

OPTIMISING SOCIETAL WELFARE: The Strategic Role of Maqashid Shariah and Maslahah in Contemporary Islamic Economics and Business

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ABSTRACT

The rapid growth of Islamic banking and financial institutions, both globally and in Indonesia, reflects the increasing relevance of Shariah-compliant economic systems. Institutions such as Islamic insurance, sukuk, pawnshops, mortgages, leasing, capital markets, mutual funds, and multi-level marketing have significantly evolved, driven by advancements in modern technology. These changes have transformed economic activities, including e-commerce transactions, digital payment systems, credit financing, international trade, and monetary control instruments. This paper critically examines the strategic role of Maqashid Shariah and Maslahah in shaping contemporary Islamic economics and business practices through a comprehensive literature review and thematic analysis. By integrating classical Islamic jurisprudence with modern economic challenges, the study explores how Maqashid Shariah serves as a foundational framework for ethical and sustainable economic development. Furthermore, the analysis highlights the dynamic application of Maslahah in ensuring Shariah compliance while addressing the evolving needs of the global financial landscape, while also acknowledging the challenges in integrating classical principles with modern economic practices. The findings underscore the potential of Islamic economic principles to promote inclusive growth, social justice, and long-term societal welfare.

Keywords: Maqashid Shariah, Maslahah, Islamic Economics, Islamic Business

ABSTRAK

Pertumbuhan pesat perbankan dan lembaga keuangan syariah, baik secara global maupun di Indonesia, mencerminkan meningkatnya relevansi sistem ekonomi yang sesuai dengan Syariah. Lembaga-lembaga seperti asuransi syariah, sukuk, pegadaian, hipotek, leasing, pasar modal, reksadana, dan pemasaran berjenjang telah berkembang secara signifikan, didorong oleh kemajuan teknologi modern. Perubahan ini telah mengubah kegiatan ekonomi, termasuk transaksi e-commerce, sistem pembayaran digital, pembiayaan kredit, perdagangan internasional, dan instrumen kontrol moneter. Makalah ini secara kritis mengkaji peran strategis Maqashid Syariah dan Maslahah dalam membentuk praktik ekonomi dan bisnis Islam kontemporer melalui tinjauan literatur yang komprehensif dan analisis tematik. Dengan mengintegrasikan yurisprudensi Islam klasik dengan tantangan ekonomi modern, penelitian ini mengeksplorasi bagaimana Maqashid Syariah berfungsi sebagai kerangka kerja dasar untuk pembangunan ekonomi yang etis dan berkelanjutan. Selain itu, analisis ini menyoroti aplikasi dinamis Maslahah dalam memastikan kepatuhan Syariah sambil memenuhi kebutuhan lanskap keuangan global yang terus berkembang, sementara juga mengakui tantangan dalam mengintegrasikan prinsip-prinsip klasik dengan praktik ekonomi modern. Temuan ini menggarisbawahi potensi prinsip-prinsip ekonomi Islam untuk mendorong pertumbuhan yang inklusif, keadilan sosial, dan kesejahteraan masyarakat jangka panjang.

Kata kunci: *Maqashid Syariah, Maslahah, Ekonomi Islam, Bisnis Islam*

A. INTRODUCTION

Islamic economics has experienced remarkable growth globally, particularly in the context of financial institutions such as Islamic banking, insurance (takaful), sukuk, and mutual funds. For instance, according to the Islamic Financial Services Board (IFSB), the global Islamic finance industry reached USD 2.88 trillion in assets by 2022, reflecting a growing demand for financial systems that align with Shariah principles. These foundational principles aim to ensure justice, equity, and the promotion of societal welfare, both materially and spiritually (Nurhadi, 2019; Albar, Abubakar, & Arsyad, 2023).

