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Sharia Economic Transformation: Adaptation of Sharia Law to Global Market Dynamics

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Abstract

Keywords: Sharia Economic Transformation; Sharia Law; Global Market

The transformation of the sharia economy through the adaptation of sharia law to global market dynamics represents a significant phenomenon in contemporary economic development. In the current era of globalization, Islamic economics has emerged as a driving force that influences the structure and direction of the global financial system. The main issue addressed in this study is how sharia principles can remain consistent while responding effectively to rapid global market changes. The objective of this research is to explain the process of sharia economic transformation and examine the extent to which the adaptation of sharia law can strengthen financial inclusion, enhance economic stability, and promote sustainable economic growth. This study employs a literature review method, drawing on books and scholarly sources relevant to Islamic economics, global market behavior, and the governance of sharia law. The findings indicate that the transformation of the sharia economy—supported by the adaptation of its legal framework—has led to increased financial inclusion, broader market expansion, and stronger economic resilience. Moreover, the integration of Islamic finance within global markets has contributed to economic stability and fostered a more ethical and socially responsible business environment. The study concludes that transforming the sharia economy through adaptive legal approaches is a crucial step toward achieving inclusive finance, sustainable stability, and social justice. This process enhances the relevance,

competitiveness, and long-term viability of the sharia economic system in an evolving global market landscape.

Abstrak

Kata Kunci: Transformasi Ekonomi Syariah; Hukum Syariah; Pasar Global

Transformasi ekonomi syariah melalui adaptasi hukum syariah terhadap dinamika pasar global merupakan fenomena penting dalam perkembangan ekonomi kontemporer. Di era globalisasi saat ini, ekonomi syariah telah menjadi kekuatan pendorong yang memengaruhi struktur dan arah sistem keuangan global. Permasalahan utama yang diangkat dalam penelitian ini adalah bagaimana prinsip-prinsip syariah dapat tetap konsisten sekaligus mampu merespons perubahan pasar global yang berlangsung cepat. Tujuan penelitian ini adalah menjelaskan proses transformasi ekonomi syariah serta mengkaji sejauh mana adaptasi hukum syariah dapat memperkuat inklusi keuangan, meningkatkan stabilitas ekonomi, dan mendorong pertumbuhan ekonomi yang berkelanjutan. Penelitian ini menggunakan metode studi pustaka dengan mengkaji berbagai buku dan sumber ilmiah terkait ekonomi Islam, dinamika pasar global, dan tata kelola hukum syariah. Hasil penelitian menunjukkan bahwa transformasi ekonomi syariah – yang didukung oleh adaptasi kerangka hukumnya – telah menghasilkan peningkatan inklusi keuangan, perluasan pasar, dan ketahanan ekonomi yang lebih kuat. Selain itu, integrasi keuangan syariah dalam pasar global berkontribusi pada stabilitas ekonomi serta mendorong terciptanya lingkungan bisnis yang lebih etis dan bertanggung jawab secara sosial. Penelitian ini menyimpulkan bahwa transformasi ekonomi syariah melalui pendekatan hukum yang adaptif merupakan langkah penting untuk mewujudkan keuangan inklusif, stabilitas berkelanjutan, dan keadilan sosial. Proses ini memperkuat relevansi, daya saing, dan keberlanjutan jangka panjang sistem ekonomi syariah dalam lanskap pasar global yang terus berubah.

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Introduction

Sharia Financial Change adjusts Sharia regulation by consolidating Islamic standards like equity and equity with worldwide market elements. In order to guarantee relevance and competitiveness, this requires the development of Shariah-compliant financial products, strict supervision, and international collaboration. Sharia Monetary Change is important to guarantee that Islamic

monetary standards stay significant and cutthroat in a consistently changing worldwide market, empowering monetary consideration and reasonable financial steadiness. Sharia Monetary Change has expanded monetary incorporation by giving more extensive admittance to Sharia-based monetary items, for example, sukuk and Islamic banking. This has encouraged the expansion of the Islamic finance industry, strengthened economic stability, and attracted investment from around the world. Furthermore, this transformation upholds better business morals and advances civil rights in financial exchanges. To remain relevant and competitive, Sharia Economic Transformation, which adapts Sharia law to the dynamics of global markets, is an essential step. This improves economic stability, attracts investment, and expands financial inclusion (Barus, 2021). Additionally, it ensures the Islamic finance industry's long-term expansion by promoting social justice and ethical business practices.

