

# The Impact of Islamic Banking Cost of Financing and Islamic Banking Availability on the Empowerment of SMEs in Bangladesh

Kamal Mustafa Said Ibrahim<sup>1\*</sup>, Besar Bin Ngah<sup>2</sup>

<sup>1</sup>Al-Madinah International University, Jalan 2/125e, Taman Desa Petaling, 57100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

<sup>2</sup>Faculty of Finance and Administrative Sciences, Al-Madinah International University, Kuala Lumpur, Malaysia

\*Corresponding Author

DOI: <https://dx.doi.org/10.47772/IJRISS.2025.908000258>

Received: 01 August 2025; Accepted: 06 August 2025; Published: 05 September 2025

## ABSTRACT

Access to affordable and adequate financing remains a persistent challenge to the development of small and medium-sized enterprises (SMEs) in Bangladesh. Conventional banking institutions often perceive SMEs as high-risk clients due to limited assets, informal business structures, and insufficient collateral. This study investigates the impact of two key dimensions of Islamic banking—cost of financing and financing availability—on the empowerment of SMEs in Bangladesh. A quantitative research design was employed, utilizing survey data collected from 300 SME owners and managers across the country. The data were analyzed using SPSS and Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the proposed hypotheses. The results reveal a significant positive relationship between the availability of Islamic bank financing and SME empowerment ( $\beta = 0.191$ ,  $t = 4.328$ ). Furthermore, the cost of Islamic financing exhibited a strong and highly significant influence on SME empowerment ( $\beta = 0.682$ ,  $t = 18.515$ ). These findings underscore the pivotal role of Islamic banking—particularly its cost structure—in facilitating SME empowerment in Bangladesh. The provision of affordable, Shariah-compliant financial services is shown to enhance SME growth, sustainability, and integration into the formal economy. The study offers valuable implications for policymakers, financial institutions, and development agencies seeking to strengthen the SME sector through context-specific Islamic finance mechanisms.

**Keywords:** Islamic Banking, SMEs, Empowerment, Bangladesh.

## INTRODUCTION

Small and Medium Enterprises (SMEs) play a critical role in the economic development of emerging economies, particularly in fostering innovation, employment generation, poverty alleviation, and inclusive growth. In Bangladesh, SMEs contribute significantly to the national GDP and employment sector, accounting for nearly 25% of the gross domestic product and employing more than 7.8 million people (Ali & Wanasilp, 2024). Despite their growing importance, SMEs in Bangladesh continue to face numerous constraints that hinder their full potential in driving sustainable economic development. Among the most pressing issues are limited access to financing, high cost of borrowing, insufficient availability of financial services tailored to SME needs, and systemic structural bottlenecks including bureaucratic inefficiencies, inadequate infrastructure, and limited capacity building (Andalib and Halim, 2019). A persistent barrier for SME development in Bangladesh is access to affordable and sufficient financing. Traditional banking institutions often perceive SMEs as high-risk borrowers due to their limited assets, informal business operations, and lack of collateral (Akber et al., 2023). This results in stringent loan requirements, high interest rates, and complicated application procedures, all of which limit the capacity of SMEs to secure necessary funding. Moreover, the dominance of conventional finance, often misaligned with the ethical and inclusive goals of small entrepreneurs, has left a financing gap that Islamic finance could potentially bridge. Islamic banking, rooted in the principles of risk-sharing, ethical investment,

and prohibition of interest (riba), offers an alternative mode of financing that is both inclusive and socially responsible (Rahman & Chowdhury, 2024).

In recent years, the Islamic finance industry in Bangladesh has expanded steadily, with Islamic banks now comprising a significant portion of the overall banking sector. According to the Bangladesh Bank (2023), Islamic banks hold nearly 25% of the total banking assets in the country. This growth reflects increasing consumer confidence in Islamic financial services, driven by religious preference, ethical appeal, and competitive financial products. Islamic banks offer financing structures such as Murabah (cost-plus financing), Mudarabah (profit-sharing), and Ijara (leasing), which can be more suitable and flexible for SMEs, especially those looking to avoid interest-based debt. However, the actual impact of Islamic banking on SME empowerment, especially in terms of cost efficiency and financial accessibility, remains an area requiring deeper empirical exploration.

