

Islamic Economic Law and Asset Redistribution: A Study of Distributive Justice in Parepare City

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Abstract

Economic inequality remains a persistent structural challenge in developing societies, particularly in the unequal ownership and control of productive assets, a condition that continues to shape the socio-economic landscape of Parepare City. This study aims to analyze the contribution of the concept of distributive justice in Islamic Economic Law to mitigating asset distribution inequality in the community of Parepare City. The research employed a descriptive qualitative method with a phenomenological approach. Primary data were collected through in-depth interviews with Islamic economics scholars, administrators of zakat and waqf institutions, and micro- and small-scale business owners in Parepare City. Secondary data were obtained from reports on poverty statistics, income distribution, and national zakat management. The findings reveal that asset distribution inequality in Parepare City is largely driven by structural barriers within market mechanisms that lead to the concentration of capital among certain economic groups. As a result, low-income communities experience limited access to productive economic resources. The concept of distributive justice in Islamic Economic Law has strong relevance as an instrument for mitigating asset inequality. Its implementation can be realized through the transformation of zakat and waqf management from a charitable-oriented approach into a productive economic empowerment model. Furthermore, the synchronization of more inclusive local regulations is necessary to ensure equitable access to economic resources and to strengthen the economic empowerment of lower-income communities.

Keywords: Asset Inequality, Distributive Justice, Islamic Economic Law, Parepare City, Productive Zakat.

1. Introduction

Distributive justice is one of the main principles in the Islamic system, normatively rooted in the concepts of *al-'adl* (justice) and *al-qisth* (balance) (Pane et al., 2025). This principle is emphasized in the Qur'an, particularly QS. Al-Hasyr: 7, which emphasizes that wealth should not be accumulated only by certain groups. From the perspective of Islamic Economic Law, wealth distribution is directed towards creating social justice through the instruments of zakat, *infaq*, *shadaqah*, *waqf*, and the prohibition of usury as a preventive measure against the practice of economic exploitation.

The Islamic economic system is oriented toward economic growth while simultaneously emphasizing equity and social welfare (Thaib, 2023). Furthermore, according to Febriyanti and Sapa (2025), distributive justice is a structural element of the Islamic economic system that cannot be separated from its moral and spiritual objectives. Therefore, justice in Islamic economics is both normative-theological in nature and, at the same time, possesses a structural dimension in the organization and regulation of the economic system.

However, empirical reality shows that the unequal distribution of assets and wealth remains a serious problem, including in Parepare City. Data from the Central Statistics Agency



(BPS) shows that although the number of poor people has been successfully reduced statistically, the persistence of poverty rates above 5% for almost a decade indicates structural barriers to wealth distribution, as shown in the following data:

Table 1. Development of the Number and Percentage of Poor Population in Parepare City 2016-2024

Statistical Indicators	Achievements (March 2025)	Condition vs 2024	Information
Percentage of Poor Population	4.44%	Down 0.83% points	Demonstrates the success of macro-level wealth distribution, but still leaves the obligation to fulfill the rights of 6.73 thousand <i>mustahik</i> .
Number of Poor People	6.73 thousand people	Significant decrease	According to Islamic law, this group is the main target for the utilization of Zakat, Infaq, and Sedekah (ZIS) to strengthen basic assets.
Poverty Depth Index (P1)	0.39	Down 0.33 points	The gap between the poor's expenditure and the poverty line is narrowing; an indication that capital/aid intervention is starting to reach basic needs (<i>daruriyyat</i>).
Poverty Severity Index (P2)	0.08	Down 0.06 points	Spending inequality among the poor is very low. The focus shifts to inequality between the poor and large asset owners (conglomerates).
Regional Position (South Sulawesi)	2nd Lowest Rank	Stable (Superior)	Parepare as a commercial center must be vigilant so that the low poverty rate does not mask the reality of asset accumulation among a handful of urban elites.