The concept of Maqashid Shariah—which encompasses the preservation of religion, life, intellect, lineage, and wealth—serves as a theoretical framework for the ethical governance of economic activities (Rofiq & Hasbi, 2022). Simultaneously, Maslahah operates as a guiding principle in Islamic jurisprudence, ensuring that economic transactions contribute to the common good and prevent harm (Zuhdi, 2014). Despite its theoretical robustness, the practical application of these principles in contemporary Islamic finance faces challenges, especially with the emergence of new financial instruments and complex economic environments (Rhetha et al., 2024).

Existing literature has extensively discussed the theoretical underpinnings of Maqashid Shariah and Maslahah. For instance, Nurhadi (2019) highlighted their importance in guiding Islamic business operations, while Buba (2014) emphasised their role in promoting social welfare. However, there remains a significant research gap concerning how these principles are operationalised in modern Islamic economic practices, particularly in addressing ethical dilemmas posed by digital finance, cryptocurrency, and global market integration (Wartoyo & Haerisma, 2022; Qoyum, 2018).

Moreover, while some studies focus on specific sectors such as Islamic banking efficiency (Rusydiana, Tanjung, & Marlina, 2018) or the ethical dimensions of online commerce (Albar et al., 2023), there is limited comprehensive analysis that connects these fragmented insights into a holistic

understanding of Maqashid Shariah and Maslahah in contemporary economic contexts.

Although prior research has addressed the theoretical and sectoral applications of Maqashid Shariah, there is a lack of integrative studies that explore its dynamic role alongside Maslahah in navigating ethical challenges in modern Islamic finance. This gap becomes more critical with the rise of fintech, globalisation, and evolving socio-economic structures that demand adaptable Shariah-compliant frameworks (Rofiq & Hasbi, 2022; Zailani, Satar, & Zakaria, 2023).

This paper aims to critically analyse the role of Maqashid Shariah and Maslahah in contemporary Islamic economics and business. Specifically, the study seeks to address the following research questions: How are Maqashid Shariah and Maslahah operationalised in modern Islamic economic practices? What challenges and opportunities arise in applying these principles within digital finance and global market integration? How can a conceptual framework be developed to bridge traditional Islamic jurisprudence with current economic realities, ensuring sustainable and ethical economic development?

B. METHOD

This study employs a qualitative research methodology with a descriptive-analytical approach to explore the dynamic role of *Maqashid Shariah* and *Maslahah* in contemporary Islamic economics. Qualitative research allows for a comprehensive understanding of complex socio-economic phenomena by focusing on in-depth analysis and interpretative methods (Kamaruddin & Hanapi, 2021).

The research relies on secondary data sourced from peer-reviewed journal articles, scholarly books, conference papers, and reputable online databases related to Islamic economics, finance, and Shariah principles. This approach enables the collection of rich, context-specific data that supports an in-depth examination of

the theoretical and practical aspects of *Maqashid Shariah* and *Maslahah* (Gul, 2019).

A thematic analysis technique is applied to identify recurring patterns, concepts, and interpretations regarding *Maqashid Shariah* and *Maslahah*. The analysis incorporates both conventional qualitative data analysis methods and Islamic-based approaches, such as *usul al-fiqh* and *tafsir*, to ensure that the findings align with Islamic epistemological frameworks (Kamaruddin & Hanapi, 2021; Naeem & Zubair, 2015).

Based on the thematic analysis, the study develops a conceptual framework that integrates classical Shariah principles with contemporary economic dynamics. This framework aims to offer insights into how Islamic financial institutions can align their operations with ethical and sustainable economic goals while addressing modern challenges such as digital finance and globalisation (Abdelrahman, 2021).

To enhance the credibility and reliability of the conceptual framework, expert interviews with Islamic finance scholars and practitioners are conducted. Their feedback provides critical insights that help refine and validate the proposed model, ensuring its relevance and applicability in real-world contexts (Nilawati, Aryanto, & Zaiman, 2023)

C. RESULT AND DISCUSSION

1. Definition of *Maqashid Syaria* and *Maslahah*

Maqashid Syaria refers to the higher objectives of Islamic law, which aim to achieve human welfare and justice. The concept is deeply rooted in Islamic jurisprudence and has been discussed extensively by both classical and contemporary scholars (Al-Ghazali, 1991; Al-Syatibi, 2000). It ensures that Islamic laws facilitate equity, social justice, and economic well-being (Chapra, 2008). According to Ibn Ashur (2006), *Maqashid Syaria* is not just about following legal rulings but understanding the underlying wisdom behind them to promote human dignity and prosperity.

