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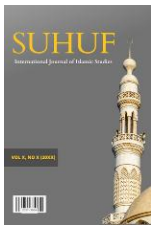

Teleology of Economic Law: A Comparative Analysis of The Concepts of Material Welfare and *Falah*

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ABSTRACT

Background: The teleology of economic law reflects core values guiding human economic behaviour within legal systems. Positive law adopts a utilitarian paradigm emphasising material welfare through market stability, property protection, and contract certainty, while Sharia economic law introduces a holistic framework via *falah* and *itmi'nan* rooted in *maqasid al-shariʿah*. This divergence creates implementation tensions in Indonesia's pluralistic legal system. **Objective:** This study aims to critically analyse the teleological concept of material welfare in positive economic law and contrast it with the vision of *falah* in Sharia economic law, identifying convergences, divergences, and integration opportunities. **Methodology:** Employing normative legal research with a comparative doctrinal approach, this library based study synthesizes primary legal sources and secondary data selected through criterion-based purposive sampling. **Results:** Positive law prioritises procedural efficiency and material metrics, while Sharia economic law emphasises distributive justice and spiritual well-being. Both systems share commitments to economic order and fraud prevention, yet diverge in their treatment of spiritual versus material priorities, producing suboptimal hybrid policies in sectors such as Islamic finance. **Conclusion:** Harmonizing positive law's legal certainty with *falah*'s ethics produces resilient, non-dualistic models that advance ethical governance in diverse societies. Theoretically, this study enriches comparative legal discourse. Practically, it guides policymakers toward Sharia aligned reforms fostering inclusive growth, and encourages development of *maqasid* based indices for sustainable development.

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1. Introduction

The teleology of economic law is essentially a reflection of the basic values adopted by a legal system in guiding human economic behaviour. From a positive legal perspective, the ultimate goal is rooted in a utilitarian paradigm that prioritises material well-being through market stability, property protection, and contract certainty [1]. The state acts as a regulator through the concept of the welfare state to ensure efficient resource allocation and income redistribution to achieve a minimum decent standard of living. On the other hand, sharia economic law offers a broader paradigm through the concept of *falah,* where well-being is measured not only by capital accumulation but also by blessings and peace of mind (itmi'nan). This orientation is based on the maqasid al-shariʿah, which places the protection of religion (ad-din), life (an-nafs), reason (al-ʿaql), descendants (an-nasl), and property (al-mal) as its main pillars. Thus, while positive law tends to be anthropocentric and materialistic [2]. Sharia economic law is theocentric humanistic, balancing physical needs with the fulfilment of the essence of human spirituality.

The comparison between material well-being and *falah* is highly relevant in the discourse on Indonesia's pluralistic economic law. Amidst globalisation, Indonesia has not merely adopted a market economy but has also internalised sharia values into the national legal system in an effort to achieve social justice for all [3]. This integration is evident in contemporary regulations such as the Sharia Banking Law and the Halal Product Guarantee Law, demonstrating that the ultimate goal of national economic law is shifting from merely pursuing macroeconomic growth to ethical economic development. This harmonisation creates a synthesis in which the legal certainty promoted by positive law meets the substantial justice of sharia principles. Ultimately, the effort to compare these two concepts aims to formulate a resilient economic model, one in which market efficiency is maintained without neglecting the morality and equitable distribution of wealth, the core values of the Pancasila Economy [4].

Although positive law and Sharia economic law formally aim to achieve prosperity, there is a fundamental teleological divergence that has triggered conflict at the implementation level in Indonesia. Positive law, with its liberal capitalist character, tends to dominate the national regulatory structure with a sole focus on market efficiency and material growth. This anthropocentric approach often negates the spiritual dimension of *falah*, ultimately risking creating structural injustice in the form of wide economic disparities and a degradation of morality in transactions. As a result, the law is viewed merely as an administrative tool to legitimise capital accumulation, without addressing the essential aspect of equitable wealth distribution. On the other hand, the implementation of Islamic *falah* values in Indonesia still faces significant adaptation challenges when dealing with global market dynamics that are rife with speculative practices and usurious instruments, so that the ideal values of sharia are often reduced to mere procedural formalities [5].

