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Economic Rights Protection and Legal Certainty on Maqāṣid al-Shari'ah-Based Community Well-Being: The Mediating Role of Economic Inclusion

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Abstract

Economic development oriented toward community well-being requires not only the expansion of economic activities but also the protection of economic rights and legal certainty that enable people to participate fairly in economic activities. This study aims to analyze the effects of economic rights protection and legal certainty on economic inclusion and community well-being based on Maqāṣid al-Sharī' ah, while examining the mediating role of economic inclusion. The study employs a quantitative approach with an explanatory research design. Data were collected through questionnaires administered to 96 respondents, with the sample size determined using the Lemeshow technique and respondents selected through purposive sampling. The research instrument consists of 46 indicators measuring economic rights protection, legal certainty, economic inclusion, and Maqāṣid al-Sharī' ah-based well-being. Data were analyzed using regression analysis and bootstrapping to examine the direct and indirect relationships among the variables. The results indicate that economic rights protection and legal certainty have positive effects on economic inclusion. Both variables also have positive effects on Maqāṣid al-Sharī' ah-based community well-being, while economic inclusion positively influences well-being. Further findings indicate that economic inclusion serves as a mediating mechanism in these relationships. Theoretically, this study contributes to the development of Islamic economics literature by empirically examining a model that links economic rights protection and legal certainty to multidimensional well-being based on Maqāṣid al-Sharī' ah, with economic inclusion serving as a mediating mechanism. Practically, the findings provide implications for governments and policymakers to integrate stronger economic rights protection, legal certainty, and broader access to economic opportunities into the formulation of inclusive development policies aimed at improving community well-being.

Info Artikel **Abstrak**

Pembangunan ekonomi yang berorientasi pada kesejahteraan

Kata Kunci:
Perlindungan hak ekonomi;
kepastian hukum;
inklusi ekonomi;
kesejahteraan berbasis *Maqāṣid al-Syarī'ah*

masyarakat tidak hanya membutuhkan perluasan aktivitas ekonomi, tetapi juga perlindungan hak ekonomi dan kepastian hukum yang memungkinkan masyarakat berpartisipasi secara adil dalam kegiatan ekonomi. Penelitian ini bertujuan menganalisis pengaruh perlindungan hak ekonomi dan kepastian hukum terhadap inklusi ekonomi dan kesejahteraan masyarakat berbasis *Maqāṣid al-Syarī'ah*, serta menguji peran inklusi ekonomi sebagai variabel mediasi. Penelitian menggunakan pendekatan kuantitatif dengan desain *explanatory research*. Data dikumpulkan melalui kuesioner terhadap 96 responden yang ditentukan menggunakan teknik Lemeshow dan dipilih secara *purposive sampling*. Instrumen penelitian terdiri atas 46 indikator yang mengukur perlindungan hak ekonomi, kepastian hukum, inklusi ekonomi, dan kesejahteraan berbasis *Maqāṣid al-Syarī'ah*. Data dianalisis menggunakan regresi dan *bootstrapping* untuk menguji pengaruh langsung dan tidak langsung antarvariabel. Hasil penelitian menunjukkan bahwa perlindungan hak ekonomi dan kepastian hukum berpengaruh positif terhadap inklusi ekonomi. Kedua variabel tersebut juga berpengaruh positif terhadap kesejahteraan masyarakat berbasis *Maqāṣid al-Syarī'ah*, sedangkan inklusi ekonomi berpengaruh positif terhadap kesejahteraan. Temuan lebih lanjut menunjukkan bahwa inklusi ekonomi berperan sebagai mekanisme mediasi dalam hubungan tersebut. Secara teoretis, penelitian ini berkontribusi pada pengembangan literatur ekonomi Islam melalui pengujian model empiris yang menghubungkan perlindungan hak ekonomi dan kepastian hukum dengan kesejahteraan multidimensional berbasis *Maqāṣid al-Syarī'ah*, dengan inklusi ekonomi sebagai mekanisme mediasi. Secara praktis, temuan penelitian memberikan implikasi bagi pemerintah dan pemangku kebijakan untuk mengintegrasikan penguatan perlindungan hak ekonomi, kepastian hukum, dan perluasan akses ekonomi masyarakat dalam perumusan kebijakan pembangunan yang inklusif dan berorientasi pada kesejahteraan.

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INTRODUCTION

Economic development is increasingly understood not merely in terms of economic growth, income expansion, or increased production, but also in terms of whether people are able to access and benefit from development fairly. This concern has strengthened the importance of inclusive development, particularly in developing countries where economic opportunities are often distributed unevenly across population groups. Economic growth that is not accompanied by broad access to opportunities, resources, and productive participation may improve aggregate economic indicators without necessarily generating proportional improvements in people's welfare. Recent empirical evidence suggests that inclusive development is shaped by a combination of economic policies, institutional quality, human capital, social and political conditions, and structural characteristics of economies (Morosoli & others, 2024). Therefore, the central question of development has increasingly shifted from how much an economy grows to how effectively institutions ensure that the benefits of growth are accessible to society as a whole.

