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Emphasising the Islamic Value of Social Capital in the Movement to Stabilise National Governance

Mohd Khairul Nizar Maula Muhamad Akhir[1], Mohd Azrin Akmar Md Kamar[2], Luqman Mahmud[3*]
*luqman.mahmud@uum.edu.my

[1] Department of Management & Accounting, Poly-Tech MARA College Alor Setar
[2] Faculty of Business and Management, Universiti Teknologi MARA Perlis
[3] School of Business Management, College of Business, Universiti Utara Malaysia

nizar@gapps.kptm.edu.my, 2023939683@student.uitm.edu.my, luqman.mahmud@uum.edu.my
Tel: 0135976723

Abstract
This article presents a systematic literature review examining the role of Islamic social capital in stabilizing national governance between 2000 and 2025. The concept of social capital, typically defined by trust, cooperation, and mutual understanding, is explored within the Islamic context, where communal ties and collective responsibility hold significant value. By analyzing key studies from the past two decades, this review outlines the influence of Islamic social capital in political stability, social movements, and governance outcomes. The findings highlight how Islamic principles of solidarity, justice, and ethics foster governance structures that are more inclusive, accountable, and resilient. Furthermore, the review discusses the challenges and opportunities for leveraging Islamic social capital to enhance governance, particularly in Muslim-majority societies.

Keywords: Islamic Social Capital; National Governance; Political Stability

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1.0 Introduction
Social capital—defined by Putnam (2000) as "features of social organizations, such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit"—is widely seen as vital to good governance. Within Islamic contexts, however, social capital extends beyond secular interpretations by integrating spiritual, ethical, and communal obligations rooted in Islamic teachings. It is not merely transactional, but a moral framework built on Amanah (trust), Adalah (justice), Ta'awun (cooperation), and Ukhuwah (brotherhood) (Ali & al-Owaihan, 2008).

This Islamic dimension is especially relevant in Muslim-majority nations, where religion significantly influences governance. Islamic social capital offers a framework for addressing governance failures, trust deficits, and socio-economic instability by reinforcing communal values and ethical leadership. It can bolster both institutional legitimacy and societal resilience.

In Malaysia, however, persistent policy gaps limit the integration of Islamic social capital into mainstream governance. According to the Edelman (2023) Trust Barometer, public trust in government has declined to 59%, down from 70% in 2020, reflecting rising discontent with institutional performance. Similarly, Malaysia's score of 50/100 in the 2023 Corruption Perceptions Index (Transparency International, 2023) points to ongoing challenges with public sector integrity. Although efforts like the Maqasid Syariah-based

governance model and the Islamic Quality Management System exist, they remain siloed within Islamic agencies and are not fully embedded in national policy frameworks.

Moreover, civic participation rates remain low. Only 14.6% of Malaysians report involvement in volunteer or community-based activities (Department of Statistics Malaysia, 2022), despite Islamic teachings promoting collective responsibility. This indicates a gap between Islamic ethical ideals and actual civic engagement.

This paper addresses these issues through a systematic literature review (2000–2025), analyzing how Islamic social capital informs governance practices. It identifies key theoretical trends, empirical findings, and practical gaps, especially within Malaysia, and offers recommendations to strengthen governance through Islamic ethical frameworks.

2.0 Literature Review

2.1 Islamic Social Capital and Governance

The notion that Islam fosters a distinct form of social capital has been the focus of numerous scholarly inquiries. While the concept of social capital was initially introduced by sociologists such as Bourdieu (1986) and Coleman (1988)—who defined it in terms of networks, norms, and trust that facilitate cooperation and social cohesion—its interpretation within the Islamic intellectual tradition extends far beyond the secular scope. In the Islamic worldview, social capital is not merely a product of interpersonal relationships or civic engagement but is fundamentally embedded in theological, ethical, and communal obligations. Scholars like Al-Attas (1993) and Chapra (2000) contend that Islamic social structures derive their essence from divine guidance, wherein acts of social cooperation, mutual support, and community upliftment are framed as religious duties, not merely social conveniences. This gives Islamic social capital a unique normative force grounded in faith and accountability to God.

