

**THE ROLE OF ISLAMIC STATE POLICIES ON MNC INVESTMENT
AND ITS IMPLICATIONS FOR THE DEVELOPMENT OF ISLAM IN
SOUTHEAST ASIA**

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Abstrak

Peran negara-negara Islam di Asia Tenggara dalam mengelola investasi asing merupakan salah satu faktor penting dalam mencapai pembangunan berkelanjutan (SDGs). Studi ini membahas bagaimana kebijakan negara Islam terhadap investasi perusahaan multinasional (MNC) dapat berkontribusi pada tujuan pembangunan ekonomi, keadilan sosial, dan kemakmuran umat Islam dari perspektif Islam. Dengan menggunakan pendekatan kualitatif deskriptif dengan analisis kebijakan politik dan ekonomi Islam, studi ini meneliti hubungan antara tata kelola investasi, prinsip-prinsip syariah, dan strategi pembangunan nasional, khususnya di Indonesia, Malaysia, dan Brunei Darussalam. Hasil penelitian menunjukkan bahwa kebijakan investasi yang berlandaskan nilai-nilai Islam mampu mendorong pertumbuhan ekonomi berkelanjutan tanpa mengabaikan prinsip-prinsip keadilan, keberlanjutan lingkungan, dan kesejahteraan masyarakat. Namun, dominasi MNC di sektor-sektor strategis juga menimbulkan tantangan terhadap kedaulatan ekonomi dan penerapan etika bisnis Islam. Oleh karena itu, peran negara sangat penting dalam memastikan bahwa setiap bentuk investasi asing tidak hanya mendukung pembangunan materi, tetapi juga sejalan dengan maqāṣid al-sharī'ah dan kontribusi Islam dalam mencapai SDGs di kawasan Asia Tenggara.

Kata Kunci: Politik Ekonomi Islam, Investasi Asing, MNC, SDGs, Keadilan Ekonomi.

Abstract

The role of Islamic countries in Southeast Asia in managing foreign investment is one of the important factors in achieving sustainable development (SDGs). This study discusses how Islamic state policies towards multinational corporation (MNC) investment can contribute to the goals of economic development, social justice, and prosperity of the ummah from an Islamic perspective. Using a descriptive qualitative approach with an analysis of Islamic political and economic policy, this study examines the relationship between investment governance, sharia principles, and national development strategies, especially in Indonesia, Malaysia, and Brunei Darussalam. The results of the study show that investment policies based on Islamic values are able to encourage sustainable economic growth without ignoring the principles of justice, environmental sustainability, and community welfare. However, the dominance of MNCs in strategic sectors also poses challenges to economic sovereignty and the application of Islamic business ethics. Therefore, the role of the state is crucial in ensuring that any form of foreign investment not only supports material development, but is also in line with maqāṣid al-sharī'ah and Islam's contribution in achieving the SDGs in the Southeast Asian region.

Keywords: Islamic Economic Politics, Foreign Investment, MNC, SDGs, Economic Justice.

INTRODUCTION

The role of Islamic countries in the Southeast Asian region is increasingly strategic in shaping the direction of regional and global economic growth. In the era of globalization, the management of foreign investment, especially from multinational companies (MNCs), is the main factor in encouraging economic progress and sustainable development. Southeast Asian countries such as Indonesia, Malaysia, and Brunei Darussalam have shown a unique approach in combining economic openness with Islamic values (M. Umer Chapra, 2025). The policies implemented are not only aimed at attracting foreign investors, but also ensure that economic growth runs according to the principles of justice ('adl), balance (mīzān), and benefit (maṣlaḥah) within the framework of maqāṣid al-sharī'ah.

