A Comparative Analysis between Islamic Economics and Environmental Economics: Historical Development and its Significance for Contemporary Challenges

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Abstract: This article investigates the possible relationship between Islamic and Environmental Economics to address environmental concerns. Comparative analysis shows that Environmental Economics has been more successful in addressing environmental challenges, even though both frameworks approach economic activity with different concepts. Environmental Economics has been successful because of its all-encompassing focus on environmental factors, acceptance on a worldwide scale, relevance of policies, and individual-centered methodology. On the other hand, Islamic economics, which functions mainly at the community level, needs more clarity with broader implementation. The strengths of each strategy are examined in this research, which concludes that environmental economics provides a more flexible and universally applicable framework for promoting economic activity by environmental preservation. The results add to the current discussion on sustainable development by highlighting the significance of combining realistic, internationally recognized strategies with moral principles to create a sustainable future.

Keywords: Islamic Economics; Environmental Economics; Comparative analysis; environmental preservation

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Introduction

The study of economics has changed over time to meet the ever-changing needs of society. The two independent environmental and Islamic economics fields have been more well-known in recent decades. Islamic Economics provides a framework for economic activities consistent with Islamic ethics and values. It is based on the fundamentals of Islamic teachings. In contrast, environmental economics focuses on how economic systems interact with the environment to promote sustainable development.

When one considers current problems, like resource depletion, climate change, and environmental degradation, it becomes clear how these two professions are related. An analysis that compares Islamic and Environmental Economics is necessary to overcome these difficulties. This comparative analysis examines the possible importance of their integration in resolving contemporary global concerns and shedding light on their historical evolution.

This research is essential because it may lead to a more sustainable and all-encompassing approach to economic activity. Knowledge about the past developments of Islamic and Environmental Economics might help one better understand their achievements and shortcomings. We may find points of convergence and divergence between these economic frameworks' tenets and practices, providing a basis for sensible policymaking in the face of today's problems. Ultimately, this comparative research hopes to promote a more responsible and inclusive global economic system by adding to the current conversation on sustainable development and balancing economic activities with environmental preservation.

Environmental economics is a relatively young discipline of economics; several authors, including Pearce (2002: 58), place its origins in the 1960s. However, there are traces of environmental issues considered even before this time. Scholars that have tried to consider the environmental issues and reduction of resources started in the 19th century. This paper divides the evolution of environmental economics into the 19th, 20th, and 21st centuries. In the 19th century, figures like John Stuart Mill, Stanley Jevons, and Alfred Marshall introduced a mathematical and neoclassical approach to economics (Spash, 1999: 415).

Mill, in 1857, highlighted the constraints of non-renewable resources on economic expansion and emphasized the dangers of unchecked growth for natural ecosystems. Jevons, in 1865, projected a resource depletion disaster, later challenged by the arrival of oil and technological developments. Marshall (1890) introduced the concept of market failure: the social cost being higher than the private marginal cost due to overexploitation.

In the early 20th, different authors, such as van Hise (1910), Gray (1913), Hess (1917), Hammar (1942), and Renner (1942), addressed issues related to natural resources as matters of conservation (Spash, 1999: 417). During this period, Agriculture economics and Resource Economics developed. Concurrently, the domain of agricultural economics, presently witnessing a decline, played a significant role in advancing efforts for soil conservation. At the same time, Resource economics was generally based on mathematical models depicting the 'efficient' and 'optimal' use of fisheries, forests, and minerals. Interest in both these fields declined over time. Ciriacy-Wantrup (1952) played a crucial role in instigating the growth of environmental economics in the 1950s (Spash, 1999: 420). His influential contributions laid the groundwork for the emergence of environmental economics as a distinctive sub-discipline in the 1960s and 1970s, introducing key concepts such as the safe minimum standard and underscoring the heterogeneous nature of environmental effects, making their quantitative comparison challenging. In the 1950s, the United States, acknowledging concerns about depleting exhaustible resources, established Resources for the Future (RFF), significantly contributing to advancements in environmental cost-benefit analysis (Pearce, 2002: 64) Environmental economics emerged in the United States during the 1960s as a unique sub-discipline concerned with the expanding pollution problems that were becoming apparent to the general population.

Environmental economists advocated for market corrections to prevent environmental problems and increase efficiency (Germani, 2004). It was in the early 1990s that there was a substantial increase in the number of journals covering economy-environment linkages and space for the expression of alternative perspectives. Europe, influenced by North American trends, formally embraced environmental economics as a field in the 1980s, facing initial challenges in achieving consistent adoption across all countries. The Netherlands was a successful European adopter (Germani, 2004).

