

Comparison of Practices and Methodological Approaches in Sharia and Conventional Economic Law

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ABSTRACT

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This study presents a comparative analysis of Islamic economic law and conventional economic law, focusing on their methodologies, practices, and theoretical foundations. While both systems aim to achieve economic and social welfare, they adopt different approaches: Islamic economic law, grounded in Shariah principles, emphasizes fairness, equity, and ethical practices such as profit-sharing and risk-sharing, while conventional economic law primarily focuses on market efficiency, profit maximization, and minimal government intervention. Through a qualitative approach involving literature review and case studies, the research explores the differences and similarities in their financial practices, such as interest-based transactions in conventional law versus Shariah-compliant financing mechanisms in Islamic law. The study suggests potential integration opportunities between the two systems, particularly in addressing global challenges like financial inclusion, wealth distribution, and economic stability. By highlighting these areas, the research offers valuable insights for policymakers and financial practitioners to develop more inclusive and equitable financial frameworks.

INTRODUCTION

In recent decades, the world has witnessed significant shifts in the fields of economics and law. Islamic economics, grounded in Islamic principles, has rapidly developed and become an integral part of the global economic system (Randeree, 2020). On the other hand, conventional economics, which generally follows principles of free markets and neoliberalism, still dominates many aspects of the global economy (Bockman, 2015). Although there are notable differences between Islamic and conventional economic law, particularly in their philosophical and theological aspects, both share a common goal of achieving economic and social welfare. The methodologies and practices they employ to achieve these goals often vary greatly, making it essential to understand these differences and similarities to gain a comprehensive view of today's global economy (Pradana, 2023).

This study aims to provide a comparative analysis of Islamic economic law and conventional economic law, focusing on their methodologies and practices. The study is based on a review of literature and previous research, seeking to offer a thorough and objective overview of both legal systems. Methodologies in Islamic economic law are rooted in the interpretation of religious texts and the adaptation of these principles to relevant social and economic contexts (Shirazi et al., 2023), while methodologies in conventional economic law are often based on economic theory and empirical analysis (Alschner et al., 2017).

Practices within Islamic and conventional economic law also exhibit significant differences and similarities. Islamic economic law emphasizes practices such as profit-sharing financing and the prohibition of interest (Irfany et al., 2023; Syakirin et al., 2023). In contrast,

conventional economic law commonly involves practices like interest systems and derivative products (Chiu, 2016). Comparative studies of Islamic and conventional economic law have been limited, and this research seeks to fill this gap in the literature. By conducting a comparative analysis, this study aims to provide a deeper understanding of how these two legal systems interact in a global context.

This research holds potential practical and theoretical benefits. Practically, the findings could offer insights for policymakers, regulators, and economic practitioners on how to leverage the strengths and address the weaknesses of each legal system. Theoretically, it could contribute to the literature on Islamic and conventional economic law and stimulate further research in this area. While there has been research on Islamic and conventional economic law separately, few studies have directly compared the two systems. Most research focuses on specific aspects, such as banking or financial products, and tends to overlook the overall methodologies and practices of both legal systems.

This study provides a novel and comprehensive approach to understanding Islamic and conventional economic law. By exploring both systems from the perspectives of methodology and practice, it aims to offer new insights and deepen our understanding of how economics and law interact in a global context. The innovation of this research also lies in its analytical approach. Unlike many previous studies that tend to be normative, this research employs a more descriptive and analytical approach. The goal is to provide an objective and factual representation of both legal systems rather than assessing which is "better" or "fairer."

Additionally, this study sheds light on how Islamic and conventional economic law can learn from one another. Despite their many differences, the research suggests that there is potential for dialogue and exchange between the two systems, which could contribute to the development of more inclusive and sustainable economic solutions. Through a thorough comparative analysis, this study seeks to highlight the differences and similarities between Islamic and conventional economic law and how this understanding can aid in designing more effective and equitable economic and legal policies.

