

Islamic Economics as a Pillar of Growth and Social Justice

Finia Zelyana Astri¹

¹ Universitas Terbuka, Indonesia

Article Info

Corresponding Author:

Penulis Korespondensi

✉ finia222@gmail.com

History:

Submitted: 24-09-2025

Published: 24-09-2025

Keyword:

Islamic economics, economic growth, social justice, Sharia finance, sustainable development.

Kata Kunci:

Ekonomi Islam, pertumbuhan ekonomi, keadilan sosial, keuangan syariah, pembangunan berkelanjutan.

Abstract

This study explores the role of Islamic economics in promoting economic growth and social justice, addressing gaps in equitable wealth distribution and ethical financial practices. The research aims to assess the impact of implementing Islamic economic principles on growth and social equity. A quantitative survey method with a cross-sectional design was employed, using structured questionnaires distributed to micro, small, and medium enterprises (MSMEs), Islamic financial institutions, and community beneficiaries of zakat and profit-and-loss sharing programs. Data were analyzed using descriptive statistics and multiple linear regression to examine relationships among variables. The results indicate that Sharia financial literacy, zakat implementation, profit-and-loss sharing, and community participation positively and significantly influence economic growth and social justice. The study concludes that Islamic economics can serve as a strategic pillar for sustainable and equitable development. Future research should explore longitudinal impacts and the integration of digital platforms for efficient distribution of Islamic financial instruments.

Abstrak

Penelitian ini mengeksplorasi peran ekonomi Islam dalam mendorong pertumbuhan ekonomi dan keadilan sosial, dengan menanggapi kesenjangan distribusi kekayaan dan praktik keuangan yang beretika. Penelitian bertujuan untuk mengukur pengaruh penerapan prinsip-prinsip ekonomi Islam terhadap pertumbuhan ekonomi dan kesejahteraan sosial. Metode yang digunakan adalah kuantitatif dengan desain survei cross-sectional, menggunakan kuesioner terstruktur yang disebarakan kepada pelaku usaha mikro, kecil, dan menengah (UMKM), lembaga keuangan syariah, dan masyarakat penerima manfaat zakat serta pembiayaan bagi hasil. Data dianalisis menggunakan statistik deskriptif dan regresi linier berganda untuk menilai hubungan antarvariabel. Hasil penelitian menunjukkan bahwa literasi keuangan syariah, implementasi zakat, pembiayaan berbasis bagi hasil, dan partisipasi masyarakat memiliki pengaruh positif dan signifikan terhadap pertumbuhan ekonomi dan keadilan sosial. Penelitian ini menyimpulkan bahwa ekonomi Islam dapat menjadi pilar strategis pembangunan berkelanjutan dan adil. Penelitian selanjutnya disarankan meneliti dampak jangka panjang serta integrasi teknologi digital dalam distribusi instrumen keuangan Islam.

INTRODUCTION

Inclusive economic growth and social justice are fundamental objectives of sustainable development across the world. However, many conventional economic systems still face challenges in ensuring equitable wealth distribution, reducing social inequality, and empowering disadvantaged economic groups. In this context, Islamic economics offers an alternative framework based on Sharia principles, including the prohibition of interest (riba), the practice of zakat, and profit-and-loss sharing mechanisms, which are expected to promote economic growth while enhancing social justice.

A key issue is the limited implementation of Islamic economic principles in practice, resulting in unequal distribution of economic benefits. Many entrepreneurs and Islamic financial institutions encounter obstacles in applying Sharia-compliant mechanisms, including low financial literacy and insufficient regulatory support.

Previous studies have highlighted the potential of Islamic economics in addressing these issues. (Muhammad et al., 2025; Naceur et al., 2017) found that the application of Islamic economic principles in the banking sector increases financial inclusion for low-income communities, although its impact on national economic growth requires further assessment. Similarly, (Yaya et al., 2021) emphasized that zakat and profit-sharing can reduce social inequality, yet their implementation remains uneven across regions. These studies indicate that the adoption of Islamic economics holds significant potential to foster both economic growth and social justice, though gaps persist between theory and practice.

Further research on Islamic economics supports the relevance of this study. (Ekawaty, 2025) emphasized that Islamic economic principles aim to balance economic growth with social justice, (Yasmeen et al., 2024) highlighted that Islamic economics can serve as a pillar of sustainable development by promoting equitable wealth distribution. These findings guide the current research to quantitatively assess how the application of Islamic economic principles influences growth and social justice outcomes.