In the 21st century, the initial thought is Sustainability, a contemporary concept gaining prominence across various domains. Sustainable development has become a focal point, defined as "development that fulfills the present needs without jeopardizing the ability of future generations to meet their own needs" (Paul, 2008: 2). The United Nations (UN) established seventeen Sustainable Development Goals (SDGs) in 2015, endorsed by the UN General Assembly, with a commitment to the principle of "leaving no one behind." These comprehensive goals encompass various aspects crucial for any country's development. The name itself, "Sustainable Development Goals," implies a focus not only on achieving development but also on sustaining it (Mensah, 2019). The UN outlines these goals as addressing no poverty, no hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduced inequality, sustainable cities and protection, climate action, life below water, life on land, peace, justice, strong institutions, and partnerships to achieve the goals.

The concept of sustainable development first emerged in 1972 during a conference in Stockholm, Sweden, where 117 states and 19 international organizations discussed environmental issues (Paul, 2008: 577). This concept originated from the idea of economic progress while concurrently preserving a clean environment. The challenge lays in balancing economic development with increased international trade and production with environmental protection. Another UN General Assembly conference in Norway in 1983 reiterated environmental concerns, leading to the formalization of "Sustainable Development." The UN provided a definition stating that sustainable development is development meeting present needs without compromising future generations' ability to meet their own needs (Paul, 2008: 578). This comprehensive definition encapsulates the dual focus of sustainable development—addressing present needs for development and preserving the environment for the future.

Despite conceptualizing sustainable development, no concrete action was taken until 2015, when the UN introduced the 17 SDGs. These goals aimed to assist countries, including those left behind, achieve sustainable development. Since their introduction, there has been a surge in discussions and research by authors seeking ways to realize these goals.

The paper provides a comprehensive analysis of the successes and failures of Environmental and Islamic Economics in addressing global environmental issues, revealing distinct approaches and impacts in promoting sustainability. It highlights the effective use of Environmental Cost-Benefit Analysis (ECBA) and policy frameworks, such as the Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) assessments, in driving environmentally conscious decision-making and investment strategies within Environmental Economics. The paper also discusses innovative financial instruments like green and blue sukuk and the Green Waqf initiative in Islamic Economics, showcasing their potential to contribute to sustainable development while adhering to Sharia principles. Despite these successes, the paper identifies significant challenges, including the limited integration of Islamic Economics into global economic systems and its underemphasis on environmental policy-making, contrasting with the broader acceptance and influence of Environmental Economics. Ultimately, the paper concludes that Environmental Economics offers a more comprehensive and globally recognized framework for incorporating ecological considerations into economic activities, suggesting a need for a multifaceted approach that combines ethical values with practical measures for achieving a sustainable future.

The structure of the paper is meticulously organized into four main sections, each providing a detailed examination of the respective fields of Environmental and Islamic Economics. Section 2.1 delves into the successes of Environmental Economics, highlighting the pivotal role of cost-benefit analysis and its influence on policy formation, investment strategies, and public awareness on a global scale. Section 2.2 contrasts these achievements by discussing the failures of Environmental Economics, particularly in emerging economies and the difficulty of quantifying environmental impacts in economic terms. Section 2.3

introduces the evolution of Islamic Economics, tracing its historical roots and its emergence as a distinct field in the 1970s, while Section 2.4 focuses on the successes of Islamic Economics, showcasing innovative financial instruments like green sukuk, blue sukuk, and the Green Waqf initiative that align with Islamic principles and promote environmental sustainability. The paper concludes with Section 3, which outlines the failures of Islamic Economics to fully integrate environmental policies and its limited global acceptance compared to Environmental Economics. A final comparative analysis in Section 3.1 juxtaposes the two fields, emphasizing their common goals of incorporating ethical considerations into economic practices but acknowledging the broader and more effective reach of Environmental Economics in addressing environmental challenges. The conclusion synthesizes these findings, arguing for a combined approach to tackle environmental issues effectively.

Literature Review

Successes of Environmental Economics

Significant progress has been achieved in environmental economics, especially in cost-benefit assessments. The use of cost-benefit analysis (CBA), a technique that is a helpful tool for decision-making processes, is a cornerstone of this subject. CBA helps determine whether to pursue a certain activity or select from a range of activities by methodically weighing each alternative's numerous benefits and drawbacks. This systematic process determines the overall worthiness of an activity by balancing its advantages against its costs, empowering individuals and politicians to make well-informed decisions. The use of environmental cost-benefit analysis (ECBA) is unique in environmental economics; it is a conscious attempt to apply the concepts of CBA to initiatives or regulations that expressly improve the environment. ECBA ensures a thorough assessment of the environmental implications of diverse activities and is especially relevant when evaluating acts that may indirectly impact the environment (Carolus et al., 2018: 288). This nuanced approach emphasizes the importance of considering the environment when making decisions, which aligns with the larger objectives of sustainable development and environmental protection. Environmental Economics is committed to promoting environmentally conscious decision-making and sustainable behaviors, as demonstrated by the application of CBA, which is specialized explicitly for environmental betterment, as stated by the Organisation for Economic Co-operation and Development (OECD, 2018).

