



## Journal of Halal Review

Vol 01 (1) 2024 p. 23-35

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*Received 03 December 2024;*  
*Accepted 04 January 2025;*  
*Published 25 January 2025.*

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**Conflict of interest statement:**  
Author(s) reported no conflict of interest

DOI: [http://doi.org/10.70764/gdpu-jhr.2025.1\(1\)-03](http://doi.org/10.70764/gdpu-jhr.2025.1(1)-03)

# APPLYING MAQASID SHARIA PRINCIPLES TO SUSTAINABLE HALAL SUPPLY CHAINS IN DEVELOPING COUNTRIES

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## ABSTRACT

**Objective:** This research is expected to provide deeper insights into how applying maqasid sharia principles can support sustainable, ethical, and environmentally friendly business practices while meeting the needs of a growing market.

**Research Design & Methods:** This study uses a qualitative research design and systematic literature review to analyze data from academic sources, focusing on Maqasid Sharia, sustainability, and the halal industry in developing countries.

**Findings:** Companies that have adopted these principles are better able to respond to sustainability challenges and are more committed to social and environmental responsibility. Further discussions highlighted the importance of collaboration between governments, halal certification bodies, and the private sector in strengthening regulations and creating frameworks that support sustainability.

**Implications & Recommendations:** These findings suggest that by improving regulatory and infrastructural support and providing access to necessary technologies, the halal industry in developing countries can be more globally competitive and contribute positively to society and the environment.

**Contribution & Value Added:** Implementing maqasid sharia is expected to establish ethical business practices and encourage broader sustainability in the halal industry.

**Keywords:** Halal Industry, Maqasid Sharia, CSR.

JEL codes: Q56, M11

**Article type:** research paper

## INTRODUCTION

The halal industry has grown rapidly, covering various sectors such as food, cosmetics, medicine, and tourism. Global demand for halal products continues to increase, driven by the growing Muslim population and consumer preference for products that prioritize halalness and sustainability. The global halal food market is estimated to reach \$1.67 trillion by 2025 (Attwood et al., 2023). However, despite this significant growth, sustainability in halal food production, especially regarding environmental impacts, is a major challenge. Current production practices often contribute to environmental degradation (Abu Bakar et al., 2023).

The maqasid principle of sharia, which emphasizes protecting life, religion, posterity, property, and the environment, offers a relevant framework for integrating sustainability in the halal food industry (Fageh, 2022). This principle ensures compliance with Sharia and encourages socially and environmentally responsible business practices (Sukardi, 2016). Consequently, the maqasid sharia framework has the potential to provide a comprehensive guideline for decision-

making processes that consider both human welfare and environmental sustainability, thereby fostering the development of a sustainable and ethical halal industry.

Sustainable halal supply chain management involves practices such as responsible sourcing, the use of environmentally friendly materials, and low-emission transport. These measures are important to align the halal industry with the UN Sustainable Development Goals (SDGs) (Ab Talib & Zulfakar, 2023). By adopting these principles, the halal food sector can contribute to the achievement of global goals for social and environmental sustainability (Bux et al., 2022). The synergy between maqasid sharia and sustainability can also result in innovations, such as using renewable energy and waste treatment in the halal supply chain (Fageh, 2022). It is important to preserve the environment while meeting the growing demand for halal products (Abu Bakar et al., 2023).

Technology also plays an important role in improving transparency and sustainability. Blockchain, for example, has been used to ensure product traceability to meet not only halal standards but also ethical and environmental standards (Bux et al., 2022). This technology increases consumer confidence by providing clear information about the halal product's origin and production process (Attwood et al., 2023). In addition, there is an increasing interest in plant-based products that meet halal standards as an environmentally friendly alternative to address climate change challenges (Abu Bakar et al., 2023). This indicates a shift in consumer preferences towards more environmentally friendly products while still paying attention to halal aspects.

