AL-IKTISAB Journal of Islamic Economic Law

P-ISSN 2580-4251 | E-ISSN 2615-661X
https://iktisab.journal.unida.gontor.ac.id/index.php/aliktisab
Vol. 10 No. 2 November (2026).

Ethical Dimensions of Unilateral Trade Protectionism: A *Maqasid al-Syar'ah* Perspective on Trump's Reciprocal Tariffs and Global Economic Welfare

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Available at:
https://iktisab.journal.unida.gontor.ac.id/index.php/aliktisab/article/view/18

DOI: 10.21111/al-iktisab.v10i2.18

Pages: 58-73

Keywords:
Reciprocal Tariffs
Protectionism
Islamic Commercial Law
Maqasid al-syari'ah
Global Trade Justice

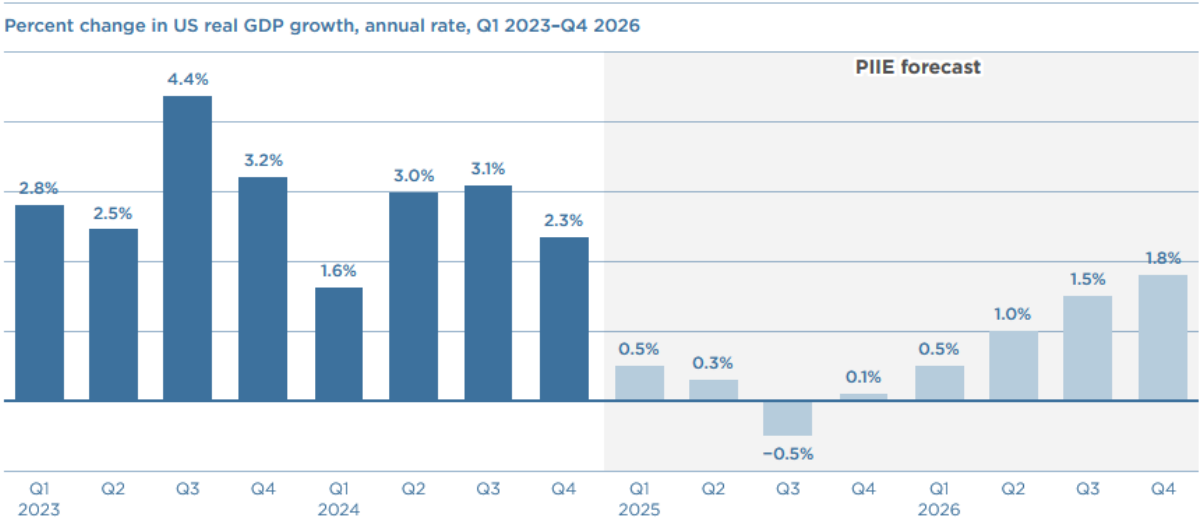
Abstract:
This study examines Donald J. Trump's reciprocal tariffs and their implications for fairness in international trade through the lens of *maqasid al-syari'ah*. The research responds to the rise of protectionism under the Trump administration, which imposed retaliatory tariffs of 10–50 percent on over 180 countries, including Indonesia targeting major partners such as China and the European Union and triggering widespread trade tensions. This faith-based normative perspective is critical because existing scholarship largely overlooks Islamic ethical frameworks, leaving a gap in understanding how retaliatory measures align with justice, equity, and mutual welfare. While such policies aim to protect domestic industries, their consequences raise vital questions concerning *'adl* (justice), *mizan* (equity), and the prohibition of *zulm* (exploitation). This research uses a multidisciplinary approach combining qualitative legal analysis and empirical data to examine how tariff policies align with Islamic principles of fairness. It analyzes primary Islamic legal sources and contemporary scholarship, reviews Trump's reciprocal tariff policies, and collects trade data from the WTO and international economic databases. Normative Islamic teachings are then compared against real-world tariff impacts to identify areas of agreement and conflict. Findings show these tariffs, though strategically rationalized, reinforce global power imbalances and disproportionately harm weaker economies, creating trade disadvantages, currency depreciation pressures, and restricted market access that hinder development, contradicting Islamic principles of *ta'awun* (cooperation) and fair exchange. Ethical concerns over *garar* (uncertainty /monopolistic advantage) and *ikrah* (coercion) also conflict with Islamic commercial ethics. While protective tariffs may serve public interest *(maslahah)* under *syari'ah*-compliant policy, their unilateral, retaliatory design deepens inequity and volatility, undermining *Maqāṣid* objectives of justice and balance. The study concludes with recommendations urging Muslim-majority nations to advance multilateral trade reforms rooted in Islamic values and calls for scholars and economists to develop policies countering systemic exploitation and advancing a fairer global trading system.

