

Green Banking: The Perspective of *Maqāshid Al-Syari'ah*

Abstract

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Background. Global environmental challenges are driving every sector. Banking must adapt and contribute to achieving sustainable development. Green banking has emerged as an innovative solution that focuses on financial benefits as well as environmental and social responsibility.

Aims. Integrating the principles of *maqāshid al-Syari'ah* with the concept of green banking.

Method. The literature study uses a qualitative approach with descriptive analysis to better understand the concept of green banking in the context of *maqāshid al-Syari'ah*

Result. Green banking not only contributes to environmental preservation but also helps banks build a stronger and more sustainable portfolio. The conclusion of this research emphasizes the importance of applying *maqāshid al-Syari'ah* principles to support the sustainability of the banking sector in the future.

Keywords: Green banking; *Maqāshid al-Syari'ah*; Sustainability; Environment; Social responsibility

INTRODUCTION

Global environmental challenges are driving every sector. Banking must adapt and contribute to achieving sustainable development. Green banking has emerged as an innovative solution that focuses on financial returns as well as environmental and social responsibility. Environmental and social responsibility integrate the principles of *maqāshid al-Syari'ah*. *Maqāshid al-Syari'ah* emphasizes the maintenance of community welfare and the preservation of ecosystems.¹

This article discusses the application of *maqāshid al-Syari'ah* principles in green banking practices, as well as their contribution to the sustainability of the banking sector and the welfare of society. The relationship between corporate social responsibility and environmentally friendly banking practices needs to be further understood. The application of *maqāshid al-Syari'ah* principles in green banking is expected to provide a strong foundation for banks in supporting environmentally friendly and sustainable projects.

Profit, people, and planet is the triple bottom line approach of the United Nations Environment Programme (UNEP) which suggests that banks should pay attention to financial profit, community welfare, and environmental sustainability in every aspect of operations. The implementation of the triple bottom line is expected to encourage banks to function as active agents of change in combating environmental issues.² Analysis practices, case studies of banks that have implemented green banking principles, and their impacts on society and the environment, aims to identify the challenges and opportunities faced by financial institutions in implementing *maqāshid al-Syari'ah*.

Literature documentation shows that green financial technology innovations with the use of data analytics and machine learning can improve the efficiency, risk management, and profitability of German banks. Business areas, transaction volumes, and product diversity are significant factors that

¹ Sayuri Shirai, "The Future of Green Central Banking and Regulation," in *Reference Module in Social Sciences* (Elsevier, 2023), B9780443137761000283, <https://doi.org/10.1016/B978-0-44-313776-1.00028-3>.

² Sharifah Faigah Syed Alwi and Nurhani Izzati Mohd Hanifah, "Corporate governance and Shariah governance for Islamic financial institutions in Malaysia," dalam *Reference Module in Social Sciences* (Elsevier, 2024), <https://doi.org/10.1016/B978-0-44-313776-1.00238-5>.



influence the success of cross-selling. The adoption of data analytics in business to business (B2B) banking provides a practical framework for green finance.³ The implementation of green banking, both directly and indirectly, has a positive effect on the perception of profitability, image, and green banking commitment of Nigerian banks. Goodwill also acts as a mediator in the relationship between green banking–profitability–improving the bank’s image.⁴ State Bank of India is better able to address environmental challenges and mitigate climate change to achieve the Sustainable Development Goals (SDGs). State Bank of India has adopted more green initiatives and invested more in green projects than Bangladesh Bank.⁵ *Takaful* (Shariah insurance) serves as a risk management mechanism while promoting the ethical values of Islamic finance that focus on protecting human dignity. Prioritizing individuals without discrimination is more in line with the main objectives of *maqāshid al-Syarī’ah*.⁶

Different from previous research studies, this article study combines the principle of *maqāshid al-Syarī’ah* with the concept of green banking. This article study will provide a new perspective in understanding the contribution of sharia values in maintaining environmental sustainability in the banking sector. The study of green banking can be used as a practical reference for financial institutions that want to apply sustainability principles based on *maqāshid al-Syarī’ah*.