In addition, sustainable development from a maqasid sharia perspective supports economic and environmental well-being. In Indonesia, Islamic banks have implemented this approach to managing resources fairly and sustainably, which can serve as an example for the halal industry (Sukardi, 2016). This approach emphasizes the importance of balancing economic benefits and environmental preservation, which aligns with the *maslahah* principle. Maqasid sharia-based ecotourism management also provides examples of the application of sustainable development, such as mangrove preservation, which is carried out to ensure economic activities are in line with nature conservation and the welfare of local communities (Masitoh & Rahmawati, 2023). This approach emphasizes the importance of harmony between environmental and economic interests and community involvement in preserving nature (Kasim et al., 2021).

However, even though many studies have discussed sustainability in the halal industry, there is still a paucity of literature that specifically examines the integration of maqasid sharia principles with sustainability practices in the halal food sector. Most extant studies address sustainability or Sharia principles in isolation without adequately integrating the two concepts. The present study addresses this lacuna by analyzing the application of maqasid sharia principles in integrating sustainability in the halal food sector. The findings of this study are expected to provide stakeholders with insights that will inform the development of strategies that support social, economic, and environmental sustainability in line with maqasid sharia principles and evolving market needs.

## LITERATURE REVIEW

### Maqasid Sharia in Business

Maqasid Sharia is an important concept in the study of Islamic law, which has the main objective (universal value) to be achieved from a *taklif* law stipulation concerning the benefit of humankind, which lies in the maintenance of faith (*din*), soul (*nafs*), reason (*'aql*), offspring (*nasl*), and property (*maal*) (Bayyah, 2006). Maqashid al-Shari'ah specifically functions in *tahsil* (securing benefits) and *ibqa* (rejecting harm) (Al-Ayyubi & Harnidar, 2024). The role of Maqashid al-Shari'ah is to help know the laws that are general (*kuliyah*) and specific (*juz'iyah*), understand the *nash-nash shar'i*, limit the meaning of *lafadz*, and help the *mujtahid* in determining a law (Ar-Risuni, 1995).

Maqasid Sharia-based business performance measurement covers five main aspects: wealth, offspring, intellect, religion, and soul, which ensures that businesses operate holistically, going beyond mere material gain (Bedoui & Mansour, 2014). This approach emphasizes that

businesses should make a real contribution to social welfare, promote ethics, and prevent corrupt practices. By integrating Shariah values, this model supports socially and economically sustainable businesses, ensuring a long-term positive impact on society and the environment.

In economic development, maqasid sharia balances economic growth and social welfare. This approach emphasizes protecting the five elements of human life, namely religion, life, reason, offspring, and property, which form the basis of a holistic and sustainable development policy (Lamido, 2016). With a focus on justice and sustainability, Maqasid Sharia offers an ethical framework to address development challenges in developing countries, ensuring equitable distribution of wealth and environmental protection for future generations.

### **Sustainability within the Halal Industry**

Sustainability in the halal industry is increasingly becoming a major concern, especially with the increasing awareness of global consumers towards the social and environmental impacts of halal products. Consumers are concerned with the halal aspect but assess how the halal supply chain affects the environment and social welfare (Rohani et al., 2018). However, studies exploring the environmental impact of halal supply chains in developing countries are limited, creating a knowledge gap in the literature on the sustainability of the halal industry. As a global halal hub, Malaysia has initiated important steps to strengthen environmentally friendly halal supply chain management. By implementing green practices, such as waste management and renewable energy, halal food companies in Malaysia can reduce their carbon footprint and enhance their reputation as leaders in the global halal industry. This strengthens Malaysia's position in the global halal industry and emphasizes corporate responsibility towards environmental sustainability.

### **Sustainable Supply Chain**

Sustainable supply chains generally cover the entire production process, from the procurement of raw materials to final consumption, considering economic, social, and environmental impacts. Sustainable supply chains can reduce carbon footprints, strengthen corporate reputations, and promote responsible business practices (Pandey & Jagtap, 2018). In the context of the halal industry, this practice is essential to ensure that halal supply chain management (HSCM) contributes to sustainability. Research by Haleem et al. (2021) in India showed that HSCM is important in improving sustainability performance, with particular attention to animal welfare and ethical practices. However, while many companies in Malaysia are starting to adopt green supply chains to improve efficiency and quality, this adoption is often driven more by internal concerns, such as cost reduction, than compliance with environmental certifications such as ISO 14000 (Rahman, 2013). In addition, the ethical aspects of the halal supply chain also highlight the importance of integration between social and environmental sustainability, especially to avoid the marginalization of certain groups, such as Muslim workers, in the global meat market (Tayob, 2021).

