

## **Governing the Market through Fatwa: The Political Economy of the Indonesian Ulema Council's Fatwa on the Prioritization of Domestic Products**

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**ABSTRACT:** *Studies on the Indonesian Ulema Council's fatwas have continued to expand; however, they rarely conceptualize fatwas as instruments of hybrid regulation operating within the political economy of the modern nation-state and functioning as soft law with the capacity to shape market dynamics. In particular, Fatwa No. 14/Ijtima' Ulama/VIII/2024 on the Priority Use of Domestic Products—together with its maqāṣid al-sharī'ah (the objectives of Islamic law) foundations and its political-economic implications within the framework of Indonesian economic nationalism—has received limited scholarly attention. This study addresses this gap by analyzing the fatwa as a model of ijtihād in Islamic economic governance that integrates maqāṣid al-sharī'ah and the political economy of religion within a unified analytical framework. Employing a qualitative socio-legal methodology, this research conducts close reading and thematic coding of the official fatwa text, relevant regulations promoting domestic products, and pertinent academic literature. The study demonstrates that the fatwa explicitly links the prioritization of domestic products to ḥifẓ al-māl (the protection of wealth), maṣlaḥah 'āmmah (public welfare), and economic sovereignty, thereby reconstructing consumption at the normative level from a neutral individual preference into a collective moral obligation. Within this framework, the fatwa functions as non-state soft law that symbolically directs market preferences toward local producers, distributes symbolic capital to aligned economic actors, and supports the state's economic nationalism agenda, while simultaneously leaving unresolved risks related to symbolism, structural inequality, and ethical blind spots. This study offers a conceptual lens for understanding fatwas as instruments of Islamic economic governance that mediate between sharia norms, state policy, and market dynamics in contemporary Indonesia.*

Kajian tentang fatwa Majelis Ulama Indonesia terus berkembang, namun masih jarang menempatkan fatwa sebagai instrumen regulasi hibrid yang bekerja dalam ekonomi politik negara-bangsa modern dan berfungsi sebagai *soft law* yang berpotensi mengarahkan dinamika pasar. Secara khusus, Fatwa No. 14/Ijtima' Ulama/VIII/2024 tentang Prioritas Penggunaan Produk Dalam Negeri beserta landasan *maqāṣid al-sharī'ah* dan implikasi politik-ekonominya dalam kerangka nasionalisme ekonomi Indonesia belum mendapatkan perhatian para peneliti. Oleh karena itu, studi ini mengisi celah tersebut dengan menganalisis fatwa tersebut sebagai model *ijtihād* tata kelola ekonomi Islam yang mengintegrasikan *maqāṣid al-sharī'ah* (tujuan-tujuan

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hukum Islam) dan *political economy of religion* dalam satu kerangka analitis. Dengan metodologi kualitatif *socio-legal*, penelitian ini melakukan *close reading* dan pengodean tematik atas teks resmi fatwa, regulasi terkait promosi produk dalam negeri, dan literatur akademik yang relevan. Studi ini menunjukkan bahwa fatwa secara eksplisit mengaitkan prioritas produk domestik dengan *hifz al-māl* (menajaga harta), *maṣlaḥah ʿāmmah* (kemaslahatan umum), dan kedaulatan ekonomi, sehingga konsumsi direkonstruksi dari preferensi individual yang netral menjadi kewajiban moral kolektif pada level normatif. Dalam kerangka tersebut, fatwa berfungsi sebagai *soft law* non-negara yang secara simbolik mengarahkan preferensi pasar ke produsen lokal, mendistribusikan symbolic capital bagi pelaku usaha yang selaras, serta menopang agenda nasionalisme ekonomi negara, sembari menyisakan risiko simbolisme, kesenjangan struktural, dan *blind spot* etis. Studi ini menawarkan lensa konseptual untuk memahami fatwa sebagai perangkat *Islamic economic governance* yang memediasi norma syariah, kebijakan negara, dan dinamika pasar Indonesia kontemporer.

