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Maqasid al-Shariah and Environmental Sustainability: An Islamic Economic Perspective

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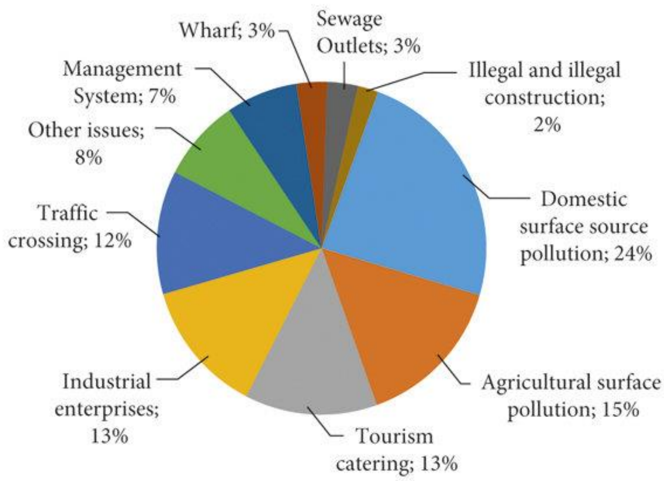
ABSTRACT

This study explores the intersection of Maqasid al-Shariah (the objectives of Islamic law) and environmental sustainability, focusing on its implications within Islamic economics. Recognizing the increasing global challenges related to environmental degradation, this research highlights the essential role of Islamic principles in fostering sustainable economic practices. The Maqasid al-Shariah, which prioritize the preservation of life, intellect, lineage, wealth, and faith, inherently support environmental stewardship as a means to achieve balance and harmony. This study used a qualitative content analysis approach to investigate the integration of Maqasid al-Shariah and environmental sustainability in Islamic economics. Data was gathered from secondary sources, including peer-reviewed articles, policy documents, and reports from Islamic financial institutions. By examining Islamic teachings, ethical frameworks, and financial instruments such as green sukuk, the study demonstrates how Islamic economics can contribute to addressing environmental challenges. This work underscores the potential of faith-based economic systems to lead global efforts toward sustainability, advocating for a paradigm shift that integrates spirituality, ethics, and economic decision-making for the betterment of society and the planet.

1. Introduction

Environmental sustainability is a critical global concern as the planet faces unprecedented challenges, including climate change, pollution, deforestation, and resource depletion pollution, and unsustainable resource consumption (Acheampong & Opoku, 2023). Environmental sustainability is the key strategy against the backdrop of the growth of human population and the rampant exploitation of environment by humans. The underlying concern of modern society is that while today people are enjoying the comforts of economic development, the future generations are on the verge of confronting scarce natural resources and polluted environment and it is our most important responsibility to leave the planet as a self-sustainable system providing equal opportunities of survival not only to our future generations but also to all other species co-habiting with us (Arora, N. K. 2018). These issues not only threaten ecosystems but also disrupt economic stability and social welfare. Despite numerous efforts by governments and international organizations, existing secular economic models often prioritize profit over ethical and environmental considerations, resulting in unsustainable practices. This presents a significant problem statement: there is a need for an alternative framework that integrates ethical, spiritual, and environmental dimensions into economic decision-making (Bertella, 2019).

When environmental relations also have an international perspective and begin to face cross-border environmental impacts, the issue of the relationship between the international perspective and environmental relations enters the research horizon (Yu, 2022).An in-depth study of the issue of environmental relations from an international perspective first reveals the main sources of global environmental problems as shown in figure 1 below.



Source: Journal of environmental and public health

Figure 1. Main Source of Global Environmental Problem

The main sources of global environmental problems are Domestic surface source pollution; 24%, Agricultural surface pollution; 15%, Tourism catering; 13%, Industrial enterprises;13%, Traffic crossing; 12%, Other issues; 8%, Management system; 7%, Wharf; 3%, Sewage Outlets; 3%, and Illegal and illegal construction; 2% (Yu, 2022). A comprehensive review

of the literature uncovers a significant gap in integrating environmental sustainability into the framework of Islamic economics, particularly through the lens of Maqasid al-Shariah. While prior research has extensively addressed Islamic ethics and general sustainability principles, a systematic analysis of how Maqasid al-Shariah can be operationalized to address environmental challenges remains underexplored (Nouman et al. 2020)This gap underscores an opportunity to contribute innovative insights that merge Islamic principles with solutions to modern environmental crises.
The novelty of this study lies in its interdisciplinary approach, which bridges traditional Islamic teachings with contemporary environmental and economic practices. By examining the applicability of Islamic financial instruments—such as green sukuk-based development projects in Malaysia and Indonesia within the overarching objectives of Maqasid al-Shariah, this research offers actionable strategies for promoting sustainability in economic systems. These instruments not only align with ethical and religious imperatives but also present practical mechanisms to address pressing global environmental issues.

