

GREEN AND INCLUSIVE DEVELOPMENT TRANSFORMATION IN ISLAMIC ECONOMIC PERSPECTIVE

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Abstract: Green and inclusive development is a response to global challenges in the form of environmental crises and social inequality. This study aims to examine the integration of Islamic values in the concept of sustainable development. The method used is a qualitative approach with a literature study. The results of the study indicate that the principle of maqashid sharia can be a framework for green and inclusive development. Islamic economic instruments such as zakat and waqf have great potential in wealth redistribution and community empowerment. The conclusion of this study shows that Islamic economics can be an alternative development paradigm that is not only socially just, but also environmentally friendly.

Keywords: *Islamic Economics, Inclusiveness, Sustainability of Sharia Values, Green Development*

A. INTRODUCTION

Global development today is faced with complex interrelated challenges, such as environmental crises, economic inequality, and social marginalization. The conventional development model that is oriented solely towards economic growth is considered to have failed to create a balance between economic interests, environmental conservation, and social justice. This approach often ignores the moral and spiritual dimensions that should be the basis of every development policy. In this context, green and inclusive development is present as an alternative paradigm that emphasizes the importance of ecological sustainability and equal access and benefits of development for all levels of society (Daulay et., al, 2019) .

However, the implementation of green and inclusive development still faces various obstacles, especially in integrating ethical and spiritual values into the public policy framework. This is where Islamic economics has important relevance as an approach that not only emphasizes the material aspect, but also instills the principles of balance, justice, and social responsibility. Therefore, this study focuses on how Islamic economics, through the principles of maqashid

sharia and social financial instruments such as zakat and waqf, can make a real contribution to the transformation of sustainable and inclusive development (Fuadi et al., 2021) .

Several previous studies have discussed the relationship between Islamic values and the concept of sustainable development. Asutay in his study entitled *Islamic Moral Economy: A Development Approach*, emphasized that Islamic economics is rooted in maqashid sharia which directs development not only towards increasing material welfare, but also towards moral and social integrity. through the work *The Islamic Vision of Development in the Light of Maqasid al-Shari'ah*, states that ideal development is development that balances individual and social welfare and pays attention to the spiritual dimension (Astuti, 2022) .

Maslahah, and Corporate Social Responsibility, emphasizes that the concept of maslahah and maqashid can be a strong foundation in implementing social responsibility and sustainable development based on Islam. These three studies emphasize that Islamic economics has a strong normative foundation in supporting fair and sustainable development. This study aims to explore more deeply how the Islamic economic perspective can support the transformation of green and inclusive development in the contemporary era. With a normative-critical literature approach, this study is expected to provide theoretical and practical contributions in the development of a holistic development model (Nisa, 2024) .

Practically, the results of this study can be used by policy makers as a basis for designing equitable and sustainable development strategies. In addition, this study can also be a reference for academics and practitioners of Islamic economics in expanding the scope of environmental and social development studies based on sharia values.

B. METHOD

This study uses a qualitative paradigm with a normative-critical literature review approach. Data were obtained from primary and secondary literature in the form of books, scientific journals, documents from international institutions (such as UNDP and the Islamic Development Bank), and classical and contemporary Islamic sources. The study was conducted during May–June 2025. Data sources consisted of Islamic references (Qur'an, Hadith, maqashid al-syariah), academic publications, and green and inclusive development policy documents (Bado, 2021) .

The source of research funding comes from the author's independent financing as part of the lecturer's community service activities. The research stages start from literature exploration, thematic categorization of Islamic development values, to interpretive analysis to construct the integration of green

and inclusive development concepts within the framework of Islamic economics. The analysis technique uses content analysis and an inductive-thematic approach.

C. RESULTS AND DISCUSSION

Green and Inclusive Development Transformation in Islamic Economic Perspective

The dominant modern development currently tends to be oriented towards increasing Gross Domestic Product (GDP), investment, and expansion of the industrial sector, without considering ecological damage and its impact on the distribution of social welfare. As a result, there is widening social inequality, increasing environmental pollution, and a widespread moral crisis. In the neoclassical economic framework, efficiency and profit are the main focus, while the dimensions of ethics, spirituality, and social responsibility are marginalized. In response to these various development paradoxes, Islam offers an alternative approach through a holistic and sustainable value framework (Masrizal et al., 2019).

Islam views development as an integral process that is not only aimed at increasing material prosperity, but also at spiritual, social, and ecological welfare. In the Qur'an, humans are positioned as caliphs (QS. Al-Baqarah: 30) with the responsibility to maintain the balance and sustainability of the earth (*isti'mar* and *hifzh al-bi'ah*). Therefore, every development activity must be within the corridor of justice (*'adl*), balance (*tawazun*), and compassion (*rahmah*). Development that causes environmental damage and social inequality is contrary to the basic principles of sharia (Hartati et al., 2024).