Source: BPS Parepare (2026)

Based on infographic data from BPS Parepare City for the 2016-2024 period, the number of poor people shows dynamic fluctuations with the highest point in 2017 at 8.07 thousand people (5.7%) and began to show a consistent downward trend after the pandemic until it reached its lowest figure in 2024 at 7.93 thousand people (5.27%), before finally dropping drastically to 4.44% in March 2025. This emphasizes the relevance of strengthening the Normative Construction of Distributive Justice in Islamic Economic Law, where interventions should not only be momentary charitable, but must target improving the inequality of ownership of productive assets so that vulnerable communities in Parepare have sustainable economic resilience and are not trapped in a recurring cycle of poverty.

From the perspective of modern justice theory, the concept of distributive justice is heavily influenced by John Rawls's thinking through his theory of justice as fairness (Suhardin, 2023). This emphasizes the importance of equal opportunity and protection for the most vulnerable groups. However, this approach is secular and contractual, differing from the concept of justice in Islam, which is based on revelation and *the maqā' id al-syarī'ah*. This difference indicates the need to reexamine the concept of distributive justice in Islamic Economic Law as a normative alternative in responding to modern economic inequality, particularly in the local context.

Based on the review of previous research literature, there is still a significant gap where the majority of previous studies, namely by Maulidya et al. (2025), Kasmawati and Mawardi (2025) and Ananda et al. (2025) tend to be trapped in discussions that are theological-universal, abstract philosophical, or macro fiscal policy without touching on sociological realities at the regional level. Likewise, the research of Ma'arif and Ambarwati (2025), although critical of financialization through the thoughts of MA Mannan, but its formal object is still limited to the reconstruction of the thoughts of figures and has not confronted the phenomenon of asset inequality empirically. This is where the novelty of this research lies, namely filling the gap in the literature by conducting a normative review of Islamic economic law applied directly to the specific locus of Parepare City, in order to respond to data on poverty and inequality in real asset ownership in urban communities that have not been comprehensively portrayed in previous studies. Therefore, an in-depth study is needed to be able to provide an ethical and legal framework in regulating the distribution of wealth to be more equitable.

2. Literature Review

2.1. Islamic Economic Concept

Scholars and economists, particularly those concerned with Islamic economics, have extensively discussed the Islamic economic system. However, these discussions have focused on Islamic economics in general or its relationship to capitalist and socialist systems, such as in books by Mannan (2015) and Naqvi (1981). Several discussions on the Islamic Economic System relate to the Indonesian economy, particularly during the current global crisis. Saefudin Noer argues that many countries are currently looking to the Islamic economic system as a reference for addressing various current economic problems. Hendri Saparini similarly argues that the global crisis presents an opportunity to develop an Islamic economic system that offers a more promising system to address or replace existing systems (Mubarok, 2021).

Economics, which is seen as a branch of science that discusses a series of human processes in fulfilling their needs, is not neglected by Islam, in fact Islam discusses this a lot, but of course as a characteristic of Islamic economics, it teaches the principles of fundamental values that must underlie economic activities. According to Muhammad Baqir ash Shadr, Islamic economics contains doctrines that have a functional role as a source of problem solving in economic life related to ideological concepts and ideals of justice (Shadr, 2008).

Mannan (2015) brought new ideas in explaining Islamic economics. He reiterated the importance of spiritual values as a foundation for the welfare of the people, thus enabling the achievement of good fortune in this world and the hereafter (*falah*) (Qoyum et al., 2021). According to Baqir Ash Sadr, economics is a science that deals with detailed explanations of economic life, its events, external symptoms (phenomena), and the relationship between these events and phenomena with the causes and general factors that influence them (Shadr, 2008). Muhammad Baqir Al-Sadr offers a concept of Islamic economics that differs from other contemporary thinkers. His idea is to view Islamic economics as a school of thought, not as a science. Sadr emphasizes the function of the state to adapt Islamic laws to various economic activities, where the state must play a role in a) providing social security, b) realizing social balance, and c) intervening (Qoyum et al., 2021).

