

Islamic economic principles and their contributions to ecological sustainability and green economy development

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Abstract. This article explores the impact of the Islamic economic paradigm on the development of a green economy. The analysis examines in detail the key principles of Islamic economics, including, but not limited to, care for the environment, sustainable use of resources, ensuring social justice and harmonious responsibility to society. Particular attention is paid to identifying how these principles contribute to the formation of an environmentally sustainable economic system, taking into account social responsibility. The study also covers analysis of the practical implementation of Islamic economic principles in various areas of environmental management, sustainable development and environmental protection. The article concludes with a conclusion about the potential of the Islamic economic model as a factor in the development of a green economy and the need to integrate its fundamental principles into modern sustainable development strategies.

1 Introduction

In the contemporary discourse on sustainable development and environmental conservation, Islamic economic principles offer a unique and valuable perspective. Rooted in the teachings of the Qur'an and the Hadith, these principles emphasize a holistic approach to economic activity that includes social justice, environmental stewardship, and ethical behavior. The integration of these principles into modern economic practices can significantly contribute to the development of a green economy and the promotion of ecological sustainability. This introduction explores the foundations of Islamic economic principles, their relevance to ecological sustainability, and their potential contributions to the green economy.

Islamic economic principles are derived from the Shariah, the divine law that governs all aspects of a Muslim's life. Key concepts include Tawhid (the Oneness of God), Khalifah (stewardship), and Mizan (balance). These principles collectively advocate for an economy that respects the natural world, promotes social equity, and operates within ethical boundaries.

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Tawhid (The Oneness of God). This fundamental concept underscores the belief that all creation is interconnected and part of a divine unity. Economic activities, therefore, should reflect this interconnectedness by ensuring that human actions do not harm the environment or disrupt the balance of nature.

Khalifah (Stewardship). Humans are considered stewards of the Earth, entrusted with its care and preservation. This stewardship mandate implies that economic development should not come at the expense of environmental degradation. Instead, it should foster sustainability and respect for all living creatures.

Mizan (Balance). The principle of Mizan calls for balance and moderation in all aspects of life, including economic practices. It discourages overconsumption and waste, advocating for a balanced use of resources that ensures their availability for future generations.

The application of Islamic economic principles to ecological sustainability is evident in several key areas:

1. **Resource Management:** Islamic teachings advocate for the judicious use of natural resources. Overexploitation and waste are condemned, and there is a strong emphasis on conservation and regeneration. Practices such as rotational farming, water conservation, and sustainable forestry can be seen as extensions of these principles.

2. **Waste Reduction:** The concept of Israf (wastefulness) is explicitly discouraged in Islam. This principle promotes efficient use of resources and encourages recycling and reuse, aligning closely with modern sustainable practices.

3. **Equitable Distribution:** Zakat (charitable giving) and Sadaqah (voluntary charity) are mechanisms within Islamic economics that ensure wealth redistribution and support for the less fortunate. These practices help reduce inequality and promote social stability, which are essential components of a sustainable society.

The green economy seeks to achieve economic growth and development while ensuring that natural resources are used sustainably. Islamic economic principles can significantly contribute to this goal through various means:

1. **Ethical Investment:** Islamic finance prohibits interest (Riba) and promotes profit-and-loss sharing arrangements. Investments are directed towards projects that have social and environmental benefits. The growth of Sukuk (Islamic bonds) in financing renewable energy projects is a prime example of how Islamic finance can support the green economy.

2. **Sustainable Business Practices:** Businesses operating under Islamic principles are encouraged to adopt sustainable practices. This includes minimizing environmental impact, ensuring fair labor practices, and contributing positively to the community. These practices can enhance corporate social responsibility and promote long-term sustainability.

3. **Innovation and Research:** Islamic teachings encourage the pursuit of knowledge and innovation. This can drive research and development in green technologies, such as renewable energy, sustainable agriculture, and eco-friendly manufacturing processes.

4. **Policy Frameworks:** Governments in Muslim-majority countries can integrate Islamic principles into national policies to promote sustainable development. This can include regulations that enforce environmental protection, incentives for green investments, and support for sustainable community initiatives.

