

Peran Ijtihad dalam Pengembangan Ekonomi Islam di Era Globalisasi: A Library Research and Fatwa Institutions Analysis

Sokhibul Imam

Sekolah Tinggi Agana Islam NU Assalafie, Indonesia
Email: Sokhibulimam1995@gmail.com

ABSTRACT

Globalization has fundamentally transformed the global economic order, presenting complex challenges for the development of the Islamic economic system, particularly in areas such as digital finance, cryptocurrencies, Islamic fintech, and global sukuk markets that were not addressed in classical fiqh literature. In this context, *ijtihad* as a dynamic legal instrument is required to be more responsive and adaptive to contemporary economic realities. This study aims to: (1) analyze the nature and methodology of *ijtihad* from classical and contemporary perspectives; (2) identify global economic challenges requiring new *ijtihad* approaches; (3) examine the role of collective *ijtihad* institutions in shaping Islamic economic policies; and (4) formulate a responsive *ijtihad* framework for economic globalization. A qualitative approach with a descriptive-analytical library research method was employed, utilizing thematic content analysis with an inductive-deductive approach on primary sources comprising classical fiqh texts and fatwa documents from DSN-MUI, the OIC Fiqh Academy, and AAOIFI, as well as secondary sources including academic journals and Islamic financial regulatory documents. The findings indicate that *ijtihad jama'i* (collective *ijtihad*) through fatwa institutions plays a crucial role. The study further proposes a five-element responsive *ijtihad* framework (*maqashid al-shariah*, interdisciplinary approach, fatwa monitoring, harmonisasi standar internasional, pengembangan kapasitas mujtahid). Practical recommendations for practitioners, regulators, and policymakers in Islamic economics substansi artikel sama sekali tidak diubah.

Keywords: *ijtihad*; Islamic economics; globalization; fatwa; Islamic finance

INTRODUCTION

Globalization has brought fundamental changes to the global economic order, creating both challenges and opportunities for the development of the Islamic economic system (Nurhaliza et al., 2025). Amid rapid transformations, *ijtihad* as an instrument of legal reform in Islam is required to be more responsive to contemporary issues that were never encountered by classical scholars. Issues such as *digital currency* (cryptocurrency), *technology-based finance* (Islamic fintech), global sukuk, and derivative financial instruments represent new phenomena that require comprehensive and in-depth *ijtihad*-based analysis.

Islamic economics, as a system grounded in the values of the Qur'an and Sunnah, possesses distinctive characteristics that differentiate it from conventional economic systems (Atikah et al., 2023). Core principles such as the prohibition of *riba* (interest), the prohibition of *gharar* (excessive uncertainty), the obligation of zakat, and the encouragement of risk-sharing through *musyarakah* and *mudharabah* serve as non-negotiable foundations. However, the application of these principles within an evolving global economic context requires a dynamic and adaptive approach to *ijtihad*.

Etymologically, *ijtihad* is derived from the word *jahada*, which means to strive or exert maximum effort. Terminologically, *ijtihad* refers to the effort of a *mujtahid* to deploy all intellectual capacities to derive Islamic legal rulings on issues that are not explicitly addressed in the Qur'an and Sunnah (Taufiq, 2022). In the context of the modern economy, *ijtihad* functions as a mechanism of adaptation that enables Islamic economics to remain relevant and applicable in responding to global dynamics.

Several previous studies have examined the relationship between *ijtihad* and the development of Islamic economics. Otoman et al., (2024) emphasizes the importance of contemporary *ijtihad* that is integrative and interdisciplinary. Muhammad (2025) identifies that the slow pace of *ijtihad* in the field of *muamalah* is one of the factors hindering the development of Islamic finance. Meanwhile, Khan et al., (2022) stress the need for reform in *ijtihad* methodology to accommodate the complexity of modern financial instruments.

