

Maqashid Syariah: The Main Pillar in Facing the Global Economic Crisis

Dina Khairunnisa, Syamratun Nurjannah, Ibnu Qoyyim

Faculty of Economics and Islamic Business Sharia Economics Study Program, IAIN Pontianak

*Corresponding email: dinakhairunnisa93@gmail.com

Abstract - The recurring global economic crises reveal structural weaknesses in the conventional economic system, which is largely based on secular and materialistic values. This study aims to explore the concept of Maqashid al-Shariah as an integrative and justice-oriented alternative in responding to global economic crises. Using a qualitative research method through library research, this study analyzes the five core principles of Maqashid al-Shariah (hifz al-dīn, al-nafs, al-'aql, al-nasl, and al-māl) and their relevance to macroeconomic policy formulation. The findings indicate that Maqashid al-Shariah is not only normative in nature but also practically applicable as an evaluative framework for fiscal policy, wealth distribution, social resilience, and sustainable development. This research proposes a conceptual model called the Maqashid-Global Economy Framework, which can serve as a guide for policymakers in building a more inclusive, ethical, and sustainable economic system. Therefore, Maqashid al-Shariah emerges as a key pillar in addressing global crises in a more human-centered and transformative manner.

Keywords: Maqashid al-Shariah, global economic crisis, economic policy, justice, Islamic economics.

I. INTRODUCTION

The global economic crisis is a major challenge that has repeatedly occurred throughout human history. In the last two decades, the world has experienced a series of major shocks, ranging from the 2008 global financial crisis, the COVID-19 pandemic, to geopolitical impacts such as the Russia-Ukraine conflict and economic tensions between major countries. According to a report by the International Monetary Fund (IMF, 2023), global economic growth slowed to 2.9% in 2022, while inflation rates surged in many countries, even reaching double digits in developing nations. Public debt pressures, rising unemployment rates, and widening wealth distribution gaps have further exacerbated the socio-economic conditions of global societies. In such a situation, conventional economic approaches based on the principles of liberalism, secularism, and materialism have shown many limitations. The primary focus on macroeconomic indicators such as Gross Domestic Product (GDP) and inflation often overlooks the moral, spiritual, and social justice aspects that are crucial in building long-term economic resilience. Therefore, an alternative, more holistic and equitable approach is needed to address the global economic crisis.

Islam, as a comprehensive way of life, has provided a framework of values and principles that can serve as a solution, one of which is through the concept of Maqashid Syariah. Maqashid Syariah are the primary objectives of Islamic law aimed at preserving and protecting five fundamental aspects of human life: religion (hifz al-dīn), life (hifz al-nafs), intellect (hifz al-'aql), lineage (hifz al-nasl), and wealth (hifz al-māl). In an economic context, these five aspects are highly relevant as foundational principles for formulating fair, sustainable, and welfare-oriented public policies for all segments of society. Previous studies have discussed the concept of Maqashid Syariah on a micro scale, such as its application in Islamic financial products, zakat, and insurance (Dusuki & Bouheraoua, 2011; Asutay, 2012). However, most of these studies only focus on the operational aspects of financial institutions and have not explored in depth the role of Maqashid Syariah as a pillar in dealing with systemic global economic crises. In fact, the integration of the Maqashid concept into the national and international macroeconomic policy framework is still very limited and tends to be normative.

This gap indicates a significant research gap, namely the lack of models or theoretical frameworks that use Maqashid Syariah as an evaluative basis for measuring policy responses to economic crises. In addition, there are still not many studies that develop quantitative and qualitative maqashid-based policy indicators to be used as decision-making tools at the national or international institutional levels. In this context, this research offers a novelty in the form of an integrative approach that systematically combines the principles of Maqashid Syariah with macroeconomic policy. This study not only offers theoretical analysis but also builds a conceptual model to assess the effectiveness of economic policies from a maqashid perspective. Another novelty lies in exploring the potential of Maqashid Syariah as a more equitable and sustainable alternative approach to addressing global crises compared to the conventional economic approach that has been dominant. Thus, this research aims to strengthen the discourse on Islamic economics in the global arena and provide a tangible contribution to policymakers in

formulating economic strategies that are in line with the spiritual, ethical, and universal humanitarian values contained in Maqashid Syariah.