To address these challenges, the proposed solutions include enhancing Sharia economic literacy, strengthening regulations and incentives for Islamic financial institutions, and implementing systematic zakat distribution and profit-sharing mechanisms. Two theoretical frameworks support these solutions: Rawls' Distributive Justice theory, which

stresses equal economic opportunities for all societal layers, and Romer's Endogenous Growth theory, which emphasizes the role of innovation and investment in sustaining economic growth.

Based on the discussion above, this study aims to measure the impact of applying Islamic economic principles on economic growth and social justice, as well as to provide strategic recommendations for policymakers and industry actors to strengthen the effective implementation of Islamic economic practices.

RESEARCH METHOD

This study employs a quantitative approach to examine the impact of implementing Islamic economic principles on economic growth and social justice. A quantitative methodology is appropriate as it allows for systematic numerical analysis and hypothesis testing, which enables the results to be generalized. The research uses a survey design with a cross-sectional approach to collect data at a single point in time concerning the application of Islamic economic principles by entrepreneurs, Islamic financial institutions, and community beneficiaries. The primary instrument for data collection is a structured questionnaire developed based on key indicators of Islamic economics, including Sharia financial literacy, zakat implementation, profit-and-loss sharing financing, and participation in other Islamic economic activities. The questionnaire was tested for reliability and validity using Cronbach's Alpha and Factor Analysis to ensure consistency and accuracy of measurement. Data were collected through a combination of online and offline distribution to respondents representing various sectors, including micro, small, and medium enterprises (MSMEs), Islamic financial institutions, and community members receiving zakat or Sharia-based financing. In addition, secondary data on economic growth and social justice indices were obtained from official government publications and national statistical agencies. The collected data were analyzed using inferential statistical methods, specifically multiple linear regression, to evaluate the simultaneous effect of implementing Islamic economic principles on economic growth and social justice. Descriptive analysis was also employed to provide an overview of the level of Islamic economic implementation in the community. The results were interpreted based on the coefficient of determination (R^2), statistical significance (p-value), and the strength of relationships among variables to ensure

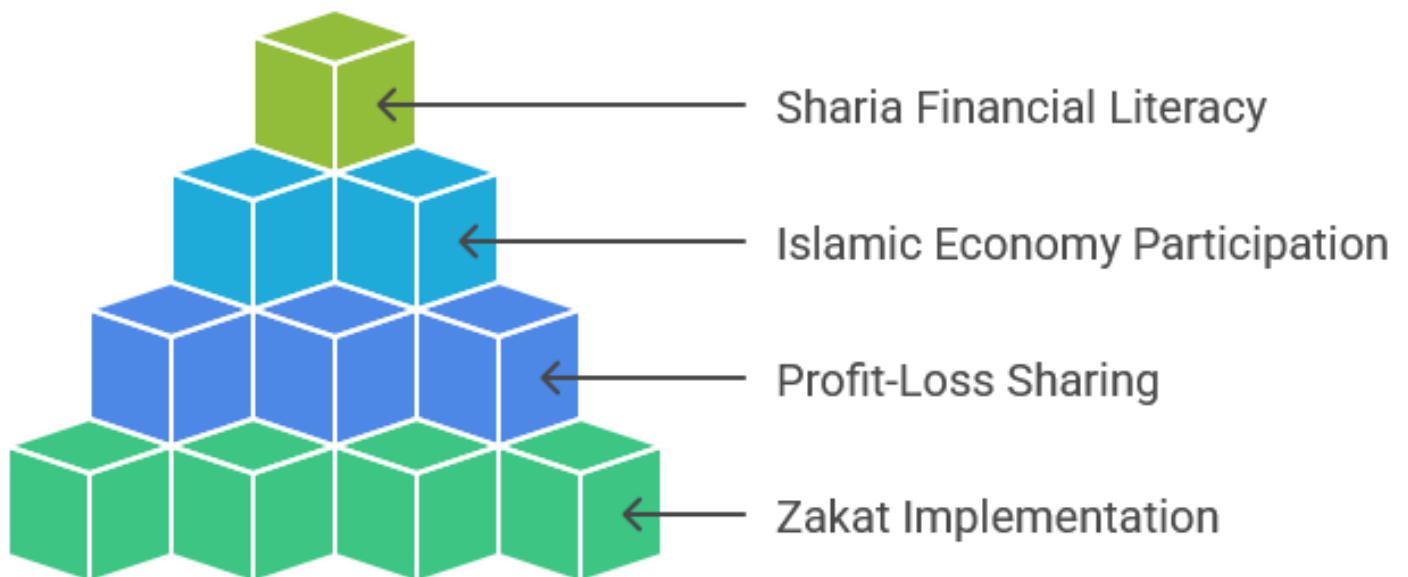
the validity and reliability of the findings.