In executing sharia monetary standards in confronting worldwide market, major areas of strength for elements and ceaseless development are the establishments for feasible development in the sharia monetary industry (Menne et al., 2022). Innovation in product development, the utilization of technology, and collaboration between sharia financial institutions and other parties are all required to overcome this obstacle and increase the contribution of sharia economics and finance (Rachmalia et al., 2022). Islamic financial institutions in Indonesia will be able to grow and become a significant presence in Islamic economics and finance if they are able to overcome these obstacles and foster innovation (Dayu et al., 2024).

The change of Sharia Financial matters with the transformation of Sharia regulation to worldwide market elements has major areas of strength for various. Monetary business sectors are not generally restricted by public limits in the time of globalization, permitting the Sharia economy to take part in worldwide business sectors by fulfilling global guidelines. This transformation ensures that Islamic finance principles remain relevant and competitive in an ever-changing market in the face of rapid global economic change (Khavarinezhad et al., 2021).

With a huge Muslim populace, the variation of Sharia regulation opens up new open doors for market development and speculation enhancement. Through the growth of the Sharia financial industry, Sharia financial principles can also improve economic resilience to the global financial crisis and the local economy.

The point of this paper is to investigate how sharia monetary change is an essential move toward face the difficulties of a powerful worldwide market. Increasing Sharia financial innovation is a key component of this transformation. To meet a wide range of market requirements, Sharia-based financial products like sukuk, Islamic banking, and takaful continue to evolve. The Sharia financial sector is able to effectively compete with the conventional financial system thanks to this innovation. Aside from that, it's important to change the fundamentals of global economics. Relevance and competitiveness in the international arena are guaranteed by reviewing and adapting sharia economic laws and principles to the dynamics of global markets. In addition, the primary goal of achieving greater economic harmony and stability is the incorporation of sharia economics into the conventional economy. This cycle includes collaboration between the Islamic and customary monetary areas in different angles, like speculation, banking and protection. This reconciliation not just grows the extent of Sharia monetary business sectors yet additionally fortifies the groundworks of the worldwide economy through the use of the moral and civil rights standards advanced by Sharia financial aspects (Islam & Abd Wahab, 2021).

Method

A financial system known as sharia is based on Islamic principles like the prohibition of usury (also known as interest), uncertainty (also known as gharar), and gambling (also known as maysir). It discusses banking, investment, insurance, microfinance, and other economic topics. The fundamental standards are equity, favoring oppressed networks, and fair conveyance of dangers and advantages. In Sharia Financial matters, monetary exercises are coordinated to

acquire Allah's endorsement, and exchanges should agree with Islamic regulation. Economic empowerment, financial inclusion, and sustainable development with a focus on moral and ethical values are all pushed by it.

In literature reviews, the approach used is generally normative, focusing on the interpretation and meaning of various written sources. The method applied is literature study, namely the process of collecting, reviewing, and integrating various relevant references such as books, scientific journals, research reports, and official documents. Techniques used include searching sources through scientific databases, identifying key themes, recording important information, and evaluating the credibility and relevance of the literature. The analysis conducted takes the form of content analysis, in which researchers group core ideas, compare theories or findings, and construct a framework based on the reviewed literature.

Identifying relevant data sources is the first step in the process of collecting data on the transformation of Sharia Economics with the adaptation of Sharia law to the dynamics of global markets. This includes data on the economy and finances from Sharia financial institutions, academic publications, financial industry reports, government policies, and relevant international organizations. The next step is to collect the data using a variety of approaches, including document analysis, surveys, interviews, and observations. Studies can be directed with significant partners, like Sharia monetary specialists, scholastics, or controllers. Additionally, experts can be contacted for in-depth interviews.

The information examination process on the change of Sharia Financial matters with the transformation of Sharia regulation to worldwide market elements starts with gathering applicable information. This data can come from reports from the financial industry, government policies, economic statistics, and the most recent Sharia Economics research. The next step is to clean and prepare the data for analysis after the data have been collected. This involves removing data that is incomplete or irrelevant and changing the format of the data so that it can be processed correctly.

After that, various statistical methods and other analysis techniques, such as regression, descriptive, or comparative analysis, are used to analyze the data. The objective is to discover relationships and patterns among existing variables. The results of the data analysis are interpreted in order to comprehend the implications of Sharia Economics' transformation for Sharia Law's adaptation to global market dynamics. In order to support the growth of the Sharia Economy in a dynamic global market, these findings are then put to use in the development of policy recommendations, business strategies, or other relevant actions.

