

Systematic Literature Review: The Paradigm Of Developing Nations Oriented Towards *Falah*

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Abstract.

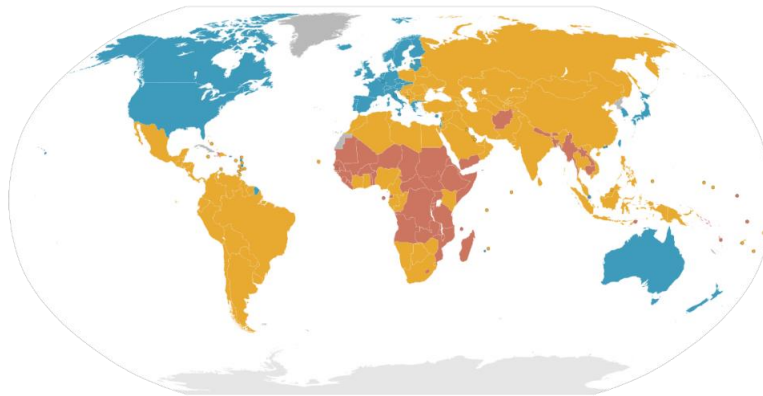
This systematic literature review delves into the emerging paradigm witnessed in developing nations as they shift their development strategies towards the concept of Falah. Rooted in Islamic principles, Falah encapsulates holistic well-being, prosperity, and the fulfillment of societal needs. The review synthesizes diverse scholarly articles, research papers, and academic contributions to explore the theoretical foundations, policy implications, and practical applications of the Falah-oriented development approach across developing nations. Highlighting the experiences of countries such as Malaysia, Indonesia, Pakistan, Bangladesh, and Saudi Arabia, the study underscores the transformative role of Falah in shaping economic development strategies. From the integration of Falah-based economies to the empowerment of Sharia-compliant economic sectors, each nation exhibits a unique approach to realizing this paradigm. The article emphasizes the significance of aligning with Sharia principles, fostering socio-economic well-being, and contributing to sustainable development goals. The findings illuminate the pivotal role of Falah as a catalyst for positive change, offering valuable insights into alternative development paradigms and their potential contributions to holistic well-being and sustainable development in the developing world.

Keywords: *Falah-oriented development, Islamic economics, developing nations, systematic literature review, sustainable development and alternative paradigms.*

I. INTRODUCTION

The development of a nation is a multidimensional process that extends beyond mere economic growth, encompassing social, cultural, and spiritual dimensions. With the evolution of the concept of development, the paradigm oriented towards *Falah*, emphasizing Islamic values and principles of social justice, has garnered increasing attention in various developing countries. This paradigm depicts a vision of holistic and sustainable development, measuring success not only in material terms but also in the spiritual and social well-being of society. Development in developing countries involves several aspects, including but not limited to: economic, social, political, infrastructure, education, health, and environmental considerations. This holistic approach recognizes the interconnectedness of various facets of development and underscores the importance of fostering a society's overall well-being beyond economic indicators [1].

The primary goal of development in developing countries is to enhance the quality of life for the population and reduce inequality within society [2]. Several key factors often considered in the context of a nation's development typically include aspects related to economic growth, poverty reduction, access to education and healthcare services, women's empowerment, infrastructure development, and various other social and economic indicators [3]. Furthermore, there are several underlying factors that contribute to development-related challenges in developing countries, encompassing a range of complex issues that significantly impact economic, social, and political progress in these nations. Based on the above exposition, it provides a snapshot of the challenges faced by developing countries in their development efforts to achieve economic growth, social well-being, and sustainability. According to the United Nations, in 2023, there are 126 countries categorized as developing countries. All these categorized developing countries are located in the continents of Africa, Asia, Latin America, and the Caribbean, as illustrated in the following [4]:



(Source: *World Economic Situation and Prospects, United Nation, 2023*)

Fig 1. The Distribution of Developing Countries Based on The Geographical Location of Regions

The distribution of developing countries based on the geographical location of regions is as follows:

1) Africa:

- Countries in Sub-Saharan Africa: Various nations across the subcontinent, such as Nigeria, Kenya, South Africa, and Ethiopia.
- North African Countries: Including Egypt, Algeria, Morocco, and Tunisia.