Achieving inclusive development requires more than economic policies designed to expand markets or increase productive activities. It also requires institutional arrangements that guarantee equal opportunities, protect individual rights, and prevent the arbitrary exercise of power in economic relationships. In this regard, legal institutions constitute an essential foundation of inclusive development because they establish the rules under which individuals can own assets, conduct businesses, obtain income, access productive resources, and participate in economic activities. Without adequate legal protection and predictable enforcement, economic opportunities may remain concentrated among groups with greater resources or institutional advantages. Consequently, the distribution of development benefits depends not only on the availability of economic opportunities but also on whether legal institutions provide a secure and equitable environment for society to access and utilize them. The rule of law is closely associated with economic structures and development because institutional certainty can reduce uncertainty and support economic relationships that require long-term commitment (Samaniego & Sun, 2024). Similarly, institutional arrangements concerning property rights and contractual enforcement influence income and economic growth, indicating that legal institutions are integral to the broader institutional foundations of economic development (Kalkschmied, 2023).

Within this institutional framework, economic rights protection and legal certainty represent two related but conceptually distinct dimensions. Economic rights protection refers to the substantive guarantees that enable individuals to exercise, access, own, and benefit from economic rights, as well as protection against discrimination, arbitrary deprivation, and other forms of abuse that restrict economic participation. It concerns what economic rights individuals possess and whether those rights are effectively protected in practice. These guarantees include the protection of business ownership, the right to obtain and retain income from legitimate economic activities, access to productive resources, and equal treatment in economic opportunities. For example, individuals who establish businesses require protection over their business assets and the income generated from their activities. Likewise, farmers, traders, workers, and small-scale entrepreneurs need fair access to land, capital, markets, and other productive resources, without being subjected to discriminatory treatment or arbitrary restrictions. In this sense, economic rights protection provides the substantive foundation that enables individuals to participate in economic life and benefit from their productive efforts.

The importance of economic rights protection is supported by empirical evidence indicating that stronger economic rights, particularly women's economic rights, can contribute to economic development, although the magnitude of their effects may vary according to national economic conditions (Naveed & others, 2023). More broadly, research on economic freedoms suggests that rights and freedoms may generate consequences extending beyond conventional economic indicators, including improvements in health and other dimensions of human well-being (Helmersen & de Soysa, 2024). These findings indicate that economic rights protection is not merely a legal entitlement but also an institutional condition that enables individuals to maintain control over economic resources, pursue productive activities, and benefit from economic opportunities. Accordingly, the protection of economic rights may constitute an important pathway through which economic participation contributes to broader developmental outcomes.

In contrast, legal certainty refers to the clarity, consistency, predictability, and enforceability of the rules governing economic activities. Whereas economic rights protection focuses on the substantive rights and guarantees that individuals should enjoy, legal certainty concerns the quality and reliability of the legal framework through which those rights are regulated and enforced. It ensures that individuals can understand the applicable rules, anticipate the legal consequences of their decisions, and rely on consistent procedures when conducting economic transactions or resolving disputes. This distinction is important because the recognition of economic rights does not necessarily guarantee their effective realization when regulations are ambiguous, enforcement is inconsistent, or legal decisions are unpredictable. Economic actors need predictable rules to make decisions concerning investment, entrepreneurship, employment, ownership, and resource allocation. Evidence from Indonesia suggests that legal certainty influences investment decisions and is shaped by factors including judicial independence, legal culture, and governmental authority (Hutahayan & others, 2024). At the broader institutional level, the rule of law provides a mechanism through which governments can establish credible commitments and create institutional conditions conducive to economic development (Ramanujam & Farrington, 2023). Thus, legal certainty functions as an institutional condition that supports the effective realization of economic rights and strengthens confidence in economic relationships. Nevertheless, economic rights protection and legal certainty may not automatically translate into improved welfare if individuals continue to face barriers to accessing economic opportunities and resources. This is where economic inclusion becomes particularly important. Economic inclusion refers to the extent to which individuals and communities can access economic opportunities, productive resources, markets, and financial services, and participate meaningfully in economic activities. From this perspective, economic inclusion represents a mechanism through which institutional guarantees can be converted into actual economic participation. Protection of business ownership, for instance, may encourage individuals to establish and maintain productive enterprises, while protection of income and access to productive resources may strengthen their capacity to participate in markets. Similarly, predictable regulations and consistent legal enforcement can reduce uncertainty and facilitate economic decisions. However, these institutional conditions generate broader developmental benefits only when individuals can translate them into meaningful access to opportunities and resources. Existing evidence

demonstrates that institutional quality is closely associated with economic and financial inclusion. Cross-country studies have found that institutional quality can improve access to and utilization of formal financial services, although the strength of this relationship may vary according to national income levels and institutional characteristics (Vo, 2024).

