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Tracing the History of Islamic Economic Thought in Southeast Asia: From Sultanate Rule to the Modern Era

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Abstract

Objective: This study aims to analyze the historical traces of Islamic economic civilization in Southeast Asia, with a focus on the transformation of the economic system in Indonesia, Malaysia, and Brunei Darussalam, from the era of the Sultanate to the development of modern Sharia banks. **Theoretical framework:** This study uses Islamic economic concepts such as the prohibition of usury, distributive justice (adl), and social welfare (falah), as well as the theory of institutional transformation and economic history, to analyze changes in the Islamic economic system. **Literature review:** The literature review includes a study of Islamic economics, the history of Islamic civilization in Southeast Asia, and the development of Islamic banks. The focus is on how Islamic economic principles are applied in the modern banking system and the role of the Sharia Supervisory Board in maintaining economic morality. **Method:** This study uses a qualitative method with a literature study, collecting data from various historical and contemporary sources to understand the transformation of the Islamic economic system in the Southeast Asian region. **Results:** The results show the continuity of Islamic economic values, such as the prohibition of usury and distributive justice, from the Sultanate to the implementation of Sharia Bank products based on profit sharing (mudharabah/musharakah). Sharia banks also play a role in the management of social funds and the supervision of economic morality. **Implications:** These findings can strengthen a more equitable and ethical economic system in Southeast Asia by strengthening Islamic economic principles in the context of contemporary economics and the role of Islamic banks. **Novelty:** This study combines the study of the history of Islamic economics with the development of Islamic banks, providing new insights into the relevance of Islamic economic values in the framework of modern economics, as well as recommending cross-disciplinary research to understand the evolution of this system.

Keywords: islamic civilization, islamic economy, sultanate, southeast asia, justice.

INTRODUCTION

In the 13th to 15th centuries AD, the Southeast Asian region became one of the centers of economic dynamism and Islamic civilization through the existence of Islamic sultanates that controlled maritime and land trade routes. City-states such as the Sultanate of Malacca and the Sultanate of Aceh not only act as a liaison between traders from Arabia and India with the archipelago, but also apply sharia values in economic activities such as zakat, waqf, and

hisbah, which reflect the moral dimension in business activities. For example, studies show that the entry of Islam into the archipelago is closely related to trade activities and inter-port interactions on the east coast of Sumatra, which are based on Islamic muamalah values. These events provided the basis for the development of Islamic economic civilization in Southeast Asia, not just as an economic model, but as a manifestation of a social-value system integrated into the local institutional structure [1].

Entering the modern era, the transformation of Islamic economics in Southeast Asia continues to undergo significant evolution through the establishment of Islamic financial institutions and contemporary Islamic economic thought that adapts to the challenges of globalization and capitalism. Empirical studies show that the Islamic economic system in Indonesia or Malaysia is no longer limited to traditional institutions, but has entered the realm of Islamic banks, Islamic fintech, and laws and regulations that strengthen the sustainability of the values of justice and social welfare. Thus, the narrative "from sultanate to Islamic banks" illustrates continuity and change at the same time that Islamic economic civilization in Southeast Asia is a long process that transforms historical values into modern institutional practices [2].

Given the vast scope of Southeast Asia and the diverse range of countries with diverse Islamic civilizations, this study has a limited scope of discussion. In order to maintain the focus and depth of analysis of Islamic economic civilization from the era of the Sultanate to the development of Sharia banks, the discussion in this article is specifically limited to Indonesia, Malaysia, and Brunei. This restriction was chosen because the three countries have a strong history of Islamic Sultanates and are major players in the region's contemporary Islamic finance and banking industry [2].

The discussion in this study is how the historical traces and transformation mechanisms of the Islamic economic system in Indonesia, Malaysia, and Brunei Darussalam developed, starting from trade practices in the Sultanate era to the adoption and implementation of the modern financial system through the establishment of Sharia Banks. Furthermore, this study will also identify what key factors encourage and hinder the sustainability and adaptation of sharia economic principles, such as justice and the prohibition of usury, in the socio-political and regulatory context in the three countries [3].