Islamic Critique of the Conventional Development Model

Conventional development concepts rooted in the capitalist paradigm often fail to create justice and sustainability. As stated by Chapra, development that does not pay attention to the spiritual dimension tends to result in inequality and exploitation. Approaches that only emphasize quantitative aspects such as economic growth, investment, and industrialization are unable to address the root of structural problems in society. Islam, in this case, not only criticizes but also offers an alternative paradigm that prioritizes transcendental and social values in development (Maulana et al., 2023).

The principles of sustainability in Islam include environmental preservation and protection of the rights of future generations. Islam rejects excessive exploitation of natural resources and recommends fair and balanced utilization. In a social context, Islam opposes unproductive accumulation of wealth and encourages fair distribution of resources through the mechanisms of

zakat, infaq, and waqf. Therefore, true development in Islam must be holistic, encompassing spiritual, social, and ecological dimensions simultaneously (Yeni Puspita et., al, 2023) .

Basic Principles of Green and Inclusive Development in Islam

Islam teaches the concept of *tawazun* (balance), *'adl* (justice), and *rahmah* (compassion) as the basis of every form of development. In the context of green development, Islam emphasizes environmental preservation, efficient use of resources, and respect for Allah's creation. In the principles of *tauhid* and *amanah*, which require humans to protect the earth as a form of worship and collective responsibility (Nofrianto et al., 2021) .

Meanwhile, inclusive development in the Islamic perspective aims to ensure the participation and empowerment of all levels of society, especially marginalized groups. The principles of *ta'awun* (mutual assistance) and *ikhtilaf* (recognition of differences) are the foundation for building a just and equal social system. Thus, inclusive development is not only seen from the involvement of society in the process, but also from the results that are able to guarantee shared welfare and reduce social inequality.

Maqashid Syariah as a Framework for Sustainable Development

Maqashid sharia as the core of Islamic legal philosophy, can be used as a normative framework in green and inclusive development. The five main objectives of maqashid sharia include protection of religion (*hifzh ad-din*), soul (*hifzh an-nafs*), reason (*hifzh al-'aql*), descendants (*hifzh an-nasl*), and property (*hifzh al-mal*). Each of these aspects has direct implications for sustainable development (Chapra, 2000) .

Hifzh al-nafs demands the creation of a healthy and habitable environment, free from pollution and ecological threats. *Hifzh al-mal* encourages an economic system that ensures a fair distribution of wealth and prevents accumulation by a handful of elites. *Hifzh ad-din* and *hifzh al-'aql* direct development towards improving the quality of education and strengthening moral-spiritual values. *Hifzh an-nasl* supports policies that protect the family, children, and the sustainability of future generations (yusuf qardawi, 2001) .

The conceptualization of maqashid sharia in public policy can be realized through various sharia economic instruments such as zakat, waqf, and sharia microfinance. All three have great potential to build a just and participatory economy. Maqashid can also be a reference in environmental policy making, sharia-based city planning, and the development of Islamic ecological education.

The Role of Zakat, Waqf, and Islamic Social Finance

In the framework of Islamic development, zakat, waqf, and social finance have a central role as instruments of distribution and empowerment. Zakat, as a pillar of Islam, has very broad economic implications. Not only as worship, but also as a mechanism for redistributing wealth that can reduce poverty and inequality.

Zakat can be used to finance environmental-based development programs, such as organic farming, renewable energy, and community-based waste management. Waqf, especially productive waqf, can be used to build environmentally friendly and sustainable educational facilities, hospitals, or housing. Islamic microfinance, which is run through institutions such as Baitul Maal wat Tamwil (BMT), can be a means of economic empowerment for marginalized groups through productive businesses based on sharia values (Hafidz et al., 2024).

These instruments are not only charitable but also transformative, as they are able to build a more just and participatory social structure. Islamic social finance can bridge the gap between economic growth and social justice, and strengthen the foundations of development based on solidarity and collective responsibility.

Implementation Model of Green and Inclusive Development Based on Islamic Economics

Based on these principles, a green and inclusive development model in the perspective of Islamic economics can be built through an integrative approach that includes dimensions of values, institutions, policies, and participation. The basic values of development include monotheism, caliphate, trust, and *maslahah* which are the philosophical framework in every development process (Ryas et al., 2024).

From the institutional side, synergy is needed between Islamic financial institutions, zakat institutions, waqf, and BMT in supporting green development programs. Islamic educational institutions such as Islamic boarding schools and universities also have an important role in shaping the ecological and social awareness of the community (Rohaini et al., 2024).

In terms of policy, the state needs to formulate development regulations based on *maqashid sharia*, provide fiscal incentives for sharia-based green business actors, and strengthen supervision of economic practices that damage the environment. The participatory approach involves Islamic mass organizations, local communities, and religious leaders in development planning and implementation to suit the socio-cultural context of the community (Hartati et al., 2024).

This model is expected to be able to produce development that not only pursues growth, but also justice, balance, and environmental sustainability. This kind of development transformation is in line with the ideals of Islam as *rahmatan lil 'alamin*, which brings blessings to the entire universe, including humans, the environment, and all living things in it.