**Keywords:** *MUI Fatwa, Maqāṣid al-Sharīʿah, Political Economy of Religion, Domestic Products, Islamic Economic Governance.*

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## I. INTRODUCTION

In recent years, discourse surrounding the strengthening of domestic products and economic self-reliance has reemerged prominently within Indonesian public policy (Dahliah et al., 2020). The government has introduced a range of programs and regulations aimed at encouraging preferences for domestic products (Rozi et al., 2023). However, their effectiveness depends largely on the extent to which society is willing to alter consumption behavior (Kartikasari, 2025). In this context, non-economic factors—such as values and religious authority—play a significant role in shaping consumer behavior (Abutaleb et al., 2021; Aglozo & Cohen, 2025; He et al., 2021). Recognizing this dynamic, Muslim scholar convened under the Indonesian Council of Ulama (*Majelis Ulama Indonesia / MUI*) at the Eighth *Ijtima' Ulama* of the Fatwa Commission in Bangka Belitung, Indonesia, in 2024 and issued a fatwa on the priority use of domestic products as a form of support for Indonesia's economic self-reliance agenda (A. N. Sholeh, 2024). This article examines that fatwa to explain how religious authority operates as an instrument of market regulation and to explore its implications for the relationship among religion, the state, and the economy in contemporary Indonesia.

This article focuses on two core dimensions embedded in the fatwa: the construction of *maqāṣid al-sharīʿah* and its political-economic function. On the one hand, the fatwa explicitly links the prioritization of domestic products to the objective of protecting wealth (*hifz al-māl*), articulated in the form of national economic self-reliance, as an integral component of *maqāṣid al-sharīʿah* (the objectives of Islamic law) (Esen & Esen, 2019; Güney, 2024; Hashem, 2024). On the other hand, this normative choice carries practical implications for consumption behavior, the positioning of domestic producers, and the broader agenda of economic nationalism, making it analytically relevant through the lens of the political economy of religion (Ensminger, 1994; Kuran, 1994). By centering the analysis on these two dimensions, the article seeks to elucidate

how religious arguments are articulated and operationalized in market regulation. This dual approach enables a more comprehensive reading of the fatwa, not merely as a legal text but also as an institutional intervention in the distribution of resources. The selection of these analytical variables responds to the need for studies that bridge normative Islamic legal discourse with research on economic policy and market behavior.

Previous studies on the Indonesian Ulema Council's fatwas have generally emphasized the institution's role in issuing fatwas on creed (*'aqidah*) (Alnizar et al., 2022; Mariani, 2013), zakat (E. Kurniawan, Ahmad, et al., 2025; Mufid & Muhammad, 2023), vaccines (Amin et al., 2024; Sudarsono et al., 2024), cryptocurrency (Faizi, 2023; Sanuri, 2025; M. A. N. Sholeh, 2022), the politics of fatwas (Hakim et al., 2023), insurance (Syihabudin et al., 2025), e-commerce (Sanuri et al., 2025), and related issues. This body of literature typically interprets fatwas as normative responses to social, economic, and technological challenges or as manifestations of religious authority in the public sphere. However, the role of fatwas as mechanisms that actively shape consumption preferences and intervene in market dynamics—particularly in the context of economic nationalism—has received limited scholarly attention. Meanwhile, studies on the prioritization of domestic products have developed within the fields of public policy, economic development, and creative industries, yet they often overlook the role of religious authority and fatwas as sources of normative legitimacy and instruments of market regulation (Mahrinasari et al., 2024; Saragih et al., 2024; Wardhono et al., 2021).

This study seeks to address that gap by examining the MUI fatwa on the priority use of domestic products as more than a normative exhortation, namely as an instrument that actively shapes market behavior and consumption preferences. Through an integrated reading grounded in *maqāṣid al-sharī'ah* and the political economy of religion, the study traces how normative arguments concerning *hifẓ al-māl* (the protection of wealth) and *maṣlaḥah 'āmmah* (public welfare) are not only discursively constructed but also operationalized to guide societal consumption choices and support the state's economic nationalism agenda. This approach enables a more precise analysis of the transformation of fatwas from purely legal-religious texts into market-shaping mechanisms that generate collective moral obligations and redirect demand toward domestic producers.

