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Principles of Islamic Ethics in Reconstructing Global Supply Chain in the Midst of Geopolitical Crisis

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Abstract

The geopolitical crisis that has hit various parts of the world has caused major disruptions in the global supply chain system, ranging from distribution delays to raw material shortages. High interdependence between countries and economic practices that are solely oriented towards profit also worsen the situation. This article aims to examine how Islamic ethical values can be applied in reconstructing the global supply chain to be more just, stable, and sustainable. With a qualitative approach based on literature studies, it was found that the integration of Islamic ethics in supply chain management can build trust between business actors, strengthen logistics resilience, and create a balance between economic and humanitarian interests. In this context, Islamic ethical principles offer solutions based on moral and spiritual values such as justice (al-'adl), honesty (al-shidq), trustworthiness, and the prohibition of exploitation and fraud (ribadan gharar).

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INTRODUCTION

The global supply chain is an important infrastructure that supports the economic activities of countries. This system enables the efficient production, distribution, and consumption of goods and services through international cooperation (Anwar, M. 2022). However, in recent years, the sustainability of the global supply chain system has faced serious challenges. Logistical disruptions, dependence on certain countries, and imbalances in economic power have shown how vulnerable this system is to external shocks.

Geopolitical crises in the form of wars, trade conflicts, economic sanctions, and global pandemics have further exacerbated supply chain instability. Tensions between countries, such as the Russia-Ukraine conflict, China-US tensions, and the impact of the COVID-19 pandemic, have significantly disrupted distribution and production flows. This has prompted the international community to seek alternative approaches to building a fairer, more resilient, and more sustainable supply chain system.

In this context, Islamic ethical principles offer a framework of values that can be an alternative solution. Islamic ethics emphasizes the values of balance, justice, transparency, and social responsibility in every economic activity, including in supply chain management. Concepts such as honesty (ṣidq), amanah (trust), and prohibition of exploitation can be applied to form a system that is not only economically efficient, but also ethical and just (Bilqis, A. H. 2025).

This study aims to examine how Islamic ethical principles can be implemented in reconstructing the global supply chain amidst the geopolitical crisis. The main focus lies on the application of Islamic values in various stages of the supply chain, from production to distribution, and how these values can strengthen the resilience and justice system as a whole. Thus, this study is expected to be able to contribute to the development of a more humane and sustainable global economic system.

METHOD

This study uses a qualitative method with a library research approach. This approach was chosen because it is relevant to explore Islamic ethical values that are normative and philosophical, as well as to analyze their application in the context of a complex global supply chain system (Rufaida, E. R., Asnidar, A., Novitasari, E., 2024).

The data in this study were obtained through literature searches covering classical Islamic sources, such as the Qur'an, hadith, and works of previous scholars, which discuss the principles of Islamic ethics and economics. This classical literature is used as a normative basis for identifying core values such as justice (al-'adl), honesty (al-shidq), amanah, prohibition of usury and gharar, and the principle of social responsibility.

In addition, this study also reviews various academic journals and contemporary books that discuss Islamic business ethics, sharia economics, and issues in supply chain management. To strengthen the relevance to current conditions, additional data are obtained from industry reports, international organization publications, and global policy analysis related to logistics and international trade amidst the geopolitical crisis.

The analysis is conducted descriptively-analytical, namely by systematically presenting the principles of Islamic ethics, then connecting them to real problems and challenges in the global supply chain system. The goal is to see to what extent these principles can be reconstructed and applied as ethical solutions in facing the ever-changing global dynamics.

RESULT AND DISCUSSION

1. Principles of Islamic Ethics and Their Relevance in Global Supply Chains

Islamic ethics in economics has a strong foundation derived from the Qur'an and Hadith, which emphasize the importance of morality, justice, and social responsibility in all economic activities. In the context of complex global supply chains involving numerous parties across borders, the application of Islamic ethical principles is highly relevant as a foundation for creating a just, transparent, and sustainable system.

a. Justice (*al-'adl*)

Justice, from an Islamic perspective, is a fundamental value that must be upheld in all aspects of life, including economic and trade activities. The Quran and Hadith consistently emphasize the importance of acting justly, both towards individuals, groups, and between nations. Justice is not only related to the distribution of wealth but also encompasses how to interact, make decisions, and formulate policies that do not harm any party (Handayani, L. 2018).

In the context of global supply chains, the principle of justice (al-'adl) demands a proportional distribution of resources. This means that every actor in the supply chain, whether producer, distributor, or consumer, receives equal rights according to their

contribution. This is crucial to prevent the accumulation of unfair profits by one party and the loss or oppression of the other.

