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INVESTIGATING THE APPLICATION OF ISLAMIC ECONOMIC LAW IN MODERN ECONOMICS: A QUALITATIVE STUDY ON THE CONCEPTS OF RIBA AND ZAKAT

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ABSTRACT This research investigates the application of Islamic Economic Law (IEL) within the context of modern economics, focusing on the fundamental concepts of riba (usury) and zakat (almsgiving). Utilizing a qualitative method, the study analyzes the principles of Islamic economics as derived from the Quran and Hadith. It also examines the interpretation and application of these concepts in the economic practices of Muslim communities. Through a descriptive approach, the research aims to identify and elucidate the phenomenon related to Islamic Economic Law in depth. The findings reveal that IEL is a comprehensive legal framework based on Islamic teachings, including the Quran, Sunnah, and the results of Ijtihad (independent reasoning). Fundamental principles of IEL highlighted in the study include justice, honesty, and balance, which are essential in all economic activities. This research contributes to a deeper understanding of how Islamic principles can be integrated into modern economic systems, promoting ethical and equitable economic practices.

KEYWORDS Islamic Economic Law; Riba Concept; Zakat.

INTRODUCTION

Essentially, Islamic economic law refers to a body of law derived from the primary sources in Islam, such as the Qur'an, As-Sunnah (traditions of the Prophet Muhammad), and Ijtihad (reasoning and deduction from the primary sources of Islam). As the holy book of Muslims, the Qur'an is considered the primary source of Islamic law (Arwani, 2012). The moral values and basic principles that form the foundation of Islamic economic law are derived from the Qur'an. Verses in the Qur'an emphasize the importance of justice, honesty, and balance in economic affairs, such as the prohibition of usury (interest) and unfair trade.

As-Sunnah, which includes the traditions of the Prophet Muhammad, is the second source of law in Islam. Hadiths describing the Prophet's actions, sayings, and approvals provide additional guidance. In shaping Islamic economic law. These traditions provide concrete examples of how the Prophet dealt with issues of economics, trade, and wealth distribution.

In addition to the Qur'an and As-Sunnah, Ijtihad also plays a vital role in Islamic economic law. Ijtihad is an attempt by scholars to find legal solutions to problems that are not directly explained in the Qur'an and As-Sunnah (Rizal, 2019). It involves reasoning, interpretation, and analogy based on the principles contained in the primary sources of Islam.

The development of Islamic economic law dates back to the early days of Islam, notably when the first Muslim community in Medina established an economic system based on Islamic principles (Mughits, 2008). The principles of the Qur'an and As-Sunnah were practically implemented in daily life, including in trade, zakat (compulsory donations), and the wealth distribution system.

Over the centuries, Islamic scholars have continued to develop Islamic economic legal thought through discussion, debate, and research. They produced numerous scholarly works that interpreted and applied Islamic principles in an economic context, resulting in a complex and diverse framework of Islamic economic law.

Therefore, Islamic economic law is the result of a long evolutionary process based on Islam's primary sources, the Qur'an, As-Sunnah, and Ijtihad. These sources provide a solid foundation for Islamic economic principles, which emphasize justice, togetherness, and balance in economic affairs.

METHODS

The research methodology used is qualitative with a descriptive approach (Wiratna, 2014). The research involves analyzing Islamic economic principles and sacred texts such as the Qur'an and hadith that form the basis of Islamic economic law (HEI). The qualitative method is suitable because this research aims to understand and explain phenomena in depth, such as the concepts of riba, zakat, and other Islamic economic principles and how they are interpreted and applied in Muslim societies.

The descriptive approach will assist in outlining and explaining the various concepts and principles underlying Islamic economic law and provide a clear picture of how these concepts are implemented in everyday economic practice. Through this approach, the research can provide an in-depth understanding of how Islamic values influence the economic behavior of Muslims.

RESULT AND DISCUSSION

Islamic Economic Law (HEI) is a legal framework that refers to the economic principles given in Islamic teachings, as found in the Qur'an, As-Sunnah, and the results of Ijtihad. HEI emphasizes the principles of justice, honesty, and balance in all aspects of economic activities. One of the main points in the HEI is the prohibition of riba (interest), which is considered a harmful practice and goes against the principles of Islamic economic justice. In addition, the concept of zakat also plays a vital role in the HEI, whereby Muslim citizens are required to give a portion of their wealth to the needy, thus creating a more equitable distribution in society.