LITERATURE REVIEW

Green banking

Green banking is an ecological initiative that aims to preserve the environment with a focus on the banking sector. The main step of green banking is to provide financing only to projects or businesses that do not damage the environment and maintain better environmental quality.⁷ Green banking is closely related to green business. Green business is economically and environmentally beneficial, because it is able to provide significant economies of scale. Green business is very profitable in the long term and sustainable.⁸ The World Bank defines green banking as a financial institution that prioritizes sustainability in every aspect of its operations. Green banking covers aspects of nature, health, economy, and society that are interconnected to form the basis of environmental, ecosystem, and community care practices. Banking is expected to focus on financial responsibility (economic) as well as environmental protection and community welfare (triple bottom-line).

Green finance strategies and regulatory guidance can shape effective green banking guidelines and policies. Optimal green banking practices that focus on environment, social and governance (ESG) are rooted in human ecology, the interdependence of ESG variables and the natural world. Sequential or parallel implementation depends on external and internal environmental factors. Practices, adoption methods, and application of green banking principles play a significant role in promoting environmental sustainability and achieving the SDGs. Financial institutions, especially banks, play a crucial role in driving the development of a low-carbon economy.⁹

Green finance plays a vital role in building a more efficient and resilient financial system to promote sustainability. Green banking is the practice of providing financial support and green

³ Zhonglu Chen et al., “Green Banking – Can Financial Institutions support green recovery?,” *Economic Analysis and Policy* 75 (1 September 2022): 389–95, <https://doi.org/10.1016/j.eap.2022.05.017>.

⁴ Henry Inegbedion, “Green banking and profitability of banks in Nigeria: Opinions and attitudes,” *Heliyon* 10, no. 14 (30 Juli 2024): e34303, <https://doi.org/10.1016/j.heliyon.2024.e34303>.

⁵ Md. Hasanur Rahman et al., “Green banking initiatives and sustainability: A comparative analysis between Bangladesh and India,” *Research in Globalization* 7 (1 Desember 2023): 100184, <https://doi.org/10.1016/j.resglo.2023.100184>.

⁶ Syahida Abdullah, “Risk Management via Takaful from a Perspective of Maqasid of Shariah,” *Procedia - Social and Behavioral Sciences*, International Congress on Interdisciplinary Business and Social Sciences 2012 (ICIBSoS 2012), 65 (3 Desember 2012): 535–41, <https://doi.org/10.1016/j.sbspro.2012.11.161>.

⁷ Fabian Alex, “Green central banking and game theory: The *Chicken Game*-approach,” *Economic Systems*, 16 Agustus 2024, 101251, <https://doi.org/10.1016/j.ecosys.2024.101251>.

⁸ Glenn E. Croston, *Starting green: an ecopreneur’s toolkit for starting a green business from business plan to profits* (Irvine, Calif.: Entrepreneur Press, 2009), p. 125.

⁹ Alex, “Green central banking and game theory.”

financing initiatives for the purchase and installation of climate-friendly projects, and offering sustainable development. Green banking contributes to improving the environmental and economic performance of communities in various investment sectors in environmentally friendly projects, such as biogas, micro-hydro, hydropower, solar power, and organic farming. Green banking serves as a benchmark for improving environmental performance, reducing carbon footprints, and preventing ongoing environmental damage.

Green banking can improve bank efficiency, stimulate awareness of environmentally friendly business practices, implement green lending policies, encourage environmental sustainability, and attract Foreign Direct Investment (FDI). There is a significant positive relationship between environmental sustainability and FDI, trade openness, international trade, and globalization.¹⁰ Bank Indonesia and the Ministry of Environment in 2010 signed a Memorandum of Understanding (MoU) which marked the beginning of the implementation of the green banking concept in Indonesia. Green banking prioritizes sustainable development practices, including environmental impact analysis to prevent potential environmental damage that may arise from economic activities. Bank Indonesia plays an important role in encouraging green banking initiatives in Indonesia. Bank Indonesia Regulation Number 14/15/PBI/2012, issued as part of an effort to integrate environmental aspects in assessing the quality of bank assets, and is an important foundation in the development of green banking. The regulation is a follow-up to several regulations related to environmental protection, such as Law Number 32 of 2009 and Government Regulation Number 27 of 2012 concerning Environmental Permits.