Justice also encompasses fair treatment between business partners. In practice, this means rejecting all forms of discrimination, power imbalances, and exploitation, particularly those that frequently occur between developed and developing countries. Countries with strong economies should not use their dominant positions to oppress weaker trading partners. The following are arguments regarding Justice (al-'adl)

***Evidence**: "Indeed, Allah commands (you) to act justly and do good deeds and give to your relatives, and forbids evil deeds, evil and enmity. He teaches you so that you can learn a lesson."(QS. An-Nahl: 90)*

***Meaning**: Allah commands to uphold justice and goodness, and prohibits all forms of evil and injustice.*

Implementing the value of justice in global supply chains will encourage the creation of a more ethical, inclusive, and sustainable trading system. By establishing justice as a foundation, collaboration between nations can be built on a foundation of mutual respect and benefit for all parties, rather than solely based on one-sided interests. This is the crucial contribution of Islamic values to reconstructing a more humane and moral global economic order.

b. Honesty (*al-shidq*) and Transparency

Honesty (al-shidq) is a key principle in Islamic teachings and plays a crucial role in maintaining integrity and trust between business actors. In the context of the global supply chain, honesty extends beyond simply saying the truth; it encompasses honesty in intentions, transactions, product quality, and even reporting business activities. Supply chain actors are required to avoid fraud, data manipulation, and any form of dishonesty that harms other partners (Sudarmanto, E., 2021).

Here are some verses regarding Honesty (al-shidq) and Transparency.

The verse: "O you who believe! Fear Allah and be with the truthful."(Surah At-Taubah: 119)

Meaning: Allah commands believers to always be honest with honest people. "An honest and trustworthy trader will be with the prophets, the truthful (shiddiq), and the martyrs."(Narrated by Tirmidhi)

This principle of honesty is closely related to transparency. Transparency demands openness in every aspect of cooperation, from contract content and pricing to raw material sources and logistics information. Under normal circumstances, transparency is essential, but during times of crisis such as geopolitical conflict, pandemics, or natural disasters, transparency becomes crucial. Clear and accurate information can help supply chain actors make informed decisions and prevent panic or mitigate the situation. The combination of honesty and transparency creates a healthy and sustainable business environment. Both build trust, an intangible asset yet crucial for maintaining long-term partnerships. In Islamic business ethics, honesty and transparency are not only moral values but also business strategies that can enhance a business's reputation and success.

c. Trust and Responsibility

Amanah (trustworthiness) is a core value in Islamic ethics, meaning trustworthiness and responsibility in carrying out tasks or holding a trust. In the context of business and global supply chains, the principle of amanah obliges every economic actor to carry out their roles and responsibilities with honesty, consistency, and integrity. This applies not only to business partners but also to the wider community, consumers, and even the environment (Aprianto, I., Andriyansyah, M., Qodri, M., 2020).

Responsibility in Islam is not partial but encompasses all aspects, encompassing moral, social, and environmental aspects. A business actor adhering to the principle of amanah must fulfill contractual commitments, deliver goods according to specifications, maintain quality, and avoid fraudulent practices that could undermine trust. Failure to fulfill an amanah is considered a form of devotion, which in Islam is considered reprehensible. Below are several arguments relating to Trust and Responsibility.

Proposition: "Indeed, Allah commands you to convey the message to those who are entitled to receive it..." (QS. An-Nisa': 58)

Meaning: Allah commands all forms of trust to be conveyed to their owners fairly.

"The faith of someone who is not trustworthy is not perfect, and the religion of someone who does not keep their promises is not perfect."

(HR. Ahmad)

Furthermore, the principle of trustworthiness also encompasses a responsibility to ethical standards and environmental stewardship. In facing global challenges such as the climate crisis and environmental degradation, supply chain actors are required to pursue

more than just profit, but also consider the ecological impacts of production and distribution processes. Compliance with environmental standards, workers' rights, and fair business practices are part of this responsibility.

By upholding trustworthiness and responsibility, the global supply chain can be built on a strong ethical foundation. This will create a more stable, equitable, and resilient system in the face of emergencies, while providing long-term benefits for all parties involved.

d. Prohibition of Riba and Gharar

In Islamic ethics, the prohibition of riba (interest) and gharar (uncertainty or excessive speculation) is a fundamental principle aimed at creating justice and stability in economic activity. Riba is prohibited because it creates economic inequality, where those with capital receive guaranteed profits without bearing any risk, while those in need of funds are burdened. Gharar, on the other hand, is prohibited because it contains elements of fabrication and deception that can harm one of the parties in the transaction (Djamil, N. 2023). The following are several verses regarding the prohibition of Usury and Gharar.

