

Falah, Maslahah, and Distributive Justice in Islamic Economic Philosophy

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Info article

Article history:

Received September 19, 2026

Revised October 08, 2026

Accepted October 08, 2026

Published October 12, 2026

ABSTRACT

Islamic economics has expanded institutionally, yet its development is still frequently assessed through formal Sharia compliance, contract design, and market growth, leaving the philosophical relationship between economic motivation and the objectives of Sharia insufficiently integrated. This article aims to formulate a coherent framework linking the moral orientation of Muslim economic agents with maqasid-based legal and institutional objectives. Using a qualitative integrative library review, the study synthesizes recent scholarship on Homo Islamicus, maqasid al-shariah, Islamic moral economy, values-based entrepreneurship, multidimensional welfare, sustainable finance, and Sharia institutional performance. The analysis is organized across ontological, epistemological, and axiological-teleological dimensions. The findings show that economic motivation in Islam is structured by tawhid, amanah, khilafah, justice, and social responsibility; profit remains legitimate but functions as a means rather than an autonomous end. At the level of objectives, falah and maslahah require distributive justice, protection of essential human interests, and socio-ecological responsibility. The study concludes that Sharia economic institutions should be evaluated not only by contractual compliance but also by measurable maqasid-oriented outcomes, thereby repositioning Islamic economics as an ethical and civilizational project.

Keywords: Distributive Justice; Falah; Homo Islamicus; Maqasid Al-Shariah; Maslahah.

INTRODUCTION

The development of the Sharia economy over the last two decades has demonstrated significant growth across industry, regulation, and product innovation. However, these dynamics often emphasise issues of formal compliance, contract design, and market expansion rather than more fundamental questions regarding what drives Muslim economic actions and the ultimate goals toward which the Sharia economic system is directed. This trend is also evident in the steadily increasing research on maqasid al-shariah (the

objectives of Sharia), which has not always been accompanied by a strengthening of philosophical reflection on the relationships between human beings, law, values, and well-being [1]. In this context, the Sharia economy should not be viewed merely as a technical system of transactions but rather as a normative framework that encompasses assumptions about human nature, the status of wealth, the legitimacy of profit, and the metrics of economic success.

Recent literature asserts that economic agents in Islam cannot be reduced to a religious variant of homo economicus. Instead, the concept of Homo Islamicus must be derived from the Quranic vision of the human being as a moral, rational, and responsible entity [2]. Consequently, economic motivation in Islam is not synonymous with individual utility maximization; rather, it constitutes a rational-ethical action bound by divine consciousness, the concept of trust (*amanah*), and social responsibility. At the same time, well-being from an Islamic perspective extends beyond material accumulation to encompass broader moral, spiritual, and social dimensions [3].

From the perspective of the philosophy and theory of Sharia economic law, the core issue becomes more sharply defined. Islamic economic law functions not merely as a set of rules distinguishing the *halal* (permissible) from the *haram* (forbidden), but also as a normative system guiding the motives, processes, and objectives of economic actions. Within the Indonesian intellectual tradition, Juhaya S. Pradja positions Sharia economics as a framework resting upon *aqidah* (faith), ethics, and humanitarian goals, rather than being merely a matter of transaction techniques [4]. Consequently, any discussion of economic motivation and objectives must be interpreted across three dimensions: the ontological – how Islam views humanity and wealth; the epistemological – the source of legitimacy for economic norms; and the axiological-teleological – the values and ultimate goals sought to be realised.

The state of the art may be grouped into three streams. First, studies of Islamic economic agency explain Homo Islamicus and show how Islamic values and religiosity shape entrepreneurial and socio-entrepreneurial intentions [2], [6], [7]. Second, *maqasid*-oriented scholarship examines production ethics, multidimensional welfare, and sustainable finance, moving evaluation beyond material utility [1], [8]-[10]. Third, institutional studies question the theoretical foundations of Islamic economics and assess whether Islamic banks realize *maqasid* and Islamic moral-economy outcomes in practice [5], [11], [12]. These streams have advanced the field, but they remain analytically fragmented: studies of motivation rarely connect actor-level moral orientation to the epistemology of Sharia law, while *maqasid* and performance studies often focus on sectoral outcomes without integrating the ontological conception of the economic agent. Consequently, there is still no sufficiently integrated philosophical account explaining how *tawhid*, *amanah*, and *khilafah* at the level of motivation are translated through *maqasid* into

falah, masalah, distributive justice, and institutional evaluation. This article addresses that gap by constructing a conceptual synthesis across these levels.

