

From Maqasid Shariah to Policy: An Epistemological Framework for Ethical, Holistic, and Sustainable Islamic Economic Development

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Article Info

Keywords:

Maqashid Shariah;
Islamic Economic;
Policy;
Epistemology

DOI:

10.33830/elqish.v5i2.13308.2025

Abstract

While traditional Islamic economic development goes beyond just physical development and takes into account the spiritual values of ethical leadership and social justice between the ethical values of Islam and the implementation of those values of a development policy. This research, main problem are investigating the epistemology of *maqāṣid al-sharī‘ah*; how it can serve as a point of departure for formulating public policy in Muslim majority countries? The research aims to analyze the epistemology of *maqāṣid al-sharī‘ah* and how it can provide the main building block for formulating Shariah inclusive and socially inclusive development policies. This study is based on a qualitative approach, where literature review and conceptual analysis were used, to address the intersection of classical Islamic legal thought, modern Islamic economics, and policy analysis. The findings address the questions that Islamic economic development as conceived of is in itself a paradigm shift, particularly a shift toward a more development centered rather than a growth centered paradigm of development.

1. Introduction

Commentators are starting to look at all model of secular and capitalist based economic development and its shortcomings in tackling the full range of human and societal needs.(Syamsuri, 2016) Development patterns have changed and encouraged industrialization, technology and macroeconomic growth. All measures of growth have been accompanied by a negative correlation to income distribution, environmental sustainability and personal/spiritual development. This paradigm sees the intellectual empowerment, growth, efficiencies in the market and productivity of an individual as their primary mode of operation (Wang, 2024). However, it mostly ignores the non-physical aspects of development like moral goals and social fairness, cultural integrity, and ethical governance which are equally vital for long-term societal sustainability. There are consistent patterns that associate growth with worsening income inequality, environmental decline, and moral decay. Recently, global crises such as the climate crisis, deepening disparity of wealth, and deteriorating governance have revealed the limitations of growth-centered approaches hoping to achieve sustainable and equitable development. Development indicators show that the global challenges are of a structural nature that growth-centered approaches do not address. The recently released 2023 World Bank report, “Poverty & Prosperity 2023” estimates that 700 million people, representing 8.5% of the global population, are living in extreme poverty with less than 2.15 USD per day. Moreover, 3.5 billion people, 44% of the global population, live under 6.85 USD per day which is the threshold for upper-middle-income countries. These development challenges need to be addressed by a differently conceptualized development that is both material and ethical, as well as spiritually beneficial.

Concerning the scholarship, literature facts point out that Islamic economics, while having developed its Islamic finance, zakat, waqf, and halal industries program, still suffers from an

imbalance of studies predominant on instruments rather than an integrative epistemology of development. (Hilmiyah et al., 2019) Point out that from this theological basis there unfolds a comprehensive edifice of structure frameworks in *maqasid al-shari'ah* (the higher objectives of Islamic law) which becomes the normative compass that orients and directs all the socio-economics of the society. These objectives, which are the preservation of the *din*, *nafs*, *'aql*, *nasl*, and *maal*, are the aforementioned wealth and also furnish a moral design that shapes individual behavior and designs the institutions (Rohmati et al., 2018).

In contrast to other approaches, such as positivist or materialist ones, that look at and explain economic behavior based on empirical generalizations or rational-choice models, the Islamic economic development knowledge system also integrates reason with divine revelation and experience to form a single perspective. Development is inherently goal oriented, which means that it should not only be concerned with being efficient in the use of scarce resources and achieving the best outcome, but it should also have the greater moral purpose of fulfilling a larger goal. This goal requires development to embody *tasfiyah* and *tarbiyah* within a culture of justice, trust, and caring for all. (Marwah et al., 2025; Putri & Aziz, 2025) This indicates a gap in existing research that requires urgent attention.