Banks in Indonesia in practice have financed projects by implementing green banking. Banks have encouraged internal initiatives to implement the Reduce, Reuse, and Recycle (R3) principles, as well as utilizing technology to improve operational efficiency. Banks have also educated stakeholders and offered environmentally friendly products, such as financing for sectors that support waste management, renewable energy, and forestry and organic farming.

The main principle of green banking is to encourage the banking sector to expand its portfolio of support for environmentally friendly projects in various sectors, such as renewable energy, energy efficiency, ecotourism, organic farming, and environmentally friendly transportation. Banks are also expected to be aware of the environmental risks that may arise from project financing. Risks affect the bank's financing standards, image, and reputation. The World Bank emphasizes the importance of sustainability in banking operational procedures based on the integration of aspects of nature, health, economy, and society with business ethics that respect the ecosystem and human welfare. Green banking is not limited to environmentally friendly credit policies, but also includes greening the entire banking business process, including greening the company's vision, mission, goals, and objectives, as well as management procedures and organizational structures. The banking industry is expected to increase information transparency and public accountability to support green efforts.¹¹

Maqāshid al-Syarī'ah Theory

Ulemas of *Usul fiqh* concluded that the law in Islam was established through the *ijtihad* of the Prophet Muhammad SAW which became the Sunnah for Muslims. *Usul fiqh* functions as a methodology for formulating Islamic law (*istinbāt*) from its sources, producing *fiqh* which is used as norms and rules in daily life.¹²

Usul fiqh ulemas understand Islamic law with an approach based on linguistic rules, *ta'lili* reasoning and the *maqāshid al-Syarī'ah* approach which focuses on the objectives of the law in assessing *maslahah*. The method of discovering law needs to be adjusted to the context of the times, the needs of society, the development of science and the problems faced.¹³

¹⁰ Francesco D'Ercole dan Alexander F. Wagner, "The green energy transition and the 2023 Banking Crisis," *Finance Research Letters* 58 (1 Desember 2023): 104493, <https://doi.org/10.1016/j.frl.2023.104493>.

¹¹ Chen et al., "Green Banking—Can Financial Institutions support green recovery?"

¹² Yusuf Qaradawi, *Fiqh maqasid syariah: moderasi Islam antara aliran tekstual dan liberal* (Jakarta: Alkausar, 2007), h. 98.

¹³ Amiruddin, "Maqasid Al Syariah Dalam Filsafat Hukum Islam," *Darussalam* 21, no. 2 (2020), <http://ojs.iaid-darussalam.ac.id/index.php/darussalam/article/view/38>.

Maqāshid al-Syarī'ah proposed by al-Juwainī, al-Ghazālī, and al-Syāthibī, emphasizes taking into account the objectives of the law. Muhammad al-Thāhir Ibn 'Ā syūr expanded *maqāshid al-Syarī'ah* into an independent discipline that is relevant to contemporary reality.¹⁴ The theory of *maqāshid al-Syarī'ah* is closely related to the theory of *maslahah* which aims to achieve *maslahah*. Muhammad Sa'id Ramadhan al-Būṭī emphasized that *maslahah* is not an independent argument, but a universal meaning that underlies the law.¹⁵

Actualization of fiqh is very important, especially in the pluralistic Indonesian society, so that law is not only understood as an aspect of individual worship, but also as a solution to social problems. Contemporary ulemas use the concept of *maqāshid al-Syarī'ah* to create fiqh that is relevant to current conditions through various means, such as administrative policies, additional regulations, *talfiq*, and legal reinterpretation-reform. Al-Syāthibī in the book *al-Muwāfaqāt* explains that all sharia laws are aimed at human benefit/*masalahah* (*maṣāliḥ al-'ibād*) as the basis for understanding the law. The *maslahah* is divided into three levels: *dharūriyyāt*, *hājjiyyāt*, and *tahṣīniyyāt*. *Dharūriyyāt* is the most important level which includes the protection of religion, life, descendants, property, and reason.¹⁶

