



Department of Digital Business

Journal of Artificial Intelligence and Digital Business (RIGGS)

Homepage: <https://journal.ilmudata.co.id/index.php/RIGGS>

Vol.4 No.4 (2025) pp: 1508-1514

P-ISSN: 2963-9298, e-ISSN: 2963-914X

Ethical Commerce in the 21st Century: An Analytical Study of Islamic Business Ethics in Global and Digital Markets

Veronika Dinar Romauli Sihombing¹, Nurhaeni Sikki², Reghita Avrilya³, Vida Wahda Maulida⁴, Brigita Sheren

Jesicca Suri⁵, Muhammad Hasan Zas Muhtar⁶

^{1,2,3,4,5,6} Program Pascasarjana, Universitas Sangga Buana

Nurhaeni.sikki@usbvpkp.ac.id

Abstract

*This research explores the contemporary relevance of Islamic Business Ethics in addressing ethical challenges within globalized and digital markets in the 21st century. As business environments evolve through rapid technological advancement, including digital transformation, e-commerce, and artificial intelligence, Islamic ethical frameworks such as *adl* (justice), *amanah* (trustworthiness), *ihsan* (excellence), and *shafafiyah* (transparency) remain vital to ensure fairness, sustainability, and moral integrity in transactions. This paper adopts a qualitative descriptive-analytical approach, integrating literature review and case study analysis to identify the interconnection between traditional Sharia principles and modern business ethics standards such as Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) principles. Findings indicate that Islamic ethics not only serve as moral guidance but also function as a competitive advantage in building consumer trust and ensuring sustainable growth in global commerce. The study emphasizes the potential synergy between Islamic moral codes and technological innovation, promoting ethical digital entrepreneurship, halal certification transparency, and fairness in financial transactions. By highlighting real-world applications in Islamic finance, halal industries, and digital trade ecosystems, this paper concludes that adherence to Islamic business ethics enhances global business resilience while aligning with universal ethical standards for responsible and sustainable commerce.*

Keywords: *Islamic Business Ethics, Ethical Commerce, Digital Markets, Sharia Compliance, Halal Economy, Riba, Gharar, E-commerce Ethics*

1. Introduction

The 21st century has witnessed a remarkable transformation in the nature of global commerce, driven by rapid digitalization, globalization, and evolving consumer expectations. Traditional business models are being reshaped by technologies such as artificial intelligence (AI), blockchain, and e-commerce platforms, which have created both opportunities and challenges for ethical business practice. In this rapidly changing environment, the role of ethical frameworks has become central to maintaining fairness, transparency, and social responsibility. Among these frameworks, Islamic Business Ethics offers a comprehensive moral and spiritual foundation rooted in the principles of Sharia, which aims to balance material success with moral integrity and societal welfare.

Islamic Business Ethics encompasses a holistic approach to economic activity that emphasizes justice (*adl*), trustworthiness (*amanah*), benevolence (*ihsan*), and social welfare (*maslahah*). Unlike conventional ethical models that may focus primarily on profit maximization and legal compliance, Islamic ethics integrate both spiritual and moral dimensions of business conduct. The Qur'an and Hadith provide detailed guidance on honesty in transactions, prohibition of exploitation (*riba* and *gharar*), and encouragement of social equity. This makes Islamic ethics highly relevant in addressing emerging global issues such as environmental degradation, economic inequality, and digital exploitation.

Furthermore, the convergence between Islamic ethical values and global standards like Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) principles demonstrates that Islamic business ethics are not limited to religious boundaries but have universal applicability. As corporations increasingly prioritize sustainability and social responsibility, the Islamic ethical model offers a unique paradigm that integrates profitability with ethical stewardship. The growing demand for halal products, ethical investments,

and sustainable fintech solutions underscores the expanding role of Sharia-based ethics in shaping the future of global commerce.

This study seeks to analyze how Islamic Business Ethics can be effectively integrated into contemporary global and digital business environments. It aims to explore the potential of these ethical principles to foster accountability, reduce exploitation, and promote inclusive economic growth. By combining qualitative analysis and literature review, the research identifies how classical Sharia values can be adapted to modern contexts, ensuring that commerce remains both profitable and ethically responsible in the digital age

Ethical commerce has become an increasingly important aspect of business in the 21st century, as stakeholders demand greater accountability, transparency, and social responsibility from companies. The global shift towards value-driven consumption has given rise to movements such as Fair Trade, Corporate Social Responsibility (CSR), and Environmental, Social, and Governance (ESG) reporting. Within this context, Islamic business ethics provide a comprehensive framework that addresses not only financial and operational integrity but also moral and spiritual dimensions of commerce (Beekun, 1997).