Monzer Kahf views Islamic economics as an economic activity based on Islamic principles and carried out by *an Islamic man (ibadurrahman)* (Qoyum et al., 2021). Islamic economics is essentially present in framing economic practices with fundamental values,

where these fundamental references are based on the evidence of authentic texts in Islam, namely the Qur'an and Hadith. Thus, the existence of Islamic economics is actually echoing the principles of a righteous life based on Islamic teachings. From an Islamic economic perspective, economic behavior must be based on needs (needs) that are based on Islamic sharia values (Furqani, 2017). As a Muslim, it is not permissible to always follow every desire, because it could actually cause disaster for one's life and the surrounding environment (Astuti, 2017). Therefore, it is important to pay attention to the basic principles of Islamic economics so that all economic activities carried out by humans have a clear direction towards truth.

2.2. Theory of Justice Distributive

Justice as *fairness* implies that those with superior skills and talents should be entitled to greater benefits, and those benefits should also provide opportunities for better life prospects for those who lack them. According to Rawls, equality should be understood as "equality of status and rights" rather than "equality of outcomes" that each person is capable of achieving. For John Rawls, the results do not justify the procedures. John Rawls developed two principles regarding distributive justice. The first is the principle of maximum equality, this is the most fundamental principle that must be followed by everyone without exception, which means that everyone has the same right to the most basic freedoms as widely as possible. According to Kadir et al. (2025) and Yuanita (2022), justice does not always mean that everyone should receive the same thing in the same amount without objectively considering the differences that exist in each individual.

According to Hasanuddin (2018), Rawls is actually emphasizing efforts to formulate principles governing the distribution of rights and obligations among all members of a society. The emphasis on the issue of rights and obligations, which is based on a concept of justice for social cooperation, shows that Rawls's theory of justice focuses on how to distribute rights and obligations equally within society so that everyone has the opportunity to benefit from them and in real terms, and bears the same burden. Therefore, to ensure a balanced distribution of rights and obligations, Rawls also emphasizes the importance of *fair agreements* among all members of society. Only fair agreements can encourage social cooperation (Hasanuddin, 2018).

In Islam, the principle of justice is a necessity that must be achieved by every individual in every aspect of life. This justice is a fundamental concept in Islamic economics, a universal value that is upheld and desired by every individual, anytime and anywhere. Aravik (2020) states that justice is a moral value that is strongly emphasized in the Quran. The Quran contains over one hundred concepts of justice, expressed both directly and indirectly.

In line with this, according to M. Quraish Sihab, the distribution policy in the Islamic economic system upholds the value of justice, so that in the concept of distribution, an important foundation that is used as a reference is QS. Al Hasyr (59: 7), which means "*so that wealth does not circulate only among the rich among you.*" This verse is intended to emphasize that wealth should not only be the property and power of a group of people. However, wealth must circulate in society while still recognizing ownership rights and prohibiting monopolies, because from the beginning Islam has stipulated that wealth has a social function. The Qur'an does not justify the accumulation of wealth only in certain people. In fact, it outlines the principles of justice and brotherhood (compassion) in the concept of distribution. It does not justify the management of wealth only in certain groups or groups of people but must be spread throughout society. Conversely, the Qur'an does not force all individuals to be placed on the same economic level (Urif, 2023).

Faisal Badroen et al. proposed the theory of distributive justice, stating that actions in economics are considered ethical and moral if they uphold the fair distribution of goods and

services based on the concept of fairness. This concept was proposed by John Rawls, a contemporary philosopher, and has the basic value of justice. Furthermore, according to Badroen et al. (2006) an action is considered ethical if it can have implications for the equality of welfare and burdens. This concept focuses on the distribution method. Distribution that is appropriate to the share, needs, efforts, social contributions, and services, with a measure of results that can increase cooperation among members of society. In this theory, justice in the distribution method is achieved by fulfilling holistic social aspects so that economic resources can be enjoyed properly based on Islamic principles and of course evenly.

