

WASATHIYAH AS A FRAMEWORK FOR WEALTH DISTRIBUTION IN ISLAMIC ECONOMIS: INSIGHT FROM YUSUF AL-QARADAWI

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Abstract

Contemporary global economic systems continue to face persistent challenges of wealth concentration and distributive inequality, revealing structural limitations within dominant economic paradigms. In Islamic economics, wasathiyah (moderation) is frequently invoked as an ethical value, yet its function as an operational framework for wealth distribution remains under-theorised. This study examines wasathiyah as an integrative paradigm of wealth distribution in the economic thought of Yusuf al-Qaradawi within the framework of maqāṣid al-syarī'ah. Employing a qualitative conceptual-analytical approach based on library research, the study analyses al-Qaradawi's major works through deductive–inductive content analysis. The findings demonstrate that wasathiyah operates as an operational paradigm structuring the relationship between wealth ownership, control, and distribution. Wealth is conceptualised as a trust (istikhlāf) that balances individual rights and social responsibility, while distributive mechanisms form a coherent system aimed at preventing wealth concentration. This study contributes to Islamic economic theory by positioning wasathiyah as a structural framework for analysing distributive justice.

Abstrak

Sistem ekonomi global kontemporer terus menghadapi persoalan konsentrasi kekayaan dan ketimpangan distribusi yang bersifat struktural, sehingga menunjukkan keterbatasan paradigma ekonomi dominan. Dalam ekonomi Islam, *wasathiyah* (moderasi) sering dipahami sebagai nilai etis, namun perannya sebagai kerangka operasional distribusi kekayaan masih belum terkonseptualisasi secara memadai. Penelitian ini menganalisis *wasathiyah* sebagai paradigma integratif distribusi kekayaan dalam pemikiran ekonomi Yusuf al-Qaradawi berdasarkan kerangka *maqāṣid al-syarī'ah*. Penelitian ini menggunakan pendekatan kualitatif konseptual-analitis melalui studi kepustakaan dengan analisis isi deduktif–induktif terhadap karya-karya utama al-Qaradawi. Hasil penelitian menunjukkan bahwa *wasathiyah* berfungsi sebagai paradigma operasional yang menstrukturkan relasi antara kepemilikan, pengelolaan, dan distribusi kekayaan. Kekayaan dipahami sebagai amanah (*istikhlāf*) yang menyeimbangkan hak individu dan tanggung jawab sosial, serta membentuk sistem distribusi yang bertujuan mencegah konsentrasi kekayaan dan mewujudkan keadilan distributif.

Kata kunci: *Wasathiyah; Distribusi Kekayaan; Ekonomi Islam; Maqāṣid al-Shari'ah; Yusuf al-Qaradawi*



INTRODUCTION

Global economic inequality has emerged as one of the most persistent structural challenges in the contemporary economic order. Despite sustained economic growth in many regions, wealth concentration continues to intensify, with a disproportionate share of assets controlled by a relatively small segment of the population. Recent political economy scholarship demonstrates that this pattern is not merely an unintended by-product of growth, but a structural outcome of distributional arrangements embedded within dominant market-oriented paradigms that systematically privilege capital accumulation over distributive justice (Asutay, 2007; Piketty, 2014; Stiglitz, 2019). International assessments further indicate that redistributive mechanisms such as progressive taxation, social transfers, and social spending have not been sufficiently effective in counterbalancing the structural advantages enjoyed by capital owners, particularly in contexts where institutional frameworks remain aligned with growth-centred policy priorities (Kamande et al, 2024; Milanovic, 2012). This condition suggests that inequality should not be understood merely as a statistical phenomenon, but as an indication of deeper conceptual and structural limitations embedded within prevailing wealth distribution paradigms.

From a theoretical perspective, dominant economic systems have largely prioritised efficiency, growth, and market expansion, while treating distribution as a secondary or corrective concern. In mainstream economic thought, distributive questions are commonly addressed *ex post* through fiscal and welfare instruments rather than being integrated into the foundational logic of economic organisation. As a consequence, distributive justice is often framed as a policy adjustment rather than a core theoretical problem shaping the structure of economic relations. This analytical separation has contributed to the persistence of inequality, as redistributive interventions are required to operate within frameworks that inherently favour accumulation and concentration (Chapra, 1992; Milanovic, 2012). Contemporary inequality thus reflects uneven distributive outcomes that arise from the conceptual orientation of dominant economic paradigms, particularly their persistent prioritisation of economic growth over distributional considerations. Similar concerns have also been raised in broader development theory, which questions the reduction of development to income growth divorced from distributive and social dimensions (Sen, 1999).

To illustrate the persistence and structural nature of this problem across national contexts, Figure 1 presents data from the Commitment to Reducing Inequality (CRI) Index, which documents trends in countries experiencing increasing inequality. The figure is not intended to provide a causal explanation of inequality, but rather to underscore its widespread and systematic character across diverse economic and institutional settings. By highlighting the global scope of the problem, Figure 1 reinforces the urgency of developing alternative conceptual approaches to wealth distribution that move beyond corrective redistribution toward structural rethinking.