The integration of Islamic ethics into modern commerce is particularly relevant in the digital era, where technology enables unprecedented levels of connectivity, efficiency, and innovation. However, digital markets also present new ethical dilemmas, from online consumer exploitation to data privacy breaches. This makes it essential to revisit the timeless principles of Sharia to ensure they are interpreted and applied effectively to contemporary challenges (Kamali, 2002).

By analyzing both historical foundations and modern applications, this study seeks to demonstrate how Islamic business ethics can serve as a guiding framework for ethical commerce in global and digital markets. The research highlights that the ethical principles derived from the Qur'an and Sunnah are not confined to traditional marketplaces but can be adapted to modern business environments without losing their authenticity or effectiveness (Iqbal & Mirakhor, 2011).

Islamic business ethics stem from the divine guidance found in the Qur'an and the Sunnah of the Prophet Muhammad (peace be upon him), forming an integrated framework for ethical decision-making in economic activities. These principles emphasize values such as honesty, fairness, and mutual benefit, ensuring that commercial activities contribute to social welfare rather than merely pursuing profit maximization (Beekun, 1997). Historically, Islamic civilizations applied these ethics in vibrant trade networks spanning Africa, Asia, and Europe, creating trust-based markets that facilitated both economic growth and cultural exchange (Chapra, 2000).

The emergence of globalization in the late 20th and early 21st centuries has created new opportunities and challenges for applying Islamic business ethics. While global markets have expanded access to goods, services, and investment opportunities, they have also introduced ethical dilemmas such as exploitative labor practices, environmental degradation, and monopolistic behavior. From a Sharia perspective, these issues necessitate a reaffirmation of values like *adl* (justice) and *ihsan* (excellence), which promote fairness in transactions and social responsibility in wealth creation (Al-Omar & Abdel-Haq, 1996).

Digital transformation has further revolutionized commerce by enabling instant transactions, global outreach, and innovative business models such as e-commerce platforms, fintech solutions, and blockchain-based contracts. However, these innovations also present risks of fraud, misleading advertising, and the erosion of consumer privacy. In this context, Islamic ethics — particularly the principles of *amanah* (trust) and *shafafiyah* (transparency) — are essential to ensure that technological advancements align with moral obligations and protect stakeholder rights in the digital economy (Kamali, 2002).

The increasing intersection between ethical consumerism and Islamic business ethics offers a strategic advantage in modern markets. As consumers worldwide seek products and services that are ethically sourced, environmentally sustainable, and socially responsible, Sharia-compliant businesses can position themselves as leaders in ethical commerce. This convergence allows Islamic principles not only to meet religious obligations but also to align with global sustainability goals, creating competitive advantages in a diversified market (Dusuki & Abdullah, 2007).

2. Research Methods

3.1 Research Design

This study adopts a qualitative research design, focusing on descriptive and analytical approaches to examine the application of Islamic business ethics in global and digital markets. Qualitative methods are particularly suited to this topic because they enable in-depth exploration of ethical principles, their interpretations, and their practical applications in contemporary contexts. The descriptive approach allows for the identification and explanation of Sharia-based ethical concepts, while the analytical approach assesses their relevance and adaptability in a rapidly changing business environment (Creswell, 2014).

The research design also incorporates elements of comparative analysis by juxtaposing Islamic business ethics with global ethical frameworks such as CSR, Fair Trade, and ESG standards. This comparative lens facilitates the identification of similarities, differences, and potential areas for integration. By doing so, the study not only highlights the distinctiveness of Islamic ethics but also demonstrates their compatibility with widely accepted ethical practices in global markets (Merriam & Tisdell, 2015).

3.2 Data Collection

The data collection process relies primarily on secondary sources, including peer-reviewed journal articles, books, industry reports, and official documents from Sharia advisory boards. These materials provide both the theoretical foundations of Islamic business ethics and real-world examples of their application in global and digital commerce. The use of authoritative sources ensures the credibility of the findings and aligns with academic standards for rigorous scholarship (Creswell, 2014).

In addition to scholarly literature, industry case studies are analyzed to examine how Islamic business ethics are implemented in practice. These case studies include examples from Islamic finance institutions, halal-certified companies, and digital platforms that operate according to Sharia principles. The integration of case studies into the research provides a practical dimension that bridges the gap between theoretical ideals and operational realities (Thomson Reuters, 2018).

3.3 Data Analysis

The collected data are analyzed through thematic analysis, a method well-suited to identifying recurring patterns, themes, and relationships within qualitative data. Themes such as transparency, justice, prohibition of unethical practices, and adaptation to technological advancements are extracted from the literature and case studies. This approach enables the systematic organization of findings while maintaining flexibility for incorporating emerging insights during the research process (Braun & Clarke, 2006).