Furthermore, this research aims to expand the scope of the existing literature by incorporating various aspects of economic law, both Islamic and conventional, including regulations, financial instruments, and economic practices. By doing so, it attempts to go beyond sectoral boundaries and focus on a broader picture of how these two legal systems operate in similar and different contexts. The study also explores how Islamic and conventional economic law can adapt and evolve in response to new challenges, such as economic digitalization and climate change. Through this approach, the research provides valuable insights into how both legal systems can contribute to achieving sustainable development goals and building a more resilient economy amidst change and uncertainty.

In recent decades, the fields of economics and law have undergone significant transformations, particularly with the rise of Islamic economic systems alongside conventional ones. Islamic economics, based on Islamic principles, has grown rapidly, becoming a key player in the global economic system (Randeree, 2020), while conventional economics, grounded in free-market principles and neoliberalism, continues to dominate global economies (Bockman, 2015). Both systems aim to achieve economic and social welfare, but they often

employ vastly different methodologies and practices. Islamic economic law relies on religious texts and their adaptation to socio-economic contexts (Pradana, 2023), while conventional economic law draws from economic theory and empirical analysis (Alschner et al., 2017). Despite their differences, both systems share common goals, highlighting the need to understand their interplay in the global context.

This study aims to provide a comparative analysis of Islamic economic law and conventional economic law, focusing on their methodologies and practices. Although previous research has explored each system separately, direct comparative studies remain limited. This research fills that gap, offering a deeper understanding of how these two legal systems interact and complement one another, particularly in the context of globalization and economic liberalization. By comparing methodologies, such as Islamic law's focus on justice and transparency and conventional law's emphasis on efficiency, as well as practices like profit-sharing versus interest systems (Chiu, 2016; Irfany et al., 2023), the study contributes to both theoretical and practical knowledge, stimulating further dialogue and fostering a more inclusive approach to economic law.

This research highlights how Islamic and conventional economic law can learn from each other, offering new insights into how they could evolve in response to emerging global challenges like economic digitalization and climate change. By incorporating a comprehensive analysis of various aspects of both legal systems, the study aims to bridge sectoral boundaries, helping policymakers and economic practitioners design more effective, equitable, and sustainable economic policies in an increasingly interconnected world.

METHOD

This study employs a qualitative and comparative approach to analyze the differences and similarities between Islamic economic law and conventional economic law, with a focus on their methodologies and practices (Sugiyono, 2020). This approach allows for an in-depth exploration of how each legal system operates and interacts within the global context.

The research aims to provide a comparative analysis of Islamic economic law and conventional economic law, highlighting their methodologies and practices. It seeks to identify differences and similarities in the application of fundamental principles within both legal systems and to offer insights into how these systems interact globally. This study also aims to fill existing gaps in the literature regarding comparative studies of these two legal frameworks.

Data collection for this research involves several methods. Literature review includes primary sources such as religious texts and legal documents from both systems, including Islamic law texts, regulations, and statutes, as well as secondary sources like journal articles, books, and previous research discussing both legal systems. Interviews are conducted with experts in economic law, academics, practitioners, and policymakers with in-depth knowledge of Islamic and conventional economic law. Semi-structured interviews allow for in-depth exploration and flexibility in obtaining relevant information. Documentation analysis involves reviewing regulatory documents, policy guidelines, and case studies that illustrate the practical application of both legal systems.

Data analysis is carried out through qualitative methods. Thematic coding is used to identify key themes from literature, interviews, and documentation, such as differences in methodology, practices, and core principles of both legal systems. Content analysis assesses how Islamic and conventional economic principles are applied in practice and their impact on economic policies. Comparative analysis involves comparing methodologies used in both systems to understand theoretical and practical differences, as well as analyzing the differences and similarities in economic practices such as financing systems, prohibition of interest, interest-based systems, and derivative products.