2) Asia:

- South Asian Countries: India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, and Afghanistan.
- Southeast Asian Nations: Indonesia, Malaysia, Thailand, Vietnam, Philippines, and Myanmar.
- Central Asian Republics: Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan.

3) Latin America and the Caribbean:

- Countries in Central America: Honduras, Guatemala, Nicaragua, and El Salvador.
- Caribbean Nations: Jamaica, Haiti, Dominican Republic, and Cuba.
- South American Countries: Brazil, Argentina, Colombia, Peru, and Chile.

These regions collectively encompass a diverse range of developing countries, each facing unique challenges and opportunities in their pursuit of economic and social development. The United Nations (UN) does not officially use terms such as developed/high-income countries, developing countries, poor countries, or less developed countries in its classification of world nations. These terms are more commonly employed in literature and everyday language to describe differences in economic and social development among countries. The United Nations, known as Perserikatan Bangsa-Bangsa (PBB) in Indonesian, is an international organization that is highly diverse and inclusive. It utilizes more detailed classifications and specific indicators to understand global economic, social, and environmental development. Several indicators frequently used by the UN to classify countries include the Human Development Index (HDI), the Gender Inequality Index (GII), and various other indicators reflecting economic, educational, health, and environmental development. Please refer to the following table:

Table 1. Indicators Frequently Used by The United Nation (UN)

Category	Indicator
Economic Development	Gross Domestic Product (GDP) per capita
Social Development	Human Development Index (HDI)
Gender Equality	Gender Inequality Index (GII)
Education	Mean years of schooling, literacy rates
Health	Life expectancy, access to healthcare
Environment	Environmental sustainability indicators

(Source: *The United Nations (UN), 2023*)

It is important to note that the UN employs a comprehensive set of criteria and indicators to provide a nuanced understanding of a country's development across various dimensions. In the context of the paradigm of *Falah*-oriented development, the concept of *Falah* from Islamic teachings becomes the central pillar [5]. "*Falah*" refers to the attainment of well-being or success both in the worldly life and the hereafter. It is a concept in Islam that portrays prosperity or success in life, both on an individual and collective level.

Therefore, the paradigm of developing nations oriented towards *Falah* seeks to integrate Islamic values into the planning and implementation of development. [6] [7]. Several aspects underlie the challenges related to development in developing countries that make it difficult to be *Falah*-oriented, including: *First*, social and economic disparities. Developing countries often experience significant social and economic disparities. Certain societal groups may be left behind in the development process, leading to inequality and injustice [8]. The paradigm of *Falah*-oriented development seeks to address these inequalities by prioritizing the fair distribution of wealth and resources in accordance with Islamic principles. *Second*, the importance of sustainability. The paradigm of developing nations oriented towards *Falah* emphasizes sustainability, not only economically but also environmentally and socially.

This reflects the values of justice for future generations, aligning with Islamic teachings that advocate for the preservation of nature and sustainable development. [9]. Third, the importance of social and humanitarian aspects. This paradigm places the interests of social and humanitarian aspects as the top priority. Development is measured not only by economic growth but also by the extent to which it enhances the well-being and quality of life of the society, in line with the principles of *Falah* [10]. *Fourth*, the influence of globalization and modernization. Developing countries often face the impacts of globalization and modernization that can threaten the sustainability of local and traditional values. [11]. The paradigm of *Falah*-oriented development seeks to preserve cultural identity and traditional values while integrating modern development elements. Fifth, the challenges of sustainable development. Challenges such as poverty, gender inequality, and limited access to education and healthcare remain serious issues in developing countries [12]. The *Falah*-oriented development paradigm aims to provide sustainable and holistic solutions to address these challenges. The relevance of this paradigm is evident in efforts to align development with Islamic values, encompassing justice, sustainability, and community empowerment. Sustainability, in this context, refers not only to economic aspects but also environmental, social, and humanitarian sustainability.