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Introduction

In the wake of a rapidly evolving global trade environment, the administration of U.S. President Donald J. Trump marked a turning point in the discourse on trade protectionism. Central to this shift was the policy of reciprocal tariffs, through which the United States sought to impose import duties on foreign goods mirroring the tariffs those countries levied on American products. Framed under the broader vision of "America First" and trade fairness, Trump's rationale was that reciprocal tariffs would restore equity in international trade, counteract decades of trade deficits, and encourage foreign governments to reduce their trade barriers (Milan Bednář, 2019). However, these measures sparked intense debate among economists, legal scholars, and international relations experts, as they raised concerns about trade wars, economic nationalism, and the undermining of multilateral trade institutions such as the World Trade Organization (Ken Itakura, 2020).

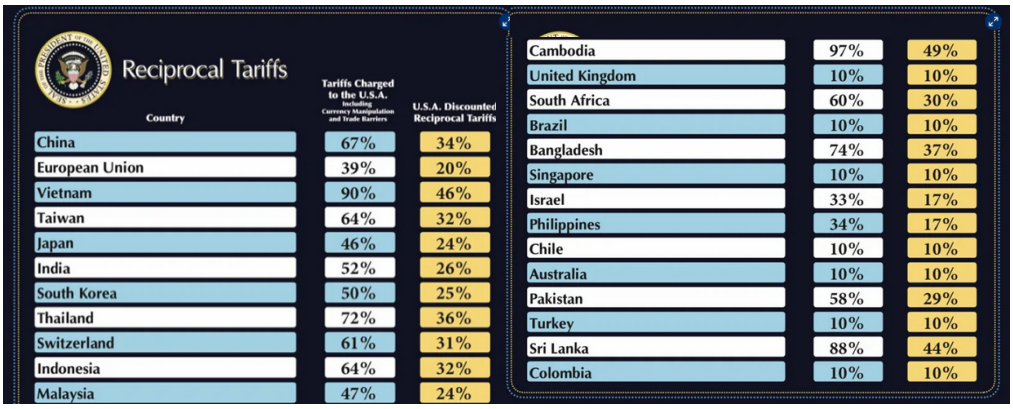
Graph 1. US economy expected to stall as policy changes weigh on growth



Source: US Bureau of Economic Analysis (via Federal Reserve Economic Data) for Q1 2023-Q4 2024; PIIE forecast for Q1 2025-Q4 2026.

The global economy is still expected to grow this year, but the outlook has worsened significantly, with real global GDP projected to rise by just 2.7% in 2025 and 2.8% in 2026 down from 3.2% in 2024 due to major policy shifts in the U.S., particularly new tariffs, which are dampening economic activity, increasing uncertainty, raising prices, disrupting supply chains, and reducing real incomes. These direct effects are exacerbated by an unpredictable policy environment, as frequent tariff changes have made business planning and investment more difficult (Prakash Agrawal and Rakesh, 2023).

Chart 1. New tariffs that was displayed by President Donald Trump during his trade announcement April 2, 2025, and posted on social media.



Source: https://www.cnbc.com/2025/04/02/trump-reciprocal-tariffs-countries-chart-imports-united-states.html

During a policy announcement at the White House Rose Garden, President Donald Trump outlined a proposed tariff structure would establish a baseline rate of 10% for most imports. However, as illustrated in accompanying data, numerous trading partners would be subject to substantially higher duties. Trump explained that these adjusted rates would approximate half of the total trade barriers—including tariffs, non-tariff restrictions, and alleged unfair trade practices—imposed by other nations on U.S. goods. He emphasized that this approach would not constitute full reciprocity but rather a partial offset designed to address perceived imbalances.

The invocation of fairness as a justification for reciprocal tariffs invites a broader inquiry into the ethical underpinnings of international trade. While Western economic theory often interprets fairness through utilitarian or contractualist frameworks, alternative normative systems, such as Islamic commercial law, provide a distinct conception rooted in divine justice *('adl)*, moral responsibility *(taklif)*, and mutual consent *(taraḍin)* between parties (Rashid, 2024). Islamic commercial jurisprudence, derived from the *Qur'an*, *Sunnah*, and centuries of *fiqh* scholarship, emphasizes the protection of economic justice, the prohibition of exploitation *(garar, riba , and zulm)*, and the ethical regulation of market behavior. This perspective introduces a qualitative dimension of fairness that goes beyond formal reciprocity or economic symmetry, considering instead the relational and distributive aspects of justice in trade interactions.