While the theoretical underpinnings of Islamic finance advocate for inclusive economic empowerment, particularly for marginalized and underserved communities, empirical evidence on its practical impact on SMEs in developing countries like Bangladesh is limited (Rahaman et al., 2021). Specifically, two interrelated dimensions—the cost of Islamic financing and the availability of Islamic banking services—have not been thoroughly examined in relation to SME empowerment (Ali & Wanasilp, 2024). The cost of financing is a crucial factor influencing SME investment decisions and growth potential. If Islamic financing options are perceived as expensive or less accessible compared to conventional options, their utility for SMEs may be diminished. Likewise, the availability of Islamic banking—measured in terms of physical presence, outreach, product diversity, and SME-centric service offerings—can significantly determine how far SMEs benefit from such financial inclusion.

The issue of financial empowerment is especially pertinent given that many SME owners operate in informal or semi-formal settings, often lacking strong financial literacy or access to modern banking tools. Empowerment in this context goes beyond mere access to credit; it encompasses the ability to make informed financial decisions, sustainably grow business operations, and participate more meaningfully in the formal economy. Islamic banking, with its emphasis on partnership, transparency, and mutual benefit, theoretically offers a framework conducive to such empowerment. Nevertheless, questions remain regarding the affordability of Islamic financial products, the reach of Islamic banks into rural and underserved regions, and the actual experiences of SME entrepreneurs using Islamic banking services. Given these considerations, this research aims to empirically investigate the impact of Islamic banking cost of financing and Islamic banking availability on the empowerment of SMEs in Bangladesh. The core objective is to assess whether Islamic banking mechanisms truly facilitate SME development and empowerment, or whether barriers such as pricing structures and limited-service availability restrict their effectiveness. This study will contribute to the growing discourse on Islamic finance and inclusive development by providing evidence-based insights that can inform policymakers, financial institutions, and SME development agencies.

Furthermore, this research addresses a timely and underexplored nexus between Islamic banking and SME empowerment in a predominantly Muslim country where demand for Shariah-compliant financial services is steadily increasing. By analyzing the dual variables of cost and availability, the study will explore not just the theoretical potential, but the practical realities that SMEs face in accessing Islamic finance. The findings are expected to offer policy recommendations to optimize Islamic banking services for SMEs and to support the broader agenda of financial inclusion and sustainable development in Bangladesh.

## LITERATURE REVIEW

### 2.1 Small and Medium Enterprises (SMEs) and Their Role in Economic Development

Small and Medium Enterprises (SMEs) are universally recognized as a vital component of national economies, particularly in developing countries. They contribute significantly to employment creation, innovation, and equitable income distribution. In Bangladesh, SMEs account for approximately 90% of private sector enterprises and are responsible for generating about 25% of the GDP (BBS, 2022). These enterprises are often labour-intensive and operate across diverse sectors, including manufacturing, services, and agribusiness, thereby playing a critical role in economic diversification and poverty alleviation (Megat et al., 2024). Despite their

significant economic contributions, SMEs frequently encounter structural and institutional barriers that hinder their growth and sustainability. Access to finance has been widely studied as a determinant of SME growth and empowerment. Financial empowerment refers not just to the availability of capital, but also the capacity of SMEs to make autonomous business decisions, manage risk effectively, and participate meaningfully in economic activities (Beck et al., 2006). Empowerment is multifaceted, encompassing access to working capital, affordability of financial products, the reliability of financial institutions, and financial literacy among entrepreneurs. Research shows that improved access to credit can lead to enhanced productivity, better employment opportunities, and higher income levels (Chowdhury & Alam, 2020). However, access to finance alone is insufficient; the cost and terms of financing also matter significantly. High interest rates, rigid collateral requirements, and short repayment periods often disempower SMEs rather than empower them (Abor & Biekpe, 2009).

## 2.2 Islamic Banking and Its Relevance to SMEs

Islamic banking presents an alternative financial model based on the principles of Shariah, emphasizing risk-sharing, prohibition of *riba* (interest), ethical investment, and social justice (Al-Shaghdari et al., 2024). Key financial contracts such as *Murabaha* (cost-plus financing), *Mudarabah* (profit-sharing), *Musharakah* (joint venture), and *Ijara* (leasing) are designed to align finance with productive economic activities. These principles are particularly relevant for SMEs, many of which operate informally and prefer ethical or faith-based financing mechanisms. According to Khan and Bhatti (2008), Islamic finance offers a more inclusive framework that addresses the socio-economic dimensions of entrepreneurship, especially in Muslim-majority countries.

