

## The Role of Fiqh Iqtishad in Developing Islamic Economic Law and Practice

*Yuly Rusmariani*

UIN Sunan Gunung Djati, Indonesia

Email: yrusmariani84@gmail.com

### Abstract

Fiqh Iqtishad, as a branch of Islamic jurisprudence that regulates economic behavior, plays a pivotal role in the development of Islamic economic law and practice. In the face of modern economic complexities, this study investigates how fiqh iqtishad provides a normative and ethical foundation for sharia-compliant economic systems. This research employs a qualitative library research method, collecting and analyzing authoritative sources including classical texts, academic journals, and regulatory frameworks. The study reveals that fiqh iqtishad serves not only as a source of legal guidance, but also as a dynamic and adaptable instrument for economic transformation grounded in the Qur'an, Hadith, ijma', and qiyas. Key principles such as the prohibition of riba, gharar, and maysir, as well as the emphasis on justice, transparency, and equitable distribution through zakah and waqf, demonstrate its integrative capacity in addressing both spiritual and material aspects of economic life. The findings show that while fiqh iqtishad has significantly influenced Islamic banking, halal investment, and wealth redistribution, its implementation still faces challenges, particularly in the areas of public awareness, regulatory harmonization, and institutional capacity. This study concludes that strengthening the application of fiqh iqtishad requires collaborative efforts between scholars, regulators, and practitioners to realize a more just, inclusive, and sustainable Islamic economic system.

**Keywords:** Fiqh iqtishad; Islamic economic law; sharia finance; justice; wealth distribution

### Abstrak

*Fiqh iqtishad, sebagai cabang dari yurisprudensi Islam yang mengatur perilaku ekonomi, memainkan peran penting dalam pengembangan hukum dan praktik ekonomi Islam. Menghadapi kompleksitas ekonomi modern, studi ini mengkaji bagaimana fiqh iqtishad menyediakan landasan normatif dan etis bagi sistem ekonomi yang sesuai dengan prinsip syariah. Penelitian ini menggunakan metode kualitatif dengan pendekatan studi pustaka, melalui pengumpulan dan analisis berbagai sumber otoritatif, termasuk teks klasik, jurnal akademik, dan kerangka regulasi. Hasil penelitian menunjukkan bahwa fiqh iqtishad tidak hanya berfungsi sebagai panduan hukum, tetapi juga sebagai instrumen yang dinamis dan adaptif untuk transformasi ekonomi yang berlandaskan pada al-Qur'an, Hadis, ijma', dan qiyas. Prinsip-prinsip utama seperti larangan riba, gharar, dan maysir, serta penekanan pada keadilan, transparansi, dan distribusi kekayaan yang merata melalui zakat dan waqf, menunjukkan kapasitas integratifnya dalam menjawab aspek spiritual dan material dalam kehidupan ekonomi. Temuan studi ini menunjukkan bahwa meskipun fiqh iqtishad telah memberikan pengaruh besar terhadap perbankan syariah, investasi halal, dan redistribusi kekayaan, implementasinya masih menghadapi tantangan, terutama dalam hal kesadaran publik, harmonisasi regulasi, dan kapasitas kelembagaan. Studi ini menyimpulkan bahwa*

*penguatan penerapan fiqh iqtishad membutuhkan kolaborasi antara para ulama, regulator, dan praktisi untuk mewujudkan sistem ekonomi Islam yang lebih adil, inklusif, dan berkelanjutan.*

**Kata Kunci:** *Fiqh iqtishad; hukum ekonomi Islam; keuangan syariah; keadilan; distribusi kekayaan.*

## Introduction

The era of globalization and modern economic development increases the level of complexity and challenges that must be faced (Savić, 2019; Voronkova et al., 2023). In this context, sharia economics is present as an alternative solution used in answering the problems and challenges that arise (Krasniqi & Kacamakovic, 2023). As one of the studies in fiqh mu'amalah that produces sharia economic products, the study of fiqh iqtishad is one of the references in the concept of sharia economics. In terms, fiqh iqtishad is interpreted as an economic understanding that refers to the value of sharia, in this case the Qur'an and hadith which have the principles of justice, balance, and truth (Rahmawati & Mustofa, 2024). The position of fiqh iqtishad in the modern era as it is today is very important because it can be a guide for sharia economics practitioners (Misbach, 2021).

The economy has many complex economic activities, including various types of production, consumption, and distribution. All of these activities work to solve economic problems faced by the economic community. Production is any effort to make or create goods or services that can be used to meet the needs of the community; distribution is any effort to channel goods or services from producers to consumers; and consumption is the use of goods or services to meet the needs of life ("Dinar," 2018)

The term Iqtishad is still very rarely used, unlike the term economy which has been known globally. As mentioned in verse 9 of Surah Al-Nahl, the word "*Iqtisad*" comes from the word "*Qashadu*" or "*Qashdu*", which means "straight", according to Ibn Manzur:

وَعَلَى اللَّهِ قَصْدُ السَّبِيلِ وَمِنْهَا جَأْبَرٌ وَلُؤْ شَاءَ هَذِهِكُمْ أَجْمَعُونَ

Meaning; "*God has the right to show you the straight path, but there are crooked paths. If He wants, He will guide you all to the right path*" (QS. An-Nahl: 9).