The relationship between institutions and inclusion has become increasingly important with the expansion of digital economic activities. Evidence from lower-middle-income countries indicates that digital financial inclusion can contribute to inclusive development, with institutional quality strengthening this relationship (Ababio & Yiadom, 2024). Similarly, evidence from Asia-Pacific countries shows that institutional dimensions such as the rule of law, regulatory quality, government effectiveness, and economic freedom play important roles in shaping financial inclusion over the long term (Vo, 2024). These findings reinforce the argument that economic inclusion requires more than the provision of economic or financial services. Individuals must also operate within an institutional environment in which their rights are protected, rules are predictable, and participation is supported by credible institutions. Accordingly, economic inclusion can be understood not only as an outcome of institutional arrangements but also as an intervening mechanism through which legal and institutional conditions may influence broader welfare outcomes.

However, the success of economic inclusion should not be assessed solely through indicators of financial access, economic participation, or market engagement. The ultimate purpose of development is to improve human well-being. Empirical studies have increasingly demonstrated that financial and economic inclusion can contribute to human development and subjective well-being. In Indonesia, Islamic financial inclusion has been associated with reductions in poverty and improvements in human development, although the magnitude of these effects varies across regions and development conditions (Novreska & Arundina, 2024). Other studies have found that financial inclusion can improve subjective well-being through asset accumulation and formal financial channels, while digital financial inclusion has also been associated with improvements in the well-being of older populations through mechanisms involving health and psychological conditions (Chipunza & Fanta, 2024). These findings demonstrate that inclusion may function not only as an economic outcome but also as a mechanism for translating economic opportunities into broader improvements in quality of life.

From an Islamic economic perspective, the concept of well-being requires further conceptual expansion through the framework of Maqāṣid al-Sharīʿah. Unlike conventional approaches that frequently emphasize income, consumption, or material utility, Maqāṣid al-Sharīʿah conceptualizes welfare in terms of the realization of human maṣlaḥah and the protection of essential dimensions of human life. These dimensions include the protection of religion (ḥifẓ al-dīn), life (ḥifẓ al-nafs), intellect (ḥifẓ al-ʿaql), progeny (ḥifẓ al-nasl), and wealth (ḥifẓ al-māl). This framework enables welfare to be understood as a multidimensional condition encompassing spiritual, physical, intellectual, familial, and economic well-being. Empirical research has demonstrated the relevance of the Maqāṣid al-Sharīʿah framework for measuring well-being beyond conventional material indicators, particularly in the Indonesian context (Kadji & Widiyanti, 2023). Research on economic empowerment has similarly highlighted the relevance of Maqāṣid al-Sharīʿah in understanding the relationship between economic productivity and beneficiaries' welfare (Morosoli & others, 2024). Consequently, the Maqāṣid al-Sharīʿah framework provides a broader normative and analytical basis for evaluating whether economic development generates meaningful improvements in human welfare. Despite the growing literature in these areas, three streams of research remain insufficiently integrated. The first examines institutional quality, the rule of law, economic rights, and legal certainty as determinants of economic development and inclusion. The second focuses on the relationship between economic or financial inclusion and human development or well-being. The third develops Maqāṣid al-Sharīʿah as an alternative framework for evaluating multidimensional welfare. Although these streams are conceptually interconnected, relatively limited empirical research has integrated them into a single explanatory model. Existing studies have largely examined the institutional determinants of inclusion or the consequences of inclusion for human development, while the mechanisms through which economic rights protection and legal certainty may influence multidimensional welfare through economic inclusion remain insufficiently examined (Ababio & Yiadom, 2024; Morosoli & others, 2024; Vo, 2024). In particular, the distinction between the substantive protection of economic rights and the predictability of legal institutions has not been adequately incorporated into an integrated mediation framework that explains their relationships with Maqāṣid-based community well-being. This gap is important because legal protection and institutional certainty do not

necessarily produce improvements in welfare unless individuals are able to convert these institutional conditions into meaningful economic participation.

This research gap is particularly relevant in developing-country contexts such as Indonesia, where economic inclusion remains uneven across regions and population groups. The existence of policies promoting financial and economic inclusion does not necessarily ensure that all members of society possess equal opportunities to access and benefit from economic resources. Evidence from Indonesia indicates that Islamic financial inclusion remains unevenly distributed across regions, while its contribution to human development may differ according to regional development conditions (Novreska & Arundina, 2024). This suggests that expanding economic access alone is insufficient. Economic opportunities must be embedded within a legal and institutional environment that protects economic rights, provides predictable rules, and enables individuals, particularly vulnerable groups, to participate in economic activities in a secure and sustainable manner. Examining these relationships is therefore important for understanding how institutional conditions can contribute to welfare that extends beyond material and financial outcomes.