## **METHODS**

This research uses qualitative methods and a formal literature review to qualify as library research. Literature review research is a literature search and research by reading various books, journals, and other literature publications related to the research topic to produce a writing on a particular topic or problem (Marzali, 2017). The collected data for this research were obtained from books, journals, and other academic materials and supporting documents relevant to maqasid sharia, sustainability, and halal supply chain. Once these materials are collected, they are read and analyzed for the research data. This data is presented in a narrative-descriptive manner using the data analysis method introduced, namely data reduction, data presentation, and conclusion drawing (Miles & Huberman, 1984).

## **RESULT**

The results indicate that applying maqasid sharia principles in sustainable supply chains can improve operational efficiency and strengthen the halal industry's positive image in the eyes of global consumers. The principles of maqasid sharia, which emphasize protecting life, property, and

general welfare, can encourage more socially and environmentally responsible business practices. By integrating these values, companies can improve product quality, strengthen consumer relationships, and meet the increasingly demanding sustainability standards in the global market. The graphic below illustrates the relevance of applying maqasid sharia in various aspects of sustainability and social responsibility, providing a clearer picture of how these principles contribute to the advancement of the halal industry.

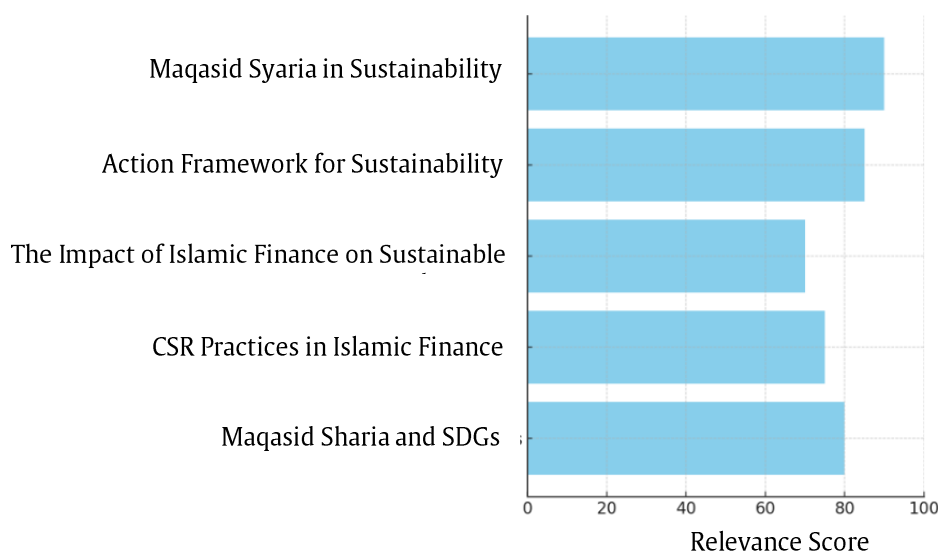


Figure 1. Relevance of Research Topics in the Context of Maqasid Sharia and Sustainability

The analysis of the graph figure 1 shows the relevance of the various research topics in the context of applying Maqasid Sharia and sustainability, with each bar representing a relevance score from 0 to 100. "Maqasid Sharia in Sustainability" took the top spot with a score of 90, underscoring the growing recognition of Sharia principles, such as protecting life, property, and general welfare, as a foundation for sustainability practices in the business sector. This supports the argument that integrating Sharia values encourages companies to adopt more sustainable and socially responsible business strategies. Furthermore, "Action Framework for Sustainability," with a score of 85, shows the importance of clear guidelines and structures in implementing sustainability, enabling companies to align their goals with local and global needs and strengthening their position in market competition. "Maqasid Al-Shariah and SDGs," which scored 80, highlighted the close relationship between the implementation of maqasid sharia and the achievement of the Sustainable Development Goals (SDGs), demonstrating the importance of collaboration between the public and private sectors to achieve sustainability in line with sharia values. With a score of 75, "CSR Practices in Islamic Finance" underscores that Islamic finance companies that integrate social responsibility into their business models contribute to community development and enhance reputation and consumer trust, supporting long-term sustainability. Finally, "The Impact of Islamic Finance on Sustainable Development," with a score of 70, shows the challenges in understanding and measuring the contribution of the Islamic finance sector to sustainability, signaling the need for further research to improve the understanding and measurement of the impact of Islamic finance in supporting future sustainability initiatives.