However, Al-Zabidi said that Iqtisad comes from the sentence *Qashada* or *Qashdu* , which means simple, which is between bakhil and israf, according to Taj al-Arus (Byarwati, 2019). Fiqh iqtishad refers to the laws and guidelines that govern the economic activities of Muslims based on the Qur'an, Hadith, *ijma'* (consensus of scholars), and *qiyas* (analogy). In fiqh iqtishad, every aspect of economic transactions must meet the principles of justice, balance, and adherence to sharia rules. This includes various aspects such as banking, investment, trade,

and others. Fiqh iqtishad provides normative guidance for every economic activity to be in line with Islamic values. It is not only about avoiding what is prohibited, but also encouraging practices that support social justice and the welfare of the community. Fiqh iqtishad encourages a reality-based economy by prioritizing real assets over unproductive speculation.

The goal of Islamic economics is to achieve *falah* (well-being), which includes goodness in both the world and the hereafter (Pradini et al., 2023). The basic principles of Islamic economics include the prohibition of *riba* (interest), *gharar* (uncertainty), and *maysir* (gambling), and emphasize the importance of *zakat*, *sedekah*, and *waqf* as tools for distributing wealth to achieve social justice.

The role of fiqh iqtishad in sharia economic practices is very important and covers various sectors. With various banking products and services and more diverse financial schemes, sharia banking is expected to be a solution as an alternative banking system, attracting the attention of various groups of people in Indonesia (Rahmawati, 2022). One of the financing products in sharia banking that is starting to become superior is the financing of the *Qardh* financing contract in the type of BPJS *Talangan* financing (*iBSupply Chain Financing*) (Sahla et al., 2023). So in this case, fiqh iqtishad regulates that sharia banks may not operate based on interest (*riba*), but use the principle of profit sharing (*mudharabah* and *musyarakah*), as well as sale and purchase transactions (*murabahah*). The definition of "sale and purchase" includes everything related to the process of transferring ownership of goods or assets to other people. This creates a fairer and more stable banking system because profits and losses are shared between the bank and the customer according to the initial agreement.

In sharia investment, fiqh iqtishad ensures that funds are invested in halal (not violating Islamic law) businesses by avoiding sectors related to alcohol, gambling, and other haram products (Bakhri et al., 2021). Investment instruments such as *sukuk* (Islamic bonds) offer a sharia-compliant alternative for investors who want to earn profits without violating Islamic principles. In addition, fiqh iqtishad provides guidance on wealth distribution through *zakat* and *waqf*. *Zakat* is an obligation for every Muslim who is able to set aside a portion of his wealth for those in need, serving as a means of wealth redistribution to reduce poverty and economic inequality (Kuncoro, 2017). Meanwhile, *waqf* is a donation of assets for sustainable public interests, such as establishing schools, hospitals, and other public facilities.

The implementation of fiqh iqtishad in modern economics is not free from challenges. One of the biggest challenges is the lack of understanding and awareness of the community and economic practitioners about the concepts of fiqh iqtishad (Efendi et al., 2023). In addition, there are also challenges in aligning sharia law with national and international economic

regulations. To overcome this, continuous education and socialization are needed, as well as efforts to harmonize regulations that allow sharia economic practices to develop optimally. And one of them is in the form of providing guarantees. In Indonesia, there is a guarantee institution, a special financial institution, which is tasked with encouraging independence and empowerment and increasing business access, especially MSMEs, to financing institutions.

In the context of *fiqh iqtishad* and the development of sharia economics, several challenges remain in ensuring that ideal principles are fully translated into practical implementation. One of the main issues is the limited access to sharia-compliant financial services. According to the Financial Services Authority (OJK) data from 2021, only about 10% of Indonesia's total population had access to Islamic financial institutions, particularly in rural and underserved areas (OJK, 2022a).

Another challenge lies in the low level of public understanding regarding Islamic economics. The National Survey on Financial Literacy and Inclusion (2022) reported that the Islamic financial literacy and inclusion indices were only 9.14% and 12.12%, respectively (OJK, 2022b). Likewise, a 2020 survey by Bank Indonesia indicated that only 30% of respondents understood basic Islamic economic concepts such as *zakat*, *waqf*, and sharia financial instruments. This reflects the insufficient dissemination and education of Islamic economic principles in society.

The underutilization of zakat potential is also a persistent issue. Although the National Zakat Agency (BAZNAS) estimates the annual potential of zakat in Indonesia at around Rp 233 trillion, the actual amount collected is only about Rp 10 trillion (BAZNAS, 2019). This large discrepancy between potential and realization limits the effectiveness of zakat in addressing poverty and promoting social justice.

Moreover, research has found that some Islamic financial institutions still face difficulties in fully aligning their practices with sharia principles, such as issues in fee transparency and inconsistent contract applications (Pradini & Faozan, 2023). These realities highlight that, despite the normative strength of *fiqh iqtishad*, the transition from theory to practice continues to face structural, educational, and operational obstacles.