The purpose of this study is to comprehensively identify and analyze the historical development of Islamic economic civilization in three focus countries (Indonesia, Malaysia, and Brunei Darussalam) from the Sultanate to the modernization era. Furthermore, this research aims to map the transformative trail of sharia-based economic systems, in particular by describing how the basic principles of Islamic economics (such as distributive justice and the prohibition of *usury*) are integrated, modified, and institutionalized in contemporary economic practices, especially through the development of Islamic Economics in the Southeast Asian region [3].

The findings of this study have several important theoretical, practical, and policy-related implications for the development of Islamic economics in Southeast Asia. First, from a theoretical perspective, this research reinforces the argument that Islamic economic principles are not merely normative religious ideals but historically grounded systems that have demonstrated continuity and adaptability across different political and economic eras. By tracing the evolution of Islamic economic thought from the Sultanate period to the modern era of Sharia banking, this study strengthens the position of Islamic economics as an integrated historical-institutional framework rather than a contemporary financial innovation detached from its civilizational roots. This contributes to the enrichment of Islamic economic historiography, which has often focused more heavily on Middle Eastern contexts [4].

Second, the study has practical implications for the contemporary Islamic banking sector in Southeast Asia, particularly in Indonesia, Malaysia, and Brunei Darussalam. The continuity of core principles such as the prohibition of usury (*riba*), distributive

justice (adl), and social welfare (falah) demonstrates that modern Sharia banks are not simply adapting conventional banking models but are rooted in long-standing economic ethics practiced during the Sultanate era. This insight can strengthen public trust in Islamic financial institutions and encourage policymakers and practitioners to further emphasize profit-sharing instruments such as mudharabah and musharakah, as well as the integration of social finance instruments, including zakat, waqf, and charitable funds, into the formal financial system [3].

Third, the findings imply that the role of Sharia Supervisory Boards is central not only to regulatory compliance but also to maintaining the moral and ethical foundations of Islamic economics. This highlights the need for stronger institutional capacity, interdisciplinary expertise, and historical awareness among Sharia supervisors, regulators, and Islamic finance professionals. Such awareness can help prevent the excessive formalization of Sharia compliance that risks overlooking broader objectives of justice and social welfare.

In terms of novelty, this study offers an original contribution by systematically integrating the historical study of Islamic economic thought during the Sultanate period with the contemporary development of Sharia banking institutions in Southeast Asia. Unlike previous studies that tend to examine these periods separately, this research presents a longitudinal analysis that reveals continuity, transformation, and institutional adaptation across centuries. The novelty also lies in its cross-disciplinary approach, combining Islamic economic theory, economic history, and institutional analysis to explain how Islamic economic values remain relevant in modern financial systems. By positioning Southeast Asia as a distinct and dynamic locus of Islamic economic civilization, this study opens new pathways for future comparative and interdisciplinary research on the evolution of Islamic economics in non-Middle Eastern contexts [4].

LITERATURE REVIEW

Early History of the Entry of Islam in Southeast Asia

The history of the entry of Islam into Southeast Asia is a unique phenomenon in the history of global civilization, which differs from the expansion pattern in the Middle East or the North African region. Most theories state that Islam arrived and spread through peaceful maritime trade routes, which is thought to have occurred in several waves from the 7th to the 13th centuries AD. Muslim traders from Arabia, Persia, and Gujarat took advantage of the strategic geographical position of the archipelago, especially the Strait of Malacca, as a *hub for* international trade in spices. This pattern of Islamization through commercial and cultural interaction gave birth to the concept of Civilization Dialogue (*Civilization Dialogue*), which emphasizes the exchange of values without being dominated by military or political conquest [5].