3. Methods

This type of research is a descriptive qualitative study with an empirical research style. The characteristics of this research color the nature and form of the report, because it is compiled in a creative and in-depth narrative form, showing naturalistic characteristics full of authentic values (Sedarwanti & Hidayat, 2011). Primary data was obtained through interviews with informants through a series of questions posed by the researcher to the research subjects, in this case academics and the community of Parepare City.

Data were analyzed using the Miles and Huberman approach, which consists of data collection, data reduction, data display, and verification (Sugiyono, 2013). This study employed the data triangulation method. Data triangulation in qualitative research is a technique for verifying data validity by utilizing something other than the data itself for verification purposes or as a comparison to existing data.

4. Results and Discussion

4.1. Research Results

Control of productive assets remains concentrated in the formal sector and among large capitalists, while low-income groups face structural barriers to capital acquisition and asset ownership. This situation is reflected in fluctuations in the poverty severity index, indicating that wealth distribution has not optimally reached the lowest levels of society. This is demonstrated by the following data:

Table 2. Poverty Trends in Parepare City 2020-2023

No	Poverty Indicators	2020	2021	2022	2023
1.	Number of Poor People (Thousand People)	7.96	7.93	8.01	7.98
2.	Percentage of Poor Population (P_o) (%)	5.44	5.40	5.41	5.34
3.	Poverty Depth Index (P_1)	0.94	0.72	0.56	0.58
4.	Poverty Severity Index (P_2)	0.24	0.13	0.09	0.12
5.	Poverty Line (Rupiah/Capita/Month)	363,710	383,471	402.126	445,032

Source: BPS Parepare (2026)

Poverty data for Parepare City for the 2020-2023 period shows a consistent upward trend in the Poverty Line (GK), reaching Rp445,032.00 per capita per month in 2023. Although the percentage of poor people (P_o) in Parepare City showed a slight decline to 5.34% in 2023, fluctuations in the Depth Index (P_1) and Poverty Severity Index (P_2) provide critical notes for economic justice. The increase in the value of (P_1) to 0.58 and (P_2) to 0.12 in the last year indicates that the distance between the average expenditure of the poor and the Poverty Line is getting further, and there is a widening disparity in expenditure among the poor. This condition shows that the benefits of economic growth have not been distributed evenly to the

most vulnerable layers of society, thus triggering economic polarization at the local level. To develop and formulate alternatives to existing inequalities, one strategic step that can be taken is to optimize the distribution of zakat to the poor in Parepare City. Data on zakat distribution in Parepare City is shown in the following table 2.

Table 3. 2020 National Zakat Management Report of BAZNAS Parepare City

No	Collection Type	2019 (Rp)	2020 (Rp)
1.	Zakat al-Fitr	383,223,734	323,835,386
2.	Alms/Charity	0	126,235,000
3.	DSKL (Other Religious Social Funds)	0	0
Total ZIS-DSKL		383,223,734	450,070,386
Percentage Increase (%)		-	17.4%

Source: 2020 National Zakat Management Report (Fadilla, 2025)

Data from the 2019-2020 BAZNAS Parepare City fund report shows a significant growth in ZIS-DSKL fund collection of 17.4%, with total revenue increasing from Rp383,223,734 to Rp450,070,386. This effort indicates a strengthening of public philanthropic awareness in distributing their surplus wealth through voluntary instruments, which simultaneously provides space for BAZNAS to optimize distributive justice amidst the economic dynamics in Parepare City.

The asset inequality in Parepare City is still felt today, as shown by the following interview results with (Mrs. Bahrah, an MSME entrepreneur):

“If we look here, we can really feel the difference between those with large capital and those of us who are just retail sellers. It’s very difficult to compete, because strategic assets are generally controlled by certain people. In other words, the rich find it easier to expand their businesses because they have assets as collateral in the bank, while we, just to pay off our carts, have to work hard to find loans. So, if you say it’s fair, I don’t think it’s equitable, because the circulation of money in Parepare is still in the same place, not directly reaching the bottom.”