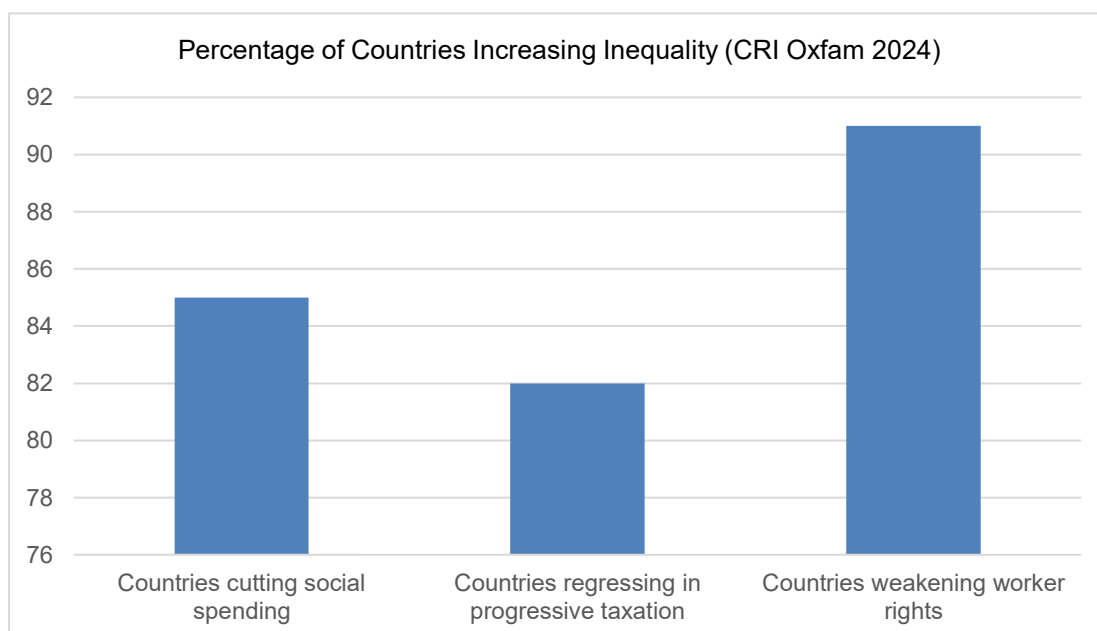


Figure 1 Graph of countries with increasing inequality (Kamande et al., 2024).

Within this broader context, Islamic economics is frequently presented as an alternative framework that emphasises justice, balance, and social responsibility. Classical Islamic economic thought conceptualises wealth neither as an absolute private entitlement nor as a purely collective possession, but as a trust (*amānah*) that entails moral and social obligations (Chapra, 1992; Islahi, 1992). Ownership is recognised and protected, yet circumscribed by ethical limits and redistributive duties aimed at preserving social harmony and preventing harm. In principle, this framework offers a normative foundation capable of addressing questions of inequality and distributive justice. However, despite these foundational commitments, much of the contemporary literature in Islamic economics remains largely normative and descriptive, often emphasising moral ideals without sufficiently developing them into analytically grounded frameworks of wealth governance or political economy (Asutay, 2007, 2012; Hanapi, 2017).

A recurring limitation in Islamic economic scholarship lies in its tendency to reiterate ethical values such as justice (*'adl*), balance (*tawāzun*), and social solidarity without adequately theorising the mechanisms through which these values shape concrete economic relations. Discussions of wealth distribution frequently focus on specific instruments, such as zakat, waqf, and other forms of Islamic social finance, while leaving their underlying conceptual logic underexplored. As a result, Islamic economics risks being perceived as a collection of normative prescriptions rather than a structured economic paradigm capable of engaging critically with broader theoretical debates on inequality, political economy, and distributive justice (Furqani & Haneef, 2013; Haneef & Furqani, 2019).

One concept that holds significant potential for addressing this limitation is *wasathiyah* (moderation). In Qur'anic discourse and classical Islamic thought, *wasathiyah* denotes a balanced and proportional position that avoids extremes, emphasising harmony in social and economic relations. Contemporary scholarship has explored *wasathiyah* primarily in relation to religious moderation, ethical conduct, and patterns of individual behaviour, including consumption and social interaction (Amin, 2018; Hanapi, 2017). While these studies offer important insights into the moral dimensions of moderation, they tend to conceptualise *wasathiyah* as an individual ethical disposition rather than as a structural principle capable of shaping economic institutions, ownership relations, and distributive arrangements.