Husīn Hamīd Hasan in *Fiqh al-Maṣlahah wa Taṭbiqatuhu al-Mu'aṣirah* explains that *maslahah* means benefit, something that brings benefit and prevents harm (*mudharat*). *Maṣlahah* is based on the provisions of the sharia (legalized, canceled, and not recognized), and; provisions recognized by the sharia in their parts and types. In linguistic terms, "*maqāshid*" is the plural form of "*maqshad*," meaning a guide, a straight path, justice, and balance. "*al-Syarī'ah*" means the path to the source of life.¹⁷

In *ishtilahi*, *al-Syarī'ah* includes the provisions revealed by Allah Swt. to the people through the Prophet Saw, including aspects of '*aqidah*, '*amaliyah*, and morals. According to Wahbah al-Zuhailī, *Maqāshid al-Syarī'ah* are the values and targets of the sharia implicit in its laws, which are the goals and secrets of the sharia. *Maqāshid al-Syarī'ah* includes universal values that serve as a reference for establishing laws, such as *hifzh al-Māl* (protecting property) which emphasizes the haram law against depriving other people of their rights. The ulemas generally agree that the sharia was revealed to realize the welfare of the people in this world and the hereafter.

Some ulemas of *Usul fiqh* define *maqāshid al-Syarī'ah* as the purpose and secret behind the sharia that encompasses all of its legal products. Abu Zahrah stated that Islamic sharia aims to purify the soul, uphold justice, and bring about public welfare.¹⁸ All definitions lead to the understanding that sharia laws are not made for themselves, but for the welfare of humanity.

The Evidence of *Maqāshid al-Syarī'ah*

The evidence of *maqāshid al-Syarī'ah* is not limited to a certain amount, because its basis and foundation are spread in *nushūsh* (religious texts), both explicitly and implicitly in the Holy Qur'an and Sunnah. Muhammad Sa'id Ramadhan al-Buthi is of the opinion that *al-Maṣlahah*, as the goal of the sharia, is not a stand-alone argument like the Holy Qur'an and Hadith. *Al-Maṣlahah* is a universal meaning that encompasses all laws taken from the basis of the sharia.¹⁹

The evidence of *maqāshid al-sharī'ah* is not limited to a certain quantity, because its basis is found explicitly and implicitly in religious texts, both from the Holy Qur'an and Sunnah. Muhammad Sa'id Ramadhan al-Buthi in his book *Dhawābit al-Maṣlahah fi al-Sharī'ah al-Islāmiyyah* states that *al-*

¹⁴ Habib Ahmed, "Maqasid Al-Shari'ah and Islamic Financial Products: A Framework for Assessment," *ISRA International Journal of Islamic Finance* 3, no. 1 (1 Juni 2011), <https://durham-repository.worktribe.com/output/1505646>.

¹⁵ Asyraf Wajdi Dusuki dan Nurdianawati Irawani Abdullah, "Maqasid al-Shari'ah, *Maslahah*, and Corporate Social Responsibility (2007)*," *American Journal of Islam and Society* 41, no. 1 (5 Februari 2024): 10–35, <https://doi.org/10.35632/ajis.v41i1.3417>.

¹⁶ Imam Al-Syatibi, *Al-Muwaafaqat fi al-Ushul al-Syari'ah* (Beirut: Dar al-kutub al Islamiyah, 2003), h. 29.

¹⁷ Abdul Wahab Khalaf, *Al-Ilm Ushul Fiqh* (Beirut: Dar Al-Fikr, 1999), p. 54.

¹⁸ Satria Effendi M. Zein, *Ushul Fiqh* (Jakarta: Kencana, 2005), h. 76.

¹⁹ Fahrudin, "Nalar Konstruktif Maqashid Syariah dalam Studi Hukum Islam (Sebuah Studi Pengantar Dalam Ilmu Maqashid Syariah)" 6, no. 1 (31 Desember 2021), <https://doi.org/10.22515/al-ahkam.v6i1.3744>.

Maṣlaḥah as the goal of sharia is not a stand-alone argument, but rather is a universal meaning that includes parts of the law taken from sharia arguments.