Although environmental economics has emerged as a potent force in directing the intersection of environmental sustainability and economic growth, its influence is most noticeable in the domains of policy formulation and execution. The Sustainable Development Goals (SDGs) agenda for 2030, a significant endeavor by the international community to solve global concerns, is one notable example of this influence (UN General Assembly, 2015). These aims include a broad spectrum, ranging from poverty eradication to environmental conservation, underlining the connection between economic and environmental well-being. Environmental economics has dramatically influenced and informed policies that align with the SDG agenda, which offers a solid framework that helps decision-makers balance difficult trade-offs and maximize results. Environmental, social, and governance (ESG) assessment is a crucial aspect of environmental economics in modern finance. As investors look for chances to make ecologically and socially responsible investments, the importance of ESG issues has increased dramatically (Jang et al., 2020). Environmental Economics has contributed substantially to creating ESG grading systems in this sense. Investors use these scores more than ever as critical indicators when making judgments about their investments, demonstrating a greater sensitivity and awareness of the social and environmental effects of financial actions. Environmental Economics has acted as a catalyst for this paradigm shift, which denotes a broader recognition of the relationship between economic activity and its impact on the environment and society. Europe is a leader in developing and implementing environmental policies, demonstrating the long-lasting impact of environmental economics on local and national policy. Since 1973, Europe has been a leader in developing environmental policies, having established Environment Action Programmes, or EAPs. Implementing the 8th EAP, which shows a constant and evolving effort to meet contemporary environmental concerns, exemplifies this persistent dedication to environmental measures (EU, 2022). Furthermore, Europe's adoption of the Sustainable Development Strategy (SDS) by 2001 highlighted the incorporation of environmental considerations into more comprehensive developmental frameworks. The SDS is a comprehensive roadmap that combines ecological sustainability with economic ambitions (OECD, 2002). It is evidence of the long-lasting influence of Environmental Economics in determining regional policy agendas. The complex interactions between environmental economics and policy formation are further illustrated by the diverse success stories arising from Europe's environmental stewardship efforts.

The success of environmental economics on a global scale transcends financial and policy spheres and into the public sphere thanks to increased public awareness and coordinated efforts by multinational organizations. European Union (EU), the United States, the Organization for Economic Co-operation and Development (OECD), and the United Nations (UN) have all been instrumental in raising environmental awareness in a variety of sectors, including economics. Their joint efforts have profoundly impacted the world stage, promoting a better comprehension of the complex interplay among human efforts, financial progress, and ecological welfare. Acknowledging the pressing need to tackle environmental issues, these organizations have implemented diverse strategies to provide data and facilitate significant dialogues among interested parties. They have used a variety of venues to raise public awareness of environmental issues, from in-depth reports to well-known conferences. The UN's Sustainable Development Goals (SDGs) have proven to be effective since they provide a thorough agenda that tackles urgent global concerns, including those that straddle the economic and environmental spheres. These goals guide policy formulation and serve as a rallying point for global awareness campaigns, emphasizing the interconnectedness of economic activities and environmental sustainability. Events like the COP28 conference, which will take place in the United Arab Emirates, serve as even more examples of the dedication to raising public awareness. The Conference of the Parties (COP) gatherings have developed into critical international forums for cooperation, giving campaigners, scientists, and decision-makers a stage to debate and devise solutions to stop environmental degradation and climate change. As the most recent of these summits, COP28 emphasizes the continued dedication to working together to address global environmental concerns (COP28 UAE - United Nations Climate Change Conference, n.d.). Conferences such as COP28, which unite various stakeholders on a worldwide platform, play a vital role in increasing consciousness, promoting communication, and motivating coordinated efforts to alleviate the consequences of climate change. Among the leading organizations promoting environmental awareness worldwide has been the UN. The United Nations has effectively communicated the need to adopt sustainable practices and incorporate environmental issues into decision-making through campaigns, publications, and high-profile events. The world's efforts were brought together under one shared vision of a sustainable future in 2015 with the adoption of the SDGs, signalling a turning point in history. The SDGs' extensive agenda highlights the need to take coordinated action to solve environmental concerns, acting as a guide for the public and a roadmap for policymakers. Environmental organizations have been instrumental in spreading the environmental message. Through the utilization of their networks, resources, and expertise, these organizations have taken the lead in promoting public education regarding the environmental consequences of human activities. Environmental organizations have greatly aided in instilling in people and communities a feeling of urgency and responsibility through publications, educational initiatives, and advocacy. Their work penetrates beyond the confines of typical environmental circles, impacting public attitudes about the role of economics in forming a sustainable future and broader societal dialogues. Concurrent with these global endeavors, the Food and Agriculture Organization (FAO) has initiated programs across the globe, demonstrating the connection between environmental consciousness and pragmatic endeavors. The practical implications of implementing environmentally responsible practices in economic activity are reinforced by these locally relevant initiatives.