Looking at to create a robust and just economic system, Islamic economics is based on two fundamental principles: the Oneness of God, *tawhid* and the higher objectives of Islamic law, *maqasid al-shari'ah*. Coming to the forefront of its research, this study will explore these principles to distill them into a workable conceptual transition. The end result will be a concrete public policy and framework and will demonstrate that Islamic economics is capable of a compelling ethical approach that's also results-driven. This article's major argument is that Islam-based economic development is teleological by nature and focuses more on ethical development in the form of legitimacy, fairness ('adl), trust (*amanah*), and the public benefit (*maslahah 'am*). It differs from positivist or materialist paradigms that use models of rational choice and empirical generalization to explain economic activity since it depends on ethical validity. *Wahy*, *'aql*, and *tajribah* are combined in the Islamic epistemology of economic development to form a tripartite construct that aims to guarantee consistent interactions between the practice of economic growth in the present environment and eternal truth. This ontological framework uses the *maqasid* paradigm as a normative guide to steer economic development policies in areas including financial regulations, public finance governance, educational reform, and environmental sustainability.

The four objectives of Islamic epistemology which rooted from *maqasid al-shari'ah* underlined the importance of studying economic development in nations where majority are Muslims. In nations with a majority of Muslims, the issue "How can the Islamic economic development, driven by *maqasid al-shari'ah*, be used to craft and execute public policy" is particularly urgent. It is not simply rhetorical in character but also has to be institutionalized in actual administration. It's becoming more and more obvious that robust methods are needed to bridge the gap between theoretical and practical approaches when one encounters a gap between hollow promises and real governance. The urgency of this issue is compounded by the complex socio-economic realities faced by many Muslim societies today, including high levels of poverty, youth unemployment, financial exclusion, and governance challenges. Although Islamic economics has been increasingly recognized as an area of academic study and financial creativity, its role in macro development policies is yet to be sufficiently explored. Distilling the Islamic ethics' idealism to pragmatic policy-making will take more than normative declarations, it requires a structured, epistemology, and context-sensitive road map that can be used for steering reforms of institutions, budgetary allocations and legislative frameworks.

This study builds upon the *maqasid al-shari'ah* framework and also integrates modern theories of sustainable development and public policy design. With this transdisciplinary perspective, by rooting Islamic ethical principles in the fundamental disciplines of Islamic theology, economics, political science and public administration, the research seeks to guarantee that these can potentially be calibrated onto modern governance demands.

The analysis in three stages. First, it clarifies the ontological and epistemological assumptions underlying Islamic economic development, including the roles of revelation (*wahy*), reason (*aql*), and empirical observation (*tajribah*) in knowledge formation. Second, it establishes how rethinking the five *maqasid al-shari'ah* objectives can be applicable in light of the modern developmental priorities such as poverty alleviation, inclusive growth, environmental sustainability, and human capital development. Third, it offers a conceptual framework for transferring the *maqasid* objectives into the policy practice domains of fiscal design, financial regulation, education reform, and social protection. Therefore, the study is important for two reasons; to offer a critical epistemological description of the Islamic economic development as a knowledge system that is not only different but also superior to secular knowledge in terms of ethical coherence and spiritual grounding, and to have a conceptual framework in which Islamic normative principles, particularly those derived from the *maqasid*, can be absorbed into the processes of public policy making, from planning and budgeting to implementation and evaluation. Through this endeavor, the present study seeks to contribute to the growing body of literature on Islamic development by offering practical insights for governments, policymakers, and researchers committed to advancing alternative, faith-based, equitable, and sustainable development approaches. By situating sharia principles at the core of twenty-first-century development discourse, this research aims to demonstrate how Islamic values can inform policy frameworks that promote inclusive prosperity, ethical governance, and long-term societal well-being.

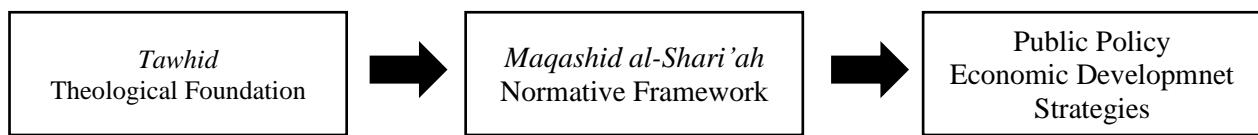


Figure 1. Conceptual Framework (Processed data, 2024)

This diagram illustrates the conjunction of the normative framework (Maqashid al-Shariah) and the theological foundations (Tauhid) and their integration into public policy instruments. It embodies the journey of Islamic values, epistemology, and policy action. The effort to systematize the transition from Islamic epistemology to pragmatic policy instruments is what makes the research distinctive. Unlike prior research that is limited to a single sector application or normative ethics, this research proposes an operational and holistic framework that synergizes Islamic values with the formulation and implementation of public policies at the national level. In doing so, it contributes to the Islamic economics discourse and the pragmatic objective of formulating inclusive ethical and sustainable development policies in Muslim-majority countries.