Table 1. Key Insights on Maqasid Sharia and Sustainability in Business Practices

Analysis Points	Explanation	Reference
<b>Application of Maqasid Syaria in Sustainability</b>	The maqasid principles of sharia, such as protecting life, property, and general welfare, form the main foundation of corporate policies. By integrating these principles, companies can more efficiently adopt socially and environmentally responsible, sustainable business practices. Moreover, it creates a synergy between economic goals and moral responsibility.	Ghadas et al., (2019); Syed Alwi et al., (2021)
<b>Action Framework for Sustainability</b>	A systematic sustainability action framework provides clear guidance for companies to plan, implement, and measure sustainability initiatives. The framework helps align local and global objectives and enhances a company's reputation and competitiveness in international markets. This approach also enables companies to respond more quickly and effectively to changing regulations and consumer demands.	Hendar (2023)
<b>Relationship between Maqasid Sharia and SDGs</b>	The application of maqasid sharia principles supports the achievement of the Sustainable Development Goals (SDGs) by focusing on the welfare of society and the environment. This principle ensures that economic profit is not the only priority; so are the social and environmental impacts of business activities. Collaboration between the public and private sectors is essential to driving sustainability initiatives that are aligned with the SDGs.	Razali et al., (2021); Siregar et al., (2023)
<b>CSR Practices in Islamic Finance</b>	Islamic finance companies that implement Sharia value-based corporate social responsibility (CSR) fulfill consumer expectations regarding social responsibility and play an active role in economic and social development. Effective CSR can enhance corporate reputation, consumer trust, and social engagement, ultimately supporting long-term sustainability.	Abdul Aziz, (2022); Prajawati, (2016)
<b>The Challenge of Measuring the Impact of Islamic Finance</b>	While Islamic finance has great potential to support sustainability initiatives, there are still gaps in measuring its impact on sustainability outcomes. These barriers are mainly due to the lack of comprehensive measurement tools. Further research is needed to explore how the sustainability impact of Islamic finance can be measured more effectively and how these barriers to implementation can be overcome.	Arsad et al., (2015); Mergaliyev et al., (2021)

The results of this study identify three key aspects that affect the successful implementation of maqasid sharia principles in the context of sustainability in the halal industry: Implementation of Sustainability Principles, Infrastructure Limitations, and Sharia Compliance. Each aspect provides important insights into companies' challenges and opportunities in integrating sustainability into their business strategies.

### Implementation of Sustainability Principles

Adopting sustainability principles in the halal industry in developing countries, such as Malaysia and Indonesia, is crucial to support economic development and meet growing global demand. As public awareness of the importance of sustainability grows, companies in these countries are beginning to adopt sustainable business practices to enhance their competitiveness and meet the expectations of increasingly critical consumers. Rohani et al. (2018) show that Malaysia's halal food sector is gradually implementing a green supply chain that focuses not only on the halal aspect of the product but also on implementing environmentally friendly practices, such as the use of renewable energy and more efficient waste management. One of the significant steps halal companies take in developing countries is implementing renewable energy, such as solar power and biomass. Using renewable energy solves the challenge of expensive and less environmentally friendly energy. Research in the halal sector in India shows that using renewable energy in the halal supply chain has great potential to improve corporate sustainability performance (Haleem et al., 2021). Switching from fossil fuels to renewable energy sources allows companies to improve production efficiency and reduce long-term costs, meeting sustainability-minded



consumers' demands. Waste management is a major challenge in developing countries, especially in the food industry. However, some halal companies have taken significant steps to improve waste management through more environmentally friendly technologies and innovative practices. [Rahman \(2013\)](#) found that implementing more advanced waste treatment technologies in green halal supply chains can reduce a company's environmental footprint and improve operational efficiency. Companies that implement good waste management practices can not only reduce the amount of waste generated but can also recycle more materials and optimize the reuse of resources, making a positive contribution to the environment.