Core principles of Islamic governance—Shura (mutual consultation), Adalah (justice), and Amanah (trust or accountability before Allah)—serve as foundational pillars for public administration and leadership conduct. These principles are not only theological ideals but also practical mechanisms for ensuring just and effective governance. They set moral and behavioral expectations for both the government and their leaders, reinforcing a sense of mutual responsibility and ethical engagement in civic life. As Abu-Taleb and Rizk (2019) argue, Islamic social capital fosters participatory governance by cultivating a culture of communal responsibility, moral obligation, and spiritual accountability. This, in turn, enhances transparency, reduces incidences of corruption, and encourages the formulation of policies that reflect the collective good.

Table 1. Key qur'anic verses and hadiths that relate to the concept of social capital

Theme of Social Capital	Quranic Reference	Hadith Reference	Summary / Key Message
Trust & Honesty	Surah Al-Baqarah (2:283)	"The signs of a hypocrite are three..." (Bukhari & Muslim)	Trustworthiness is a moral foundation of social relations in Islam.
Cooperation	Surah Al-Ma'idah (5:2): "Cooperate in righteousness and piety..."	"The believers in their mutual kindness, compassion and sympathy are just like one body…" (Bukhari & Muslim)	Muslims are commanded to help each other and build supportive communities.
Brotherhood & Unity	Surah Al-Hujurat (49:10): "The believers are but brothers..."	"None of you truly believes until he loves for his brother what he loves for himself." (Bukhari & Muslim)	Emphasizes solidarity, empathy, and collective identity.
Justice & Fair Dealing	Surah An-Nisa (4:58): "Allah commands you to render trusts..."	"Help your brother, whether he is an oppressor or oppressed." (Bukhari)	Justice strengthens social cohesion and networks of support.
Charity & Welfare	Surah Al-Baqarah (2:177)	"He is not a believer whose stomach is filled while the neighbor to his side goes hungry." (Baihaqi)	Charity reinforces ties, reduces inequality, and builds trust in society.
Consultation (Shura)	Surah Ash-Shura (42:38)	Prophet consulted companions in key matters	Participatory decision-making builds social networks and civic trust.

Source: The Qur'an (A. Yusuf Ali, Trans.). (2000). Tahrike Tarsile Qur'an.

Empirical and policy-level examples further underscore how Islamic social capital contributes to national governance. In Malaysia, the integration of Islamic principles—particularly through the Maqasid al-Shariah (higher objectives of Islamic law) framework—has provided a values-based foundation for policymaking. This framework emphasizes the protection and promotion of essential human interests, such as life, intellect, religion, property, and lineage, thereby guiding state institutions toward objectives that uphold public welfare, ethical integrity, and institutional legitimacy (Ibrahim, 2023). Similarly, in contexts like Iran and Saudi Arabia, the fusion of religious doctrines with governance systems has resulted in state structures where policy decisions and leadership practices are aligned with collective moral and religious values. Soroush (2000) and Al-Khateeb (2021) note that these models reject individualistic liberal

paradigms in favor of a communitarian ethic rooted in Islamic teachings, thereby embedding social trust, moral coherence, and divine accountability into the very fabric of political life.).

2.2 Social Capital and Political Stability in Islamic Societies
The role of social capital in political stability has been a subject of widespread research. Scholars have documented how strong social capital in communities leads to more resilient governance systems, capable of withstanding political and economic crises. In Islamic societies, social capital is particularly critical in promoting political stability, as it contributes to the trust citizens place in their leaders and the political system.

In countries such as Indonesia, Malaysia, and Turkey, Islamic social capital has been instrumental in fostering social cohesion, which is essential for maintaining political stability. Religious institutions have played a vital role in building trust among citizens and mediating between the state and society. For example, in Malaysia, the government's focus on Maqasid al-Shariah (the objectives of Islamic law), which includes the promotion of justice, welfare, and equity, has helped enhance governance outcomes and reduce corruption (Sadiq, 2014).

Furthermore, scholars such as Fukuyama (2001) argue that social capital facilitates the development of strong institutions that are responsive to public needs. In the context of Islamic governance, this includes promoting transparency, reducing corruption, and fostering ethical leadership. As a result, societies with high levels of Islamic social capital tend to exhibit greater political stability and more effective governance structures.