This issue is further complicated by the lack of in-depth comparative analysis capable of bridging the philosophical differences between the two legal systems. This imbalance has direct implications for the emergence of suboptimal hybrid policies, as seen in the operationalisation of Islamic financial institutions, which are often trapped in *"sharia formalities"* while still substantively following conventional market logic [6]. This situation results in the failure to achieve the holistic goal of achieving *maslaḥah*, which in turn triggers economic inefficiency and the loss of ethical spirit in the national financial system [7]. Therefore, a legal reorientation is needed that can integrate positive legal certainty standards with the depth of Islamic economic ethics to avoid contradictory dualism. Without strong synchronisation, the integration of Islamic economics into the national legal system will only be an additional regulatory accessory without having a significant impact on equitable and sustainable societal welfare [8].

This research fundamentally aims to deeply analyse the teleological concept of material welfare within the framework of positive economic law and contrast it with the vision of *falah* in Sharia economic law. The first analysis focuses on dissecting the principle of utilitarianism and the manifestation of the state's role in the welfare state model, in order to understand how positive law constructs welfare through materially measurable administrative regulations and fiscal policies. In line with that, this research also elaborates the holistic concept of *falah*, by placing *maqasid al-shariʿah* as the main operational framework. Through this approach, it will be mapped how the protection of the five basic human elements (al-daruriyyat al-khams) can create a balance between the fulfilment of worldly needs and spiritual responsibilities, which are often neglected in conventional economic legal systems.

Furthermore, this research seeks to conduct a comparative study to identify common ground, fundamental divergences, and potential integration between the two legal systems in the contemporary economic landscape. By evaluating the tension between positive legal certainty and substantial Sharia justice, this study aims to formulate a theoretical foundation for the development of hybrid policies in Indonesia. It is hoped that the results of this analysis can provide strategic recommendations for the formation of economic regulations that are not only inclusive and responsive to global market dynamics, but also sustainable and grounded in ethical values. Through this synchronisation, it is hoped that Indonesian economic law can transform into a system capable of realising the overall public good without sacrificing spiritual integrity or material efficiency.

Theoretically, this study has strategic significance in enriching the discourse on economic law by providing a comprehensive comparative framework between the positive and sharia systems. This research seeks not only to dissect superficial differences but also to explore the philosophical roots underlying both systems in order to address the problem of legal dualism that has hampered the integration of sharia economics in Indonesia. By aligning the principle of material welfare and the concept of *falah*, the results of this study are expected to provide an intellectual foundation for national economic law reform that is more aligned with the values of Pancasila. This effort is crucial for creating a legal system that not only guarantees regulatory certainty but also radiates social justice, which is the nation's identity in facing the complexities of the modern economy.

This research provides a tangible contribution to policymakers, particularly the Otoritas Jasa Keuangan (OJK) and Bank Indonesia, in formulating more substantive Islamic financial regulations oriented toward the public good. By integrating *falah* indicators into financial sector policies, the government can be more effective in mitigating the impact of post-pandemic social disparities and strengthening national economic competitiveness amidst globalisation. Furthermore, this study encourages innovation in Islamic legal and economic education by proposing the development of a welfare index based on *maqasid al-shariʿah* (the principles of Islamic law). This index is expected to become a new evaluation instrument for measuring the success of sustainable development, where progress is assessed not only by macroeconomic parameters but also by maintaining the ethical and spiritual dimensions of society.