The HEI also regulates various other aspects of economic activity, such as trade, investment, and business cooperation. The HEI also focuses on principles such as transparency, social responsibility, and fair dealing between the parties involved. As such, the HEI is not only a legal framework but also a moral guide that shapes the economic behavior of Muslims. In practice, the HEI aims to create an economic system that is sustainable, fair, and benefits all members of society, per Islamic teachings that prioritize social welfare and justice.

The evidence from the Qur'an relating to Islamic economic law is as follows:

Verses on the Prohibition of Usury:

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ۚ ذَٰلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا ۗ وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا ۚ فَمَنْ جَاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ فَانْتَهَىٰ فَلَهُ مَا سَلَفَ وَأَمْرُهُ إِلَى اللَّهِ ۖ وَمَنْ عَادَ فَأُولَٰئِكَ أَصْحَابُ النَّارِ ۖ هُمْ فِيهَا خَالِدُونَ.

Meaning: "*Those who eat usury cannot stand up except as one possessed by a demon due to insanity. Those who eat usury cannot stand up except as one possessed by a demon because of insanity. That is because they say that buying and selling is the same as usury, whereas Allah has made buying and selling lawful and usury unlawful. Moreover, as for those to whom the prohibition of their Lord has come, and they cease (from taking usury), then to them belongs what they had taken (before the prohibition came), and their affair is in the hand of Allah. Moreover, those who return (to usury) are the inhabitants of hell; they will abide therein.*" (Al-Baqarah: 275)

This verse emphasizes the prohibition against usury in Islam. Usury is described as an unfair and harmful practice, which is likened to dealing with demons and madness. Allah has justified buying and selling that is fair and free from usury and has forbidden the practice of usury (Yasin, 2009). Those whom Allah has warned about the prohibition of usury and desisting from the practice will be rewarded. In contrast, those who violate the prohibition will face consequences in the Hereafter. This verse confirms the principle of justice and balance in Islamic economic affairs.

Verses on the Obligation of Zakat (Wati, 2014):

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَارْكَعُوا مَعَ الرَّاكِعِينَ

Meaning: "*And establish the prayer, pay the zakat, and bow with those who bow.*" (Al-Baqarah: 43)

This verse emphasizes Muslims' obligation to pay zakat. Zakat is the obligation to donate a portion of wealth to those entitled to receive it, such as the poor, the needy, and the email (officials who administer zakat). Zakat is one of the pillars of the Islamic economy, aiming to balance the distribution of wealth and help those in need.

Verse on Fairness in Trade:

يَا أَيُّهَا الَّذِينَ آمَنُوا أَوْفُوا بِالْعُقُودِ ۚ أُحِلَّتْ لَكُمْ بَهِيمَةُ الْأَنْعَامِ إِلَّا مَا يُتْلَىٰ عَلَيْكُمْ غَيْرَ مُحِلِّي الصَّيْدِ وَأَنْتُمْ حُرُمٌ ۗ إِنَّ اللَّهَ يَحْكُمُ مَا يُرِيدُ

Meaning: "*O you who believe, fulfill the covenant. The livestock is lawful for you, except that which will be recited to you (as a prohibition); you shall not make hunting lawful while you are in ihram. Verily, Allah decrees what He wills.*" (Al-Maidah: 1)

This verse emphasizes the importance of carrying out agreements honestly and fairly in all aspects of life, including trade. Muslims are reminded to abide by the agreements they have made with honesty and not violate the rules set by Allah. This reflects the principles of justice and honesty in Islamic economic affairs.

Hadith on Fair Trade (Yazid, 2014):

قال رسول الله صلى الله عليه وسلم: البيعان بالخيار ما لم يتفرقا، وإن صدقا وبينا بورك لهما في بيعهما، وإن كتما وكبيا محقت بركة بيعهما.

Meaning: *"The Messenger of Allah (blessings and peace of Allah be upon him) said: "Two purchases are valid as long as they are not separated. If both of them are truthful and inform each other about the condition of the goods, then blessings will accompany their trade. However, if they conceal the bad condition or hide the defect of the goods, the barakah of their sale will be removed."* (HR. Al-Bukhari and Muslim)

This Hadith underscores the importance of conducting trade transactions fairly, honestly, and transparently. The Prophet Muhammad instructed that buying and selling transactions should be carried out by providing honest and complete information about the goods being traded. If both parties are honest, then blessings will accompany their transactions. However, if there is deception or withholding of important information, the blessing of the transaction will be lost.