2. Research Method

This study used normative-conceptual inquiry, making use of a qualitative research design. There have been no quantitative sampling or experimental studies, as we are constructing a theoretical framework through systematic review of influential texts. Criterion and purpose sampling We criterion-sampled the source materials we collected for a particular reason; they were relevant to our inquiry of Islamic economic thought and hence its epistemological on in turn strategic implications for public policy. The earliest fundamental texts are classical *fiqh*, *maqasid al-shari'ah* theory and *usul al-fiqh*, in addition to new literature on Islamic economics and policy science. The included texts were then analyzed according to their conceptual consistency and thematic convergence, adopting a qualitative content analysis. While there was no questionnaire or interview used in this research, the coding instrument of the study is a thematic guideline prepared to extract and classify key ideas concerning combined economic development, ethical values, and governance principles in Islam.

In its qualitative truth of the findings, the study triangulated with classical Islamic texts, as well as how some modern policy in science is framed in literature from the IsDB, UNDP and development

plans of several Muslim-majority countries. Since the present research adheres to academic norms such as citing and not misrepresenting other's views and abides by ethical values vis-a- vis religious or intellectual totalitarianism; it used a systematic method of data accumulation through textual analysis, where documents were grouped according predetermined thematic content such as "theological underpinnings" (theme code-1), "economic ethics" (theme code 2); "maqasid-based ends" (theme code -3) and "policy implications. These themes were synthesized and generated an analytical framework that connects Islamic economic epistemology to strategic policy setting. The analysis followed a three-stage logic: first, epistemological clarification (how Islamic knowledge is formed), second, operational translation of *maqasid* into economic principles, and third, application to policy structures. The results of this analysis are presented in the following section using descriptive and interpretive narrative formats suitable for conceptual research.

3. Result and Discussion

Epistemological Paradigm of Islamic Economic Development

Islamic economic development is a paradigm shift from capitalist and socialist paradigms, not only at the instrument or institutional level, but at a more fundamental level on the epistemological plane.(Mutmainah et al., 2025) It is not an offshoot or imitation response taking selectively from the prevalent western paradigms; The approach relies on a developed body of thought formulated in Islam's theology, ethics and sociology. This epistemology is based on a triadic model of *naql* (divine revelation), '*aql* (reason), and *tajrībah* or '*urf* (empirical experience and custom). The three handles are incommensurable and not isolable, but relate to one another in an organic unity that reconciles eternal verities with transient facts. Revelation (*naql*) specifically the Qur'an and Sunnah serves as the foundational source of normative knowledge in Islamic economics.(Hilmiyah et al., 2019) It gives not just good rules but ideas for main economic rules like justice (adl), faith (amanah), no hurting others (*zulm*), and the duty of group help. These are not just good ideals but must be followed rules that say how economies should be made and run. Reason ('*aql*), instead, is a tool for learning, showing, and using divine rules when faced with real issues. (Arroisi et al., 2023) It helps *ijtihad* (free thinking) and *ta'līl* (rational base) for finding economic rules and laws.(Mohamed & Jurisprudence, 2025) Also, *tajribah* and '*urf* show the truths based on what people know and learn, so they allow for use in new ways and settings as long as they do not go against the core rules written in the divine rules.

This syncretic epistemological approach is quite different from the positivist epistemology that forms the basis of conventional economic science, where empirical observation and mathematical modeling prevail over ethical and spiritual concerns. According to the Islamic paradigm, knowledge is far from value-free. (Musa et al., 2020) According to the Islamic model learning is no value free. The goal of learning can never be far from *taqwā* , '*ibadah* , and *maṣlāḥah*. The Islamic approach to economic growth is therefore inevitably purposive and meaningful and accountable to God and society. The choice of economic activity is more than a matter of efficiency or productivity it must also be judged in terms of its moral standing and social effect.(Bag et al., 2024) The purposive has clear implications for development. It shifts the focus from quantitative to qualitative change in the manmade world, in men, in institutions, in societies. It places the moral ends of development above its physical means. For example, an increase in GDP is not a sufficient objective unless it results in poverty eradication, equitable distribution of wealth, environmental conservation, and consolidation of social justice. Economic policies, therefore, ought to be evaluated by a normative model that prioritizes human dignity, spiritual fulfillment, and communal welfare.(Furqani & Haneef, 2015) Also, this way of thinking about knowledge doesn't accept the split between the sacred and the secular, which is common in modern development talk. So, the process of making, carrying out, and

judging policies must be based on ethical thinking and guided by Islamic law. The policymaker is not a neutral technician; they are a moral agent who has been given the job of carrying out the goals of the Shariah.(Khan, 2019)