The primary objective of this paper is to demonstrate how Islamic economics, underpinned by the principles of Maqasid al-Shariah, can serve as a transformative framework for advancing environmental sustainability. This entails exploring both the ethical underpinnings of Islamic financial systems and their potential to foster sustainable economic development (U.F Moghul & S. Safar-Aly, 2014). The study emphasizes the compatibility between Islamic values and the modern sustainability agenda, thereby offering a paradigm shift toward a more equitable and environmentally conscious economic order.

Academically, this research enriches the growing body of knowledge on Islamic economics and sustainability by addressing an underexplored intersection. Practically, it provides valuable insights for policymakers, financial institutions, and scholars seeking to integrate Islamic principles into frameworks for sustainable development. By advocating for ethical, faith-driven approaches to economic activity, this paper contributes to a broader discourse on sustainability that is deeply rooted in Islamic ethics and objectives (Bertella, 2019).

2. Methods

This research employed a qualitative methodology using a content analysis approach to explore the integration of Maqasid al-Shariah and environmental sustainability within Islamic economics. Data was collected from secondary sources, including peer-reviewed journal articles, policy documents, World Bank, and reports from Islamic financial institutions. Purposive sampling was used to select data relevant to the research focus, specifically targeting SINTA and Scopus-indexed journals published between 2013-2023. Thematic analysis was applied to identify key principles such as justice, stewardship, and public welfare. To ensure trustworthiness, triangulation and peer review were conducted. This qualitative approach is appropriate as it provides a holistic understanding of the ethical and practical dimensions of sustainability in Islamic economics.

3. Result and Discussion

This section discusses four sub-topics: Maqasid Shariah and Maslahah in Islam, Islamic Economics and Sustainability, Environmental Sustainability in Islamic Perspectives, and Islamic Financial Instruments Supporting Sustainability (Case study from Malaysia and Indonesia).

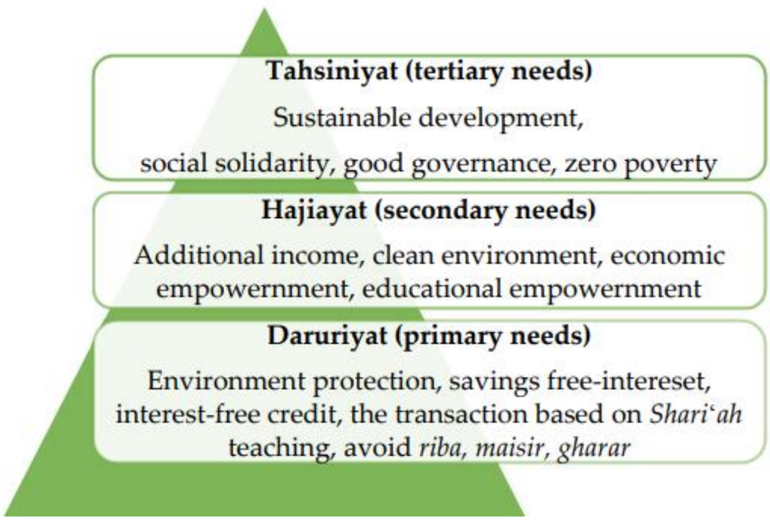
Author's own framework

Figure 2. The Relationship Between Islamic Economics and Maqasid Shariah to Achieve Environmental Sustainability

Maqasid Shariah and Maslahah in Islam

The traditional classifications of maqasid can be divided into three 'levels of necessity,' namely necessities (dhururiyyat), needs (hajiyyat), and luxuries (tahsiniyyat). Specifically, necessities can be further classified into five dimensions (Al-Dharuriyyat al-Khams) which are protections of religion (Al-Deen), life (Al-Hayah), progeny (AlNasl), mind/intellect (Al-'Aql), and protection of wealth (Al-Mal). More importantly, it is crucial to understand that these necessities can be considered essential for human life (Haji Wahab & Naim, 2021).

Maslahah is defined as public interest. Regarding this matter, Aris et al. (2013) define Maslahah as 'benefit' or 'interest,' 'welfare,' or 'advantage. Therefore, maqasid and Maslahah can be defined as a set of principles or objectives in Islamic law to secure the interest of humanity (Haji Wahab & Naim, 2021).As a figure 4 below.



Source: Waste bank-socio-economic empowerment nexus in Indonesia: the stance of maqasid al-shariah

Figure 3. Analysis of a Waste Bank Based on The Maslahah Pyramid

Thus, protection the environment, is undeniably in line with the objectives of shariah. In maqasid al-Shariah, the protection of the environment falls under the protection of human life and progeny. In other words, people are encouraged to protect the environment from any destruction to ensure that humans can live healthy and safe life.