This is also in line with the results of the interview with (Jamal Abdullah, a community figure in Parepare City), as follows:

“Our people in Pare actually have a strong sense of social responsibility, but the asset disparity is a fact we can’t ignore. Many residents here are merely spectators on their own land because productive assets have been transferred to immigrants or big business owners.”

Analysis of the increasing poverty line and poverty severity index indicates a structural bottleneck in wealth distribution, leading to a concentration of productive assets in the formal sector and large capitalists. Therefore, policy synchronization between local government regulations and the principles of distributive justice is necessary to ensure that wealth accumulation does not circulate solely among the wealthy but can become a mainstream force in strengthening the economic fundamentals of the people in Parepare City.

Distributive justice is a principle that mandates that the circulation of wealth should not be concentrated only among a small group of capital owners, but should be distributed inclusively through the mechanisms of *zakat*, *infaq*, *alms*, and *waqf*. The implementation of the concept of justice aims to correct unequal access to resources by transforming religious social funds into productive capital that can increase the asset ownership base for vulnerable

communities. The following is an interview with (Asriadi Arifin, lecturer of Islamic Economics at IAI DDI Sidenreng Rappang):

“If we examine it from a sharia perspective, the essence is in the verse ‘kai la yakuna dulatan bainal aghniya minkum’. What this means is, don’t let assets and wealth just tappare or circulate among the rich in Parepare. The contribution of this concept of distributive justice should be a brake on asset monopoly. So, if there are big businessmen controlling all strategic points in Pare, while local residents are just spectators, that’s where Islamic Economic Law’s role comes in to intervene through regulations that are more in favor of the people’s economy, so that we don’t see such a big gap.”

Islamic Economic Law provides a basis for relevant authorities to implement policy interventions to mitigate the monopolization of strategic resources by large capitalists. Regulations oriented toward the people’s economy are expected to create a balance of access for local residents to prevent extreme inequality in wealth distribution. Therefore, implementing the concept of justice is a crucial step in transforming regional economic structures toward a more inclusive and socially just order, as exemplified in an interview with Asriadi Arifin:

“Zakat isn’t just about feeding the hungry, but also a tool for asset redistribution. In Parepare, ZIS collection has increased, but we need to take a closer look: are we able to provide ‘fishing rods’ or just ‘fish’? Normatively, zakat should be able to provide capital for the poor so they can also have their own productive assets. If it’s only given for consumption, well, it seems like it will continue like this, those with capital will continue to increase, while those without assets will fall further and further below the poverty line”.

The interview results demonstrate that zakat plays a crucial role in providing capital for economically disadvantaged communities, enabling them to own and manage productive assets independently. Distribution of zakat solely for charitable purposes without strengthening the asset base risks widening the economic gap and leaving vulnerable groups trapped below the poverty line, as illustrated in the following interview with (Trihan Fisman Adisaputra lecturer of Islamic Economics):

“The main problem on the ground is that regional economic policies often don’t align with the principles of Islamic justice. We in Parepare are a commercial city, but if the system remains purely liberal, those with large assets will inevitably win. The contribution of Islamic Economic Law here should be the foundation for Regional Regulations (Perda). For example, how city government assets or waqf land are managed so they can be accessed by MSMEs, not just given to large contractors. That’s what real distributive justice is, not just a theory on paper.”

The primary problem of asset inequality in Parepare City stems from the dichotomy between regional economic regulations and the principles of justice in Islamic Economic Law. Critically, the dominance of a purely liberal market system in the commercial city of Parepare tends to create an ecosystem that benefits only large capitalists, thus hindering the lower-middle class’s access to strategic resources.