Further academic discourse has expanded understanding of *ijtihad*'s role within the broader ecosystem of Islamic economics. Harahap et al., (2023) demonstrated through a systematic literature review that Islamic law particularly *maqashid al-shariah* shares fundamental convergence with the United Nations' Sustainable Development Goals, underscoring the relevance of contemporary *ijtihad* in addressing global socioeconomic challenges. In parallel, the rapid growth of Islamic financial technology has introduced new dimensions requiring *ijtihad*-based responses; Dawood et al., (2022) identified that Islamic FinTech faces unresolved regulatory and sharia compliance challenges that demand updated juridical frameworks. From a governance perspective, Alam, (2022) highlighted the critical importance of centralized and institutionalized sharia governance frameworks in ensuring consistent *ijtihad* application across Islamic banking systems. At a more foundational level, Kato, (2022) provided empirical evidence that the distinctive features of Islamic economics including prohibition of *riba* and promotion of wealth redistribution through *zakat* and *waqf* offer a structurally distinct and socially equitable alternative to conventional capitalist models, affirming the urgency of adaptive *ijtihad* to operationalize these principles in contemporary global markets.

The contribution of this study lies in its effort to systematically map how *ijtihad* can be optimized as a driving force for innovation in Islamic economics in the era of globalization. This research not only analyzes the theoretical aspects of *ijtihad* but also examines its implementation within various international and national fatwa institutions that hold authority in regulating global Islamic finance.

Indonesia, as the country with the largest Muslim population in the world, has a significant stake in this issue. The Islamic finance industry in Indonesia continues to grow substantially, with total Islamic financial assets reaching hundreds of trillions of rupiah. However, Indonesia still lags behind Malaysia in terms of developing standards and regulations for Islamic finance. One contributing factor to this gap is the suboptimal role of *ijtihad* in producing innovative and competitive Islamic financial policies and products (Savandha et al., 2025).

In this context, this study aims to provide in-depth analysis and constructive insights. By better understanding how *ijtihad* can function as a mechanism for adaptation and innovation, stakeholders in the Islamic finance industry in Indonesia and globally can formulate more effective strategies to address the challenges of economic globalization. Based on the background above, this study aims to: (1) analyze the nature and methodology of *ijtihad* from both classical and contemporary perspectives; (2) identify global economic challenges that require new *ijtihad* approaches; (3) examine the role of collective *ijtihad* institutions in shaping Islamic economic policies; and (4) formulate an *ijtihad* framework that is responsive to the challenges of economic globalization.

RESEARCH METHODS

This study employs a qualitative approach using a descriptive-analytical library research method. This method is selected because the focus of the study lies in conceptual and theoretical analysis of *ijtihad* within the context of Islamic economics, with data derived from primary and secondary literature sources. The research design adopts a literature study approach with content analysis of various relevant written sources. The subjects of the study include concepts of *ijtihad* in classical and contemporary *fiqh* literature, as well as regulations and fatwas issued by international and national Islamic financial institutions.

Data collection is conducted through three stages. First, the collection of primary sources, including classical *fiqh* texts such as the works of Al-Ghazali, Ibn Qudamah, and Al-Shatibi, as well as fatwa documents from the National Sharia Council (DSN-MUI), the Organization of Islamic Cooperation (OIC) Fiqh Academy, and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Second, the collection of secondary sources in the form of books, scientific journals, and academic articles discussing Islamic economics and contemporary *ijtihad*. Third, the analysis of Islamic financial regulatory documents from various countries.

The data analysis technique uses thematic content analysis with an inductive-deductive approach. Deductively, the researcher applies classical *ijtihad* theoretical frameworks to analyze contemporary economic issues. Inductively, the researcher extracts new principles from the *ijtihad* practices of modern fatwa institutions. Data validity is ensured through source triangulation and member checking with experts in Islamic economics.

This study also employs a historical-comparative approach to trace the development of economic *ijtihad* over time. Comparative analysis is conducted on *ijtihad* products from various fatwa institutions across countries, including Malaysia, Indonesia, Saudi Arabia, Bahrain, and international institutions. This comparison enables the identification of general patterns as well as contextual differences in approaches to economic *ijtihad*.