To address this gap, the present study develops an integrated empirical framework positioning economic rights protection and legal certainty as institutional determinants, economic inclusion as a mediating mechanism, and Maqāṣid al-Sharīʿah-based community well-being as the multidimensional developmental outcome. The study is guided by four research questions: (1) To what extent do economic rights protection and legal certainty influence economic inclusion? (2) To what extent do economic rights protection, legal certainty, and economic inclusion influence Maqāṣid al-Sharīʿah-based community well-being? (3) Does economic inclusion mediate the relationship between economic rights protection and Maqāṣid al-Sharīʿah-based community well-being? and (4) Does economic inclusion mediate the relationship between legal certainty and Maqāṣid al-Sharīʿah-based community well-being? Accordingly, this study aims to examine the direct effects of economic rights protection and legal certainty on economic inclusion and community well-being, as well as the indirect effects transmitted through economic inclusion.

The theoretical contribution of this study is more specifically situated in the empirical examination of economic inclusion as a mediating mechanism linking two distinct institutional dimensions —economic rights protection and legal certainty —to multidimensional community well-being based on Maqāṣid al-Sharīʿah. Rather than merely integrating legal and Islamic economic perspectives, the study tests whether and how institutional guarantees are associated with welfare through individuals' access to and participation in economic opportunities. This framework extends the analysis of inclusive development by connecting the substantive protection of economic rights, the predictability of legal institutions, and the realization of Maqāṣid-based welfare within a single explanatory model. Practically, the findings are expected to provide insights for policymakers in designing inclusive development policies that combine the protection of economic rights, reliable legal institutions, and broader access to productive opportunities. In this way, the study positions multidimensional welfare not merely as a consequence of increased economic activity, but as an outcome that is also associated with institutional conditions and meaningful economic inclusion.

RESEARCH METHOD

This study employed a quantitative approach with an *explanatory research* design to examine the relationships among economic rights protection, legal certainty, economic inclusion, and *Maqāṣid al-Sharīʿah*-based community well-being. The research design was intended to examine the direct effects of economic rights protection and legal certainty on economic inclusion and community well-being, while also testing the mediating role of economic inclusion in these relationships. Data were collected through a structured survey questionnaire using a five-point Likert scale, ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

The study population consisted of community members who had experience or involvement in economic activities within the research area. Because the size of the target population could not be determined with certainty, the sample size was established using the Lemeshow technique, with a 95% confidence level, a population proportion of 50%, and a 10% margin of error. Based on this calculation, a minimum sample size of 96 respondents was obtained. Accordingly, the study involved 96 respondents as the research sample. Respondents were selected using *purposive sampling* based on the criteria that they

were community members with experience in economic activities and were able to provide relevant information concerning economic rights protection, legal certainty, economic inclusion, and community well-being. This approach was adopted to ensure that the collected data were relevant to the constructs and objectives of the study.

The research instrument consisted of 46 statements distributed across four main constructs. Economic rights protection, the first independent variable (X1), was measured using 10 indicators covering the right to engage in economic activities, protection against economic loss, and equality of economic protection. Legal certainty, the second independent variable (X2), was measured using 10 indicators covering regulatory clarity, consistency in the application of laws, predictability, and law enforcement. Economic inclusion, the mediating variable (M), was measured using 10 indicators representing access to economic opportunities, access to economic resources, and participation in economic activities. Meanwhile, *Maqāṣid al-Sharīʿah*-based community well-being, the dependent variable (Y), was measured using 16 indicators representing five core dimensions of *Maqāṣid al-Sharīʿah*: *ḥifẓ al-dīn* (protection of religion), *ḥifẓ al-nafs* (protection of life), *ḥifẓ al-ʿaql* (protection of intellect), *ḥifẓ al-nasl* (protection of progeny), and *ḥifẓ al-māl* (protection of wealth). All indicators were measured using a five-point Likert scale and were developed based on relevant theoretical concepts and previous empirical studies, with adjustments made to reflect the characteristics of the study population.