II. METHODOLOGY

This study employs a qualitative approach using library research combined with conceptual and normative analysis. This approach was chosen because the primary focus of the research is to explore, analyze, and develop the concept of Maqashid Syariah as a foundation for formulating solutions to the global economic crisis, as well as to evaluate economic policy responses from a Maqashid perspective. The primary data sources used in this research include classical texts (*turāth*), contemporary literature in the field of Islamic economics, official documents from international institutions (such as the IMF, World Bank, and UNDP), as well as national and international scientific journals relevant to the topics of maqashid and economic crisis. The collected data were analyzed using content analysis to examine the substance of academic texts, as well as thematic analysis to identify key themes related to the principles of Maqashid Syariah in the framework of economic policy. In addition, the researcher also conducted a comparative analysis of conventional economic approaches and maqashid approaches to identify differences in paradigms and common ground that could be used as the basis for a new conceptual model. To strengthen the validity of the data, the researcher used source triangulation techniques, namely comparing data from various scientific references, international economic policy reports, as well as authentic Islamic fatwas and legal documents. This process aims to ensure that the conceptual framework developed is truly grounded in classical Islamic theory and contemporary reality. In the final stage, this research develops a conceptual model for evaluating economic crises based on Maqashid Syariah, intended as a scientific and practical contribution to the formulation of more equitable and sustainable global economic policies.

III. RESULT

This study found that the concept of Maqashid Syariah substantially offers a relevant ethical and strategic framework for responding to the challenges of the global economic crisis. From the results of literature analysis and secondary data, it was found that the five main principles of maqashid – namely *hifz al-dīn* (protection of religion), *hifz al-nafs* (soul), *hifz al-‘aql* (intellect), *hifz al-nasl* (progeny), and *hifz al-māl* (wealth)—have high applicability in assessing the effectiveness and morality of an economic policy. First, in the dimension of *hifz al-nafs*, this principle requires that economic policies be able to guarantee the survival of society, particularly in meeting basic needs such as food, health, and social security.

In economic crises, countries often fail to protect vulnerable groups, and the maqashid approach emphasizes the need for comprehensive protection of the welfare of society. Second, the principle of *hifz al-māl* is closely related to the management of public assets and the fair distribution of wealth. Studies show that countries with fiscal systems based on distributive justice values (such as productive waqf and national zakat) are more resilient to economic pressures. In this context, Maqashid Syariah encourages the restructuring of the economic system so that it does not accumulate in the hands of certain elites, and promotes sustainability and collective interests. Third, from the perspective of *hifz al-‘aql*, research has found that global crises are often triggered by speculative and irrational economic systems, such as derivative markets and interest-based systems (*riba*).

Maqashid emphasizes the importance of rationality and ethics-based economic education, so that economic decisions are not solely driven by short-term gains, but rather by a long-term and equitable vision. Fourth, *hifz al-dīn* in the context of economic crises emphasizes the importance of maintaining spiritual values in policy-making. The results of the study show that in times of crisis, communities with strong religious values are better able to survive psychologically and socially. Therefore, policies that ignore moral and spiritual aspects tend to only solve problems technically, not systemically. Fifth, *hifz al-nasl* relates to generational sustainability.

In this context, maqashid encourages economic development that is not exploitative and takes into account the rights of future generations, including in environmental management, education, and social resilience. From the results of data processing and literature mapping, the researchers successfully developed a conceptual model for evaluating economic crises based on Maqashid Syariah, consisting of five main indicators and a number of implementable sub-indicators. This model can be used by policymakers to evaluate crisis responses and formulate economic recovery strategies that are not only technically efficient but also morally and socially just. The study also shows that Muslim countries that have integrated some Maqashid principles into their fiscal and social policies, such as Malaysia and Indonesia, have relatively better economic resilience in facing external shocks, although their implementation remains partial and incomplete.