Consequently, Islamic economic development cannot be guided solely by utilitarian calculus, technical expertise, or global policy trends. it needs a deep new thinking about what is development what is success what is progress. to do this it needs a rethink of our main signs of development to restate the goals of policy and to rebuild institutions in a way that fit with the islamic ways of being and knowing. If not, the islamization of the economy will be a thin veneer a minute by minute substance of democracy a matter of the heart and the head and the spirit. Finally, the islamic model of development in economics is a full and high minded alternative to the views that are held today. It is rooted in the views of naql, 'aql, and tajribah. It makes sound ideas in thought and policy because it treats material want as fully as it treats the corruptions of morality, the broken state of institutions, and the loss of spirit. It offers a model of development that can be efficient and effective but also it can be fair and good for the earth and real human beings.

Tawhid and Maqāṣid: The Foundations of Islamic Economic Development

The first place of all human act and all act of economy in islam is in the life of god ; it is not only a religious thought but it is the beginning of how the muslims see the world and how they act in the world.(Kader, 2021) In this worldview, God is the true owner and ruler of everything in existence, including wealth. Humans are not owners but rather have been entrusted to steward the rightful possessions of God. Muslims are 'abd (servant) and also khalifah (trustee) of behalf of God. This means Muslims are considered servants of God, accountable to God for their decisions, including economic decisions. Based on this belief, Islam provides a moral framework for action, called maqāṣid al-shari‘ah, or the higher objectives of Islamic law.(Radzi Sapiee, 2022) These objectives guide all areas of life and focus on protecting five key elements: religion (din), life (nafs), intellect ('aql), family or lineage (nasl), and wealth (mal).(Rosidi et al., 2022) These five values represent what every person needs to live with respect and purpose in life. in economics they give us the power to decide how to form the laws, how the governments will look and how to see the success. for examples by protection of wealth, it doesnt just mean take care of property it means making sure fair trade exist, that people arent taken advantage of in loan (riba) with interest and that contracts are fair and benefit both sides.(Izza & Al-ayubi, 2023) The protection of life it doesn't just mean making sure humans are alive, it means making sure each person has access to food, access to medical care, and safety. The protection of intellect means actively helping individuals receive education and not giving them influences that can have harmful effects, such as drugs or false information. The protection of lineage is maintaining the stability and morals of a family unit. The protection of religion means ensuring that spiritual and religious values are not lost in chasing material wealth.(Simbolon et al., 2023)

The link between Tawhid and maqāṣid gives a very firm basis for the formation of a society that is fair and harmonious in nature. It makes people internalize moral discipline in their characters and it also sends a message to governments that they should base their policies on justice, openness, and endurance. These are not just good virtues; they are religious obligations.(Moneim, 2018) Hence, maqāṣid al-shari‘ah is not merely a collection of extra morals to be taken into account; it is actually the core that should always be present in every human development sector. When policies are designed and executed on the basis of these principles, development goes beyond the mere showing of infrastructural projects or the economic growth, it becomes a tool for society to be strengthened, the standard of people's living to be raised, and their spiritual success to be facilitated.(Chimhowu et al., 2019)

Briefly, tawhid and maqāṣid al-Shari‘ah are the two central pillars that support the system of Islamic economics both as a morally coherent economic system and as the general process of economic development in the society, and even beyond. Tawhid and maqāṣid not only define an

ethical framework but also provide details on how we can formulate an economic plan that integrates spirituality and social justice. If Muslim societies sincerely recognize these principles and implement them, they will be able to create an economic system that is fairly economically prosperous, just, ethical, and effectively infused with divine wisdom which, in turn, leads to overall well-being (*falah*) in this life and the hereafter.