Despite extensive literature examining Trump's trade policy through economic and legal lenses, these approaches are structurally incomplete: they evaluate tariffs primarily through efficiency, market welfare, and domestic law, but lack independent ethical criteria to judge whether "reciprocity" itself is fair, equitable, or morally legitimate. This conceptual blind spot, treating trade ethics as synonymous with domestic or international law, means existing scholarship cannot fully assess the normative justification, fairness, and distributive impacts of trade policy (Maffettone, 2024).

Works in Islamic economics and trade justice have similarly remained insufficient: they focus largely on internal market dynamics, distributive outcomes, or Islamic finance, and rarely evaluate state-level trade policies against an explicit ethical framework. As a result, there exists no basis for broader, pluralistic ethical evaluation that is not bounded by Western legal and normative assumptions.

This study resolves that blind spot by evaluating Trump's reciprocal tariffs through the ethical framework of Islamic commercial law, a system with independent moral principles (fair exchange, prohibition of harm, equity in bargaining, and avoidance of coercion) that operate separately from strategic or legalistic reasoning. By applying these standards, this work reveals whether "reciprocity" meets ethical standards beyond legality or national interest, thereby correcting the tendency to equate "*lawful*" with "just." This contribution answers increasing calls for pluralistic global trade ethics: it demonstrates how non-Western moral systems can identify and evaluate ethical dimensions that dominant frameworks overlook, producing a more complete and normatively independent assessment of contemporary trade policy.

The primary objective of this study is to critically evaluate whether and to what extent the principle of reciprocal tariffs as implemented by the Trump administration aligns with the Islamic concept of fairness in commercial transactions. More specifically, this study aims to: (1) examine the normative foundations and strategic rationale behind Trump's trade policy of reciprocity; (2) delineate the principles of fairness, justice, and mutual benefit in Islamic commercial law; and (3) assess the compatibility, tensions, or contradictions between the two paradigms. To achieve these aims, the study will draw upon authoritative sources, including official documents from the United States Trade Representative (USTR), WTO reports and statistics, peer-reviewed publications in Islamic jurisprudence, and key texts in classical and contemporary Islamic legal theory.

Tariffs are government-imposed taxes on imported goods that significantly influence international trade dynamics by making foreign products more expensive relative to domestic goods. While primarily applied to imports, tariffs can indirectly impact exports through changes in global competitive conditions and retaliatory trade measures (Braga and Willmore, 2020). Research shows that reductions in import tariffs can enhance a country's export performance by improving domestic producers' competitiveness and integrating supply chains more effectively (Huang and Wang, 2021).

However, tariffs can also trigger trade tensions, leading to retaliatory tariffs that reduce market access for exporters and disrupt trade flows, as observed in recent U.S.-China trade disputes (Liu, Chen, and Zhang, 2022). Different types of tariffs, including ad valorem and specific tariffs, affect trade costs and pricing strategies in various ways, with implications for firms' export decisions (Zhao and Chen, 2023). Moreover, tariffs can generate government revenue but may also lead to inefficiencies and distortions in resource allocation, impacting overall economic welfare (Martinez and Silva, 2024). Empirical studies stress the importance of considering contextual factors such as industry characteristics, country trade policies, and global economic conditions when

evaluating the effects of tariffs on exports (Nguyen, Tran, and Le, 2023). Contemporary analyses also highlight the evolving role of tariffs amidst globalization and digital trade, emphasizing the need for adaptive trade policies to balance protectionism and competitiveness (Patel and Kumar, 2025). Understanding tariffs' multifaceted impact on exports is critical for policymakers aiming to foster sustainable economic growth and international cooperation.

The concept of fairness in trade from an Islamic perspective is deeply rooted in ethical principles derived from the *Qur'an* and *Hadis* , emphasizing justice, honesty, and mutual benefit in commercial transactions. Islamic trade ethics advocate for fairness by prohibiting practices such as fraud, deception, and exploitation, which are seen as detrimental to social harmony and economic justice (Khan and Bhatti, 2020). Fairness in trade is not only about equitable pricing but also involves ensuring that all parties involved in a transaction are treated with respect and dignity, fostering trust and cooperation (Ali and Al-Owaihan, 2021).

Allah SWT says in the Al-Qur'an surah An-Nisa verse 29:

يَـٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُوا لَا تَأْكُلُوٓا أَمْوَٰلَكُم بَيْنَكُم بِٱلْبَـٰطِلِ إِلَّآ أَن تَكُونَ تِجَـٰرَةً عَن تَرَاضٍ مِّنكُمْ وَلَا تَقْتُلُوٓا أَنفُسَكُمْ إِنَّ ٱللَّهَ كَانَ بِكُمْ رَحِيمًا ٢٩

"O believers! Do not devour one another's wealth illegally, but rather trade by mutual consent. And do not kill ˹each other or˺ yourselves. Surely Allah is ever Merciful to you."