Result and Discussion

Increasing Sharia Financial Innovation

According to the findings of the field study, the following statements were made by a number of informants regarding the expansion of sharia financial innovation:

The creation of new sharia-compliant goods, services, and technologies is referred to as Islamic financial innovation. Innovation contributes to the satisfaction of expanding market requirements, broadens access to Islamic financial services, and boosts Islamic financial institutions' global competitiveness. (ay_5)

Services for Sharia financial products that continue to be creative are a necessity that must be developed. The various innovations will make it easy for customers who need it to get service. This is what follows:

Digital takaful, which uses technology to provide sharia insurance services, and various sharia fintech platforms, which facilitate sharia-based peer-to-peer financing and make it easy to transact effectively and efficiently, are among the most recent innovations. (sr_23)

Dr. in an interview: Aisyah Rahman, Islamic money master, raised various significant focuses with respect to development in Islamic money and substantial instances of advancement. Dr. Aisyah explained that new sharia-compliant products, services, and technologies are referred to as "sharia financial innovation." This development has a few significant ramifications. In the first place, development empowers Islamic monetary organizations to address the issues of a steadily developing business sector, particularly in a worldwide

setting that undeniably requests moral and economical monetary administrations. Second, advancement grows admittance to Islamic monetary administrations, contacting more people and networks that might have recently been underserved. Third, advancement expands the seriousness of Islamic monetary organizations at the worldwide level, empowering them to rival ordinary monetary establishments.

Aside from that, Sirajuddin, a sharia finance specialist, likewise gave a few instances of the most recent developments in this field. For instance, green sukuk are sharia bonds that finance environmentally friendly projects. They combine sharia principles with objectives for environmental sustainability and attract investors who are concerned about environmental issues. Digital takaful is a sharia insurance service that makes sharia insurance more accessible to the general public by making use of digital technology to improve efficiency and accessibility. Furthermore, the sharia fintech stage works with sharia-based distributed supporting, empowering more straightforward and proficient exchanges and giving venture and funding open doors that consent to sharia standards. These innovations demonstrate how Islamic finance can continue to grow and evolve to meet the demands of shifting global markets.

These financial institutions have adopted product and service innovations that adhere to sharia law and adapt to the most recent market trends and technology, according to observations. The green sukuk sent off by the organization is a substantial illustration of their obligation to feasible turn of events. Investors who care about the environment can participate in environmentally friendly projects like waste management and renewable energy through this sukuk. This shows a positive reaction to expanding ecological mindfulness among financial backers, who are progressively deciding to morally contribute (Firdaus et al., 2022).

Additionally, financial institutions' efforts to improve customer accessibility and ease of service are reflected in the digital takaful, or sharia-based insurance products, offered by digital financial institutions. The registration,

claims, and premium payment procedures are made simpler and quicker by utilizing technology like mobile applications. This further develops the client experience, yet additionally expands the functional proficiency of the organization. Likewise, sharia-based distributed (P2P) supporting stages give simpler and more adaptable funding options for people and independent companies (Rabbani et al., 2021). This platform facilitates faster and simpler access to financing sources that adhere to sharia principles in comparison to the lengthy and complicated procedures that are found in conventional banks. The expansion in Sharia Monetary Development mirrors a significant change in the realm of worldwide money.