The thematic analysis also allows for cross-referencing between Islamic ethical principles and global ethical commerce standards. By comparing these themes, the study identifies potential synergies, conflicts, and opportunities for mutual reinforcement. This analytical process helps demonstrate that Islamic business ethics, far from being limited to niche markets, have universal relevance and applicability in shaping the future of global commerce (Wilson, 2006).

3. Results and Discussions

4.1 Principles of Islamic Business Ethics in Modern Markets

Islamic business ethics are grounded in the belief that all commercial activities must align with divine guidance and serve the welfare of society. Core principles include *adl* (justice), which ensures fairness in pricing, wages, and contractual obligations; *amanah* (trustworthiness), which obliges parties to act with honesty and integrity; and *shafafiyah* (transparency), which requires full disclosure in transactions. The prohibition of *riba* (usury) and *gharar* (excessive uncertainty) safeguards against exploitative and speculative practices that harm market stability (Iqbal & Mirakhor, 2011).

In modern global and digital markets, these principles are highly relevant in promoting ethical governance, responsible marketing, and equitable wealth distribution. For example, in e-commerce, transparency requires accurate product descriptions, fair return policies, and clear data privacy agreements. Justice manifests in equitable treatment of suppliers and workers across supply chains, while the prohibition of *riba* guides the development of interest-free digital financing solutions such as Islamic fintech platforms (Dusuki & Abdullah, 2007).

4.2 Challenges in Applying Islamic Business Ethics

Despite their universal moral appeal, the practical application of Islamic business ethics faces significant challenges in globalized and digitalized markets. One major obstacle is the lack of harmonized halal certification standards across countries, which leads to confusion among consumers and creates barriers for international trade. Furthermore, the dominance of conventional interest-based financial systems complicates the implementation of Sharia-compliant financing models in cross-border transactions (Thomson Reuters, 2018).

Digital markets also pose ethical concerns that require reinterpretation of classical principles. Issues such as cyber fraud, misuse of personal data, and deceptive online advertising test the adaptability of Islamic ethics in safeguarding consumer rights in the virtual space. Moreover, the rapid pace of technological change demands continuous engagement by Sharia scholars and business leaders to ensure that ethical guidelines remain relevant and effective (Kamali, 2002).

4.3 Opportunities for Ethical Commerce through Islamic Principles

The growing global demand for ethical, sustainable, and socially responsible products presents a unique opportunity for businesses grounded in Islamic ethics. The halal industry, valued at over \$2 trillion globally, encompasses food, finance, pharmaceuticals, cosmetics, and tourism, offering vast potential for Sharia-compliant enterprises to expand internationally. Ethical marketing and transparent supply chain management can position Islamic businesses as trusted leaders in this expanding market (Wilson, 2006).

Digital transformation, rather than being a threat, can be harnessed to enhance the application of Islamic ethics. Blockchain technology, for example, can be used to ensure transparency in halal certification, while AI-driven analytics can improve compliance monitoring. By embracing technological tools while adhering to Sharia principles, businesses can bridge the gap between tradition and innovation, appealing to both Muslim and non-Muslim ethical consumers (Thomson Reuters, 2018).

4.4 Integration of Islamic Business Ethics with Global Sustainability Frameworks

The integration between Islamic Business Ethics and global sustainability standards such as CSR and ESG reflects a growing awareness that ethical and sustainable practices are fundamental for long-term business success. Islamic ethics promote social justice (*adl*), welfare (*maslahah*), and environmental stewardship (*khalifah*), which correspond to the triple bottom line of people, planet, and profit. This alignment underscores the universality of Islamic values in addressing modern challenges like climate change, poverty reduction, and responsible consumption.

Islamic banking institutions, for example, apply risk-sharing mechanisms and asset-backed financing that prevent speculative bubbles and promote real economic growth. These practices parallel the ESG focus on economic transparency and sustainability. Moreover, in the halal industry, companies adopt supply chain traceability to ensure integrity, which is enhanced through digital technologies such as blockchain. Such technological adoption reinforces transparency and consumer confidence in ethical commerce.

4.5 Case Studies of Islamic Ethical Practices in the Digital Economy

One notable example is the emergence of Islamic fintech startups, which develop interest-free digital payment platforms based on Sharia-compliant contracts like *Murabahah*, *Musharakah*, and *Ijarah*. These platforms serve not only Muslim communities but also appeal to global consumers seeking ethical finance options. Platforms such as Ethis, HelloGold, and Wahed Invest illustrate how Islamic principles can coexist with modern financial

innovation. Similarly, halal e-commerce platforms such as Halal Trade Zone and Salaam Gateway utilize digital infrastructure to promote fair trade and cross-border ethical business practices.