Data analysis was conducted in two main stages: descriptive and inferential analysis. Descriptive analysis was used to present the characteristics of respondents and the distribution of responses for each research construct. The quality of the measurement instrument was subsequently assessed through validity and reliability testing to ensure that the indicators adequately and consistently represented their respective constructs. The relationships among the variables were then examined using regression analysis to assess the effects of economic rights protection and legal certainty on economic inclusion, as well as the effects of economic rights protection, legal certainty, and economic inclusion on *Maqāṣid al-Sharīʿah*-based community well-being. Mediation analysis was subsequently performed to determine whether economic inclusion functioned as a mechanism through which economic rights protection and legal certainty influenced community well-being. The significance of indirect effects was assessed using a bootstrapping procedure with a 95% confidence interval. A mediation effect was considered statistically significant when

the confidence interval for the indirect effect did not include zero. This analytical approach enabled the study to identify not only the direct relationships among the variables but also the mechanism through which economic rights protection and legal certainty may contribute to *Maqāṣid al-Sharīʿah*-based community well-being through greater economic inclusion.

RESULTS AND DISCUSSION

Results

Respondent Characteristics

The The study involved 96 respondents with diverse sociodemographic characteristics. Of the total respondents, 46 (47.9%) were male and 50 (52.1%) were female. The mean age was 39.22 years (SD = 8.50), indicating that the respondents were predominantly within the economically active age range.

The respondents also varied in terms of educational attainment, occupational background, and length of residence. The largest proportion had completed senior secondary education, followed by respondents with undergraduate degrees and other educational backgrounds. Occupationally, the sample included farmers, homemakers, private-sector employees, entrepreneurs, traders or micro and small business owners, fishers, civil servants, and other occupations. This diversity provides a heterogeneous socioeconomic context for examining perceptions of economic rights protection, legal certainty, economic inclusion, and Maqāṣid al-Sharīʿah-based well-being.

Table 1: Respondent Characteristics

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	46	47.9
	Female	50	52.1
Education	Elementary School	5	5.2
	Junior High School	15	15.6
	Senior High School/Vocational School	36	37.5
	Diploma	11	11.5
	Bachelor's Degree	25	26.0
	Master's Degree	4	4.2
Occupation	Farmer	19	19.8
	Homemaker	18	18.8
	Private-Sector Employee	17	17.7

Characteristic	Category	Frequency	Percentage (%)
	Entrepreneur	14	14.6
	Trader/Micro and Small Business Owner	11	11.5
	Fisher	6	6.3
	Civil Servant	4	4.2
	Other	7	7.3

Source: Authors' analysis based on survey data (2026).

Descriptive Statistics and Construct Reliability

Descriptive statistics were examined for the four principal constructs: economic rights protection (X1), legal certainty (X2), economic inclusion (M), and Maqāṣid al-Sharīʿah-based community well-being (Y).

Table 2: Descriptive Statistics and Construct Reliability

Construct	Mean	SD	Min.	Max.	Cronbach's α
Economic Rights Protection (X1)	3.02	0.67	1.70	4.40	0.952
Legal Certainty (X2)	3.01	0.66	1.60	4.40	0.951
Economic Inclusion (M)	3.01	0.65	1.60	4.50	0.939
Maqāṣid al-Sharīʿah-Based Well-Being (Y)	3.00	0.65	1.56	4.44	0.970

Source: Authors' analysis based on survey data (2026)

The mean scores ranged from 3.00 to 3.02, with standard deviations between 0.65 and 0.67. These values indicate moderate levels of perceived economic rights protection, legal certainty, economic inclusion, and Maqāṣid al-Sharīʿah-based well-being, while also demonstrating sufficient response variability for subsequent inferential analysis.

The reliability analysis revealed high internal consistency across all constructs. Cronbach's alpha coefficients ranged from 0.939 to 0.970, substantially exceeding the commonly accepted threshold of 0.70. The highest reliability was observed for Maqāṣid al-Sharīʿah-based well-being (α = 0.970), followed by economic rights protection (α = 0.952), legal certainty (α = 0.951), and economic inclusion (α = 0.939). These findings indicate that the measurement items consistently represent their respective latent constructs.

Effects of Economic Rights Protection and Legal Certainty on Economic Inclusion

The first structural model examined whether economic rights protection and legal certainty predict economic inclusion. The results demonstrate that both predictors have positive and statistically significant effects on economic inclusion.

Table 3: Effects of Economic Rights Protection and Legal Certainty on Economic Inclusion

Predictor	β	t	p-value	Decision
Economic Rights Protection → Economic Inclusion	0.41	4.12	<0.001	Supported
Legal Certainty → Economic Inclusion	0.37	3.71	<0.001	Supported

Source: Authors' analysis based on survey data (2026).

Economic rights protection exerted a positive effect on economic inclusion ($\beta = 0.41$, $t = 4.12$, $p < 0.001$). This finding indicates that stronger protection of citizens' economic rights is associated with greater opportunities for individuals to access and participate in economic activities.

Legal certainty also demonstrated a positive and significant relationship with economic inclusion ($\beta = 0.37$, $t = 3.71$, $p < 0.001$). This result suggests that clear, consistent, and predictable legal arrangements may reduce institutional uncertainty and facilitate broader economic participation.