2. Method

This study employs a normative legal research methodology, specifically a comparative doctrinal analysis supplemented by *maqasid*-based normative analysis, to examine the teleology of economic law through a systematic comparison of the concepts of material welfare and *falah* [9]. This methodology is appropriate because the study's object is the internal logic and normative structure of two legal systems positive economic law and Sharia economic law, rather than empirical social phenomena. Normative legal research involves the systematic examination, interpretation, and comparison of primary and secondary legal sources to uncover the underlying principles, values, and teleological orientations embedded within those sources. This research

therefore, operates as a library-based doctrinal study that integrates primary legal materials, including books on *muamalah fiqh*, fatwas of the Majelis Ulama Indonesia (MUI), Law Number 10 of 1998 concerning Islamic Banking, and positive constitutional provisions such as Article 33 of the 1945 Constitution. Secondary legal materials consist of peer-reviewed scholarly journals, monographs, and academic commentaries selected on the basis of explicit criteria: direct relevance to the study's comparative legal question, clear engagement with either positive economic law or Sharia economic law, and scholarly authority as indicated by publication venue and citation prominence [10].

Source selection in this study was carried out through a transparent, criterion-based process appropriate to doctrinal legal research. Rather than employing empirical sampling techniques, which are suited to population-based studies, sources were identified and included on the basis of four explicit criteria: (1) substantive relevance to the normative principles of *maqasid al-shariʿah* (the preservation of religion, life, intellect, lineage, and property); (2) direct engagement with positive utilitarian principles such as market efficiency and income redistribution; (3) scholarly authority and methodological clarity; and (4) representativeness across both legal traditions under comparison. The analytical procedure proceeded in two sequential stages. The first stage involved conceptual analysis of primary legal materials to identify the definitional scope and teleological implications of material welfare (examined through the lens of economic liberalism) and *falah* (examined through the normative framework of maqasid al-shariʿah). The second stage involved systematic comparative analysis between primary and secondary legal materials from both traditions, using structured comparison tables to surface convergences (such as shared commitments to social equity) and divergences (such as contrasting orientations toward spiritual versus material priorities). The overall analytical movement was deductive-inductive: beginning from established principles within each legal tradition and reasoning toward comparative conclusions about their teleological compatibility. Credibility in this normative framework was maintained through inter-source triangulation, whereby interpretive claims were cross-verified across multiple independent primary and secondary legal texts representing both traditions, ensuring that no single source determined the analytical conclusions. Where interpretive divergences arose among sources, these were explicitly acknowledged and adjudicated through reasoned doctrinal argument consistent with the standards of comparative legal scholarship [11].

3. Results and Discussion

3.1 Philosophical Basis of the Objectives of Positive Economic Law: Individual Utility and Certainty.

The existence of positive economic law in modern discourse cannot be separated from the philosophical foundations that shape its structure and direction. As a system heavily influenced by Western thought this law views economic activity as a space for legal subjects to pursue prosperity through the principle of absolute individual autonomy. Teleologically, the purpose of law here is placed on efforts to create predictive order, where every market interaction is guided by clear rules of the game to guarantee private property rights [12]. The primary focus is not on the spiritual morality of a transaction, but rather on how law can catalyse the efficient allocation of resources in a competitive society.

Furthermore, this philosophical foundation rests its success on two main pillars: maximising individual utility and ensuring legal certainty. From this perspective, collective welfare is viewed as the accumulation of personal prosperity achieved through freedom of contract protected by the state [13]. Positive economic law operates with a technocratic logic that seeks to minimize the risk of uncertainty in order to maintain market stability. As a result, the dimensions of legal success tend to be material-centric, where indicators of

economic growth and capital accumulation serve as the sole parameters for assessing whether an economic legal system has successfully fulfilled its social objectives [14].

Utilitarianism is a philosophical school of thought that influences positive economic law, emphasises that an action or policy is considered right if it produces maximum benefits for the greatest number of people. In the context of economic law, this understanding forms the basis for the formation of regulations aimed at maximising overall social welfare. For example, antitrust laws are created not simply to protect a single company, but to foster healthy competition that will benefit consumers broadly through lower prices and greater product variety [15]. Similarly, progressive tax policies are designed to reduce income inequality, with the hope that a more equitable distribution of wealth will increase the average happiness of the population.