The principle of *'adl* (justice) is central to Islamic economics, guiding traders to engage in practices that promote social welfare and prevent harm to others (Siddiqui, 2022). Furthermore, Islamic teachings encourage transparency in transactions, advocating for clear communication regarding the terms and conditions of trade to avoid disputes and misunderstandings (Mohammed and Rahman, 2023). The prohibition of *riba* (usury) and *garar* (excessive uncertainty) further underscores the importance of fairness, as these practices can lead to exploitation and inequality in trade relationships (Hassan and Mollah, 2023). Additionally, the concept of *halal* (permissible) and *har>am* (forbidden) extends to trade practices, ensuring that all goods and services exchanged adhere to ethical standards (Khan and Ali, 2024).

From Jabir radhiyallahu 'anhu, the Prophet Muhammad (pbuh) said,

لَعَنَ رَسُولُ اللَّهِ –صلى الله عليه وسلم– آكِلَ الرِّبَا وَمُوكِلَهُ وَكَاتِبَهُ وَشَاهِدَيْهِ وَقَالَ هُمْ سَوَاءٌ.

"The Prophet sallallaahu 'alaihi wa sallam cursed the usury taker (loan shark), the usury depositor (customer who borrowed), the author of the usury transaction (secretary) and the two witnesses who witnessed the usury transaction." He said, "All are equal in sin." (HR. Muslim, no. 1598)."

Islamic finance principles, such as profit-sharing and risk-sharing, also promote fairness by aligning the interests of all parties involved (Ibrahim and Rahman, 2022). Ultimately, the Islamic perspective on fairness in trade seeks to create a balanced

economic system that prioritizes ethical conduct, social responsibility, and equitable distribution of wealth (Zaman and Ali, 2023). This holistic approach not only enhances individual welfare but also contributes to the overall well-being of society.

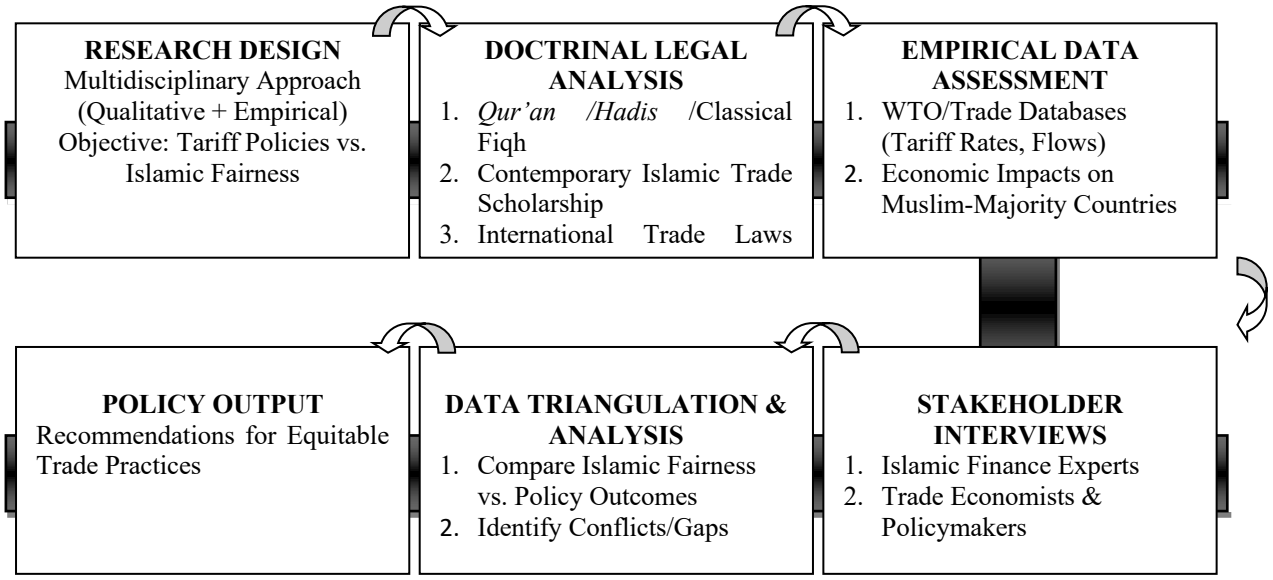
Theoretically, these findings are intended to serve academics and normative scholars seeking to construct or advance a coherent, non-Western framework for international trade ethics rooted in Islamic principles. Practically, this research is designed to provide actionable ethical benchmarks and policy guidance for economic policymakers in Muslim-majority countries, enabling them to evaluate, design, and calibrate reciprocal trade measures and tariff policies not only by legal or economic criteria but also by consistent Islamic ethical standards of fairness, equity, and non-exploitation.