This hadith affirms the principles of honesty, transparency, and fairness in trade, which are fundamental in Islamic economic law. Muslims are expected to create a fair, blessed, and sustainable economic environment by conducting trade transactions according to the Prophet Muhammad's instructions.

Determination of Zakat Rate on Wealth (Abdullah, 2019):

Proof of Ijtihad: The scholars conducted ijtihad to determine the rate of zakat that must be paid on various types of wealth, such as cash, gold, silver, and agricultural products.

Zakat is an obligation in Islam that must be paid on certain wealth. However, the rate of zakat for each type of wealth may vary based on scholars' ijtihad. They conduct research, analysis, and deduction based on Islamic principles and the current economic situation to determine the appropriate zakat rate.

The rate of zakat determined through ijtihad is intended to ensure that the wealth released as zakat is enough to meet the needs of those entitled to receive zakat while also considering sustainability and justice in society.

Through ijtihad, scholars can produce relevant and meaningful views on regulating economic issues in Islam, including determining zakat rates according to the context of the times. This shows the flexibility and relevance of Islamic law in the face of changes and challenges in the social and economic environment.

In the context of Islamic Economic Law (HEI), several terms and concepts are essential to understand. Here are some of them and their explanations (Syarif, 2019):

1. **Sharia**

Refers to Islamic law in general. In an economic context, Sharia is the legal framework that specifies the rules to be followed in economic transactions based on Islamic teachings. Sharia refers to the rules and principles of Islamic law that govern various aspects of Muslim life, including in the economic context. Sharia includes rules derived from the Qur'an, As-Sunnah (traditions of the Prophet Muhammad), and ijtihad (legal reasoning) (Arisatul, 2020). In Islamic economics, Sharia provides guidelines on how economic transactions and activities should be conducted according to Islamic teachings.

One of the critical principles in Sharia is the prohibition against usury, the practice of giving or receiving interest that is considered harmful and unfair. In addition, Sharia stipulates the obligation to pay zakat, a compulsory donation of wealth to the needy in society. Other principles emphasized by

Sharia in the economic context include fairness, honesty, and equality in transactions.

In Islamic economics, the application of Shariah entails awareness of and adherence to Islamic rules in every aspect of economic activity, from trading to investment to financial management. Islamic financial institutions, such as Islamic banks and financial products, strive to ensure that their operations conform to the principles of Shariah. Thus, Sharia is not only the legal foundation but also the ethical and moral guideline in the economic practices of Muslims.

2. Usury

The practice of giving or receiving interest or an addition is considered unfair in financial transactions. Riba is one of the central concepts in Islamic Economic Law (HEI) that emphasizes the prohibition against the practice of interest or any addition considered unfair in financial transactions. In Islam, usury is considered a form of exploitation that violates the principles of justice and equality in economic transactions. The prohibition of usury is affirmed in the Qur'an and the Prophet Muhammad's hadith, emphasizing the importance of fair trade and freedom from oppression. The practice of usury is considered detrimental to weaker parties and causes economic instability, so it is forbidden in Islamic teachings.

The prohibition of usury in Islam is not only related to the practice of interest in money lending but also covers various transactions that generate profit without an equal exchange of value (Ichsan, 2020). The concept of usury emphasizes fairness in economic transactions, where each party must benefit fairly from the exchange. This principle underscores the importance of fairness and balance in the Islamic economic system.

In Islamic societies, the prohibition of usury encourages the development of alternative financial transactions that comply with Islamic principles, such as mudharabah and musharakah contracts based on the principle of profit sharing. This aims to create a fair, transparent, and sustainable economic environment. By abiding by the prohibition of usury and applying the principles of Islamic economics, society is expected to achieve genuine economic prosperity and justice.

3. Zakat

Zakat is an obligation in Islam that emphasizes the importance of giving a portion of wealth to the needy in society. Literally, zakat means "cleansing" or "purification," which describes the purpose of this obligation: to clean one's possessions and purify one's soul from greed and excessive attachment to material things (Darwis, 2016). Zakat is considered a form of worship and is also one of the five pillars of Islam that every able-bodied Muslim must fulfill.