Accordingly, the novelty of this study lies in its effort to bridge the literature on MUI fatwas and research on domestic product policy through an analytical framework that situates fatwas within economic governance. The central argument advanced here is that, through this fatwa, MUI not only reaffirms its normative commitment to *maqāṣid al-sharī'ah* but also operates as a moral co-governor that participates in regulating the distribution of legitimacy, symbolic incentives, and market orientation within contemporary Indonesian economic life.

To substantiate this argument, the study begins by interpreting the fatwa as a manifesto of economic sovereignty that transforms consumption preferences from individual choices into collective ethical obligations. It then proceeds to analyze the shift in fiqh from the regulation of transactions toward public policy-oriented fiqh through the framework of *maqāṣid al-sharī'ah*. Subsequently, the study examines how the fatwa operates as soft law that guides consumption behavior, influences producer strategies, and supports the state's economic nationalism agenda, before synthesizing these findings to affirm the role of fatwas as instruments of governing the market that bridge sharia norms, state policy, and market dynamics in Indonesia.

## II. METHOD

This study employs a qualitative research design using a socio-legal approach combined with the perspective of the political economy of religion. The socio-legal approach is used to examine the fatwa not merely as a normative legal text, but also as a social artifact that emerges and operates within specific institutional, political, and economic contexts. At the same time, the political economy of religion perspective—referring primarily to the framework developed by Robert J. Barro and Rachel M. McCleary—is employed to analyze how religiosity, religious institutions, state policy, and market actors interact in shaping economic behavior. Within this context, the fatwa on the priority use of domestic products is positioned as the principal unit of analysis, both in terms of its normative construction and its function as soft law regulating the market. By integrating these two approaches, the study moves beyond textual description toward an analysis of how Islamic legal discourse participates in governing the market (Barro & McCleary, 2003; McCleary & Barro, 2006).

The research data are obtained primarily through document analysis of the official text of Fatwa No. 14/Ijtima' Ulama/VIII/2024 on the Priority Use of Domestic Products. The fatwa text is examined in its entirety together with the preambular considerations, annexes, and background explanations contained in the official documentation of the Eighth *Ijtima' Ulama* of the Fatwa Commission. In addition, relevant academic literature on fatwa studies, *maqāṣid al-sharī'ah*, and the political economy of religion in Indonesia as well as in the broader Muslim world is used as a theoretical foundation and comparative reference. The combination of these sources constitutes a data corpus that enables integrated normative and contextual analysis supported by source triangulation.

Analytically, the study proceeds through close reading and thematic coding of the fatwa text and related documents. The first stage involves identifying and categorizing key concepts, patterns of argumentation, and legal formulations into themes such as import dependence, economic sovereignty, public welfare, and religious obligation; coding is conducted manually and iteratively to ensure categorical consistency. The second stage interprets these themes within the framework of *maqāṣid al-sharī'ah* (A. Kurniawan et al., 2025; E. Kurniawan, 2018; E. Kurniawan, Mustaniruddin, et al., 2025), with a particular focus on *ḥifẓ al-māl* (the protection of wealth) and *maṣlaḥah 'āmmah* (public welfare) at the collective and national levels. The third stage employs analytical tools from the political economy of religion as developed by Barro and McCleary to map how the fatwa functions institutionally within state–religion–market relations and to infer its potential effects on patterns of consumption and production (Barro & McCleary, 2003; McCleary & Barro, 2006). Throughout the analytical process, attention is paid to internal coherence, interpretive traceability, and consistency with existing theoretical debates, alongside reflexive awareness of the researcher's positionality within Indonesia's socio-religious context. This study explicitly acknowledges its limitations, as it relies primarily on textual and discursive analysis without direct empirical measurement of changes in consumer behavior or business strategies, thereby opening avenues for future quantitative or mixed-methods research.

### III. RESULT AND DISCUSSION

#### **The Fatwa on the Priority Use of Domestic Products as a Manifesto of Economic Sovereignty**

Fatwa No. 14/Ijtima' Ulama/VIII/2024 on the Priority Use of Domestic Products was issued by the Indonesian Council of Ulama (MUI) in the forum of the *Ijtima' Ulama* of the Fatwa Commission of Indonesia as a response to a strategic national issue in the economic sphere. Its position within the official documentation indicates that the prioritization of domestic products is not understood merely as a technical matter, but has been elevated to the level of a national religious agenda collectively endorsed by religious authorities (A. N. Sholeh, 2024).

