

## CHAPTER 13

### CONCLUSION

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Islamic social finance and economics offer a unique and comprehensive framework that integrates ethical principles and values with economic activities. Throughout this book, we have explored the various facets of Islamic social finance and economics, shedding light on its key concepts, principles, and practices. Our journey has taken us through the foundational principles of Islamic economics, the pillars of Islamic finance, and the transformative potential of Islamic social finance.

One fundamental principle underpinning Islamic social finance and economics is the concept of justice. Islamic economics emphasizes equitable distribution of wealth, fair treatment of individuals, and eradicating exploitation. It calls for establishing an economic system rooted in social responsibility and addresses the needs of all members of society, particularly the marginalized and disadvantaged.

As a key component of Islamic social finance, Islamic finance provides an alternative model to conventional finance based on interest (*riba*) and speculative activities (*gharar*). It promotes risk-sharing, asset-backed transactions, and ethical investment, aligning financial activities with societal well-being. The prohibition of interest in Islamic finance ensures that wealth is generated through productive means, encouraging investment in actual economic activities and fostering economic stability.

Moreover, Islamic social finance encompasses various instruments and mechanisms to address social and humanitarian challenges. Zakat, one of the five pillars of Islam, is a mandatory form of charitable giving that aims to alleviate poverty and support social welfare programs. Waqf,