Failures of Environmental Economics

The primary obstacle to implementing environmental economics in emerging or impoverished nations is the overriding focus on economic growth. Countries struggling with poverty or underdevelopment frequently have to prioritize taking care of their immediate financial needs over their environmental concerns (UNCTAD, 2021). The complexity of this problem emerges when nations balance the need to improve population standards with the long-term effects of environmental deterioration. Some countries choose to put economic development and growth ahead of implementing strong environmental legislation to maintain this delicate balance. This strategic decision is most apparent in the paths taken by industrialized nations, which are frequently at the forefront of economic development.

Reducing poverty and raising living standards is crucial for struggling nations. To increase the standard of living for its population, the pursuit of economic growth becomes a method of supplying necessities, job opportunities, and improved infrastructure. In this situation, people can prioritize the urgent demands of the populace over long-term sustainability objectives, making environmental problems seem less important. These countries face the difficult task of balancing the need to protect the environment for coming generations and their immediate economic needs.

A pattern seen in certain industrialized countries is the delayed implementation of environmental policies in a country's developmental trajectory. These countries had periods of swift industrialization and economic growth in the past, frequently without the strict environmental laws in place today. The resulting pollution, resource depletion, and environmental deterioration permanently impacted ecosystems. Priorities began to alter over time as these nations reached economic maturity in favour of sustainability and environmental conservation. The experience of industrialized countries bears witness to the complex interplay between environmental consciousness, economic prosperity, and the ensuing development of strict environmental regulations.

Although it plays a crucial role in resolving the intricate relationship between economic activity and ecological well-being, environmental economics must comprehensively assess environmental challenges. This intrinsic constraint arises from the complex character of environmental issues, which frequently resist simple monetary calculation and elude the standard techniques utilized in economic analysis (Kistow and Sookram, 2012).

The range and complexity of environmental challenges hamper a comprehensive and extensive review. Environmental concerns include deforestation, air and water pollution, biodiversity loss, and climate change. It is difficult to fully capture the complexity of each of these problems in a cost-benefit analysis due to their interrelated biological systems and cascading effects on ecosystems.

The shortcomings of conventional economic measures are most noticeable when evaluating components that are difficult to monetize. For example, the cultural significance of specific environmental aspects, the irreplaceable biodiversity found within ecosystems, or the inherent value of ecosystems may not all easily be expressed in monetary terms. These intangible elements, essential to a complete knowledge of environmental health, present a significant obstacle to conducting a thorough review using traditional economic frameworks.

The concept of ecosystem services further complicates the evaluation procedure. Pollination, water purification, and carbon sequestration are examples of these services that are vital to human societies but are challenging to value because of the complex relationships and interdependencies within ecosystems. The actual costs and benefits of environmental changes are only fully understood when the value of these services is sufficiently considered in economic calculations (Atkinson & Mourato, 2008: 320). Furthermore, conventional economic studies need clarification on environmental degradation's cumulative and lasting impacts. For example, the effects of climate change have been felt for many generations. Estimating the financial implications of these long-term effects, which include shifting ecosystems, harsh weather, and rising sea levels, is extremely difficult. Conventional discount rates, frequently used in economic analyses, might need to adequately reflect the seriousness of these postponed effects, underestimating the actual financial ramifications.

The Evolution of Islamic Economics

Islamic beliefs began to influence many facets of life, including economics, during the Prophet's and later caliphates' reigns (Hassan, 2016: 15). This is where the origins of Islamic economics can be found. However, the discussion of Islamic Economics did not acquire intellectual depth until the writings of eminent thinkers like Ibn Khaldun, Abu Yusuf, Al-Ghazali, Ibn Taymiyyah, and Al-Mawardi. The 1970s saw the emergence of Islamic Economics as a separate field, notwithstanding these early contributions.

Islamic Economics functioned in the background of traditional economics during its early years. Although notable works were written by prominent figures in the Islamic world, scholars like Furqani (2015) point out that the study has yet to become recognized as a distinct field. This can be explained by the predominance of traditional economic ideas and paradigms at the time.

It was a complex process for Islamic Economics to get recognized as a separate academic field. It was a purposeful reaction, nearly a reaction, to the advancements inside traditional economics rather than just a reiteration of past methods. The emergence of contemporary Islamic economics was closely connected to the development of conventional economic theory, as Muqorobin (2008: 393) indicates. The apparent shortcomings and incompatibilities of mainstream economic theories with Islamic values prompted academics, economists, and philosophers to methodically establish Islamic economic principles in the 1970s, which marked a turning point in the field.