Adopting sustainability practices in the halal industry provides both environmental benefits and positive impacts on the economic and social well-being of communities in developing countries. Practices such as using renewable energy and good waste management can create new jobs, reduce operational costs, and improve the quality of life of local communities. Research in the halal meat sector in Mumbai revealed that ethical sustainability in the halal trade includes sharia compliance and worker welfare, animal welfare, and the environmental impact of halal meat production ([Tayob, 2021](#)). By expanding the notion of sustainability to include social and economic aspects, companies can enhance their social responsibility and contribute more to the well-being of society. Despite improvements in the adoption of sustainability practices in developing countries, halal companies still face significant challenges. Some obstacles include a lack of strong regulations, low consumer awareness, and high initial investment in green technology. Many halal companies do not fully understand the benefits of green supply chain practices ([Rahman, 2013](#)). Nonetheless, companies that have adopted this practice report significant improvements in quality, efficiency, and reduced operational costs. This suggests that despite the challenges, implementing sustainability in the halal industry can provide long-term benefits and encourage other companies to consider adopting the same. Overall, implementing sustainability principles in the halal industry in developing countries shows great potential to improve competitiveness and economic sustainability. By using renewable energy, better waste management, and adopting sustainable business practices, companies in these countries can meet the demands of global consumers and contribute to better social and economic development. However, achieving maximum results requires stronger policies, increased consumer awareness, and greater investment in green technologies.

### Infrastructure Limitations

Limited infrastructure and green technology remain significant barriers to implementing sustainable supply chains in developing countries. Inadequate infrastructure affects the smooth operation of supply chains and leads to increased operational costs and delays that are detrimental to businesses. For example, in many developing countries, unreliable and inefficient transportation systems hinder the timely distribution of goods, lengthen delivery times, and result in energy wastage ([Dadario et al., 2023](#)). This creates additional challenges for companies adopting sustainable supply chains, where smooth operations depend highly on efficient and modern infrastructure availability. Unfortunately, investment in sustainable infrastructure in developing countries is often delayed, especially amidst global economic pressures due to the COVID-19 pandemic, which exacerbates countries' inability to finance green infrastructure development ([Khan, Nasir et al., 2022](#)).

Meanwhile, limiting access to and application of green technologies adds to the complexity of realizing sustainable supply chains. Necessary technologies, such as renewable energy and efficient waste management systems, are often unavailable or require very high initial investments. This is especially problematic in developing countries with limited technological and financial resources. In this context, the adoption of much-needed Industry 4.0 technologies to improve supply chain operational efficiency is hampered by unsupportive infrastructure. For example, in many developing countries, renewable energy technologies such as solar power or biomass are still difficult to implement due to technological limitations and high costs, limiting the ability of these countries to lower their carbon footprint ([Erdiwansyah et al., 2019](#); [Sarmiento & Varela, 2015](#); [Zeren & Hizarci, 2021](#)).

In addition, dependence on fossil fuels in some developing countries, such as Nigeria, is a major obstacle to the transition to green energy. Limited energy infrastructure slows the

development of renewable energy sources, which should be integral to sustainable supply chains. This leads to a continuous increase in carbon emissions, exacerbating the environmental impact of business activities (Mohsin et al., 2021). On the other hand, although China has tried to initiate a waste-to-energy program, infrastructure challenges and facility construction costs are still the main obstacles preventing full implementation while affecting pollution management efforts (Liu et al., 2020). Limited financial investment is also one of the crucial factors slowing down the adoption of sustainable supply chains in developing countries. While the potential long-term savings from using green technologies are considerable, the high initial costs are often prohibitive for many companies, especially small and medium-sized enterprises. Access to green financing, such as green credit, is also very limited, making it difficult for companies to adopt greener technologies and practices (Khan, Mata, et al., 2022). Limited support from financial institutions and governments to incentivize investment in green technologies further slows the adoption of sustainable supply chains in developing countries.