The Conceptual Transition: From Values to Policy Domains

One of the primary purposes of this research is to elucidate the manner in which Islamic principles, particularly those found in *maqaṣid al-shari‘ah*, can be converted into tangible strategies and policies for the economic growth. A significant feature of this transition is to move from merely recognizing that Islam supports justice, fairness, and social welfare to a definite and clear set of policies that will be the guide of the governments and institutions' actions in solving the problems of the real world. In the Islamic tradition, values are not considered as something separate from actions. Beliefs in values should be the driving force of our actions.

The five objectives of *maqāṣid al-shariah*, namely the protection of religion, life, intellect, lineage, and wealth—represent not merely ethical ideals but also provide a normative framework for the formulation of economic systems and public policy (Arum et al., 2024). These objectives offer practical guidance for aligning socio-economic development with broader human welfare goals. First, the preservation of religion (*hifz al-dīn*) emphasizes the safeguarding of freedom of belief and religious practice, as well as the maintenance of societal moral values. This objective may be reflected in public policies that support religious institutions, facilitate religious education, and ensure legal protections for the free exercise of religion. Second, the preservation of life (*hifz al-nafs*) underscores the sanctity of human life and the obligation to protect it through access to healthcare, clean water, adequate nutrition, and personal security. In economic and public policy contexts, this principle is manifested in regulations promoting safe working conditions, comprehensive healthcare systems, and food security.

Third, the preservation of intellect (*hifz al-‘aql*) highlights the importance of education, intellectual development, and the prevention of factors that may impair cognitive capacity, such as harmful substances. This objective supports economic policies that prioritize public investment in education, research, and innovation, as well as the creation of environments conducive to critical thinking and knowledge production. Fourth, the preservation of lineage (*hifz al-nasl*) focuses on strengthening family institutions, protecting children, and fostering social cohesion. Economic policies aligned with this objective include the promotion of family-friendly labor regulations, parental support programs, and accessible childcare services to enhance family and community stability. Finally, the preservation of wealth (*hifz al-māl*) serves as a guiding principle for fiscal policy, including taxation, budget allocation, and public expenditure. It also aligns with Islamic redistributive mechanisms such as *zakāt*, *waqf*, and interest-free financing, which aim to promote equitable wealth distribution, reduce poverty, and ensure sustainable economic justice.

To make this change from values to the policy, it is not only scholars and religious leaders that are needed but also economists, planners, and public officials who have knowledge of both Islamic principles and the technical side of policymaking. It is only by this kind of cooperation that we can create systems that not only abide by the letter of the Islam but are also effective in today's complex world. To conclude, the *maqaṣid* are calling for more than just general inspiration they delineate a clear and organized framework for practical action. By placing these values in certain areas of policy such as taxation, education, health, or housing Islamic economic development can be turned into not only a lofty goal but also a viable and potent instrument for the formation of a just and balanced society.

Strategic Implications: Developing a Maqāṣid Based Policy Model

The Islamic norms are applied to actual policy areas and the next step is the conversion of those concepts into strategies that governments and institutions can implement. To achieve this, it is essential to create a policy model that is a structured plan based on Islamic values, especially maqasid al-shariah, in order to be used in development activities. A maqāṣid-based policy model would define the essential goals of development for an Islamic society, emphasizing human dignity, justice, social responsibility, and spiritual well-being, in addition to, and not primarily, economic growth or profit. A maqāṣid-based policy model would prescribe tools, programs, and policies needed to fulfil these goals in practical, measurable ways that connect ethical commitments with institutional planning and public action. Several illustrative components may be incorporated within such a model.

First, zakat and waqf systems constitute core Islamic redistributive instruments that, when strategically institutionalized, can play a significant role in poverty alleviation, the enhancement of healthcare and education services, and the promotion of micro- and small-enterprise development. Rather than operating as isolated charitable mechanisms, zakat and waqf can be integrated into national development planning frameworks. Their systematic inclusion in government policy documents enables these funds to function as coordinated tools for reducing poverty, strengthening basic social sectors, and supporting productive economic activities. In this sense, Islamic financial instruments extend beyond traditional philanthropy and serve as structured policy instruments for inclusive and sustainable development (Siddiq et al., 2025). Second, ethical fiscal policies grounded in Islamic values offer guidance for the design of equitable taxation systems and socially oriented public budgets. Public expenditure should prioritize social welfare and the provision of essential services, while taxation ought to be progressive, fair, and non-regressive so as not to disproportionately burden low-income groups. Islamic principles thus underpin fiscal frameworks that emphasize social justice, ethical governance, and equitable wealth distribution, reinforcing the role of public finance in achieving inclusive economic outcomes (Juhro et al., 2025)