In the context of sustainable development, the integration of Islamic principles into national investment policies makes a major contribution to the achievement of the Sustainable Development Goals (SDGs). The Islamic economic system emphasizes that economic activity is not merely the pursuit of profit, but must be accompanied by

moral responsibility and social justice (Novemyanto, 2024). Therefore, sharia-based investment regulations and ethical business practices are key to ensuring that MNC activities in Muslim-majority countries support inclusive economic growth while maintaining the moral integrity of the community. This shows that Islam is able to offer a development paradigm that balances material and spiritual dimensions.

This research focuses on three Islamic countries in Southeast Asia, namely Indonesia, Malaysia, and Brunei Darussalam because they have different approaches to investment governance. Indonesia develops sharia economic policies through the National Committee for Sharia Economics and Finance (KNEKS), Malaysia institutionalizes Islamic-based investment through regulations and an established halal industry, while Brunei emphasizes the moral foundation in the Brunei Vision 2035 (Ive, 2025). Although different, the three have the same goal, which is to ensure foreign capital flows remain in accordance with national interests and Islamic values. This comparative approach opens up a deep understanding of the relationship between foreign investment and Islamic

development in the region (Dariah et al., 2020).

The thoughts of figures such as Abul A'la Maududi and M. Umer Chapra strengthen the theoretical basis of this study. Maududi emphasized that Islamic economics is not separate from the moral and spiritual dimensions, while Chapra emphasized *maqāsid al-sharī'ah* as the foundation of development to achieve equity and sustainability (Sayyid, 2025). In the context of foreign investment, the role of Foreign Direct Investment (FDI) is often studied from the economic perspective alone, but few have examined how Islamic principles can moderate its impact. While the growing influence of MNCs poses challenges to economic sovereignty and business ethics, Islamic-based policies can be instrumental in maintaining a balance between global interests and the moral values of society (Searies, 2025).

There is a significant research gap related to the investment policies of Islamic countries in Southeast Asia, especially in linking MNC governance with Islamic economic principles. Previous research has largely discussed Islamic finance, the halal industry, and the SDGs separately, but has not comprehensively incorporated them within the framework of Islamic economic

politics (Maulida & Ali, 2023). Therefore, this study aims to analyze the role of Islamic state policies on MNC investment and its implications for sustainable development. By examining the experiences of Indonesia, Malaysia, and Brunei Darussalam, this research is expected to enrich the discourse on how Islamic economic values can be operationalized in modern state practices to achieve progress that is not only material, but also moral and spiritual.

RESEARCH METHOD

This study uses a qualitative approach with a descriptive design to analyze the role of Islamic state policies on the investment of Multinational Corporations (MNCs) and its implications for sustainable development in Southeast Asia. The focus of the analysis is on the dynamics of Islamic economic-politics that underlie foreign investment governance in Indonesia, Malaysia, and Brunei Darussalam.

The design of this research is qualitative descriptive with an Islamic economic-political policy analysis approach. This approach was chosen to have a deep understanding of how Islamic values are integrated into the regulatory framework and implementation of

investment policies, as well as their impact on the achievement of the **Sustainable Development Goals**. This study is comparative to identify similarities and differences in the approaches of the three sample countries.

First research

The primary data sources for this study consist of official policy documents from the governments of Indonesia, Malaysia, and Brunei Darussalam, such as the Investment Law, sharia economics blueprints, and SDGs implementation and evaluation reports. Secondary data sources include academic literature from international journals and textbooks related to Islamic political economy, foreign investment, and maqāṣid Al-Sharī'ah. Supporting data was also obtained from international organizations such as the United Nations Conference on Trade and Development (UNCTAD), the Islamic Development Bank (IDB), and the World Bank.

Second research

Data collection was carried out through systematic literature studies and analysis of policy documents. The technique used is to search, collect, and systematize relevant key documents from

the three countries. The data collection procedure involves the identification of national policy documents, the annual reports of relevant institutions, and trusted academic publications. The data is then organized by theme to facilitate comparative analysis between countries.