Islamic economic principles offer a comprehensive framework for promoting ecological sustainability and developing a green economy. By integrating the concepts of Tawhid, Khalifah, and Mizan into economic practices, it is possible to create an economy that respects the environment, promotes social equity, and operates ethically. The potential of these principles to contribute to sustainable development is significant and warrants further exploration and implementation in both Muslim-majority and non-Muslim-majority contexts. As the world grapples with environmental challenges, the wisdom embedded in Islamic economic teachings provides valuable insights that can guide the transition towards a more sustainable and equitable global economy.

Use In the modern world, it has become increasingly clear that the need to develop environmentally sustainable economic models is becoming an integral element of ensuring global stability and prosperity. A green economy, based on the principles of sustainable use of natural resources and reducing negative impacts on the environment, is becoming the goal of many countries and organizations.

In this context, the Islamic economic model is attracting increasing attention and interest as a potential factor in the development of a green economy. Islamic economics, based on the principles of social justice, social responsibility and sustainable use of resources, represents a significant resource in the context of the pursuit of environmental sustainability.

This article is aimed at analyzing the influence of the Islamic economic model on the development of a green economy. The study will analyze which principles of Islamic economics can be key to the formation of a sustainable and environmentally responsible economic system. It will also examine the use and practical implementation of these principles in various sectors, including green technologies, sustainable development and environmental protection.

The purpose of this study is to identify the potential of the Islamic economic model as a factor in the development of a green economy and to identify ways to integrate its principles into modern sustainable development strategies.

Leading experts in the field of research into the influence of confession on the economic behavior of market participants, whose works had a fundamental influence on the conceptualization of the study, include such scientists as M. T. Usmani, A. Karadaghi, Zh. K. Yuziner, N. Miller, M. Shubeir etc. Taking into account the scientific achievements of scientists, it is necessary, however, to recognize that their works lack a comprehensive study of the problems of developing social responsibility of business in the context of Islamic economics. For example, research is devoted to a variety of topics: Islamic marketing (Fraedrich, Althawadi & Bagherzadeh, 2018), halal logistics (Zailani, Iranmanesh & Aziz, 2017), corporate halal reputation (Tieman, 2019), customers' behavior (Ratnasari, Ula & Sukmana, 2020), Islamic religiosity (Mahdzan & etc, 2018), halal certification (Annabi & Ibadapo-Obe, 2017; Yuzef, 2021), halal logo (Anam, Sany Sanuri & Ismail, 2018), etc.

2 Research methods

Islamic economics is based on a number of key principles derived from the Koran, which form its unique basis, we note these features in Table 1.

Table 1. Features of Islamic economics in terms of key prohibitions.

Features of Islamic Economics	Contents
1. Prohibition of transactions with certain assets	The key prohibition is related to the impossibility of trading and other transactions with assets that are specified in the Koran and Sunnah, for example, alcohol, pork, etc.
2. Prohibition of usury	One of the most important aspects of the Islamic financial system is the prohibition of usury. This restriction, specified in the Koran, applies to various financial transactions, including mortgages, goods on credit, bonds and others.
3. Prohibition of Maysir	Maysir refers to a game of chance in which the outcome depends on chance and is not under the control of the participants in the game. The Islamic prohibition on Maysir means that insurance, betting, lottery, casinos, etc. are prohibited.

Continuation of Table 1.

4. Prohibition of gharar	We are talking about a situation where the contract contains unpredictable uncertainty for the seller and the buyer, which can lead to serious disagreements in the future regarding the terms of the transaction. This principle applies to various types of financial transactions, including Forex, futures, binary options, etc.
5. Prohibition of deceptive actions	The Koran and Hadith clearly prohibit deception. This prohibition is considered important in the Islamic financial system and emphasizes the need for fairness and fairness in all financial transactions.
6. Prohibition on the use of certain warranty instruments	– fines: Islamic law prohibits the application of penalties, even if they may be proportionate to the amount of the loan; – modern bank guarantees: they are allowed in the Islamic financial system, but the presence of fees for the bank guarantee makes them unacceptable; – lost profits: in Islamic law, losses can be compensated only to the extent of actual expenses incurred.