Methodology

This research adopts a multidisciplinary approach integrating qualitative legal analysis with empirical data assessment to explore the implications of tariff policies on Islamic principles of fairness. Firstly, doctrinal legal research was conducted to analyze primary Islamic commercial law texts, including the *Qur'an* , *Hadis*, and classical jurisprudential sources, alongside contemporary scholarly interpretations concerning fairness in trade and contractual justice (Khan and Ahmad, 2021). This was complemented by a critical review of international trade laws and policies, focusing on the specifics of the reciprocal tariffs introduced during the Trump administration (Lee and Park, 2021). Additionally, empirical data on trade flows, tariff rates, and dispute occurrences was collected from authoritative sources such as the World Trade Organization (WTO) and international economic databases to assess the practical effects of these tariffs on Muslim-majority countries' trade activities (Chen, Wang, and Zhang, 2022).

This study applies hybrid deductive–inductive thematic analysis following Braun & Clarke. Expert statements were first compiled and reviewed for familiarity. Deductive coding applied Islamic ethical criteria—justice, non-exploitation, consent, and distributive fairness while inductive coding captured empirical impacts (currency pressure, export decline, capital flight, sectoral harm). Codes were refined, grouped into themes, and validated through independent review before being mapped into results showing evidence, consensus, and ethical alignment (Braun and Clarke, 2022).

Chart 2. Research Design



Source: Processed dataset, 2026

Methodologically, stakeholder interviews with Islamic finance experts, trade economists, and policymakers to provide deeper insights into the perception and application of fairness under these tariffs (Hassan, Mollah, and Ahmed, 2020). Data triangulation applied to ensure the validity and reliability of findings, integrating doctrinal, empirical, and qualitative data. Overall, this mixed-methods approach aims to deliver a comprehensive understanding of how contemporary trade policies interface with Islamic commercial ethics and fairness principles.

Five experts and stakeholders opinions were selected using clear criteria to ensure credibility. Eligibility required meeting at least two standards: (1) academic or senior research appointment; (2) advanced qualifications in relevant fields; (3) public or institutional recognition; and (4) proven specialization matching the topic.

Five verified experts and stakeholders:

1. Wijayanto Samirin (Paramadina Univ.) – trade & fiscal policy
2. Prof. Dr. Didin S. Damanhuri (IPB Univ.) – macroeconomics & exchange rates
3. Ibrahim Assuaibi – currency & exchange-rate analysis
4. Bhima Yudhistira Adhinegara (CELIOS) – trade policy & export sectors
5. Jaharuddin (UMJ) – Islamic economics & sharia finance

This framework ensures authoritative, relevant expertise across academic, policy, market, and Islamic-economic perspectives, reducing bias and enabling consistent validation of findings. Experts were interviewed regarding their opinions on the U.S. reciprocal tariff policy implemented by U.S. President Donald J. Trump in early 2025 and its impact on Indonesia.

Results and Discussion

Tariff rates vary widely across regions due to differing trade policies, economic structures, and agreements. Although global trends show a general decline in tariffs,

exports from developing countries still face relatively high barriers, limiting their competitiveness and access to international markets. In 2023, developing nations were found to impose higher import tariffs compared to developed countries. This is often done to protect local industries and to serve as a source of government revenue. Despite this, developing countries also tend to face disproportionately higher tariffs on their own exports, especially in sensitive sectors such as agriculture and labor-intensive manufacturing, further challenging their integration into global trade.

Table 1. Challenges of Global Trade Integration for Developing Countries

No	Region	Economic Conditions Before US Import Tariff Increase
1.	Africa	▪ African imports face some of the highest import tariffs, averaging around 8 percent. ▪ African exports generally face lower tariffs in developed country markets due to preferential trade agreements, while they export more natural resources, which usually face low tariffs.
2.	South Asia	▪ Imports of South Asia also face some of the highest import tariffs, at nearly 8 percent. ▪ South Asian exports face some of the highest tariffs globally, averaging around 4 percent.
3.	Latin America	▪ Latin America's import face lower average tariffs than those of Africa and South Asia, but still significant. ▪ Latin American exports face high tariffs, averaging nearly 4 percent. ▪ Regional trade agreements have helped reduce tariffs, and preferential trade remains a key determinant of market access.
4.	East Asia	▪ East Asia has significantly lower tariffs due to extensive trade agreements and its deep regional economic integration. ▪ Their high level of integration in Global Value Chains (GVCs) creates incentives to keep tariffs low, particularly on primary and intermediate products, to facilitate efficient cross-border production and trade. ▪ Tariff levels on their exports are relatively low, except for specific instances largely related to United States tariffs on China.
5.	Developed Economies	▪ Developed economies maintain some of the lowest tariffs, generally below 2 percent, due to low Most Favored Nation (MFN) tariff rates, because of many multilateral rounds of tariff reductions and trade agreements. They also face generally lower tariffs due to their focus on exporting manufactured goods.