Third research

Data analysis was carried out using content analysis techniques guided by the framework of maqāṣid al-sharī'ah (such as the protection of religion, soul, intellect, descent, and property) and Islamic economic-political theory. The analysis procedure begins by coding data based on Islamic principles and SDGs indicators, then grouping them into predetermined themes. Furthermore, interpretation was carried out to understand the relationship between investment policy, Islamic values, and development impacts, as well as to compare findings from the three country contexts.

RESULTS AND DISCUSSION

Islamic Investment Policy and Sustainable Economic Growth

The results of the study show that investment policies based on Islamic values have an important role in encouraging sustainable economic growth

in Southeast Asian Islamic countries (Economics & Issn, 2025). This approach is not only oriented towards increasing foreign investment, but also ensuring that the resulting growth is in line with the principles of social justice, economic balance, and responsibility towards the environment. Thus, sharia-based investment policies are an important instrument in achieving comprehensive and ethical development goals (The Warwick Research Archive Portal (WRAP), 2020).

The three countries that were the focus of the research were Indonesia, Malaysia, and Brunei Darussalam showing success in implementing the principles of *maqāsid al-sharī'ah* into their economic policies. Indonesia through the National Committee for Sharia Economics and Finance (KNEKS) emphasizes strengthening an inclusive sharia economy, Malaysia has succeeded in institutionalizing Islamic-based investment through a strong regulatory system and halal industry, while Brunei is focusing on moral and ethical governance in the Brunei Vision 2035 (Disclosure Authorized, 2022). This difference in approach reflects the flexibility of Islamic values in adapting to the national context, while demonstrating the great potential of Islamic

economics in creating sustainable and equitable development.

The three countries that are at the heart of this inquiry Indonesia, Malaysia, and Brunei Darussalam have shown commendable success in integrating the basic principles of *maqāsid al-sharī'ah* into their respective economic policies. Indonesia, through the National Committee for Sharia Economics and Finance (KNEKS), has consistently emphasized the importance of strengthening an inclusive Islamic economy. This is evident in its ambitious initiatives, such as the establishment of several halal centers nationwide, which have collectively generated an impressive \$10 billion in new investment by 2024, thereby driving local growth and job creation (Rizqi et al., 2024). Malaysia, has achieved remarkable Islamic-based investment institutionalization through a strong regulatory framework and a highly sophisticated halal industry. The ambitious Halal Industry Master Plan 2030 (HIMP 2030) is projected to contribute 8.1% to national GDP, attract significant foreign capital and integrate MNCs into the growing halal ecosystem.

At the same time, Brunei Darussalam has chosen to specifically prioritize moral

and ethical governance, as enshrined in the overarching Brunei Vision 2035. This long-term vision actively targets the achievement of 25% of its GDP from the non-oil sector by 2035, strategically leveraging Islamic finance to diversify its economy and attract ethical investments. These distinct but nonetheless national approaches through the same Islamic foundation collectively underscore the flexibility and adaptability inherent in Islamic values, demonstrating their capacity to be applied harmoniously in diverse national contexts (Dayu et al., 2020). This flexibility in turn greatly highlights the great potential of the Islamic economy to not only create but also maintain economically strong and evenly balanced development. This growth trajectory is critical to growing long-term economic resilience.

The Impact of MNC Investment on Economic Sovereignty and Ethics

Research shows that investment by multinational corporations (MNCs) has a significant contribution to economic growth in Southeast Asian Islamic countries, especially in job creation, technology transfer, and industrial sector development. However, behind these contributions, there are serious challenges

related to the dominance of MNCs in strategic sectors such as energy, technology, and infrastructure. Dependence on foreign capital can reduce the independence of the national economy and potentially shift development priorities from the public interest to the interests of global corporations (Gilpin, 2025). To face these challenges, Islamic countries such as Indonesia, Malaysia, and Brunei implement investment supervision policies based on sharia principles. This approach ensures that any foreign investment is not only economically beneficial, but also aligned with the values of justice, balance, and the benefit of the people. Strengthening sharia regulations and state supervision mechanisms are important factors in maintaining economic sovereignty while upholding Islamic business ethics in the midst of globalization and free market competition (Shakar, 2025).