This maritime trade route is not only economic, but also a channel for the spread of Islamic values [6]. Muslim merchants play a dual role as *dai* (disseminator of religion), bringing with it Islamic business ethics that uphold justice, transparency, and the prohibition of exploitative practices such as usury. The mechanism of the spread of Islam continued through marriages between Muslim merchants and women or local nobles, as well as adaptive cultural assimilation. Coastal areas that became commercial centers, such as the Sultanates of Samudera Pasai, Malacca, and Brunei, became the initial centers that absorbed the teachings of Islam the fastest. This interaction, centered on economic activity, ensures that Islam in Southeast Asia has been closely integrated with production and distribution activities since its inception [7].

The peaceful and trade-based nature of Islamization resulted in a solid and sustainable economic civilization. The transferred Islamic values are inherently in line with the needs of

the international commercial market, which requires certainty, trustworthy contracts, and fairness of transactions. When Islam was inaugurated as the state religion by the local rulers, the Islamic Sultanate Institution was born, which placed Sharia as the foundation of economic and legal governance [8]. The history of the entry of Islam has laid the institutional and moral foundations that have enabled the evolution of Islamic economic practices, from the era of the Sultanate to the modern formalization in the form of Sharia banks.

The Concept of Islamic Economic Civilization and Sultanate Institutions

Civilization studies (or *Civilization*) in the context of Islamic economics focuses not only on the development of ideas, but also on practical institutions that embody Islamic values in real life. Southeast Asia is a crucial case study because Islamic civilization in the region was built through trade routes and cultural dialogues (*Civilization Dialogue*), peaceful, making Islamic economic principles (such as justice, honesty, and anti-usury) integrated from the beginning in the social order [9]. The maritime trade route that connects the region with the Middle East and India serves as the main gateway for the entry of Islam as well as a sharia-based economic system [10].

The institution of the Islamic Sultanate then became the first formal representation of the economic civilization. The sultanate functions as a regulator, sovereign holder, and enforcer of the sharia, where the Sultan is solely responsible for upholding the teachings of Islam in all aspects, including the economy and administration of the state [11]. Economic practices in this era, such as the management of baitul mal property, fair tax withdrawal, and usury-free trade practices, are forms of pre-modern economic institutions based on sharia. This theoretical study views the Sultanate not only as a political entity but as a civilizational institution that sustained the Islamic economic system before the arrival of colonialism and modernization [12].

Table 1. Literature Review

Theme	Key Points
Early Islamization	Islam spread peacefully through maritime trade (7th–13th centuries); traders integrated Islamic ethics into commerce
Trade & Civilization	Trade routes enabled Civilization Dialogue, embedding justice, trust, and anti-usury values
Sultanate Institutions	Islamic Sultanates formalized Sharia-based economic governance (baitul mal, fair taxation)
Islamic Economic Civilization	Islamic values institutionalized through trade-based, culturally adaptive systems
Institutional Transformation	Continuity of Islamic values; transformation of institutions from Sultanate to Sharia banking
Modern Islamic Economy	Sharia banks formalize historical values within modern legal and financial frameworks

The Theory of Institutional Transformation Linking the Sultanate to the Modern Islamic Economy

To bridge the *Gap* between the economic practices of the Sultanate (pre-modern) and the Modern Islamic Economy (Sharia Bank), this study adopts the framework of Institutional Transformation Theory [13]. This theory explains that institutions, i.e., rules of the game, norms, and organizations, do not emerge from a vacuum, but rather evolve and adapt from past institutions to respond to environmental changes (such as modernization, colonialism, and globalization). This transformation involves two main aspects: Continuity of Value and Discontinuity of Form. Continuity lies in the main spirit of Islamic economics, such as the rejection of usury and the emphasis on justice [14].

These values, which were once held by the Sultan/Baitul Mal, are now realized through the products and contractual mechanisms of Sharia Bank. Meanwhile, the Discontinuity of Form occurred because economic institutions transformed from the Sultanate system that *Personal* (authority on the Sultan) to become a Sharia Bank system that *Formal, Regulated*, and bureaucratic under the modern legal framework [15]. Using this framework, the narrative of civilization can be understood as the ongoing efforts of Muslim communities in Southeast Asia to re-institutionalize their historical economic values in a form compatible with today's global financial system [16].