The validity of the research findings is maintained through several mechanisms. First, the researcher conducts cross-checking among various primary and secondary sources. Second, preliminary findings are discussed in academic seminar forums with experts in Islamic economics. Third, the analysis is carried out systematically and transparently, allowing replication and evaluation by other researchers. A limitation of this study lies in its non-empirical nature, as it does not include surveys or direct interviews with practitioners.

RESULTS AND DISCUSSION

The Nature and Methodology of Ijtihad in Classical and Contemporary Perspectives

In the Islamic intellectual tradition, *ijtihad* does not stand alone but constitutes an integral part of the *ushul fiqh* system developed by scholars over centuries. Imam Al-Shafi'i, in his work *Al-Risalah*, laid the methodological foundation of *ijtihad*, which was later expanded by subsequent generations of scholars. Classical *ijtihad* methods include *qiyas* (legal analogy), *istihsan* (juristic preference), *maslahah mursalah* (public interest), *'urf* (custom), and *istishab* (presumption of continuity) (Mappasessu & Akmal, 2025).

In the context of contemporary Islamic economics, the methodology of *ijtihad* has undergone significant development. Modern scholars no longer rely solely on classical methods but also integrate multidisciplinary approaches encompassing economics, sociology, psychology, and even data science. Hassanein & Abdelhamid (2025), through his concept of *al-fiqh al-muyassar* (facilitative jurisprudence), emphasizes the importance of considering *maqashid al-shariah* (the objectives of Islamic law) as the primary compass in performing *ijtihad*.

One of the most significant methodological developments in contemporary economic *ijtihad* is the emergence of a more holistic *maslahah*-based approach. Scholars such as Ibn Ashur and Rashid Rida have expanded the concept of *maqashid al-shariah* beyond the five basic necessities formulated by Al-Shatibi. They introduced new dimensions such as freedom, social justice, and human equality as integral components of the objectives of Sharia that must be preserved. This expansion opens broader space for economic *ijtihad* that is responsive to the needs of modern society.

Differences in approaches among the various schools of *fiqh* (Hanafi, Maliki, Shafi'i, and Hanbali) also provide valuable methodological richness for economic *ijtihad*. The Hanafi school, which frequently employs *istihsan* (legal preference based on considerations of justice), and the Maliki school, which strongly utilizes *maslahah mursalah* (public interest without explicit textual basis), tend to be more flexible in accommodating contemporary economic needs. Meanwhile, the Shafi'i school, which adheres strictly to *qiyas*, offers greater legal certainty. In modern economic *ijtihad* practice, scholars often engage in selective cross-school approaches (*talfiq*) to achieve the most beneficial outcomes.

Beyond methodology, the issue of authority in *ijtihad* has become increasingly crucial in the modern context. Questions regarding who is qualified to perform *ijtihad* and how its legitimacy is established have grown more complex in the era of information democracy. In the past, *ijtihad* authority was held by prominent scholars whose expertise was collectively recognized by the Muslim community. However, in the internet era, many individuals claim *ijtihad* authority without adequate qualifications. This phenomenon calls for a more formalized and standardized system of certification and recognition of *mujtahids*.

The following table presents a comparison between *ijtihad fardi* (individual) and *ijtihad jama'i* (collective) in the context of modern Islamic economics:

Table 1. Comparison of Ijtihad Approaches in Islamic Economics

Aspect	Ijtihad Fardi	Ijtihad Jama'i
Actor	Individual scholars	Collective institutions/councils of scholars
Method	Qiyas, personal istihsan	Multidisciplinary deliberation
Legal Authority	Personal opinion	Institutional authority
Modern Application	Limited to individuals	Fatwas by MUI, DSN, OIC Fiqh Academy
Flexibility	High but inconsistent	Structured and standardized

Source: Researcher's Analysis (2024)

The data above indicate that *ijtihad jama'i* has significant comparative advantages in the development of modern Islamic economics. This is because the complexity of contemporary economic issues cannot be resolved by a single expert but requires contributions from multiple disciplines simultaneously. Institutions such as DSN-MUI in Indonesia, the OIC Fiqh Academy in Saudi Arabia, and AAOIFI in Bahrain have demonstrated the effectiveness of this collective *ijtihad* approach.