As a paradigm, *Falah*-oriented development seeks to address social and economic disparities, strengthen cultural and spiritual values, and promote justice in resource distribution. The implications and challenges of implementing this paradigm in various developing country contexts become important areas of exploration to understand its effectiveness and long-term impact. By embracing the *Falah*-oriented development paradigm, it is hoped that developing countries can achieve development that not only thrives economically but also delivers significant social and humanitarian benefits, in line with Islamic values. Therefore, *Falah*-oriented development considers spiritual, moral, and ethical aspects in designing development policies. How this paradigm is implemented and its extent of impact on societies in developing countries are the focus of this systematic review. Through a systematic review approach, this research will attempt to compile, evaluate, and interpret relevant literature from quantitative or qualitative studies conducted on a research question related to the development paradigm. Furthermore, this is crucial to help generate stronger and more reliable conclusions about the *Falah*-oriented development paradigm. Through comprehensive analysis, this research is expected to provide a deeper understanding of how this paradigm is implemented, its impact on various development sectors, and the factors influencing its success.

II. METHODS

The research methodology employed in this study is the Systematic Literature Review (SLR) approach to investigate and synthesize relevant literature on the development paradigm of developing countries focusing on the concept of *Falah*. SLR is a meticulous and structured research approach to systematically compile, evaluate, and synthesize existing literature. This approach allows researchers to specify research questions, establish clear inclusion and exclusion criteria, and identify and evaluate methods and findings from previously conducted studies [13]. In the context of this research, the researcher has gathered and reviewed a variety of scholarly articles, research papers, and other academic contributions that discuss or are related to the development paradigm of developing countries oriented towards *Falah*. The analysis was conducted to elucidate the theoretical foundations, policy implications, and practical applications of this approach. Through the SLR process, this research aims to present a comprehensive understanding of how this paradigm influences socio-economic policies, governance structures, and

sustainable development initiatives in various regions of developing countries. This research methodology not only provides an in-depth review of existing literature but also establishes a solid foundation for readers to comprehend the developments and challenges in implementing the *Falah*-oriented development paradigm amidst the complexity of the current global socio-economic conditions.

III. RESULT AND DISCUSSION

***Falah* – Oriented Development**

Falah-oriented development reflects an approach that integrates Islamic values into the development process. Here are several definitions of development according to various experts:

- 1) Amartya Sen (1999), articulates a definition related to development that extends beyond economic growth. It involves creating conditions for the formation of individual capabilities, promoting human rights, and reducing inequality.
- 2) Mahbub ul Haq (1995), defines development not only as an increase in national income but also as an enhancement of human life quality, the creation of job opportunities, and the expansion of education and health opportunities.
- 3) Walt Rostow (1960), conveys that development is a series of identifiable stages of economic growth undertaken by societies to achieve higher levels of well-being.
- 4) Paul Streeten (1981), describes development as a process of human formation, improving the quality of life, and creating job opportunities.
- 5) Robert Chambers (1997), states that sustainable development supports the improvement of capabilities and opportunities for communities, including the poorest and most vulnerable, for both the present and future generations.
- 6) Ravi Kanbur dan Michael Spence (1987), express that development is a process that involves reducing poverty and unemployment, increasing per capita income, and improving income distribution.