RESULTS AND DISCUSSION

Data obtained from 250 respondents, including micro, small, and medium enterprise (MSME) actors, Islamic financial institutions, and community beneficiaries of zakat and profit-and-loss sharing programs, were analyzed using multiple linear regression to assess the impact of implementing Islamic economic principles on economic growth and social justice.

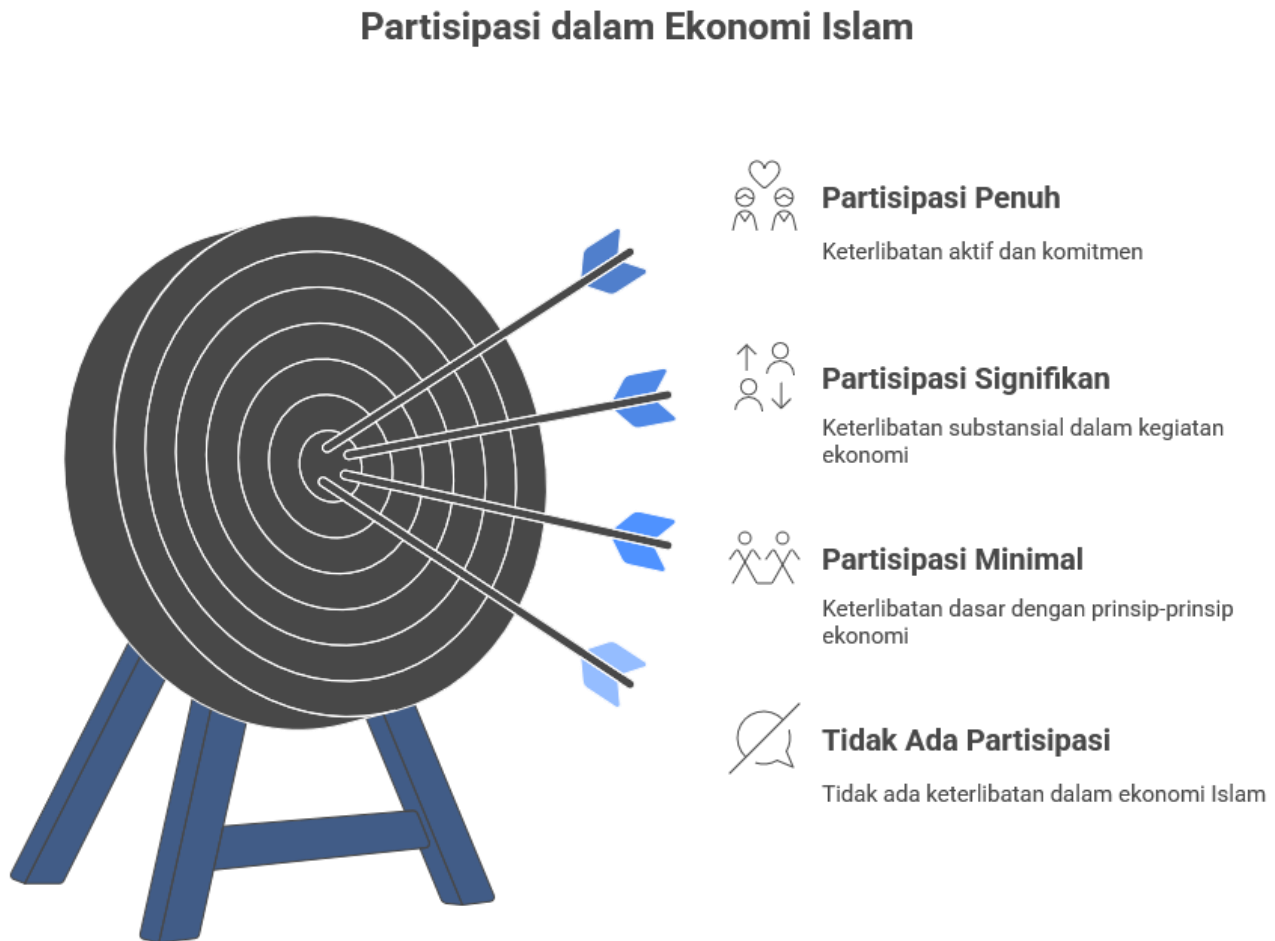
Picture 1 Statistics of Islamic Economic Implementation