Global Economic Challenges Requiring New Ijtihad

The era of globalization has produced various new economic instruments and phenomena that were not addressed in classical *fiqh* literature. At least five main categories of challenges require new economic *ijtihad*:

First, the issue of digital currencies (cryptocurrencies). Bitcoin, Ethereum, and other crypto assets have sparked intense debate among scholars. Some argue that cryptocurrencies are prohibited (*haram*) due to excessive *gharar* and the absence of clear underlying assets. Others permit them under certain conditions. The DSN-MUI Fatwa No. 116/DSN-MUI/IX/2017 on Electronic Money provides a basic framework but does not specifically regulate decentralized cryptocurrencies (DSN-MUI, 2017).

Second, Islamic fintech and online lending platforms. Advances in financial technology have enabled financial transactions without traditional financial institutions (Widya & Syafi'i, 2023). Sharia-compliant peer-to-peer lending, Islamic crowdfunding, and robo-advisors based on Islamic principles are among the innovations requiring more comprehensive fatwa regulations. *Ijtihad* is needed to ensure these innovations remain aligned with fundamental Sharia principles.

Third, global sukuk and Islamic capital market instruments. The global sukuk market has grown rapidly, with issuance values reaching hundreds of billions of dollars annually. However, the complexity of modern sukuk structures—particularly derivative-based and hybrid sukuk—raises questions about Sharia compliance. Criticism from scholars such as Sheikh Muhammad Taqi Usmani regarding certain sukuk structures resembling conventional bonds indicates that *ijtihad* in this field remains essential (Uluyol, 2023).

Fourth, the international financial system and monetary policy. The participation of Muslim-majority countries in an international financial system dominated by Bretton Woods institutions presents unique dilemmas. How should Islamic central banks manage foreign exchange reserves? How should Islamic monetary policy respond to global inflation? These questions require *ijtihad* that integrates macroeconomic understanding with Sharia principles.

Fifth, environmental issues and global business ethics. Concepts such as green sukuk, ESG (Environmental, Social, Governance) investing from an Islamic perspective, and corporate social responsibility in Islamic finance represent emerging areas that require in-depth *ijtihad*. Islamic principles such as *hifzh al-bi'ah* (environmental preservation) and the prohibition of *israf* (wastefulness) provide relevant foundations for development in this context.

Beyond these five main categories, there are various other sectoral challenges requiring *ijtihad*. These include the halal agriculture sector and global food supply chains, halal tourism, healthcare services based on Islamic values, as well as the creative economy and Sharia-compliant entertainment industry. Each sector has its own unique characteristics and issues, requiring specific and contextual *ijtihad* approaches.

Equally important is the challenge posed by the development of artificial intelligence (AI) and automation within the framework of Islamic economics. How does Islamic law view ownership and distribution of benefits derived from AI technologies? Can profits generated by algorithmic trading be classified as *riba*? How are Islamic *muamalah* principles applied within the gig economy dominated by digital platforms? These questions illustrate the vast scope of *ijtihad* required to respond to the digital transformation of the global economy.

Ijtihad in the Revitalization of Islamic Socio-Economic Instruments: Waqf, Zakat, and Infaq

In addition to formal financial instruments, *ijtihad* also plays a crucial role in revitalizing and developing long-established Islamic socio-economic instruments. Waqf, zakat, infaq, and sadaqah constitute the pillars of the Islamic social security system, holding immense potential for development in the modern context. However, realizing this potential requires creative and forward-looking *ijtihad*.

In the context of waqf, contemporary *ijtihad* has generated significant innovations. The concept of cash waqf, which allows individuals to endow money rather than only physical assets such as land and buildings, has opened new dimensions in waqf management. In Indonesia, the DSN-MUI Fatwa No. 54/DSN-MUI/X/2006 provides the legal foundation for cash waqf. Furthermore, the concept of Corporate Waqf, enabling corporations or legal entities to act as *wakif* (donors), represents another innovative outcome of *ijtihad*. More recently, blockchain-based waqf is being developed to significantly enhance transparency and accountability in waqf asset management.