The limited theorisation of *wasathiyah* as an economic principle has resulted in its marginal role within discussions of wealth distribution. When moderation is treated mainly as a moral exhortation, its potential function as an organising logic for economic relations remains underdeveloped. Consequently, Islamic economic discourse often separates ethical discussions of moderation from analyses of ownership regulation, redistribution, and institutional design. This separation contributes to a fragmentation of the literature and weakens the analytical coherence of Islamic economics as an alternative paradigm of political economy, a concern that has been repeatedly highlighted in methodological debates within the field (Furqani & Haneef, 2013; Haneef, 2015).

This fragmentation becomes particularly evident in studies on wealth distribution within Islamic economics. On the one hand, a substantial body of research examines distributive instruments such as zakat and waqf from legal, institutional, or policy-oriented perspectives (Islahi, 1992; Tasriani, 2024). On the other hand,

discussions of *wasathiyah* largely remain confined to ethical or socio-cultural domains, with limited engagement with economic analysis and theory building. The absence of a conceptual framework that systematically integrates moderation with mechanisms of wealth distribution represents a significant gap in the literature and limits the theoretical development of Islamic economics as a coherent analytical discipline.

This study addresses the above gap by examining the thought of Yusuf al-Qaradawi as an analytically significant case through which the relationship between moderation, ownership, and wealth distribution can be explored. Al-Qaradawi is not approached as an authoritative solution to the problem of inequality, but as a contemporary scholar whose works explicitly articulate economic questions at the intersection of classical Islamic jurisprudence and modern socio-economic realities. His relevance lies in the methodological clarity with which he connects ethical principles to institutional mechanisms, particularly in the context of wealth governance and redistribution.

Al-Qaradawi's contribution to Islamic economic thought extends beyond his well-known role in zakat jurisprudence. In his writings, distributive concerns are systematically situated within the broader objectives of *maqāṣid al-syarī'ah*, emphasising social welfare, economic balance, and human dignity as integral dimensions of development (al-Qaradawi, 2000; Chapra, 2008). Unlike many juristic discussions in which issues of distribution remain implicit within legal rulings, al-Qaradawi explicitly frames them as part of a broader ethical-economic discourse informed by *maqāṣid*-based reasoning. This makes his work particularly suitable for analysing how *wasathiyah* can function not merely as a moral value, but as a structuring principle that mediates tensions between individual property rights and collective responsibility. This *maqāṣid*-based orientation also resonates with broader civilisational perspectives that view Islamic normative principles as an integrated ethical framework guiding social, economic, and institutional order, rather than as isolated legal objectives (Bakar, 2011).

Importantly, al-Qaradawi's formulation of *wasathiyah* does not reject private ownership or market mechanisms. Rather, moderation is employed as a regulating logic that defines the ethical boundaries of accumulation and legitimises redistribution as an integral component of economic life. This balanced approach distinguishes his thought from both unrestrained individualism and rigid collectivism, positioning *wasathiyah* as a mediating framework rather than an extreme alternative (Chapra, 1992; Islahi, 1992).

By examining this formulation, the present study treats al-Qaradawi's work as a conceptual locus in which moderation is operationalised within discussions of wealth distribution.

By focusing on al-Qaradawi as an analytical figure, this article does not seek to present his thought as exhaustive or universally binding. Instead, it uses his work as an entry point to reconstruct a more integrated conceptual framework that connects ethical moderation with distributive mechanisms. This approach allows the study to address a broader theoretical problem in Islamic economics, namely the persistent separation between normative ethics and economic analysis.

Accordingly, the objective of this study is to analyse *wasathiyah* as a paradigm of wealth distribution in Yusuf al-Qaradawi's thought through a qualitative conceptual analysis of his major works. The article aims to contribute to contemporary Islamic economic discourse by offering a systematic framework that integrates moderation, ownership, and redistribution. By doing so, it seeks to enrich current debates on distributive justice in Islamic economics and to position *wasathiyah* as a viable analytical lens for addressing inequality beyond instrument-based approaches.

METHODS

This study adopts a qualitative conceptual-analytical research design aimed at examining *wasathiyah* as a paradigm of wealth distribution in the economic thought of Yusuf al-Qaradawi. The qualitative approach is employed not to generate empirical generalizations or test causal relationships, but to construct, clarify, and refine theoretical understanding through a systematic interpretation of normative and conceptual texts. Accordingly, this research is positioned explicitly as a conceptual and analytical inquiry rather than a historical, doctrinal, or empirical investigation, focusing on the internal logic and coherence of economic ideas within Islamic thought (Creswell & Poth, 2018).

Library research is employed as the primary methodological strategy because the object of analysis consists of theoretical arguments, normative concepts, and ethical frameworks articulated in written texts. In this study, library research is not understood as a mere collection or review of literature, but as a structured and iterative analytical process involving the careful selection, close examination, comparison, and synthesis of key concepts related to *wasathiyah*, wealth ownership, and distribution. This methodological choice is particularly appropriate for addressing the research questions,

as it allows primary sources to be treated as objects of theoretical analysis rather than as descriptive accounts of historical intellectual development (George, 2008).