The evidence of *maqāshid al-Sharī'ah* with *naqli* evidence includes the objectives of law in the Holy Qur'an and as-Sunnah which emphasize that law is made in the *shari'a* to bring *maslahah* and keep away from difficulties. Imam Ibn Qayyim stated that the contents of the Holy Qur'an and as-Sunnah are filled with wisdom and benefits.

Allah as *al-Hākim* desires *maslahah* in establishing law. Some characteristics of the evidence of *maqāshid al-Sharī'ah* in the Holy Qur'an include compassion, Allah confirms His nature as *Ar-Rahman*, that His law is based on mercy. The Holy Qur'an is a cure for heart disease and a guide for believers. Allah's mercy illustrates that His laws aim for *maslahah*. The Holy Qur'an emphasizes ease and avoids difficulties in the *shari'a*. Allah Swt. desires ease for His servants. The law established by Allah is the best law, indicating that His law must be in accordance with wisdom and *maslahah*.

The argument of *maqāshid al-Syarī'ah* with the 'Aqli Argument emphasizes that the emptiness of wisdom and the purpose of law can be caused by several possibilities: The creator of the law does not know the purpose of his legal product; The creator of the law is unable to realize the desired goal; The creator of the law is reluctant to do good to the perpetrator of the law; There are obstacles that prevent the creation of *maslahah*-tan in the legal product, and; The resulting legal goal can be flawed or imperfect.²⁰

All of these reasons cannot be applied to Allah Swt. as the creator of the law. Emptying the *maslahah* in the sharia law is the same as eliminating the attributes of Allah Swt. which is impossible to happen. Logic refer that Allah Swt. maintains the *maslahah* of His servants, as reflected in the creation of humans and the granting of various blessings to humans. Allah Swt. in the Holy Qur'an says, He has subjected everything in the heavens and the earth as mercy. This shows that Allah Swt. maintains the *maslahah* of humans and it is impossible to empty the sharia law of good intentions. Allah Swt. created humans as noble and perfect creatures, so there must be *maslahah* resulting from the laws that are established. The basic nature of *maqāshid al-Syarī'ah* is certain. Every provision of sharia law always contains *maslahah* or, if it is a prohibition, there is harm (*mudharat*) that must be avoided.²¹

Maqāshid al-Syarī'ah has an important position among other legal propositions. Islamic Sharia is designed to attract as much *maslahah* as possible and reduce evil (*mafsadat*). Islamic Sharia aims to ensure that there are no differences or contradictions in any legal regulations, and there are no defects. Any analysis of Islamic law will find instructions for following the established regulations. *Maslahah* in Islamic law includes general *maslahah* addressed to all the *mukallaf* (a person who has been given a burden of responsibility in the Islamic religion) and special *maslahah* contained in each problem. *Maqāshid al-Syarī'ah* is closely related to the Holy Qur'an which is the main source of Islamic law. The Holy Qur'an contains principles that do not make things difficult for the people, and aims to create *maslahah*.²²

The Holy Qur'an provides a comprehensive explanation regarding *maqāshid al-Syarī'ah* and emphasizes the importance of eliminating difficulties. Several verses state that Allah Swt. does not make things difficult for His people and always wants ease. The Holy Qur'an emphasizes the goal of worshiping Allah Swt. and doing justice in every action. Worshiping Allah Swt. is the main goal, while justice in every action is an aspect that must be applied in everyday life.

METHOD

The literature study uses a qualitative approach with descriptive analysis to better understand the concept of green banking in the context of *maqāshid al-Syarī'ah*; analyze the relationship between

²⁰ Ghofar Shidiq, "Teori Maqashid Al-Syari'ah dalam Hukum Islam," *Majalah Ilmiah Sultan Agung* 44, no. 118 (13 Juli 2021): 117–30.

²¹ Mustafa Zaid, *al-Maslahah fi al-Tasyri' al-Islami wa Najm al-Din alTufi* (Beirut: Dar al-Fikr al-'Arabiyy, 1384), p. 98.