In Fiqh iqtishad, this is also an economic understanding that refers to the values of the Qur'an and As-Sunnah, based on balance, justice, and truth. The science of *ushul fiqh* and fiqh rules have an important role in the *ijtihadi* process as a basis and legal solution in issuing fiqh iqtishad and sharia economic fatwas that are dynamic and relevant to the needs of the modern era. The implications of Fiqh iqtishad which are the source of the development of Islamic economics and finance are the application of Islamic law that is posited into Indonesian

legislation, in an effort to strengthen the material law of sharia economics which gives birth to positive Islamic law.

Research by Linda Lestari (2021) discussed the role of fiqh iqtishad as a source of Islamic economic and financial development, and its implications in the context of Indonesian law, using a qualitative writing method with a literature study approach. Fiqh iqtishad is an understanding of economics that refers to the values of the Qur'an and As-Sunnah, based on balance, justice, and truth. In the second previous research by Hibaturohman & Ayu (2024) discussed *maslahah mursalah* as a source of Islamic law which is a method of legal *istinbath* which aims to achieve public welfare, not only that *maslahah mursalah* is the starting point that colors the debate of scholars, these differences are the starting point that has implications for perspective and how to respond to it. This research uses a qualitative approach with a literature review method by collecting data either offline or online, such as scientific works, journals, classic books and other literature studies related to the concept of *maslahah mursalah* and its application in the modern economy.

Therefore, the study of fiqh iqtishad is crucial not only in offering normative guidelines for Islamic economic practices but also in addressing real challenges in the implementation of sharia economic principles in contemporary society. This research is important because it seeks to explore the integrative role of fiqh iqtishad in bridging legal theory and economic practice, particularly in the areas of banking, investment, and wealth distribution. The novelty of this study lies in its comprehensive analysis of fiqh iqtishad as both a doctrinal and applicative foundation for developing Islamic economic law and practice in the Indonesian context, with emphasis on harmonizing sharia principles with national economic regulations and institutional frameworks.

## Methods

This study uses a qualitative method with a library research approach (Sugiyono, 2019). Data were collected through in-depth searches and reviews of various literature such as books, scientific journals, fatwas, and online sources that are relevant to fiqh iqtishad and the development of Islamic economics. This method allows researchers to analyze and understand the concepts, theories, and roles of fiqh iqtishad comprehensively in the context of Islamic economics. With qualitative analysis, this study aims to obtain an objective picture of the contribution of fiqh iqtishad as the main source in the development of Islamic economics, as well as its relevance to the dynamics of Islamic economic law and practice today.

## The Concept of Fiqh Iqtishad

Al-Ghazali, who lived from 1058 to 1111, first used the term Iqtishad in his famous work, *Ihya "Ulum Ad-Din."* In his work, Al-Ghazali stated that every working Muslim (*kullu muslim muktab*) must study the science of Iqtishad, as he must study other sciences (Al-Ghazali, 2020). The purpose of studying it is to avoid difficulties in transactions and things that can lead to religious prohibitions, and to prevent damage to economic life as a whole. The term Iqtishad reappeared in the book *Ilm Iqtishad* by Muhammad Iqbal (1876–1938), an Islamic reformer from India, in 1902. The book discusses various economic problems (Dimyati, 2007). However, Al-Mishri (1993) states that the term Iqtishad basically means *al-Qashdu*, which means *al-tawasuth* (balance) and *al-I'tidal* (justice). The verses of the Qur'an in Surah Luqman: 19 and Surah al-Maidah: 66, which have been mentioned previously, are used in this definition.

Fiqh iqtishad is a branch of Islamic jurisprudence that specifically studies and regulates the economic activities of Muslims based on sharia principles. The main sources of Islamic law are the Qur'an, Hadith, *ijma'* (consensus of scholars), and *qiyas*. The purpose of fiqh iqtishad in theory is to achieve prosperity (*falah*) in the world and the hereafter by applying the values of justice, balance, and ethics in every economic action. Here are some of the main ideas of the theory of fiqh iqtishad:

### 1. Prohibition of Usury (Interest)

One of the fundamental principles in fiqh iqtishad is the prohibition of usury. Literally, the word “*riba*” in Arabic can be translated as increase, addition, or growth, although in common usage it is often translated as interest (Inayah & Soemitra, 2022). Usury is considered to damage economic justice because it causes an imbalance between lenders and borrowers. In the sharia economic system, profits are obtained through fair transactions and based on real efforts, such as *mudharabah* (partnership) and *musyarakah* (cooperation).

### 2. Justice and Balance

The fiqh of iqtishad emphasizes the importance of justice (*'adl*) and balance (*tawazun*) in all aspects of the economy. Every transaction must be transparent and fair, ensuring that no party is disadvantaged. In the Islamic economic system, no single individual is responsible for the wealth of the country; instead, everyone is placed on the same economic level without any effort being made on their part. However, conditions are improved so that everyone can acquire sufficient wealth to meet their needs without disturbing others, and this is done fairly. In this system, people will use their income more efficiently without disturbing the economic balance of society as a whole. Therefore, there

is no possibility for a few people to become excessively wealthy while the majority struggle to meet their basic needs (Andriati & Huda, 2015).