IV. DISCUSSION

Research shows that the principles of Maqashid Syariah have strong relevance and potential to be integrated into macroeconomic policy, especially in times of global crisis. The five main dimensions of

maqashid—*hifz al-dīn*, *hifz al-nafs*, *hifz al-‘aql*, *hifz al-nasl*, and *hifz al-māl*—are not only normative in nature but also have practical applicability that can address structural problems in the global economic system, which has long been dominated by secular and materialistic paradigms. First, *hifz al-nafs* directs economic policies to prioritize the protection of human life and well-being. In the context of a pandemic or high inflation, maqashid-based policies will prioritize the availability of health services, fair social assistance, and the strengthening of social security. Countries that ignore this aspect have proven to fail in maintaining social stability, as seen in the increase in poverty and hunger rates during the COVID-19 crisis.

Second, *hifz al-māl* offers a framework for fair distribution and management of wealth. The zakat system, productive endowments, and the prohibition of usury in Islamic economics are not merely forms of worship but also tools for wealth distribution that can reduce inequality and enhance economic circulation. In a global crisis, this approach challenges the capitalist system, which concentrates assets in the hands of a small elite and encourages the exploitation of resources without considering social and ecological sustainability. Third, *hifz al-‘aql* emphasizes the importance of rationality and intellectuality in economic policy-making. Many liberal economic policies rely on assumptions that are not always realistic and instead increase the risk of crisis (such as the use of derivative instruments and speculative debt). Maqashid demands common sense and ethics-based scholarship in formulating economic systems, including through public education and fair market regulation.

Fourth, *hifz al-dīn* positions religious values as the moral foundation of economic structures. In many cases, the loss of spirituality in the global economic system has led to the emergence of opportunistic, unempathetic policies that often do not favor vulnerable groups. In a maqashid-based economy, spirituality is not merely understood as ritual, but as a guiding principle in managing resources and determining the direction of development. Fifth, *hifz al-nasl* promotes long-term development and intergenerational sustainability. In the context of global crises, this principle is relevant for rejecting excessive exploitation of nature, national debt that burdens future generations, and inequalities in access to education and public facilities.

Maqashid explicitly emphasizes intergenerational justice, which has been neglected in modern economic systems. Furthermore, this study also shows that Maqashid Syariah can be an alternative evaluation tool for global economic policies. Until now, many policies have been evaluated solely based on technical indicators such as inflation and GDP. However, with the Maqashid framework, dimensions such as humanity, justice, and sustainability can be measured more comprehensively in a multidimensional manner. By developing a conceptual model as presented earlier, economic policies can be evaluated systematically and holistically from the Maqashid perspective. This discussion also shows that the implementation of Maqashid Syariah is not utopian, but realistic and measurable if developed with a multidisciplinary approach that encompasses economics, Islamic law, public policy, and ethics. This opens up opportunities for Muslim-majority countries to offer an alternative economic model that is not only consistent with Islamic values but also relevant in addressing increasingly complex global challenges.

The application of Maqashid Syariah principles in various Islamic countries and countries with Muslim-majority populations has demonstrated a tangible contribution to maintaining economic stability and resilience, especially during global crises. In Indonesia, for example, the strengthening of the zakat system by the National Zakat Agency (BAZNAS) is concrete evidence of how *hifz al-māl* (preserving wealth) is implemented. During the COVID-19 pandemic, BAZNAS actively distributed aid to affected communities in the form of basic necessities, business capital assistance, and health services. These programs have proven effective in mitigating the economic crisis's impact on the most vulnerable segments of society, demonstrating that Sharia instruments have the power to strengthen social protection systems.

Additionally, the role of waqf, particularly cash waqf, has been growing in Malaysia and Indonesia. Waqf funds have been utilized for the construction of public facilities such as hospitals, schools, and skill training centers, reflecting the principles of *hifz al-nafs* (preserving life) and *hifz al-‘aql* (preserving intellect). For example, in Malaysia, educational and health waqf projects are carried out through collaboration between the State Islamic Religious Council and the private sector to provide free or affordable basic services to the poor.