The fatwa's argumentation is constructed through a series of considerations that highlight structural dependence on imports across various sectors of basic necessities, a condition perceived as weakening national economic self-reliance and eroding the foundations of domestic production. Such dependence is also viewed as contributing to the deterioration of the nation's "agrarian habitat," both in terms of food production and broader socio-economic dimensions. Moreover, the fatwa emphasizes that Indonesia's economic challenges cannot be separated from weak policy alignment with grassroots economic sectors and from ethical problems in the political conduct of those who hold power. In this sense, prioritizing domestic products is framed as a collective ethical obligation aimed at safeguarding national economic sovereignty (A. N. Sholeh, 2024).

In the annex section, the fatwa reinforces this normative framework by positioning support for national industry as an endeavor aligned with the objectives of *shari'ah* in realizing public welfare. Strengthening domestic production structures is deemed essential for enabling the nation to withstand pressures from global markets, while simultaneously creating employment opportunities and improving public welfare. Through this framing, the choice of domestic products is no longer merely an individual consumption preference, but a form of social commitment imbued with religious value. The fatwa thus functions as a bridge between the objectives of sharia and the broader project of national economic self-reliance (A. N. Sholeh, 2024).

Furthermore, the fatwa underscores that national dignity and sovereignty are deeply dependent on the capacity for self-reliance in strategic sectors, particularly food, energy, and natural resources. Dependence on imports is portrayed as a serious threat, even as a new form of economic colonialism. This position is articulated explicitly in the statement that:

"The lack of sovereignty over Indonesia's natural resources and energy sectors is tantamount to continuing colonialism from the era of hot wars into the era of economic and cultural domination" (A. N. Sholeh, 2024).

This formulation illustrates how the fatwa conceptualizes economic sovereignty not merely as a technocratic objective, but as an integral component of national honor. Accordingly, the *Ijtima' Ulama* emphasizes the necessity of firm political ethics and economic policies that clearly favor national self-reliance.

The spirit of love for the homeland is also positioned as a moral foundation for prioritizing domestic products. Although the wording of the fatwa is primarily addressed to the state and officeholders, the normative logic employed allows for an understanding that the consumption practices of the Muslim community are likewise part of national responsibility. Choosing domestic products—provided they meet sharia

standards and quality requirements—is regarded as preferable because it strengthens national industry and creates employment opportunities. In this way, everyday consumption behavior acquires a religious significance that extends beyond purely utilitarian considerations (A. N. Sholeh, 2024).

The fatwa further links economic self-reliance to the principle of national independence, particularly the idea of “standing on one’s own feet.” Dependence on imports is understood as a deviation from this principle. Consequently, the fatwa emphasizes the importance of utilizing domestic resources, maintaining national ownership within industrial structures, and prioritizing domestic labor. In this regard, the fatwa advances concrete policy recommendations, as reflected in its explicit call upon the state:

“To urge the state, using available instruments, to immediately build and develop national economic self-reliance by using national products that employ domestic raw materials, ensuring that company shares are not majority-owned by foreign interests, and utilizing national labor” (A. N. Sholeh, 2024).

This passage demonstrates that the fatwa extends beyond moral guidance, also serving as an instrument of legitimacy for policies aimed at achieving economic self-reliance.

Accordingly, the fatwa on the priority use of domestic products can be understood as a form of moral consolidation and religious articulation of a national economic agenda that had already been developing. The fatwa provides a value-laden language that bridges the technical terminology of policy with the religious consciousness of the Muslim community. By framing the issue of self-reliance in terms of justice, public welfare, and national honor, MUI contributes to the internalization of the state’s economic agenda into the everyday lives of citizens. It is this positioning that allows the fatwa to be understood not merely as a product of normative fiqh, but as an instrument of market regulation and resource distribution within the framework of the political economy of religion and the broader project of governing the market through fatwas in Indonesia.