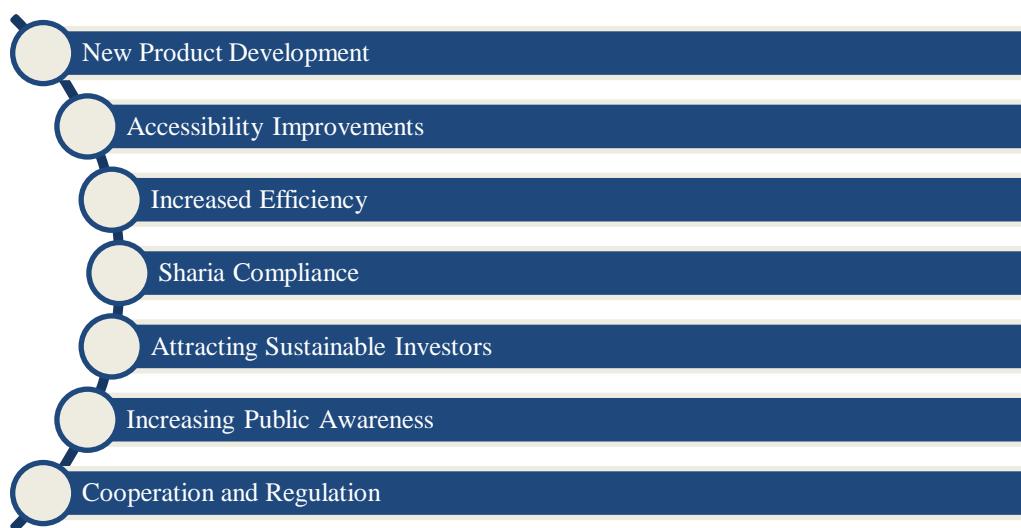


Figure 1. Actions in Increasing Sharia Financial Innovation

This transformation is based on Sharia principles, which are becoming more and more accepted and put into practice. Advancement isn't just centered around growing new items that conform to sharia standards, yet in addition incorporates the reconciliation of innovation to expand proficiency, availability and straightforwardness in sharia monetary administrations. Recognizing the significance of innovation in overcoming obstacles and seizing opportunities is critical given the Islamic finance industry's explosive expansion. Islamic financial institutions can increase their global competitiveness, broaden access to Islamic financial services, and adapt to shifting market requirements through innovation.

Islamic financial institutions are motivated to continue innovating by obstacles like the complexity of global financial markets, changes in regulations, and awareness of the significance of sustainability. This has a wider impact, not only on the economy but also on people's lives and the environment. Overall, these observations show how Islamic financial institutions are adapting to the changing needs and expectations of the market while still adhering to sharia principles in the innovation of their products and services. The discoveries from these perceptions should be visible from the accompanying picture (Satria et al., 2021):

In the undeniably creating time of current money, the sharia monetary industry is tracking down energy with full advancement. New item advancement is the primary concentration, with monetary foundations contending to make arrangements that follow sharia standards. Innovative products like green sukuk, which fund environmentally friendly projects, and sharia fintech platforms, which make peer-to-peer financing easier, are driving this industry's expansion. In addition, innovation in sharia finance aims to make financial services more accessible to the community. Through the combination of innovation, for example, versatile applications and online stages, exchange processes become more straightforward and speedier to access for people who were already hard to serve by traditional monetary frameworks.

Not just availability, advancement additionally prompts expanded productivity in the tasks of Islamic monetary organizations. The utilization of advancements like man-made reasoning (man-made intelligence) and blockchain enhances inward cycles, from risk examination to exchange recording, which thus further develops administration quality and decreases functional expenses. Development is likewise a fascination for financial backers who are progressively focusing on manageability and moral viewpoints in their ventures. With items that focus on sharia standards and supportability, financial backers have good expectations about putting resources into the sharia monetary industry.

Hypothetically, the presence of Fintech can be one of the main thrusts for a development to assist with further developing funds for MSMEs, particularly those in lower working class networks through sharia monetary organizations (Abdeldayem & Aldulaimi, 2023). Additionally, MSME players, particularly those in the sharia sector, will see an increase in excellent business opportunities as the development of innovation and sharia financial literacy continues to improve (Supriadi et al., 2023). Because of the era of open public information, the majority of people now easily access the internet, and the number of smartphone users in Indonesia is increasing annually, digitalization presents an opportunity for sharia financial institutions to combine products and services with the most recent technology (Alhamdi et al., 2022).

However, Islamic financial institutions continue to adhere to sharia principles in every innovation they carry out despite this rapid development. New products and services continue to be built on the solid foundation of Sharia compliance (Alika et al., 2021). In addition, innovation contributes to public awareness of the significance of sharia finance. Through serious schooling and effort, people in general progressively comprehends the standards of sharia finance and its advantages for the economy and society all in all. Ultimately, advancement in Islamic money likewise includes close coordinated effort with controllers and monetary specialists to guarantee consistence with guidelines and acquire endorsement to send off new items. As a result, the main pillars of increasing sharia financial innovation are developing new products, improving accessibility and efficiency, attracting investors, complying with sharia, raising public awareness, and working with regulators.

Adjustment to Global Economic Principles

The key to increasing production efficiency and expanding access to global markets is investing in innovation and technology. This is consistent with the interview that the researcher conducted with one of the following informants:

That's right. The term "global economic principles" refers to a collection of ideas or principles that have an impact on global economic behavior. This incorporates things like

worldwide exchange, cross-line venture, capital streams, and different variables that impact a country's economy universally. (ha_53)

In this era of globalization, adapting to global economic principles is becoming increasingly important. Principles of global economics include international trade, cross-border investment, capital flows, and other economic dynamics. Coming up next are the consequences of a meeting with one of the sources:

Diverse economic spheres can be significantly affected by adapting to global economic principles. Changes in international trade, for instance, can have an impact on industry structure, product demand, and competition in the manufacturing sector. In the administrations area, worldwide monetary development can open new open doors for cross-line business extension. However, it might also make service providers in other countries more competitive. In the monetary area, changes in worldwide capital streams can influence trade rates, loan fees and monetary steadiness. (da_19)