Several studies have demonstrated the compatibility of Islamic banking with SME development. For example, Al-Shaghdari & Ibrahim (2024) argues that Islamic banks are better positioned to finance SMEs due to their focus on real economic activity and partnership-based financing. Similarly, Alfa et al. (2023) assert that Islamic banking, by avoiding speculative and unjust practices, can enhance the socio-economic well-being of entrepreneurs. However, practical challenges such as product standardization, cost competitiveness, and limited outreach may constrain the effectiveness of Islamic banking in serving SMEs.

## 2.3 Cost of Islamic Financing and SMEs

The cost of financing remains a contentious issue in Islamic banking. While Islamic banks do not charge interest, they often embed costs in profit margins or service fees, which can make Islamic products appear more expensive than conventional loans (Al-Shaghdari & Adeyemi, 2020). Some empirical studies suggest that SMEs perceive Islamic financing as more costly due to higher administrative fees, complex documentation, and the added burden of asset-based structures (Dusuki & Abdullah, 2007). For instance, in *Murabaha* contracts, the bank purchases the asset on behalf of the client and then resells it at a profit, often resulting in a higher effective cost. Although this is Shariah-compliant, SMEs with thin profit margins may find such financing less attractive unless value-added services or supportive policies are in place. In the context of Bangladesh, the comparative cost of Islamic vs. conventional financing for SMEs remains under-researched. Anecdotal evidence suggests that Islamic banks have a loyal customer base driven by religious beliefs, but cost considerations still influence borrowing decisions (Uddin & Ahmmed, 2018). Understanding whether the cost of Islamic financing enables or inhibits SME empowerment is essential for designing responsive financial products. On the basis of the aforementioned rationales, Hypothesis below was postulated:

**H1: Cost of Islamic Financing has a positive effect on the Empowerments of SMEs in Bangladesh.**

## 2.4 Availability of Islamic Financing

Availability refers to the physical and functional presence of Islamic banking services, including the number of branches, diversity of financial products, staff expertise, and customer support systems. In Bangladesh, Islamic banking is a growing segment, with full-fledged Islamic banks and Islamic windows operating under conventional banks. As of 2023, Islamic banks hold about 25% of total banking assets in the country (Bangladesh Bank, 2023). However, their geographic and sectoral outreach is still limited, particularly in rural and semi-urban areas where many SMEs are located. Previous research indicates that the availability of Islamic banking services

is positively correlated with financial inclusion and economic participation (Demirgüç-Kunt et al., 2015; Al-Shaghdari & Ibrahim, 2024). Limited outreach reduces SMEs' ability to benefit from Shariah-compliant products, especially when banks fail to design SME-specific offerings. Moreover, the lack of financial literacy among SME owners further limits their understanding and utilization of Islamic banking products (Rashid et al., 2025). Expanding Islamic banking outreach through digital platforms, mobile banking, and SME-focused financing schemes may thus play a critical role in enhancing SME empowerment. In light of this discussion, the following hypothesis is proposed:

**H2: Islamic Banks Financing Availability has a positive effect on the Empowerments of SMEs in Bangladesh.**

## 2.5 Research Conceptual Model

The conceptual research model depicted in Figure 1 is established based on the literature review to forecast the impact of Cost of Islamic Financing and Availability of Islamic Financing on the empowerments of SMEs in Bangladesh. The pertinent theories facilitated the formulation of hypotheses and influenced the study framework illustrated in Table 1. The researcher asserts that this model adequately demonstrates the projected progression in the research.

