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**Integrating Usul al-Fiqh as an Epistemological
Foundation of Islamic Economics in Responding to
Global Economic Challenges**

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ABSTRACT

The role of *Ushul al-Fiqh* as an epistemological foundation for the development of Islamic economics within the challenging global context. Globalization has brought significant impacts to the world economic system, including wealth inequality, natural resource exploitation, and recurring financial crises. In such circumstances, Islamic economics is expected to provide alternative solutions that are just and sustainable. As the fundamental methodology for deriving Islamic law from primary sources such as the Qur'an, Sunnah, ijma', and qiyas, *Ushul al-Fiqh* goes beyond its function as a legal instrument. It also serves as an epistemological basis for constructing a theoretical framework of Islamic economics that remains adaptive and relevant to global dynamics. This study employs a systematic literature review approach by analyzing both classical and contemporary works concerning the relationship between *Ushul al-Fiqh* and Islamic economics. The findings indicate that *Ushul al-Fiqh* offers normative principles, such as justice ('adl), public interest (maslahah), and balance (tawazun), which are highly relevant to addressing global economic challenges. For instance, in dealing with income inequality, *Ushul al-Fiqh* promotes zakat, sadaqah, and waqf as instruments rooted in social justice. Likewise, in tackling resource

exploitation, the principles of maqasid al-shariah provide a solid foundation for sustainable economic policies. Therefore, integrating *Ushul al-Fiqh* as an epistemological foundation of Islamic economics not only strengthens the intellectual identity of Islamic scholarship but also contributes significantly to the global economic discourse. This study recommends further multidisciplinary research that bridges *Ushul al-Fiqh* with contemporary issues, enabling Islamic economics to emerge as a more applicable, competitive, and globally relevant alternative.

INTRODUCTION

Globalization has dramatically transformed the economic architecture of the world. The expansion of global financial markets, the dominance of neoliberal capitalism, the rapid acceleration of digital trade, and the penetration of transnational corporations have intensified competition, widened the income gap, and triggered recurring financial instabilities. The modern global economy not only promotes efficiency, but also produces structural inequality, exploitation of natural and human resources, and concentration of wealth in the hands of global economic elites. These conditions create multidimensional crises—beginning from poverty, unemployment, climate disasters, inflationary pressures, to moral degradation in economic behavior. Thus, the discourse of global economics today is not merely a technical-economic problem, but a civilizational crisis in which material interest is prioritized while ethical, moral, and spiritual values are increasingly marginalized.

In such circumstances, Islamic economics is expected to provide alternative solutions that are more just, sustainable, and value-based. Islamic economics is not only a normative moral discourse; it is a comprehensive system derived from divine revelation (Al-Qur'an and Sunnah) that aims to achieve *al-falah*—holistic well-being in this world and the hereafter. However, Islamic economics will be unable to respond effectively to global economic complexity if it does not have strong epistemological foundations. The biggest weakness of many contemporary Islamic economic discussions is that they borrow the structure, assumptions, and paradigms of Western economics, then simply re-label them as “Islamic” without deep epistemic transformation. Therefore, Islamic economics must be reconstructed not only at the level of instruments, banks, or financial products—but at the level of epistemology.

In this context, *Usul al-Fiqh* plays a fundamental role. *Usul al-Fiqh* is not simply a method of deriving legal rulings from primary sources; it is a robust epistemic system that integrates revelation and rationality in a coherent methodological framework. *Usul al-Fiqh* offers principles that are normative and axiological—such as justice (*adl*), public interest (*maslahah*), balance (*tawazun*), and preservation of wealth (*hifz al-mal*). These principles are highly relevant to solving today's global economic problems. Issues such as wealth inequality, predatory lending, exploitation of cheap labor, speculative financial bubbles, ecological destruction, and corporate greed are not merely market imbalances; they are moral failures produced by secular economic worldview.

Therefore, re-grounding Islamic economics on *Usul al-Fiqh* means restoring the epistemology of economic knowledge back to divine guidance, not subordinating it to secular-humanistic economic theories. Through *qiyas*, *istihsan*, *maslahah mursalah*, *sad al-dhari'ah*, and other methods of *ijtihad*, *Usul al-Fiqh* provides an adaptive mechanism to assess new economic phenomena—digital currency, e-commerce, global supply chains, carbon trading, artificial intelligence, and financial engineering—without losing the normative integrity of Shariah. This is what will distinguish Islamic economics from merely being “capitalism with halal certificate” into a real civilizational alternative.