### 3. Prohibition of *Gharar* (Uncertainty) and *Maysir* (Gambling)

Transactions that contain uncertainty (*gharar*) or high speculation (*maysir*) are prohibited in the fiqh of iqtishad (Nurjanah et al., 2024). *Gharar* is part of a transaction that contains uncertainty that can harm one of the parties, such as selling goods whose whereabouts or condition are unclear. *Maysir*, or gambling, is also prohibited because it is very risky and does not produce economic benefits.

### 4. Profit Sharing Principle

The important concept in the fiqh of iqtishad is applied in the contracts of mudarabah and musharakah, where one party provides the capital and the other party manages the business, and the profits are shared according to the agreement (Rahim, 2021). On the other hand, in the musharakah contract, each party contributes in capital and management, and each shares the profits and risks according to the proportion of their respective contributions.

### 5. Business Ethics and Morals

Fiqh iqtishad teaches that economic activity is not only about seeking profit, but must also reflect Islamic ethics and morality (Bakhri et al., 2018). Traders and entrepreneurs are expected to be honest, trustworthy, and responsible in running their businesses. This business ethic aims to create a healthy and sustainable economic environment.

### 6. Zakat and Waqf

The topic of tax and zakat in Islamic countries is always interesting to discuss. In the history of Islamic civilization, there has never been a tax levy on Muslims; they are only subject to the obligation of zakat. However, taxes are imposed on non-Muslims. Even so, along with the changing times, modern countries, including Islamic countries, require both zakat and taxes from their citizens (Irfanudin, 2016).

Fiqh iqtishad also includes socio-economic instruments such as zakat and waqf which serve as mechanisms for redistributing wealth. Zakat is an obligation for Muslims who are able to set aside a portion of their wealth for the less fortunate, which will reduce poverty and improve social welfare. Waqf is a donation of assets that are used for public and sustainable interests, such as establishing schools, hospitals, and other public infrastructure.

## 7. Free Market with Supervision

Fiqh iqtishad supports the concept of a free market, but with supervision and regulation to prevent practices that are detrimental to society (Komarudin & Hidayat, 2017). The state plays a role in overseeing the market so that it continues to function fairly and does not cause monopolies or other fraudulent practices.

Fiqh iqtishad provides a comprehensive framework for regulating and directing economic activities in accordance with Islamic principles. By prioritizing justice, balance, and ethics in every transaction, fiqh iqtishad seeks to create an economic system that is not only efficient but also contributes to the welfare of society as a whole. The implementation of these concepts in Islamic economic practices, such as Islamic banking, halal investment, and zakat and waqf, demonstrates that fiqh iqtishad is not just a theory, but also a practical solution to the challenges of the modern economy.

### **The Basis of Fiqh Iqtishad**

The philosophy of Iqtishad, which emphasizes justice and a moderate attitude, has been applied in the life of Islamic society throughout time, starting from the time of the Prophet Muhammad SAW to the Khulafa Rasyidin and subsequent generations. History shows that the state structure based on Iqtishad has made the Islamic government strong and successful for centuries. If the Islamic government experienced a decline after its glory, it was more due to political factors than the weakness of the Iqtishad idea (Ayuningtyas et al., 2018; Hadi, 2021).

Fiqh iqtishad, or Islamic economic law, is based on theological, ethical, and legal foundations derived from the primary sources of Islamic teachings, namely the Qur'an, Hadith, *ijma'* (consensus of scholars), and *qiyas* (analogy). This foundation ensures that every economic activity carried out by Muslims is not only aimed at achieving material gain, but also spiritual and social well-being in accordance with the principles of sharia.

The Qur'an is the primary source that provides general guidance on how economic activities should be conducted. The verses of the Qur'an teach the principles of justice ('*adl*), honesty (*sidiq*), and balance (*tawazun*) in economic transactions. For example, the Qur'an prohibits the practice of *riba* (interest) because it is considered detrimental to social and economic balance (QS. Al-Baqarah: 275-280). In addition, the Qur'an encourages Muslims to do good and give alms, emphasizing the importance of *zakat* as an instrument of wealth distribution (QS. At-Taubah: 60).

The hadith of the Prophet Muhammad are also an important source in the fiqh of iqtishad. Many hadith provide practical details on how to conduct fair and ethical economic transactions.

For example, the Prophet Muhammad (PBUH) forbade the practice of *gharar* (uncertainty) in transactions, which can harm one of the parties. The hadith also emphasize the importance of trustworthiness and honesty in trade.

*Ijma'*, or consensus of scholars, is a method of decision-making in Islam used when there is no explicit text from the Qur'an or Hadith on a matter. In the context of fiqh iqtishad, *ijma'* helps establish economic rules that are relevant to the conditions of different times and places. For example, modern Islamic banking practices developed through a consensus of scholars who established transaction mechanisms that were in accordance with sharia principles.