The primary sources of this study consist of Yusuf al-Qaradawi's major works that explicitly address economic ethics, wealth, and distributive concerns, particularly *Fiqh al-Zakah* (2000), *al-Ḥalāl wa al-Ḥarām fī al-Islām*, and *Maqāṣid al-Syarī'ah al-Muta'allaqah bi al-Māl wa al-Iqtisād*. These texts are selected because they represent al-Qaradawi's most systematic and comprehensive discussions of economic norms, ownership relations, and mechanisms of wealth distribution. Secondary sources include peer-reviewed journal articles, academic books on Islamic economics and *wasathiyah*, as well as selected international reports on inequality that provide broader conceptual context and support critical engagement with contemporary economic debates.

The explicit unit of analysis in this research is the set of concepts, normative arguments, and conceptual frameworks of wealth ownership and distribution articulated in al-Qaradawi's writings. Rather than summarizing or reproducing the content of these texts, the analysis focuses on how key concepts are formulated, interconnected, and operationalized within his broader ethical-economic discourse. This clarification ensures that the study is read as a directed conceptual inquiry aimed at theoretical synthesis, rather than as a descriptive review of texts or a biographical study of a particular thinker.

Data analysis is conducted using qualitative content analysis as a systematic interpretive technique (Krippendorff, 2018). The analytical procedure consists of three interrelated stages. First, key concepts relevant to the research focus—such as *wasathiyah*, justice (*'adl*), balance (*tawāzun*), ownership, and social responsibility—are identified through close and repeated reading of the primary texts. Second, these concepts are grouped and categorized based on their thematic relationships, particularly in relation to mechanisms of wealth control, regulation, and distribution. Third, the categorized themes are synthesized to construct an integrated conceptual framework that explains how *wasathiyah* functions as a mediating principle between individual ownership rights and collective welfare in al-Qaradawi's economic thought.

The study employs a deductive–inductive analytical logic to strengthen conceptual rigor and methodological clarity. Deductively, the analysis is guided by the normative framework of Islamic economics and *maqāṣid al-syarī'ah*, which provides an initial conceptual lens for interpreting issues of wealth, ownership, and distribution. Inductively, insights emerging from close engagement with al-Qaradawi's texts are

examined, refined, and systematized to develop a conceptual synthesis that may extend, nuance, or rearticulate existing theoretical understandings. This two-way analytical movement ensures that the analysis remains grounded in established normative frameworks while remaining responsive to conceptual insights derived from textual evidence.

To ensure analytical rigor and validity, this study emphasizes theoretical coherence and interpretive consistency rather than empirical triangulation. Validity is established through the internal coherence of the argument, the systematic alignment between concepts and analytical categories, and sustained critical engagement with relevant secondary literature. Instead of referring to validation against scriptural sources as a form of methodological triangulation, the analysis assesses the consistency of al-Qaradawi's arguments within the *maqāṣid* framework and situates them within ongoing scholarly debates in Islamic economics. This approach enhances methodological transparency, strengthens conceptual credibility, and ensures the international readability of the study.

RESULT & DISCUSSION

Result

1. Wasathiyah as a Foundational Economic Principle in al-Qaradawi's Thought

The results of this study indicate that *wasathiyah* occupies a central and structuring position in Yusuf al-Qaradawi's economic thought. Based on a close and systematic reading of his major works—particularly *Fiqh al-Zakah*, *al-Ḥalāl wa al-Ḥarām fī al-Islām*, and several of his writings on *maqāṣid al-syarī'ah*—*wasathiyah* is consistently articulated not as a peripheral ethical recommendation, but as a foundational principle that frames economic reasoning, evaluation, and orientation (al-Qaradawi, 1985, 2000).

The Qur'anic designation of Muslims as *ummatan wasaṭan* (QS. al-Baqarah [2]:143) functions as the primary normative reference underlying al-Qaradawi's conception of moderation. However, the textual analysis demonstrates that al-Qaradawi does not interpret moderation as a passive middle position or a compromise between two opposing extremes. Instead, *wasathiyah* is conceptualised as a dynamic and regulative principle that actively governs economic conduct by maintaining balance across multiple dimensions of economic life (al-Qaradawi, 2000).

One dimension in which this regulatory function becomes evident is the relationship between material pursuits and moral accountability. Al-Qaradawi affirms the legitimacy of economic activity, wealth creation, and market participation as integral aspects of human life. At the same time, he consistently emphasises that economic action must remain embedded within a moral framework that prevents excess, injustice, and social harm. The results show that *wasathiyah* functions to ensure that material advancement does not occur at the expense of ethical responsibility or social cohesion (al-Qaradawi, 1985, 2000).