4.6 Ethical Challenges in the Digital Age

Despite significant progress, ethical challenges persist. Issues such as misinformation, data manipulation, and unfair digital advertising contradict Islamic principles of honesty (*sidq*) and trustworthiness (*amanah*). Companies must adopt robust digital governance policies to ensure that technology serves humanity rather than exploiting it. The Quranic principle of '*la darar wa la dirar*' (do no harm and accept no harm) can serve as a foundation for digital ethics, guiding businesses to prioritize consumer protection and equitable data use.

4.7 Policy Implications and Future Directions

Governments and regulatory bodies in Muslim-majority countries should strengthen policies that institutionalize Islamic ethical standards in business and technology. This includes establishing Sharia-compliant certification for digital finance, integrating Islamic ethics into business curricula, and encouraging corporate governance aligned with *maqasid al-sharia* (objectives of Islamic law). Internationally, collaboration between Islamic financial institutions and global ethical frameworks could enhance cross-border trade while promoting a more just economic order.

4.8 Conclusion of Extended Discussion

Islamic business ethics offer a holistic moral and strategic foundation for achieving sustainable development goals. When harmonized with global ethical initiatives, these principles promote inclusivity, fairness, and responsibility in an increasingly digitalized world. The integration of technology with spirituality demonstrates that ethical commerce is not only possible but essential for global prosperity in the digital century.

4.9 The Role of Leadership and Corporate Culture in Implementing Islamic Business Ethics

The successful implementation of Islamic business ethics within an organization depends largely on the leadership style and corporate culture. Leaders who demonstrate *taqwa* (God-consciousness) and ethical integrity inspire employees to uphold moral conduct in their work. In Islamic management philosophy, leadership is viewed as an *amanah* (trust) that must be exercised with justice, compassion, and accountability. The Prophet Muhammad (peace be upon him) exemplified ethical leadership through fairness, consultation (*shura*), and service to others.

Modern research supports that organizations guided by ethical leadership experience higher employee satisfaction, trust, and productivity. In the context of Islamic business, leaders serve as moral exemplars, ensuring that decisions align with Sharia principles and the company's mission of social responsibility. Furthermore, embedding Islamic ethics into corporate culture through training, transparent governance, and equitable reward systems fosters an environment where ethical behavior becomes a norm rather than an exception.

By promoting values such as *adl* (justice) and *ihsan* (excellence), leaders can create a sustainable ethical ecosystem that integrates spirituality and professionalism. This is especially relevant in digital organizations where remote work, AI decision-making, and data-driven operations challenge traditional moral accountability. Ethical leadership thus becomes the cornerstone for integrating Islamic principles into modern business operations.

4.10 Islamic Ethical Branding and Consumer Behavior in Global Markets

The concept of ethical branding has gained global attention as consumers increasingly favor companies that demonstrate social responsibility and transparency. Within Islamic business ethics, branding extends beyond marketing aesthetics—it represents a commitment to truthfulness, fairness, and community welfare. A *Sharia-compliant brand* must not engage in deceptive advertising, exploitation, or environmental harm.

Research shows that Muslim and non-Muslim consumers alike are attracted to brands that embody authenticity and integrity. For instance, halal-certified products have become symbols of quality and safety beyond religious

boundaries. This indicates that Islamic ethical branding can serve as a bridge between moral conviction and market competitiveness.

Moreover, digital platforms provide opportunities for companies to communicate their ethical identity through storytelling, transparency reports, and customer engagement. Businesses such as *Wardah*, *Nestlé Halal*, and *Hijup* have successfully demonstrated how Islamic values can be incorporated into global marketing strategies, leading to increased brand trust and loyalty. Ethical branding guided by Islamic values thus plays a pivotal role in shaping consumer perception and fostering sustainable consumption patterns.

4.11 Digital Transformation and the Maqasid al-Sharia Perspective

Digital transformation has revolutionized business operations across industries. From artificial intelligence and big data analytics to blockchain and fintech innovations, technology influences how value is created and distributed. However, digitalization also raises moral dilemmas related to data privacy, cybersecurity, and labor displacement. From the perspective of Maqasid al-Sharia (the higher objectives of Islamic law), technological development must align with five core objectives: protection of faith (*din*), life (*nafsi*), intellect (*aql*), progeny (*nasl*), and wealth (*mal*).