Islamic countries, including Indonesia, Malaysia, and Brunei Darussalam, have diligently implemented investment supervision policies that are firmly rooted in sharia principles. This strategic approach ensures that any incoming foreign investment is not only assessed for its economic profitability, but is also rigorously evaluated for its

alignment with the basic values of justice, ethical balance, and overall public welfare (the benefit of the people) (Putri & Aziz, 2025). Strengthening firm sharia regulations and establishing a strong state supervisory mechanism are recognized as the most important factors in maintaining economic sovereignty (Nazmi et al., 2020). At the same time, these measures are essential to uphold Islamic business ethics in the midst of the unrelenting currents of globalization and the fierce competition characteristics of free market dynamics.

The UNCTAD 2024 report shows that while MNC Foreign Direct Investment (FDI) in ASEAN reached a substantial \$222 billion, the implementation of sharia filters in Malaysia, for example, significantly reduced exposure to financial risks during periods of market volatility by an estimated 18% (Keita et al., 2023). In Indonesia, the vigilant oversight provided by KNEKS ensures that around 70% of all halal projects involving MNCs strictly adhere to the principle of 'adl, thereby actively preventing exploitative practices and promoting fair outcomes. Brunei Darussalam's unique approach that emphasizes ethical governance under Vision 2035, has succeeded in limiting the dominance of MNCs in its traditional oil

sector. Simultaneously, it has strategically diversified its economy into emerging sectors such as halal pharmaceuticals, attracting an impressive \$500 million inflow from ethical investors (Ilmiah & Islam, 2023). These carefully crafted national measures are instrumental in reducing the potential economic dependence on foreign entities and actively strengthening national control over important economic sectors, perfectly aligned with SDG 17 (Partnership for the Goals) by fostering responsible and ethical global collaboration.

The Relationship Between Islamic Policy, SDGs, and Maqāṣid al-Sharī'ah

The findings of the study show that there is a close relationship between Islamic economic policies and the achievement of the Sustainable Development Goals (SDGs) through the application of the principles of maqāṣid al-sharī'ah. The sharia-based investment policies implemented by Indonesia, Malaysia, and Brunei Darussalam are not only oriented towards economic growth, but also emphasize the value of social justice, equitable distribution of welfare, and environmental conservation. Principles such as 'adl (justice), mīzān (balance), and maṣlahah (common good) serve as

guidelines for ensuring that economic activities run in accordance with Islamic moral values and benefit society at large (B. Harahap & Risfandy, 2023).

In addition, the seamless integration of Islamic values into economic policies significantly reinforces the important role of Southeast Asian Islamic countries in realizing truly sustainable development. By carefully balancing material and spiritual goals, the Islamic economic system provides a powerful alternative paradigm to conventional development models. These conventional models often focus only on growth for the sake of growth, often ignoring important ethical and social dimensions (Helvacioğlu et al., 2021).

Tables

Table 1. Research Findings

NO	THEME	KEY FINDINGS	IMPACT
1	Islamic Investment Policy and Sustainable Growth	Investment policies based on Islamic values encourage sustainable economic growth through the principles of justice, balance, and environmental responsibility. For example: Indonesia (KNEKS), Malaysia (halal industry), and Brunei (Vision 2035)	Encourage ethical, inclusive, and sustainable development in Southeast Asian Islamic countries
2	MNC Investment and Economic Ethics	Multinational corporations (MNCs) contribute to the growth of the industry, but they have the potential to threaten economic sovereignty. Sharia regulations ensure that investments remain in line with the values of justice and benefit	Protecting national sovereignty and upholding Islamic business ethics in the midst of globalization
3	The Relationship of Islamic Policy, SDGs, and Maqāsid al-Sharīh	Islamic economic principles support the SDGs through maqāsid al-sharīh, with an emphasis on justice ('adl), balance (mizān), and the common good (maṣlahah)	Bringing together material and spiritual goals to realize comprehensive sustainable development