During this time, scholarly endeavors to lay the groundwork for Islamic Economics as a strong and autonomous field had a notable upsurge. By addressing topics like interest (riba), uncertainty (gharar), and social fairness in economic transactions, the intellectuals of this era attempted to bring Islamic precepts and economic ideas into harmony. They explored the rich history of Islamic law, using cues from the Quran and Hadith to create a thorough framework for business dealings that adhered to Islamic morality.

Growing awareness of the need for an economic system that puts social welfare and ethical issues first has also aided in the development of Islamic economics. As a concrete result of these initiatives, the global Islamic finance sector developed, providing financial services and products that followed Sharia law.

Islamic Economics is still developing and interacting with the broader economic debate in the modern day. Muslim scholars and practitioners investigate how to incorporate Islamic principles into various economic sectors, such as trade, business, and banking. Islamic Economics is still centered on moral behavior, social justice, and sustainability, which connects it to the larger objectives of advancing environmental sustainability and human welfare.

Successes of Islamic Economics

There is a strong connection between Islamic social finance and Sustainable Development Goals (SDGs), and the leaders who promote this are Indonesia and Malaysia (Abubakar & Aysan, 2021: 7).

A cutting-edge climate finance instrument that can harness the enormous resources of the $2 trillion Islamic finance market to finance environmentally friendly and sustainable investment projects is the green sukuk, also known as the green Islamic bond (World Bank, 2022). This financial tool was first introduced in Malaysia and offers a unique way to direct capital toward projects that take environmental sustainability into account while also adhering to Islamic finance norms.

Creating green sukuk responds to the pressing need for sustainable development techniques and the growing global awareness of environmental challenges. The World Bank has acknowledged the potential of the green sukuk to play a crucial role in funding initiatives that contribute to climate change mitigation and environmental protection, realizing the power of money to drive positive change.

Adherence to Sharia rules is the primary feature that sets green sukuk apart from conventional financial products. Transactions in the Islamic finance industry must abide by Sharia law, which forbids participating in speculative or interest-related activities (gharar and riba). The green sukuk contributes to the harmonious coexistence of Islamic finance and environmental responsibility by supporting initiatives that follow morally and environmentally responsible standards.

Leading the way in introducing the green sukuk, Malaysia is a global leader in Islamic finance and has committed to sustainable development (Alam et al., 2016). The nation's project demonstrates a forward-thinking approach to finance in which environmental stewardship and economic prosperity are linked. An option for investors looking for both financial gains and the satisfaction of supporting eco-friendly projects is the green sukuk. Green Sukuk is being applied in several fields, such as green infrastructure, energy efficiency, and renewable energy (Mat Rahim & Mohamad, 2018: 133). These initiatives support economic growth and employment creation and address environmental issues. The range of investment options available under the green Sukuk umbrella highlights the platform's adaptability in promoting an equitable and sustainable economic environment.

With its increasing popularity, green sukuk could catalyze a more widespread adoption of sustainable finance practices inside and outside the Islamic financial sector. The global reach of Islamic financing and the growing focus on environmental, social, and governance (ESG) factors when making investment choices place the green sukuk in a prominent position within the changing responsible finance scene.

Blue Sukuk is a financial product leading the way in sustainable financing. Its unique selling point focuses on investments in blue areas, namely oceans and the variety of marine creatures it supports (The Development of Blue Sukuk and Blended Blue Finance - Transformations in Action, 2022). The Blue Sukuk is a novel effort combining Islamic banking concepts with preserving and conserving marine habitats. It originated in Indonesia, with long coastlines and a rich marine ecosystem. Given the size of its archipelago, Indonesia has long understood the vital value of its marine resources (The Development of Blue Sukuk and Blended Blue Finance - Transformations in Action, 2022). The commencement of Blue Sukuk symbolizes the nation's dedication to solving the difficulties faced by its oceans, from overfishing to environmental deterioration. Indonesia seeks to promote an integrated conservation approach that considers environmental and economic factors by directing funding from Islamic financing into blue regions (Rusydiana & Irfany, 2021). Blue Sukuk adheres to moral and sustainable investment practices while functioning under the framework of Sharia law. In addition to giving investors a chance to support ocean conservation, this financial product is consistent with Islamic principles, which place a premium on prudent management of the planet's resources. Fundamentally, the Blue

Sukuk combines financial goals with environmental preservation, providing a forum for moral investors looking to have a beneficial influence.

The introduction of the Blue Sukuk by Indonesia demonstrates the nation's understanding of the importance of the oceans to its ecosystem, economy, and culture. The program places Indonesia as a leader in fusing Islamic finance with environmental stewardship and supports international efforts to meet sustainable development goals. As the Blue Sukuk takes off, it may encourage other coastal countries dealing with comparable issues to look at creative financing options for marine conservation. The convergence of Islamic finance and blue investments indicates a heightened consciousness of the necessity of sustainable and varied methodologies to tackle urgent environmental concerns.