Source: Compiled by the author

The Islamic economy includes a number of sectors, including Islamic finance (Islamic banking, sukuk, takaful, etc.) and the halal market (Figure 1).

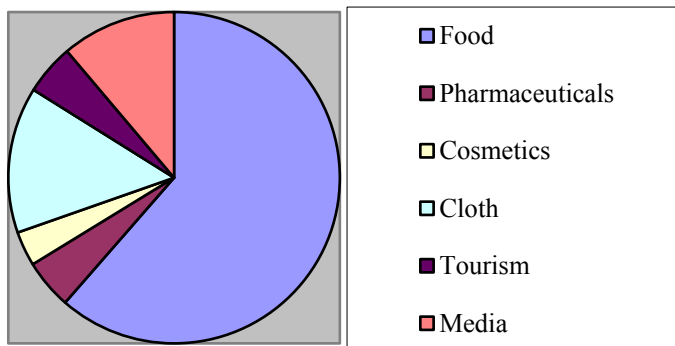


Fig.1. Structure of the halal market in the world in 2021.

Source: Compiled by the author

It should be noted that the halal market shows significant annual growth of about 9% per year. Based on current data, it can be assumed that in the coming years its volume will reach \$3 trillion. This impressive growth is due to the active development of Islamic economic ecosystems in 81 countries included in the above study [Anam, Sany Sanuri, & Ismail, 2018].

Interestingly, the first four leading countries in the ranking remain unchanged, and Malaysia confidently holds the leading position in this list for the ninth year in a row [Mahdzan, Zainudin & Sulaiman, 2018; Zailani, Iranmanesh & Aziz, 2017]. It is followed by Saudi Arabia, the UAE and Indonesia, also maintaining their places [Ratnasari, Ula & Sukmana, 2020]. It is important to note that the list of leaders, included in the top 15 countries, includes new participants such as Great Britain and Kazakhstan [Ratnasari, Ula & Sukmana]. Turkey and Singapore made an impressive jump, rising by 7 and 8 positions respectively, and now occupy 5 and 7 places. While Nigeria and some other countries dropped out of the top list, indicating the dynamism of the halal market.

Despite the presence of strict prohibitions, Islamic economics includes a number of socio-ethical aspects that also determine the uniqueness of this system. Let us analyze these institutions in order to identify the degree of influence on public life. First of all, I classify them into the categories indicated in Table 2.

Table 2. Features of Islamic economics.

Features of Islamic Economics	Contents
1. Environmental aspects	1.1. Healthy lifestyle. 1.2. Prohibition of environmental pollution. 1.3. Lean production.
2. Social aspects	2.1. Fair distribution of wealth. 2.2. Co-competition.
3. Ethical considerations	3.1. Honesty; 3.2. Justice; 3.3. Equality.

Source: Compiled by the author

3 Results

Islamic economic principles significantly contribute to promoting a healthy lifestyle, environmental conservation, social equity, and ethical behavior, all of which support the development of a green economy.

A key aspect of Islamic teachings is the encouragement of a healthy lifestyle, underscored by the Prophet Muhammad's emphasis on valuing health before illness. Proper nutrition is advocated, with recommendations for moderation in eating, and the consumption of halal food, which is considered environmentally friendly. The prohibition of alcohol and tobacco further aligns with modern health recommendations, as both are seen as harmful substances.

Environmental conservation is another critical component. Islamic teachings prohibit pollution and wastefulness. The Qur'an encourages cleanliness and discourages harmful practices such as improper waste disposal, harmful emissions, deforestation, and the killing of animals for entertainment. Lean production and efficient resource use are emphasized to protect the environment.

Social equity is promoted through mechanisms like zakat, sadaqa, and waqf. Zakat involves mandatory wealth redistribution to the needy, while sadaqa promotes voluntary charity. Waqf involves dedicating property for charitable purposes, supporting social infrastructure like mosques, schools, and hospitals. These practices help reduce inequality and support community development.