### **From Transactional Fiqh to Policy-Oriented Fiqh: A *Maqāṣid al-sharī‘ah* Reading**

This subsection positions the fatwa on the priority use of domestic products not merely as a regulation of individual *mu‘āmalah*, but as a normative construction situated within the domain of economic policy. The fatwa represents an expansion of the scope of fiqh from micro-level transactional relations toward collective economic governance. Within the framework of *maqāṣid al-sharī‘ah*, the fatwa marks a transformation from legalistic fiqh to purpose-oriented fiqh—that is, a form of fiqh that does not stop at assessing the legal validity of individual contracts, but also seeks to shape the formation of economic structures that sustain public welfare. This shift opens space for religious texts to function as instruments guiding public policy. Accordingly, *sharī‘ah* norms are no longer confined to regulating individual actions, but expand into an ethical foundation for the design of the national economic order.

As a consequence of this shift of fiqh toward the realm of public policy, the fatwa’s argumentation begins with a diagnosis of Indonesia’s economic condition. Its point of departure is the identification of a crisis of dependence on imports, which is viewed as having weakened economic sovereignty (Pane & Patunru, 2023; Reviane et al., 2024). This dependence is not read merely as a technical problem, but as a structural threat to national competitiveness and sustainability (Herlinda & Verico, 2023). From the fatwa’s perspective, the economy constitutes a strategic arena of collective struggle.

Accordingly, the strengthening of national industry is positioned as a moral and religious obligation (A. N. Sholeh, 2024), even though the text of the fatwa places greater emphasis on the responsibility of the state as the key actor in realizing such self-reliance. In this way, the *maqāṣid* orientation not only connects *sharī'ah* values to national realities, but also situates industrial policy as an integral component of efforts to safeguard public welfare.

Although the fatwa does not explicitly cite its foundations in the Qur'an, *ḥadīth*, *ijmā'*, or *qiyās* (A. N. Sholeh, 2024), the structure of its argumentation can be read as an attempt to translate *sharī'ah* values into contemporary economic problems through a *maqāṣid*-based approach. Principles such as *ḥifẓ al-māl* (the protection of wealth), *ḥifẓ al-dawlah* (the preservation of the state or sovereignty), and social justice function as substantive orientations shaping the direction of the recommended policies. In this respect, religious legitimacy in the fatwa moves from a symbolic role toward a structural one: religion does not merely provide moral endorsement, but actively guides the orientation of national economic development.

The fatwa's rational argument is further reinforced through empirical analysis of Indonesia's economic conditions, as articulated in the following statement:

"Indonesia is a country rich in natural resources and energy... yet what has occurred is the reinforcement of patterns of dependence on foreign/imported products... the problem lies... in the state's dependence on processing technology sectors... and in the lack of political-economic regulations that favor the people's economy..." (A. N. Sholeh, 2024).

The fatwa also emphasizes its moral and national implications:

"The *Ijtima' Ulama*... constitutes a highly strategic momentum... to restore the dignity of the Indonesian nation by loving domestically produced goods from downstream, through processing, to upstream..." (A. N. Sholeh, 2024).

Within the framework of *maqāṣid al-sharī'ah*, particularly *ḥifẓ al-māl*, these excerpts indicate that dependence on imports poses a direct threat to the nation's ability to safeguard its own resources and wealth. *Ḥifẓ al-māl* requires resource governance that is efficient, self-reliant, and just. When the processing of natural resources is delegated to external actors and domestic industry is not strengthened, economic value leakage occurs, thereby undermining public welfare. Long-term dependence on foreign products and technologies is therefore incompatible with the *maqāṣid* objective that demands autonomy in managing collective wealth.

This understanding represents a further or contextual interpretation of the concept of *ḥifẓ al-māl* within classical *uṣūl al-fiqh* theory. In the *uṣūl al-fiqh* literature—as articulated by scholars such as (al-Juwaynī, 1999)(d. 478 AH), (al-Ghazālī, 1993)(d. 505 AH), (al-Āmidī, 1984)(d. 631 AH), (al-Rāzī, 1997)(d. 606 AH), and (al-Shāṭibī, 1997)(d. 790 AH)—*ḥifẓ al-māl* is primarily understood as the protection of property from theft, within a relatively narrow scope. Consequently, in the modern context, this concept must be expanded and adapted to encompass the protection of wealth in its various contemporary forms, as has been undertaken by many contemporary Muslim scholars and thinkers see (al-Fāsī, 1993; Al-'Alwānī, 1991, 1995; Al-Qaraḍāwī, 1999; Al-Raysūnī, 1992, 2013; Auda, 2008, 2010; Ibn 'Āshūr, 2006; Kamali, 2003, 2008).