(Source: Suyanti Adi Pawiro, 2021)

These different approaches unequivocally prove that Islam has an inherent capacity to serve as a strong foundation for public policy that is

inherently equitable, sustainability-oriented, and deeply committed to the holistic well-being of the ummah (the global Muslim community) as a whole. In Malaysia, the issuance of green sukuk specifically allocated to renewable energy projects in line with the principle of mīzān with SDG 7 (Affordable and Clean Energy) managed to raise more than \$2 billion in 2023 for sustainable infrastructure development. Indonesia's innovative waqf initiative, spearheaded by KNEKS, has also played an important role in supporting SDG 2 (Zero Hunger) by directly benefiting more than 5 million farmers through sustainable agriculture endowments (Quraisy et al., 2020). In addition, Brunei's strategic focus on the halal industry under Vision 2035 has significantly advanced SDG 12 (Responsible Consumption and Production) by encouraging ethical production and consumption patterns while fostering responsible MNC partnerships and adhering to Islamic ethical standards (Susanti et al., 2023). These concrete examples clearly illustrate how the Islamic economic framework offers not only a theoretical but also practical and effective path to achieving the goals of global sustainable development.

Discussion

Integration of Islamic Values in Investment Policy

The application of the principles of *maqāsid al-sharī'ah* in national investment policy is an important element in building a sustainable and just economic development direction in Southeast Asian Islamic countries. Key principles such as justice ('*adl*), balance (*mīzān*), and benefit (*maṣlahah*) serve as moral guidelines in ensuring that economic activities are not only oriented towards financial gain, but also bring social benefits and maintain environmental stability. In this perspective, investment is seen as a means of achieving the welfare of the people, not just an instrument of capital accumulation (Maulana et al., 2025). This is in accordance with the view of Chapra (2000) who emphasizes that Islamic economics balances material and spiritual dimensions to create comprehensive prosperity.

Furthermore, economic policies in Indonesia, Malaysia, and Brunei Darussalam reflect the concrete application of Islamic values in investment governance. Indonesia, through the National Committee for Sharia Economics and Finance (KNEKS), seeks to develop an inclusive Islamic economic ecosystem by

emphasizing equitable distribution of benefits for the community (I. Harahap & Silalahi, 2021). Malaysia stands out through its strong regulatory and institutional system of Islamic investments, including sharia supervision in the banking sector and the nationally integrated halal industry. Meanwhile, Brunei Darussalam has made the moral and ethical dimensions the main foundation in the implementation of economic policies through the Brunei Vision 2035. These three models show how Islamic values can be applied adaptively according to the political and economic context of each country.

Compared to previous research that focused more on the study of sharia finance or the halal sector partially, this study highlights the strategic role of sharia-based investment regulation as a holistic approach to national development. The integration of Islamic values in investment policy not only affirms the ethical position in the economy, but also strengthens the legitimacy of the state in attracting responsible investment (Syahriani et al., 2023). Thus, Islamic-based investment policies have the potential to become an alternative model for other developing countries that want to strike a balance

between economic openness and protection of social and spiritual values.

The Role of MNC Investment and Economic Sovereignty

Multinational corporations (MNCs) play a very strategic role in accelerating economic development, especially in developing countries. Through Foreign Direct Investment (FDI), MNCs contribute to job creation, increased productivity, and knowledge and technology transfer (Prasetyo et al., 2023). In the Southeast Asian region, the presence of MNCs encourages the growth of various sectors such as manufacturing, energy, infrastructure, and services that accelerate regional economic transformation. In addition, MNC's involvement also strengthens cross-border economic ties, opens access to global markets, and encourages governments to improve the investment climate to make it more competitive (Ezeoha et al., 2022). In the context of sustainable development (SDGs), the role of MNCs is important because it is able to support the poverty alleviation agenda and improve the quality of human resources through innovation and corporate social responsibility (CSR).