Sharia microfinance institutions such as Baitul Maal wat Tamwil (BMT) in Indonesia are also clear evidence of how Islamic economics empowers the lower classes in an inclusive and sustainable manner. BMT not only provides interest-free financing to MSMEs but also includes spiritual guidance and business management. This practice reflects the comprehensive implementation of Maqashid Syariah: safeguarding wealth, safeguarding reason, safeguarding religion, and safeguarding the soul simultaneously. By not relying on the interest-based system (riba) and avoiding speculative elements, BMT creates a healthy and solidarity-based financial ecosystem.

At the macro level, the response of Islamic finance to the 2008 global financial crisis also proved that the Maqashid-based system is more stable. Islamic banks that avoid speculative derivative transactions, which are fraught with *gharar* and *maysir*, tend to be more resilient to market shocks than conventional banks. This is evidenced by various international studies that note that Islamic bank assets continued to grow positively at a time when conventional financial institutions were under significant pressure.

Furthermore, Indonesia has been a pioneer in the issuance of green sukuk, which are Islamic bonds for financing sustainable and environmentally friendly projects. This initiative expands the scope of Maqashid

Syariah into the aspect of environmental conservation (*hifz al-bi'ah*), affirming that Islamic principles are also capable of addressing modern global challenges such as climate change. Funds from green sukuk are used for clean energy development projects, disaster mitigation, and forest protection, demonstrating that Maqashid Syariah is dynamic and solution-oriented.

Finally, various Islamic boarding schools and educational institutions have also integrated Maqashid principles into community-based economic development. For example, some Islamic boarding schools in Java and Sumatra have established Sharia cooperatives, halal agribusiness units, and economic empowerment training programs. Through this approach, they not only uphold *hifz al-dīn* (religion) and *hifz al-‘aql* (reason), but also create local economic resilience deeply rooted in Islamic values. Thus, it can be concluded that Maqashid Syariah is not merely a moral framework or normative goal, but has already become and can continue to be a main pillar in addressing and overcoming the global economic crisis in a concrete, holistic, and sustainable manner.

V. CONCLUSION

This study concludes that Maqashid Syariah has great potential as a conceptual and practical framework for responding to the global economic crisis in a more just, humane, and sustainable manner. The five main principles of Maqashid—*hifz al-dīn* (religion), *hifz al-nafs* (soul), *hifz al-‘aql* (intellect), *hifz al-nasl* (progeny), and *hifz al-māl* (wealth)—can be used as evaluative pillars in formulating national and global economic policies that not only emphasize growth but also ensure the holistic well-being of humanity. This study also emphasizes that the conventional economic approach, dominated by secular and materialistic values, has proven insufficiently robust in addressing multidimensional crises, such as the COVID-19 pandemic, the global debt crisis, and geopolitical conflicts. In contrast, the Maqashid approach offers an integration of spiritual, social, and economic values capable of addressing structural and long-term challenges. Additionally, this research successfully developed a conceptual model of Maqashid-Global Economy that can serve as a foundation for evaluating the effectiveness and morality of economic policies, both at the national and international levels. This model is practical and can be further developed into a tool for policymakers, academics, and practitioners of Islamic economics. Thus, this research contributes scientifically to expanding the role of Maqashid Syariah not only as a theological principle but also as a strategic tool in inclusive and transformative global economic development. The integration of maqashid in public policy is not only an ethical requirement for Muslim countries but also a global offer for a more just and humane alternative economic paradigm.