Case studies from Indonesia, Turkey, and Morocco reveal that religious networks significantly contribute to governance outcomes by building social cohesion and bridging ethnic or sectarian divides (Nasr, 2011; Hasan, 2020). In Indonesia, Nahdlatul Ulama and Muhammadiyah, two major Islamic organizations, have mobilized religious values to foster democratic engagement and counteract extremism, thereby stabilizing the political landscape (Effendy, 2003; Ichwan, 2022).

In addition, Islamic financial instruments such as zakat (obligatory almsgiving) and waqf (endowments) provide institutional mechanisms for redistributive justice, which enhances social inclusion and mitigates inequality—key factors in ensuring political stability (Sulaiman et al., 2022; Habib & Abduh, 2023).

3.0 Methodology
This systematic literature review was conducted by searching various academic databases, including JSTOR, Scopus, and Google Scholar, using a range of relevant keywords such as "Islamic social capital," "national governance," "political stability," "Islamic solidarity," and "social trust." The selection process included only peer-reviewed journal articles, books, and conference papers that focus on the role of Islamic social capital in governance and political stability within Muslim-majority societies.

The articles reviewed were published between 2000 and 2025 and provided either theoretical frameworks or empirical case studies related to the intersection of Islamic values, social capital, and national governance. A total of 50 articles were identified as relevant, from which key themes and findings were extracted. Excluded were articles that did not directly engage with the Islamic context or governance-related issues.

The selected articles were assessed for their methodological rigor, relevance to the topic, and contribution to the field. Studies that lacked empirical data or theoretical coherence were excluded. The review aimed to include studies that provide both theoretical insights and practical implications for governance in Islamic contexts.

4.0 Findings

4.1 Islamic Social Capital and Governance Structures
The systematic review reveals a substantial corpus of literature emphasizing the constructive role of Islamic social capital in strengthening governance structures. Islamic social capital, underpinned by core religious values and practices, serves as a catalyst for inclusive and accountable governance. Central to this is the application of Islamic principles such as Shura (consultation) and Ijtihad (independent reasoning), which collectively offer frameworks for participatory decision-making. These principles not only facilitate the inclusion of diverse community voices in policy deliberation but also reinforce a sense of ethical responsibility among leaders. In the Islamic worldview, governance is not merely a secular administrative function but is intrinsically linked to religious obligations, particularly the mandate to uphold Adl (justice) and Maslahah (public welfare).

A salient theme emerging from the review is the empowerment of local communities to actively participate in governance processes through religiously inspired social norms. For example, in Indonesia, Islamic social capital has played a pivotal role in the country's democratic transformation since the fall of the Suharto regime. Civil society organizations, especially those rooted in religious institutions such as Nahdlatul Ulama and Muhammadiyah, have utilized Islamic teachings to mobilize support for democratic reforms, advocate transparency, and demand greater accountability from state actors. These efforts have significantly contributed to Indonesia's political stabilization and consolidation of democratic practices (Liddle, 2001).

Further findings from the literature highlight the instrumental role of Islamic social finance mechanisms in enhancing governance capacity. Institutions like waqf (charitable endowments) and zakat (obligatory almsgiving) are identified as crucial in mobilizing financial resources for public goods and services, particularly in areas underserved by state intervention. As observed by Widiastuti et al. (2022), these instruments provide a sustainable financial base for poverty alleviation, education, and healthcare, thereby supporting the broader

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objectives of good governance. Additionally, Islamic social capital fosters active civic participation, resulting in more responsive and transparent governance institutions (Mohamed Sultan et al., 2024). Financial governance in Islamic contexts is further enhanced by the integration of Shariah-compliant frameworks, such as Shariah Supervisory Boards, which enforce ethical standards in decision-making and promote institutional integrity (Meskovic et al., 2024).

4.2 Social Movements and Islamic Social Capital

Islamic social capital also plays a critical role in political mobilization and reform-oriented social movements. Religious networks—comprising mosques, faith-based organizations, and charismatic religious leaders—often serve as foundational platforms for collective action. The Arab Spring presents a compelling example where Islamic social capital significantly shaped protest movements. Religious leaders and institutions helped cultivate trust, shared identity, and solidarity among protestors, facilitating mass mobilizations for political change and democratic governance (Bayat, 2010).