Islamic Economics and Sustainability

Islamic economics, rooted in Maqasid Shariah and Maslahah, emphasizes ethical and spiritual values in its approach to sustainability. It seeks to balance economic growth, social welfare, and environmental stewardship, treating sustainability as a moral obligation. This approach differs from conventional economics, which often prioritizes profit and efficiency. Islamic economics promotes moderation (wasatiyyah), prohibits wastefulness (israf), and uses ethical financial instruments like green sukuk to achieve long-term sustainability (Haji Wahab & Naim, 2021). The objectives of SRIs (Socially Responsible Investments) align with Islamic concepts of Maqasid Shariah and Maslahah, promoting socio-economic justice, repulsion of harm, and ethics in financial practice (Ibrahim Abiodun Oladapo and Asmak Ab Rahman 2016). This aligns with Islamic principles, promoting the preservation of life, improvement of life quality, and promotion of youth intellect.

Environmental Sustainability in Islamic Perspectives

Islamic Perspectives Based on Maqasid Shariah categorize protections into five dimensions: religion (Al-Deen), life (Al-Hayah), progeny (AlNasl), mind/intellect (Al-'Aql), and wealth (Al-Mal) (Ibrahim Abiodun Oladapo & Asmak Ab Rahman, 2016).Protection of the environment aligns with Shariah's objectives, as it ensures human life and progeny live a healthy and safe life. Islam forbids willful destruction of all creations, including animals and trees. Legal maxims, such as La Darara wa la Dirar which means "Harm shall not be inflicted nor reciprocated." emphasize the importance of removing harm to the environment. Protecting the environment also ensures the health and well-being of future generations, as man is considered the vicegerent in managing the environment.

Islamic Financial Instruments Supporting Sustainability (Case Study from Malaysia and Indonesia)

Islamic green finance can capitalize on the growing green bond market, which has shifted the focus of conventional capital markets to climate concerns. The Islamic capital market segment has adopted green sukuk and sovereign green sukuk to support certified green projects. Successful green sukuk programs require commitment from issuers, investors, policymakers, and industry practitioners. Issuers must focus on proceeds management, reporting, and external party review. Regulatory efforts may include incentives or policies to spur issuances. Investors, including fund managers, pensions, reserve managers, insurance, and takaful companies, are shifting towards green and Sustainable and Responsible Investment (U.F Moghul & S. Safar-Aly 2014).

In July 2017, Malaysia marked a new milestone in both green financing and global sukuk arena with the inaugural issuance of the world's first green SRI sukuk by Tadau Energy. As at April 2018, there were five issuances of green sukuk with an approved issuance size of RM3.7 billion, out of which, RM2.4 billion has been issued to finance renewable energy projects and green building (U.F Moghul & S. Safar-Aly, 2014).

Indonesia has also made their mark in the global sukuk market where they were the first to issue a sovereign green sukuk amounting US$1.25 billion (Haji Wahab and Naim 2021).The proceeds of the five-year sukuk wakalah will be used exclusively for spending in the form of budget

allocation, subsidies or project funding of eligible green projects. It includes a broad range of sectors which promote the transition to a lowemission economy and climate resilient growth, including climate mitigation, adaptation and biodiversity (U.F Moghul & S. Safar-Aly, 2014).
A comprehensive review of the literature uncovers a significant gap in integrating environmental sustainability into the framework of Islamic economics, particularly through the lens of Maqasid al-Shariah. This study reveals that Maqasid Shariah is a fundamental principle in Islamic Economics, emphasizing the importance of environmental stewardship through the lens of Maqasid Shariah, in conjunction with Maslahah (public interest). Together, these principles serve as a bridge connecting traditional Islamic teachings with modern environmental and economic practices.

An example of this application can be seen in the development of Sukuk in countries like Malaysia and Indonesia, which have successfully utilized green sukuk to address environmental challenges while gaining global recognition. However, this study also identifies numerous challenges in the development and implementation of green sukuk, including: Regulatory Gaps: Limited frameworks and incentives for issuers and investors, Awareness and Education: A lack of understanding about green sukuk among stakeholders, including financial institutions and policymakers, and Greenwashing Risks: Ensuring the credibility of green projects funded through sukuk (Miftahorrozi, Khan, and Bhatti 2022).

5. Conclusion

This study underscores the critical role of Maqasid Shariah in shaping an ethical and sustainable framework within Islamic Economics, particularly in addressing environmental challenges. By integrating the principles of Maqasid Shariah and Maslahah, Islamic economics provides a unique perspective that aligns traditional values with modern environmental and economic practices. The development of green sukuk in Malaysia and Indonesia demonstrates the potential of Islamic financial instruments to promote environmental sustainability on a global scale. These initiatives highlight the compatibility of Islamic principles with contemporary efforts to combat environmental issues.

However, the study also reveals significant challenges in the development and operationalization of green sukuk, such as ensuring consistent regulatory frameworks, attracting diverse investors, and enhancing transparency and accountability in the use of proceeds. Addressing these challenges requires collaborative efforts from policymakers, industry practitioners, and scholars to refine and expand the scope of Islamic green finance.

In conclusion, while progress has been made, there is a pressing need for continued innovation and research to strengthen the role of Islamic economics in advancing environmental sustainability, ensuring a balance between ethical values and practical solutions for global environmental crises.

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