Islamic principles also advocate for fair competition and cooperation in business. Practices like monopolies and price collusion are condemned, while healthy competition and collaboration are encouraged. This approach helps organizations balance competition and cooperation, fostering innovation and improving the quality of products and services.

Ethical behavior is paramount in Islamic economics. Honesty in transactions, workplace conduct, and advertising is stressed to maintain integrity and trust. Managers are expected to provide transparent information to employees, particularly regarding significant changes. Fair treatment of employees and consumers is mandated, ensuring justice in all dealings. Non-discrimination in hiring and promotion, and fairness in supplier selection and customer relations, are also emphasized.

These principles derive from Islamic ethics, promoting fair, equitable, and ethical relationships in society and business. They support sustainable development, balancing economic growth with social responsibility and environmental stewardship. Islamic economic principles, therefore, play a vital role in forming a green economy, aligning closely with modern sustainability goals.

4 Discussion

Let us consider and summarize the differences and similarities between the Islamic economic

model and the green economy (Table 3).

Table 3. Comparison of the main characteristics of green and Islamic economic models.

Characteristics	Green economy	Islamic economy
Priorities	Environmental protection, sustainable use of resources, energy efficiency, ensuring social justice	Religious observance, social justice, responsibility to society, care for nature, sustainable use of resources
Principles	Sustainable development, environmental sustainability, social responsibility	Prohibition of certain types of transactions, prohibition of waste, gharar and maysir, social justice, care for nature, sustainable use of resources, provision of public good
Economic mechanisms	Investments in green technologies, incentives for environmentally friendly production, tax incentives for environmentally responsible companies	Mudaraba, musharaka, ijara, murabaha, istisna, salam, qard, waqf etc.
Regulation	Environmental standards, environmental legislation, international climate agreements	Islamic law, Islamic standards, moral aspects
Goals and strategies	Reducing carbon footprint, increasing energy efficiency, increasing the share of renewable energy sources	Please Allah, ensure equal access to resources, promote sustainable development of society
Role of the State	Development and implementation of green policies, support for green innovation, market regulation in the interests of the environment	Creating conditions for compliance with Sharia, ensuring social justice, protecting nature and public interests
Impact on society	Contribute to improving quality of life, reducing inequality, raising awareness of environmental issues	Contribute to improving quality of life, reducing inequality, raising awareness of environmental issues

Source: Compiled by the author

This table provides a comparative analysis of key aspects of the green and Islamic economic paradigms, highlighting their similarities and differences. It is obvious that Islamic economics covers only a fragment of the tasks inherent in the green economy, but it effectively solves critical environmental problems. It can be argued that the progress of the Islamic economic model is directly proportional to the progress of the green economy.

This trend speaks to the importance of integrating Islamic principles into economic models, especially in the context of modern challenges associated with the environmental crisis. It should be noted that the green economy and the Islamic economic model can complement each other, improving the overall sustainability and efficiency of economic development.

5 Conclusion

In the modern world, it is especially important to study and analyze various economic models and their impact on the environment. The comparative analysis of green and Islamic economic models carried out in this article made it possible to identify their similarities and differences. One of the key features of the Islamic economic model is its emphasis on fairness and sustainability, which is reflected in its approach to environmental issues. However, the green economy focuses more directly on reducing environmental impact and moving towards sustainable production and consumption practices. Although both models have their own unique advantages, there is potential for them to interact and develop together. Integrating

Islamic principles into the green economy can enhance the sustainability and social equity of the model. At the same time, green economics can bring additional tools and approaches to the Islamic economic system for more efficient resource management and environmental protection. The development of these models has important implications for sustainable development and conservation of natural resources. Supporting research and practical implementation of both models can help achieve global environmental goals. However, to successfully realize this potential, it is necessary to take into account the cultural, economic and social characteristics of each country. Further research into the interaction between green and Islamic economic models could help create more integrated and effective approaches to sustainable development. It can also lead to new innovations and practices that promote more efficient use of resources and reduce our carbon footprint. Overall, understanding and implementing the principles of green and Islamic economic models represents an important step towards achieving a sustainable and equitable future for all our societies.

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