The second part of the quotations above further underscores the practical implementation of *ḥifẓ al-māl* through the strengthening of national industry. The fatwa

does not stop at moral exhortation, but articulates economic self-reliance through three structural elements: the use of domestic raw materials, national ownership that is not majority-controlled by foreign interests, and the utilization of domestic labor. This is clearly stated in the fatwa's explicit recommendation:

"To urge the state... to build and develop national economic self-reliance... by using national products made from domestic raw materials, ensuring that company shares are not majority-owned by foreign parties, and employing national labor" (A. N. Sholeh, 2024).

This threefold formulation provides a concrete definition of economic self-reliance as envisioned by the fatwa. It targets not only consumption behavior, but also industrial structures and ownership patterns. Accordingly, love for domestic products is not merely a symbolic preference, but part of a sharia strategy to ensure that national wealth remains under the control of the nation and is directed toward public welfare.

Taken as a whole, the construction of this fatwa demonstrates a paradigmatic shift from transactional fiqh to public policy-oriented fiqh. Fiqh no longer focuses solely on the validity of individual contracts, but becomes an ethical framework for designing a collective economic order. The fatwa emerges as a normative instrument that guides market behavior through religious legitimacy. In this way, the authority of the *'ulamā'* enters the space of economic policy formulation not as a competitor to the state, but as a producer of moral legitimacy that reinforces the state's strategic orientation toward self-reliance. The relationship between religion and the state in this context forms a normative symbiosis that aligns the objectives of public welfare with the direction of national development. Within this configuration, *maqāṣid al-sharī'ah* functions as a theory of Islamic public policy that provides a value-based framework for national economic governance.

### **Governing the Market: The Political Economy of MUI**

Building on a *maqāṣid al-sharī'ah* (the objectives of Islamic law) reading that positions the fatwa on the priority use of domestic products as an expansion from transactional fiqh to economic policy-oriented fiqh, the subsequent question concerns how this normative construction operates within the market arena. At this juncture, the political economy of religion perspective becomes essential for understanding the fatwa not merely as an ethical exhortation, but as an instrument of market regulation grounded in religious authority. The fatwa plays a role in directing consumption orientations, influencing producer strategies, and reinforcing the state's agenda of economic self-reliance. This dynamic underscores the role of Islamic law as a normative framework through which religious authority responds to global economic pressures and the social consequences of international markets (Luhuringbudi et al., 2025).

Although the fatwa does not impose explicit obligations on individuals, it emphasizes the importance of "loving domestic products from downstream, through processing, to upstream... so that they are able to compete in the global market" (A. N. Sholeh, 2024). This statement constructs a moral horizon within which the consumption of local products acquires religious and national significance. As a result, the consumption preferences of the Muslim community shift from considerations based solely on price and quality toward value-based considerations. This reorientation transforms consumption from a neutral economic activity into an action framed by ethical obligation. Such indirect moral pressure encourages Muslim consumers to favor domestic products.



This dynamic is consistent with the findings of (Nasir, 2022), who shows that Muslim consumption ethics form part of a broader current of religious resurgence that encourages believers to interpret economic activities through a moral framework. This perspective is reinforced by Aglozo & Cohen (2025), who argue that religious values shape consumer preferences through moral orientations rooted in religious teachings. Moreover, the study by (Lai et al., 2025) demonstrates that such religious values not only influence individual decision-making, but can also be leveraged by brands to build emotional resonance with consumers, particularly when religious identity becomes a salient factor in the decision-making process.

The influence of the fatwa, however, does not stop at the level of consumers. At the producer level, the fatwa defines economic self-reliance through three elements: the use of domestic raw materials, ownership structures that are not majority-controlled by foreign interests, and the utilization of national labor. This is clearly articulated in the call to “build and develop national economic self-reliance... by using national products made from domestic raw materials... and national labor” (A. N. Sholeh, 2024). This formulation encourages producers to adjust supply chains and business strategies in order to align with religious and nationalist values, indicating that the fatwa also shapes change on the supply side through the reconfiguration of production strategies and corporate identities.