In the domain of zakat, modern *ijtihad* has resulted in a substantial expansion of zakatable objects and subjects. Questions regarding whether salaries, professional income, and modern business profits are subject to zakat have been addressed through extensive *ijtihad*. The majority of contemporary scholars consider professional and income zakat obligatory, although differences remain regarding the *nisab* (minimum threshold) and rates. In Indonesia, Baznas (National Zakat Agency), in collaboration with DSN-MUI, has developed comprehensive zakat management standards, including the digitalization of zakat collection and distribution systems through technological platforms.

The integration between waqf and formal Islamic finance represents one of the most promising areas of *ijtihad*. The concept of Waqf-Linked Sukuk, which combines the fundraising capacity of the sukuk market with the social objectives of waqf, has emerged as an innovative model for financing social infrastructure. The Indonesian government, through the Ministry of Finance and Baznas, has issued Cash Waqf Linked Sukuk (CWLS) since 2020, demonstrating how *ijtihad* can produce creative and impactful social financial instruments.

Efforts to revitalize these Islamic socio-economic instruments are also closely aligned with the United Nations' Sustainable Development Goals (SDGs). Scholars and academics increasingly recognize that well-managed zakat, infaq, sadaqah, and waqf systems can significantly contribute to achieving SDGs, particularly poverty alleviation (SDG 1), reducing inequality (SDG 10), and fostering global partnerships (SDG 17). This awareness has encouraged constructive dialogue between the Islamic economics community and international institutions such as the UN, World Bank, and IMF regarding the potential role of Islamic economics in sustainable development.

Empirical studies indicate that global zakat potential exceeds USD 600 billion annually, while global waqf assets are estimated to surpass USD 1 trillion. These figures highlight the vast untapped potential. Optimizing this potential requires *ijtihad* that not only addresses legal questions but also provides governance frameworks and accountability standards acceptable to an increasingly critical modern Muslim society.

In Indonesia specifically, the opportunity to develop the Islamic economy through the revitalization of social instruments is immense. With over 230 million Muslims, the optimal mobilization of zakat, infaq, sadaqah, and waqf could significantly impact poverty reduction and

social infrastructure development. The Indonesian Sharia Economic Masterplan 2019–2024, formulated by the National Committee for Islamic Finance (KNKS), identifies the development of zakat and waqf ecosystems as a key pillar of national Islamic economic development.

The Role of Collective Ijtihad Institutions in Shaping Islamic Economic Policy

Collective *ijtihad* institutions play an increasingly strategic role in shaping the direction of global Islamic economic development. At least three categories of institutions are central to this ecosystem. At the international level, the OIC Fiqh Academy (Majma‘ al-Fiqh al-Islami), based in Jeddah, Saudi Arabia, serves as a primary reference for Muslims worldwide. Comprising scholars from 57 OIC member states, the institution regularly convenes to address contemporary *fiqh* issues. In the economic sphere, it has issued hundreds of resolutions covering Islamic banking, takaful (Islamic insurance), and Islamic capital markets (OIC Fiqh Academy, 2019).

AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions), headquartered in Bahrain, focuses on standardizing Islamic financial practices. Its Shari’ah and accounting standards have been adopted in over 45 countries. The standard-setting process itself represents a form of *ijtihad jama‘i*, involving collaboration between Sharia scholars and financial practitioners (AAOIFI, 2021).

At the national level, the National Sharia Council of the Indonesian Ulama Council (DSN-MUI) exemplifies the implementation of collective *ijtihad* in Indonesia. Since its establishment in 1999, DSN-MUI has issued over 130 fatwas regulating various aspects of Islamic finance and economics. These fatwas are legally recognized by the Financial Services Authority (OJK) and Bank Indonesia, making them a critical regulatory instrument in the national Islamic finance industry.

The effectiveness of these institutions depends heavily on the quality of deliberation processes. Research by Azmin Shompa et al., (2025) indicates that the most effective *ijtihad* institutions integrate traditional Sharia scholarship with the expertise of economists and financial practitioners. This multidisciplinary approach ensures that fatwas are both Sharia-compliant and practically applicable in the global economy.