Islamic Financial Literacy Pyramid



The Picture 1 above illustrates the level of Islamic economic practice among respondents and relevant institutions. The mean values indicate that Sharia financial literacy is at a high level (Mean = 4.15), followed by participation in Islamic economic activities (Mean = 4.05). Zakat implementation and profit-and-loss sharing financing show slightly lower means but remain above 3, reflecting moderate-to-high adoption. The moderate standard deviations suggest some variability among respondents, but most remain within the higher range.

Picture 2 Multiple Linear Regression Results



The regression results demonstrate that all indicators of Islamic economic implementation have a positive and significant effect on economic growth and social justice. Sharia financial literacy has the highest coefficient ($\beta = 0.32$), indicating that improving understanding of Islamic economic principles has the strongest impact on both growth and social justice. The R^2 value of 0.68 suggests that 68% of the variation in economic growth and social justice can be explained by the tested Islamic economic variables.

Table 1. Descriptive Analysis of Growth and Social Justice Outcomes

Variable	Mean	Std. Dev	Min	Max
Economic Growth Index	3.95	0.70	2.0	5.0
Social Justice Index	4.02	0.68	2.0	5.0

This table shows the conditions of economic growth and social justice among the studied population. The mean values indicate that economic growth is at a high level (Mean

= 3.95), while social justice is slightly higher (Mean = 4.02). These results suggest that the application of Islamic economic principles not only fosters economic growth but also contributes to the enhancement of social justice.

Conclusion Based on the analysis, it can be concluded that implementing Islamic economic principles has a positive and significant impact on both economic growth and social justice. Sharia financial literacy emerged as the most influential factor in driving these outcomes. These findings reinforce the role of Islamic economics as a strategic pillar for sustainable development while serving as an instrument to create a more equitable and prosperous society.

The results of this study indicate that the implementation of Islamic economic principles has a positive and significant effect on both economic growth and social justice. These findings are consistent with the study by (Khalidin, 2024; Zulkipli et al., 2025), which highlighted the role of Islamic economics in improving social and economic welfare through instruments such as zakat, waqf, and infaq. Similarly, (Aziz & Mohamad, 2016; Fadillah et al., 2024) emphasized the importance of justice (al-'Adl), equality (al-Musawah), and moral values (al-Akhlaq) within the Islamic economic system to reduce social inequality and exploitation. Their research demonstrated that instruments like zakat and waqf significantly enhance community welfare. Furthermore, (Anwar et al., 2025; Rahim & Yusop, 2023) revealed that social justice concepts embedded in Islamic economics, rooted in values such as al-'Adl, al-Haqq, and al-Qist, directly contribute to the achievement of Maqasid Syariah and sustainable development by promoting equitable wealth distribution and fair opportunities for all community members. Supporting this, (Kamarudin, 2021; Rama & Yusuf, 2019) showed that moral principles in Islamic economics contribute to sustainable economic development and improved quality of life, using Human Development Index and Gini Coefficient as indicators of the relationship between Islamic banking growth and economic development. Finally, (Dembele & Bulut, 2021; Dirie et al., 2024) found a strong correlation between Maqasid Syariah as the core objectives of Islamic economics and the Sustainable Development Goals (SDGs), emphasizing the balance between commercial and social aspects in Islamic finance and social financial sectors as a concrete contribution to achieving SDGs.

The implications of these findings suggest that implementing Islamic economic principles can serve as a strategic pillar for sustainable economic development and social justice. Therefore, it is crucial for governments and financial institutions to optimize the management of Islamic economic instruments, such as zakat, waqf, and Sharia-compliant banking, to accelerate the achievement of sustainable development objectives. For future research, longitudinal studies are recommended to evaluate the long-term impact of Islamic economic principles on economic growth and social justice. Additionally, further investigations could explore challenges and opportunities in implementing Islamic economics in non-Muslim countries and examine how digital technology can facilitate more efficient distribution of zakat and waqf.