²² Amiruddin, "Maqasid Al Syariah dalam Filsafat Hukum Islam."

green banking practices and ecosystem sustainability and community welfare; identify and describe green banking practices in Indonesia and other countries, and; explore the application of *maqāshid al-Syarī'ah* principles in the banking sector.²³ Data from scientific articles, research reports, books, and policy documents relevant to green banking practices and *maqāshid al-Syarī'ah* are analyzed for patterns, themes, and best practices in the application of green banking and their relationship to *maqāshid al-Syarī'ah*.²⁴ Interpretation concludes the findings of the analysis and describes the implications of the application of *maqāshid al-Syarī'ah* principles in green banking.²⁵ Validation of the study was carried out by cross-checking various different sources of literature data. Data reliability is obtained by listing reliable and relevant sources.²⁶ Research ethics provide proper credit to the original authors of the literature sources used and maintain the integrity of the data collected.

DISCUSSION

Green banking and *maqāshid al-Syarī'ah* are synergistic with the objectives of sharia and environmental sustainability. *Maqāshid al-Syarī'ah* emphasizes the achievement of *maslahah* and protection of aspects of religion, soul, mind, descendants, and property. Green banking fulfills the *maslahah* of society and the environment through sharia principles. The focus of green banking on financing projects that do not damage the environment is synergistic with the principles of *maqāshid al-Syarī'ah* which seek to protect and preserve nature for the benefit of future generations. Providing credit only to environmentally friendly projects protects the ecosystem. Ecosystem protection is part of protecting the soul and health of the community. Green banking encourages an increase in the standard of living of the community and sustainable economic benefits.

Avoiding environmental damage is part of maintaining the welfare of property and life. Protecting nature is a mandate from Allah Swt. Banks that implement of environmental impact analysis in the financing process indicate a commitment to social and environmental responsibility. The integration of economic and environmental aspects is reflected in the principle of the triple bottom-line, covering economic, social, and environmental responsibilities. The triple bottom-line is in line with *maqāshid al-Syarī'ah* which directs people to do well in every aspect of life, including in financial matters. The implementation of green banking in Indonesia is driven by regulations from Bank Indonesia and the Ministry of Environment. The regulations reflect efforts to integrate sharia principles with environmental sustainability. Paying attention to environmental impacts and supporting sustainable projects indicates that banks in Indonesia not only fulfill financial responsibilities, but also contribute to environmental preservation and community welfare. Green banking creates a link of the values of *maqāshid al-Syarī'ah* and sustainable banking practices, and ultimately improves the quality of human life and preserves the environment. Sustainability is an ecological issue, a moral obligation and an ethical issue that must be applied in every aspect of life, including the financial sector.²⁷

Green banking in *maqāshid al-Syarī'ah* emphasizes the importance of harmony between banking practices and Islamic values that support public welfare (*maslahah*). *Maqāshid al-Syarī'ah* includes the objectives of sharia related to the maintenance of life (*hifz al-nafs*), property (*hifz al-mal*), and the environment (*hifz al-bi'ah*). Green banking is in line with the protection of these aspects, especially in preserving nature and human life.

Green banking financing of renewable energy, energy efficiency, and organic farming sectors is very relevant to the *Maqāshid al-Syarī'ah* in maintaining the balance of nature (*hifz al-bi'ah*) and

²³ Janice M. Morse, "Approaches to Qualitative-Quantitative Methodological Triangulation," *Nursing Research* 40, no. 2 (Maret 1991): 120-123, <https://doi.org/10.1097/00006199-199103000-00014>.

²⁴ Catherine Marshall and Gretchen B. Rossman, *Designing Qualitative Research*, Sixth edition (Los Angeles, California: SAGE, 2016), p. 87.

²⁵ Lexy J Moeleong, *Metologi Penelitian Kualitatif* (Bandung: Remaja Rosdakarya, 1989), h. 98.

²⁶ Burhan Bungin, *Metode Penelitian Kualitatif* (Rajawali Pub, 2006), h. 77.

²⁷ Jing Chen et al., "The Effect of Green Banking Practices on Banks' Environmental Performance and Green Financing: An Empirical Study," *Energies* 15, no. 4 (10 Februari 2022): 1292, <https://doi.org/10.3390/en15041292>.

ensuring development that does not damage the ecosystem. Banking does not only pursue material profit, but is also responsible for the social and environmental impacts caused by the economic activities it finances. The emphasis of *Maqāshid al-Syarī'ah* on environmental risks in green banking reflects the interests of preserving property (*hifz al-mal*) and protecting society from greater dangers, including environmental degradation and global warming. Financing standards that take environmental impacts into account contribute to maintaining sustainable economic stability as a form of social responsibility.

