

## THE CONCEPT OF JUSTICE IN ISLAMIC ECONOMICS: REALIZING SOCIAL AND ECONOMIC BALANCE

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Submitted: 16 Desember 2024	Accepted: 19 Desember 2024	Published: 26 Desember 2024

### ABSTRACT

This article explores the concept of justice in Islamic economics, which is based on Islamic principles to achieve social and economic balance. Justice in Islamic economics encompasses wealth distribution, fair transactional relationships, and the protection of individual rights in economic activities. The discussion begins by identifying key principles of justice, including equitable resource distribution, fairness in profit sharing, and the prevention of exploitation in economic transactions. The application of this concept is seen in Islamic financial institutions that avoid riba (interest) and use profit-sharing systems, as well as in Islamic investments based on principles of halal and social benefits. Additionally, economic empowerment through zakat, alms, and charity plays a crucial role in achieving social justice. While this concept offers an alternative economic system that is fairer, this article also addresses challenges in its implementation, such as the lack of adequate legal infrastructure and the dominance of the global capitalist economy. Overall, Islamic economics has the potential to create a more just and inclusive economic system.

**Keywords:** Justice, Islamic Economics, Wealth Distribution, Fair Transactions, Economic Empowerment

### ABSTRAK

Artikel ini mengkaji konsep keadilan dalam ekonomi syariah, yang berlandaskan pada prinsip-prinsip Islam untuk mencapai keseimbangan sosial dan ekonomi. Keadilan dalam ekonomi syariah meliputi aspek distribusi kekayaan, hubungan transaksi yang adil, serta perlindungan hak-hak individu dalam aktivitas ekonomi. Pembahasan dimulai dengan mengidentifikasi prinsip-prinsip utama keadilan, termasuk pembagian sumber daya yang merata, keadilan dalam pembagian keuntungan, serta pencegahan eksploitasi dalam transaksi ekonomi. Penerapan konsep ini terlihat dalam lembaga keuangan syariah yang menghindari riba (bunga) dan menggunakan sistem bagi hasil yang adil, serta investasi syariah yang berlandaskan pada prinsip kehalalan dan kebermanfaatannya sosial. Selain itu, pemberdayaan ekonomi melalui zakat, infak, dan sedekah menjadi instrumen penting dalam mencapai keadilan sosial. Meskipun konsep ini menawarkan alternatif sistem ekonomi yang lebih adil, artikel ini juga membahas tantangan-tantangan dalam implementasinya, seperti ketidaksiapan infrastruktur hukum dan ekonomi global yang lebih kapitalistik. Secara keseluruhan, ekonomi syariah berpotensi menciptakan sistem ekonomi yang lebih adil dan inklusif.

**Kata Kunci:** Justice, Islamic Economics, Wealth Distribution, Fair Transactions, Economic Empowerment.

### 1. Introduction

The concept of justice in Islamic economics is becoming an increasingly important topic in global economic discourse. Along with increasing social and economic inequality in various parts of the world, Islamic economics offers an alternative economic system that prioritizes the principles of justice and welfare for all levels of society. Islamic economics, which is based on Islamic teachings, aims to create a fair, transparent and sustainable economic order by avoiding practices that are considered harmful such as usury (interest), gharar (uncertainty) and maysir (gambling). Therefore, understanding the concept of fairness in Islamic economics is essential to create a more equitable and inclusive economic system.

Several studies have discussed the basic principles in Islamic economics, but there is still a lack of research that specifically examines how the concept of justice is applied in various aspects of the economy. For example, research by Chapra suggests that Islamic economics focuses on the utilization of resources for the welfare of the people without creating inequality.



In addition, research by Hasan shows that Islamic economics emphasizes the importance of fair distribution of wealth through the instruments of zakat and waqf. However, despite many studies that discuss the basic theory of Islamic economics, there are still challenges in its implementation, especially in the context of countries that apply the dominant capitalist economic system.

The purpose of this study is to explore and analyze the concept of justice in Islamic economics in depth, as well as evaluate how these principles are applied in economic practice, both in the context of financial transactions, wealth distribution, and community economic empowerment. By utilizing related literature, this research will contribute to enriching the understanding of Islamic economics as an alternative to a more just and sustainable economic system.