The year 2022 was a momentous occasion in Indonesian history when Badan Wakaf introduced the Green Waqf program, a ground-breaking endeavour to utilize the waqf idea to promote ecological balance and sustainability (United Nations Development Programme, 2022). Islamic philanthropy dates back centuries, and waqf entails donating assets for good causes. This long-standing practice is being brought into environmental conservation by the Green Waqf program, which emphasizes the mutually beneficial effects of ecological well-being and favorable social and economic outcomes. The Green Waqf initiative, spearheaded by Badan Wakaf, is an innovative combination of Islamic values and modern environmental issues (United Nations Development Programme, 2022). Using waqf assets for environmental objectives adds a fresh perspective to the conventional idea and acknowledges the urgent need to deal with environmental problems in the contemporary world. With its alignment with the worldwide need for sustainable development, this effort represents a paradigm leap in applying Islamic generosity.

The Green Waqf initiative aims to strategically use waqf assets to support programs that maintain ecological balance. These programs include planting new trees, protecting biodiversity, and implementing sustainable farming methods. Badan Wakaf aims to make a lasting impact on the environment and secure the welfare of present and future generations by allocating waqf funds to environmental concerns. The relationship between social welfare, economic progress, and environmental sustainability is highlighted in this ground-breaking work by Badan Wakaf. By tackling the underlying causes of environmental problems, the Green Waqf project goes above and beyond ordinary philanthropic activities. It acknowledges that communities' prosperity and well-being largely depend on a healthy environment, making environmental protection a crucial component of philanthropy.

Furthermore, the Green Waqf initiative's effects on society and the economy go beyond environmental ones. The program supports sustainable practices, which improves livelihoods and community resilience. For instance, waqf fund investments in sustainable agriculture can improve food security and open up business opportunities for nearby people. This strategy is in line with the larger objectives of Islamic finance, which places a strong emphasis on the value of moral and socially conscious financial operations. The Green Waqf concept was introduced by Badan Wakaf, whose leadership sets an example for other Islamic charitable organizations worldwide. The program demonstrates how Islamic traditions can be modified to meet changing societal requirements and acts as an inspirational model for fusing Islamic ideals with modern issues. It emphasizes how waqf can go beyond its traditional function and develop into an effective instrument for good in the face of challenging environmental problems.

The Green Waqf initiative's success will probably spur more research into cutting-edge methods of Islamic philanthropy as it develops. Incorporating environmental concerns with waqf assets as well as through technology such as blockchain (Aysan & Al-Saudi, 2023: 322) shows a dedication to environmental care and reaffirms the importance of Islamic customs in advancing global sustainability objectives.

Failures of Islamic Economics

Numerous obstacles prevent Islamic Economics from fully realizing its potential and integrating into the world economy. The glaring lack of an appropriate and thorough application of Islamic Economics concepts globally is one of the main challenges. Instead of functioning as a separate and autonomous system, Islamic Economics is frequently confined to a small portion of the larger conventional economy (Salleh, 2011: 20). A significant obstacle to the smooth assimilation of Islamic economic principles is the well-established global domination of traditional economic frameworks, highlighted by this improper execution. The extent to which Islamic Economics can influence policy is limited by the friction it causes between the established norms of conventional economic systems and its core principles of wealth sharing, interest-free financing, and ethical investing.

One such difficulty is that Islamic Economics needs to pay more attention to environmental policies. Though the urgent need for ecologically friendly and sustainable economic practices is becoming more widely recognized, Islamic Economics has yet to distinguish itself in ground-breaking policymaking. Instead, following the appropriate modifications, environmental regulations in Islamic Economics frequently appear to be integrated into the frameworks created by conventional economies. There is a gap in the Islamic worldview when addressing essential concerns like resource depletion, biodiversity loss, and climate change since Islamic Economics needs a proactive and clear environmental goal. Policies that promote environmental sustainability and conform to Islamic economic principles must be developed and implemented to close this gap. These policies should also align with the larger objectives of global ecological conservation.

In addition, compared to Environmental Economics' scientific accomplishments, Islamic Economics has a limited research and academic advancement. While there has been a discernible increase in literature exploring Islamic economics, it still needs more depth and sophistication to compete with Environmental Economics' scientific accomplishments. The latter has made a name for itself as a strong and developed field whose vast body of study aids in our comprehension and mitigation of environmental problems. On the other hand, more thorough and specialized study is still needed in Islamic Economics to develop a sizable body of knowledge. Islamic Economics can grow into a discipline that can solve modern economic issues within an Islamic framework by promoting interdisciplinary studies, boosting academic collaboration, and improving research activities.

As Furqani (2015: 80) notes, opponents of Islamic Economics exacerbate the problems by seeing it as nothing more than the "Islamization" of conventional economics. This critique implies that Islamic Economics in its current form can be seen as shallow or derivative rather than providing a different economic worldview. These viewpoints highlight how crucial it is to clarify and explain what makes Islamic economic concepts unique, showing how they offer a solid and distinct basis for economic systems. To overcome this criticism, Islamic economic theories and practices must be articulated more thoroughly and nuancedly, highlighting their innate advantages and contributions to meeting societal requirements.