The primary goal of positive economic law, when applied to utilitarianism, is to create conditions in which resource allocation can be optimised to generate the greatest social surplus. This is often achieved through regulated free market mechanisms, where individual interactions in pursuit of personal gain indirectly contribute to collective well-being. However, the application of utilitarianism to economic law also faces challenges, such as how to objectively calculate "happiness" and how to balance the interests of the majority with the rights of the minority. Nevertheless, this view remains an important foundation in the design of modern economic policy, where the goal is to create an environment that supports productivity and sustainable economic growth for the well-being of as many people as possible [16].

In positive law, legal certainty is a fundamental principle that underpins the achievement of material well-being. This certainty means that legal rules must be clear, stable, and predictable, so that economic actors can make investment and transaction decisions with confidence. Without legal certainty, uncertainty will arise, which can hinder economic activity and pose high risks to investors. Therefore, positive law actively creates a robust legal framework to protect property rights and ensure compliance with contracts, which are the fundamental foundations of a free market system and economic growth.

Legal certainty in this context serves not only as a means of protection but also as a motivator of market confidence. When individuals and businesses are confident that their rights will be protected by law and that their contracts will be upheld, they are more willing to invest and trade [17]. This creates a climate conducive to economic growth, where resources are allocated efficiently toward outcomes that benefit all parties. In other words, legal certainty is a key factor enabling positive law to function as a means to achieve desired material well-being.

For positive economic law, a materialistic approach is prominent, where the success of a legal system is measured by its concrete impact on economic performance. A frequently used primary indicator is Gross Domestic Product (GDP) growth, which reflects the total gross value added of all goods and services produced within a country within a given period. A positive GDP growth rate indicates a country's economic growth, and the higher a country's GDP, the better its economic performance [18]. Furthermore, market efficiency is an important indicator, referring to the market's ability to allocate resources optimally without distortion or unfair monopolies. Capital accumulation, both physical and human, is also a focus as it is believed to be a key driver of long-term economic growth.

While these indicators provide a comprehensive picture of economic performance, there is criticism that using GDP as the sole measure of economic progress can be limited and potentially misleading. GDP often does not fully reflect the overall quality of life or well-being of a society, as it does not take into account non-material aspects such as

environmental quality, mental health, or social justice. However, in the context of positive economic law, these three indicators, GDP, market efficiency, and capital accumulation, are established parameters for assessing whether the law is successful in creating an environment conducive to economic growth and stability.

In contrast to the conventional economic paradigm, which tends toward materialism, Sharia Economic Law views economic activity as an integral part of human devotion to the Creator. The philosophical foundation of this system rests on the vision of *falah*, a concept of well-being that transcends the limits of material satisfaction in this world. *Falah* represents holistic success, where economic achievement is measured not only by the accumulation of wealth but also by aspects of blessing and spiritual serenity. In this view, economics is not merely an instrument for fulfilling physical needs, but rather a means to achieve the dignity of humanity in harmony with divine values [19].

The operational achievement of *falah* is guided by the *maqasid al-shariʿah* framework, which ensures that all economic regulations must culminate in protecting human well-being [20]. Sharia economic law goes beyond efforts to create economic growth, emphasising distributive justice and the protection of the five basic elements of life (al-daruriyyat al-khams). By integrating the afterlife dimension into muamalah transactions, this concept offers a unique balance between personal and social interests [21]. The ultimate goal is to create an economic order that is both materially stable and morally secure, so that the resulting prosperity can be enjoyed equitably and sustainably by all humanity.

Gustav Radbruch's theory states that law should support three primary goals: justice, utility, and legal certainty. In the context of positive economic law, the philosophical underpinnings of these goals often revolve around individual utility and legal certainty. This analysis demonstrates how Radbruch's theory can be used to understand this orientation of economic law. Individual utility, closely related to utilitarianism, is a key philosophical underpinning of positive economic law [22]. This theory holds that an action or policy is right if it produces the maximum benefit for the greatest number of people. In economic law, this means regulations designed to maximise overall social welfare, often through regulated free market mechanisms. The ultimate goal is to create conditions in which resource allocation can be optimised to generate the greatest social surplus, ultimately aiming to achieve "the greatest happiness for the greatest number." However, Radbruch's theory cautions that while utility is an important goal, it should not be the sole benchmark without considering justice and legal certainty [23].