Another dimension regulated by *wasathiyah* concerns the balance between individual interests and collective welfare. Al-Qaradawi repeatedly stresses that Islamic economics neither dissolves the individual into the collective nor elevates individual interests above social considerations. Instead, moderation serves as a principle that aligns personal economic incentives with broader social objectives. This alignment is not left to moral exhortation alone, but is structured through legal and institutional norms derived from Islamic teachings (al-Qaradawi, 2000).

The analysis further indicates that al-Qaradawi positions *wasathiyah* as an organising logic that integrates economic objectives with the higher purposes of Islamic law (*maqāṣid al-syarī'ah*). Economic growth, efficiency, and productivity are recognised as legitimate goals, yet they are consistently subordinated to overarching aims such as justice (*al-'adl*), balance (*tawāzun*), and social welfare. In this sense, moderation does not imply economic restraint in the sense of stagnation or withdrawal, but rather disciplined economic engagement that remains attentive to its distributive and social consequences (al-Qaradawi, 2000).

Importantly, the results show that al-Qaradawi employs *wasathiyah* as a corrective principle against two opposing tendencies that he perceives as problematic. On the one hand, he critiques economic orientations that absolutise wealth and legitimise unrestrained accumulation, leading to inequality and social fragmentation. On the other hand, he also rejects ascetic approaches that undermine productivity and deny the legitimacy of economic initiative. Through this dual positioning, *wasathiyah* emerges as a foundational economic principle that seeks to harmonise productivity with ethical restraint, providing a distinctive normative orientation within Islamic economic thought (al-Qaradawi, 1985, 2000).

2. Wasathiyah and the Conceptual Framework of Wealth Ownership (*Istikhlāf*)

The second major result of this study concerns the conceptual framework of wealth ownership and control in al-Qaradawi's economic thought. The analysis demonstrates that al-Qaradawi consistently grounds the notion of ownership in the doctrine of *istikhlāf*, which conceptualises human beings as trustees (*khulafā'*) rather than absolute proprietors of wealth. This doctrinal foundation establishes an ontological and ethical basis for economic relations, in which ownership is recognised but inherently conditional (al-Qaradawi, 2000).

Within this framework, wealth is understood as ultimately belonging to God, while human ownership is derivative, functional, and purpose-oriented. Qur'anic references such as QS. an-Nūr [24]:33 are employed by al-Qaradawi to reinforce the idea that material resources are entrusted to humans to be managed responsibly and in accordance with divine objectives. As a result, private ownership in Islam is framed not as an unconditional right, but as a form of stewardship that carries moral and social obligations (al-Qaradawi, 2000).

The results indicate that *wasathiyah* plays a crucial mediating role in balancing economic freedom and ethical constraint within the ownership structure. Al-Qaradawi affirms the legitimacy of individual ownership, entrepreneurship, and wealth development as essential components of economic vitality. At the same time, these rights are circumscribed by clear normative boundaries, including the prohibition of excess (*isrāf*), wastefulness (*tabdhīr*), harm (*ḍarar*), and unjust enrichment. Through these constraints, moderation ensures that economic freedom does not devolve into exploitation or social exclusion (al-Qaradawi, 1985, 2000).

The analysis further shows that al-Qaradawi conceptualises ownership not merely as a legal entitlement, but as a moral position embedded within a broader socio-economic system. Wealth holders are expected to recognise the social implications of their economic decisions, particularly their effects on vulnerable groups. This expectation reflects the integration of ownership rights with social responsibility, a feature that distinguishes Islamic economic reasoning from systems that isolate property rights from ethical accountability (al-Qaradawi, 2000).

In addition, the results reveal that *wasathiyah* enables a flexible yet principled ownership model. While ownership rights are protected, they remain open to regulation when they conflict with public interest (*maṣlaḥah 'āmmah*). This flexibility allows Islamic economics, as articulated by al-Qaradawi, to accommodate economic diversity and change without abandoning its normative foundations. Thus, *wasathiyah* functions

as a stabilising principle that aligns ownership relations with both economic vitality and social balance (al-Qaradawi, 2000).

3. *Wasathiyah* and the Architecture of Wealth Distribution

The third core result relates to the architecture of wealth distribution in al-Qaradawi's economic framework. The analysis reveals that *wasathiyah* underpins a comprehensive distributive system designed to prevent the concentration of wealth and to promote social balance. Distribution is not treated as a peripheral or supplementary dimension of economic life, but as a central mechanism through which economic justice is realised (al-Qaradawi, 2000).

Al-Qaradawi consistently refers to the Qur'anic injunction in QS. al-Hashr [59]:7, which articulates the normative objective of preventing wealth from circulating exclusively among the affluent. This principle serves as the ethical and legal foundation for redistributive instruments such as zakat, infaq, sadaqah, and waqf. The results of this study show that al-Qaradawi conceptualises these instruments as interconnected components of a unified distributive framework rather than as isolated or ad hoc practices (al-Qaradawi, 2000).