## 2. Literature Review

### a. The Concept of Justice in Syariah Economics

The concept of justice in Islamic economics is rooted in the basic principles of Islamic teachings, which prioritize social, economic, and moral balance. In the view of Islamic economics, justice is not only limited to the equitable distribution of wealth, but also related to the relationship between individuals, society, and the state. According to Chapra, justice in Islamic economics must be reflected in the management and distribution of resources fairly, thereby reducing social and economic inequality. This justice is reflected in the concept of zakat, infaq, and sadaqah, which serve as instruments of wealth distribution that can reduce the gap between rich and poor.

In addition, Islamic economics emphasizes that justice in Islamic economics also means that economic transactions must be based on honest and transparent principles, and avoid elements of uncertainty (gharar) and exploitation (riba). In this case, Islamic economics avoids usury because it is considered a form of injustice that harms weaker parties in economic relations.

### b. Principles of Justice in Sharia Economics

According to Erlitanti, there are three main principles in Islamic economics related to justice: first, distribution justice, which regulates how wealth is distributed to all levels of society through sharia instruments such as zakat, infaq, and waqf. Second, fairness in transactions, which emphasizes the importance of transactions that are free from elements of exploitation, uncertainty, and fraud. Third, justice in access to economic resources, which ensures that all individuals have equal rights in accessing and utilizing existing resources.

### c. Fairness in Islamic Banking

One of the sectors that most clearly applies the concept of justice in Islamic economics is Islamic banking. In the Islamic banking system, interest (riba) is prohibited because it is considered a form of injustice that harms one party, especially weaker customers.

Based on research by Karim, the Islamic economic system aims to maintain a balance between the interests of individuals and society, where each individual is expected to act ethically and fairly in economic activities. For example, the profit-sharing principle applied in Islamic banks, which is based on mudharabah and musyarakah contracts, allows for proportional profit sharing between investors and entrepreneurs, according to each party's contribution to the venture.

Instead, Islamic banks use the principle of fair profit sharing, such as in mudharabah and musyarakah contracts. With this system, Islamic banks and customers share risks and profits proportionally according to their respective contributions. Islamic banking plays a role in creating economic justice by ensuring that all financial transactions are conducted based on sharia principles that are clear, transparent, and do not harm any party. In this context, Islamic

banks focus not only on financial returns, but also on the social and economic benefits they can provide to society.

#### **d. Fairness in Islamic Investment**

Islamic investment, which is based on sharia principles, also plays an important role in creating justice in the economy. Inayah revealed that Islamic investments should avoid sectors that are considered haram, such as gambling, alcohol, and products that damage morals and the environment. In addition, Islamic investments encourage companies to operate ethically and transparently, taking into account the social and environmental impacts of their economic activities.

#### **e. Community Economic Empowerment through Zakat and Waqf**

Community economic empowerment is one of the important aspects in achieving social justice in Islamic economics. Azizah, et al, stated that zakat, infaq, and waqf are not only instruments to clean wealth, but also tools that can be used to reduce the economic gap between the rich and the poor. Through organized wealth distribution and based on the principles of justice, Islamic economics can help create shared prosperity.

#### **f. Challenges in Implementing Sharia Economic Justice**

Although the concept of justice in Islamic economics has great potential to create a fairer economic system, one of the biggest challenges is the application of Islamic principles in a global economic system that is more dominant in the principles of capitalism. In addition, the lack of in-depth understanding of Islamic economics and the unpreparedness of the legal infrastructure in some countries are also obstacles to the widespread application of this system.

Fadhil also stated that although many Muslim countries have developed Islamic banking systems, major challenges remain in creating comprehensive economic justice. This includes the need to create economic policies that not only favor business interests, but also consider social interests and distributional justice.