Legal certainty is another fundamental principle of positive law that is highly relevant to the philosophical foundation of economic law. This certainty means that legal rules must be clear, stable, and predictable, so that economic actors can make investment and transaction decisions with confidence. Without legal certainty, uncertainty will arise, which can hinder economic activity and pose high risks to investors. Therefore, positive law actively creates a solid legal framework to protect property rights and ensure compliance with contracts, which are the main foundations of a free market system and economic growth. Radbruch's theory emphasises that legal certainty must be maintained for the sake of order in a country, and that positive laws that regulate must be obeyed unless they blatantly violate justice. Thus, legal certainty becomes an inseparable pillar of the goal of positive economic law, supporting individual utility by creating an investment-friendly and predictable environment.

3.2 The Concept of Falah in Sharia Economic Law: A Holistic Welfare

The concept of *falah* in Islamic economics has a very broad dimension, encompassing success in this world and success in the afterlife in an integral way. The worldly dimension (falah dunyawi) refers to success in material affairs, such as the fulfilment of basic human needs (food, drink, clothing, and shelter), the creation of jobs, and the achievement of prosperity and equitable economic stability for society. This success does not only mean material abundance, but also the well-being felt by all members of society, without any element of oppression or injustice [24]. On the other hand, the dimension of the hereafter (falah ukhrawi) emphasises spiritual success, namely maintaining faith, piety, and a harmonious relationship with the Creator, which is realized through adherence to Islamic law and the application of moral values in every economic activity. Both complement each other, where worldly well-being is not enough without spiritual support, and vice versa, so that *falah* becomes the ideal final goal for achieving eternal well-being in this world and the hereafter.

Sharia economic law is fundamentally designed to support the fundamental principles of Islam in upholding universal values known *as Maqasid Sharia*. One of its key elements is *hifdz al-mal*, or protection of wealth, which not only means safeguarding material ownership but also ensuring its equitable distribution so that wealth can be used for the good of humanity without causing social harm. In this context, sharia economic law integrates norms such as the prohibition of *usury, gharar,* and *maysir.* It is economic activity aligns with Islamic ethics, where wealth is seen as a trust from Allah SWT that must be utilized for the common good [25]. This integration more broadly encompasses balancing the protection of wealth with the other four aspects of the Maqasid Sharia: religion (hifdz ad-din), life (hifdz an-nafs), reason (hifdz al-aql), and progeny (hifdz an-nasl). For example, if an economic transaction harms the faith of an individual or group, it is contrary to *hifdz ad-din*, even though property remains protected. Similarly, economic practices that endanger lives (such as the trade in counterfeit medicines) or the ability to think (through excessive speculation) will be opposed by the Sharia system [26]. Therefore, this integration creates a holistic framework in which economics is not only about profit, but also part of worship that supports the whole of human life, as stated by Allah in Surah Al-Maidah verse 48.