Third, Islamic social safety nets informed by the objectives of *hifz al-nafs* (protection of life) and *hifz al-nasl* (protection of lineage) underscore the importance of targeted social protection for vulnerable groups, including families, children, and the elderly. Such mechanisms are particularly crucial during periods of crisis, such as pandemics or economic downturns. By embedding these maqāṣid-based values into social protection policies, governments can provide humane and responsive support systems that safeguard basic living standards and social stability. Fourth, Sharī‘ah-compliant finance represents a fundamental pillar of a maqāṣid-based economic model. This approach rejects *ribā* (interest), gambling, and exploitative practices, while promoting risk-sharing arrangements, ethical investment, and financial inclusion for underserved populations. A financial architecture guided by the higher objectives of Sharī‘ah fosters fairness, transparency, and shared prosperity, thereby expanding access to financial services without compromising ethical principles (Afnandito et al., 2025).

Finally, environmental stewardship, inspired by the concept of *amānah* (trusteeship), calls for policies that prioritize the preservation of natural resources, the transition to clean energy, and the development of sustainable agricultural practices. This perspective aligns closely with the objectives of *hifz al-nafs* and *hifz al-māl*, extending the notion of human well-being to encompass environmental sustainability. A notable example is Indonesia’s issuance of green *ṣukūk* in 2018, which channels Sharī‘ah-compliant financing directly into environmentally beneficial projects such as renewable energy, reforestation, and waste management. This initiative reflects the principle of *amānah* in resource management and demonstrates the practical integration of environmental protection with Islamic economic objectives (Iskandar & Aqbar, 2019).

While having these objectives in mind, many of them are also broadly related to international development goals poverty alleviation, access to health care, financial inclusion, and environmental sustainability but are based on a moral and spiritual framework that gives them depth and orientation.

For the effective implementation of this model, several enabling conditions are essential. First, leadership and political will are critical, requiring policymakers to demonstrate genuine commitment to Islamic values not only at the rhetorical level but also in the formulation, execution, and evaluation of public policies. Such commitment ensures that ethical principles are meaningfully embedded within development strategies. Second, knowledge integration is necessary to bridge normative and technical dimensions of policymaking. Collaboration between Islamic scholars, economists, planners, and technocrats is required to ensure that proposed policies are both Sharī‘ah-compliant and operationally feasible. This process may necessitate institutional reforms, including the restructuring of ministries and public agencies to accommodate integrated zakat administration, waqf development, ethical oversight mechanisms, and faith-based budgeting frameworks.

Finally, community engagement plays a pivotal role in sustaining the model. Public education and participatory involvement are needed to ensure that development initiatives are not solely top-down interventions but are also supported and driven by grassroots awareness, social trust, and collective ownership. In conclusion, there is a need to “make a route through” and chase idealism with a pragmatic and action-oriented modality, which is analogous to “a healthy operating model.” When the Islamic vision of development grounded in tawḥid and maqāṣid is realized in practice, it is not about running an economy, but rather, establishing a society of justice, compassion and accountability before God and fellow human beings. It serves as a useful and timely point of departure for Muslim majority countries seeking to promote ethical, capable, realistic, and sustainable development practices for the 21st century.

Reconceptualizing Development Indicators in Islamic Perspective

In many places around the world, development is measured mostly by numbers like gross domestic product (GDP), unemployment numbers, or foreign investment (Nguyen, 2019). While these indicators can be useful, they do not necessarily provide a full picture of people’s well-being. A country can be reported to show good economic growth, but still have high inequality, poor education, weak social value, or even have environmental degradation. Islamic economic development focuses not just on material growth, but also on justice, dignity, and balance might call barakah (blessing), not just quantity but quality. This means need to rethink how to measure development. Indicators that reflect the deeper values of Islam and the goals of the maqāṣid al-shari‘ah.