		▪ They offer preferential market access for imports from several developing countries, particularly for raw materials and natural resources.

Source: UNCTAD Global Trade Update, March 2025.

Tariff Peaks and Their Disproportionate Impact

Indeed, developing nations frequently employ tariff peaks, exceptionally high import duties on specific goods, as a means of protecting domestic industries. Regions such as South Asia and Africa exhibit some of the highest tariff rates, particularly in agricultural and manufactured imports, reflecting strong protectionist tendencies. These measures disproportionately affect low-income countries, as their key export products, such as food and apparel, face elevated tariffs. For instance: 8% of global food trade (by value) is subjected to tariffs exceeding 15%, with nearly 30% of HS 6-digit product lines in the food sector facing such duties. Similarly, 8% of international apparel trade encounters tariffs above 15%, affecting approximately 25% of HS 6-digit categories in this sector. This asymmetry in trade policy hurts poor countries, reinforces economic disparities and hinders their integration into the global market. The fact that has been running normally so far is assumed by the United States government under President Trump as an unfair act for his country.

In response to perceived unfair trade practices, the Trump administration declared a national emergency under the International Emergency Economic Powers Act (IEEPA), introducing reciprocal tariffs on over 180 countries. This policy, effective from April 2025, imposed a 10% baseline tariff on all imports, with additional customized tariffs targeting nations with significant trade imbalances with the U.S. This reciprocal Tariff policy was decided with three main objectives: 1) Economic Sovereignty: Reducing reliance on foreign supply chains, particularly in critical sectors like pharmaceuticals, technology, and defense. 2) Corrective Trade Measures: Addressing non-reciprocal tariffs, value-added tax (VAT) manipulation, and intellectual property (IP) theft. 3) Reshoring Manufacturing: Encouraging domestic production by making foreign imports less competitive.

The US administration justified these tariffs by citing studies showing that previous Trump-era tariffs (2017-2021) reduced foreign dependency, reshored industries, and had a minimal impact on consumer prices.

***Maqasid al-syari'ah* and Fairness in Trade**

From an Islamic economic perspective, trade is far more than a mechanism for exchanging goods and services. It is a sacred social practice, bound by ethical imperatives that distinguish legitimate profit from unjust enrichment. The foundational command is set forth clearly in the *Qur'an* :

"O believers! Do not devour one another's wealth illegally, but rather trade by mutual consent. And do not kill [each other or] yourselves. Surely Allāh is ever Merciful to you." (Qur'ān 4:29)

This verse establishes three foundational norms: prohibition of unjust appropriation of wealth, trade based on mutual consent, and avoidance of conduct that destroys individuals or communities. When interpreted through *maqasid al-syari'ah*, the teleological framework of Islamic law, these rules reveal a deeper purpose: the preservation of human dignity and the advancement of the common good *(maslahah)*. The *syarīʿah* does not regulate trade merely to enforce compliance; it regulates it to protect the essential interests that every human being requires to live a full, secure, and flourishing life.

Classical scholars of *maqasid*, including *al-Gazālī, al-Tufi,* and *al-Syāṭibī*, unanimously hold that the Divine Law exists to secure five universal necessities *(al-kulliyyāt al-khams)*: protection of Religion, Life, Intellect, Lineage, and Property. Every commercial rule in Islam is ultimately ordered toward preserving these five foundations. To violate trade ethics is therefore not merely to break a contract, it is to undermine the very objectives for which the *syarīʿah* was revealed.

The ban on *ribā* (usury/interest) is the most visible expression of the *Qur'an ic* command "do not devour one another's wealth illegally." In *maqasid* terms, this prohibition serves the primary objective of protecting wealth *(hifzu al-mal)* and ensuring it circulates productively and fairly in society.

Riba represents wealth extracted without commensurate effort, risk, or shared benefit. It transforms trade, an activity meant to generate shared value—into a one-sided mechanism of extraction: the lender gains guaranteed profit regardless of whether the borrower's venture succeeds. This violates justice *('adl)*, concentrates wealth in the hands of the few, and creates structural inequality. In the words of the Prophet Muhammad (peace be upon him):

"The Prophet cursed the usury taker, the usury giver, the scribe, and the witnesses, saying they are all alike in sin." (Sahih Muslim 1598)

This *Hadis* makes clear that *riba* is not a private transaction, it is a collective injustice. All who participate in it sustain a system that violates the *syarīʿah's* objective: wealth must be earned through contribution and shared risk, not extracted through contractual advantage. When wealth is accumulated without effort or risk, the *maqs}ad* (objective) of protecting property is inverted: property becomes a tool of domination rather than a means of sustaining life and community.