Similarly, Indonesia's Reformasi movement in the late 1990s demonstrated the power of Islamic values in uniting communities around demands for systemic political reform. During this period, religious figures invoked Islamic teachings on justice, collective responsibility, and moral leadership to highlight the failures of authoritarian governance. These efforts fostered a culture of civic engagement and social responsibility that extended beyond political transitions, laying the foundation for more inclusive and stable governance mechanisms.

Empirical evidence from the literature further supports the claim that Islamic social capital contributes to governance stability through ethical financial practices and social welfare mechanisms. For instance, Mohamed Sultan et al. (2024) found that Islamic social finance tools such as zakat and waqf enhance the operational stability of Islamic financial institutions by embedding ethical values and community-centered development in financial decision-making. The adoption of integrated models such as the 4ER framework—Economic Rescue, Economic Recovery, Economic Reinforcement, and Economic Resilience—has been shown to support sustainable economic development in post-crisis contexts, thereby contributing to long-term governance resilience (Widiastuti et al., 2022). Moreover, the role of Shariah governance structures, especially in Islamic banking, is linked to improvements in social and ethical performance, suggesting a strong correlation between religious oversight and governance integrity (Meskovic et al., 2024).

4.3 Challenges and Limitations

Despite the widely recognized advantages of Islamic social capital in enhancing governance, the literature also underscores several enduring challenges that inhibit its optimal functioning and systemic impact. One of the most significant structural obstacles is institutional fragmentation, particularly within the ecosystem of Islamic social finance. Institutions such as zakat boards, waqf councils, and various Islamic charitable organizations often operate in isolation, with minimal coordination or strategic alignment. This siloed approach leads to overlapping functions, resource duplication, and inefficient service delivery. Widiastuti et al. (2022) observe that the absence of unified governance frameworks or integrative platforms not only limits the reach of these institutions but also dilutes the transformative potential of Islamic social finance in addressing systemic socio-economic issues such as poverty, inequality, and financial inclusion. Moreover, this fragmentation weakens the collective voice of Islamic social finance actors in policy-making spaces, thereby reducing their influence on broader governance structures and national development agendas.

Another critical concern highlighted in contemporary research is the issue of political interference and instrumentalization of religion. In various socio-political contexts, ruling elites and dominant political actors have been known to appropriate Islamic symbols, discourses, or institutions to legitimize authoritarian practices, consolidate power, or mobilize popular support under religious pretenses. This phenomenon not only erodes the moral authenticity of Islamic social capital but also compromises its ability to serve as a check-and-balance mechanism within governance frameworks. When religious institutions are co-opted or subordinated to state agendas, they risk losing their autonomy, credibility, and ability to speak truth to power. As Mohamed Sultan et al. (2024) warn, the politicization of religious-based civic engagement can result in a reduction of genuine participatory governance, weakening democratic accountability and marginalizing voices that advocate for ethical reform and public interest.

These structural and political challenges highlight the urgent need for institutional reforms, including the development of clear legal frameworks, capacity-building initiatives, and inter-agency coordination mechanisms. Furthermore, normative safeguards are essential to protect religious institutions from political manipulation and to preserve the spiritual and ethical integrity of Islamic social capital. Empowering independent civil society organizations, promoting transparency in the management of Islamic social funds, and institutionalizing mechanisms for public participation rooted in Islamic ethics are critical steps toward restoring the credibility and governance value of Islamic social capital. Ultimately, ensuring the integrity and autonomy of Islamic social capital is pivotal for it to fulfill its potential as a driver of inclusive development, ethical leadership, and governance stability.

5.0 Discussion

5.1 Key Insights and Implications for Governance

The synthesis of the reviewed literature emphasizes the critical role of Islamic social capital in reinforcing the stability and functionality of national governance systems, particularly within Muslim-majority contexts. Islamic social capital—rooted in principles such as Adl (justice), Ukhuwwah (solidarity), Shura (consultation), and Ta'awun (cooperation)—provides not only a moral compass for leadership

but also cultivates strong relational ties between citizens and state institutions. These principles create a normative environment in which trust, accountability, and communal responsibility are promoted, ultimately contributing to political stability and effective governance.