Against this backdrop, this article addresses two related questions: what philosophical foundations structure economic motivation in Sharia economics, and how should the objectives of Sharia economic law be translated into evaluative criteria for economic institutions? It argues that economic motivation in the Sharia system stems from the integration of tawhid (divine unity), amanah (trust/stewardship), khilafah (vicegerency), and justice, while the legal and institutional objectives are directed toward falah (success/well-being) and maslahah (public interest) through equitable distribution, protection of fundamental human interests, and social sustainability. The article therefore proposes a reorientation from a compliance-based paradigm toward maqasid-oriented outcomes, so that success is judged not merely by the formal legality of products but by the justice and public welfare they generate.

Conceptually, the five keywords in this article are positioned not merely as technical terms, but as an analytical map for interpreting the philosophy of Sharia economics. Falah is understood as a horizon of life success that integrates material sufficiency, moral integrity, spiritual tranquillity, and social responsibility. Maslahah is understood as a measure of benefit linked to human protection and the prevention of mafsadah (harm), and is thus not synonymous with value-neutral individual utility. Maqasid al-Shariah serves as the purposive framework explaining why economic norms are established, while distributive justice demonstrates how the values of falah and maslahah are translated into access to, circulation of, and the equitable distribution of economic benefits. In this way, Sharia economics is interpreted not merely as a system of halal transactions, but as a philosophy of economic action oriented toward the cultivation of civilized individuals, societies, and institutions [2], [3], [4], [9].

METHOD

Following Snyder's account of literature reviews as a research methodology [13], this article employs a qualitative integrative library review rather than a statistical or systematic meta-analysis. The primary analytical corpus comprises eleven peer-reviewed journal articles published between 2021 and 2025 and one scholarly monograph published in 2022. These sources, listed in references [1]-[12], were retained because they directly address at least one of the article's analytical domains: Homo Islamicus and economic agency; maqasid al-shariah and Islamic moral economy; value-based entrepreneurial behavior; multidimensional welfare and sustainable finance; or maqasid-oriented institutional performance. The recent peer-reviewed literature is complemented by Juhaya S. Pradja's Indonesian conceptual treatment of Sharia economics [4] to preserve both international and national theoretical context. Because the objective is conceptual integration rather

than effect-size estimation, the review prioritizes theoretical relevance, argumentative complementarity, and direct connection to the research problem.

The analysis proceeds in three stages. First, core propositions are extracted regarding the economic agent, the normative status of wealth and profit, the sources of legal legitimacy, the meaning of welfare, the principles of distribution, and the evaluation of institutional performance. Second, these propositions are organized into ontological, epistemological, and axiological-teleological dimensions in order to reveal the philosophical architecture underpinning Sharia economic law. Third, a normative-analytical synthesis examines the logical connections among these dimensions and assesses the institutional implications of shifting from formal compliance to maqasid-oriented outcomes. This staged procedure allows the article to move beyond descriptive summary and to formulate a coherent conceptual framework for evaluating the developmental direction of contemporary Islamic economics.

RESULTS AND DISCUSSION

A review of the literature indicates that the motivations and objectives of Sharia economics are inseparable. Motives define the orientation of the acting subject, whereas objectives delineate the normative horizon of the established laws and institutions. Within the philosophical framework of Islamic economic law, the two converge in the relationship between values, norms, and public interest (*maslahah*). Table 1 summarises the key conceptual map underpinning this article's analysis.

The article's philosophical framework is constructed through three analytical layers. First, the ontological layer elucidates the nature of human beings, wealth, and ownership within Sharia economics. Second, the epistemological layer explains the sources of knowledge and the legitimacy of economic norms—namely revelation (*wahyu*), *Sunnah*, *ijtihad*, and *maqasid*. Third, the axiological-teleological layer addresses the values and ultimate goals of economic action: *falah* (success/well-being), *maslahah* (public interest), and distributive justice. Through these three layers, Sharia economics extends beyond the mere legality of contracts to evaluate actors' motives, the methods of acquiring wealth, the direction of benefit distribution, and the social impact of economic institutions [2], [3], [4], [5].