A practical example of this is the Shariah-compliant microfinance model adopted in Indonesia, such as by Bank Syariah Indonesia (BSI) and Amanah Ikhtiar Malaysia (AIM). These institutions design microfinance schemes that align with Maqashid Syariah principles, focusing on financial inclusion while avoiding exploitative elements such as *riba* (usury) and excessive *gharar* (uncertainty).

A central goal of Maqashid Syariah A central goal of Maqashid Syariah Historically, *Maqashid Syariah* has played a vital role in shaping Islamic legal thought. Scholars such as Al-Juwayni (2015) and Al-Syatibi (2000) emphasized that Shariah laws must align with fundamental human needs while maintaining divine guidance. Contemporary scholars, including Kamali (2019) and Auda (2008), argue that the flexibility of Islamic law is crucial in addressing modern socio-economic issues, especially in finance and commerce.

A central goal of Maqashid Syariah is to achieve *Maslahah* (public interest). *Maslahah* is defined as any action that fosters benefit and prevents harm in alignment with Islamic teachings (Al-Ghazali, 1991). It serves as a foundational principle in Islamic jurisprudence, ensuring that legal rulings contribute positively to both individual and communal well-being (Dusuki & Abdullah, 2007).

However, despite its theoretical strength, implementing *Maslahah* in modern Islamic finance faces significant challenges. Many Islamic banks struggle to balance profit-driven objectives with Shariah principles, often leading to the predominance of debt-based financing models over risk-sharing mechanisms such as *mudharabah* and *musharakah*. Furthermore, regulatory fragmentation across Muslim-majority countries creates inconsistencies in how Maqashid Syariah is applied in financial institutions, leading to variations in compliance standards. Scholars classify *Maslahah* into three categories: *Maslahah Mu'tabarah* (recognized public interest), *Maslahah Mulghah* (rejected public interest), and *Maslahah Mursalah* (unrestricted public interest) (Kamali, 2019).

The role of *Maslahah* in Islamic economics is evident in various Shariah-compliant financial instruments and policies (Chapra, 2008). Scholars such as

Kahf (2003) and Obaidullah (2005) argue that integrating *Maslahah* ensures an ethical and equitable distribution of wealth, preventing economic exploitation and injustice. Moreover, El-Gamal (2006) highlights that *Maslahah* differentiates Islamic finance from conventional financial systems by emphasizing risk-sharing and social responsibility.

Empirical research supports the practical benefits of *Maqashid Syariah* in Islamic banking. A study by Hassan and Lewis (2007) reveals that financial institutions adhering to *Maqashid Syariah* principles exhibit greater resilience during economic downturns compared to conventional banks. Additionally, Asutay (2012) found that integrating *Maqashid Syariah* into economic policies fosters inclusive growth and reduces income inequality in Muslim-majority countries.

Despite its significance, debates continue regarding the practical application of *Maqashid Syariah* in modern financial systems. Some scholars argue that contemporary Islamic finance has deviated from its original principles, focusing more on legal formalities rather than ethical objectives (El-Gamal, 2006). Others, such as Chapra (2008), advocate for ongoing reform to realign Islamic economic practices with the original intent of Shariah law.

A comprehensive perspective is necessary when discussing *Maqashid Syariah* and *Maslahah*. While classical scholars provided a theoretical framework, modern discourse focuses on adapting these principles to contemporary challenges. The synthesis of traditional and contemporary views enables a more holistic understanding of how *Maqashid Syariah* continues to shape Islamic economic and financial policies.