A particularly significant result concerns al-Qaradawi's emphasis on productive zakat. The analysis demonstrates that al-Qaradawi advances a distributive model that extends beyond short-term consumption toward long-term economic empowerment. Zakat resources are envisioned as instruments for developing productive capacity, supporting micro-enterprises, enhancing vocational skills, and strengthening the economic resilience of disadvantaged groups (al-Qaradawi, 2000).

Furthermore, the results indicate that *wasathiyah* enables the integration of mandatory and voluntary distribution mechanisms. While zakat functions as a compulsory fiscal instrument, infaq, sadaqah, and waqf operate as voluntary channels that reinforce social solidarity and communal responsibility. Together, these mechanisms form a flexible and adaptive distributive architecture capable of responding to diverse economic conditions. Through this integrative approach, *wasathiyah* emerges as a guiding principle that aligns distributive justice with economic productivity (al-Qaradawi, 2000).

The results further show that al-Qaradawi does not treat wealth distribution solely as a post-production corrective mechanism. Instead, distributive considerations are embedded throughout the economic process, beginning from the norms governing

acquisition, consumption, and accumulation of wealth. Prohibitions against *riba*, hoarding (*kantz*), fraud, and monopolistic practices are positioned as preventive distributive measures that operate prior to formal redistribution. In this sense, *wasathiyah* structures wealth distribution both *ex ante*, by regulating economic behaviour at its source, and *ex post*, through formal redistributive instruments (al-Qaradawi, 1985, 2000).

Another important finding concerns the role of institutional mediation in the distributive system. Al-Qaradawi consistently underscores the necessity of organised and accountable institutions for managing zakat and waqf, particularly in modern socio-economic contexts. Distribution, therefore, is not left to individual discretion alone, but is institutionalised to ensure effectiveness, transparency, and continuity. This institutional orientation reflects a moderate approach that avoids excessive state centralisation while also preventing the fragmentation and inefficiency that can result from purely individualised charity (al-Qaradawi, 2000).

The analysis also indicates that *wasathiyah* provides a normative framework for evaluating the outcomes of distribution. Success is not measured merely by the volume of funds disbursed, but by the extent to which distributive mechanisms restore dignity, reduce dependency, and reintegrate recipients into productive economic roles. This evaluative dimension reinforces the finding that moderation in al-Qaradawi's thought functions as a standard for assessing both process and outcome within the wealth distribution system (al-Qaradawi, 2000).

Taken together, these findings confirm that *wasathiyah* operates as an internal organising principle of wealth distribution in al-Qaradawi's economic thought. It shapes the objectives, instruments, institutional arrangements, and evaluative criteria of distribution, thereby positioning distributive justice as an integral and structurally embedded component of the Islamic economic system rather than as a residual moral concern (al-Qaradawi, 2000).

Discussion

1. *Wasathiyah* as an Integrative Paradigm in Islamic Economic Theory

The findings presented in the Results section demonstrate that *wasathiyah* in Yusuf al-Qaradawi's economic thought functions not merely as an ethical disposition, but as an integrative paradigm that structures economic reasoning, institutional design,

and distributive evaluation. This Discussion interprets those findings by situating al-Qaradawi's conceptualisation of moderation within broader debates in Islamic economic theory and contemporary political economy. The central argument advanced here is that *wasathiyah*, as articulated by al-Qaradawi, operates at the intersection of ethics, law, and economic governance, thereby offering a coherent alternative to reductionist interpretations of Islamic economics as either moral preaching or technical jurisprudence (Asutay, 2007, 2012; Furqani & Haneef, 2013; Haneef & Furqani, 2019).

Within Islamic economic scholarship, a longstanding tension exists between normative ideals and institutional operability. A number of scholars have argued that Islamic economics often foregrounds ethical values—such as justice, balance, and morality—without sufficiently articulating how these values are translated into systemic economic arrangements capable of addressing real-world inequality and structural imbalances (Asutay, 2007; Haneef, 2015). Such critiques position Islamic economics as normatively rich but analytically underdeveloped. The findings of this study directly engage this critique by demonstrating that al-Qaradawi's notion of *wasathiyah* provides a conceptual bridge between ethical commitments and structural economic mechanisms. Moderation, in this framework, is not an abstract virtue, but a guiding logic that shapes the definition of ownership rights, the architecture of wealth distribution, and the moral evaluation of economic agency, thereby embedding ethics within institutional design rather than treating them as external constraints.

From a comparative perspective, al-Qaradawi's contribution appears particularly integrative within the tradition of Islamic economic thought. Classical scholars such as Abu Yusuf and al-Ghazali emphasised the moral limits of wealth accumulation and the social responsibilities of rulers, primarily within pre-modern political and economic contexts. Al-Qaradawi extends these classical insights into a contemporary setting characterised by market economies, global capital flows, and institutionalised fiscal systems, where distributive questions are mediated through formal economic and legal institutions (Chapra, 2008; Islahi, 1992). His articulation of *wasathiyah* thus functions as a mediating framework that preserves the ethical core of Islamic economics while remaining responsive to modern economic complexity. In this sense, moderation operates not only as a moral orientation, but as an organising principle that enables Islamic economics to engage critically with contemporary political economy without abandoning its normative foundations.