In Islam, zakat is imposed on certain assets such as money, gold, silver, agriculture, and trade, with the amount determined according to the type of wealth and specific conditions. Zakat that is issued will be distributed to those who are entitled to receive it, such as the poor, widows, orphans, people who are in debt, and jihad fighters fisabilillah.

The principle of zakat emphasizes social solidarity and economic justice in Islam. Zakat is not just an individual obligation but also an important wealth redistribution instrument to achieve balance in society. It creates an opportunity for the less fortunate to get the support and assistance they need, thereby improving social welfare and stability in Islamic society.

4. Mudharabah

It is a form of cooperation or profit-sharing contract in business where one party provides the capital (shahib al-mal) and the other provides labor and management (mudharib). Profits are shared according to a prior agreement. Mudharabah is one form of contract or cooperation in Islamic Economic Law (HEI) based on profit sharing. In a mudharabah contract, two parties are involved: the owner of the capital (shahib al-mal) and the manager or business executor (mudharib). The capital owner provides funds or initial capital to be invested in a business, while the manager is responsible for the management and implementation of the business.

According to a prior agreement, the profits from the business are shared between the two parties. The owner of the capital is entitled to a portion of the profits, which is referred to as profit sharing, while the business manager gets a share of the profits in return for their efforts and management (Sa'diyah,2013). However, if the business suffers a loss, the owner of the capital will bear the loss, while the manager is not responsible for the loss of capital.

The mudharabah concept emphasizes cooperation and risk sharing between the two parties involved. This is to Islamic economic principles prioritizing justice, togetherness, and fair profit sharing. Through mudharabah contracts, the community is expected to develop productive businesses and investments and provide opportunities for business actors to develop sustainably.

5. Musharakah

It is a cooperation or profit-sharing contract in which two or more parties provide capital for a project or venture. Profits and risks are shared according to the agreement, and each party has the right to decide.

Musharakah is a concept of cooperation or partnership in Islamic Economic Law (HEI) where two or more parties contribute capital to establish or manage a business or project. In musharakah, each party shares capital, responsibilities, and risks according to a predetermined agreement. This agreement includes the sharing of profits and losses, as well as the management and supervision of the venture or project.

In the context of musharakah, all parties have the right to participate in business operations and decision-making regarding strategy. These decisions are made by consensus or mutual agreement, thus providing an opportunity for each party to be actively involved in the management of the business (Maruta, 2016).

The principle of profit sharing is also applied in musharakah, where the venture's profit is shared between the partners according to a predetermined agreement. Profit sharing is usually based on the proportion of capital each party contributes. Musharakah emphasizes cooperation, transparency, and fair risk-sharing between the parties involved.

This concept reflects Islamic economic principles emphasizing justice, togetherness, and active participation in economic activities. Through musharakah, it is expected to create an inclusive, sustainable, and fair business environment for all parties involved.

6. Ijarah

Ijarah is a term in Islamic Economic Law that refers to rent or leasing. In an ijarah transaction, two parties are involved: the renting party (mukarrij) and the renting party (musta'jir). The renting party provides goods or services to the renting party in exchange for certain rental payments (Febrianasari, 2020)

In ijarah, the hiring party usually pays a sum of money to the owner of the goods or services to use them for a certain period. The rental fee paid must be agreed upon in advance and belongs to the owner of the goods or services.

Ijarah transactions can cover various aspects of life, such as leasing property, vehicles, equipment, or services such as financial services or transportation. The principle of ijarah emphasizes the existence of a clear and mutually beneficial agreement between the two parties and the avoidance of elements of usury or fraud in the transaction.

The concept of ijarah reflects the principles of justice, togetherness, and balance in the Islamic economy. By facilitating fair and fair rental transactions using Islamic principles, ijarah plays an essential role in creating a sustainable and equitable economic environment for all parties involved.

7. Gharar

Gharar is a term in Islamic Economic Law that refers to uncertainty or vagueness in a transaction that can cause injustice or harm to one of the parties (Nailul, 2015). Transactions that contain gharar often involve a high element of uncertainty or unclear information, making it difficult for one or both parties to know exactly what they are getting or the transaction's consequences.