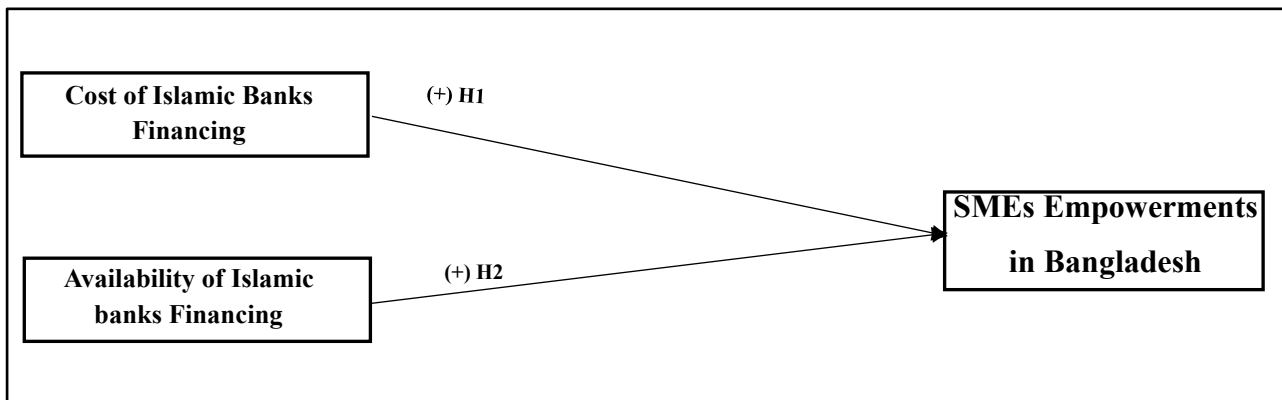


Figure 1: Research Framework, (Source: Author's draft based on Literature)

Table 1. Research Hypotheses Code and Description

Code	Description	Path
H1	Cost of Islamic Banks Financing has a positive effect on the Empowerments of SMEs in Bangladesh.	CIBF → SMEsE
H2	Islamic Banks Financing Availability has a positive effect on the Empowerments of SMEs in Bangladesh.	IBFA → SMEsE

## RESEARCH METHODOLOGY

The initial step in determining the research methodology involves selecting an appropriate research design—quantitative, qualitative, or a combination of both (Creswell, 2014). This study adopts a quantitative research design. Data were collected through a structured survey questionnaire administered to managers and owners of Small and Medium Enterprises (SMEs) in Bangladesh. The target population comprised all SMEs operating across the country. A total of 300 valid responses were obtained, forming the final sample for this research. Besides, a minimum sample size of 200 is considered sufficient for conducting Structural Equation Modeling (SEM). Thus, the chosen sample size of 300 meets and exceeds this threshold, ensuring statistical adequacy for SEM analysis (Saunders, Lewis, & Thornhill, 2019).

The study employed a cross-sectional survey design and utilized a five-point Likert scale instrument. A stratified sampling technique was implemented to ensure representation across various SME sectors in Bangladesh. The

collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS Version 4, while SPSS Version 22 was used during the preliminary data preparation stage. The PLS-SEM analysis followed a two-stage approach. First, the measurement model was assessed for reliability and validity. Convergent validity was evaluated using the Average Variance Extracted (AVE), with a minimum acceptable threshold of 0.50, as recommended by (Hair et al., 2014; Creswell, 2014). Second, the structural model was tested through a bootstrapping procedure to determine the significance of path coefficients and assess the coefficient of determination ( $R^2$ ), in accordance with the methodological guidance provided by Hair et al. (2014) and Henseler et al. (2015).

## DATA AND RESULTS ANALYSIS

### 4.1 Demographic Profile of Respondents

This section presents table 4.1 below, the demographic characteristics of the 300 respondents who participated in the survey. The analysis covers gender, age, education level, employment position, sector of the company, and their client status with Islamic Bank Bangladesh Limited (IBBL).

Variables	Coding	Frequency	Percentage
Gender	Male	198	66.0
	Female	102	34.0
Age	Less than 25	110	36.7
	25 – 30	123	41.0
	31 – 40	42	14.0
	41 – 50	12	4.0
	Over 50	13	4.3
Education Level	Diploma	82	21.4
	Bachelor	207	53.9
	Master	56	14.6
	PhD	36	9.4
	Others	3	0.8
Position	Manager	93	31.0
	Owner	126	42.0
	Others	81	28
Sector of the Company	Agriculture and Fisheries	106	35.33
	Manufacturing Sector	33	11.0
	Finance, Leasing and Business Services	17	5.67
	Constructions and Buildings	19	6.33
	Water and Gas Supply	26	8.67
	Trade hotels & Restaurants	34	11.33
	Mobile Industry and Technology	38	12.66
	Transportation	27	9
Client with IBBL	Yes	300	100