Parallel to *riba* , the prohibition of *garar* (excessive uncertainty, ambiguity, or hidden risk) also rests on the protection of wealth and the prevention of harm. When the subject matter, price, quantity, quality, or delivery terms are unknown, speculative, or concealed, trade becomes indistinguishable from gambling or fraud.

From a *maqasid* perspective, *garar* violates the requirement that consent must be genuine and informed. A party cannot truly consent to what they do not understand. Contracts containing excessive uncertainty expose people to preventable loss, undermine trust, and allow wealth to pass from one party to another through trickery rather than mutual exchange. Prohibiting *garar* therefore serves the higher objective of protecting people from harm *(hifz al-nafs)* in its social and economic

dimension: ensuring that no one is impoverished or ruined through unfair or deceptive dealings.

The requirement that contracts be clear, truthful, and free from hidden terms or misrepresentation is often treated as a procedural rule, but in *maqasid* terms, it is essential to the preservation of social order and collective well-being. Trust *(amānah)* is the foundation of trade. If goods are misrepresented, prices are manipulated, or terms are concealed, consent is compromised. The *Qur'an ic* phrase "do not devour one another's wealth illegally" encompasses not only outright theft but also every form of misrepresentation, fraud, or concealment that enables one party to take value to which they are not entitled.

This aligns with the *maqasid* principle that harm must be removed and benefit secured. Deceptive trade practices inflict injury, financial loss, damaged reputation, broken trust, and thereby defeat the *syariah's* purpose. Honesty and transparency are not merely virtues; they are legal and moral requirements because without them, trade cannot fulfill its higher purpose: to sustain community, enrich society, and enable people to secure their livelihoods with dignity and peace of mind.

The *Qur'an* commands: *"but rather trade by mutual consent."* This phrase *"by mutual consent"*, establishes *taradin*: willing, informed, uncoerced agreement by all parties. It is not enough for an exchange to be technically legal; it must also be voluntary and mutually beneficial.

From a *maqasid* perspective, trade exists to realize collective well-being *(Maslahah)*, not private gain at the expense of others. This principle has profound normative implications, extending far beyond individual transactions to the conduct of nations and economies. Unilateral tariffs, monopolistic practices, unfair trade restrictions, or terms that disproportionately harm weaker parties, whether individuals or entire economies, conflict directly with *taradin*. Such measures are coercive in effect if not in form: they destroy livelihoods, concentrate hardship, and violate the *syari ah's* overarching objective: to remove harm and secure benefit for all.

The closing words of *Qur'an* 4:29 *"And do not kill [each other or] yourselves"*reinforce this broader vision. The verse links economic injustice to self-destruction: exploitation, greed, and indifference to the harm one inflicts on others ultimately ruins the whole community. To trade by mutual consent means that all parties must enter freely, on reasonably equal footing, with fair returns and shared prosperity. Justice is not an optional extra, it is the very condition of legitimate trade.

When read together through the lens of *maqāṣid al-syari'ah*, the three commands in *Qur'an* 4:29 form a single, unified moral architecture:

Tabel 2. Synthesis: The Higher Objectives of Islamic Trade Ethics

***Qur'ānic* Command**	**Core Principle**	***Maqasid* Objective**
"Do not devour one another's wealth illegally"	Avoid exploitation, fraud, Ribā, and Gharar	Protect property and prevent unjust impoverishment

"Trade by mutual consent"	Justice, transparency, equality, shared benefit	Protect life and dignity; secure livelihoods without coercion
"Do not destroy one another"	Avoid harm; uphold collective responsibility	Protect community; sustain social and economic flourishing

Source: Processed dataset, 2026

Islamic commercial law does not separate "business" from "morality." Every rule prohibiting *riba* , banning *Garar*, requiring honesty, and insisting on mutual benefit serves one unified purpose: to enable human flourishing under justice. Wealth must circulate freely, trust must prevail, and the community must be sustained in peace and equity. Trade is legitimate only when it advances the *maqāṣid*: protecting life, property, and dignity for all parties, without coercion, deception, or exploitation.

Criticism of the US Reciprocal Tariff Policy and Its Impact on Indonesia

Paramadina University economist, Wijayanto Samirin, criticized the US reciprocal tariff policy as a step to improve fiscal conditions that risks harming other countries. He warned that this policy could hamper global economic growth, trigger a revision of growth projections by the IMF, World Bank, and OECD, and divert investor flows to safe-haven assets such as gold and government bonds. As a result, global stock market volatility is expected to increase with a bearish trend, while the exchange rates of various countries' currencies, including the rupiah, are under pressure. For Indonesia, this could make it difficult to achieve the 5% growth target in 2025.