It is evident from the above interview that studying global economic principles serves as a foundation for effective economic policymaking. This incorporates a comprehension of global exchange, cross-line venture, and capital streams that influence a country's economy all in all. Specialists underline that adjusting to worldwide monetary standards isn't just significant, yet additionally essentially affects different monetary areas, like the assembling, administration and monetary areas. Competition, product demand, and the structure of the industry as a whole are all affected by shifts in international trade in the manufacturing sector. In the meantime, expansion of the global economy creates new opportunities for the expansion of cross-border businesses in the service sector, but it also increases competition from service providers in other countries.

Acclimations to worldwide monetary standards likewise influence the monetary area, with changes in worldwide capital streams influencing trade rates, loan fees and monetary security. In order to deal with the shifting dynamics of the global economy and identify the associated challenges and opportunities, researchers emphasize the importance of having a thorough understanding of the complexity and significance of these adjustments. This shows that people are

aware of how important it is for a nation's economic prosperity and sustainability to respond quickly and effectively to changes in the global economy. The consequences of perceptions in the field show that it features the proactive reaction of industry in a country's Modern Region to worldwide financial standards.

Local businesses have taken strategic steps such as diversifying export markets, investing in technology, forming international partnerships, providing employee training, and being flexible with business strategies in an effort to maintain growth and competitiveness. One of these companies' primary strategies is to diversify their export markets. They proactive expanded their market reach to new potential nations as they observed shifts in international trade. In addition, the primary focus is on technology investment to boost efficiency and competitiveness. Companies are now able to respond more quickly to demands from global markets thanks to the widespread use of automation and information technology in production processes (Shahid et al., 2021). Some businesses have also begun to employ international partnerships as a strategy. They can gain access to new technologies, resources, and markets by forming strategic partnerships with foreign businesses, expanding their global reach (Syauqi et al., 2023).

An awareness of the significance of developing skills that meet the demands of the global market, such as proficiency in foreign languages, knowledge of international business culture, and relevant technical skills, can be seen in the emphasis placed on employee training. All in all, the perception results show that industry in a country's Modern Zone has prevailed with regards to adjusting to worldwide financial standards through essential advances that incorporate market enhancement, interest in innovation, global organizations, worker preparing, and adaptability in business system. This shows major areas of strength for an of the significance of adjusting to worldwide monetary elements to keep up with the intensity and development of nearby industry. (Suwarsi et al., 2022):



Figure 2. steps taken to adapt to global economic principles

Flexibility and responsiveness are essential for businesses to remain competitive in the face of globalization's ever-increasing pace. The manufacturing sector in a number of nations is a clear illustration of this adaptability and responsiveness. These businesses swiftly adjust their production lines to meet shifting demands whenever there are shifts in the demand that exists on the global market. They demonstrate adaptability in response to shifts in the market by switching quickly and effectively between products. Market and item expansion is a significant system in confronting chances and expanding seriousness in the worldwide market.

For instance, fabricating organizations are extending their item reach to cover more extensive market sections. They are not only coming out with new products that better meet the needs of customers all over the world, but they are also expanding the geography of their export markets, making them less reliant on one market. The most important foundation for remaining competitive in the global market is investment in innovation and technology. Companies in the technology industry are a good illustration of this kind of investment because they frequently devote resources to the research and development of new technologies. This permits them to keep on presenting creative items that satisfy worldwide market needs and work on their functional productivity.

Worldwide associations are additionally a significant methodology in extending admittance to new assets, advances and markets. For instance, fabricating organizations have framed key associations with unfamiliar organizations to get to more extensive business sectors and get close enough to

the most recent innovation. Their level of global market competitiveness rises as a result of this kind of partnership. Further developing labor force abilities is a significant stage in confronting progressively complex worldwide market requests. An illustration of this work is found in representative preparation programs presented by administration organizations (Hidayah et al., 2021). The program incorporates unknown dialect getting the hang of, understanding global business culture, and advancement of important specialized abilities. This helps ensure that their workforce is prepared to meet market needs and face global challenges (Gelos et al., 2022).

Finally, adapting to global economic principles must also prioritize social justice and sustainability. In a period of progressively coordinated globalization, adjusting to worldwide financial standards is the way to keeping a nation's seriousness and monetary development. Global economic principles cover a wide range of topics, including cross-border investment, capital flows, and international trade. To ensure their economic viability, nations and businesses around the world must comprehend and effectively respond to global economic dynamics (Hasan, 2023).