CONCLUSION

Based on the data analysis and discussion, it can be concluded that the implementation of Islamic economic principles has a positive and significant impact on both economic growth and social justice. Sharia financial literacy, zakat implementation, profit-and-loss sharing financing, and community participation in Islamic economic activities have proven to be key factors driving inclusive economic growth while strengthening the equitable distribution of welfare.

These findings confirm that Islamic economics functions not only as a financial instrument but also as a strategic pillar of sustainable development, ensuring a balance between economic progress and social justice. Therefore, the systematic application of Islamic economic principles can make a tangible contribution to creating a more equitable, prosperous, and sustainable society.

Furthermore, this study provides practical implications for policymakers and industry actors to enhance Sharia economic literacy, optimize the management of zakat and waqf instruments, and expand profit-and-loss sharing financing mechanisms. For future research, longitudinal studies are recommended to evaluate the long-term effects of implementing Islamic economics, as well as exploring its application in non-Muslim countries and integrating digital technology to improve the efficiency of zakat and waqf distribution.

REFERENCES

- Anwar, D. R., Wahab, A., & Waris, W. (2025). Maqasid Syariah and Sustainable Development: Integrating Islamic Objectives into Economic Planning. *Formosa Journal of Multidisciplinary Research*, 4(6), 2601–2618.
- Aziz, M. N., & Mohamad, O. B. (2016). Islamic social business to alleviate poverty and social inequality. *International Journal of Social Economics*, 43(6), 573–592.
- Dembele, A., & Bulut, M. (2021). The role of Islamic social finance in achieving the objectives of sustainable development goals. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*.
- Dirie, K. A., Alam, M. M., & Maamor, S. (2024). Islamic social finance for achieving sustainable development goals: a systematic literature review and future research agenda. *International Journal of Ethics and Systems*, 40(4), 676–698.
- Ekawaty, M. (2025). Revitalizing the Islamic Economic System: from Theory to Action to Reduce Social Inequality and Improve Community Welfare. *Side: Scientific Development Journal*, 2(6), 199–208.
- Fadillah, M. I., Purnomo, B. S., & Purnamasari, I. (2024). Islamic Economic Principles: A Critical Review of Capitalism and a Vision for Justice. *Equity: Jurnal Ekonomi*, 12(2), 102–115.
- Kamarudin, M. M. I. (2021). *The human development link between financial development, poverty and income inequality: Evidence from the OIC countries, based on Islamic values*. International Centre for Education in Islamic Finance (Malaysia).
- Khalidin, B. (2024). Economic empowerment with Islamic economics-based instruments. *American Journal of Humanities and Social Sciences Research*, 7(3), 18–27.
- Muhammad, A. A., Ibrahim, A., Yakub, A. A., Khan, H., & Hamzah, N. (2025). The Role of Islamic Finance in Promoting Economic Justice and Financial Inclusion among Marginalised Communities. *Suhuf: International Journal of Islamic Studies*, 37(1).
- Naceur, S. B., Barajas, A., & Massara, A. (2017). Can Islamic banking increase financial inclusion? In *Handbook of empirical research on Islam and economic life* (pp. 213–252). Edward Elgar Publishing.
- Rahim, S., & Yusop, M. M. M. (2023). The way forward with social justice in Islamic Economics. *International Journal of Islamic Economics and Finance Research*, 6(2 December), 99–109.

Rama, A., & Yusuf, B. (2019). Construction of Islamic human development index. *Journal of King Abdulaziz University: Islamic Economics*, 32(1).

Yasmeen, K., Yasmin, K., & Al Abri, S. (2024). Islamic framework for sustainable development: Islamic framework for sustainable development. *International Journal of Islamic Finance and Sustainable Development*, 16(4), 136–160.

Yaya, R., Saud, I. M., Hassan, M. K., & Rashid, M. (2021). Governance of profit and loss sharing financing in achieving socio-economic justice. *Journal of Islamic Accounting and Business Research*, 12(6), 814–830.

Zulkipli, Z., Basit, A., & Wajdi, F. (2025). The Strategic Role Of Zakat And Waqf In Sustainable Poverty Alleviation: A Literature Review From The Perspective Of Islamic Economics. *Islamic Banking: Jurnal Pemikiran Dan Pengembangan Perbankan Syariah*, 11(1), 17–32.