Fatwa Dynamics and the Development of the Global Islamic Finance Industry

The growth of the global Islamic finance industry is closely linked to the dynamics of fatwas produced by *ijtihad* institutions. What began as a local experiment has evolved into a global economic force, with assets exceeding USD 3 trillion by 2023. This remarkable growth is largely driven by the Sharia legal certainty provided through rigorous *ijtihad*.

In this ecosystem, fatwas serve a dual function. On one hand, they act as instruments of legitimacy, assuring clients and investors that products comply with Islamic principles. On the other hand, they function as instruments of innovation, enabling the development of new financial products previously unknown in Islamic finance.

A notable example is the fatwa on *sukuk ijarah*, which allows Muslim countries to issue Sharia-compliant bonds without violating the prohibition of *riba*. Malaysia, a pioneer in the global sukuk industry, has developed a sophisticated sukuk market supported by fatwas from the Sharia Advisory Council of Bank Negara Malaysia. This model has been widely adopted by countries such

as Indonesia, Saudi Arabia, and the UAE, as well as non-Muslim countries like the UK and Germany.

One of the major challenges in the current fatwa landscape is the phenomenon of “fatwa shopping,” where institutions seek the most permissive rulings to approve controversial products. This highlights the need for standardized qualifications for Sharia board members and greater transparency in fatwa decision-making processes.

In response, governance reforms have been introduced. The Islamic Financial Services Board (IFSB) has issued guidelines on Sharia governance, recommending minimum qualifications, limits on multiple board memberships, and independent Sharia audits. In Indonesia, OJK has strengthened regulations on Sharia supervisory boards since 2019.

Advances in information technology have also improved fatwa accessibility. Digital platforms such as IslamicFinance.com and ISRA, along with mobile applications, allow users to access thousands of fatwas within seconds. While this democratizes access to Sharia knowledge, it also raises the risk of misinterpretation by those lacking proper expertise.

Scholarly literature has further reinforced the centrality of robust *ijtihad* institutions and governance structures in advancing Islamic economics. Alam et al., (2023) found that the independence and effectiveness of Sharia department officers within Islamic banks are critical determinants of genuine sharia compliance, highlighting that well-qualified and autonomous sharia scholars products of rigorous *mujtahid* formation are indispensable to the integrity of Islamic financial institutions. Complementing this perspective, Al Faruque, (2023) demonstrated that optimally mobilized Islamic social finance, particularly through formalized and *ijtihad*-informed zakat institutions, can produce measurable contributions toward poverty reduction and the achievement of Sustainable Development Goals in Muslim-majority countries. Finally, in the domain of green sukuk and ESG-aligned instruments, Harahap et al., (2023) emphasized that the *maqashid al-shariah* framework provides a natural normative foundation for aligning Islamic capital market instruments with global sustainability objectives, reaffirming that forward-looking *ijtihad* is essential to expanding the scope and impact of Islamic finance in the globalization era.

A Responsive Ijtihad Framework for Economic Globalization

Based on the analysis of contemporary *ijtihad* approaches and existing challenges, this study proposes a responsive *ijtihad* framework for economic globalization, consisting of five interconnected elements.

The first element is strengthening the foundation of *maqashid al-shariah*. Effective economic *ijtihad* must be grounded in the fundamental objectives of Sharia: protection of religion, life, intellect, lineage, and wealth. In the modern context, the concept of protecting wealth (*hifzh al-mal*) should be expanded to include financial system stability, consumer protection, and equitable income distribution.

The second element is a comprehensive interdisciplinary approach. Contemporary *ijtihad* requires deep understanding of economics, finance, international business law, and information technology. Modern *mujtahids* must either possess dual expertise or collaborate effectively with specialists. Collaborative models developed by AAOIFI and DSN-MUI serve as strong examples.

The third element is the establishment of monitoring and evaluation mechanisms for fatwas. *ijtihad* should not stop at issuing rulings but must include monitoring implementation and revising

fatwas when necessary. Early Islamic finance fatwas have sometimes required revision due to deviations in practice. Systematic monitoring can prevent such issues.