This finding aligns with Awass (2019) argument that fatwas function as mechanisms of re-embedding, reintegrating economic activity within the ethical framework of Islam. Through his study of fatwas issued by the International Islamic Fiqh Academy (IIFA) on *ṣukūk*, Awass demonstrates how the moral constraints articulated in fatwas can intervene in instrument design, business processes, and market practices by excluding speculative elements and unethical conduct. In this sense, the fatwa on national economic self-reliance may be understood as part of a broader trend in which religious authority reshapes producer orientations and encourages the reorganization of supply chains, ownership structures, and business identities in accordance with religious and nationalist imperatives.

Within the framework of the political economy of religion, as articulated by Barro and McCleary, religion is not merely shaped by economic structures, but actively participates in forming societal economic preferences and orientations (Barro & McCleary, 2003; McCleary & Barro, 2006). This is evident in the MUI fatwa, which—similar to the dynamics of re-embedding described by Awass (2019)—functions to configure the market by providing moral legitimacy for particular economic practices. In this way, religion does not operate as a passive reflection of material conditions, but as an institutional force that creates new incentive structures and directs the allocation of economic resources in accordance with values deemed legitimate.

Ultimately, the fatwa on the priority use of domestic products emerges as a mechanism that mobilizes consumption, generates normative incentives for producers, and reinforces the state’s agenda of economic self-reliance. Its effectiveness, however, is shaped not only by the moral legitimacy it provides, but also by material factors such as the competitiveness of local products, industrial capacity, and the consistency of state policies in supporting this orientation. By reading the fatwa through the lens of the political economy of religion, it becomes evident that it operates not merely as an ethical appeal, but as an instrument that links religious interests, public policy design, and market dynamics—a linkage that opens space for moral regulation of the economy

while simultaneously revealing the structural constraints that continue to define its scope of action.

### **Fatwa, *Maqāṣid*, and Political Economy**

As a concluding synthesis of the preceding analyses, it is necessary to bring together the *maqāṣid al-sharīʿah* (the objectives of Islamic law) reading with the framework of political economy. While the earlier sections demonstrated how the fatwa on the priority use of domestic products is formulated through *maqāṣid*-based values and how it operates in shaping consumption behavior and state–market relations, this subsection examines both dimensions simultaneously. In doing so, the fatwa can be understood as an instrument that combines sharia legitimacy with a structural role within the national economic landscape.

Within this framework, *maqāṣid al-sharīʿah* provides the normative foundation for the agenda of strengthening the national economy as projected through the fatwa. The prioritization of domestic products may be read as an embodiment of *ḥifẓ al-māl* at the collective level—that is, the protection of national wealth from erosion through import dependence. Although the fatwa does not impose direct obligations on the Muslim community, its moral message of “loving domestic products” establishes an ethical horizon that encourages societal support for the national economy insofar as viable local alternatives exist (A. N. Sholeh, 2024). Within the logic of *maṣlaḥah*, the strengthening of domestic industry and the expansion of employment opportunities become integral components of safeguarding the welfare and dignity of the nation (Hariyanto et al., 2023). In this sense, *maqāṣid* functions as a conceptual bridge that unites religious values with national objectives.

At the same time, the political economy of religion framework explains how the fatwa operates as an institutional intervention that influences market configurations. The fatwa addresses not only the level of values, but also the level of structure, for example through its definition of economic self-reliance that emphasizes domestic raw materials, non-foreign majority ownership, and national labor. This formulation does not impose legal compulsion, but it generates a normative orientation capable of shifting demand patterns and affecting producers’ positions in the market. Producers who align themselves with the ethos of economic nationalism gain stronger symbolic resonance, whereas those who do not may lose moral legitimacy in the eyes of Muslim consumers.

At this point of convergence, the integration of *maqāṣid* and political economy becomes evident in the way the fatwa combines two functions: providing ethical justification through *ḥifẓ al-māl* and *maṣlaḥah ʿāmmah*, while simultaneously offering structural direction for consumption and production orientations. The fatwa supplies a value framework, while the state possesses regulatory capacity; together, they reinforce one another in advancing the agenda of economic self-reliance. In this sense, MUI may be understood as an actor that translates the objectives of *sharīʿah* into support for state economic policy without wielding coercive instruments.