A key insight from the review is that the integration of Islamic ethical values into formal governance structures can enhance institutional legitimacy and public confidence. By embedding concepts of equity, transparency, and social justice into policymaking, governance systems are better positioned to reflect the needs and aspirations of the populace, thereby strengthening the social contract. In this regard, Islamic social capital functions as a moral and civic resource that aligns state authority with religiously grounded ethical expectations.

Moreover, the findings highlight the potential of Islamic social capital in conflict-prone environments. In regions facing socio-political fragmentation or sectarian tensions, Islamic social capital can serve as a cohesive force, promoting intergroup solidarity and dialogue. Through religious networks, faith-based organizations, and community leaders, Islamic values can be mobilized to mediate conflicts, foster reconciliation, and build inclusive platforms for civic engagement and peacebuilding. The emphasis on communal harmony and collective welfare inherent in Islamic teachings thus presents a unique avenue for addressing governance challenges associated with polarization and violence.

5.2 Challenges and Opportunities

Despite its promising potential, the review also identifies several structural and contextual challenges that impede the full realization of Islamic social capital in enhancing governance. One significant challenge is political instability, which can erode the social trust and institutional effectiveness necessary for Islamic social capital to flourish. In many Muslim-majority countries, persistent issues such as corruption, weak rule of law, and authoritarian governance undermine the ethical governance frameworks that Islamic social capital seeks to support.

A further concern is the politicization of religion, where Islamic symbols, values, or institutions are co-opted by political actors to serve partisan interests. This instrumentalization of religion not only distorts the authentic ethical teachings of Islam but also risks deepening divisions within society, especially when religious narratives are used to exclude or marginalize certain groups. The exploitation of religious legitimacy for political gain can delegitimize genuine civic efforts grounded in Islamic social values and erode public confidence in both religious and state institutions.

Nevertheless, these challenges also present opportunities for reform and innovation. Strengthening Islamic social capital requires deliberate efforts to institutionalize ethical leadership, transparency, and inclusive governance. For instance, incorporating Shariah-based ethical frameworks into public administration, enhancing civic education on Islamic values of justice and consultation, and empowering civil society organizations rooted in religious ethics can contribute to more participatory and resilient governance systems.

Policymakers and community leaders alike can harness the normative power of Islamic social capital to foster environments where public institutions operate with integrity and where citizens are motivated to engage constructively in political life. This necessitates a multi-stakeholder approach that includes religious scholars, state actors, and civil society in co-creating governance models that are not only effective but also deeply aligned with the moral aspirations of the communities they serve.

6.0 Conclusion & Recommendations

This systematic literature review underscores the pivotal role of Islamic social capital in promoting and sustaining national governance stability. Anchored in core Islamic values such as amanah (trust), ta'awun (cooperation), adl (justice), and ukhuwwah (solidarity), Islamic social capital offers a normative framework for fostering inclusive, ethical, and resilient governance systems in Muslim-majority societies. The findings illustrate that when these values are embedded in governance structures, they can enhance institutional legitimacy, foster civic engagement, and contribute to long-term political stability and social cohesion.

Despite the promising evidence, there remains a critical need for further empirical investigation into the real-world applications of Islamic social capital across diverse political contexts. Post-conflict and non-democratic societies present unique environments where Islamic social capital may serve as a tool for reconciliation, participatory governance, and institutional rebuilding. Future research should explore how Islamic social capital can be strategically mobilized to mitigate corruption, enhance transparency, and reduce political exclusion.

Moreover, the integration of Islamic social capital into contemporary governance frameworks warrants deeper examination, especially in addressing systemic issues such as inequality, disenfranchisement, and social fragmentation. By aligning governance practices with Islamic ethical principles, Muslim-majority nations can cultivate more accountable and inclusive political systems. Strengthening Islamic social capital is not merely a cultural or religious imperative—it is a strategic pathway toward achieving sustainable governance and societal harmony.

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Paper Contribution to Related Field of Study

This study suggests the impact of Islamic values on social capital. We anticipate that our findings will encourage authorities to assist an organization in strengthening governance based on Islamic principles. Furthermore, the research will benefit not only practitioners and academics, but the entire global community.

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