On the other side, weaknesses in policies and regulations in developing countries also contribute to the slow adoption of sustainable supply chains. In many countries, environmental and sustainability regulations are often insufficiently strong or inconsistent, leaving companies with little incentive to switch to more environmentally friendly technologies. For example, the lack of regulations requiring renewable energy or effective waste management makes companies more likely to ignore these practices (Labaran & Masood, 2023). In addition, policy ambiguity or lack of government oversight adds to the difficulty for companies looking to shift to greener supply chain practices. Despite major infrastructure and technology challenges, some arguments suggest that developing countries still have the potential to overcome these barriers by leveraging local knowledge and community engagement. In this context, local communities can drive innovation, creating solutions tailored to local needs and conditions. For example, by engaging communities in sustainable supply chain management, some developing countries have developed unique and more relevant approaches to the local context. The use of local resources, community-based innovation, and collaboration between the public and private sectors can be a way to overcome infrastructure and technology limitations, thereby accelerating the adoption of sustainable supply chains (Munir et al., 2023).

Thus, while developing countries face considerable challenges in adopting sustainable supply chains, there are opportunities to overcome these barriers. Local innovation, investment in green technologies, and strengthened government regulation and support are necessary to create a more sustainable business environment in developing countries.

## Shariah Compliance

### Maqasid Syariah and Sustainability Awareness

Companies that deeply internalize the principles of maqasid sharia show a stronger commitment to sustainability. Maqasid sharia, which focuses on protecting life, property, and general welfare, provides an important foundation for business practices that are economically profitable and socially and environmentally responsible. Research shows that the application of maqasid sharia in the context of corporate social responsibility (CSR) expands the role of companies to contribute to the welfare of society and the environment, in line with the objectives of sharia (Ghadas et al., 2019). In the Islamic banking sector, applying maqasid sharia increases the bank's involvement in activities oriented towards sustainability and social welfare (Syed Alwi et al., 2021). A study in Malaysia confirms that Value Based Intermediation (VBI) helps Islamic banks to be more structured in achieving maqasid sharia and contributing to sustainable social and environmental development (Hendar, 2023). This study highlights the importance of considering maqasid sharia in CSR decision-making so that companies do not only focus on financial interests but also create sustainable social value (Siregar et al., 2023). Thus, implementing maqasid sharia-based CSR helps companies focus more on achieving sharia objectives, including maintaining the welfare of the community and the environment.

### The Role of Maqasid Syariah in Enhancing Business Commitment

Companies implementing maqasid sharia are more committed to sustainability than companies focusing only on profits. The principles of maqasid sharia encourage companies to

prioritize the welfare of society, the environment, and long-term interests. Hence, this orientation is related to profitability and greater social and environmental responsibility. Research shows that Islamic banks in Malaysia and the MENA region that integrate maqasid sharia in CSR experience increased social responsibility activities and environmental sustainability (Razali et al., 2021). This emphasizes that the integration of maqasid sharia in CSR policies directly contributes to better outcomes in sustainability efforts. In addition, companies that adopt maqasid sharia in business practices tend to be more proactive in implementing CSR, focusing on public welfare and the environment (Yaakub & Nik Abdullah, 2020). This shows that these companies are reactive to demands and take initiatives to create positive change. In the energy sector context, applying maqasid sharia principles helps companies contribute to environmental sustainability through significant CSR programs (Abdul Aziz, 2022). Other studies have also found that companies focusing on Maqasid Sharia have a greater responsibility to help society and reduce negative environmental impacts (Prajawati, 2016). As such, Maqasid Sharia serves as a key driver for companies to integrate sustainability into their business strategies, creating synergies between financial returns and positive social and environmental impacts.

### **Operational Implementation Barriers**

Although companies that understand Maqasid Sharia principles strongly commit to sustainability, operational implementation often faces various obstacles. Lack of technology and adequate resources are key challenges ensuring that maqasid sharia principles are fully realized in the company's operations. Research shows that Islamic banks still need to improve their performance measurement based on the maqasid sharia index, especially regarding environmental and social sustainability (Mergaliyev et al., 2021). Studies on Islamic financial institutions show that despite a commitment to maqasid sharia, significant challenges still exist in implementing fully sharia-aligned CSR (Lamido, 2016). Developing country companies seeking to adopt maqasid sharia also face infrastructure constraints and lack of access to green technologies, which hinder the full implementation of their commitments to sustainability. Therefore, to effectively implement maqasid sharia principles in operations, greater efforts must be made to develop infrastructure and access technologies supporting sustainability.