Islamic principles offer an alternative framework for rethinking how development progress is assessed, shifting the focus from purely material outcomes to multidimensional measures of human and societal well-being. Several approaches illustrate how such principles can reshape evaluation metrics. First, maqāṣid-based indices reorient development assessment toward the protection and enhancement of the five higher objectives of Islamic law: religion, life, intellect, lineage, and wealth. Under this framework, indicators may include access to high-quality and ethically grounded education as a proxy for the preservation of intellect (*hifz al-‘aql*), as well as the strength of family-support systems and overall family well-being to reflect the preservation of lineage (*hifz al-nasl*). By adopting this approach, development is evaluated not solely in terms of material accumulation, but also through the safeguarding and cultivation of fundamental human, moral, and communal values.

Second, justice and equity measures constitute a central dimension of Islamic economic assessment. Rather than relying exclusively on aggregate income indicators, evaluation frameworks should incorporate metrics related to wealth distribution, gender equity, and access to essential services for marginalized populations. This perspective addresses the limitations of conventional economic indicators that often obscure intra-societal disparities. Consistent with the Islamic principle of justice (*‘adl*), such measures ensure that the benefits of development are equitably shared, enabling broad-based participation in economic and social progress. Third, ethical governance represents a critical axis of development evaluation within an Islamic framework. Beyond administrative

efficiency, this dimension assesses the moral conduct of leaders and institutions, including levels of public trust, transparency, corruption control, and adherence to principles of trustworthiness (amānah) and justice ('adl). Incorporating ethical governance indicators highlights accountability and integrity as foundational elements of effective and credible public institutions. Fourth, social cohesion and spiritual well-being are recognized as integral components of societal health in Islam. Indicators within this domain may include levels of community participation, the effectiveness and reach of charitable mechanisms such as zakat and waqf, and broader measures of public morality, mutual respect, and civility. By explicitly acknowledging spiritual and social dimensions, this framework captures the role of altruism, solidarity, and moral values in fostering resilient, harmonious, and cohesive societies.

Finally, sustainability and environmental protection are indispensable indicators of genuine progress within Islamic thought, which conceptualizes humans as stewards (khalīfah) entrusted with the care of the Earth. This stewardship principle, as articulated in the Qur'anic narrative (Qur'an, al-Baqarah: 30), underscores humanity's responsibility to prevent environmental degradation and corruption. Key sustainability indicators therefore include environmental quality, access to clean water, responsible resource management, and long-term ecological resilience. These measures align closely with the objectives of preserving life (hifz al-nafs) and wealth (hifz al-māl), emphasizing intergenerational responsibility and ensuring that economic development does not occur at the expense of environmental integrity .(Azzahra & Siti Maysithoh, 2024).

Some Muslim countries have already started to explore such ideas. For instance, the Islamic Human Development Index (IHDI) has been proposed as an alternative to the UN's HDI. Some have attempted to mainstream maqāṣid thinking into national planning instruments. Yet these initiatives are in most instances only tokenistic or symbolic. "What we need is a broad and serious effort in rethinking development performance from an Islamic perspective." To drive that shift, academics, government officials and data organizations will need to come together to develop new tools based on new metrics. They need to be realistic enough to be applied in actual policy contexts, but also sophisticated enough to capture the depth of Islamic morality. This could mean designing new surveys, capturing fresh sorts of data, or shifting mindsets about what really matters in a developed society. To sum up, development indices are not value-free they represent what a society values. Muslim societies, if they want to remain faithful to their values, must move beyond GDP and statistics. They have to take stock of justice and dignity, knowledge and faith, and the well-being of the community. This is not only more faithful to Islam it is also more human, holistic and sustainable for the future.

Pathways Forward Toward an Integrated Islamic Development Policy

In view of a multitude of obstacles to realizing the application of maqāṣid-based development at a level full of substance, it is imperative to discuss practical measures and directions for the future that would enable us to incorporate Islamic value-system into policy practice.(Islam & Kediri, 2024) Rather than playing down Islamic economics as a theoretical ideal or expression of religious belief, the Muslim ummah need to explore options for the construction of a holistic policy framework which is rooted in the objectives of Islam and is operational within the matrices of contemporary governance and systems of law and praxis. It takes vision, strategy, institutional change and cultural change.