2. Ethical Moderation and Structural Distribution: Moving Beyond Normative Descriptions

One of the most significant theoretical contributions identified in the Results section is al-Qaradawi's ability to move the discourse on moderation beyond normative exhortation toward structural economic design. Rather than treating redistribution as an ex-post corrective to market outcomes, al-Qaradawi embeds distributive justice within the foundational logic of the economic system itself. This position contrasts with dominant economic paradigms in which distribution is typically addressed through fiscal adjustment after market processes have already generated inequality, leaving underlying structures of accumulation largely intact (Asutay, 2007; Chapra, 1992).

By grounding wealth distribution in *wasathiyah* and *maqāṣid al-syarī'ah*, al-Qaradawi conceptualises redistribution as a constitutive element of economic order rather than as a residual policy concern. Zakat, in this framework, is not merely a transfer payment or charitable obligation, but a structural instrument that reshapes patterns of ownership, access, and opportunity within the economy. This interpretation aligns with maqāṣid-oriented approaches that view economic institutions as vehicles for realising social welfare and human dignity, rather than as value-neutral mechanisms (Chapra, 2008; Islahi, 1992). The emphasis on productive zakat further reinforces this orientation by aligning redistribution with long-term economic empowerment, capability formation, and social inclusion, rather than short-term consumption alone.

From a theoretical standpoint, this integrative approach directly addresses a central concern in political economy regarding the perceived trade-off between equity and efficiency. Al-Qaradawi's framework suggests that moderation enables a synthesis in which distributive justice and economic productivity are mutually reinforcing rather than inherently antagonistic. This insight resonates with broader critiques of neoliberal economic models that prioritise efficiency and growth while marginalising questions of social cohesion, institutional ethics, and distributive fairness (Piketty, 2014; Sen, 1999; Stiglitz, 2019). At the same time, al-Qaradawi avoids collectivist approaches that suppress individual initiative by maintaining a clear recognition of private ownership and entrepreneurial agency, thereby positioning *wasathiyah* as a mediating principle that reconfigures, rather than rejects, market dynamics.

3. Wasathiyah and the Boundaries of Market Rationality

Another important implication of the findings concerns the relationship between *wasathiyah* and market rationality. Modern economic systems are commonly governed by instrumental rationality, in which profit maximisation, efficiency, and growth function as dominant evaluative criteria shaping economic behaviour and institutional design. Within such a framework, moral considerations are often treated as external constraints rather than as internal components of economic reasoning. Al-Qaradawi does not reject market mechanisms outright; instead, he subjects them to ethical and legal constraints derived from the principle of moderation. In this sense, *wasathiyah* functions as a boundary-setting principle that delineates acceptable forms of market behaviour without negating the productive role of markets themselves (Asutay, 2007, 2012).

This boundary-setting role becomes particularly relevant in contexts of wealth concentration, financialisation, and speculative accumulation. The Qur'anic injunction against the circulation of wealth solely among the affluent is operationalised in al-Qaradawi's framework through mechanisms that actively counter accumulative tendencies inherent in market economies. Rather than relying exclusively on technocratic regulation or redistributive state intervention, al-Qaradawi combines legal obligations, moral accountability, and communal responsibility as mutually reinforcing layers of economic governance. This multilayered approach reflects a conception of political economy in which ethical norms are embedded within institutional arrangements, resonating with broader critiques of value-neutral market rationality in contemporary economic thought (Chapra, 2008; Sen, 1999).

At the same time, it is necessary to acknowledge potential limitations in the application of *wasathiyah* as a governing principle in highly complex and globalised economic environments. The operationalisation of moderation raises questions regarding scalability, institutional enforcement, and the regulation of transnational capital mobility. While zakat and waqf institutions may function effectively at national or community levels, their capacity to address global financial structures, multinational corporate power, and cross-border capital flows remains uncertain. This limitation does not undermine the conceptual strength of al-Qaradawi's framework; rather, it highlights the need for further theoretical refinement and institutional innovation. In this respect, *wasathiyah* should be understood not as a finished policy model, but as an evolving normative-institutional framework that requires continued development in dialogue with contemporary political economy.

4. Comparative Reflections within Islamic Economic Thought

Placing al-Qaradawi's conception of *wasathiyah* in comparative perspective further clarifies its analytical contribution within the broader landscape of Islamic economic thought. Earlier thinkers, such as Muhammad Baqir al-Sadr, advanced comprehensive systemic alternatives to capitalism by proposing an integrated Islamic economic order that sought to replace prevailing market systems. Other scholars, most notably M. U. Chapra, emphasised moral reform and policy-oriented adjustments within existing economic structures, focusing on ethical governance, fiscal responsibility, and maqāsid-based development strategies. Al-Qaradawi occupies a distinctive middle ground between these approaches. His emphasis on moderation neither seeks to replace market systems wholesale nor merely moralises them; instead, it reconfigures their normative foundations by embedding ethical constraints directly within economic reasoning and institutional design (Chapra, 1992, 2008).