This study offers a new approach in integrating Islamic economic principles into a green and inclusive development model, which has so far been dominated by conventional capitalist-based economic narratives. The main novelty lies in the reconstruction of the sustainable development paradigm that does not only rely on economic growth and resource efficiency, but also places spiritual, social, and ecological values as the normative foundation of development.

Substantively, this study introduces the *maqashid sharia framework* as a philosophical and practical approach in assessing the sustainability of a development. This is a significant theoretical contribution because it shifts the discourse of development from mere materialistic considerations to an integral approach. This approach prioritizes the protection of five main aspects of human life, namely religion, soul, mind, descendants, and property, all of which are closely related in the context of environmental sustainability and social justice.

Furthermore, this study also strengthens the position of zakat, waqf, and Islamic social finance not only as philanthropic instruments, but as tools for structural transformation in green and inclusive development. The use of these instruments to finance environmentally oriented projects such as organic farming, renewable energy, and ecological education shows a new approach to resource governance based on Islamic values.

From the institutional side, this study proposes the idea of integration between Islamic financial institutions, zakat-waqf institutions, and Islamic educational institutions to create synergy in the implementation of development oriented towards ecological justice and empowerment of marginalized communities. This presents a new collaborative model that has not been widely explored in contemporary Islamic development literature.

In terms of policy, this study proposes the application of *maqashid sharia-based regulations* as a framework for formulating public policies that favor the environment and vulnerable groups. This idea offers a new dimension in the design of holistic, fair, and long-term-oriented policies, far beyond the sectoral approach that has so far been the main characteristic of conventional development.

Finally, the novelty of this study is also reflected in the participatory approach involving socio-religious elements such as Islamic mass organizations, local communities, and religious figures as important actors in the implementation of development. This approach corrects the dominance of

technocratic elites in development planning and opens up a space for inclusivity based on local wisdom and Islamic values.

Thus, the novelty of this study lies in the multidimensional integration of values, institutions, economic instruments, and policies that are all rooted in Islamic epistemology. The green and inclusive development model in the perspective of Islamic economics is offered not only as a correction to the failure of the conventional development model, but also as a systemic alternative that is able to bring development towards justice, sustainability, and comprehensive welfare. This approach is in line with the vision of Islam as *rahmatan lil 'alamin*, namely being a blessing for the entire universe, including humans and their environment.

D. CONCLUSION

Green and inclusive development is a response to the multidimensional challenges facing global society, including environmental crises and social inequality. The Islamic economic perspective offers a powerful conceptual and practical alternative through spiritual, ethical and social values.

The principles of *maqashid sharia* are the foundation of development that not only pursues economic growth, but also pays attention to justice, sustainability, and the welfare of the people. Through the use of social financial instruments such as *zakat*, *waqf*, and *sharia microfinance*, Islamic economics can play a strategic role in the transformation towards environmentally friendly development and empower vulnerable groups.

E. Implications

The study of green and inclusive development transformation in the perspective of Islamic economics has a number of important implications, both theoretically and practically. These implications reflect how Islamic ideas can be used as a strategic basis in developing alternative sustainable and equitable development models.

Theoretically, the results of this study broaden the horizon of Islamic economic epistemology by emphasizing that *sharia* values are not only relevant in financial and business arrangements, but also have a major contribution in forming a more humane and long-term-oriented development paradigm. The concept of *maqashid sharia*, which includes protection of religion, soul, mind, descendants, and property, provides a comprehensive framework for analyzing and designing development that does not damage the environment, does not cause inequality, and maintains social and spiritual harmony.

Another implication is the strengthening of the role of Islamic social finance in the national and global development agenda. Instruments such as *zakat*, *waqf*,

and Islamic microfinance are no longer positioned as philanthropic mechanisms, but as economic pillars capable of encouraging wealth redistribution, strengthening local communities, and financing projects that support sustainable development goals. This indicates that Islamic economics has strong institutional potential to support green and inclusive development through an ethical, participatory, and value-based approach.

In the practical realm, the implication of this study is the need for a reorientation of public policy to be in line with sharia principles in the environmental, social, and economic fields. The government can use Islamic economics as a normative reference in formulating development regulations that prioritize sustainability and social justice. In addition, Islamic educational institutions are expected to be an important locus in shaping the ecological awareness of the community through an integrative and value-based curriculum.

Another equally important implication for the global Muslim community is that green and inclusive development is not a foreign concept originating from outside the Islamic tradition, but rather is in line with Islamic teachings on the common good, responsibility for creation, and the realization of social justice. Therefore, Muslims need to view sustainable development as part of a religious mandate that must be realized in real life, whether through policy, economics, or education.

Thus, this study contributes to strengthening the discourse and practice of development based on Islamic ethics, and encourages the active role of Islamic economics in responding to global challenges related to environmental crises, social inequality, and value fragmentation in the development process.

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