REFERENCES

- 1) Auda, J. (2008). *Maqasid al-Shariah as Philosophy of Islamic Law: A Systems Approach*. London: IIIT.
- 2) Chapra, M. U. (2000). *The Future of Economics: An Islamic Perspective*. Leicester: The Islamic Foundation.
- 3) Dusuki, A. W., & Bouheraoua, S. (2011). The Framework of Maqasid al-Shari'ah (Objectives of the Shari'ah) and Its Implications for Islamic Finance. *ISRA Research Paper*, No. 22.
- 4) Kamali, M. H. (2008). *Shari'ah Law: An Introduction*. Oxford: Oneworld Publications.
- 5) Haneef, M. A. (2011). *Islamic Economics: Principles and Analysis*. Kuala Lumpur: IIUM Press.
- 6) Al-Qaradawi, Y. (1995). *Daur al-Qiyam wa al-Akhlaq fi al-Iqtishad al-Islami*. Cairo: Maktabah Wahbah.
- 7) Chapra, M. U. (2008). *The Islamic Vision of Development in the Light of Maqasid al-Shari'ah*. London: IIIT.
- 8) Laldin, M. A. (2006). *Introduction to Shariah and Islamic Jurisprudence*. Kuala Lumpur: CERT Publications.
- 9) Ismail, A. G. (2010). *Money, Islamic Banks and the Real Economy*. Singapore: Cengage Learning Asia.
- 10) Rosly, S. A. (2005). *Critical Issues on Islamic Banking and Financial Markets*. Kuala Lumpur: Dinamas Publishing.
- 11) Ahmed, H. (2011). *Product Development in Islamic Banks*. Edinburgh: Edinburgh University Press.
- 12) Obaidullah, M. (2005). *Islamic Financial Services*. Jeddah: Islamic Research and Training Institute (IRTI).
- 13) Asutay, M. (2012). Conceptualising and Locating the Social Failure of Islamic Finance: Aspirations of Islamic Moral Economy vs. the Realities of Islamic Finance. *Asian and African Area Studies*, 11(2), 93–113.
- 14) Auda, J. (2015). *Reclaiming the Maqasid al-Shariah in the Context of the Modern Muslim World*. London: IIIT.
- 15) Rahman, F. (1982). *Islam and Modernity: Transformation of an Intellectual Tradition*. Chicago: University of Chicago Press.
- 16) Hasan, Z. (2009). Islamic Finance: Stability, Resilience and Inclusive Growth. *Journal of Islamic Banking and Finance*, 26(4), 45–56.
- 17) Attia, G. R. D. (2007). *Towards Realization of the Higher Intents of Islamic Law: Maqasid al-Shari'ah*. London: IIIT.
- 18) Ibrahim, A. (2020). Maqasid al-Shariah: A Sustainable Framework for Economic Policy. *International Journal of Islamic Economics and Finance Studies*, 6(2), 123–140.

- 19) Kahf, M. (2003). Islamic Economics: What Went Wrong? *Review of Islamic Economics*, 13(1), 5–19.
- 20) Ismail, A. G., & Zainal, M. (2017). Maqasid al-Shariah-based Performance Measurement for Islamic Banks. *Islamic Economic Studies*, 25(SI), 83–113.
- 21) Ahmed, H., & Khan, T. (2007). *Risk Management in Islamic Financial Services*. Jeddah: IRTI.
- 22) Doi, A. R. I. (2007). *Shari'ah: The Islamic Law*. London: Ta Ha Publishers.
- 23) Mudzhar, M. A. (1993). *Fatwas of the Council of Indonesian Ulama: A Study of Islamic Legal Thought in Indonesia*. Jakarta: INIS.
- 24) Malkawi, B. H. (2014). Shari'ah Standards and Islamic Finance: An Examination of the IFRS and AAOIFI Frameworks. *Arab Law Quarterly*, 28(3), 255–285.
- 25) Zahrah, A. (1958). *Usul al-Fiqh*. Cairo: Dar al-Fikr al-Arabi.
- 26) Al-Shatibi, I. (2005). *Al-Muwafaqat fi Usul al-Shari 'ah* (vol. 1–2). Beirut: Dar al-Ma'rifah.
- 27) Smolo, E., & Mirakhor, A. (2010). The Global Financial Crisis and Its Implications for the Islamic Financial Industry. *International Journal of Islamic and Middle Eastern Finance and Management*, 3(4), 372–385.
- 28) Shaukat, H., & Ud-Din, M. N. (2021). Resilience of Islamic Finance to Economic Crisis: A Maqasid Analysis. *Journal of Islamic Business and Management*, 11(1), 100–115.
- 29) Saeed, A. (1996). *Islamic Banking and Interest: A Study of the Prohibition of Riba and Its Contemporary Interpretation*. Leiden: Brill.
- 30) Wilson, R. (2006). Islam and Business. In A. Thomas (Ed.), *Religion and Business* (pp. 73–85). London: Palgrave Macmillan.