, the studies collectively provide a multifaceted perspective on contemporary global challenges. The insights presented here are particularly relevant for academics, policymakers, and financial professionals seeking to enhance economic resilience and sustainable development.

As financial landscapes continue to transform, the need for evidence-based policy solutions, innovative financial instruments, and strategic risk management becomes increasingly apparent. This edition of the Sukuk Journal aspires to contribute meaningfully to these discussions, providing a valuable reference for ongoing academic and professional engagements in the fields of banking, finance, and economic policy.

The editorial team sincerely appreciates the dedicated efforts of both the authors and reviewers, whose contributions have been instrumental in shaping this issue. We hope that the insights shared within these pages will spark thoughtful discussions and encourage initiatives that promote progress and enhance societal well-being.

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