

The Global Halal Industry as a Foundational Paradigm for Advancing the Sustainable Development Goals (SDGs): An Innovative Shariah-Based and Ethical Economic Framework with International Implications

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Abstract

This conceptual study examines the foundational Shariah principles and ethical economic values that underpin the global halal industry, with a particular emphasis on their alignment with the United Nations Sustainable Development Goals (SDGs). Adopting a qualitative content analysis, the study draws upon classical Islamic jurisprudence, contemporary economic discourse, and sustainability literature to establish conceptual linkages between Shariah-based values and selected SDGs. The analysis identifies *maslahah* (public interest), *'adl* (justice), and *halalan tayyiban* (lawful and wholesome) as the ethical backbone of halal economic systems. These principles resonate strongly with SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 12 (Responsible Consumption and Production). The study develops an innovative conceptual framework that integrates Shariah-compliant economic principles with global sustainability agendas, thereby positioning the halal industry as a transformative driver of inclusive and ethical development. The findings highlight the potential of halal governance to advance the SDGs by harmonising standards, embedding sustainability metrics, and reinforcing ethical compliance across international markets. This study contributes to the international discourse on sustainable development by offering a Shariah-based and ethically grounded economic framework that redefines the global halal industry as a strategic paradigm for achieving the SDGs.

Keywords: Halal Industry, Shariah Principles, Ethical Economy, Sustainable Development Goals (SDGs), Halal Governance, Maqasid al-Shariah

Introduction and Background of Study

The global halal industry has evolved into one of the most dynamic and rapidly expanding sectors in the world economy, with consumer spending estimated at USD 2 trillion in 2021 and projected to exceed USD 7.7 trillion by 2025 (DinarStandard, 2022). While rooted in religious principles, halal has transcended its traditional boundaries to become a universal marker of ethical consumerism, inclusive growth, and international trade. Spanning food, pharmaceuticals, cosmetics, logistics, Islamic finance, fashion, and tourism, the industry's breadth reflects its capacity to shape global markets and influence patterns of sustainable economic development.

Despite this influence, the halal industry remains underrepresented in global sustainability discourses. The United Nations' Sustainable Development Goals (SDGs) provide a comprehensive agenda for eradicating poverty, promoting equity, and ensuring environmental stewardship. Yet, the potential of the halal economy to contribute to the SDGs, particularly poverty alleviation (SDG 1), decent work and economic growth (SDG 8), and responsible consumption and production (SDG 12), remains insufficiently theorised and operationalised (Mohamed et al., 2021; UNDP, 2018). Current scholarship often treats halal and sustainability as separate trajectories, overlooking the synergies between Shariah-based ethics and global sustainability agendas.

This study seeks to reframe the halal industry as a foundational paradigm for sustainable development. Grounded in Islamic jurisprudence (*fiqh al-mu'āmalāt*), the higher objectives of Shariah (*maqāṣid al-Shariah*), and ethical economic theory, it argues that halal embodies principles of human dignity (*karāmah insāniyyah*), environmental stewardship (*khilāfah*), and economic justice (*'adl*) that align seamlessly with the SDGs. By advancing a Shariah-based and ethically grounded conceptual framework, this study positions the halal industry not as a peripheral economic sector, but as a transformative, international model for achieving inclusive and sustainable development.

Problem Statement

Although the global halal industry is projected to exceed USD 7.7 trillion by 2025 across diverse sectors (DinarStandard, 2022), its alignment with the Sustainable Development Goals (SDGs) remains conceptually underdeveloped and policy-wise underutilised. Despite being intrinsically rooted in *ṭahārah* (cleanliness), ethical consumption, social justice, and environmental stewardship, principles that closely mirror SDG values, the halal economy is still predominantly treated as a compliance-based system rather than as a Shariah-anchored ethical paradigm for sustainability (Talib & Johan, 2017; Mohamed et al., 2021).

This oversight represents a missed opportunity for Muslim-majority countries and global actors to leverage halal governance as a transformative framework for advancing multidimensional goals such as poverty alleviation (SDG 1), gender equity (SDG 5), decent work and economic growth (SDG 8), and responsible consumption (SDG 12). Moreover, prevailing SDG implementation models often marginalise Islamic economic systems, while limited scholarly work systematically links halal governance with specific SDG targets, particularly through the lenses of *fiqh al-mu'āmalāt*, *maqāṣid al-Sharī'ah*, and ethical economics (Othman, 2020; UNDP, 2018).