In conclusion, *Maqashid Syariah* and *Maslahah* remain central to Islamic jurisprudence and economic thought. Their applications in finance and commerce demonstrate their relevance in ensuring ethical business practices and economic justice. However, continued scholarly engagement and discourse are needed to refine their implementation in an evolving economic landscape.

2. Classification and Methods of Understanding Maqashid Syariah

Maqasid al-Shariah, or the objectives of Islamic law, serve as a foundational framework guiding the formulation and application of Shariah. Understanding its classifications and methodologies is essential for scholars and practitioners aiming to implement Islamic principles effectively in contemporary contexts (Obaidullah, 2022; Muda et al., 2023).

Islamic jurists have developed various classifications of Maqasid al-Shariah to elucidate its comprehensive nature. A widely recognized categorization divides the objectives into three hierarchical levels (Hafidz, 2020; Maudhunati & Muhajirin, 2022):

- a. **Necessities (Daruriyyat):** These are fundamental elements essential for human survival and societal stability. They encompass the preservation of religion (hifz al-din), life (hifz al-nafs), intellect (hifz al-aql), lineage (hifz al-nasl), and property (hifz al-mal). The neglect of these necessities can lead to societal disorder and existential threats (Bakar & Rahim, 2021).
- b. **Needs (Hajiyyat):** These refer to aspects that, while not critical for survival, are necessary to prevent hardship and facilitate ease in life. For instance, commercial transactions like leasing and partnerships are permitted to accommodate human needs and alleviate potential difficulties (Gunardi, 2019).
- c. **Luxuries (Tahsiniyyat):** These involve elements that enhance the quality of life and promote moral and ethical refinement. Examples include recommended charitable acts and the cultivation of good manners, which, although not obligatory, contribute to societal harmony and personal development (Rohayana et al., 2020).

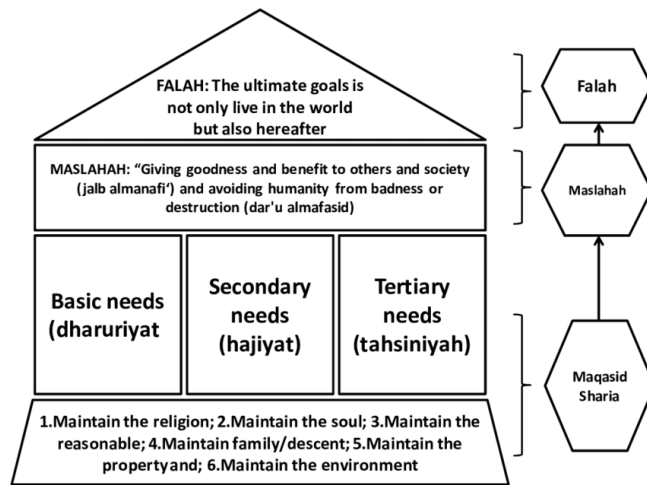


Figure 1. Hierarchy of maslahah

This hierarchical structure underscores the dynamic and adaptable nature of Islamic law, allowing for flexibility in addressing varying human circumstances.

Scholars have employed diverse methodologies to interpret and apply *Maqasid al-Shariah*, reflecting the depth and complexity of Islamic jurisprudence. These methods can be broadly categorized as follows:

- Textual Analysis (*Lafziyyah*):** This approach focuses on the literal interpretation of the Qur'an and Hadith. Jurists adhering to this method emphasize strict adherence to the explicit wording of the texts, considering them as the primary source of legal rulings. While this ensures fidelity to the divine revelation, it may limit the scope of applying Shariah to novel situations not explicitly addressed in the foundational texts (Muda et al., 2023; Saihu, 2021).
- Contextual Interpretation (*Maqasidiyyah*):** This method involves understanding the underlying meanings and intentions behind the Shariah texts. Jurists employing this approach consider the socio-historical context and the broader objectives of the law, allowing for a more flexible application that aligns with the spirit rather than the letter of the law (Muchasan et al., 2023).
- Analogical Reasoning (*Qiyas*):** This involves extending the application of established legal rulings to new cases that share similar underlying causes or

reasons (*illah*). For example, the prohibition of wine is extended to other intoxicants due to the shared reason of intoxication (Bakar & Rahim, 2021).