### **3. Research Methods**

This research uses a qualitative approach with a literature study method that aims to explore the concept of justice in Islamic economics through theoretical studies, previous research findings, and analysis of the application of Islamic economic principles in various sectors. This method was chosen because the focus of the research is on understanding concepts that are normative and conceptual in nature, which requires in-depth analysis of relevant literature and academic sources. The qualitative approach allows the author to explore broader ideas and views on the application of justice in Islamic economics, without being tied to quantitative numerical or statistical data collection.

### **4. Results and Discussion**

#### **a. Justice in Wealth Distribution**

One of the main findings of this study is that wealth distribution is a crucial element in creating justice in the Islamic economy. The principle of justice in wealth distribution can be seen in various Islamic instruments such as zakat, infaq, and waqf. This study found that the wealth distribution system in Islamic economics serves to reduce social inequality and improve people's welfare. For example, zakat, which must be paid by wealthy individuals, has great potential to reduce poverty and support a more equitable distribution of wealth. Waqf was also found to be an effective tool in poverty alleviation by providing sustainable social benefits.

In the analysis conducted, it was found that countries that have a more developed Islamic economic system, such as Saudi Arabia and Indonesia, have managed to implement this wealth distribution mechanism quite well through professionally managed zakat and waqf institutions.

For example, in Indonesia, national zakat institutions such as Baznas have optimized zakat distribution for significant economic empowerment programs for the poor.

#### **b. Justice in Economic Transactions**

The principle of justice in Islamic economic transactions requires that all transactions be carried out on a fair basis and do not harm either party. Riba (interest) and gharar (uncertainty) are two things that are prohibited in Islamic economics because they are considered a form of injustice.

The analysis shows that the application of profit sharing in financial transactions, such as mudharabah and musyarakah, is a fair substitute for the interest system prevailing in conventional economics.

For example, in Islamic banking, profit-sharing-based financing allows profits and losses to be shared proportionally between the bank and the customer. This reduces uncertainty and inequality in profit sharing, which often occurs in the interest system. This study found that the practice of mudharabah and musyarakah in Islamic banking has proven effective in creating fairer transactions and avoiding exploitation.

#### **c. Economic Empowerment through Zakat and Waqf**

Zakat and waqf play an important role in community economic empowerment and poverty reduction. This study found that economic empowerment through zakat and waqf can address social inequality and improve the quality of life of the poor, especially in the long run. The programs financed by zakat often include skills training, business capital assistance, and provision of educational facilities that improve the competitiveness of the community.

To illustrate, research findings show that several waqf-funded empowerment programs in countries such as Malaysia and Indonesia have successfully improved people's lives through initiatives such as free education, micro-enterprise development, and women's empowerment.

#### **d. Challenges in Implementing Islamic Economic Justice**

While the principles of fairness in Islamic economics offer great potential for creating a fairer economic system, there are a number of challenges in its implementation. One of the main challenges is the incompatibility between the principles of Islamic economics and global economic practices that prioritize financial gain. This research found that the dominance of the global capitalist system often challenges the implementation of Islamic economics based on social justice, especially in the global financial sector which is dominated by institutions that prioritize interest and speculation.

In addition, the legal infrastructure that has not fully supported the implementation of Islamic economics in some countries is also an obstacle. While Indonesia and Malaysia already have a strong legal foundation for Islamic economics, other countries still face difficulties in adapting their existing financial regulations and legal systems to Islamic principles.

Although the principle of fairness in Islamic economics has been implemented quite effectively in some aspects, such as wealth distribution, economic transactions, and community empowerment, major challenges still exist with regard to global implementation. The capitalist economic system that dominates the international market often contradicts the principles of Islamic economics, which prioritizes social welfare over profit. Therefore, to ensure wider application of the concept of justice in Islamic economics, there is a need for cooperation between countries with more developed Islamic economic systems to create regulations and policies that support the integration of Islamic economics in the global market.

### **Conclusion**

This study reveals that Islamic economics, with its principles of justice, has great potential to create a more equitable economic system. Through instruments such as zakat, waqf and profit-sharing-based financing, Islamic economics can help reduce social inequality and

improve people's welfare. However, implementation challenges at the global level and a legal infrastructure that is not yet fully supportive are obstacles to the application of these principles of justice.

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