The verse regarding Usury: "Whereas Allah has permitted trade and forbidden usury..." (Quran, Al-Baqarah: 275)

Meaning: Allah emphasizes the difference between legitimate trade and unlawful usury.

The verse regarding Gharar: "The Messenger of Allah forbade trade that contains gharar (uncertainty)." (Narrated by Muslim)

Meaning: Any form of transaction that contains uncertainty or uncertainty in its basic elements is prohibited in Islam.

In the context of global supply chains, riba (usury) practices often emerge in the form of interest-based financing, which favors small businesses or developing countries. Reliance on high-interest loans can create economic dependency and exacerbate inequality between developed and poor countries. This type of financing system is inconsistent with the principle of justice in Islam, as it only benefits the lender without considering the recipient's actual capabilities and circumstances.

Meanwhile, gharar (unclear) can arise in the form of opaque contracts, ambiguous terms, or high-risk speculative trading practices. In supply chains, this can lead to damage to deliveries, reflect unfair prices, and disadvantage economically or informationally weak

parties. Islam emphasizes the importance of clarity in contracts and fairness in risk distribution to ensure all parties feel safe and protected (Judijanto, L., 2025).

By avoiding riba and gharar, the supply chain system will be more stable, transparent, and ethical. Economic actors will be encouraged to transact based on mutual benefit and proportional risk sharing. This principle is in line with the goal of Islam in creating social justice and avoiding exploitation in the global economic system (Bilqis & Afmadesikha, 2025).

2. Strategy for Implementing Islamic Ethics in the Global Supply Chain

To realize a more equitable, resilient, and sustainable global supply chain system, Islamic ethical principles need to be systematically and strategically applied. This implementation strategy is not merely normative but can also be designed into concrete operational and technological policies.

a. Ethics Audit and Sharia Compliance in Cross-Border Transactions

The first step in implementing Islamic ethics in the global supply chain is through an ethics audit and the implementation of Sharia. This audit aims to ensure that every business transaction, from production to distribution, is conducted in accordance with Sharia principles such as fairness, honesty, and the prohibition of riba (usury) and gharar (unlawful activity). With a structured audit, business actors can identify potential ethical violations and take systematic corrective action within the international business environment (Kamaruddin, K., 2022).

b. Value-Based Partnership

The next strategy is to build partnerships based on the values of social responsibility. Collaboration between businesses from various countries is based not only on financial gain but also on a commitment to worker welfare, environmental protection, and economic justice. This values-based partnership encourages sustainable business relationships and mutual respect between parties, as taught by the principles of brotherhood and musyarakah in Islam (Fajri, N., 2025).

c. Sustainable Supply Chain Design

Sustainable supply chain design emphasizes the integration of spiritual, environmental, and economic values. Islamic ethics encourages a balance between profit-making and moral and social responsibility. In practice, this means companies must consider the long-term impacts of their business decisions, including those on the environment, the well-being of local communities, and global economic stability. With this approach, the supply

chain becomes an instrument that is not only economically profitable but also beneficial (Fitriani, F., 2019).

d. Transparansi dan Digitalisasi

To increase accountability and trust in global supply chains, the use of technologies such as blockchain is highly recommended. This technology enables transparent and unmanipulated recording of transaction data, thus aligning with the principle of transparency advocated in Islam. With a digitized system, all parties in the supply chain can integrate the movement of goods, raw material sourcing, and distribution processes in real time, ultimately creating a more honest, efficient, and ethical business ecosystem (NUR, A. F., 2024).

CONCLUSION

Islamic ethics provide a strong foundation for rebuilding global supply chains amidst geopolitical challenges. By implementing principles such as justice, honesty, trustworthiness, and the prohibition of usury, we can create a more stable, ethical, and people-focused supply chain system. Governments and businesses are advised to integrate Islamic values into global logistics and risk management policies. Islamic ethics offers a solid foundation for reconstructing global supply chains amidst increasingly complex geopolitical turmoil. Principles such as justice, honesty, trustworthiness, and the prohibition of usury and exploitation are important guidelines in creating a supply chain system that is not only efficient, but also upholds human values and sustainability. To realize this, the active involvement of the government and business actors is needed. The integration of Islamic values into logistics policies, supply chain governance, and global risk management strategies can be a long-term solution to create a fair, transparent, and benefit-oriented distribution system for goods and services.

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