- d. Public Interest (*Maslahah Mursalah*): This method allows for the formulation of legal rulings based on considerations of public welfare, even in the absence of explicit textual evidence. It reflects the dynamic nature of Islamic law, enabling it to address emerging issues and societal needs effectively (Khattak, 2018; Gunardi, 2019).
- e. Juristic Preference (*Istihsan*): This principle permits departing from a strict legal ruling in favor of an alternative that better serves justice and equity, reflecting the compassionate and flexible spirit of Shariah (Ishak & Nasir, 2021).

These methodologies highlight the richness of Islamic jurisprudence and its capacity to provide comprehensive guidance across diverse contexts (Padela, 2018).

The classification and methodologies of understanding *Maqasid al-Shariah* have profound theoretical and practical implications. Theoretically, they offer a structured framework that balances textual fidelity with contextual adaptability, ensuring that Islamic law remains relevant across time and space (Saihu, 2021; Hafidz, 2020).

Practically, these approaches facilitate the application of Shariah in contemporary settings. For instance, in Islamic finance, the principle of *Maslahah Mursalah* has been instrumental in developing financial products that meet modern economic needs while adhering to Shariah principles (Khattak, 2018). Similarly, *Istihsan* allows for flexibility in legal rulings, accommodating unique circumstances that may not be adequately addressed by strict analogical reasoning (Bakar & Rahim, 2021).

The nuanced classification and diverse methodologies of understanding *Maqasid al-Shariah* underscore the inherent flexibility and adaptability of Islamic law. This flexibility is crucial for addressing the evolving challenges of

contemporary society. However, it is imperative to approach these methodologies with a balanced perspective, ensuring that the pursuit of adaptability does not compromise the core ethical and moral principles of Shariah (Muda et al., 2023).

The integration of classical jurisprudential methods with contemporary interpretative approaches can enrich the application of *Maqasid al-Shariah*, fostering a legal framework that is both faithful to its origins and responsive to modern exigencies. This synthesis can contribute to the development of a dynamic and contextually relevant Islamic legal system that promotes justice, equity, and public welfare (Gunardi, 2019; Rohayana et al., 2020).

Below is a diagram illustrating the hierarchical structure of Maqāṣid al-Sharī‘ah:

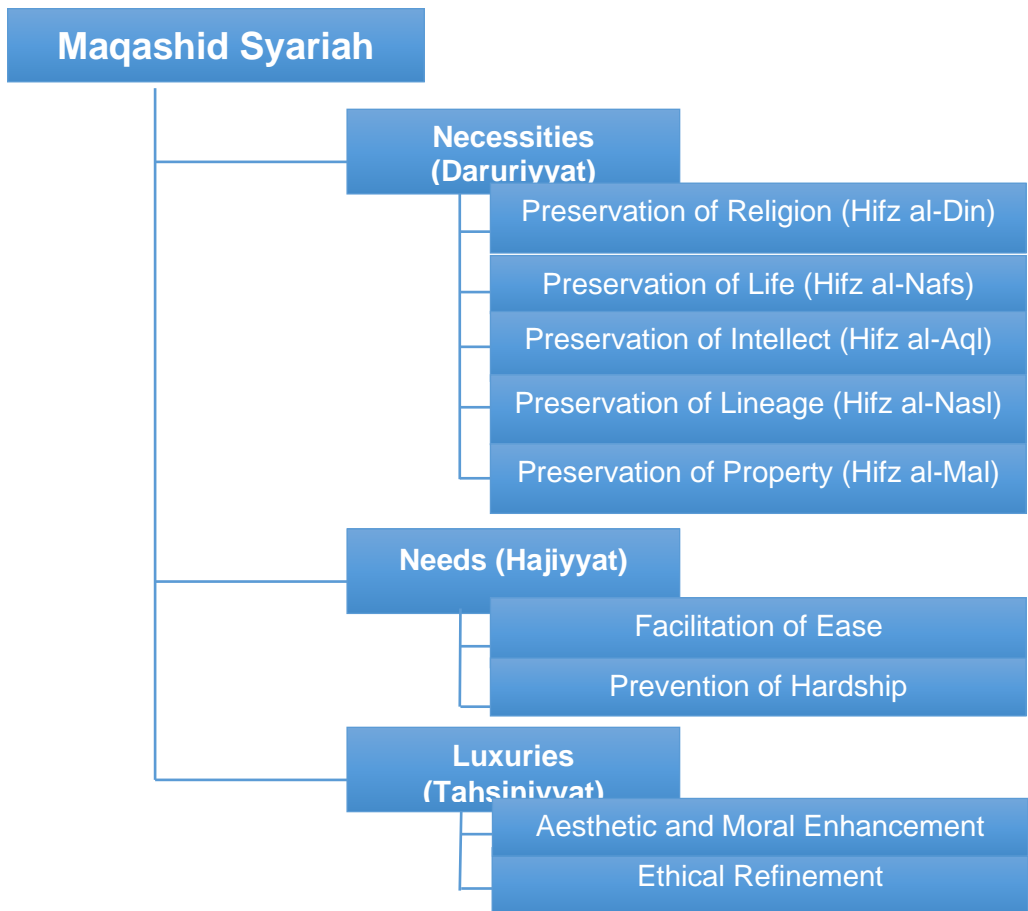


Figure 2. hierarchical structure of Maqāṣid al-Sharī‘ah:

3. Maslahah in Islamic Business Law

In Islamic economics, Maslahah holds a principal position following Tawhid (the oneness of God). The concept of Maslahah ensures that economic activities align with Islamic teachings while promoting welfare and justice in business transactions. Islamic scholars categorize Maslahah into three types: Maslahah Mu'tabarah, Maslahah Mulghah, and Maslahah Mursalah. These classifications are central to understanding how Islamic law influences business practices.

Maslahah is classified into three broad categories based on its alignment with Shariah (Islamic law):

Table 1. Categories of Maslahah

Type	Description	Example
Maslahah Mu'tabarah	Public interests explicitly recognized and validated by Shariah texts.	Prohibition of riba (usury), promotion of trade , and Islamic finance contracts (Murabaha, Musharakah).
Maslahah Mulghah	Practices that are beneficial in economic terms but prohibited by Shariah.	Interest-based lending, which is profitable in conventional finance but harms economic justice.
Maslahah Mursalah	Beneficial practices not explicitly addressed or rejected by Shariah, providing room for interpretation.	Development of Islamic financial products like takaful (Islamic insurance), sukuk (Islamic bonds).

The application of Maslahah varies significantly across countries. In Malaysia, the government has established a centralized regulatory body—the Shariah Advisory Council (SAC) under Bank Negara Malaysia—to oversee the integration of Maslahah in financial regulations. In Indonesia, the National Shariah Board (DSN-MUI) plays a similar role but operates independently of Bank Indonesia, leading to a more fragmented regulatory environment. Meanwhile, Gulf Cooperation Council (GCC) countries have no single unified regulatory framework, which sometimes results in inconsistencies in Shariah compliance across financial institutions.