The principle of justice and balance is also very important in the fiqh of iqtishad (Jumino & Hendrianto, 2024). The Qur'an reminds us that the human soul often follows its desires. Feelings of love and hatred can drive people to prioritize wrong things over right things and to prioritize injustice over justice. In Surah Al-Maidah, chapter 5, verse 8, Allah SWT says,

يَا أَيُّهَا الَّذِينَ آمَنُوا كُوْنُوا قَوَّامِينَ لِلَّهِ شُهَدَاءِ بِالْقِسْطِ وَلَا يَجْرِمَنَّكُمْ شَنَآنُ قَوْمٍ عَلَى الَّتِي  
تَعْدِلُوْا إِنَّمَا هُوَ أَقْرَبُ لِلتَّقْوَىٰ وَإِنَّمَا اللَّهُ يَعْلَمُ بِمَا تَعْمَلُونَ

Meaning: “*O you who believe, let not your hatred of a people encourage you to do injustice; On the contrary, you should be people who always uphold the truth for Allah and be fair witnesses. Act fairly, because fair actions are closer to piety. Apart from that, fear Allah, because Allah is Supervising what you do.*” (QS Al-Maidah (5) verse 8).

Allah commands humans to practice justice in all aspects of life, regardless of social status or religion. The obligation to be just is especially directed towards those who have power or are in a power relationship. The principle of being just must also be applied within the family and community, even towards non-Muslims. In the context of Islamic law, justice includes a balance between the duties that humans must fulfill and their ability to fulfill them (Praja, 2014). Justice ('adl) is a core value in every aspect of Islamic law, including economics. Every economic transaction must ensure that no party is harmed and that benefits are obtained through fair efforts. Balance (*tawazun*) is also important to maintain economic and social stability, avoiding monopoly and exploitation.

Zakat and waqf are socio-economic instruments regulated in the fiqh of iqtishad to ensure fair distribution of wealth and reduce social inequality. Zakat is an obligation for every Muslim who is able to set aside a portion of his wealth for those in need, which serves as a means of redistributing wealth to reduce poverty and economic inequality. Waqf is a donation of assets for sustainable public interests, such as establishing schools, hospitals, and other public facilities.

Fiqh iqtishad is built on the solid foundation of the Qur'an, Hadith, *ijma'*, and *qiyas*. Principles such as justice, balance, and business ethics serve as the main guidelines in every economic activity. With this foundation, fiqh iqtishad not only provides normative guidance for Muslims, but also offers practical solutions to the challenges of the modern economy. Instruments such as zakat and waqf strengthen the socio-economic dimension of sharia, ensuring that material well-being is not separated from spiritual and social well-being.

### **The Role of Fiqh Iqtishad in the Development of Islamic Economics**

Fiqh iqtishad plays a central role in the development of Islamic economics by providing a legal framework that regulates every economic activity based on Islamic principles (Chapra, 2016; Mannan & Abdul, 1993). Mannan menjelaskan bahwa aspek normatif yang membedakan ekonomi Islam dari sistem ekonomi konvensional terletak pada landasannya yang berakar pada hukum syariah, yang secara tegas mengatur perilaku ekonomi umat. Sementara itu, M. Umer Chapra menegaskan bahwa fiqh ekonomi memainkan peran sentral dalam membangun sistem ekonomi Islam yang adil dan berkeadilan sosial, dengan menolak praktik-praktik yang bertentangan dengan prinsip syariah seperti riba, gharar, dan maysir. As a normative guide, fiqh iqtishad ensures that every economic transaction is carried out in accordance with Islamic values, such as justice, transparency, and balance. This not only creates an ethical and sustainable economic system but also strengthens public trust in Islamic economic institutions.

In the context of Islamic banking, fiqh iqtishad regulates transaction mechanisms that avoid riba (interest) and encourage the use of profit-sharing principles such as mudharabah (partnership) and musyarakah (cooperation) (Antonio, 2001; Kahf, 2019). These principles ensure that Islamic banks operate fairly, share profits and risks with customers, and contribute to economic stability. In addition, sharia-based buying and selling transactions such as murabahah (sale with a profit margin) provide a halal alternative for muslims to access financing.

In investment, the fiqh of iqtishad ensures that funds are invested in halal and productive sectors, avoiding businesses involving alcohol, gambling and other haram products (Billah, 2019; Hassan & Lewis, 2009). Sharia investment instruments such as sukuk (sharia bonds) provide investors with the opportunity to gain profits in accordance with sharia. This not only broadens the investor base but also directs investment to sectors that benefit the wider community.

In addition, the fiqh of iqtishad encourages a more equitable distribution of wealth through socio-economic instruments such as zakat and waqf (Kahfi & Zen, 2024). Zakat, as an

obligation for able Muslims, serves as a means of wealth redistribution that helps reduce poverty and economic inequality. Waqf, on the other hand, supports the development of sustainable social infrastructure such as schools, hospitals, and other public facilities. This strengthens the social dimension of the Islamic economy and ensures that economic well-being also has a positive impact on society as a whole.

Thus, fiqh iqtishad is not only a legal framework but also the main driving force in the development of sharia economics. By applying the principles in this case, Islamic economics can offer ethical and sustainable solutions to challenges. modern economy, while creating a fairer and more balanced economic system.