The ultimate goal of sharia economic law goes far beyond achieving economic growth alone; it emphasises the equitable distribution of wealth to create a just and harmonious society. Growth alone can lead to inequality, with some elites controlling resources while others are left behind. In contrast, Sharia economic law prioritises equitable distribution through mechanisms such as *zakat, infaq*, and *sadaqah*, which compel wealth holders to share their wealth with the poor, orphans, and those in need, thereby alleviating structural poverty and promoting social solidarity [27]. The theory of *Maqashid Sharia* according to Imam Asy-Syatibi, developed in the book Al-Muwafaqat fi Ushul al-Ahkam, emphasises that Islamic law aims to achieve the benefit (maslahah) of humanity holistically, with five main pillars: *hifdz ad-din* (religious protection), *hifdz an-nafs* (soul), *hifdz al-aql* (reason), *hifdz an-nasl* (offspring), and *hifdz al-mal* (treasure). The concept of falah success in the world afterlife in sharia economic law is interpreted as holistic prosperity that goes beyond materialism, where the economy is not just a tool for wealth, but a means to realize this maqashid [28]. Ash-Syatibi divides *maslahah* into three levels: *dharuriyyat* (main, such as *hifdz al-mal* for basic stability), *hajiyyat* (secondary, such as redistribution of wealth via zakat), and *tahsiniyyat (*complementary, such as halal transaction ethics). In the sharia economic law context, *falah* is achieved when economic activity supports this integration, for example through the prohibition of usury which protects property from exploitation, thereby preventing damage to the mind and soul, and ensuring sustainable prosperity for future generations [29].

Furthermore, Asy-Syatibi emphasized that sharia economic law must be flexible in its *ijtihad* (intelligence) to adapt to the dynamics of the times, where falah is not merely

economic growth, but rather a balance between substance and procedure. In the modern era, this means using instruments such as zakat and *infaq* for equitable wealth distribution, which aligns with *hifdz al-mal as* a foundation, while maintaining relationships with the other four pillars, for example, halal investments that support *hifdz an-nafs* through decent employment. Without this integration, the economy has the potential to undermine *maslahah*, such as inflation that erodes wealth without spiritual benefit. Therefore, Asy-Syatibi's theory encourages sharia economic law to become a holistic paradigm, where *falah* is achieved through a system that avoids speculation (gharar) and ensures distributive justice, so that people achieve eternal happiness in this world and the hereafter [30].

3.3 Comparative Analysis: Meeting Points and Pressure Points between Positive Law and Sharia Economic Law

The teleology of economic law reflects a profound vision of how regulation can shape economic behaviour to achieve sustainable societal well-being. In the perspective of positive law, influenced by the Western utilitarian paradigm, the primary objectives focus on market efficiency, legal certainty, and the protection of individual rights, where material well-being is measured through indicators such as GDP growth and capital accumulation [31]. In contrast, sharia economic law offers a holistic approach through the concept of *falah*, which integrates worldly and hereafter dimensions, based on *Maqasid Sharia* to uphold five essential principles: religion (hifdz ad-din), life (hifdz an-nafs), reason (hifdz al-aql), progeny (hifdz an-nasl), and wealth (hifdz al-mal). This comparative analysis is crucial in the era of globalisation, where Indonesia, as a pluralistic nation, seeks to integrate positive and sharia elements, such as through the islamic banking law to realize social justice as a Pancasila [32].

A comparison of the two legal systems reveals the common ground and tensions that shape the dynamics of implementation in Indonesia. The common ground lies in a shared commitment to creating economic order, preventing fraud, and protecting transactions, both of which aim to maintain market stability and business confidence. However, these tensions arise from paradigmatic differences: positive law emphasises procedural-formal aspects, where prosperity is considered a byproduct of efficiency, while Sharia economic law demands a substantial ethical approach, where prosperity must be achieved in a halal and blessed manner to achieve holistic *falah* (lawful benefit). This conflict, like the issue of usury versus bank interest, demands harmonisation to overcome the dualism, thereby supporting inclusive and equitable national economic development.

Despite their different philosophical foundations, positive law and sharia economic law share several universal goals in regulating economic activity. These similarities reflect society's fundamental need for order and fairness in transactions. First, economic order is a primary goal for both legal systems. Positive Law, through state-enforced laws and regulations, seeks to create a stable framework for markets, ensure compliance with contracts, and resolve disputes fairly. Similarly, Sharia economic law promotes order through the principles of clear transactions, the prohibition of excessive speculation (gharar), and the obligation to fulfill promises ('aqd). Both believe that without order, economic activity would be chaotic, inefficient, and detrimental to all parties [33].