The fourth element is the harmonization of international standards. Differences in fatwas across countries often create confusion for cross-border Islamic finance operations. Efforts by institutions like IFSB and AAOIFI to harmonize Sharia standards should be strengthened—not to enforce rigid uniformity, but to establish agreed minimum standards.

The fifth element is the development of future *mujtahid* capacity. Regenerating competent economic *mujtahids* is a critical challenge. Educational curricula in Islamic institutions must integrate modern economics with advanced *fiqh muamalah*. Scholarships and collaborations with international financial institutions are essential to prepare future scholars.

The implementation of this framework requires a clear roadmap. In the short term (1–3 years), priorities include strengthening institutional capacity and harmonizing procedures among fatwa bodies. In the medium term (3–7 years), focus shifts to monitoring mechanisms and improving *mujtahid* quality through training and certification. In the long term (7–15 years), the goal is globally recognized harmonized Sharia standards.

This framework must also be supported by strong research and development ecosystems. Institutions such as ISRA in Malaysia, IRTI-IDB in Saudi Arabia, and Islamic economic research centers in Indonesia need enhanced human and financial resources to produce evidence-based inputs for *ijtihad*.

Ultimately, the success of *ijtihad* in advancing Islamic economics in the globalization era depends not only on the quality of fatwas but also on stakeholders' ability to implement them consistently and responsibly. A shared commitment among scholars, regulators, academics, and industry practitioners is essential and non-negotiable.

Research Limitations

This study acknowledges several limitations. First, as a purely library-based research, it does not incorporate primary empirical data such as interviews, surveys, or field observations, which may limit the generalizability of its findings to real-world institutional contexts. Second, the comparative analysis of fatwa institutions across jurisdictions is constrained by the availability and accessibility of official fatwa documents in English or Indonesian. Third, given the rapidly evolving nature of global Islamic finance, some regulatory developments may have occurred subsequent to the literature reviewed. Future research is encouraged to address these limitations through empirical, mixed-methods, or longitudinal approaches.

CONCLUSION

This study comprehensively analyzes the role of *ijtihad* in the development of Islamic economics in the era of globalization and concludes that *ijtihad* is a vital and indispensable instrument for ensuring the adaptability and relevance of Islamic economic systems amid dynamic global changes. It finds that *ijtihad jama'i* (collective *ijtihad*) is more effective than individual *ijtihad* in addressing complex global economic issues, particularly in emerging domains such as cryptocurrency, Islamic fintech, global sukuk, Islamic monetary policy, and ESG-based sustainable investment. The study proposes a responsive *ijtihad* framework encompassing the strengthening of *maqashid al-shariah*, interdisciplinary approaches, fatwa monitoring mechanisms, international standard harmonization, and the development of *mujtahid* capacity, offering both theoretical

contributions to the epistemology of contemporary *ijtihad* and practical implications for institutional reform and policy formulation in Islamic finance.

Furthermore, the study emphasizes that *ijtihad* should be proactive and anticipatory rather than merely reactive, while also addressing ethical dimensions such as inequality, environmental degradation, and unjust business practices, positioning Islamic economics as a potential source of humane and sustainable solutions. However, the study is limited by its purely conceptual nature, and future research is recommended to conduct empirical and comparative analyses on the effectiveness of collective *ijtihad* institutions and regulatory models across countries.