In Islam, transaction practices that contain gharar are prohibited, as they contradict the principles of fairness, honesty, and tranquility. This principle is aimed at protecting the interests of all parties involved in economic transactions and avoiding unnecessary conflicts or losses. Examples of transactions that contain gharar include excessive speculation, gambling, or the sale of goods that are not clear about their quality or condition. In Islamic economics, ensuring that every transaction is conducted transparently and fairly, without any uncertainty or unnecessary doubt, is essential.

By understanding the concept of gharar, people can avoid harmful practices in economic transactions and maintain justice and prosperity for all parties involved.

8. Maysir

Maysir is a term in Islamic economic law that refers to the practice of gambling or speculation. In Islam, may sir is forbidden because it is considered to contain a high element of uncertainty and is detrimental to one or both parties involved in the transaction (Sari, 2022). This principle aims to protect the public interest and prevent unnecessary losses in economic activity.

In Islamic societies, the practice of maysir encompasses any form of gambling, betting, or speculation involving uncertainty and the opportunity to gain profit by unfair means. The prohibition of maysir in Islam is also intended to prevent economic and social instability. Gambling and speculation practices can lead to uncertainty and conflict among society members, undermining trust and overall economic stability.

By prohibiting may sir, Islam encourages sustainable, fair, and responsible economic practices based on the principles of justice, transparency, and balance. By understanding the prohibition against may sir, people are expected to avoid harmful practices in economic activities and create a more stable and equitable economic environment.

9. **Halal and Haram**

It refers to what is permitted (halal) and forbidden (haram) in Islam. In the economic context, halal and haram determine the legality of a transaction or activity based on Islamic principles and values.

Halal and haram are two important concepts in Islamic economic law that refer to what is permitted (halal) and what is forbidden (haram) in Islam (Kristiane, 2021). This concept is not only limited to food and beverages but also covers all aspects of life, including the economic context.

Halal: Refers to anything that is permitted or allowed in Islam. In an economic context, halal refers to transactions, investments, or other economic activities that are by Islamic principles and do not contradict the teachings of the religion. Examples are income earned through halal work, investments that do not violate Islamic principles, and products or services legally produced or provided by Islamic law.

Haram: Refers to anything that is prohibited or forbidden in Islam. In the context of economics, haram includes any form of transaction, investment, or economic activity that goes against Islamic principles or violates God's law. Examples are the practice of riba (interest), maysir (gambling), gharar (high uncertainty), and all forms of economics that harm or oppress others.

Iqtishadiyyah Not from Conventional Economics

"Iqtishadiyyah" is an Arabic term referring to Islamic economics or economics based on Islamic principles. In this context, iqtishadiyyah emphasizes the importance of understanding and applying Islamic values, principles, and laws in the economic sphere. The main difference between iqtishadiyyah and conventional economics lies in the basic paradigm, method of analysis, and research focus (Rahmi, 2015).

First, iqtishadiyyah is based on Islamic teachings, such as social justice, balance, and compliance with Sharia law. This makes Islamic economics more than just an analysis of economic transactions; it also highlights the moral and ethical dimensions that underlie every aspect of economic activity. While ethical values are recognized in conventional economics, they are often not the main focus of economic analysis. Second, iqtishadiyyah views the economy as an integral part of a broader system, including social, political, and religious aspects.

In this regard, Islamic economics recognizes the importance of considering the social impact and welfare of mankind in any economic policy. Meanwhile, conventional economics tends to focus on the efficient allocation of resources without paying attention to its social implications.

Third, in iqtishadiyyah, economic practices, such as financial transactions, investments, and wealth distribution, must follow the Quran's and hadith's sharia principles. This includes the prohibition of riba (interest), gharar (excessive uncertainty), and maysir (gambling). Conventional economics, on the other hand, tends not to consider these aspects. In some cases, practices that go against the principles of ethics and social justice are ignored in favor of achieving economic growth. Fourth, Islamic economics pays special attention to the fair distribution of wealth and general welfare. The principle of fair distribution and equitable distribution of wealth is an integral part of the Islamic economic system and emphasizes empowering the underprivileged. On the other hand, conventional economics is often more focused on achieving economic growth without paying proportional attention to the distribution of the results.