Table 1. Philosophical Framework of the Motivation and Objectives of Islamic Economics

PHILOSOPHICAL DIMENSION	KEY CONCEPTS	LEGAL ORIENTATION	INSTITUTIONAL IMPLICATIONS
Ontological	Tawhid, amanah, khilafah	Human ownership is relative; economic freedom is limited by the prohibitions on zulm, usury, and gharar.	Business motivation is directed towards responsibility, not limitless accumulation.
Epistemological	Wahyu, sunnah, ijtihad, maqasid	Economic legality is determined by both the normative sources and the objectives of Sharia.	The evaluation does not stop at the form of the contract, but extends to the principles of justice and utility.
Axiological-teleological	Adl, maslahah, falah	Economic law is directed towards the protection of human beings and equitable distribution.	Institutional performance is measured through multidimensional well-being and public benefits.

Source: Author's synthesis based on [2], [3], [5], [9], [11], [12].

The Ontological Basis of Sharia Economic Motivation

At the ontological level, Sharia economics proceeds from the view that human beings are simultaneously 'abd (servants of God) and khalifah (stewards/vicegerents). This dual position fundamentally shapes the structure of economic motivation. As a servant, a human being lacks absolute autonomy over their wealth and economic actions; as a steward, they are mandated to manage resources productively and responsibly. Consequently, ownership in Islam is not absolute but relative and held in trust (amanah). Wealth may be owned, developed, and exchanged, yet it must not be treated as an instrument of domination that disregards the rights of God, the rights of others, and the social rights inherent within it [2], [4].

From this ontological premise arises a fundamental critique of the homo economicus assumption, which positions self-interest as the sole driver of economic action. Homo Islamicus does not reject the pursuit of profit but situates it within a broader moral horizon [2]. In other words, profit is legitimate, yet it is not an autonomous goal. Ideally, Muslim economic rationality does not stop at the question of what is most profitable but extends to what is most right and beneficial. Here, Islamic economic motivation emerges not as a deterrent to incentives, but as a discipline governing them.

The theoretical implications are significant for Sharia economic law. While the fundamental principles of muamalah (Islamic commercial transactions) allow ample scope for economic innovation, such permissiveness is not morally neutral. Prohibitions against riba (usury), gharar (uncertainty/ambiguity), fraud, ikhtikar (hoarding), and all forms of

exploitation that breed injustice constrain it. Thus, economic motivation in Islam integrates two elements: freedom of enterprise and ethical constraints. This combination demonstrates that Sharia economic law shapes an economic subject who is not merely effective but also responsible.

Empirical studies on entrepreneurial intentions also reinforce this thesis. Islamic values have been shown to influence students' entrepreneurial intentions through inspiration and entrepreneurial attitudes [6], while religiosity is linked to intentions to engage in social entrepreneurship among Muslim youth [7]. These findings are significant, as they demonstrate that Sharia-based economic motivation is directed not only toward generating private profit but also toward creating social value and fostering public responsibility.

The Epistemological Basis of the Objectives of Sharia Economic Law

If the ontological dimension elucidates the nature of the human being and the status of their wealth, the epistemological dimension explains the source of legitimacy for economic norms. In Sharia economic law, legitimacy derives not merely from market efficiency calculations but from revelation (wahyu), the Prophetic tradition (Sunnah), independent legal reasoning (ijtihad), and the interpretation of the objectives of Sharia (maqasid al-shariah). This distinguishes Islamic economic law from legal-formalist approaches that ask only whether a specific action meets procedural validity requirements. Within the Sharia framework, legality must be interpreted alongside normative objectives: whether the action upholds justice, prevents harm, and fosters public welfare (maslahah).