## **DISCUSSION**

This study reveals that applying maqasid sharia principles in the sustainability of the halal industry offers significant opportunities but is faced with various challenges, especially in developing countries. The main findings highlight that while companies adopting maqasid sharia tend to be more committed to sustainability, many face limitations that hinder maximum implementation. One of the main challenges is technological limitations, which directly impact firms' ability, especially small and medium-sized enterprises (SMEs), to implement sustainability strategies effectively.

### **Technological Limitations**

Technological limitations are one of the main challenges for companies, especially in the halal sector, in implementing sustainability practices. Green technologies, such as using renewable energy, recycling systems, and efficient waste management, are important components in achieving sustainability. However, access to these technologies is still very limited in many developing countries. In Indonesia, for example, many small and medium-sized enterprises (SMEs) in the halal industry struggle to adopt green technologies due to inadequate infrastructure and very high costs. They often do not have sufficient capital to invest in green technologies, such as solar panels, wastewater treatment systems, or energy-saving devices. These limitations prevent companies from meeting sustainability standards that are increasingly demanded by global consumers, who are now more concerned about the environmental impact of their products.

For example, Indonesia's growing halal food industry struggles to efficiently manage production waste. SMEs in this sector, which produce a variety of processed foods, often do not have access to advanced recycling or organic waste management technologies. This leads to a buildup of poorly managed waste, which ultimately contributes to environmental problems. In addition, the



installation cost of green technologies, such as bio-digesters to convert organic waste into energy, is still too high for many small companies. On the other hand, large companies with better access to green technology can more easily meet sustainability standards, making them more competitive in the global market. As a result, small companies are left behind in the competition and have difficulties maintaining their business's sustainability in the long run.

Another challenge is the lack of technological support that can support sustainable supply chains. Digital infrastructure to transparently track and manage halal products, from raw materials to end products, has also not been widely adopted by small companies in developing countries. For example, blockchain technology, which can increase transparency and consumer confidence in the halal supply chain, is still rarely used due to a lack of knowledge and investment in this technology. In countries like Malaysia, which has a more developed halal industry, some companies have adopted blockchain to ensure their products can be traced along the supply chain. However, for many SMEs in Indonesia, access to this technology is still very limited, leaving them unable to provide full assurance to consumers about the sustainability and halalness of their products. Such technological limitations hinder small businesses from achieving sustainability and hurt their competitiveness in a global market that increasingly demands transparency and responsible business practices.

### **Regulatory Limitations**

Noncomprehensive and inconsistent regulations are a major obstacle to implementing sustainability-related maqasid shariah, especially in developing countries. In Malaysia, while there is a legal framework for the halal industry, sustainability aspects often lack clarity, and implementation is weak (Sahari et al., 2022). This has caused many companies, especially small and medium-sized enterprises, to be slow to adopt the sustainability practices needed to compete in international markets. The lack of clear guidance from regulations makes it difficult for them to meet sustainability standards that consumers are increasingly concerned about.

On the other side, consumers increasingly prefer products that are not only halal but also environmentally friendly and socially responsible. Companies' inability to meet these demands due to weak regulations hurts their competitiveness in the global market. Studies show that without strong regulations and consistent enforcement, companies in developing countries miss opportunities to expand markets and maintain competitiveness. Government support in strengthening sustainability regulations is essential to ensure companies can meet the demands of an increasingly environmentally conscious market.

### **Infrastructure Limitations**

Infrastructure limitations are also a significant challenge affecting companies' ability to implement sustainable supply chains. Support facilities such as recycling systems and renewable energy distribution networks are lacking in many developing countries. Nigeria's dependence on fossil fuels is due to limited environmentally friendly energy infrastructure. This slows down companies' transition to green energy and, ultimately, affects the sustainability efforts they are trying to implement. Without adequate infrastructure, it is difficult for the halal industry in these countries to achieve ideal sustainability standards.