However, the over-reliance on foreign investment and technology also

poses a serious challenge to the independence of the national economy. The dominance of MNCs in strategic sectors such as energy, digital technology, and natural resources has the potential to cause power imbalances between countries and global corporations (Ramadoni et al., 2024). This situation can weaken the state's control over the direction of development and economic policies that should be in favor of the people's welfare. In line with the view of Islamic figure, Abul A'la Al-Maududi (1969), economic domination by external parties not only has an impact on economic aspects, but can also erode the moral, political, and cultural sovereignty of a nation. Therefore, a policy strategy is needed that is able to balance the receipt of foreign investment with the protection of national interests, so that economic development not only grows quantitatively, but also is sovereign and just (Arif & Cresna, 2018).

In facing these challenges, Islamic countries such as Indonesia, Malaysia, and Brunei Darussalam are trying to implement investment policies that not only prioritize economic growth, but also maintain Islamic independence and ethics in their economic governance. Investment supervision based on sharia principles

allows the government to set limits on economic practices that have the potential to harm society or cause social inequality (Heradhyaksa et al., 2023). With mechanisms such as sharia filters, investment regulations can be directed so that every foreign project provides fair, transparent, and sustainable benefits. This approach offers a more equitable alternative to the conventional liberal economic model, as it places moral values as the main driver of economic activity. Thus, the Islamic economic system functions not only as a regulator of relations between investors and the state, but also as a protector of economic sovereignty and the welfare of the ummah in the midst of competitive globalization (Journal & Economics, 2025).

The Contribution of Islamic Policy to the SDGs

The integration between Islamic-based investment policies and the Sustainable Development Goals (SDGs) illustrates how religious principles can be applied strategically in achieving equitable global development. In the context of Islamic economics, values such as justice ('adl), balance (mīzān), and benefit (maṣlahah) are the basis for directing economic activities to not only be growth-

oriented, but also to maintain social welfare and environmental sustainability (Novemyanto, 2024). These principles are inherently in line with the SDGs agenda that emphasizes the aspects of inclusivity and sustainability. This research reinforces the findings of Hassan & Lewis (2014) who stated that Islamic economics has great potential to support the achievement of the SDGs, because it places moral values as an integral part of economic development (Personal & Archive, 2021). Thus, sharia-based investment policies emerged as a bridge and skillfully linked the imperative of economic globalization with a deep spiritual commitment to the well-being of humanity as a whole. This moral imperative ensures that capital flows are not only efficient but also ethically distributed and socially responsible, creating a more resilient and equitable global economic system (Dan et al., 2023).

Furthermore, the inherent spiritual dimension of Islamic teachings provides an added value that distinguishes the approach to Islamic development from the conventional Western model. If conventional development is often understood as a materialistic process that focuses on economic growth and market efficiency, then in the framework of Islam,

development is a moral and social mission that aims to achieve overall welfare (falah) (Wahyudi et al., 2025). Countries such as Indonesia, Malaysia, and Brunei Darussalam show that the implementation of Islamic-based economic regulations not only supports SDGs goals such as poverty alleviation and social equity, but also strengthens ethical responsibility towards the environment and future generations. Thus, the experiences of these three countries are concrete examples of how Islamic values can contribute to a global development paradigm that balances material, social, and spiritual aspects (Muhammadong, 2025).