Hence, there is an urgent need for a conceptual reframing that positions the halal industry not merely as a sectoral driver of growth, but as a foundational and values-based framework for global sustainable development, integrating Shariah principles of justice, *maṣlaḥah* (public good), and *ḥalālān ṭayyibān* into internationally relevant strategies for inclusive, ethical, and sustainable progress.

Literature Review

Halal Industry and Sustainable Development

The halal industry has evolved into a global economic force, spanning food, pharmaceuticals, cosmetics, finance, and tourism, with projections estimating its market value at USD 7.7 trillion by 2025 (DinarStandard, 2022). Scholars argue that its ethical foundations, *ṭahārah* (cleanliness), *ḥalālān ṭayyibān* (lawful and wholesome), and *ʿadl* (justice), are inherently aligned with the principles of sustainability and social responsibility. Elgharabawy and Azmi (2022) highlight how compliance with halal standards of hygiene, safety, and quality assurance reinforces competitiveness in international markets, thereby positioning the halal sector not merely as faith-driven but as a global benchmark of ethical consumerism.

Competitiveness and Economic Growth

Another significant theme in the literature is the role of the halal industry in driving macroeconomic growth and global competitiveness. Gunardi, Firmansyah, and Herianingrum (2022) demonstrate how the increasing international demand for halal-certified products has spurred economic diversification and integration into global value chains, particularly for Muslim-majority nations. The halal economy is increasingly viewed as a vehicle for strengthening trade relations, attracting foreign investment, and creating decent work opportunities, directly contributing to SDG 8 (Decent Work and Economic Growth).

Ethical Consumption and the SDGs

Beyond its economic impact, scholars have examined the normative relationship between halal principles and the Sustainable Development Goals (SDGs). Pujayanti (2020) emphasises that halal consumption and production embody values of fairness, ethical responsibility, and environmental stewardship, which resonate with SDG 1 (No Poverty), SDG 12 (Responsible Consumption and Production), and SDG 5 (Gender Equality). This perspective positions the halal industry as a bridge between religious ethics and universal sustainability goals, reflecting its potential as a transformative paradigm for development.

Governance, Certification, and Transparency

The governance of halal certification systems emerges as a critical challenge in sustaining credibility and consumer trust. Kamarudin, Hashim, and Mohamad (2020) argue that transparency and regulatory consistency are essential for ensuring effective halal governance, particularly in cross-border trade contexts where discrepancies in certification standards create market fragmentation. Issues of accountability, monitoring, and international harmonisation highlight the urgent need for stronger governance mechanisms that align halal assurance with global sustainability metrics.

Emerging Gaps and Research Opportunities

Despite these contributions, the literature remains fragmented, often treating halal industry and sustainable development as parallel rather than integrated domains. Most studies

emphasise economic competitiveness, certification mechanisms, or ethical consumerism in isolation, without systematically embedding halal within a comprehensive Shariah-based and sustainability-oriented framework. Furthermore, while international development organisations such as the UNDP (2018) have acknowledged the relevance of faith-based frameworks in achieving the SDGs, the Islamic economic system, and halal governance in particular, remains marginalised within mainstream sustainability discourse.

This lacuna reveals two pressing research gaps. First, there is a lack of conceptual models that position halal governance as a normative framework grounded in *fiqh al-mu'āmalāt* and *maqāsid al-Sharī'ah*, with explicit linkages to specific SDG targets and indicators. Second, empirical studies are scarce on how halal practices contribute to multidimensional development outcomes, such as poverty alleviation, responsible consumption, gender inclusivity, and environmental stewardship. Addressing these gaps requires an interdisciplinary inquiry that situates the halal industry not merely as a compliance-based mechanism but as a foundational paradigm for global sustainability and inclusive development.

Research Questions

1. What are the foundational Shariah principles and ethical economic values that constitute the normative basis for the development and expansion of the global halal industry?
2. In what ways can the practices of the halal industry be conceptually mapped onto selected Sustainable Development Goals (SDGs), specifically poverty eradication (SDG 1), responsible consumption and production (SDG 12), and decent work and economic growth (SDG 8), to demonstrate their practical and ethical synergies?
3. What form of conceptual framework can be designed to integrate Shariah-compliant economic principles with the international sustainability agenda, thereby strengthening the legitimacy, inclusivity, and global governance of the halal industry?

Research Objectives

1. To conduct a conceptual analysis of the fundamental Shariah principles and ethical economic values that underpin the global halal industry and its multidimensional growth.
2. To critically examine the conceptual linkages between halal industry practices and selected Sustainable Development Goals (SDGs), namely poverty eradication (SDG 1), responsible consumption and production (SDG 12), and decent work and economic growth (SDG 8), with a view to positioning halal as a vehicle for sustainable and inclusive development.
3. To develop and propose a conceptual framework that integrates Shariah-compliant economic principles with international sustainability agendas, offering a holistic foundation for strengthening global halal governance in line with both ethical imperatives and developmental objectives.