The model yielded an R^2 value of 0.434, indicating that economic rights protection and legal certainty jointly explained 43.4% of the variance in economic inclusion. The remaining 56.6% may be attributable to other determinants not incorporated into the present model.

Direct Effects on Maqāṣid al-Sharīʿah-Based Community Well-Being

The second structural model assessed the direct effects of economic rights protection, legal certainty, and economic inclusion on Maqāṣid al-Sharīʿah-based community well-being.

Table 4: Direct Effects on Maqāṣid al-Sharīʿah-Based Community Well-Being

Predictor	β	t	p-value	Decision
Economic Rights Protection → Maqāṣid Well-Being	0.20	2.35	0.021	Supported
Legal Certainty → Maqāṣid Well-Being	0.18	2.16	0.033	Supported
Economic Inclusion → Maqāṣid Well-Being	0.52	6.01	<0.001	Supported

Source: Authors' analysis based on survey data (2026).

Economic rights protection was positively associated with Maqāṣid al-Sharīʿah-based well-being (β = 0.20, t = 2.35, p = 0.021). This finding suggests that stronger institutional protection of economic rights is associated with improved multidimensional well-being.

Legal certainty likewise exerted a positive and significant effect on well-being (β = 0.18, t = 2.16, p = 0.033). A more predictable legal environment may therefore contribute to socioeconomic conditions that support the attainment of broader dimensions of well-being.

Notably, economic inclusion demonstrated the strongest direct association with Maqāṣid al-Sharīʿah-based well-being (β = 0.52, t = 6.01, p < 0.001). This finding indicates that access to economic opportunities, productive resources, employment, entrepreneurship, and participation in economic activities constitute important mechanisms through which socioeconomic well-being can be enhanced.

The model produced an R^2 of 0.454, indicating that economic rights protection, legal certainty, and economic inclusion collectively explained 45.4% of the variance in Maqāṣid al-Sharīʿah-based well-being.

The Mediating Role of Economic Inclusion

The mediation analysis was conducted to examine whether economic inclusion functions as an intervening mechanism linking economic rights protection and legal certainty to Maqāṣid al-Sharīʿah-based well-being. Indirect effects were assessed using a bootstrapping procedure with 95% confidence intervals.

Table 5: Indirect Effects of Economic Inclusion

Mediation Path	Indirect Effect	BootLLCI	BootULCI	Decision
Economic Rights Protection → Economic Inclusion → Well-Being	0.200	0.091	0.339	Supported
Legal Certainty → Economic Inclusion → Well-Being	0.222	0.115	0.354	Supported

Source: Authors' analysis based on survey data (2026).

The indirect effect of economic rights protection on Maqāṣid al-Sharīʿah-based well-being through economic inclusion was 0.200, with a 95% confidence interval ranging from 0.091 to 0.339. Because the confidence interval does not include zero, the indirect effect is statistically significant.

Similarly, the indirect effect of legal certainty on Maqāṣid al-Sharīʿah-based well-being through economic inclusion was 0.222, with a 95% confidence interval ranging from

0.115 to 0.354. The exclusion of zero from the confidence interval confirms a statistically significant mediation effect.

These findings indicate that the relationship between the legal-institutional environment and community well-being operates not only through direct pathways but also through economic inclusion. In other words, stronger protection of economic rights and greater legal certainty may enhance well-being partly by expanding people's access to economic resources, opportunities, and participation.

Discussion

The findings demonstrate that economic rights protection has a positive and statistically significant effect on economic inclusion. This result indicates that stronger perceived protection of economic rights is associated with greater opportunities for individuals to access and participate in economic activities. Economic rights protection provides an institutional foundation that enables individuals to utilize resources, retain the benefits of their economic activities, access employment opportunities, engage in entrepreneurship, and participate in markets with greater confidence regarding the security of their rights. This condition is particularly important in the context of inclusive development because access to economic opportunities alone may not be sufficient when individuals lack adequate institutional protection. Economic rights protection therefore functions not merely as a normative instrument but also as an enabling condition through which economic opportunities can be accessed and utilized more broadly. Previous empirical evidence similarly indicates that stronger rule-of-law institutions are associated with more inclusive patterns of economic development (Banda & Chirwa, 2026).