By providing a legal framework based on Islamic principles, fiqh iqtishad plays a vital role in the development of Islamic economics. They ensure that values such as justice, transparency, and balance are applied in economic transactions, which ultimately results in an ethical and stable economic system. Fiqh iqtishad regulates the transaction mechanism in Islamic banking that avoids usury, or interest, and encourages the application of principles for results such as mudharabah and musyarakah. In this case, mudharabah is a tradition recognized and followed by muslims, although the Qur'an and Sunnah do not mention it explicitly. It seems that caravan trade and long-distance trade have continued in Mudharabah since the beginning of Islam. The implementation of fiqh iqtishad through a mudharabah (profit sharing) financing scheme, one of which is carried out in farming in Megulung Kidul Village, has an impact on increasing income and quality of life, so that the welfare of farmers increases (Mugiarto, 2025). However, according to musyarakah, each party gives permission or, according to the Syafi'i school of thought, "represents" the other party to spend their wealth (Karimah, Hasan, 2014).

This ensures fair banking operations, where profits and risks are shared equally between the bank and the customer, which in turn contributes to economic stability. Shariah-compliant transactions such as murabahah also provide a halal alternative for muslims to access financing. Fiqh iqtishad also ensures that investments are made in halal and productive sectors, avoiding businesses involving alcohol, gambling and other haram products. Shariah-compliant investment instruments such as sukuk offer investors the opportunity to earn sharia-compliant profits while also directing investments to sectors that benefit the wider community.

In addition, the fiqh of iqtishad encourages a more equitable distribution of wealth through socio-economic instruments such as zakat and waqf. Zakat, as an obligation for able Muslims, serves as a means of wealth redistribution that helps reduce poverty and economic inequality. Waqf, on the other hand, supports the development of sustainable social infrastructure such as schools, hospitals, and other public facilities. This strengthens the socio-

economic dimension of shariah and ensures that economic well-being also has a positive impact on society as a whole. Thus, fiqh iqtishad is not only a legal framework but also a major driving force in the development of sharia economics.

The following table outlines the key roles of *fiqh iqtishad* in shaping Islamic economic law and practice across various sectors, including banking, investment, and wealth distribution, based on the values of justice and ethical responsibility:

**Table 1.** The Role of Fiqh Iqtishad in the Development of Islamic Economics

Aspect	Role of Fiqh Iqtishad
Normative Foundation	Provides a legal framework rooted in Sharia that distinguishes Islamic economics from conventional systems.
Ethical Economic Values	Ensures that all economic transactions uphold principles of justice, transparency, and balance.
Islamic Banking	Regulates transaction mechanisms that avoid <i>riba</i> (interest) and promote profit-sharing systems such as <i>mudharabah</i> and <i>musyarakah</i> .
Sharia-Compliant Investment	Ensures investment of funds only in halal and productive sectors, avoiding prohibited industries such as alcohol, gambling, and other haram activities.
Islamic Financial Instruments	Provides Sharia-compliant alternatives such as <i>sukuk</i> and <i>murabahah</i> for ethical financing and investment.
Wealth Distribution	Encourages social justice through <i>zakat</i> and <i>waqf</i> as tools for economic redistribution and infrastructure development.
Community Empowerment	The implementation of <i>mudharabah</i> in agricultural financing helps increase farmers' income and overall welfare.
Collective Ownership	<i>Musyarakah</i> emphasizes cooperation and shared ownership, where parties mutually represent one another in managing assets and sharing risks and profits.
Sources of Islamic Law	Grounded in the Qur'an, Sunnah, Ijma', and Qiyas, ensuring that economic practices are not only materially beneficial but also spiritually and socially meaningful.

Fiqh iqtishad serves as the legal framework of Islamic economic law, governing all aspects of economic activity in accordance with Sharia principles such as justice, transparency, and balance. Its central role is evident in the regulation of Islamic banking, which avoids *riba* (interest); in directing investments exclusively toward halal and productive sectors; and in promoting equitable wealth distribution through instruments like *zakat* and *waqf*. By upholding ethical values and applying profit-sharing contracts such as *mudharabah* and *musyarakah*, fiqh iqtishad not only fosters inclusive economic growth, but also strengthens the social and spiritual welfare of the Muslim community. This positions fiqh iqtishad as a foundational pillar in the development of ethical and sustainable Islamic economic law and practice amidst the complexities of the global economic landscape.

## Conclusion

Fiqh iqtishad plays an important role as the legal framework that underlies economic activity in Islam with the principles of justice, transparency, and balance. These principles not only regulate economic transactions, but also encourage ethical and sustainable business

practices, as seen in the implementation of Islamic banking, halal investment, and the management of zakat and waqf. Fiqh iqtishad regulates various fair economic contracts, such as mudharabah and mushararakah, thereby creating a healthy and responsible economic environment. Its theological and ethical foundations come from the main sources of Islam, namely the Qur'an, Hadith, ijma', and qiyas, which ensure that economic activities are not only oriented towards material gains, but also spiritual and social well-being. Overall, fiqh iqtishad contributes greatly to forming an ethical and sustainable sharia economy as an alternative to facing global economic challenges, although its implementation still faces various challenges that require the cooperation of various parties.