To ensure the validity and reliability of the research, triangulation is employed by using multiple data sources to confirm findings. Consistency checks are performed to ensure that the results align with existing theories and previous studies. Ethical considerations include obtaining consent from interview participants and ensuring that all collected data is handled with appropriate confidentiality. Integrity in research is maintained through objective analysis and accurate presentation of findings.

The research will provide a comprehensive and insightful understanding of the similarities and differences between Islamic and conventional economic law, illustrating how these systems function within the global economic context. This methodology aims to contribute to the growing body of literature on these legal frameworks and stimulate further research in the field.

RESULT AND DISCUSSION

A. Methodologies in Islamic Economic Law

Islamic economic law is rooted in Shariah principles, aiming to guide economic transactions and ensure fairness and ethical conduct. The core principles in Islamic economic law include adherence to Shariah compliance, prohibition of riba (interest), and the promotion of profit-sharing mechanisms. The following table provides a description of the core principles:

Table 1. The Core Principles

Principle	Description
Shariah Compliance	Refers to adherence to Islamic law as outlined in the Quran and Hadith. It ensures that all financial transactions are conducted in accordance with Islamic ethical and moral standards, avoiding actions that are prohibited.
Prohibition of Riba	The absolute ban on interest (riba) in financial transactions. This principle aims to prevent exploitation and ensure that all financial dealings are based on fairness and equity.
Profit Sharing Mechanisms	Financial practices based on mutual profit-sharing rather than interest, such as mudarabah (profit-sharing partnership) and musharakah (joint venture). These mechanisms promote risk-sharing and equitable financial arrangements.

As depicted in the table, the core principles of Islamic economic law emphasize Shariah compliance, prohibiting riba, and encouraging profit-sharing mechanisms. These principles are designed to foster equity, fairness, and shared risk in financial transactions.

B. Key Methodologies Used

Table 2. Methodology

Methodology	Description
Ijtihad	Juridical reasoning applied to interpret and adapt Shariah principles to new or complex legal situations not explicitly covered in traditional texts.
Qiyas	Analogical reasoning used to apply established Shariah principles to new issues by drawing parallels with similar cases.
Ijma	Consensus among qualified Islamic scholars on specific legal matters, providing a unified stance on particular issues not directly addressed in foundational texts.

Islamic economic law utilizes several methodologies to ensure the application of Shariah principles in the face of contemporary challenges. Ijtihad, qiyas, and ijma allow Islamic scholars to interpret Shariah law in response to new economic contexts, ensuring the legal system remains relevant and adaptable.

C. Case Studies or Examples

Table 3. Examples

Practice	Description	Example
Mudarabah	A partnership where one party provides capital while the other manages the business, with profits shared according to pre-agreed terms.	Islamic banks offer mudarabah savings accounts where the bank invests funds on behalf of depositors.
Murabaha	A cost-plus financing arrangement where a seller buys an item and sells it to the buyer at a profit margin. The cost and profit are agreed upon in advance.	Financing for purchasing homes or cars without involving interest payments.

In practice, Islamic economic law encourages risk-sharing through mudarabah and avoids interest-based transactions through murabaha, which provide alternative financing methods based on ethical principles.

D. Methodologies in Conventional Economic Law

1. Description of Core Principles

Table 4. Core Principles

Principle	Description
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Market Efficiency	Focus on optimal allocation of resources through supply and demand dynamics, ensuring that markets operate efficiently and prices reflect all available information.
Profit Maximization	Emphasis on achieving the highest possible financial returns for shareholders and investors, often through competitive business strategies and cost management.
Free-Market Mechanisms	Reliance on minimal government intervention, allowing market forces to regulate prices, output, and resource allocation.

Conventional economic law focuses on market efficiency, profit maximization, and free-market mechanisms. These principles guide modern economies by ensuring that resources are allocated efficiently, profit-driven behavior is encouraged, and minimal government interference is maintained.