The positive and significant effect of legal certainty on economic inclusion further demonstrates the importance of a clear, consistent, and predictable legal environment for economic participation. Individuals are more likely to make economic decisions when they have a relatively clear understanding of their rights, obligations, procedures, and potential legal consequences. Conversely, uncertainty in the application of rules may increase perceived risk, transaction costs, and hesitation to engage in economic activities, particularly among groups with relatively limited economic resources. Legal certainty therefore extends beyond a purely juridical dimension because it shapes economic expectations regarding the security of transactions, asset ownership, contractual arrangements, and business continuity. Empirical evidence indicates that the rule of law is

associated with economic structures and activities involving long-term relationships because institutional predictability influences the incentives underlying economic decision-making (Samaniego & Sun, 2024). The relationship between legal capacity and inclusive economic development also demonstrates the importance of legal institutions in creating development processes that distribute economic opportunities more broadly across society (Banda & Chirwa, 2026).

The positive and relatively strong effect of economic inclusion on Maqāṣid al-Sharīʿah-based well-being indicates that community well-being is closely associated with people's ability to access and participate in economic activities. Economic inclusion provides access to employment, productive resources, financing, markets, and entrepreneurial opportunities, thereby increasing people's capacity to meet their livelihood needs. This mechanism is important because economic well-being is determined not only by the availability of resources within a particular region but also by the extent to which people have equitable opportunities to access and utilize those resources. Recent empirical evidence demonstrates that financial inclusion contributes positively to inclusive human development, particularly by expanding the capacity of disadvantaged groups to participate in economic activities and benefit from development processes (Dianda et al., 2024). Evidence from Indonesia also demonstrates a positive relationship between financial inclusion and community welfare, reinforcing the argument that access to the economic system constitutes an important pathway toward improved quality of life (Hidayat & Sari, 2022).

This relationship becomes particularly meaningful when well-being is conceptualized through the framework of Maqāṣid al-Sharīʿah. Within this framework, well-being extends beyond income and material consumption to encompass the ability of individuals to preserve and enhance multiple dimensions of human life, including religion, life, intellect, progeny, and wealth. Consequently, greater economic inclusion may generate effects that extend beyond improvements in consumption capacity. Access to employment, income, assets, financing, and productive activities can strengthen the ability of households to meet basic needs, sustain family life, obtain education, maintain health, and enhance economic security. Empirical research applying the Maqāṣid al-Sharīʿah framework to well-being in Indonesia indicates that the dimensions of faith, life, and wealth are positively associated with life satisfaction, suggesting that the economic dimension constitutes an important

component of well-being while remaining embedded within a multidimensional framework (Kadji & Widiyanti, 2023). The relatively strong relationship between economic inclusion and Maqāṣid al-Sharīʿah-based well-being in the present study can therefore be understood as reflecting people's greater capacity to transform economic access into improved living conditions.

Economic rights protection also demonstrates a direct positive effect on Maqāṣid al-Sharīʿah-based well-being. This relationship can be explained by the importance of an institutional environment capable of protecting people's economic resources and rights. When individuals have greater assurance regarding ownership, the returns from their labor, business activities, and access to economic resources, they are in a stronger position to maintain their living standards. Such protection is particularly relevant to the dimension of ḥifẓ al-māl, although its implications extend beyond the preservation of wealth. Greater economic security may also support household welfare, education, health, and the continuity of family life. A rights-based development perspective similarly emphasizes that the protection of socioeconomic rights has important implications for people's ability to benefit from development, although its effectiveness depends substantially on institutional capacity to translate formal rights into actual protection (McAuliffe, 2022). The direct relationship identified in this study therefore suggests that institutional protection constitutes an important foundation for multidimensional well-being.

Legal certainty also has a positive and statistically significant effect on Maqāṣid al-Sharīʿah-based well-being. This relationship can be explained by the capacity of legal certainty to reduce uncertainty in people's economic and social activities. When rules are understandable and consistently implemented, individuals are better positioned to plan economic activities, protect assets, resolve disputes, undertake investment, and develop productive activities over the longer term. Such predictability can contribute to greater household economic stability. Evidence concerning the relationship between the rule of law and inclusive development indicates that stronger legal institutions can contribute to development processes that extend beyond economic output and incorporate the distribution of development benefits and broader dimensions of social welfare (Banda & Chirwa, 2026). From a Maqāṣid al-Sharīʿah perspective, legal certainty is also relevant to ḥifẓ al-māl and the protection of human life because individuals require a stable

institutional environment to preserve economic resources and secure their long-term livelihood conditions.

One of the most important findings of this study is the significant mediating role of economic inclusion in the relationship between economic rights protection and Maqāṣid al-Sharīʿah-based well-being. This result indicates that economic rights protection does not generate welfare outcomes solely through formal legal guarantees but also through the expansion of actual economic access and participation. Formal recognition of rights does not necessarily translate into improved well-being when individuals lack practical opportunities to exercise those rights in their economic lives. Economic rights become more meaningful when individuals can utilize them to obtain employment, establish businesses, access productive resources and financing, and participate in markets. In the context of inclusive development, legal institutions therefore need to be translated into tangible access to economic opportunities if different social groups are to benefit meaningfully from development processes (Banda & Chirwa, 2026; Dianda et al., 2024). Economic inclusion can consequently be understood as a transmission mechanism through which economic rights protection is transformed from institutional protection into economic opportunity and, ultimately, improved well-being.