Out of the total respondents, 66.0% (n = 198) were male, while 34.0% (n = 102) were female. This suggests a male-dominated representation among the small and medium-sized enterprise (SME) stakeholders surveyed, which may reflect the broader gender dynamics in business ownership and management in the Bangladeshi SME sector. Besides, the majority of respondents fell within the 25–30 age group (41.0%), followed by those under 25 years old (36.7%). A smaller proportion were aged 31–40 years (14.0%), 41–50 years (4.0%), and over 50 years (4.3%). The age distribution indicates a predominantly young entrepreneurial population, which may suggest growing youth involvement in SME activities in Bangladesh. Furthermore, more than half of the respondents (53.9%) held a Bachelor's degree, while 21.4% had a Diploma qualification. Respondents with a Master's degree accounted for 14.6%, and 9.4% held a PhD. A small fraction (0.8%) indicated other forms of educational attainment. The high level of formal education among participants highlights the potential for informed decision-making and innovation in their business operations. In terms of employment position, 42.0% of respondents identified as owners of their businesses, 31.0% were managers, and the remaining 28.0% held other positions. The strong representation of owners and managers provides credibility to the responses, as these individuals are typically involved in financial decision-making, including interactions with Islamic banking services.

The largest share of respondents (35.33%) operated in the Agriculture and Fisheries sector, underscoring the significance of this sector in the SME landscape of Bangladesh. Other sectors included Mobile Industry and Technology (12.66%), Trade, Hotels, and Restaurants (11.33%), Manufacturing (11.0%), Transportation (9.0%), Water and Gas Supply (8.67%), Construction and Buildings (6.33%), and Finance, Leasing and Business Services (5.67%). This diversity suggests that the findings of the study reflect perspectives across various sectors of the economy. Finally, all respondents (100%) reported being clients of Islamic Bank Bangladesh Limited (IBBL). This confirms the relevance and appropriateness of the sample in examining the impact of Islamic banking cost of financing and service availability on SME empowerment.

## 4.2 Internal Consistency Reliability and Convergent Validity

To ensure the reliability and validity of the measurement model, internal consistency and convergent validity were assessed using Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). The results are presented in Table 4.2.

Table 4.2 Analysis of Internal Consistency and Reliability

Variables	Cronbach's Alpha	Composite Reliability (rho_a)	Average Variance Extracted (AVE)
Cost of Islamic Banks Financing	0.855	0.858	0.634
Islamic Banks Financing Availability	0.885	0.891	0.638
SMEs Empowerments	0.894	0.898	0.655

Cronbach's Alpha values for all constructs exceed the commonly accepted threshold of 0.70, indicating a high level of internal consistency among the items measuring each construct (Basco et al., 2022). Specifically, the Cronbach's Alpha values are 0.855 for Cost of Islamic Banks Financing, 0.885 for Islamic Banks Financing Availability, and 0.894 for SMEs Empowerment. These results confirm that the measurement items for each latent construct are reliable. Besides, composite reliability, which is considered a more accurate measure of internal consistency than Cronbach's Alpha in structural equation modeling, also exceeded the recommended cutoff value of 0.70 (Hair et al., 2014). The CR values ranged from 0.858 to 0.898, further affirming the reliability of the constructs. Additionally, average variance extracted (AVE) was used to assess convergent validity. All AVE values were above the minimum acceptable threshold of 0.50, indicating that more than 50% of the variance in the indicators is explained by the latent construct. The AVE values for Cost of Islamic Banks Financing (0.634), Islamic Banks Financing Availability (0.638), and SMEs Empowerment (0.655) confirm that all constructs exhibit adequate convergent validity (Fornell & Larcker, 1981). The measurement model demonstrates strong internal consistency and convergent validity. All constructs meet the required criteria for reliability and validity,

suggesting that the scales used are both psychometrically sound and theoretically robust for the subsequent structural model analysis.