2. Key Methodologies Used

Table 5. Key Methodologies Used

Methodology	Description
Empirical Analysis	Use of quantitative data and statistical methods to test hypotheses and understand economic behavior.
Economic Modeling	Development of models to simulate economic scenarios, analyze trends, and predict outcomes based on various assumptions.
Statistical Methods	Application of statistical techniques to analyze data, identify patterns, and derive insights about economic phenomena.

In conventional economic law, empirical analysis, economic modeling, and statistical methods are pivotal. These methodologies help economists test hypotheses, simulate economic behavior, and analyze trends that influence policy decisions.

3. Case Studies or Examples

Table 6. Examples

Practice	Description	Example
Interest-Based Financing	Loans and credit facilities where interest is charged on borrowed capital, influencing borrowing and lending decisions.	Conventional mortgages with interest rates and credit card debt.
Derivative Products	Financial instruments whose value is derived from underlying assets such as stocks, bonds, or commodities.	Options contracts, futures, and swaps used for hedging or speculative purposes.

Conventional economic law involves interest-based financing and derivative products, both of which are common financial instruments in modern economies, often used for risk management or speculative purposes.

E. Comparative Analysis of Methodologies

1. Comparison of Approaches

Table 7. Comparison

Aspect	Islamic Economic Law	Conventional Economic Law
Financial Transactions	Must adhere to Shariah principles, avoiding interest and promoting fairness.	Driven by market efficiency and profit motives, often involving interest-based transactions.
Risk Management	Focuses on risk-sharing and equity to avoid exploitation and instability.	Utilizes financial instruments and diversification to manage risk.
Regulatory Practices	Governed by religious laws and interpretations to ensure compliance with Shariah.	Regulated by financial authorities and market regulations to ensure stability and transparency.

Islamic economic law and conventional economic law differ significantly in their approaches to financial transactions, risk management, and regulatory practices. Islamic law emphasizes ethical transactions, risk-sharing, and adherence to religious principles, while conventional law is driven by market dynamics, profit motives, and government regulation.

2. Theoretical Foundations and Practical Applications

Table 8. Theoretical Foundations and Practical Applications

Aspect	Islamic Economic Law	Conventional Economic Law
Theoretical Basis	Based on religious teachings and ethical considerations.	Rooted in economic theories and empirical data.
Practical Application	Implemented through Shariah-compliant financial products and services.	Applied through conventional financial products and market strategies.

The theoretical foundation of Islamic economic law is rooted in religious teachings, while conventional economic law is based on economic theories. The practical application of Islamic law focuses on Shariah-compliant services, while conventional law is implemented through established market strategies.

F. Addressing Economic Challenges

Table 9. Addressing Economic Challenges

Challenge	Islamic Economic Law	Conventional Economic Law
Financial Inclusion	Aims to provide equitable access to financial services while adhering to ethical standards.	Focuses on expanding access through competitive financial products and services.

Economic Stability	Emphasizes risk-sharing and ethical practices to maintain economic balance.	Employs various financial tools and policies to stabilize economies.
Wealth Distribution	Utilizes mechanisms like zakat and waqf to address wealth inequality and support social welfare.	Relies on market mechanisms and welfare programs to address economic disparities.

Islamic and conventional economic law differ in how they address financial inclusion, economic stability, and wealth distribution. Islamic law emphasizes equity, social welfare, and ethical finance, while conventional law relies on market dynamics and welfare programs.

G. Practices in Islamic Economic Law

1. Common Practices

Table 10. Common Practices

Practice	Description	Impact
Zakat	Mandatory almsgiving intended to redistribute wealth and support those in need.	Enhances social welfare and reduces poverty and inequality.
Waqf	Endowment of assets or property for charitable or public use, supporting various causes.	Funds community projects and supports educational and health services.
Islamic Banking	Financial institutions that provide services in compliance with Shariah law, avoiding interest.	Offers ethical financing options and promotes financial inclusion.