Fifth, iqtishadiyyah emphasizes the concepts of zakat, infaq, and sadaqah as instruments to reduce social disparities, improve wealth redistribution, and promote social welfare. Zakat, as a religious obligation, has a vital role in supporting the sustainability of the Islamic economic system by allocating funds to the needy. In addition, the concept of infaq and sadaqah encourages individuals and communities to actively participate in helping the needy, which also positively impacts the social economy. Sixth, in Islamic economics, the ownership and use of natural resources is also seen as a trust that must be managed responsibly and sustainably. This includes the principles of environmental conservation, intergenerational justice, and respect for the rights of nature. While environmental issues are often recognized in conventional economics, they are rarely the main focus of economic decision-making (Zikwan, 2015).

Iqtishadiyyah views economic success not only from the perspective of material growth but also from the perspective of the spiritual and social welfare of mankind. In other words, economic success is measured not only in terms of gross domestic product (GDP) or per capita income but also from humanity's justice, happiness, and overall well-being. This is different from conventional economics, which tends to focus more on material economic indicators to measure the success of a country.

Iqtishadiyyah is based on the principles of Islamic teachings, such as social justice, balance, and compliance with Sharia law. This makes Islamic economics more than just an analysis of economic transactions; it also highlights the moral and ethical dimensions underlying every aspect of economic activity. Although ethical values are recognized in conventional economics, they are often not the main focus of economic analysis.

Iqtishadiyyah views the economy as an integral part of a more comprehensive system, including social, political, and religious aspects. In this regard, Islamic economics recognizes the importance of considering humanity's social impact and welfare in any economic policy. Meanwhile, conventional economics tends to focus on efficient resource allocation without regard to its social implications.

In iqtishadiyyah, economic practices such as financial transactions, investments, and wealth distribution must follow the sharia principles in the Quran and hadith. This includes prohibitions against riba (interest), gharar (excessive uncertainty), and maysir (gambling). Conventional economics, on the other hand, tends not to consider these aspects. In some cases, practices that go against the principles of ethics and social justice are ignored in favor of achieving economic growth.

Islamic economics pays special attention to the fair distribution of wealth and general welfare. The principle of fair and equitable distribution is an integral part of the Islamic economic system and emphasizes empowering disadvantaged groups. In contrast, conventional economics often focuses more on achieving economic growth without giving proportionate attention to the distribution of its results.

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Iqtishadiyyah sees economic success not only from the perspective of material growth but also from the perspective of humanity's spiritual and social well-being. In other words, economic success is measured in terms of gross domestic product (GDP) or per capita income and by the level of justice, happiness, and overall well-being of humanity. This contrasts conventional economics, focusing more on material economic indicators to measure a country's success.

Iqtishadiyyah centers economic analysis on human values. Islamic economics strives to achieve economic efficiency and promotes human values such as justice, equality, and solidarity. This is in contrast to conventional economic approaches, which are often mechanistic and utilitarian in nature.

The iqtishadiyyah methodology differs from conventional economics in terms of analytical approach. Islamic economics uses a holistic approach that combines quantitative and qualitative analysis and considers moral and ethical factors. Meanwhile, conventional economics uses a more mathematical approach and economic models that often ignore moral and ethical aspects.

Iqtishadiyyah offers a unique and comprehensive perspective on economic analysis that differs fundamentally from conventional economics. By emphasizing Islamic values such as social justice, balance, and compliance with sharia, iqtishadiyyah focuses not only on economic growth but also on the spiritual and social well-being of humanity. This approach offers a more holistic and sustainable alternative in the face of global economic challenges.

CONCLUSION

From the research that has been conducted, it can be concluded that Islamic Economic Law (HEI) is a legal framework that bases its principles on Islamic teachings, as found in the Qur'an, As-Sunnah, and the results of Ijtihad. The main principles of HEI include justice, honesty, and balance in all aspects of economic activity. One of the critical points in the HEI is the prohibition of usury (interest), which is considered a harmful practice and contrary to the principles of Islamic economic justice. In addition, the concept of zakat also plays a vital role in the HEI, where Muslim citizens are required to give a portion of their wealth to the needy, thus creating a more equitable distribution in society.

The HEI also regulates various other aspects of economic activity, such as trade, investment, and business cooperation. The HEI also focuses on principles such as transparency, social responsibility, and fair dealing between the parties involved. As such, the HEI is not only a legal framework but also a moral guide that shapes the economic behavior of Muslims. In practice, the HEI aims to create an economic system that is sustainable, fair, and benefits all members of society, per Islamic teachings that prioritize social welfare and justice.

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