### 4.3 Measurements Model Evaluation

According to Basco et al. (2022), assessing a structural model in Partial Least Squares Structural Equation Modeling (PLS-SEM) involves examining key indicators such as the coefficient of determination ( $R^2$ ), path coefficients, and factor loadings. The interpretation of  $R^2$  values differs depending on the research field. For example, in consumer behaviour studies, an  $R^2$  value below 0.15 is seen as weak, around 0.20 as moderate, and values nearing 0.75 are considered strong—particularly when identifying critical success factors. In contrast, marketing research typically categorizes  $R^2$  values of 0.75, 0.50, and 0.25 as substantial, moderate, and weak explanatory power, respectively (Hair et al., 2014). Therefore,  $R^2$  serves as a crucial indicator of the model's explanatory capability by reflecting the extent to which the endogenous variable is accounted for by the related exogenous variables. In the current study, the measurement model yielded an  $R^2$  value of 0.581, as shown in Figure 2. This reflects a relatively high level of explanatory power, suggesting that the Cost of Islamic Bank Financing and the Availability of Islamic Bank Financing together explain 58.1% of the variance in SMEs empowerment in Bangladesh.

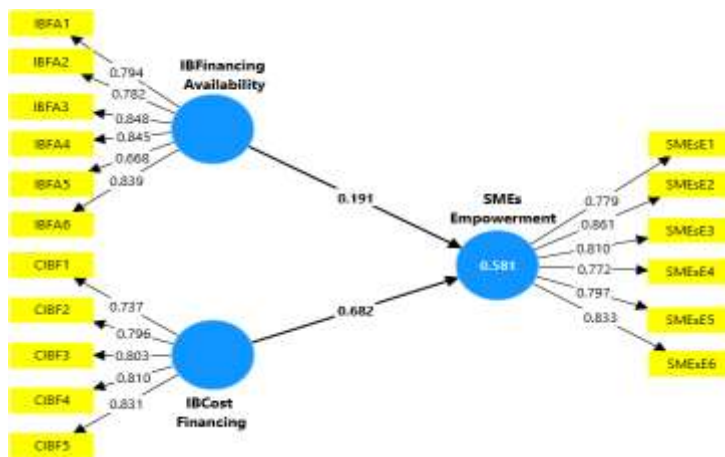


Figure 2: Items Loading, Path Coefficient, and  $R^2$  Values

### 4.4 The Structural Model Evaluation

The final stage of the PLS-SEM analysis involved testing the hypothesised relationships using the bootstrapping procedure in SmartPLS 4.0. Figure 3 presents the bootstrapping results for the hypothesis developed in this study. Specifically, we examined the direct effects of the independent variables on the dependent variable. The statistical significance and path coefficients reported in table 4, demonstrate the magnitude and direction of these relationships.

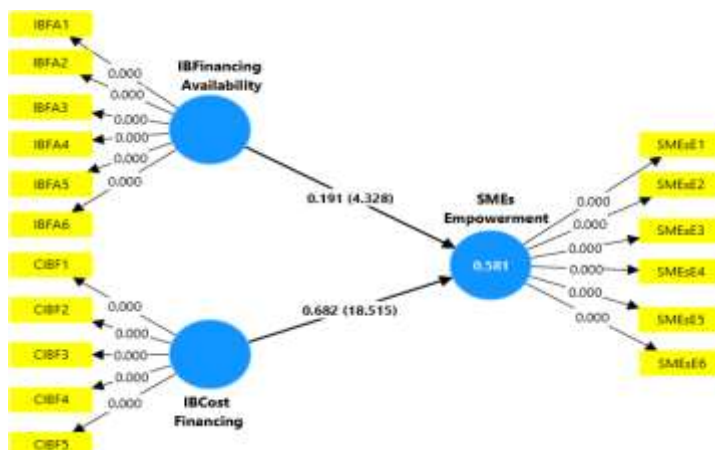


Figure 3: PLS Bootstrapping (p-values, t-value) for the research Model

## 4.5 Discussion of the Analysis

Tables 4 summarize the findings related to the statistical significance and path coefficients of the hypothesised relationships examined in this study.

Table 4: Hypothesis Analysis Results

Hypothesis	Path Coefficients	T-Value	Decision
IB Financing Availability -> SMEs Empowerment	0.191	4.328	Supported (H1)
IB Cost Financing -> SMEs Empowerment	0.682	18.515	Supported (H2)

The structural model analysis provided empirical support for both hypothesized relationships in this study, offering meaningful insights into the impact of Islamic banking on the empowerment of SMEs in Bangladesh.