Methodology

Research Design

This study employs a qualitative, conceptual research design, which is methodologically appropriate for interrogating theoretical linkages and normative frameworks between the global halal industry and the Sustainable Development Goals (SDGs). Unlike empirical or fieldwork-based inquiries, this approach emphasises analytical reasoning, normative

interpretation, and conceptual synthesis to examine how Islamic economic values can be positioned as a foundational paradigm for sustainable development (Creswell & Poth, 2018). The research is therefore situated within the tradition of philosophical and doctrinal analysis, drawing on Islamic jurisprudence (*fiqh*), ethical economy, and sustainability studies.

Conceptual and Normative Approach

The study adopts a conceptual framework-building methodology, in line with Jabareen (2009), who emphasises that conceptual research relies on interpretive processes that synthesise, contextualise, and reconceptualise diverse bodies of knowledge. This approach is particularly relevant for normative explorations that involve abstract constructs such as *maqasid al-Shariah* (the higher objectives of Islamic law), *fiqh al-mu'amalat* (Islamic commercial jurisprudence), ethical economy, and the global development paradigm represented by the SDGs. The method thus allows for a systematic interrogation of how Shariah-based values, including justice (*'adl*), welfare (*maslahah*), and stewardship (*khalifah*), can be operationalised within international sustainability frameworks.

Data Sources and Analytical Process

The primary data sources consist of peer-reviewed academic literature, international institutional reports (e.g., UNDP, World Bank, DinarStandard), global halal certification standards, Islamic legal texts (classical and contemporary), and official UN SDG implementation documents. Following the principles of thematic content analysis (Bowen, 2009), key themes were identified, extracted, and synthesised to reveal the intersections, synergies, and tensions between Islamic ethical-economic principles and sustainability objectives. This analytical process enables the articulation of a cohesive conceptual bridge between Islamic economic thought and global development agendas; two domains often treated in isolation.

Shariah-Based Reasoning and Ethical Inquiry

The methodology further incorporates Shariah-based reasoning (*ijtihad*) as a tool for deriving contemporary interpretations, ethical justifications, and policy-relevant insights. In line with Kamali (2003), *ijtihad* serves as a dynamic and adaptive mechanism for extending the application of Islamic jurisprudence to emerging global challenges, including poverty alleviation, environmental protection, and ethical governance. This normative orientation ensures that the proposed conceptual framework is not only theoretically sound but also rooted in authentic Islamic epistemology and values, while remaining internationally relevant.

Methodological Orientation

Overall, the methodological orientation of this paper is normative, analytical, and philosophical. It does not aim to produce empirical generalisations but instead to generate a conceptual framework that integrates Shariah-compliant economic principles with international sustainability agendas. Such a methodology is innovative in its attempt to position the halal industry as a foundational paradigm for global sustainable development, offering insights for scholars, policymakers, and practitioners in both the Islamic economy and international governance sectors.

Findings, Analysis, and Conceptual Mapping

Findings and Analysis

Core Shariah Principles and Ethical Economic Values in the Global Halal Industry

The global halal industry is fundamentally rooted in Shariah-based principles that regulate economic activity and ensure both legal and ethical integrity. Central prohibitions against *riba* (usury), *gharar* (excessive uncertainty), and *haram* (forbidden) activities safeguard transactions from exploitation, while positive injunctions such as *‘adl* (justice), *maslahah* (public interest), and *halalan toyyiban* (lawful and wholesome) guide economic actors toward equitable and sustainable outcomes (Al-Qaradawi, 1994; Dusuki & Abdullah, 2007). These principles shape an ethical economic system where transparency, trust, and responsibility are prioritized, creating synergies with contemporary sustainability discourses.

Linkages between Halal Practices and the Sustainable Development Goals (SDGs)

Empirical evidence from institutional reports and academic studies indicates that halal industry practices contribute directly to achieving several SDGs. For example, halal certification and inclusive supply chain systems can support poverty eradication (SDG 1) by empowering micro, small, and medium-sized enterprises (MSMEs) and facilitating access to ethical markets (UNDP, 2022). The *halalan toyyiban* principle aligns with responsible consumption and production (SDG 12), reinforcing product safety, hygiene, and environmental responsibility (JAKIM, 2023). Additionally, halal industries contribute to decent work and economic growth (SDG 8) by fostering fair wages, dignified working conditions, and labor equity, particularly in agriculture, food manufacturing, pharmaceuticals, and tourism (Mahmood, Khan, & Qureshi, 2020).