Therefore, the urgent contribution of Islamic Economic Law lies in transforming sharia values into positive legal instruments through inclusive Regional Regulations (Perda). Asset redistribution strategies through optimizing the management of public assets and waqf land for MSMEs are a concrete solution to mitigate economic monopolies and achieve substantive distributive justice at the local level.

4.2. Discussion

The implementation of distributive justice in Islamic Economic Law is fundamentally based on the theological principle that prohibits the accumulation of wealth only by certain groups as emphasized in QS. Al-Hasyr: 7. The Qur'an establishes the concept of *kai la yakuna dulatan bainal aghniya minkum* as a legal imperative to prevent the accumulation of assets (*kanzul mal*) and encourage inclusive circulation of wealth. Through the instrument of zakat which is required in various verses such as QS. Al-Baqarah: 43 and QS. At-Taubah: 60, Islam transforms social assistance into economic rights for eight groups (*asnaf*). This aims to provide legal protection for vulnerable groups so that religious public funds can alleviate poverty and strengthen socio-economic stability systematically.

The urgency of the Prophet Muhammad's hadith strengthens the operational foundation of distributive justice by positioning zakat as an instrument for transferring surplus wealth from the rich to the poor. The Prophet's command to Mu'adz bin Jabal affirms that zakat is a binding legal obligation for asset owners to fulfill the economic rights of the *mustahik*. Sociologically, the hadith identifies that hunger and extreme poverty often occur due to the failure of the wealthy to fulfill their zakat obligations. Therefore, consistency in implementing this hadith is a primary prerequisite for creating a balanced distribution of wealth and preventing capital monopolies in society.

The application of the principle of distributive justice is also supported by the Islamic jurisprudence principle, which states that the actions of those in authority towards the people must always be oriented towards the public good (*tasharruf al-imam 'ala al-ra'iyah manuthun bi al-mashlahah*). In the context of regional governance, this principle provides strong legitimacy for the government to intervene in market structures that tend to be liberal so that strategic assets can be accessed by lower-class communities. The zakat management authority plays a crucial role in ensuring that economic growth is not solely concentrated in the formal sector and large capital owners. Thus, synchronization between regional regulations and Islamic jurisprudence principles can ensure the fulfillment of basic needs and a more equitable circulation of assets for all citizens.

Scholars, including Imam al-Nawawi and Ibn Qudamah, established strict normative limits on the recipients of zakat al-mal in order to maintain zakat's function as an instrument of internal social protection for Muslims. The consensus of scholars agrees that the distribution of zakat on wealth should be prioritized to strengthen the economic structure of the Muslim community by prohibiting its distribution to non-Muslims or *dhimmi infidels*. Although there is room for *ijtihad* among Hanafi scholars regarding the permissibility of distributing zakat al-fitr to non-Muslims under certain conditions, these limits are essentially aimed at ensuring the economic sovereignty of the community. These provisions emphasize that zakat al-mal functions as a measurable social security mechanism to alleviate poverty within the internal environment before being utilized for broader interests.

The relevance of distributive justice in this study is reinforced by the Indonesian Council of Ulama (MUI) Fatwa No. 4 of 2003 concerning the Utilization of Zakat Funds for Investment (Istitsmar), which permits the productive use of zakat funds through business activities or investments, provided that they comply with Sharia principles, are managed professionally, and prioritize the welfare of zakat beneficiaries (*mustahik*). This *fatwa* demonstrates that zakat serves not only as an instrument of consumptive assistance but also as a mechanism for economic empowerment aimed at improving the long-term welfare of its beneficiaries. The asset distribution inequality identified in this study is closely associated with the limited access of low-income communities to capital and productive economic resources. Therefore, the implementation of productive zakat, as endorsed by MUI Fatwa No. 4 of 2003, can function

as an effective instrument of asset redistribution through the provision of business capital, skills development, and the strengthening of the economic capacity of mustahik. Accordingly, the implementation of productive zakat not only reflects the principle of distributive justice in Islamic Economic Law but also contributes to the sustainable reduction of economic inequality.