Islamic economic practices include zakat, waqf, and Islamic banking, which contribute to social welfare and financial inclusion while promoting ethical finance.

2. Analysis of Contributions

Table 11. Contributions

Contribution	Description	Impact
Economic Welfare	Practices like zakat and waqf contribute to social and economic welfare.	Improve community well-being and support development efforts.
Modern Financial Systems	Islamic banking practices influence and integrate with contemporary financial systems.	Provides alternatives to conventional finance and encourages ethical financial practices.

Islamic economic law's practices contribute significantly to welfare and modern finance by offering ethical alternatives to conventional financial systems.

H. Practices in Conventional Economic Law

1. Common Practices

Table 12. Common Practices

Practice	Description	Impact
Interest-Based Loans	Loans with interest charges that influence borrowing and lending behaviors.	Facilitates access to capital and affects financial decisions.
Equity Markets	Platforms where stocks and shares are traded, enabling investment and capital raising.	Drives investment opportunities and market liquidity.
Financial Derivatives	Instruments used to manage risk or speculate on changes in the value of underlying assets.	Provides tools for risk management and financial speculation.

Conventional economic practices include interest-based loans, equity markets, and financial derivatives. These practices shape modern economies by enabling access to capital, investment, and risk management.

2. Analysis of Influence

Table 13. Influence

Influence	Description	Impact
Global Economic Dynamics	Conventional practices impact international trade, investment flows, and economic policies.	Influences global economic stability and growth patterns.
Social Inequality	Interest-based financial practices can exacerbate economic disparities.	May contribute to wealth concentration and socio-economic inequality.

Conventional economic practices have a significant impact on global economic dynamics and can contribute to wealth concentration, highlighting the importance of financial inclusion and ethical finance.

I. Comparative Analysis of Practices

1. Comparison of Practices

Table 14. Comparison of practice

Aspect	Islamic Economic Law	Conventional Economic Law
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Financial Inclusion	Emphasizes ethical practices to ensure equitable access to financial services.	Focuses on broad access through competitive financial products.
Economic Stability	Aims to achieve stability through ethical finance and risk-sharing.	Uses various financial instruments and policies for stability.
Wealth Distribution	Addresses inequality through zakat, waqf, and other redistributive mechanisms.	Relies on market forces and welfare programs for redistribution.

The comparison of Islamic and conventional economic practices highlights their differing approaches to financial inclusion, stability, and wealth distribution. Islamic finance emphasizes ethical principles, while conventional finance relies on market mechanisms.

2. Effectiveness Assessment

Table 15. Effectiveness

System	Effectiveness in Achieving Economic Goals	Potential for Integration
Islamic Economic Law	Effective in promoting fairness and social welfare through ethical practices.	Potential to integrate ethical and risk-sharing practices into conventional systems.
Conventional Economic Law	Effective in driving economic growth and innovation through market mechanisms.	Opportunity to adopt ethical practices and risk-sharing principles from Islamic finance.

Both systems have their strengths and offer potential for integration, with Islamic law contributing ethical practices and risk-sharing, while conventional law drives economic growth through market mechanisms.

Discussion

1. Theoretical Implications

The theoretical implications of this research stem from the contrasting foundations of Islamic economic law and conventional economic law. Islamic economic law is rooted in religious teachings and ethical principles derived from the Quran and Hadith, aiming to ensure justice, equity, and fairness in economic transactions (Laldin, 2020). This focus on ethical finance makes Islamic economic law distinct from conventional economic law, which prioritizes efficiency and profit maximization. The emphasis on Shariah compliance in Islamic law mandates that all financial dealings, including investments, loans, and insurance, be free from exploitation, thereby creating a more ethical framework for economic interactions.