Comparison between Islamic Economics and Environmental Economics

Despite having different areas of focus, Islamic and environmental economics have a lot in common that highlights how they both aim to address moral issues, advance environmental values, and deal with emergencies. A bare resemblance between them is their dedication to tackling ethical dilemmas frequently disregarded in traditional economic models. Recognizing the significance of moral factors in economic decision-making, Islamic and Environmental Economics work to integrate moral ideals and principles into their respective paradigms. Sharia law and Islamic tenets are the foundation of ethical concerns in Islamic Economics. Within the Islamic economic framework, the prohibitions against interest (riba), speculating (gharar), and unfair exploitation serve as fundamental guidelines for economic activity. By coordinating economic activity with more general ethical principles in Islamic teachings, Islamic Economics' moral underpinning seeks to promote societal welfare, economic justice, and fairness. Comparably, environmental economics raises ethical issues by highlighting the environment's inherent value and the moral obligation to save it for current and future generations. This ethical position promotes a more inclusive assessment of the environment's intrinsic worth, challenging the anthropocentric viewpoint that only places a premium on human well-being.

The two disciplines also aim to promote environmental values in economic frameworks. Islamic economics naturally encourages sustainable and ecologically friendly methods, although its main focus is on moral economic behavior dictated by Islamic teachings. Muslim teachings strongly emphasize conservation and sound resource management through ideas like the stewardship (Khalifah) of the Earth and the prohibition of wastefulness (Israf). Contrarily, environmental economics clearly emphasizes integrating environmental factors into financial decisions. By valuing environmental goods and services to represent their genuine costs and benefits, it aims to internalize externalities. Islamic Economics and Environmental Economics aim to promote economic systems that align with ecological sustainability by incorporating environmental principles.

Furthermore, many professions have developed or attracted new attention in reaction to crises brought on by flaws in the current economic structures. The problems presented by the global financial crisis and the perceived shortcomings of traditional economic systems have led to a renaissance of Islamic Economics. The focus on fair wealth distribution, the interest-free character of Islamic finance, and the ban on speculative activities all speak to potential remedies for the systemic problems that the global financial crisis brought to light. Similarly, environmental economics has become more well-known in reaction to the growing environmental crisis, which includes resource depletion, biodiversity loss, and climate change. The area aims to solve the shortcomings of conventional economic models, which frequently need to pay more attention to the effects of economic activity on the environment. Therefore, environmental and Islamic economics offer flexible solutions to today’s problems by providing different viewpoints and conceptual frameworks that lessen the effects of structural flaws.

The fields differ in their principal objectives and methodology, even with these commonalities. Islamic Economics is applying Islamic law and principles to economic activities, focusing on social justice, equitable distribution of wealth, and compliance with Sharia law. Islamic economics is founded on moral principles that influence economic activity by moral standards. Environmental Economics, on the other hand, is primarily concerned with how the environment influences economic decisions. It integrates ecological factors into economic policies and decision-making processes using environmental valuation, market-based instruments, and cost-benefit analysis.

Environmental economics and Islamic economics differ significantly in their primary focus areas, global acceptance, policy relevance, application, and the levels at which they function within social structures, even though they share similar ethical considerations and crisis response strategies. The scope of consideration is a critical area of contrast between Islamic and Environmental Economics. The former covers various economic activities, including capital markets, banking, and accounting, while the latter focuses on environmental issues. According to Khairunnisa and Sari (2022), Islamic Economics is influenced by Sharia law and Islamic beliefs and extends to many facets of economic life. Environmental Economics, on the other hand, focuses primarily on comprehending and reducing the environmental effects of economic activity.

These two professions are not widely accepted worldwide; environmental issues have dominated the global agenda for years. As seen in 2017 by the implementation of ESG guidelines in Qatar, environmental economics has garnered extensive attention and advocacy at many international stages, including COP 28 in the UAE, which incorporates environmental, social, and governance (ESG) scores for corporations. The global emphasis on environmental issues results from a deliberate attempt to solve urgent problems like biodiversity loss and climate change. Conversely, although gaining momentum, Islamic Economics has yet to attain the same degree of global recognition. Even in Islamic Economics, the adoption of sustainability measures is frequently impacted by the unique circumstances of Islamic nations and their dedication to integrating moral and environmental factors into economic operations.