Five strategic pathways may guide the advancement of a maqāṣid-based development framework. First, the development of interdisciplinary human capital is essential. This requires the education and training of a new generation of scholars, economists, policymakers, and technocrats who possess a balanced understanding of both Islamic principles and contemporary development theories. Achieving this goal necessitates curricular reforms in higher education, including the integration of Islamic economics, public policy, and maqāṣid-based development studies, as well as the introduction of double-degree programs and professional certification schemes. Islamic

universities, research institutes, and policy think tanks can play a pivotal role in bridging the longstanding gap between Sharī‘ah scholarship and development policy, thereby equipping future leaders with the capacity to embed Islamic ethical values within modern development models.

Second, institutional integration and reform are required to align Islamic institutions, such as zakat authorities, waqf boards, Islamic financial regulators, and Sharī‘ah councils, with national development agendas. This integration does not diminish their religious character; rather, it enhances their effectiveness by aligning their activities with broader policy objectives, including poverty reduction, educational advancement, and environmental sustainability. To prevent institutional fragmentation and duplication, governments may establish coordination mechanisms within the public administration. In some contexts, legal and regulatory reforms may also be necessary to strengthen transparency, accountability, and effective resource management.

Third, maqāṣid-oriented pilot initiatives offer a pragmatic entry point for implementation. Rather than pursuing comprehensive reforms at the outset, governments and civil society organizations may initiate targeted pilot projects in key sectors such as healthcare, education, housing, and agriculture. For instance, zakat-funded healthcare programs can operationalize ḥifz al-nafs (protection of life), while Islamic microfinance initiatives may advance ḥifz al-māl (protection of wealth). Successful pilot programs can subsequently be scaled up or adapted to local contexts, generating empirical insights and best practices for broader policy application. Fourth, the development of Islamic development indicators and data systems is crucial to ensuring substantive, rather than symbolic, policy implementation. Muslim-majority countries may design alternative measurement frameworks, including maqāṣid-based development indices, Islamic quality-of-life indicators, and ethical governance audits. Such systems extend beyond income-based metrics to capture dimensions of dignity, justice, social cohesion, and spiritual well-being, thereby enabling policymakers to address both the material and moral dimensions of development.

Finally, public discourse and accountability mechanisms are indispensable for sustaining maqāṣid-based development. Broad-based public awareness and civic engagement are necessary to foster demand for values-driven governance. Civil society organizations, the media, and community institutions can be empowered to hold policymakers accountable for ethical conduct and social justice. Islamic ethical principles may be disseminated through religious sermons, educational curricula, and public communication campaigns, reinforcing societal expectations for transparency, compassion, and equity in public policy.

4. Conclusion

This study shows that Islamic economic development presents a robust, alternative development framework, based on the ontological principle of tawḥid, utilizing the normative framework of maqāṣid al-shari‘ah, that provides a solid and ethical foundation for development as opposed to conventional development frameworks. Instead of merely forwarding a development agenda focused specifically on the acquisition of wealth and market-driven growth, Islamic development presents a more comprehensive approach that instills into the development agenda multi-faceted issues such as spirituality, social justice, environmental stewardship and moral accountability. Additionally, the Islamic framework apparent in the maqāṣid not only critiques mainstream secular-capitalist economic models; it also proposes a more active and robust approach, in harmony with revelation (naql), reason ('aql), and observation (tajribah) as methods of obtaining and utilizing knowledge, to build, sustain and advance just, equitable and value-oriented socio-economic systems. In every area of life, be it in intellect, wealth, family or religion, the maqāṣid do not only offer grace from a moral landscape, but guidance that affects policy reform that reframes concepts of development goals and instruments that is compatible with all frameworks that Islamic ethics is aligned to and upholds human dignity.

Realizing this vision will require institutionalizing maqāṣid in public policy with coordinated efforts across disciplines, reform of education, Islamic indicators and community engagement. There

has to be sustained engagement among governments, scholars and civil society to link the principles of Islam to the realities of policy. Conceptual development of strategic policy framework, development of modalities such as pilot projects and integrated modes of governance will matter in weaving Islam into national development frameworks. When this is done Muslim majority-contexts can fashion a development agenda that is not only technical, but ethical, and would be spiritually transformative. At a time when inequality reigns, we are in an environmental disaster, and we are facing an ethical crisis, the Islamic model can provide practical and visionary solutions for sustainable development – real success in this world and the next.

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