REFERENCE

- Al Faruque, A. A. . (2023). *The impact of Islamic social finance on sustainable development goals to alleviate poverty in muslim countries: A new paradigm for zakat organizations in Bangladesh.*
- Alam, M. K. (2022). A proposed centralized Shariah governance framework for Islamic banks in Bangladesh. *Journal of Islamic Accounting and Business Research*, 13(2), 364–389. <https://doi.org/10.1108/JIABR-03-2021-0106>
- Alam, M. K., Tabash, M. I., Thakur, O. A., Rahman, M. M., Siddiqui, M. N., & Hasan, S. (2023). Independence and effectiveness of Shariah department officers to ensure Shariah compliance: evidence from Islamic banks in Bangladesh. *Asian Journal of Accounting Research*, 8(1), 15–26. <https://doi.org/10.1108/AJAR-01-2022-0022>
- Atikah, N., Syafi'i, A., Rohimi, U. E., & Rani, P. (2023). Islamic Economic Position as a Breakfast to Reducing Inflation. *Jurnal Multidisiplin Madani*, 3(1), 48–54.
- Azmin Shompa, Z., Akbar, M. A., & Mohd Mohadis, H. (2025). Harmonizing Maqasid al-Shari'ah with sustainable waste management practices: a conceptual framework for principles and implementation. *International Journal of Islamic and Middle Eastern Finance and Management*, 18(1), 142–165.
- Dawood, H., Al Zadjali, D. F., Al Rawahi, M., Karim, D. S., & Hazik, D. M. (2022). Business trends & challenges in Islamic FinTech: A systematic literature review. *F1000Research*, 11, 329. <https://doi.org/10.12688/f1000research.109400.1>
- DSN-MUI. (2017). *Fatwa No. 116/DSN-MUI/IX/2017 tentang Uang Elektronik Syariah.*
- Harahap, B., Risfandy, T., & Putri, I. N. (2023). Islamic Law, Islamic Finance, and Sustainable Development Goals: A Systematic Literature Review. *Sustainability*, 15(8), 6626. <https://doi.org/10.3390/su15086626>
- Hassanein, A. A. M., & Abdelhamid, A. (2025). The complementarity of *ijtihad* and the Maqasid al-Shariah in Islamic law: An analytical study. *International Journal of Academic Research in Business and Social Sciences*, 15(5), 847–859.
- Kato, T. (2022). Islamic and capitalist economies: Comparison using econophysics models of wealth exchange and redistribution. *PLOS ONE*, 17(9), e0275113. <https://doi.org/10.1371/journal.pone.0275113>
- Khan, M. F. U., Saeed, A., & Angaria, A. K. (2022). A Theoretical Comparison of Interest-Free Banking and Interest-Based Banking: A Context of Pakistani Banking Industry. *Annals of Human and Social Sciences*, 3(2), 664–674.
- Mappasessu, M., & Akmal, A. M. (2025). Studying Fiqh Based on the Quran and Hadith in the Modern Era by Revisiting the Methodology of Legal Istinbat. *Nuris Journal of Education and Islamic Studies*, 5(2), 151–167.
- Muhammad, H. (2025). Exploring Risk Management Practices and Fiqh Muamalat to Improve the Performance of Islamic Microfinance Institutions. *European Journal of Islamic Finance*, 12(3), 17–30.
- Nurhaliza, N., Pramesti, G. N. D. P., Amelia, A., & Melinda, V. (2025). Deglobalisasi dan

- Kesejahteraan Negara Berkembang di Era Fragmentasi Ekonomi Global. *Cakrawala Repositori IMWI*, 8(3), 1612–1618.
- Otoman, O., Ibrahim, D., & Rochmiatun, E. (2024). Identity of the Malay and Nusantara Islam Society: An Analysis Through Yusuf al-Qaradawi's Islamic Transformation Thought. *Afkaruna: Indonesian Interdisciplinary Journal of Islamic Studies*, 20(2), 357–369.
- Savandha, S. D., Amelia, A., Pramesti, G. N. D. P., Salsabila, I. N., & Melinda, V. (2025). Global Trade Wars and Economic Forecasts: Evaluating the Long-Term Effects of US Protectionist Policies. *Cristal International Journal of Interdisciplinary Research*, 1(1), 10–20.
- Taufiq, M. (2022). The role of ijtihad in the renewal of Islamic thought. *Al-Hikmah: International Journal of Islamic Studies and Human Sciences*, 5(6), 99–114.
- Uluyol, B. (2023). A comprehensive empirical and theoretical literature survey of Islamic bonds (sukuk). *Journal of Sustainable Finance & Investment*, 13(3), 1277–1299.
- Widya, W., & Syafi'i, A. (2023). Application of Islamic Business Ethics in the Fintech Industry: an Analysis of the Foundation of Sharia Maqashid. *American Journal of Economic and Management Business (AJEMB)*, 2(12).