METHODOLOGY

This study employs a qualitative research design using a historical-descriptive approach to examine the evolution of Islamic economic civilization in Southeast Asia, particularly in Indonesia, Malaysia, and Brunei Darussalam. The historical-descriptive approach is chosen to enable an in-depth understanding of how Islamic economic principles emerged, developed, and transformed across different historical periods, from the era of Islamic sultanates to the contemporary phase of modern Sharia banking. This approach is appropriate because the study focuses on processes, meanings, and institutional transformations rather than on statistical measurement or hypothesis testing [17].

The primary data collection technique used in this study is literature study, also referred to as library research or documentation study. Data were obtained from secondary sources, including classical and modern history books, peer-reviewed academic journals, authoritative reports, and official publications related to Islamic civilization, Islamic economic thought, and the development of Islamic banking institutions in Southeast Asia. Particular attention was given to sources discussing Islamic economic practices during the Sultanate era, such as trade regulations, fiscal policies, and ethical norms, as well as contemporary sources addressing Sharia banking systems, profit-sharing mechanisms, and the role of Sharia Supervisory Boards [17].

To ensure the credibility and relevance of the data, source selection was conducted using clear inclusion criteria. The selected literature had to be academically reputable, historically relevant, and directly related to Islamic economic principles or institutions in the Southeast Asian context. Sources that lacked scholarly reliability or clear relevance were excluded. This systematic selection process helped minimize bias and strengthened the validity of the historical narrative constructed in this study. Data analysis was carried out through the stages of historical analysis, which consist of data collection, source verification, interpretation, and synthesis. The verification stage involved critically examining the authenticity, reliability, and consistency of the sources to ensure that historical claims were supported by credible evidence. Comparative reading was also applied to identify convergences and divergences among different scholarly interpretations of Islamic economic practices across periods and regions [18].

Table 2. Research Methodology

Aspect	Description
Research Design	Qualitative research
Approach	Historical–descriptive approach
Study Area	Indonesia, Malaysia, Brunei Darussalam
Data Type	Secondary data
Data Sources	Books, academic journals, official reports
Data Collection	Literature study (library/documentation research)
Analysis Technique	Historical analysis (collection, verification, interpretation, synthesis)
Analytical Framework	Islamic economic principles and institutional transformation theory

During the interpretation stage, the verified data were analyzed using key Islamic economic concepts, including the prohibition of usury (*riba*), distributive justice (*adl*), and social welfare (*falah*), alongside theories of institutional transformation and economic history. This analytical framework allowed the study to identify patterns of continuity and adaptation in Islamic economic values, as well as shifts in institutional forms responding to political, social, and economic changes. Finally, the synthesis stage integrated historical findings with contemporary developments in Islamic banking to produce a coherent and systematic narrative. This narrative explains how Islamic economic principles were preserved, reinterpreted, and institutionalized in modern financial systems. By combining historical analysis with theoretical interpretation, this methodology enables a comprehensive understanding of the evolution of Islamic economic civilization in Southeast Asia and provides a solid foundation for discussing its relevance in the modern era [18].

RESULTS AND DISCUSSION

The Historical Relationship between the Economic Value of the Sultanate and the Modern Islamic Economy

The historical relationship between the economic values embraced by the Islamic Sultanates in Southeast Asia and the practice of contemporary Islamic economics is a form of continuity of civilization (*continuity of civilization*), not just the awakening of new ideas [19]. Core values such as prohibition of *usury*, emphasis on distributive justice (*adl*), and profit-sharing-based operations (*profit-loss sharing*), which are now the foundation of the main products of Sharia Banks (*mudharabah* and *musharakah*), have actually been practiced informally and institutionally in the Sultanate era through an ethical and institutional maritime trading system, *Zakat*, and *Waqf* [20].