In contrast, conventional economic law often assumes that self-interest and competition drive economic progress. The theory of market efficiency underpins the

principles of conventional law, where the primary goal is to allocate resources optimally based on supply and demand (Lowe & Genovese, 2022). This approach emphasizes individual freedoms and the market's ability to regulate itself, often through minimal government intervention. However, while market efficiency can lead to rapid economic growth and innovation, it does not necessarily ensure equity or address social welfare issues, which can lead to wealth inequality and other economic disparities.

One of the key theoretical challenges in comparing these two systems is understanding how they each define fairness and justice in economic transactions. Islamic economic law introduces the concept of *adl* (justice) in economic dealings, where no one should be harmed or exploited, a principle that guides all transactions. This is particularly relevant when analyzing practices like interest-based financing, which is prohibited in Islam because it is seen as exploitative. Conventional law, on the other hand, views interest as a natural and necessary component of economic transactions, designed to compensate for time and risk in lending.

The comparative theoretical analysis of both systems provides insights into how different economic models can address the balance between profit maximization and social welfare. While conventional law tends to rely on the market's invisible hand to regulate the economy, Islamic economic law incorporates moral and ethical values into the financial system, aiming to ensure that economic growth is inclusive and just (Zernik, 2019). This divergence in foundational principles raises important questions about how economic systems around the world could benefit from integrating Islamic finance principles into conventional frameworks, especially in a world increasingly concerned with inequality and social justice.

In global economic theory, this study contributes to the ongoing debate about the role of ethics in economic law. Islamic finance presents an alternative approach that focuses on the moral responsibility of economic agents, challenging the conventional reliance on profit maximization and self-interest. The implications of this research suggest that global economic theories could evolve to incorporate elements of ethical finance, blending the efficiency of conventional systems with the social justice aspects of Islamic finance to create more balanced economic models.

2. Practical Implications

The practical implications of this research are multifaceted, particularly in how Islamic and conventional economic systems can learn from one another and potentially integrate their best practices. The study highlights the importance of incorporating ethical considerations into financial systems, something that Islamic finance has done for centuries with its emphasis on fairness, equity, and the prohibition of *riba* (interest). For policymakers and regulators, the findings of this study offer a pathway to creating more inclusive and ethical financial systems by drawing on the principles of Islamic finance, such as profit-sharing (*mudharabah*) and risk-sharing (*musharakah*).

In conventional financial systems, interest-based transactions are the norm, and these often perpetuate inequality by creating a cycle of debt that favors lenders over borrowers. The research suggests that conventional economic systems could benefit from

incorporating risk-sharing practices, such as those found in Islamic finance. By implementing profit-sharing mechanisms, for example, both the lender and the borrower share the risks and rewards of a financial transaction. This not only reduces the burden on borrowers but also ensures that lenders are more engaged in the success of the ventures they finance. This system encourages mutual responsibility and promotes economic justice, which could help mitigate some of the issues caused by the excessive reliance on interest-based finance in conventional systems.

Moreover, Islamic finance's emphasis on avoiding exploitation and ensuring ethical conduct in financial dealings can serve as a model for developing more responsible lending practices in conventional systems. For instance, the widespread adoption of microfinance, which is based on Islamic principles of equity and social welfare, could be integrated into conventional systems to improve financial inclusion and reduce poverty (Alhammedi, 2023; Begum et al., 2019; Haneef et al., 2014; KOSSOVSKY, 2013). By adopting such models, financial institutions can create products that are more accessible to underserved populations, fostering a more inclusive global economy.

Policymakers and financial regulators should consider the ethical implications of financial decisions and strive to implement systems that align with both economic goals and social welfare (Kolzow et al., 2021; Park & Kim, 2020). This includes promoting financial literacy and understanding the importance of responsible lending and borrowing. Additionally, international financial institutions and policymakers can use this comparative study to evaluate how Islamic finance principles can complement the conventional financial system, particularly in the context of global economic challenges like inequality and financial crises.