The application of these principles enables Islamic economics to offer ethical and sustainable solutions to modern economic challenges, while creating a more just and balanced economic system. Through Islamic banking instruments, halal investment, and zakat and waqf, fiqh iqtishad contributes significantly to creating the welfare of the people. However, challenges in implementation remain and require joint efforts from various parties to make Islamic economics a superior and sustainable alternative amidst the complexity of the global economy.

This study is limited to a conceptual and normative analysis of fiqh iqtishad as a foundation for developing Islamic economic law and practice, without conducting empirical field research or case studies in specific institutions. Future research is recommended to explore the practical implementation of fiqh iqtishad in various sectors—such as Islamic banking, investment, or zakat institutions—through empirical approaches, so as to measure its actual impact and identify context-specific challenges and opportunities in different socio-economic environments.

## **Bibliography**

Al-Ghazali, I. (2020). *Ihya "Ulumuddin 10."* Nuansa Cendikia.

Al-Mishri, R. Y. (1993). *Ushul Al-Iqtishad Al-Islami.* Dar Al-Qalam.

Andriati, R., & Huda, N. (2015). The influences of productive zakah mentoring to saving behavior and the prosperity of poor housewife. *Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah*, 7(2), 207–216.

Antonio, M. S. (2001). *Bank Syariah Dari Teori ke Praktik.* Gema Insani Press.

Ayuningtyas, D., Misnaniarti, M., & Rayhani, M. (2018). Analisis Situasi Kesehatan Mental Pada Masyarakat Di Indonesia Dan Strategi Penanggulangannya. *Jurnal Ilmu Kesehatan Masyarakat*, 9(1), 1–10. <https://doi.org/10.26553/jikm.2018.9.1.1-10>

Bakhri, S., Leliya, & Purnama, L. (2018). Tinjauan Etika Bisnis Islam Dalam Strategi

Pemasaran Home Industri Tahu Sari Rasa. *Al-Mustashfa: Jurnal Penelitian Hukum Ekonomi Islam*, 3(2), 284–299.

Bakhri, S., Rana, M., & Pradini, A. Y. (2021). The Role Of Exchange Traded Fund To Drive The Growth Of The Mutual Fund Industry In The Capital Market According To A Review Of Islamic Law. *AT-TIJARAH: Jurnal Penelitian Keuangan Dan Perbankan Syariah*, 3(1), 42–59.

BAZNAS. (2019). *Laporan Pengelolaan Zakat Nasional*.

Billah, M. M. (2019). *Modern Islamic Investment Management*. Springer.

Chapra, M. U. (2016). *The future of economics: An Islamic perspective* (Vol. 21). Kube Publishing Ltd.

Dimyati. (2007). Teori Keuangan Islam: Rekontruksi Metodologis Terhadap Konsep Keuangan al-Ghazali. *MAQASIDI: Jurnal Syariah Dan Hukum*, 1–14. <https://doi.org/10.47498/maqasidi.vi.1788>

Efendi, F., Candra, A., Mardianton, M., Fauzi, M., Ilham, E. M., & Sumarni, I. (2023). The Concept of Islamic Economic Fiqh in Mu'amalah Perspective. *Samara: Journal of Islamic Law and Family Studies*, 10(1), 10–18.

Hadi, M. K. (2021). Strategi Penanganan Kemiskinan Pada Masa Khalifah Umar Bin Khattab. *Qonun Iqtishad El-Madani Journal*, 1(1).

Hassan, K., & Lewis, M. (2009). *Handbook of Islamic banking*. Edward Elgar Publishing.

Hibaturohman, I., & Ayu, D. (2024). Konsep Maslahah Mursalah Dalam Menghadapi Ketimpangan Ekonomi Di Era Modern: Prespektif Ekonomi Islam. *Iqtishad Sharia: Jurnal Hukum Ekonomi Syariah & Keuangan Islam*, 2(1), 26–36.

Inayah, N., & Soemitra, A. (2022). Fiqih Muamalah Uang dan Lembaga Keuangan: Studi Literatur. *Jurnal Ilmiah Ekonomi Islam*, 8(3), 2966–2976.

Irfanudin, N. Z. (2016). *Pendapatan Negara Indonesia dalam Sudut Pandang Fiqih* (p. 2016).

Jumino, & Hendrianto. (2024). Islamic Economic Law as Fiqh Muamalah Iqtishadiyyah, Not from Conventional Economic Science. *Saqifah: Jurnal Hukum Ekonomi Syari'ah*, 9(1), 11–19.

Kahf, M. (2019). Islamic economics' methodology and Fiqh. In *Methodology of Islamic Economics* (pp. 161–180). Routledge.

Kahfi, A., & Zen, M. (2024). Synergy of Zakat and Waqf in Realizing Contemporary Sharia Economic Welfare: Analysis of Fiqh Muamalah. *Al-Afkar, Journal For Islamic Studies*, 7(4), 631–649.

Karimah, Rima, H. (2014). Implementasi Akad Murabahah dan Musyarakah Mutanaqishah

dalam Pembiayaan Pemilikan Rumah pada Perbankan Syariah. *Journal of Petra Marketing Management*, 2(1), 1–14.