The Islamic economic system in the Sultanate era has laid down principles that are in line with the operation of modern Islamic banks. In Indonesia, Islamic economic practices in the Samudera Pasai and Demak eras were highly dependent on maritime trade and agriculture [21]. Institutions such as Baitul Mal function not only as the state treasury, but also carry out the function of intermediation and equalization of wealth through the distribution of *zakat*, *infaq*, and *alms (ZIS)*, which is the forerunner of the function of gathering and distributing Islamic banking social funds. Meanwhile, in Malaysia, the Sultanate of Malacca implements a more structured economic system thanks to its position as the world's main port [22]. Regulations such as the Malacca Sea Act ensure that *muamalah* transactions are conducted fairly, free from usury and speculation, a commitment that is the same as the anti-usury principle that is at the core of Bank Islam Malaysia Berhad (BIMB) and other Islamic institutions [23]. Later, Brunei Darussalam, through the Sultanate of Brunei, also relied on Baitul Mal to manage natural resources and trade, ensuring that wealth was used for the benefit of the people. It is these historical practices that focus on justice, profit-sharing (*Mudharabah* or *São Paulo*), and the avoidance of usury, which was the main common thread, that transformed the Sultanate's socio-financial institutions into a more complex and modern structure of Sharia banks in the 20th century [24].

This shows that Sharia Banks function as a modern institutionalization of the Islamic economic ethics of the past, where the Sultanate of Brunei Darussalam, for example, structurally ensured the quality of competent Human Resources (HR) to maintain strict sharia compliance as a heritage of values [25]. Sharia Banking is a bridge that connects philosophies of *falah* (welfare) Sultanate with the need for a regulated global financial system, as reflected in the active role of the Sharia Supervisory Board (DPS) in Indonesia and Brunei Darussalam to ensure the consistent implementation of Islamic principles [26].

Continuity of Islamic Values: Justice, Social Welfare, and Economic Morality

1. Justice (*Adl*) and the Prohibition of *Riba*

The fundamental value of justice (*adl*) is a common thread that connects the economic practices of the past Sultanate with modern Sharia Banking. During the Sultanate in Indonesia, Malaysia, and Brunei Darussalam, economic justice was realized through a trading system that was free from the practice of *usury*, excessive speculation (*Gharar*), and hoarding (*Conclusion*), in line with moral ethics in Islam [27]. The continuity of this value is reflected in the principle of anti-*usury*, which is the hallmark of Sharia Banks today.

The main products of Islamic banks, such as profit-sharing-based financing (*Mudharabah* and *Musharakah*), are a formal mechanism for re-instituting the principle of *adl*. This ensures that risk and profit are shared proportionally between banks and customers, not just shifting interest costs [28]. As a result, Sharia Banks act as the guardian of the Sultanate's historical value, namely, establishing a monetary system based on justice, not exploitation.

2. Social Welfare (*Falah*) and Wealth Redistribution

The concepts of social welfare (*falah*) and wealth redistribution also show strong sustainability. In the Sultanate era, this goal was achieved through state institutions such as Baitul Mal and the management of Zakat, Infaq, Alms, and Waqf (ZISWAF) funds. These institutions actively accumulate and distribute wealth to people in need, thereby strengthening solidarity and social resilience [29].

In the modern context, even though Sharia Banks operate as commercial entities, they are still obliged to maintain this social function. Sharia banks in Indonesia, Malaysia, and Brunei not only focus on profitability, but also act as facilitators in the management of ZISWAF funds and the provision of financing for the Micro, Small, and Medium Enterprises (MSMEs) sector. This dual role proves that this modern institution continues the Sultanate's historical mission to build an Islamic Welfare State (*Islamic Welfare State*) as dreamed by M. Umer Chapra [30].

3. Economic Morality and Sharia Governance

Islamic economic morality, which emphasizes the importance of ethics in every transaction, is maintained through unique governance mechanisms. During the Sultanate, economic morality was guaranteed by the ruler's compliance with sharia law and the integrity of the *syahbandar* (port heads). Currently, the role of moral supervision is carried out by the Sharia Supervisory Board (DPS), both in Indonesia and Brunei Darussalam, which is tasked with ensuring that all operations and products of Islamic banks meet fiqh standards [31].