Theoretically, the financial sector is affected by changes in global capital flows, which have an impact on exchange rates, interest rates, and financial stability (Pagliari & Hannan, 2017). Then, at that point, the collaboration between financial matters, guideline and personality with regards to sharia financial aspects and offers understanding for strategy producers and experts in planning techniques that are more powerful and as per sharia standards are compelling approaches to adjusting to the worldwide (Abbas & Aravossis, 2024). Even though adhering to sharia economic principles has a significant impact, the global economic crisis and the need for adaptation frequently produce complicated and sometimes contradictory dynamics (Svoboda, 2024).

In the age of globalization, which is marked by economic connectivity between nations and rapidly shifting market dynamics, adapting to global economic principles is becoming increasingly important (Rahman et al., 2022).

Worldwide financial standards cover different angles, like global exchange, cross-line speculation, capital streams, and monetary approaches that influence nations all over the planet. To remain competitive, seize new opportunities, and overcome emerging challenges in the global economy, countries and businesses must comprehend and adapt to these principles (Shahar, 2021).

In this specific circumstance, adaptability and responsiveness are two significant components. A competitive advantage will accrue to nations and businesses that are able to swiftly adapt their strategies and operations to shifts in the conditions of global markets. Diversifying your product and market is another important step you can take to lower your risk and reach a larger global market. The key to increasing efficiency and expanding access to new resources and markets is to make investments in innovation and technology as well as international partnerships.

Integration of Sharia Economics in Conventional Economics

In recent years, significant progress has been made in the integration of sharia economics into the conventional economy. Sukuk, sharia savings, and sharia financing are just a few of the financial products that conventional banks are beginning to offer. The findings of the researcher's interview with one of the aforementioned informants are also relevant:

The combination of sharia financial matters in the customary economy is progressively noticeable, particularly in nations with a larger part Muslim populace. Sharia-compliant financial products are beginning to be offered by a number of conventional banks. In addition, the global market has seen an increase in the issuance of sukuk, also known as sharia bonds. This demonstrates the way that sharia standards can be applied inside a regular financial structure and even enhance the current framework. (dm_55)

This integration is not without its difficulties, despite significant progress. The fundamental differences between sharia and conventional economics, such as the prohibition of usury in sharia economics and the practice of interest in conventional economics, are highlighted by researchers as one of the main obstacles.

Schooling and effort in regards to sharia financial matters should be improved, both to the overall population and monetary industry players. Supporting guidelines should likewise be reinforced, including giving motivating forces to monetary foundations that apply sharia standards. In addition, in order to produce goods and services that adhere to sharia principles while still remaining competitive on the global market, it is necessary to strengthen collaboration between practitioners of conventional economics and sharia. (qe_21)

progressively close coordination between sharia financial matters and traditional financial matters, particularly in nations with a greater part Muslim populace. The flexibility and adaptability of Sharia principles within the conventional economic framework is demonstrated by the fact that numerous conventional financial institutions, such as banks, are beginning to offer Islamic financial products, according to researchers. This also reflects the widespread acceptance of the sharia economic system's values. The expansion in sukuk issuance in the worldwide market is one more sign of the outcome of this combination. Sukuk, which offer investment options that adhere to sharia principles and are becoming an increasingly accepted instrument in global financial markets, are an alternative to conventional bonds.

This shows that sharia financial matters isn't just viable with existing monetary frameworks, but on the other hand is fit for improving and extending decisions in the worldwide monetary environment. Analysts likewise underline the significance of instruction and effort in regards to sharia financial aspects. In order to use sharia principles effectively, both the general public and players in the financial sector need to improve their understanding. This incorporates grasping the instruments of Islamic monetary items, as well as the advantages and benefits they offer contrasted with traditional items. This integration also relies heavily on regulatory support. According to the findings of their research, there is a pressing need for the authorities in charge of the financial sector as well as the government to tighten regulations that encourage the application of sharia economics.

This includes providing incentives to financial institutions that adhere to sharia principles. Clear and steady guidelines will give sureness and urge more monetary organizations to take part in the Islamic monetary market. Aside from that, practitioners of conventional and sharia economics must work together. By cooperating, they can make items and administrations that are consistent with sharia standards, yet in addition serious in the worldwide market. Innovations that are capable of meeting increasingly complex and diverse market requirements will result from this collaboration (Camanho et al., 2022).