### H1: Islamic Bank Financing Availability → SMEs Empowerment

The path coefficient for the relationship between Islamic bank financing availability and SMEs empowerment was 0.191, with a t-value of 4.328, indicating statistical significance at conventional confidence levels. Although the magnitude of the effect is moderate, its significance underscores the important role that access to Islamic banking services plays in facilitating SME growth and development. The result supports prior research (e.g., Purnamasari & Darmawan, 2017; Muhammad et al., 2023) suggesting that the availability of financial resources—especially those aligned with Islamic principles—can enhance operational capacity, business sustainability, and long-term resilience among SMEs. Access to Shariah-compliant financial instruments appears to reduce financial exclusion and enable greater participation in the formal economy, which in turn fosters empowerment.

### H2: Islamic Bank Cost of Financing → SMEs Empowerment

The second hypothesis examined the influence of the cost of Islamic bank financing on SME empowerment. The path coefficient was 0.682, with a t-value of 18.515, indicating a strong and highly significant relationship. This result demonstrates that the cost dimension of financing is a critical determinant in empowering SMEs. This finding is in consistency with the previous studies such as (Jamaluddin & Abdullah, 2019; Al-Shaghdari & Adeyemi, 2020). Lower or more favourable financing costs associated with Islamic banking—such as profit-sharing arrangements or deferred payment structures—may enhance affordability and improve cash flow management for small businesses. This substantial coefficient implies that cost-related factors exert a greater influence on SME empowerment compared to financing availability alone. The findings align with earlier studies emphasizing the sensitivity of SMEs to financing costs, especially in emerging economies where access to affordable capital is a persistent constraint.

Overall, these results highlight that both the availability and cost of Islamic bank financing significantly contribute to SME empowerment in Bangladesh, with the cost of financing exhibiting a more pronounced effect. These findings provide practical implications for policymakers, Islamic financial institutions, and development agencies aiming to foster SME growth through more accessible and affordable Shariah-compliant financial solutions.

## CONCLUSION

This study investigated the impact of Islamic banking financing—specifically the availability and cost of Islamic financial services—on the empowerment of small and medium-sized enterprises (SMEs) in Bangladesh. The findings provide empirical evidence that both dimensions significantly contribute to SME empowerment, with the cost of Islamic bank financing demonstrating a more substantial effect compared to financing availability. These insights contribute to the growing body of literature on Islamic finance and SME development in emerging economies.



The results offer several important implications. First, they underscore the critical role of affordable Islamic financing in enhancing the capacity and sustainability of SMEs, which are the backbone of Bangladesh's economy. Islamic banks and financial regulators should prioritize the development of cost-effective, Shariah-compliant financial products tailored to the needs of SMEs. Furthermore, improving accessibility to Islamic banking services, particularly in underserved areas, may lead to broader financial inclusion and economic empowerment. For policymakers, the findings highlight the need for supportive regulatory frameworks and targeted financial incentives that can encourage Islamic financial institutions to expand SME-friendly services. Development agencies and SME support organizations should also consider leveraging Islamic finance as a tool for inclusive growth and poverty alleviation.

In addition, despite its contributions, this study is subject to several limitations. First, the data was collected from SMEs in Bangladesh only, which may limit the generalizability of the findings to other contexts with different regulatory environments or levels of Islamic banking maturity. Second, the study employed a cross-sectional design, which captures relationships at a single point in time and does not account for potential changes over time. Third, while this research focused on two key dimensions—availability and cost—other relevant factors such as Shariah compliance perception, financial literacy, risk-sharing mechanisms, or managerial capabilities were not examined.

Future research could address these limitations by adopting a longitudinal approach to assess how changes in Islamic financing conditions affect SME empowerment over time. Comparative studies across countries with varying levels of Islamic finance development would also enrich the understanding of contextual influences. Additionally, incorporating qualitative methods could provide deeper insights into how SME owners perceive and experience Islamic financial services in practice. Expanding the model to include mediating or moderating variables—such as entrepreneurial orientation, government support, or financial literacy—could offer a more comprehensive picture of the empowerment process.

In conclusion, this research reinforces the significant potential of Islamic banking to serve as a strategic enabler of SME empowerment in Bangladesh. By addressing both financial accessibility and affordability, Islamic finance can play a transformative role in promoting inclusive economic development. Stakeholders across the financial and policy landscape must work collaboratively to unlock this potential and ensure that SMEs—particularly those operating under Islamic ethical and financial principles—are adequately supported to thrive in a competitive business environment.

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