The presence of DPS is an institutional guarantee that ensures that Islamic banking does not deviate from the noble principles derived from the Sultanate civilization. As such, the existence of the DPS reflects the recognition that a resilient economic system requires not only technical efficiency, but also moral integrity and strict sharia compliance as an integral part of the region's historical heritage [32].

Analysis of the Islamic Bank Phenomenon as a Modern Manifestation

The phenomenon of Sharia Banks in Indonesia, Malaysia, and Brunei Darussalam can be analyzed as a modern manifestation of the principles of classical Islamic economics that have been applied since the Sultanate era. Sharia banks are institutional bridges that adapt to historical economic norms such as prohibitions on *usury*, an emphasis on asset-based contracts, and social responsibility into the legal and technological framework of 21st-century financial markets [33].

The development of Islamic banking in these countries shows different characteristics and levels of progress. Malaysia is seen as the pioneer and most mature market, supported by strong regulation from Bank Negara Malaysia (BNM), and has a significant market share,

with major banks such as Bank Islam Malaysia Berhad (BIMB) and Maybank Islamic [34]. Meanwhile, Indonesia, despite having the largest Muslim population in the world, had lagged in total assets, but showed aggressive growth (*Market Driven*), especially after the consolidation of three state-owned Islamic banks into Bank Syariah Indonesia (BSI), which is now targeting to become one of the leading global Islamic banks. On the other hand, Brunei Darussalam, which adheres to a full Islamic banking system, has the Brunei Darussalam Central Bank (BDCB) that oversees its operations. Bank Islam Brunei Darussalam (BIBD) is the largest Islamic bank and plays an important role in fostering regional cooperation, such as collaboration with BSI, to strengthen Islamic trade and finance in the ASEAN region [35].

This manifestation is evident from the instruments used: profit-sharing financing (*Mudharabah, Musharakah*) is a modern development of the concept of a fair trade partnership in the past, whereas the sale and purchase contract (*Murabahah, salam, istishna'*) is a legal formalization of the practice of real asset-based commercial transactions that avoids speculation. In addition, with strong regulatory support and oversight by the Sharia Supervisory Board (DPS), the institution guarantees that, despite operating in a global capitalist system, its primary objectives remain aligned with the *Maqashid Syariah*, an economic moral demand that has been rooted since the Sultanate civilization, namely realizing ethical welfare and avoiding injustice [36].

Table 3. Results And Discussion

Aspect	Key Findings
Historical Continuity	Sultanate economic values continue in modern Islamic banking
Core Values	Anti-usury, justice (<i>adl</i>), profit-sharing, social welfare (<i>falah</i>)
Sultanate Institutions	Baitul Mal, Zakat, Waqf as early economic mechanisms
Modern Institutions	Sharia banks as formal institutionalization of past ethics
Justice Principle	Mudharabah and Musharakah ensure fair risk–profit sharing
Social Welfare	ZISWAF and MSME financing sustain wealth redistribution
Governance & Morality	Sharia Supervisory Board ensures ethical compliance
Country Dynamics	Malaysia (mature), Indonesia (growing), Brunei (fully Islamic system)

Analysis

The historical trajectory of Islamic economic thought in Southeast Asia demonstrates a clear pattern of continuity and institutional adaptation rather than rupture. Based on the data presented in the study, Islamic economic civilization in Indonesia, Malaysia, and Brunei Darussalam evolved organically from the Sultanate era into the modern Islamic banking system. This transformation reflects a civilizational process in which core Islamic economic values—such as the prohibition of *riba*, distributive justice (*adl*), and social welfare (*falah*)—were preserved while institutional forms adapted to changing political, legal, and economic contexts. During the Sultanate period, Islamic economic principles were embedded in governance structures and commercial practices. Institutions such as *Baitul Mal*, *zakat*, *waqf*, and ethical trade regulations functioned as mechanisms of wealth redistribution and moral economic control. Maritime trade networks in Aceh, Malacca, and Brunei not only facilitated economic growth but also served as channels for the internalization of Islamic business ethics, including fairness, transparency, and risk sharing. The data show that these principles were not merely theological ideals but were operationalized through concrete institutions that shaped economic life [37].