Overall, researchers believe that incorporating sharia economics into the conventional economy has a lot of potential to create a financial system that is more diverse and inclusive. With legitimate instruction, strong guidelines, and close joint effort between specialists, sharia financial aspects can proceed to create and make a positive commitment to the worldwide monetary market. The objective of this field observation is to comprehend the degree of integration of the sharia economy into the conventional economy and to identify difficulties as well as opportunities associated with this process (Furqani & Haneef, 2022). Five banks and financial institutions in Jakarta that offer both sharia and conventional financial products were the locations of the study. The strategies utilized incorporate direct visits, interviews with bank authorities and clients, as well as seeing how items are presented at branch workplaces.

All of the banks visited offered sharia-compliant financial services, including sukuk, financing, and savings accounts. These items are advanced alongside traditional items and upheld by exceptional divisions with staff prepared in sharia standards. Client acknowledgment of Islamic monetary items is very sure, with many picking them for strict and moral reasons. Due to the transparency and fairness that are provided, customers feel more at ease purchasing sharia products. To help customers better understand sharia products, banks conduct a variety of educational and outreach efforts through seminars, brochures, and in-person consultations. However, there are still some

customers who are unaware of the fundamental distinctions between conventional and sharia products (Karimullah, 2023).

The lack of regulations that fully support the development of the sharia economy, intense competition from conventional banks with more appealing schemes, and difficulties in increasing public understanding of the sharia economy are the primary obstacles that must be overcome. In order to produce products that are novel and competitive, a number of banks have demonstrated collaboration between conventional and sharia units. These banks are attempting to offer item bundles that consolidate the benefits of the two frameworks to draw in additional clients. Although the incorporation of sharia economics into the conventional economy is making good progress, it still requires enhanced regulatory support, product innovation through closer collaboration, and more education.

The following illustration depicts the places where Sharia Economics is incorporated into the Conventional Economy (Manik & Nasution, 2022):

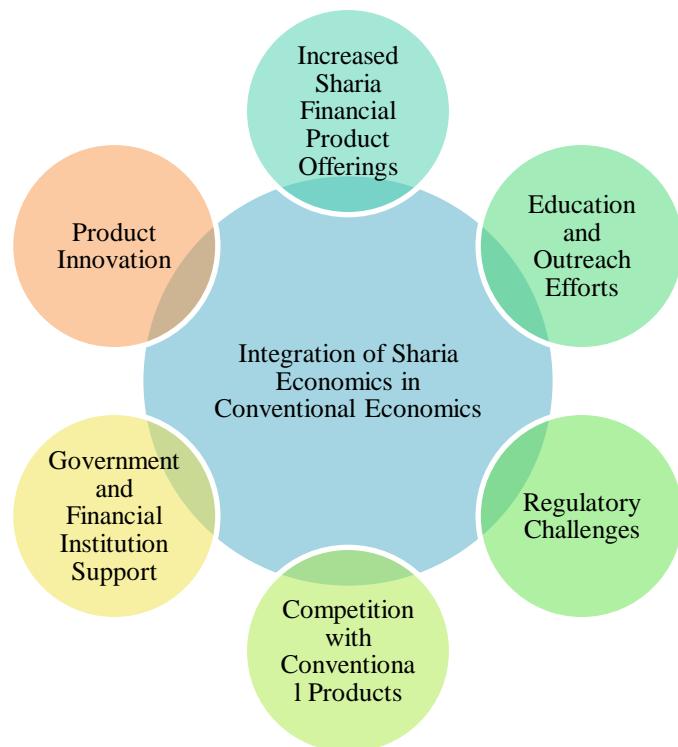


Figure 3. places where Islamic Economics is integrated into Conventional Economics

In recent years, there has been a significant rise in the degree to which sharia economics is incorporated into the conventional economy. One of the fundamental pointers is the expansion in offers of sharia monetary items. Products like sukuk, sharia savings, and sharia financing are now available from many conventional banks. These products are frequently managed by separate divisions with sharia-trained employees. Market and client acknowledgment of sharia monetary items is likewise exceptionally sure, particularly in nations with a greater part Muslim populace. Numerous clients pick sharia items for strict and moral reasons, and feel more OK with the straightforwardness and reasonableness presented by these items.

In addition, banks conduct a variety of educational and outreach activities to increase public awareness of sharia products, including seminars, brochure distribution, and in-person consultations. Be that as it may, there are still difficulties in expanding the overall's comprehension population might interpret the distinctions and advantages among sharia and ordinary items. One of the fundamental difficulties in this mix is guideline. There are complaints regarding the absence of regulations that fully support the development of the sharia economy. The need for more specific regulations and incentives for sharia products was mentioned by a number of banks. Furthermore, Islamic banks face tough opposition from regular banks which offer comparable items with additional appealing plans, for example, lower loan fees.