The practical integration of Islamic economic principles into conventional systems also raises questions about the regulatory framework needed to facilitate such an integration. Governments, regulators, and financial institutions must develop policies that allow for the coexistence of both systems. This could involve the creation of hybrid financial products, or the incorporation of Shariah-compliant options within conventional banking systems, providing consumers with a wider range of choices that align with their ethical and financial needs.

3. Contributions to the Literature

This study contributes significantly to the literature on economic law by filling a notable gap in comparative studies of Islamic and conventional economic systems. While much has been written about each system separately, few studies have provided a detailed comparative analysis of the methodologies, practices, and theoretical foundations of Islamic and conventional economic law. This research provides a new perspective on the interaction between these two systems, offering insights into how they address common economic challenges such as financial inclusion, economic stability, and wealth distribution.

The study identifies key areas where the two systems intersect, such as their shared goal of achieving economic and social welfare, despite their differing approaches. While Islamic economic law is grounded in religious principles and emphasizes ethical finance,

conventional economic law focuses on market dynamics and efficiency (Timur Kuran, 2018). By comparing these systems, the research highlights how both can contribute to a more holistic understanding of global economic law and suggests that elements of Islamic finance, particularly its focus on justice and equity, could help address some of the shortcomings of conventional systems.

Furthermore, this research contributes to the growing body of work on the global impact of Islamic finance. As Islamic finance continues to expand and gain influence in global markets, understanding its methodologies and practices becomes increasingly important. This study enriches the literature by offering a comprehensive analysis of Islamic economic law in the context of global economic systems, providing a foundation for future research on the integration of Islamic principles into mainstream finance.

The findings of this study also open up new avenues for future research. The identification of gaps in existing comparative studies provides a roadmap for scholars to explore additional aspects of economic law, such as taxation, trade, and corporate governance. Researchers can build on this work by further examining the potential for hybrid legal frameworks that incorporate elements of both Islamic and conventional economic law, with the aim of creating more sustainable and inclusive financial systems.

4. Limitations and Future Research

While this study provides valuable insights into the comparison of Islamic and conventional economic law, there are several limitations that should be addressed in future research. One of the primary limitations is the focus on specific aspects of economic law, such as financial transactions and risk management. Future research could broaden the scope to include other important areas of economic law, such as taxation, corporate governance, and international trade, to gain a more comprehensive understanding of how these two systems interact in different contexts.

Additionally, this study primarily focuses on theoretical and practical implications without exploring the actual implementation of Islamic finance principles within conventional systems. Future research could investigate case studies of countries or regions where Islamic finance has been successfully integrated into the conventional financial system, providing empirical evidence of the benefits and challenges associated with such integration.

Another important area for future research is the impact of digital economies and technological advancements on both Islamic and conventional economic systems (Tlemsani et al., 2023). As the world moves toward greater digitalization, both systems will need to adapt to the challenges and opportunities presented by digital finance, cryptocurrencies, and blockchain technology. Research in this area could explore how Islamic finance principles can be applied to emerging financial technologies and how conventional systems can integrate these principles to promote ethical and inclusive economic practices in the digital age.

Finally, future research should also consider the evolving global economic context, including the impact of climate change, economic crises, and political instability on both Islamic and conventional economic systems. By exploring these issues, scholars can better

understand how economic systems can evolve to address the challenges of an increasingly interconnected and uncertain world.

CONCLUSION

This study concludes that while Islamic and conventional economic law share common goals of promoting economic and social welfare, their methodologies and practices differ significantly. Islamic law's emphasis on ethical finance, including the prohibition of *riba* (interest) and promotion of profit-sharing, contrasts with the market-driven nature of conventional law. There is significant potential for these systems to learn from one another, especially in integrating Islamic finance principles into conventional frameworks to address ethical and social welfare concerns. Future research should focus on the practical integration of Islamic finance into conventional systems and explore the evolving role of both legal frameworks in the digital economy and addressing global challenges such as climate change and financial crises.

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