Based on this normative review, distributive justice in Islamic Economic Law is a theological and juridical mandate aimed at transforming wealth from mere private accumulation into an instrument of inclusive public welfare. Through the integration of the principles of the Qur'an, Hadith, Islamic jurisprudence, and contemporary ijihad such as the Indonesian Ulema Council (MUI) Fatwa, zakat and waqf are positioned as wealth redistribution mechanisms that must be intervened by authorities to prevent capital monopoly. Thus, the implementation of this concept serves as social security for vulnerable groups and serves as a foundation for economic stability and the sovereignty of the people through the circulation of productive assets oriented towards the sustainable common good.

In response to this inequality, optimizing zakat, infaq, and alms (ZIS) instruments is a strategic step to intervene in the circulation of wealth at the local level. Data from the National Zakat Management Report shows a 17.4% growth in ZIS fund collection from the Parepare City BAZNAS in 2019-020, with a total accumulation reaching Rp450,070,386. This strengthening of public philanthropic awareness provides an opportunity for relevant authorities to direct the distribution of these religious funds as capital for the asset base. This transformation in social fund management is crucial so that the circulation of assets is not only consumptive, but also able to provide economic leverage for the poor in acquiring productive assets.

Empirically, asset inequality in Parepare City is confirmed through interviews, which demonstrate the difficulties small traders face in competing with large capitalists due to limited access to collateral and capital. Lower-middle-class communities tend to be bystanders in the economic dynamics of this commercial city, as strategic assets are controlled by a small group of key players. Obstacles to obtaining loans and the loss of ownership of local productive assets are clear evidence of acute economic polarization. This situation emphasizes that without policies that support the empowerment of the poor, lower-class communities will remain trapped in a cycle of structural poverty.

The unequal distribution of assets in Parepare City reflects the suboptimal implementation of inclusive wealth circulation, in accordance with the mandate of Maqasid Sharia . The existence of bottlenecks in wealth distribution causes capital flows to circulate only in established sectors, while the micro-sector loses access to economic resources. From the perspective of Islamic economic law, this phenomenon demonstrates the need to revitalize the role of zakat and waqf, so that they are no longer managed in a charitable-traditional manner. These instruments must be positioned as the main pillars for wealth redistribution to correct the existing market inequality.

Therefore, strong policy synchronization between local government regulations and the principles of distributive justice is needed to strengthen the economy of the people in Parepare City. The local government, along with Islamic philanthropic institutions, must formulate policies that guarantee the accessibility of productive assets for economically disadvantaged individuals , so that wealth does not circulate solely among the wealthy . By transforming zakat into asset-based capital, Parepare City can build a more equitable and independent economic foundation. Integrating sharia values into public policy is expected to substantially and sustainably reduce poverty levels.

5. Conclusion

The unequal distribution of assets in Parepare City indicates structural barriers that continue to concentrate control of productive resources among large capitalists, as reflected in the increasing poverty severity index amidst macroeconomic growth. This reality demands a revitalization of Islamic economic law instruments, particularly zakat and waqf, to transform them from charitable distribution patterns to productive capital empowerment for lower-income communities.

The unequal distribution of assets in Parepare City indicates structural barriers that continue to concentrate control of productive resources among large capitalists, as reflected in the increasing poverty severity index amidst macroeconomic growth. This reality demands a revitalization of Islamic economic law instruments, particularly zakat and waqf, to transform them from charitable distribution patterns to productive capital empowerment for lower-income communities. Furthermore, the optimization of productive zakat, supported by inclusive regional regulations and effective management of public assets, can serve as a strategic mechanism for asset redistribution and economic empowerment. The integration of distributive justice principles within local economic policies is expected to expand access to productive resources for vulnerable groups, reduce economic inequality, and strengthen sustainable community welfare. Therefore, the implementation of Islamic Economic Law through productive zakat, waqf development, and people-oriented public policies is essential to creating a more equitable, inclusive, and socially just economic system in Parepare City.

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