Towards a Conceptual Framework for Global Halal Governance

The analysis reveals the need for a multi-dimensional halal governance framework that integrates Islamic ethical-economic principles with global sustainability imperatives. This framework must bridge regulatory fragmentation by incorporating Shariah advisory mechanisms, cross-border harmonisation of halal standards, and sustainability reporting systems. It also requires embedding *maqasid al-Shariah* (the higher objectives of Islamic law) into governance processes to ensure alignment with social justice, welfare, and environmental protection (Kamla, 2009; Rahman & Bakar, 2021). Such a framework is not merely regulatory but also philosophical, positioning the halal economy as a moral-economic paradigm within international development.

Table 1

Conceptual Mapping of Shariah Principles and Sustainable Development Goals (SDGs)

Shariah/Ethical Principle	Corresponding SDG(s)	Implications for Halal Industry
Prohibition of Riba (Usury)	SDG 8: Decent Work and Economic Growth	Encourages fair financing, microfinance, and Islamic financial products supporting SMEs
Maslahah (Public Interest)	SDG 1: No Poverty	Expands inclusive halal entrepreneurship and welfare-based community development
'Adl (Justice)	SDG 8 & SDG 16: Institutions of Justice	Promotes fairness in labor rights, contracts, and halal trade practices
Halalan Toyyiban (Wholesome and Lawful)	SDG 12: Responsible Consumption and Production	Enforces quality, hygiene, and environmentally sustainable production systems
Transparency & Accountability	SDG 12 & SDG 16: Strong Institutions	Builds consumer trust and strengthens credibility of halal certification globally.

Discussion

The findings highlight strong conceptual synergies between Islamic ethical-economic principles and the SDGs. The prohibition of exploitative practices (*riba*, *gharar*) and the emphasis on justice (*'adl*), welfare (*maslahah*), and wholesomeness (*halalan toyyiban*) underscore the ethical and sustainability-oriented nature of Islamic economics (Al-Qaradawi, 1994; Dusuki & Abdullah, 2007). These principles align with the SDGs' core objectives of eradicating poverty, ensuring economic inclusivity, promoting responsible production, and strengthening institutions.

However, challenges persist. First, the fragmentation of halal standards across jurisdictions undermines international trust and cross-border market integration (Kamla, 2009). Second, sustainability metrics are weakly embedded in halal certification processes, limiting their contribution to climate action, circular economy initiatives, and broader SDG targets (Rahman & Bakar, 2021). Third, the conceptual linkage between *maqasid al-Shariah* and SDG frameworks is underdeveloped in policy practice, although it provides a rich epistemological foundation for sustainable governance (Kamali, 2003).

Thus, the global halal industry faces a dual opportunity: to reinforce its authenticity as a Shariah-compliant system while simultaneously positioning itself as an innovative contributor to international sustainability agendas.

Recommendations*Establish a Unified Global Halal Framework*

Develop harmonised certification standards that integrate Shariah compliance with sustainability indicators (Kamla, 2009; UNDP, 2022).

Capacity Building for Halal Stakeholders

Design training programmes for producers, regulators, and certification bodies to embed SDG-aligned practices in halal supply chains (Mahmood et al., 2020).

Integrate Maqasid al-Shariah into Sustainability Reporting

Encourage halal enterprises to adopt reporting mechanisms that reflect not only financial performance but also maqasid-aligned indicators such as equity, social welfare, and environmental care (Dusuki & Abdullah, 2007; Rahman & Bakar, 2021).

Policy Support for SDG Alignment

Governments and multilateral bodies should incentivise halal enterprises to adopt sustainability-linked certification and reporting frameworks (UNDP, 2022).

Promote Research, Development, and Innovation (RDI)

Support universities, think tanks, and research consortia in developing innovative halal models that embed Islamic ethics into global sustainability discourse (Kamali, 2003).

Conclusion

This study has shown that the global halal industry functions as both an ethical economic system and a potential enabler of sustainable development. By grounding its governance in Shariah principles such as justice, public interest, and *halalan toyyiban*, the halal industry is conceptually aligned with key SDGs including poverty eradication, decent work, and responsible consumption.

The proposed conceptual framework integrates Shariah-based values with sustainability imperatives, addressing current challenges of fragmentation and limited SDG integration. If implemented, it could transform the halal industry into a paradigm of ethical globalisation, advancing not only Muslim welfare but also universal human and ecological well-being.

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