### **The Role of the Government and Halal Certification Institutions**

The active role of the government and halal certification bodies is crucial in driving sustainability in the halal sector, especially in the face of various challenges companies face. Policies supported by the government can provide a strong foothold for companies to adopt sustainable practices more effectively. In the United Arab Emirates, for example, the government has implemented policies that provide fiscal incentives, such as tax reductions, as well as technical support aimed at helping companies shift to environmentally friendly practices (Fageh, 2022). These incentives allow companies to invest in green technologies, waste management systems, and renewable energy resources that were previously difficult to reach. In addition to financial incentives, the government also facilitates training and capacity-building programs for companies so that they have the knowledge and skills necessary to implement sustainability strategies in their

businesses. With this support, companies can run their operations in accordance with global sustainability standards, which are increasingly valued by international consumers.

In Indonesia, a similar step was taken by the Halal Product Assurance Organizing Body (BPJPH), which began to strengthen halal certification guidelines by integrating sustainability principles. These guidelines aim to ensure that halal products not only meet halal standards but also support environmental and social sustainability. For example, BPJPH encourages companies to use raw materials that come from renewable sources and have minimal environmental impact. In addition, the production process is also expected to be more efficient in energy use and produce less waste. With firmer and more targeted regulations, companies in Indonesia will be better equipped to comprehensively implement maqasid sharia values in their operations, focusing not only on financial returns but also on environmental protection and improving community welfare. Successful implementation of these guidelines will increase consumer confidence in halal products, both in the domestic and international markets, while contributing to the overall goal of sustainable development.

### **Collaboration and Cross-Sector Support**

Cross-sector collaboration between the government, halal certification bodies, and the private sector is key in creating a sustainable and globally competitive halal industry. Through fiscal and technical incentives, government support allows companies to more easily adopt environmentally friendly business practices that align with Maqasid Sharia values. For example, a solid collaboration between these various sectors not only accelerates the achievement of sustainability goals but also helps companies adapt to the demands of consumers who are increasingly concerned about sustainability (Yaakub & Nik Abdullah, 2020). This synergy is important for halal companies to ensure that they are not only pursuing financial gains but also contributing to social and environmental well-being.

Furthermore, cross-sector collaboration also encourages broader innovation in sustainability. With the involvement of various parties, such as the government providing supportive policies and the private sector bringing practical experience, the halal industry can develop new technologies and strategies to reduce negative environmental impacts. This will improve the competitiveness of the halal industry in the international market, where sustainability is increasingly becoming an important factor in consumer decision-making. Thus, strong cooperation between these sectors creates an environment conducive to innovation and sustainability, strengthening the halal industry's position in the face of increasingly complex global challenges.

Overall, this study shows that the application of maqasid sharia in the sustainability of the halal industry has great potential to change the way companies operate, especially in terms of social and environmental responsibility. However, technological, regulatory, and infrastructural limitations must be overcome through government policy support and cross-sector collaboration. Thus, collaboration between the government, certification bodies, and the private sector is essential to create a sustainable and globally competitive halal industry. Encouraging companies to be profitability-oriented and consider their social and environmental responsibilities is an important step towards a more sustainable future. In this context, the application of maqasid sharia is not only an enabler for ethical business practices but also a foundation for creating positive impacts on society and the environment, as well as for improving the overall competitiveness of the halal industry.

## **CONCLUSION**

The conclusion of this study confirms that the application of maqasid sharia principles in the sustainability of the halal industry in developing countries still faces various challenges, although it has shown significant progress. Through the literature review method, this study identified that limited infrastructure, technology, and regulations are the main obstacles to integrating maqasid sharia into business practices. The results show that companies that have adopted these principles are better able to respond to sustainability challenges and are more

committed to social and environmental responsibility. Further discussion highlights the importance of collaboration between the government, halal certification bodies, and the private sector in strengthening regulations and creating a framework that supports sustainability. The implications of these findings suggest that by improving regulatory support and infrastructure and providing access to necessary technologies, the halal industry in developing countries can be more globally competitive and contribute positively to society and the environment. The application of maqasid sharia is expected to be the basis for ethical business practices and encourage broader sustainability in the halal industry as a whole.

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