Table 2. Comparison of Islamic Financial Systems

Aspect	Indonesia	Malaysia	Gulf Countries (e.g., Saudi Arabia, UAE, Qatar)
Regulatory Body	National Sharia Board (DSN-MUI) under the Indonesian Ulema Council (MUI); Bank Indonesia regulates Islamic banking.	Shariah Advisory Council (SAC) under Bank Negara Malaysia (BNM) provides centralized Shariah governance.	No single unified regulatory body; each country has its own regulatory framework (e.g., Saudi Arabian Monetary Authority - SAMA, UAE Central Bank).
Legal Framework	Dual banking system with conventional and Islamic banks; Islamic banking laws co-exist with national banking laws.	Dual banking system with a well-integrated legal framework that supports Islamic finance growth.	Predominantly Islamic finance-driven in some countries (e.g., Saudi Arabia) but with conventional finance co-existing.
Shariah Compliance	Fatwas issued by DSN-MUI are advisory but widely followed; variations exist in fatwa interpretations between banks.	SAC's decisions are legally binding, ensuring standardization and uniformity in Islamic financial practices.	Each country has independent Shariah boards, leading to diverse interpretations of Islamic finance principles.
Islamic Banking Market Share	~7% of total banking assets (2023, OJK Report).	~30% of total banking assets, making it one of the largest in the world.	Varies by country: ~75% in Saudi Arabia, ~40% in UAE, and ~25% in Qatar.
Key Islamic Financial Products	Murabaha (cost-plus financing), Mudarabah (profit-sharing), Ijarah (leasing), Sukuk (Islamic bonds).	Highly developed Sukuk market, Takaful (Islamic insurance), and Islamic Fintech initiatives.	Strong focus on Sukuk, Islamic syndicated financing, and asset-backed financing (Ijarah, Istisna).

Government Support	Government actively supports Islamic finance, but policy implementation is gradual.	Strong government backing with tax incentives and legal enforcements to promote Islamic finance.	Varies by country; Saudi Arabia strongly promotes Islamic finance, while the UAE has a mixed approach.
Fintech & Innovation	Growing adoption of Islamic fintech startups but still in early stages.	Well-developed Islamic fintech ecosystem, with digital banking initiatives and government-backed innovations.	Increasing focus on Islamic digital banking, particularly in the UAE and Bahrain.

Maslahah Mu'tabarah refers to public interests that are explicitly recognized by Islamic law, such as the prohibition of *riba* (usury) and the encouragement of trade. These principles form the backbone of Islamic finance. Business contracts in Islamic finance, including *murabaha*, *musharakah*, and *ijarah*, are examples where Maslahah Mu'tabarah is applied to ensure fairness and equity (Chapra, 2019). These contracts promote the equitable distribution of wealth and prevent unjust enrichment.

For instance, *Murabaha*, a cost-plus financing structure, ensures that the price and profit margins are transparent, thus safeguarding against hidden interests that could exploit one party over another.

On the other hand, Maslahah Mulghah refers to practices that are economically beneficial but contradict Shariah principles. One such example is interest-based lending, which, while profitable in conventional finance, is prohibited in Islam due to the harm it inflicts on economic justice. Interest (*riba*) creates an imbalance between the lender and borrower, leading to the exploitation of the borrower and the accumulation of wealth by the lender without contributing to real economic activity (Ahmed, 2020).

Despite its profitability, the prohibition of *riba* in Islamic law seeks to promote fairness and equity in economic transactions.

Maslahah Mursalah is crucial in the contemporary landscape of Islamic finance. It pertains to economic activities and financial practices that are neither explicitly mentioned nor rejected in classical Shariah texts but align with Shariah principles. This category has allowed for the development of financial products such as Islamic banks, takaful (Islamic insurance), and sukuk (Islamic bonds). These innovations help meet the financial needs of Muslim communities without violating Islamic laws (Obaidullah, 2022).

While classical jurisprudence did not directly address these instruments, their application has provided an ethical alternative to conventional financial products, ensuring that they meet the welfare and justice requirements of Maslahah.

From a theoretical standpoint, Maslahah has evolved to accommodate modern economic complexities. Scholars such as Ibn Ashur (2018) and Kamali (2021) emphasize the necessity of interpreting Maslahah in a way that aligns with contemporary economic realities while preserving the core principles of Shariah. This dynamic approach ensures that Islamic finance remains adaptable and relevant in today's global economy.