Comparative Analysis and Regional Implications

A careful comparative analysis of Indonesia, Malaysia, and Brunei Darussalam reveals that although the three countries come from the same basic foundation of Islamic values, their specific policy approaches and implementation strategies show striking differences. These differences are shaped by unique political, economic, and social contexts. Indonesia, for example, specifically emphasizes inclusivity and strong cross-sectoral collaboration through the strategic establishment of the National Committee

for Sharia Economics and Finance (KNEKS). This important institution plays an indispensable role in harmoniously integrating sharia principles into the national financial system, all without sacrificing the plurality inherent in its society (Nashirudin & Ulfah, 2024). Indonesia's approach describes a governance model that is highly oriented towards broad public participation and the strengthening of its halal ecosystem openly, perfectly aligned with the spirit of democracy and inclusivity that characterizes this nation. This approach fosters a sense of collective ownership and ensures that the benefits of Islamic economics are widely distributed, reducing the potential for social stratification and promoting unity within its diverse population (Halal et al., 2025).

Meanwhile, Malaysia presents a more structured and institutionalized model, placing significant emphasis on strengthening the regulatory framework and aggressively developing its dynamic halal industry. The unwavering support of its government and established Islamic financial institutions has propelled Malaysia to become a recognized global hub for the Islamic economy. The nation's strategic approach clearly shows how

Islamic governance can be applied professionally and modernly without ever sacrificing its core moral values. Malaysia's undeniable success in integrating sharia principles with financial market innovation is strong evidence that Islamic values have an inherent capacity to significantly enhance regional economic competitiveness (Rofiah et al., 2024). This forward-thinking approach carries profound implications, especially in fostering strong synergies between the public and private sectors, which in turn accelerates the nation's transformative journey towards a truly sustainable and ethically based economic system. Malaysia's success provides a blueprint for other Muslim-majority countries seeking to institutionalize Islamic finance and the halal industry, demonstrating how a comprehensive regulatory framework can lead to sustainable growth and international leadership in ethical trade.

Instead, Brunei Darussalam is adopting a more conservative yet profound approach through its unique moral governance, which is firmly anchored in its national vision, the Brunei Vision 2035. The nation has carefully positioned Islamic values as the main foundation that underpins all aspects of its development,

extending into important areas such as investment policy and wise management of natural resources (Brunei Darussalam SDGs, 2023). Brunei's unwavering focus on moral governance makes it an exemplary case study for consistent and comprehensive implementation of sharia, albeit on a relatively smaller economic scale when compared to its two larger counterparts (Pawiro, 2021).

Regionally, these three diverse approaches collectively underscore the remarkable flexibility of Islamic economics, demonstrating its capacity to adapt seamlessly to varying national contexts while reaffirming its universal goals of justice ('adl), balance (mīzān), and sustainability (istidāmah). This rich diversity of strategies greatly enriches the ongoing discourse in Southeast Asia, positioning the region as an important laboratory for the pioneering development of a global Islamic economic model that is adaptive, resilient, and ethically driven (Fitrianingsih, 2023). The different strategies reflect the varied socio-political landscape, from Indonesia's democratic pluralism to Malaysia's structured institutionalization and the Brunei monarchy's emphasis on moral governance, each providing valuable

insights into the practical implementation of Islamic economic principles in the modern world.

CONCLUSION

This study concludes that the policies of Islamic countries have an important role in moderating the investment impact of multinational corporations (MNCs) so that economic development in the Southeast Asian region remains in line with Islamic moral and ethical values. Studies of Indonesia, Malaysia, and Brunei Darussalam show that sharia-based investment governance is able to encourage sustainable economic growth while maintaining the principles of justice ('adl), balance (mīzān), and the public interest (maṣlaḥah) in accordance with maqāṣid al-sharī'ah. Although MNC investments make a significant contribution to industrial development, job creation, and technology transfer, their dominance also poses challenges to economic sovereignty and the application of Islamic business ethics. Therefore, the role of the state has become crucial in ensuring that any form of foreign investment is not only oriented towards material gains, but also supports the spiritual and social well-being of the community. This research enriches the understanding of how Islamic political and

economic principles can be institutionalized in modern policies to realize the Sustainable Development Goals (SDGs) through an ethical, inclusive, and Islamic value-based development model.

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