Komarudin, P., & Hidayat, M. R. (2017). Penetapan Harga Oleh Negara Dalam Perspektif Fikih. *Al-Iqtishadiyah: Ekonomi Syariah Dan Hukum Ekonomi Syariah*, 3(1), 1–24.

Krasniqi, A., & Kacamakovic, M. K. (2023). Challenges and Perspectives of Law and Digitalization: Case Study of Contract Law. *Human Research in Rehabilitation*, 13(2), 264–270. <https://doi.org/10.21554/hrr.092308>

Kuncoro, A. T. (2017). Zakat: Katup Pengaman Keseimbangan Kehidupan Ekonomi Umat. *Jurnal Ulul Albab: Jurnal Studi Dan Penelitian Hukum Islam*, 1(1).

Lestari, L. (2021). Fiqh Iqtishad Sebagai Sumber Pengembangan Ekonomi dan Keuangan Islam. *Jurnal Hukum Ekonomi Islam*, 5(2), 95–110.

Mannan, M. A., & Abdul, M. (1993). Islamic Economic: Theory and Practice (Ekonomi Islam: Teori dan Praktek), terj. *Nastangan*, Yogyakarta, Dana Bhakti Wakaf.

Misbach, I. (2021). Tinjauan Ekonomi Islam Sebagai Disiplin Ilmu. *El-Iqtishod: Jurnal Ekonomi Syariah*, 5(1), 27–40.

Mugiarto. (2025). Pemberdayaan Kelompok Tani Domba Desa Megulung Kidul Berbasis Syariah untuk Meningkatkan Kesejahteraan Ekonomi. *Abdibaraya: Jurnal Pengabdian Masyarakat*, 4(1), 37–48.

Mukodi, M., & Rahmawati, D. (2022). Strategi Penanganan dan Percepatan Penurunan Stunting di Jawa Timur. *Jurnal Penelitian Pendidikan*, 14(2), 136–150. <https://doi.org/10.21137/jpp.2022.14.2.8>

Nurjanah, D. I., Fitriana, Anisa, R., & Darmawan, D. (2024). Konsep Gharar dan Maisir dalam Transaksi Ekonomi Fikih Muamalah. *Al-Fiqh: Journal Islamic Studies*, 2(3), 159–166.

OJK. (2022a). *Laporan Perkembangan Keuangan Syariah*.

OJK. (2022b). *Survey Nasional Literasi dan Inklusi Keuangan Tahun 2022*.

Pengantar Ekonomi: Teori Dan Aplikasi. (2018). In *CV. Nur Lina* (Issue 1980).

Perwataatmadja, k.a., B. (2008). Jejak Rekam Ekonomi Islam : Refleksi Peristiwa Ekonomi Dan Pemikiran Para Ahli Sepanjang Sejarah Kekhalifahan". Jakarta. Cicero Publishing.

*IMANENSI: Jurnal Ekonomi, Manajemen Dan Akuntansi Islam*, 1(1), 14–24. <https://doi.org/10.34202/imanensi.1.1.2013.14-24>

Pradini, A. Y., & Faozan, A. (2023). Sharia financial literacy and inclusion: opportunities and challenges. *Al-Mustashfa: Jurnal Penelitian Hukum Ekonomi Islam*, 8(2), 205–214.

Pradini, A. Y., Zuhri, S., Fatahillah, A., Udzma, L. A., Lathifah, U., & Et.al. (2023). *Dasar-Dasar Hukum Perikatan Islam*. Mahra Pustaka.

Praja, J. (2014). Filsafat Hukum Antar Mazhab- Mazhab Barat dan Islam. Banudng: Latifah Press dan Yayasan Prof. DR. Juhaya Setyapradja Center. *Al-Mustashfa: Jurnal Penelitian Hukum Ekonomi Syariah*, 2(1), 42. <https://doi.org/10.24235/jm.v2i1.1603>

Rahim, A. (2021). Konsep Bunga Dan Prinsip Ekonomi Islam Dalam Perbankan Syariah. *Al-Iqtishad: Journal of Islamic Economics*, 12(2), 185–200.

Rahmawati, I. D., & Mustofa. (2024). Fiqih Iqtishad Sebagai Sumber Pengembangan Ekonomi dan Keuangan Islam. *Hakam: Jurnal Kajian Hukum Islam Dan Hukum Ekonomi Islam*, 8(2), 277–288.

Sahla, H., Inayah, H., & Sudiarti, S. (2023). Implementasi Akad Wakalah di Lembaga Keuangan Syariah. *Jurnal Ekonomi Syariah Pelita Bangsa*, 8(2), 232–238.

Savić, D. (2019). From digitization, through digitalization, to digital transformation, 2019. *Pridobljeno s: Https://Www. Researchgate. Net/Publication/332111919*.

Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R & D*. Alfabeta.

Voronkova, V., Nikitenko, V., Oleksenko, R., Andriukaitiene, R., Kharchenko, J., & Kliuienko, E. (2023). Digital technology evolution of the industrial revolution from 4g to 5g in the context of the challenges of digital globalization. *TEM Journal.*, 12(2), 732–742.