For many years, regional and global governing organizations have focused on environmental economics as a critical policy relevance and implementation area. Since the 1980s, reputable organizations such as the Organisation for Economic Cooperation and Development (OECD) have been actively involved in environmental economics, helping to shape guidelines and policies that tackle environmental issues globally. By founding the European Environmental Agency in 1993, the European Union (EU) further demonstrated its dedication to environmental economics. The aforementioned institutional endeavors highlight the importance of Environmental Economics in creating policies with extensive ramifications. In contrast, Islamic Economics frequently functions at the governmental level despite incorporating environmental policies. In this perspective, the efficient implementation of Islamic law requires cooperation between communities and institutions. The distinct qualities and difficulties present in every economic framework are reflected in the variations in how policies are applied.

There are differences in the socioeconomic frameworks at which Islamic and Environmental Economics function. Islamic economics is primarily established at the governmental level, meaning that to apply Islamic laws and values, authorities must be actively involved and support them. It stands for an all-encompassing perspective that aims to influence laws and regulations to shape economic behaviors at the macro level. On the other hand, environmental economics has shown its influence on both the state and individual levels. Environmental economics advocates an individualistic approach, as is demonstrated by the development of carbon footprint calculators. By enabling users to track their carbon footprints, these calculators motivate them to take actions that lessen their environmental impact. This influence at the individual level demonstrates how environmental economic concepts are flexible and successful, going beyond institutional or governmental compliance.

Conclusion

Comparing Islamic and Environmental Economics in the fight against environmental concerns shows that Islamic Economics is less adept at handling environmental intricacies than Environmental Economics is. Several essential elements support this claim. First and foremost, environmental economics is primarily concerned with comprehending and incorporating environmental factors into economic activity. This focus point makes A more sophisticated approach possible, considering the broader ecological effects of economic actions. Additionally, a significant factor has been the global recognition of environmental economics as a legitimate field of study in economics. Its methods and guiding concepts are widely acknowledged, which has promoted international collaboration and the creation of group plans to address environmental problems globally. Environmental economics' policy relevance and real-world application have mainly shaped effective environmental conservation techniques. Impactful rules and incentives to support sustainability have been implemented due to the field's emphasis on creating policies that internalize environmental costs and benefits. Finally, the difference in the influence scale is significant. Environmental Economics takes a more individual-centric stance, whereas Islamic Economics typically functions at the governmental level. Because it is decentralized, environmental economics may penetrate many facets of society and promote sustainable habits from the bottom up.

Fundamentally, environmental economics' ability to involve people in sustainable activities, broad acceptance, policy relevance, and holistic focus make it successful in tackling environmental issues. Although acknowledging the moral basis of Islamic finance, it is clear that Environmental Economics has become a more adaptable and worldwide framework for promoting business practices that align with environmental conservation. The results obtained from this comparative research highlight the significance of a multifaceted approach that integrates ethical ideals with workable, internationally recognized measures for a sustainable future as the globe continues to struggle with mounting environmental issues.

Overall, the paper concludes by affirming that Environmental Economics has established a more comprehensive and globally recognized framework for addressing environmental challenges compared to Islamic Economics. Despite Islamic Economics' innovative contributions, such as green sukuk, blue sukuk, and the Green Waqf initiative, which align financial practices with environmental sustainability within Sharia principles, it faces challenges in global integration and environmental policymaking. Environmental Economics, with its successful application of Environmental Cost-Benefit Analysis, policy influence through the Sustainable Development Goals (SDGs), and Environmental, Social, and Governance (ESG) assessments, demonstrates a broader acceptance and impact on global environmental conservation efforts. The paper advocates for a multilayered approach that merges the ethical underpinnings of Islamic Economics with the practical, recognized strategies of Environmental Economics to forge a sustainable future. This approach underscores the importance of integrating ethical values with comprehensive, actionable measures to address the escalating environmental issues confronting the global community.

The research, while comprehensive in its comparative analysis of Environmental and Islamic Economics, encounters limitations, notably in its breadth of case studies and empirical data to substantiate the effectiveness of the discussed financial instruments and policies. The paper primarily relies on theoretical frameworks and qualitative assessments, which may not fully capture the practical outcomes and societal impacts of these economic models. Future studies could address these limitations by incorporating quantitative analyses, broader geographical case studies, and longitudinal data to evaluate the long-term sustainability and economic impacts of green and blue sukuk, the Green Waqf initiative, and other environmental policies within different economic contexts. Additionally, exploring the potential for integrating Environmental and Islamic Economics principles could offer innovative solutions to environmental challenges. Investigating the role of technology in enhancing the efficacy of these economic models and their adaptability to changing environmental and economic conditions could further contribute to the development of a more holistic approach to sustainable economic practices.

. Contribution Rates and Conflicts of Interest

Ethical Statement	It is declared that scientific and ethical principles have been followed while carrying out and writing this study and that all the sources used have been properly cited
Author Contributions	
Data Collection	No data collection.
Data Analysis	No data analysis
Research Design	AFA (40%), MC (30%), UNK(30%)
Writing the Article	AFA(30%), MC (40%), UNK(30%)
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Complaints	journalbalkan@gmail.com
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