Previous literature has rarely placed Usul al-Fiqh as an epistemological foundation of Islamic economics. Most studies only examine technical aspects— Islamic banking products, sukuk structure, zakat management, fintech halal innovation, and so on— without reconstructing the epistemic roots. This creates a huge research gap. The integration of Usul al-Fiqh into the epistemology of Islamic economics is therefore urgent, because future economic problems will be increasingly complex, borderless, and morally challenging. Without strong epistemology, Islamic economics risks becoming reactive, superficial, and vulnerable to co-optation by capitalist logic.

Based on this background, this study aims to examine how Usul al-Fiqh can function as an epistemological foundation for the development of Islamic economics in responding to global economic challenges. The novelty of this study lies in positioning Usul al-Fiqh not as a legal procedural method, but as a source of epistemic legitimacy that can guide Islamic economic theory construction. This paper argues that grounding Islamic economics on Usul al-Fiqh will strengthen identity, protect moral integrity, and enhance global competitiveness of the Islamic economic paradigm.

LITERATURE REVIEW

Usul al-Fiqh is linguistically derived from two words: *usul* (foundations) and *fiqh* (deep understanding of the law). Conceptually, Usul al-Fiqh is a scientific discipline that formulates the epistemic and methodological framework for deriving Islamic rulings from detailed evidences. It integrates divine revelation with rational reasoning in a structured and hierarchical system. Unlike other legal traditions that depend exclusively on textual literalism or human rationality, Usul al-Fiqh establishes a hybrid epistemic paradigm that simultaneously recognizes the authority of scripture and the role of human intellect. This discipline provides a methodological infrastructure through which new legal issues can be addressed, classified, analogized, or resolved in accordance with the higher aims of Islamic law. Thus, Usul al-Fiqh is not merely a technical instrument for jurists; it is an epistemological framework that guides how Islamic law—and by extension Islamic economic thought—is conceptualized, systematized, and operationalized.

In the contemporary era, it is epistemologically misleading when Islamic economics is developed by merely “adapting” or “Islamizing” capitalist assumptions or Western theoretical frameworks. The structure of modern economics is heavily influenced by secular humanism, utilitarianism, and individualism which prioritize profit maximization, market supremacy, and material growth. If Islamic economics borrows these secular epistemic assumptions, even if halal instruments are used, the paradigm remains captive to the logic of capitalism. Usul al-Fiqh provides a counter-epistemology for Islamic economics. Through methods such as *qiyas*(analogy), *istihsan* (juristic preference), *maslahah mursalah*(public interest), *sadd al-dhari’ah*(blocking the means to harm), and *istishab*(presumption of continuity), Usul al-Fiqh enables Islamic economics to evaluate new economic phenomena—digital assets, algorithmic trading, fintech platforms, global supply chains, environmental markets—based on their epistemic consistency with Shariah. Hence, Islamic economic theory must be reconstructed not from secular economic axioms, but from Islamic epistemology through Usul al-Fiqh. Otherwise, Islamic economics becomes nothing more than capitalism with Islamic symbols.

A core component of Usul al-Fiqh that strengthens Islamic economic epistemology is *Maqasid al-Shariah*—the higher objectives of Islamic law. *Maqasid* emphasizes the preservation of five essential values: religion, life, intellect, lineage, and wealth. In economics, *hifz al-mal* (protection of wealth) is particularly relevant because it frames wealth not as an autonomous property of individuals, but as a trust that must be managed ethically for the benefit of society. *Maqasid* demands that economic policies promote justice, fairness, balance, and public welfare. This resonates strongly with the need to reform global economic structures dominated by rent-seeking behavior, exploitation of cheap labor, interest-based predatory lending, asymmetric information, and speculative bubbles. *Maqasid* provides a normative compass for designing Islamic financial systems, socio-economic institutions, and distributive mechanisms such as zakat, waqf, and sadaqah in a way that ensures wealth circulates widely—not only among economic elites. Therefore, *Maqasid al-Shariah* transforms Islamic economics into a value-based system aimed at achieving *al-falah*—holistic human wellbeing—and not merely economic efficiency or material prosperity.