The analysis further reveals that modern Islamic banking in Southeast Asia represents a formal institutionalization of these historical values rather than a departure from them. Sharia banks operationalize profit-and-loss sharing mechanisms such as *mudharabah* and

musharakah, which reflect earlier partnership-based trade practices common in the Sultanate era. The continuity of these mechanisms indicates that contemporary Islamic finance is deeply rooted in historical economic norms rather than being a simple modification of conventional interest-based banking systems [38]–[41].

Institutional transformation theory provides a useful lens for understanding this evolution. While the form of economic institutions shifted—from personalized Sultanate authority to regulated, bureaucratic banking systems—the underlying values remained consistent. The study’s data emphasize that this “continuity of values and discontinuity of form” allowed Islamic economic principles to survive colonialism, modernization, and globalization. In this sense, Sharia banks function as adaptive institutions that translate historical moral values into legally compliant and globally integrated financial practices [38]–[41].

Moreover, the role of Sharia Supervisory Boards (SSBs) emerges as a crucial modern counterpart to moral oversight mechanisms in the Sultanate era. Historically, economic morality was ensured by rulers and port authorities enforcing Islamic norms. In the contemporary context, SSBs safeguard sharia compliance, ensuring that financial innovation does not undermine ethical objectives. This institutional continuity reinforces public trust and maintains the moral legitimacy of Islamic finance. Overall, the analysis confirms that Islamic economic civilization in Southeast Asia is best understood as a long-term historical process marked by adaptation rather than reinvention. The evidence supports the argument that modern Islamic banking institutions embody a living legacy of Sultanate-era economic ethics, demonstrating the enduring relevance of Islamic economic thought in addressing contemporary challenges of justice, welfare, and ethical governance [38]–[41].

CONCLUSION

The evolution of Islamic economic civilization in Southeast Asia is not a broken process, but a historical continuity from the Sultanate era to the modern era. Islamic economic thought and practice during the Sultanate period laid an institutional foundation in the form of rejection of *riba* and the activation of the *zakat* and *waqf* systems as pillars of social justice. The transformation to the modern era was marked by the emergence of Sharia Banks, which served as a modern institutional manifestation of these principles. Sharia banks have successfully adapted classical ethical values into contemporary financial instruments such as profit-sharing (*mudharabah* and *musharakah*), which legally and operationally replicate the spirit of fair partnership (*adl*) in Islamic trade of the past. Islamic economic civilization has crucial relevance in the effort to build a just economic system in Southeast Asia. The core values of this system, namely distributive justice and the achievement of social welfare (*falah*), offer an alternative framework that is more stable and ethical. The existence of Sharia Banks in three focus countries provides tangible evidence that the moral principles of Islamic economics can be integrated into the market system. This relevance lies not only in its usury-free financial products, but also in its active social function in managing ZISWAF funds, so as to structurally support the redistribution of wealth and strengthen the social resilience of the people, which is the heritage of values of the Sultanate tradition.

Acknowledgments

To enrich the understanding and development of Islamic economic civilization in Southeast Asia, it is recommended to strengthen cross-disciplinary research. Further research should be encouraged to bridge the disciplines of History, Sharia Economics, and Islamic Civilization more deeply. The focus can be directed to broader comparative analysis, for example, by comparing the effectiveness of sharia governance and the quality of human resources in Islamic banking between countries with Muslim minority countries in Southeast Asia.

Author's Contributions

Kukuh Trisnafi contributed to conceptual design, data analysis, and interpretation of Islamic economic transformation. Ning Wijayanti conducted literature review and historical analysis. M. Arif Faizin contributed to methodological design, synthesis of findings, and critical revision of the manuscript. All authors approved the final version.

Conflicts of Interest

The authors declare no conflicts of interest related to this research. This study was conducted independently without financial, institutional, or personal relationships that could influence the research process, data interpretation, or the presentation of the findings.

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