Nature, health, economy, and society are interconnected aspects of green banking in *maqāshid al-Syarī'ah*. Nature must be protected to support human health, economic and social well-being to achieve the goals of sharia in creating balance and justice for all creatures. Green banking practices that prioritize credit policies, involve greening the company's vision, mission, and goals, are very much in line with the values of *maqāshid al-Syarī'ah* in creating a just and balanced order.²⁸

The global implementation of green banking indicates a growing awareness to address environmental challenges. Banks that operate based on the principles of *maqāshid al-Syarī'ah* integrate ethics and environmental responsibility into every aspect of their operations. Transparency and public accountability are essential parts of *maqāshid al-Syarī'ah*. Transparency and accountability demand honesty and openness in managing financial and environmental risks. Green banking offers environmental solutions and strengthens ethical, sustainable, and responsible banking practices. Banks that implement the principles of *maqāshid al-Syarī'ah* contribute to achieving *maslahah*, both for the environment, society, and the business world.

Green banking in *maqāshid al-Syarī'ah* practices sharia principles that prioritize community welfare, environmental sustainability, and social responsibility. Green banking is oriented towards financial profit, as well as sustainability and responsibility for the social and environmental impacts of banking activities. This includes investment in projects that support sustainability, such as biogas, microhydro, hydropower, solar power, and organic farming. Green banking prioritizes the value of *hifz al-bi'ah* (environmental protection) which is one of the main objectives of *maqāshid al-Syarī'ah*. Long-term financial sustainability achieved through green banking reflects wise management of assets (*hifz al-mal*). The financial sector plays an active role in supporting the growth of environmentally friendly industries according to the triple bottom line principle. Banks are not responsible for creating financial profit, improving community welfare (people) and protecting the environment (planet).

Integration of the principles of *maqāshid al-Syarī'ah* into green banking practices, the banking sector will contribute to the achievement of sustainable development goals. Increasing efforts to improve access to financial services that support environmentally friendly and sustainable projects can in turn improve the quality of life of the community and maintain the balance of the ecosystem. Green banking encourages financial institutions to adopt more transparent and accountable policies and practices in terms of environmental risk management. Green banking maintains the reputation and credibility of banks, and ensures that banks can fulfill their social responsibilities. The principles of justice and equality in *maqāshid al-Syarī'ah* are important for all levels of society who should benefit from sustainable banking practices.

The implementation of green banking based on *maqāshid al-Syarī'ah* is a positive step towards a more ethical, sustainable, responsible financial system, improving community welfare and preserving the environment. Green banking is an instrument to achieve *maslahah*, creating added value for financial institutions, society and the planet in an integrated manner.

CONCLUSION

Green banking in *maqāshid al-Syarī'ah* is a strategic step to address the environmental and social challenges faced by the banking sector. Green banking focuses on financial benefits by emphasizing responsibility for the sustainability of ecosystems and community welfare. Green banking practices with *maqāshid al-Syarī'ah* principles support the achievement of *maslahah* with priority investment in environmentally friendly and sustainable projects; in line with the values of

²⁸ Abdullah, "Risk Management via Takaful from a Perspective of Maqasid of Shariah."

environmental protection (*hifz al-bi'ah*), wise management of assets (*hifz al-mal*), and social justice. *Maqāshid al-Syarī'ah* initiatives in green banking practices create synergies between economic benefits, social welfare, and environmental protection that are the foundation for the sustainability of the banking sector in the future. Integrating the triple bottom line principle in green banking contributes to building a stronger and more responsible portfolio, as well as maintaining the reputation and credibility of financial institutions. The implementation of green banking based on *maqāshid al-Syarī'ah* is the path to a more ethical and sustainable financial system, and provides *maslahah* for financial institutions, society and the environment. The *maqāshid al-Syarī'ah* initiative in green banking practices encourages collaboration between the banking sector, government, and society in realizing sustainable development that has a positive impact on future generations.

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