IPB University Professor, Didin S. Damanhuri, predicted that this policy would worsen the weakening of the rupiah, with the potential to reach IDR 17,000/USD. According to him, the global economic shock from this US policy has exacerbated pressure on the exchange rate, including the rupiah which is already under pressure from negative domestic sentiment such as the Danantara issue and the government's populist policies.

Currency observer, Ibrahim Assuabi predicted a decline in the competitiveness of Indonesian exports to the US and urged the government to take strategic steps to contain the impact. He projected that the rupiah could reach Rp16,900–Rp17,000/USD in the near future. Bhima Yudhistira (Celios) added that this policy not only reduces Indonesia's exports to the US, but also triggers a chain effect to other countries. The automotive and electronics sectors will be most affected, with the risk of declining sales, layoffs, and production capacity. Every 1% decline in US growth has the potential to reduce Indonesia's growth by 0.08%.

Jaharuddin, a sharia economic observer from UMJ, emphasized that the impact of this policy extends to the financial sector, capital markets, and domestic economies of developing countries, including Indonesia which is developing a sharia economy. This US policy risks disrupting the stability of the global financial and trade system.

The opinions of several economic experts above can show that the US reciprocal tariff policy has the potential to hamper global economic growth by triggering capital flows to safe assets such as gold and government bonds, and increasing financial market volatility. For Indonesia, the impact is seen in the weakening of the rupiah, pressure on the export sector, especially automotive and electronics, and the risk of failing to achieve the 5% economic growth target in 2025. To mitigate these negative effects, the government needs to design strategic policies, including exchange rate stabilization through market intervention and export market diversification to reduce dependence on the US and anticipate global economic turmoil.

Evaluating Trump's Tariffs through an Islamic Ethical Lens

While the U.S. reciprocal tariffs aim to correct trade imbalances, their fairness must be assessed in light of Islamic commercial ethics:

1. *Justice vs. Retaliation:*
    a. Islamic Perspective: Trade policies should promote equity, not merely retaliation. If tariffs are imposed to redress genuine imbalances, they may align with Islamic justice. However, if they disproportionately harm weaker economies, they risk violating the principle of *'adl*.
    b. Application to Trump's Tariffs: The 10% baseline tariff affects all nations uniformly, but additional reciprocal tariffs could exacerbate economic disparities, particularly for low-income countries already struggling with high U.S. import duties.
2. *Protectionism vs. Fair Competition:*
    a. Islamic Perspective: While protecting domestic industries is permissible, excessive protectionism that stifles fair competition may be unethical.
    b. Application to Trump's Tariffs: If the policy encourages reshoring without causing undue harm to foreign exporters, it may be justified. However, if it leads to trade wars, it could destabilize global markets—contrary to Islamic principles of economic stability.
3. *Economic Sovereignty vs. Global Welfare:*
    a. Islamic Perspective: Nations have the right to protect their economies, but not at the expense of global economic justice.
    b. Application to Trump's Tariffs: The policy's focus on national security and economic sovereignty is valid, but its broader impact on developing nations must be considered to ensure fairness in international trade.

Unilateral protectionism distorts prices and fair competition in the market; and every market distortion that creates injustice, exploitation, and loss of people's wealth without a legitimate cause constitutes *mafsadah*, corruption or harm, which is

prohibited by *syariah*, for it undermines justice and the common good, the very core purposes for which Allah Almighty revealed His divine law.

Conclusion

The reciprocal tariff policy implemented under the Trump administration represents a pragmatic attempt to address perceived trade imbalances and safeguard domestic economic interests; however, it simultaneously raises significant ethical and structural concerns when evaluated from the perspective of Islamic commercial law. While the intent to correct unfair trade practices may appear reasonable, the unilateral and retaliatory nature of such measures often disrupts market mechanisms, distorts prices, and disproportionately harms weaker economies, outcomes that conflict with Islamic principles of justice, equity, and mutual benefit. To align trade policy more fully with Islamic ideals, future approaches should avoid excessive retaliation that inflicts harm indiscriminately, uphold full transparency in negotiations, and prioritize mutual consent and shared agreements rather than unilateral impositions. A balanced framework one that protects legitimate domestic industry while upholding global economic justice, not only reflects the core Islamic values of fairness, equity, and reciprocity in trade, but also generates broader and more sustainable benefits for all nations. By anchoring international trade in justice and mutual welfare rather than coercion or advantage, such an approach advances the common good of every country in the world, without exception.

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