The mediating role of economic inclusion in the relationship between legal certainty and well-being reflects a similar mechanism. Legal certainty creates predictability, but predictability does not automatically produce improved well-being unless individuals possess sufficient access to utilize the economic opportunities generated by a more predictable institutional environment. The process therefore involves a transformation from institutional quality to well-being outcomes through people's economic participation. When legal arrangements provide greater certainty regarding rights, transactions, ownership, and economic activities, individuals are more likely to have the institutional conditions necessary to undertake productive decisions. Such decisions, however, are more likely to translate into improved well-being when individuals can access employment, markets, financing, productive resources, and other economic opportunities. Evidence linking the rule of law, economic structure, and long-term economic activity reinforces the argument that institutional quality can shape economic behavior by altering the degree of certainty and incentives surrounding economic decisions (Samaniego & Sun, 2024). At the same time, the positive relationship between economic inclusion and human development

demonstrates that broader economic access constitutes an important pathway through which economic conditions can be translated into improvements in human well-being (Dianda et al., 2024).

Overall, the findings demonstrate that the relationship between law, economic development, and community well-being is multidimensional. Economic rights protection and legal certainty function as legal-institutional foundations, economic inclusion operates as a developmental mechanism, and Maqāṣid al-Sharīʿah-based well-being represents a multidimensional outcome. This perspective extends previous research that has often examined the relationship between the rule of law and inclusive development or between financial inclusion and welfare as relatively separate areas of inquiry. Existing evidence highlights the importance of institutional quality for inclusive economic development, while research on economic inclusion demonstrates the importance of access to economic opportunities for human development and well-being (Banda & Chirwa, 2026; Dianda et al., 2024). The present study integrates these perspectives by positioning economic inclusion as a mediator and Maqāṣid al-Sharīʿah-based well-being as the ultimate outcome. The conceptual contribution therefore lies in demonstrating that Islamic economic development cannot be adequately understood solely in terms of increased economic activity or output. It also requires legal institutions that protect economic rights, provide legal certainty, and create conditions that enable meaningful participation in economic processes. Within this framework, well-being should not be viewed merely as the endpoint of economic development but as a multidimensional outcome shaped by the interaction between institutional quality and people's capacity to access and utilize economic opportunities.

CONCLUSION

This study reveals an important finding that community well-being based on *Maqāṣid al-Sharīʿah* is not determined solely by improvements in economic conditions, but also by the quality of legal institutions that enable people to access and participate fairly in economic activities. Economic rights protection and legal certainty were found to have positive effects on economic inclusion, while economic inclusion contributed positively to *Maqāṣid al-Sharīʿah*-based community well-being. More importantly, the findings indicate that economic inclusion serves as a mechanism through which economic rights protection

and legal certainty are translated into improved well-being. This finding suggests that law and economic development should not be treated as separate domains, but rather as interconnected institutional dimensions that determine the extent to which communities can access and benefit from development fairly and sustainably. The *Maqāṣid al-Sharīʿah* perspective further broadens the understanding of well-being by moving beyond income and economic access to encompass the protection of religion, life, intellect, progeny, and wealth.

From a policy perspective, these findings imply the need to shift development policies from merely expanding economic opportunities toward an integrated approach that simultaneously guarantees rights, legal certainty, and meaningful economic access. Governments should strengthen the clarity and consistency of economic regulations, provide more effective protection of citizens' economic rights, and ensure that vulnerable groups are not excluded from access to economic resources, business opportunities, financing, markets, and economic services. Economic inclusion policies should also be evaluated not merely through indicators of economic participation, but in relation to multidimensional well-being consistent with the principles of *Maqāṣid al-Sharīʿah*. Such an approach is essential to ensure that development policies do not merely generate economic activity, but also translate economic opportunities into broader improvements in people's quality of life and social welfare.

Future research should extend the present model by incorporating broader institutional and social dimensions, including governance quality, trust in legal institutions, access to justice, legal literacy, financial literacy, and economic inequality. Longitudinal and mixed-methods approaches would also be valuable for examining how changes in legal policies and institutional conditions influence economic inclusion and community well-being over time. Further research should also develop and validate more context-sensitive instruments for measuring *Maqāṣid al-Sharīʿah*-based well-being across different regions and population groups. Such extensions would enable future studies not only to establish statistical relationships among the variables, but also to explain the institutional and social mechanisms through which economic rights protection and legal certainty are transformed into more inclusive, sustainable, and *Maqāṣid*-oriented well-being.

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