However, efforts to collaborate exist between conventional economics and sharia. A few banks have demonstrated that there is joint effort among sharia and ordinary units to make creative and serious items. Item bundles that consolidate the benefits of these two frameworks are proposed to draw in additional clients. Item advancement is one of the primary centers, with the making of new items and administrations that consent to sharia standards however stay serious in the worldwide market. In this process, the assistance of the government and financial institutions is crucial. The public authority and monetary specialists need to reinforce guidelines and give motivations to the improvement of the sharia

economy. To support better integration, collaboration between the public and private sectors is also required.

Sharia financial standards which underscore equity, supportability and social government assistance offer added benefit for incorporation with customary financial matters. With the right help, the tremendous potential for development and improvement of the sharia economy can be understood, enhancing and reinforcing the worldwide monetary framework. In recent years, significant progress has been made in the integration of sharia economics into the conventional economy. Sukuk, sharia savings, and sharia financing are just a few of the financial products that conventional banks are beginning to offer. In order to meet the requirements of customers who desire financial services that adhere to Islamic principles, these products are managed by distinct divisions or units with staff trained in sharia (Kuanova et al., 2021).

Market and client acknowledgment of sharia monetary items is extremely certain. Customers prefer sharia products because of their religious and ethical beliefs and because they are more at ease with the openness and fairness offered. Banks effectively complete instructive and outreach endeavors, like through workshops, handouts and direct counsels, to increment public comprehension of sharia items. However, increasing the general public's awareness of the fundamental distinctions between sharia-compliant and conventional goods remains a challenge. One of the fundamental difficulties in this mix is guideline.

A significant obstacle is the absence of regulations that fully support the growth of sharia economics. The need for more specific regulations and incentives for sharia products was mentioned by many banks. In addition, conventional banks, which offer comparable products and more appealing schemes, such as lower interest rates, pose a significant threat to Islamic banks. Economic theory is theoretically inseparable from Islamic teachings. Islamic financial matters is basically a legitimate outcome of the flawlessness of Islam itself (Anjum, 2022).

In addition, both conventional economists and Islamic economic experts criticize conventional economics. Therefore, an Islamic solution to the economic problem must exist (Ascarya, 2022). Islamic economic solutions can be implemented by integrating Islamic markets into economic activities through zakat, waqf, Islamic social security, the Islamic justice system, and Islamic financial. Therefore, the only way to put sharia law into practice is to work together with conventional economics. A few banks have demonstrated that there is collaboration among sharia and ordinary units to make creative and serious items. Item bundles that consolidate the benefits of these two frameworks are proposed to draw in additional clients.

One of the main goals is to develop new products and services that adhere to sharia law while remaining competitive in the global market. In this process, the assistance of the government and financial institutions is crucial. The public authority and monetary specialists need to reinforce guidelines and give motivations to the improvement of the sharia economy. To support better integration, collaboration between the public and private sectors is also required. Sharia financial standards which underscore equity, supportability and social government assistance offer added benefit for incorporation with customary financial matters. With the right help, the colossal potential for development and improvement of the sharia economy can be understood, enhancing and reinforcing the worldwide financial framework.

Conclusion

This study concludes that the Islamic economy demonstrates strong adaptive capacity in integrating with the global economic system while maintaining its foundational principles. Supported by strengthened regulations, innovative financial instruments, and improved financial literacy, the Islamic economy is increasingly able to compete globally and offer a more ethical, transparent, and stable alternative amid international market fluctuations. This adaptability is evident in the growing use of sukuk, Islamic banking, Islamic

fintech, and cross-border partnerships that incorporate Islamic values into modern economic mechanisms.

A surprising finding from this research is that the adaptation of Islamic law not only requires internal adjustments within Muslim communities but also drives a shift in attitudes within the global conventional economic system. Many non-Muslim financial institutions have begun adopting Islamic economic principles due to their perceived stability and alignment with sustainability goals. Another unexpected insight is the high compatibility of technological innovations—such as blockchain, smart contracts, and digital banking—with Islamic economic ethics, which further support values like fairness, transparency, and the avoidance of *gharar*.

However, this study is limited by the scarcity of literature that thoroughly examines the integration of sharia law within rapidly evolving global dynamics. Regulatory variations across countries also hinder the formation of strong generalizations. In addition, the predominance of conceptual and documentary data limits the ability to capture empirical realities, especially in developing or less-publicized sectors. Further field-based and cross-country comparative research is needed to provide a more comprehensive understanding of this transformation.

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