Thus, maqasid al-shariah serves as the ratio legis – the underlying legal rationale – connecting legal texts to their human-centric purposes. Herein lies the distinctive character of Sharia economic law philosophy. It is not merely deontological-recognising categories such as halal (permissible) and haram (forbidden), or obligatory and prohibited acts-but also virtue-oriented, demanding economic ethics such as honesty, trustworthiness, and the avoidance of oppression (zulm); furthermore, it is teleological, as all norms are ultimately directed toward falah (success/salvation) and maslahah (public welfare). This three-layered synthesis is crucial for distinguishing Sharia from legal formalism, which assesses only formal compliance [4], [5].

The importance of this epistemological perspective is evident in critiques regarding the "theory gap" within Islamic accounting, finance, and business management. Mukhlisin, Ismail, and Fikri highlight the disconnect between the legacy of normative Islamic theory and contemporary scientific and industrial practices [5]. In the context of this article, such criticism implies that Sharia economic law loses its philosophical potency if reduced to a mere collection of contractual procedures. Islamic economic norms must be continuously interpreted within an ijtihad framework that prioritises the substance of justice

rather than merely the legal structuring of transactional forms. From a legal-theory perspective, this stance affirms that the objectives of Sharia economics cannot be divorced from the body of normative Islamic knowledge.

Law does not merely permit or prohibit; it guides subjects toward a specific form of economic life. Consequently, any discussion regarding the objectives of Sharia economics is, in essence, a discussion concerning the ethical direction of Islamic economic law itself.

Axiological and Teleological Orientation: Falah, Maslahah, and Distributive Justice

At the axiological and teleological levels, the primary goal of the Sharia economy is *falah*. Philosophically, *falah* is not synonymous with the mere growth of wealth, profit, or consumption; rather, it signifies a successful life that integrates both worldly and Hereafter dimensions. It encompasses material sufficiency, the ethical acquisition of wealth, social responsibility, inner peace, and accountability before Allah. Consequently, *falah* provides the ultimate direction for economic behaviour: profit may be pursued, but not at the expense of justice, trustworthiness, and public benefit. From this perspective, the measure of success in the Sharia economy is not merely asset expansion or industrial growth, but the extent to which economic activities shape ethical individuals and a just society [3], [4], [9].

The operational objective of *falah* is realised through the concept of *maslahah*. *Maslahah* is not merely pragmatic benefit or individual satisfaction; it is a benefit evaluated within the framework of *maqasid al-shariah* (the objectives of Sharia) and the prevention of *mafsadah* (harm). This means that economic transactions, policies, and institutions must be assessed by their contribution to the protection of religion, life, intellect, lineage, property, dignity, and social sustainability. At this juncture, *maslahah* serves as a bridge between norms and policies. It transforms Sharia principles from abstract formulations into operational considerations for financing, production, consumption, and distribution. Thus, a product or institution cannot be deemed Sharia-compliant simply by adhering to the formal structure of a contract; it must demonstrate tangible benefits, mitigate harm, and enhance public welfare [1], [8], [10], [12].

Distributive justice in the Sharia economy is a practical consequence of *falah* and *maslahah*. This concept entails at least three meanings. First, wealth must not circulate solely among powerful groups or those with large capital, as the concentration of wealth runs counter to the spirit of social justice. Second, economic opportunities must be opened as widely as possible through access to financing, the protection of small-scale economic actors, the empowerment of productive sectors, and transparent governance. Third, Sharia economic instruments—such as *zakat*, *infaq*, *waqf*, partnership-based financing, and Islamic social finance—need to be understood as ethical mechanisms for

channelling benefits, rather than merely as administrative obligations. Thus, distributive justice is not simply a matter of redistribution after wealth has been accumulated; rather, it is a structural principle governing the modes of ownership, production, exchange, and the circulation of benefits from the very outset [4], [9], [10], [11].

Recent literature supports this multidimensional orientation. The development of a maqasid-based welfare index in Indonesia highlights the urgent need for welfare metrics that go beyond purely material considerations [9]. Meanwhile, research on Islamic sustainable finance demonstrates that the Islamic economy has the potential to contribute to sustainable development, risk mitigation, and socio-ecological responsibility [10]. These findings broaden the concept of *maslahah*: benefit is viewed not only in terms of interpersonal relationships but also in terms of environmental preservation and the sustainability of future generations.