When these objectives guide digital innovation, businesses can ensure that technological advancement serves human welfare rather than exploitation. For example, Islamic fintech firms are applying blockchain for transparent zakat distribution and AI for ethical investment screening, ensuring compliance with Sharia while promoting financial inclusion.

Furthermore, the Maqasid framework provides a moral compass to evaluate emerging technologies. It encourages developers and business leaders to design systems that reduce harm (*mafsadah*), prevent injustice, and maximize societal benefit (*maslahah*). This approach bridges traditional ethical thought with digital-era innovation, reinforcing the relevance of Islamic ethics in Industry 4.0.

4.12 Comparative Analysis Between Islamic and Western Ethical Frameworks

Both Islamic and Western business ethics share the goal of promoting fairness, honesty, and accountability, yet they differ in their philosophical foundations. Western ethics are often rooted in secular theories such as utilitarianism, deontology, and virtue ethics, which prioritize rational reasoning and human autonomy. In contrast, Islamic ethics derive their legitimacy from divine revelation (*wahy*), combining moral reasoning with spiritual accountability.

While CSR and ESG frameworks emphasize stakeholder engagement, environmental protection, and corporate transparency, Islamic ethics integrate these goals with religious duties and the pursuit of *falah* (success in this life and the hereafter). This theological dimension creates a deeper sense of accountability—beyond compliance and reputation—anchored in the belief that all actions are subject to divine judgment.

Despite philosophical differences, there is significant potential for convergence. Concepts such as sustainability, fairness in trade, and prohibition of corruption resonate strongly in both systems. Integrating Islamic ethics with global ESG standards could create a hybrid ethical model capable of addressing moral, social, and ecological challenges in an interconnected world.

4. Conclusion

The study reveals that Islamic business ethics, rooted in timeless Sharia principles, possess enduring relevance and applicability in global and digital markets of the 21st century. By upholding values such as justice, trustworthiness, transparency, and the prohibition of exploitative practices, Islamic ethics provide not only a moral compass but also a strategic advantage for businesses seeking to build long-term trust and sustainability. These principles, when applied to e-commerce, global supply chains, and digital financial services, demonstrate compatibility with broader ethical commerce movements like CSR and ESG (Iqbal & Mirakhor, 2011). However, the research also identifies notable challenges in implementation, including the lack of standardized halal certification, the dominance of

interest-based financial systems, and the evolving nature of digital market risks. Addressing these challenges requires proactive engagement from both Sharia scholars and business practitioners to reinterpret ethical principles in light of emerging technological and economic realities (Kamali, 2002).

Reference

1. Abdullah, M. (2020). Islamic Ethics and Digital Economy: Sharia Perspective on Technology and Innovation. *Journal of Islamic Business Research*, 12(3), 145-160.
2. Ali, A. J., & Al-Aali, A. (2021). Corporate Governance and Islamic Ethics: The Role of Taqwa in Business. *Journal of Business Ethics*, 174(4), 663–678.
3. Al-Omar, F., & Abdel-Haq, M. (1996). *Islamic Banking: Theory, Practice and Challenges*. Oxford University Press.
4. Asutay, M., & Yilmaz, I. (2022). Islamic Finance and Sustainable Development Goals (SDGs): The Path to Ethical Impact. Springer.
5. Bakar, O. (2021). Ethics in the Age of Artificial Intelligence: An Islamic Perspective. IIUM Press.
6. Beekun, R. I. (1997). *Islamic Business Ethics*. International Institute of Islamic Thought.
7. Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.
8. Chapra, M. U. (2000). *The Future of Economics: An Islamic Perspective*. The Islamic Foundation.
9. Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Sage Publications.
10. Dar, H. (2020). The Future of Islamic Fintech: Innovation and Regulation. *Global Finance Review*, 18(2), 85-102.
11. Dusuki, A. W., & Abdullah, N. I. (2007). Maqasid al-Shariah, Maslahah, and Corporate Social Responsibility. *The American Journal of Islamic Social Sciences*, 24(1), 25–45.
12. Iqbal, Z., & Mirakhor, A. (2011). *An Introduction to Islamic Finance: Theory and Practice*. Wiley.
13. Kamali, M. H. (2002). *Islamic Commercial Law: An Analysis of Futures and Options*. The Islamic Texts Society.
14. Merriam, S. B., & Tisdell, E. J. (2015). *Qualitative Research: A Guide to Design and Implementation*. Jossey-Bass.
15. Thomson Reuters. (2018). *State of the Global Islamic Economy Report*. Thomson Reuters.
16. Wilson, R. (2006). Islam and business. *Thunderbird International Business Review*, 48(1), 109–123.