METHODOLOGY

This study adopts a qualitative research approach with a systematic literature review as the primary method of data collection and analysis. The literature review involves an intensive examination of classical works of Usul al-Fiqh—such as *al-Risalah* by Imam al-Shafi'i, *al-Mustasfa* by al-Ghazali, *al-Muwafaqat* by al-Shatibi—and contemporary works on Islamic economics published in reputable journals, academic monographs, and institutional publications. These sources were selected purposively based on their relevance to the epistemological foundations of Islamic economic thought.

Data were analyzed using descriptive-analytic content analysis. The analysis process consisted of three stages:

- (1) identification of key concepts relevant to Usul al-Fiqh and Islamic economics
- (2) categorization and classification of themes related to epistemology, global economic issues, and *Maqasid al-Shariah*
- (3) interpretation and synthesis of findings to construct theoretical arguments. This process enabled the researcher to critically compare mainstream Western economic epistemology with the epistemological principles of Usul al-Fiqh.

Validity and reliability in qualitative research were ensured through source triangulation by comparing multiple authoritative references both from classical Islamic legal scholarship and modern economic literature. This approach strengthens the objectivity of findings and minimizes researcher bias. The aim of this methodological design is not empirical measurement, but theoretical construction: to demonstrate how Usul al-Fiqh can serve as a foundational epistemology for Islamic economics in responding to contemporary global economic challenges.

RESULTS AND DISCUSSION

The findings of this study reveal that without a strong epistemological foundation derived from Usul al-Fiqh, Islamic economics is highly vulnerable to becoming merely a cosmetic version of capitalism with Islamic symbols. Many contemporary Islamic economic practices—especially in the financial sector—tend to replicate the logic of interest-based banking, speculative investment behaviour, and profit-maximization strategies, but replace prohibited elements with “Sharia-compliant adjustments.” Such practices indicate that Islamic economics is still epistemologically influenced by Western economic paradigms that are secular, materialistic, and anthropocentric.

Usul al-Fiqh offers a different epistemology. It anchors knowledge production to revelation (*wahy*), not human desire or market forces. With methodological tools such as *qiyas*, *istihsan*, *maslahah mursalah*, and *sadd al-dzari’ah*, Usul al-Fiqh provides a framework to classify, evaluate, and judge new economic instruments not merely based on technical permissibility, but based on their impact toward justice, social welfare, wealth distribution, human dignity, and ecological balance. This finding is significant because global capitalism has proven to generate inequality, environmental destruction, and moral degradation in economic conduct.

Furthermore, Maqasid al-Shariah places “public interest” and “preservation of wealth” as essential objectives. This makes Islamic economics fundamentally purpose-driven, not profit-driven. When economic behavior is guided by Maqasid, the goal of economic activity shifts from private accumulation to public welfare. Therefore, Islamic economics must not only Islamize instruments (banks, contracts, products), but Islamize objectives, assumptions, and knowledge structure. The result of this study implies that the future development of Islamic economics depends on the ability to bring Usul al-Fiqh back to its epistemological centrality, so that Islamic economics emerges as a genuine alternative paradigm capable of responding to global crises—not as a derivative of capitalism

CONCLUSION

This study concludes that the fundamental weakness of many contemporary Islamic economic practices is their dependence on secular epistemological frameworks, which leads to superficial “Islamization” of capitalist concepts. The integration of Usul al-Fiqh as an epistemological foundation is therefore crucial to reconstruct Islamic economics from its roots. Usul al-Fiqh does not only provide legal mechanisms for deriving rulings, but also provides a value-based methodology that integrates revelation and rational reasoning. Through Maqasid al-Shariah, Islamic economics obtains a normative compass that ensures economic activities are directed towards justice, balance, public interest, and holistic human wellbeing (*al-falah*). This epistemological transformation will enable Islamic economics to emerge not merely as a halal variant of capitalism, but as a civilizational alternative.

This study recommends that future development of Islamic economics must prioritize epistemological reconstruction rather than product-based innovation. Islamic economists must develop new theories, models, and frameworks that begin

from Usul al-Fiqh and Maqasid al-Shariah, instead of adapting Western paradigms. Further interdisciplinary research is needed to integrate Usul al-Fiqh with global economic issues such as digital finance, climate change economics, global supply chain governance, and Islamic fintech regulation. By doing so, Islamic economics will be more capable of responding to global economic challenges and contribute meaningfully to the development of a more just, sustainable, and ethical global economic order.

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