Institutional Implications: From Compliance to Maqasid-Based Outcomes

Although the ontological, epistemological, and axiological foundations of Islamic economics are robust, institutional practices do not always reflect this broader horizon. Many Islamic institutions are still evaluated primarily based on the formal compliance of contracts, document conformity, or the legal-formal status of products. Yet, philosophically, the contract (*aqd*) is a means (*wasilah*), not an end (*ghayah*); it is an instrument for realising justice, utility, and human protection. Consequently, an Islamic economic institution may satisfy formal compliance requirements yet fail to achieve its philosophical objectives if its financing fails to expand access for vulnerable groups, stimulate productive sectors, or reduce social inequality.

This necessity is evident in a study assessing the performance of Islamic banks in Türkiye using the Maqasid al-Shariah Performance Index [11]. This approach demonstrates that Islamic institutions must be evaluated not merely on financial efficiency but also on their contributions to ethical, social, and human development dimensions. From a broader perspective, Avdukic and Asutay also highlight the importance of interpreting the impact of Islamic banking within the framework of an Islamic moral economy, rather than solely in terms of market expansion [12].

At an institutional level, shifting toward Maqasid-based outcomes necessitates more substantive indicators, specifically, the extent to which financing stimulates productive sectors, expands access for small, scale entities, reduces inequality, supports family resilience, strengthens financial literacy, and upholds socio-ecological sustainability. In the language of Islamic economic philosophy, this shift represents a transition from viewing the economy as a mere exchange mechanism to viewing it as a vehicle for *tazkiyah* (purification), *ta'awun* (cooperation), and the realisation of justice. Thus, institutional

performance is determined not only by profitability and contractual compliance but by contributions to *falah* (success/well-being) and *maslahah* (public interest) within concrete social life [3], [11], [12].

From the discussion, it can be concluded that the correct motivation and objective must be understood as a single theoretical package. Without an ethical motivational orientation, Sharia economics risks devolving into the mere "religiously-branded" pursuit of market interests. Conversely, without a clear standard for objectives, Islamic values can easily be reduced to mere symbols, labels, and administrative compliance. This is where the philosophy of Sharia economics becomes crucial: it interrogates the nature of the *homo economicus* (economic agent), the basis for the validity of economic norms, and the ultimate purpose of all *muamalah* (economic interaction) activities. The answers to these three questions steer Sharia economics toward *falah* (ultimate well-being) as its horizon, *maslahah* (public interest/welfare) as the measure of utility, and distributive justice as a verifiable institutional form.

CONCLUSION

This article asserts that economic motivation within the Sharia economic system is not predicated on a drive for limitless profit, but rather on the integration of *tawhid* (divine unity), *amanah* (trust), *khilafah* (stewardship), and justice. From the perspective of Sharia economic legal philosophy, human beings are not absolute owners of wealth but moral subjects entrusted with the mandate to manage resources responsibly. Consequently, *falah* (ultimate success/well-being), *maslahah* (public interest/welfare), *maqasid al-shariah* (objectives of Sharia), and distributive justice must be understood as interconnected key concepts: *falah* provides the ultimate goal, *maslahah* offers a measure of benefit, *maqasid* establishes the framework for legal objectives, and distributive justice provides the socio-institutional form for these values.

The article's key findings also indicate that the objectives of Sharia economics cannot be adequately defined solely by industrial growth or formal adherence to contracts. These objectives must be translated into multidimensional well-being, equitable distribution of benefits, protection of vulnerable groups, and stronger social responsibility. Thus, the article's contribution lies in affirming that Sharia economic philosophy should view the economy as a sphere for shaping individuals and society, rather than merely as an arena for the exchange of goods, services, and capital. A shift from mere compliance to *maqasid*-oriented outcomes is therefore essential if Sharia economics is to be legally valid as well as ethically, socially, and civilizationally meaningful. Future research should operationalize this framework into measurable indicators and test, across Islamic banks, social-finance institutions, and real-sector enterprises, whether formal Sharia compliance is associated with demonstrable gains in distributive justice, multidimensional welfare, and socio-ecological sustainability.

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