This flexibility allows for the creation of financial products that adhere to Islamic principles while addressing practical economic needs, such as the introduction of ethical investment funds or financing for socially responsible projects.

The practical application of Maslahah in Islamic business law is evident in regulatory frameworks in Muslim-majority countries. Organizations such as the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and the Islamic Financial Services Board (IFSB) set standards that reflect Maslahah in financial governance (Hassan & Lewis, 2020). These standards guide the operations of Islamic financial institutions, ensuring they remain compliant with Shariah while fostering economic justice and welfare.

Despite its advantages, debates persist regarding the extent to which Maslahah should influence Islamic business law. Some scholars argue that excessive reliance on Maslahah could lead to the dilution of Shariah compliance, introducing practices that resemble conventional finance (El-Gamal, 2019). On the other hand, others argue that without Maslahah, Islamic finance could become stagnant and fail to adapt to the evolving economic landscape (Asutay, 2022).

Empirical research has demonstrated the effectiveness of Maslahah-driven policies. A study by Dusuki and Bouheraoua (2021) found that Islamic financial institutions prioritizing Maslahah principles exhibited greater resilience during economic downturns compared to conventional banks. Similarly, research by Khan and Mirakhor (2022) emphasized the stability of profit-and-loss sharing contracts in Maslahah-oriented frameworks.

These findings highlight the potential of Maslahah to provide a more stable and ethical alternative to conventional financial systems, particularly in times of economic crisis.

However, challenges remain in ensuring that Maslahah is not misused to justify questionable financial products. Some Islamic banks have introduced hybrid financial instruments that, while labeled Shariah-compliant, closely resemble conventional derivatives (Ahmed, 2021). This raises concerns about the authenticity of Maslahah-based justifications and the potential for misapplication.

As Kamali (2021) suggests, a balanced approach is crucial. It is essential to preserve ethical integrity while allowing for pragmatic solutions that meet the economic needs of society. Policymakers and Shariah scholars must collaborate to ensure that Maslahah is applied judiciously, without compromising Islamic principles

In conclusion, Maqashid Syariah and Maslahah remain central to Islamic jurisprudence and economic thought. Their applications in finance and commerce demonstrate their relevance in ensuring ethical business practices and economic justice. However, continued scholarly engagement and discourse are needed to refine their implementation in an evolving economic landscape.

D. CONCLUSION

In conclusion, while Maqashid Syariah and Maslahah provide a robust ethical foundation for Islamic finance, their practical implementation varies significantly across jurisdictions. Countries like Malaysia have successfully institutionalized Shariah compliance through centralized regulatory bodies, ensuring standardization in financial practices. In contrast, Indonesia follows an advisory model, allowing flexibility but sometimes leading to inconsistencies in financial interpretations. Meanwhile, the Gulf countries exhibit diverse approaches, with Saudi Arabia leaning towards a fully Islamic financial model while the UAE integrates both conventional and Islamic financial systems.

Despite the theoretical strength of Maqashid Shariah, challenges remain in aligning ethical objectives with financial industry demands. Many Islamic banks still prioritize debt-based instruments over risk-sharing models, potentially limiting the true impact of Shariah objectives. Furthermore, regulatory fragmentation across different countries creates challenges in developing a unified global standard for Islamic finance.

To enhance the effectiveness of Maqashid Shariah in contemporary Islamic economics, several recommendations can be considered: (1) Governments and regulatory bodies should work towards greater harmonization of Shariah compliance frameworks to minimize inconsistencies; (2) Financial institutions should explore innovative fintech solutions that align with risk-sharing principles rather than merely replicating conventional finance; and (3) Further research should focus on bridging the gap between Maqashid Shariah principles and real-world economic policies, ensuring that ethical objectives are not overshadowed by commercial interests.

Ultimately, while Maqashid Shariah remains a guiding principle for ethical and sustainable financial development, continuous refinement, adaptation, and

regulatory evolution are necessary to ensure its relevance in an increasingly complex global financial system..

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