Second, fraud prevention is a crucial concern. Under Islamic law, various regulations and criminal sanctions are designed to prevent and punish fraud, forgery, or unethical business practices. This is done to maintain market integrity and business confidence. Sharia economic law also strictly prohibits fraudulent practices, such as fraudulent measurements and weights, concealing defects in goods, or non-transparent transactions. Principles such as *amanah* (trustworthiness) and justice (fairness) are fundamental to preventing all forms of fraud and exploitation [34]. Third, protection for transacting parties is a fundamental

principle embraced by both parties. Islamic law includes consumer protection regulations, competition laws, and a legal framework for contracts that safeguard the rights of both buyers and sellers. The goal is to ensure that no party is disproportionately disadvantaged and that every transaction is based on free and informed consent. Under Sharia economic law, this protection is reinforced by ethical and moral values. For example, the prohibition on usury protects the vulnerable from exploitation, while the prohibition on *gharar* prevents transactions containing ambiguity that could harm one of the parties. The concept of *maslahah* (public benefit) is the basis for ensuring that every transaction brings benefits and prevents harm [35].

Despite their similarities in practical objectives, positive law and sharia economic law have fundamental differences in paradigm, namely, how they view the essence and ultimate goal of economic activity. This difference creates very different operational and philosophical frameworks. The Table 1 compares the points of emphasis between positive law and sharia economic law:

Table 1. Comparison of the points of emphasis between Positive Law and Sharia Economic Law:

Comparative Aspects	**Positive Law**	**Sharia Economic Law**
Main focus	Procedural and Formal	Substantial and Ethical (Moral)
Source of law	Legislation (constitution, laws, regulations), court decisions, customs.	Al-Qur'an, Hadith, Ijma', Qiyas, Maqashid Syariah.
Final destination	Efficiency, economic growth, legal certainty.	Welfare of the world and the hereafter *(*falah*),* social justice, benefit *(*maslahah*).*
Success criteria	Compliance with written rules, GDP growth, profitability.	Compliance with sharia, distributive justice, blessings, material and spiritual balance.
The concept of welfare	The result of market efficiency and legal compliance.	Must be achieved in a blessed/halal way.
The role of ethics	Ethics are added value or regulated separately in the code of ethics, not the core of the law.	The core of every economic transaction and regulation.
Main prohibitions	Violating established procedures, agreements, or regulations.	*Usury, gharar* (uncertainty), *maysir* (gambling), *ikhtikar* (hoarding), *haram* objects.
Legal characteristics	Secular, religiously neutral (generally).	Sacred, bound to divine values.

The most fundamental difference lies in the primary focus of each system. Positive law, as practiced in many countries, emphasises procedural and formal aspects. The primary priority is whether an action or transaction complies with applicable written rules, laws, or regulations. In this view, as long as all legal procedures are followed and contracts are upheld, the transaction is considered valid and legitimate. Societal well-being or deeper ethical concerns are often viewed as a byproduct of the market efficiency created by rule-abidingness. For example, a company that complies with all tax and employment regulations is deemed to have fulfilled its obligations, even if its business model may be morally criticized. The primary goal is to create legal certainty and an investment climate conducive to economic growth, with the assumption that this growth will ultimately lead to prosperity.

In contrast, sharia economic law emphasises substantial and ethical aspects. For Sharia economic law, mere obedience to procedures is not sufficient. Far more important is the substance of the transaction and its alignment with Islamic moral and ethical values. Material well-being should not be achieved by any means, but rather by means that are blessed or lawful. The concept of *falah*, success in this world and the hereafter, is the highest goal. This means that every economic activity must be free from riba (interest), *gharar* (uncertainty), *maysir* (gambling/speculation that results in losses), and prohibited transactions. Ethics are not merely complementary but are the core that integrates the legal and moral aspects of every transaction [36]. Sharia economic law holds that true well-being can only be achieved if the process is fair, transparent, and does not harm individuals or society as a whole, even if that means sacrificing some efficiency for the sake of justice and blessings. Thus, positive law tends to view law as a tool to maintain order and facilitate economic activity within a value-neutral framework, while sharia economic law views law as a manifestation of divine ethics that guides humans to achieve holistic well-being that includes not only material but also spiritual aspects.