This positioning highlights the originality of al-Qaradawi's approach. By framing moderation as an operational principle rather than a moral slogan, he offers a conceptual vocabulary capable of engaging contemporary debates on inequality, market regulation, and distributive justice. Unlike approaches that treat ethics as an external corrective to economic activity, al-Qaradawi integrates *wasathiyah* into the internal logic of ownership, exchange, and redistribution. At the same time, his reliance on classical jurisprudential concepts such as *istikhlāf* and *maqāsid al-syarī'ah* ensures continuity with Islamic intellectual tradition, thereby avoiding a rupture between normative theology and economic analysis. This dual orientation strengthens the analytical credibility of his framework and enhances its relevance for contemporary Islamic economic scholarship (Furqani & Haneef, 2013; Haneef & Furqani, 2019).

Nevertheless, comparative analysis also reveals important areas of tension. Al-Qaradawi's emphasis on moral agency and institutional ethics presupposes a degree of social cohesion, normative consensus, and ethical commitment that may not be uniformly present in pluralistic or secular socio-political contexts. While *wasathiyah* provides a compelling normative framework, its effectiveness depends on institutional capacity and shared moral reference points that cannot be assumed across all societies. This raises critical questions regarding the adaptability and scalability of *wasathiyah*-based economic frameworks in environments characterised by ideological diversity, weak institutions, or highly financialised markets. These tensions suggest that while al-Qaradawi's framework offers significant theoretical insight, its broader application

requires further empirical testing and comparative analysis beyond the scope of this study.

5. Theoretical Implications for Contemporary Islamic Economics

The discussion yields several implications for the development of contemporary Islamic economic theory. First, it reinforces the argument that Islamic economics should be understood as a normative-institutional discipline rather than a collection of isolated legal rules or ethical ideals. *Wasathiyah*, as conceptualised by al-Qaradawi, demonstrates how normative principles can inform systemic economic design without sacrificing analytical coherence.

Second, the findings contribute to broader debates on the role of ethics in economic theory. By showing that moderation functions as an internal organising principle rather than an external moral constraint, al-Qaradawi's framework challenges the conventional separation between positive and normative economics. This challenge is increasingly relevant in light of global concerns over inequality, sustainability, and social fragmentation.

Finally, the discussion highlights the potential of *wasathiyah* to serve as an integrative concept within Islamic economic scholarship. Rather than treating ethics, law, and policy as separate domains, moderation provides a lens through which these elements can be analytically unified. This integrative capacity represents a central contribution of al-Qaradawi's thought and offers a foundation for future research aimed at refining and operationalising Islamic economic paradigms in an evolving global economy.

CONCLUSION

This study has analysed the concept of *wasathiyah* in Yusuf al-Qaradawi's economic thought as a paradigm of wealth distribution within the framework of *maqāṣid al-syarī'ah*. The central theoretical contribution of this article lies in its argument that *wasathiyah* functions not merely as a normative ethical ideal, but as an operational and structuring principle that organises wealth ownership, economic agency, and distributive justice within Islamic economics. By articulating moderation as an internal organising logic, this study clarifies the conceptual foundation of Islamic economic theory beyond moral exhortation.

The findings demonstrate that al-Qaradawi conceptualises wealth as a trust (*istikhlāf*) that mediates the relationship between individual property rights and collective responsibility. Within this framework, economic freedom is recognised and protected, yet consistently regulated by normative boundaries derived from moderation. Ownership, accumulation, and consumption are thus treated as ethically conditioned practices embedded in a broader socio-economic order, allowing *wasathiyah* to function as a stabilising principle that reconciles productivity with moral restraint and social accountability.

More importantly, this study shows that *wasathiyah* constitutes an operational paradigm of wealth distribution. Distributive mechanisms such as zakat, infaq, sadaqah, and waqf are positioned as structural components of an integrated distributive architecture rather than auxiliary charitable instruments. By embedding distributive considerations throughout the economic process—both *ex ante* through norms governing acquisition and accumulation, and *ex post* through formal redistribution—al-Qaradawi’s framework challenges economic models that treat inequality as a residual problem addressed only after market outcomes occur.

The implications of this argument extend beyond al-Qaradawi’s thought to contemporary Islamic economic theory more broadly. Conceptualising moderation as a paradigm that structures institutions, incentives, and evaluative criteria suggests that Islamic economics should be understood as a normative–institutional discipline rather than a collection of isolated ethical ideals or legal rules. While this study is limited by its conceptual scope and focus on a single thinker, it provides a theoretical foundation for future comparative and empirical research on moderation-based distributive frameworks in diverse socio-economic contexts.

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