Within the context of Islamic economic governance, such a position allows the fatwa to function as soft law that connects the spheres of worship, family life, and public policy. The fatwa does not generate legal obligations, but produces moral obligations that have the potential to mobilize Muslim participation in the national economic agenda (Awass, 2019; Hardiyanto et al., 2023; Mangunjaya & Praharawati, 2019). At the same time, it provides religious legitimacy that strengthens social acceptance of policies favoring

local products. In this way, the fatwa operates as a symbolic binding mechanism between development objectives and religious values.

Nevertheless, it must be noted that this dual function entails both opportunities and limitations. The opportunity lies in the fatwa's capacity to strengthen the domestic industrial base and mobilize support among Muslim consumers. However, the fatwa risks being reduced to empty symbolism if it is not supported by consistent policies, adequate product quality, and enabling economic infrastructure. A gap between normative exhortation and structural reality may undermine the effectiveness of the fatwa as an instrument of economic governance.

Moreover, an excessive emphasis on the "local versus foreign" dichotomy carries the risk of obscuring other ethical issues such as labor justice, transparent governance, and environmental sustainability. Because the fatwa does not explicitly address these dimensions, a critical reading is required to ensure that the agenda of economic self-reliance does not neglect broader ethical concerns within the *maqāṣid* framework. Accordingly, the fatwa should be situated as one component within a more comprehensive architecture of Islamic economic governance.

In conclusion, the synthesis of *maqāṣid* and the political economy of religion in relation to the fatwa on the priority use of domestic products demonstrates that fatwas have the potential to serve as important instruments for guiding values, economic behavior, and policy design. However, their effectiveness depends on structural support and ongoing ethical evaluation to prevent them from devolving into mere instruments of economic propaganda. From this perspective, *maqāṣid* functions as a normative compass, while the political economy of religion provides the analytical tools to understand how that compass operates within the concrete terrain of the market.

#### IV. CONCLUSION

This study demonstrates that the fatwa issued by the Indonesian Council of Ulama (MUI) on the priority use of domestic products frames support for domestic goods as an expression of *maqāṣid al-sharī'ah* (the objectives of Islamic law), particularly through *ḥifẓ al-māl* (the protection of wealth) and an orientation toward *maṣlaḥah 'āmmah* (public welfare) at the collective level. From this perspective, consumption choices are no longer understood as neutral individual decisions, but as actions imbued with religious and national significance. From a political economy standpoint, the fatwa functions as a form of soft law with the potential to shape consumer preference orientations and to provide normative incentives for local producers. In this way, MUI emerges as a significant actor within Indonesia's project of economic nationalism, operating alongside the state through the channel of moral legitimacy.

The synthesis of *maqāṣid* and the political economy of religion developed in this study offers a theoretical contribution by illustrating how fatwas can play a dual role as normative texts and as value-based interventions that influence market configurations without coercive mechanisms. Methodologically, this study underscores the importance of reading fatwas in relation to economic dynamics and state institutions, rather than solely within the frameworks of ritual law or individual ethics. Practically, the findings suggest that fatwas and religious authority can support state policies aimed at strengthening domestic industry, provided that such efforts are accompanied by

regulatory consistency, improvements in the quality of local production, and adequate institutional capacity.

At the same time, this study acknowledges its limitations. The analysis remains primarily text-based and does not empirically test the impact of the fatwa on consumption behavior or business strategies. Accordingly, future research should take the form of empirical studies examining shifts in consumer preferences, responses from micro, small, and medium enterprises (MSMEs) and national industries, and the effectiveness of state–MUI synergy in practice. In addition, comparative studies across Muslim-majority countries would enrich understanding of whether the pattern of governing the market through fatwas represents a phenomenon specific to Indonesia or part of a broader development in contemporary Islamic economic governance. In this way, the present study is intended to provide a theoretical foundation for academic discourse on how fatwas, religion, and the state interact in shaping market orientations and economic policy in the Muslim world.

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