Achieving national economic prosperity in Indonesia requires a harmonisation of the objectives of positive law, which prioritize market efficiency and stability, and the values of *falah* (Islamic law) from a sharia perspective, which emphasize holistic justice. Amidst the dynamics of globalisation and cultural diversity, Indonesia faces the challenge of integrating these two paradigms to create an inclusive and sustainable economic system. This harmonisation aims not only to increase GDP growth and wealth distribution but also to ensure that material prosperity does not sacrifice the spiritual dimension, as reflected in the vision of Golden Indonesia 2045, which targets a per capita income of IDR 320 million and a GDP of USD 7 trillion. Thus, harmonisation becomes the foundation for realising equitable prosperity for all people, in line with Pancasila and Article 33 of the 1945 Constitution concerning the people's economy [37].

Legal transformation in Indonesia has demonstrated concrete efforts to incorporate Islamic values into positive law, through regulations that integrate sharia principles with a constitutional framework. For example, Law No. 21 of 2008 concerning Islamic Banking (amended by Law No. 10 of 1998) allows Islamic banking operations based on *mudharabah, murabahah*, and *ijarah* contracts, allowing customers to deposit or invest their funds without interest, in accordance with the principles of Islamic law that guarantee the security of assets and success in this world and the hereafter. Similarly, Law No. 33 of 2014 concerning Halal Product Assurance integrates the *maqasid al-shariʿah* (Islamic principles) to protect Muslim consumers from haram products, with halal certification supervised by BPJPH, which not only guarantees religious halalness but also product safety and quality for material well-being. This effort reflects the adaptation of *falah* in the context of legal positivization, where Islamic values are adapted without disrupting the supremacy of state law.

Furthermore, a synthesis of justice between the strictness of positive law and the moral justice of sharia is a key proposition for the future of Indonesian economic law. Positive law offers legal certainty and property rights protection through institutions such as the Otoritas Jasa Keuangan (OJK) and the Supreme Court, while sharia adds an ethical dimension through the principles of *adl* (justice) and *maslahah* (common good), as proposed in the hybrid economic law reform. This proposition suggests the creation of a flexible legal framework, where regulations such as the JPH Law and sharia banking can be extended to other sectors, such as halal fintech or the green economy, to avoid conflicts between positive utilitarianism and holistic *falah*. Thus, the ultimate goal is to create a system that is not only economically efficient but also morally just, supporting the poverty reduction target.

Through this harmonization, Indonesia not only addresses regional and gender economic disparities but also strengthens national economic resilience, as reflected in its

food and energy sovereignty programs. This legal transformation and synthesis of justice demonstrate the government's commitment to combining sharia heritage with positive innovation, creating sustainable prosperity for future generations.

4. Conclusion

The teleology of economic law, from both a positive and sharia perspective can be concluded as having different philosophical foundations but complementing each other in the effort to achieve social welfare. Positive law with its focus on utilitarianism and legal certainty, emphasises market efficiency and material growth as the primary goals. Meanwhile, sharia economic law offers a holistic vision through the concept of *falah*, which integrates worldly and hereafter dimensions, based on the *Maqasid Sharia* to safeguard religion, life, intellect, descendants, and property. Therefore, the adoption of a synthesis of justice that combines the firmness of positive law with the depth of sharia ethics, through the establishment of a flexible regulatory framework under the Otoritas Jasa Keuangan (OJK) and Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK). The government is advised to expand the instruments of *zakat*, *infaq, sedekah,* and prohibition of *ikhtikar* to sectors such as the green and digital economy in order to realize sustainable wealth equality, in line with the target of Golden Indonesia 2045. In addition, Islamic legal and economic education needs to be improved to produce experts who are able to integrate *Maqashid Sharia* into national policies, thereby creating an economic system that is not only efficient but also fair and blessed for all people.

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