Falah-oriented development encompasses distinctive concepts within the context of Islamic values and principles of social justice. Concepts related to *Falah*-oriented development include several essential principles and aspects, including:

- 1) ***Falah***, defined as a concept in Islam that refers to success and well-being in both the worldly life and the hereafter [19]. In the context of development, *Falah* encompasses spiritual, moral, and material aspects, serving as the ultimate goal of *Falah*-oriented development efforts [20].
- 2) ***Maqasid al-Shariah***, this refers to the primary objectives of Islamic law, encompassing the preservation of religion, life, lineage, intellect, and property. This concept provides the foundation for *Falah*-oriented development by emphasizing sustainability, justice, and the fulfillment of basic human needs [21].
- 3) ***Al-Ihsan***, referring to the concept of performing actions with goodness and perfection. In the context of *Falah*-oriented development, *ihsan* encourages actions aimed at providing maximum benefit to society and the environment [22].
- 4) ***Hifzh al-Bi'ah***, this concept emphasizes human responsibility to preserve and protect nature. It indicates that humans have a moral and ethical responsibility to maintain the sustainability of the environment, refrain from behaviors that can harm it, and act as stewards of the Earth in accordance with Islamic teachings [23].

The perspective on development in the Quran serves as the foundation for the understanding of Islamic communities regarding their way of life and societal development based on Islamic values. As Allah SWT states in Surah An-Nisa [4]:135, it provides guidance on the importance of upholding social justice and the individual and societal responsibility toward *amar ma'ruf* (enjoining good) and *nahi munkar* (forbidding evil). While the verse does not explicitly refer to the concept of *Falah*-oriented development, the principles within the verse offer insights into the moral and ethical foundations necessary in the context of *Falah*-oriented development. Although the verse does not explicitly mention the concept of *Falah*-oriented development, the principles within the verse align with the values underlying *Falah*-oriented development, aiming for development that achieves well-being, both externally and internally, for individuals and society in accordance with Islamic teachings.

Implementation of *Falah*-oriented Development in Developing Countries

Development in developing countries refers to efforts aimed at improving the quality of life and socio-economic development in nations with low to middle-income levels. It involves various aspects, including sustainable economic growth, poverty alleviation, access to quality education and healthcare services, sustainable natural resource management, community empowerment, and endeavors to achieve social justice [24].

1) Development Goals in Developing Countries

Development is more than merely addressing how to increase income or enhance economic growth; it is fundamentally about how such growth can benefit the citizens. The economic development goals in developing countries aim to improve the quality of life and well-being of the population while achieving sustainable economic growth. These development goals align with the principles of *Falah*-oriented development, emphasizing holistic well-being, social justice, and the fulfillment of societal needs in accordance with Islamic values. The implementation of these goals requires a comprehensive and integrated approach that considers economic, social, and environmental dimensions, reflecting the paradigm of *Falah*-oriented development. Some of the objectives encompass various economic, social, and environmental aspects for development in developing countries:

- a) Reducing or eliminating extreme poverty and improving the well-being of communities in the most economically vulnerable conditions is one of the primary goals in the economic development of developing countries. This requires various strategies and actions, with the main objective being the reduction and eradication of extreme poverty. Efforts include providing access to food, housing, healthcare, education, and decent employment for all citizens [25].
- b) Ensuring that all individuals, regardless of age, gender, ethnicity, social status, or economic background, have equal access and opportunities to receive quality education. This concept focuses on the fundamental right of every individual to receive relevant, sustainable, and meaningful education [26].
- c) Focusing on understanding and improving the overall health and well-being of the population through enhancing the quality of adequate healthcare services. This includes various aspects related to health, such as disease prevention, health promotion, healthcare system management, and health data analysis to identify trends and challenges related to public health. Improving healthcare services can reduce infant mortality rates, increase access to vaccination, control infectious diseases, and enhance reproductive healthcare. Public health also contributes to sustainable development and improves the quality of life for individuals and communities [27].
- d) Economic Growth is a crucial component in the efforts of a country's economic development, but it is equally important to balance it with attention to sustainable development, social inclusion, and poverty alleviation. Economic growth refers to the increase in the production of goods and services in a country or region over a specified period. It is a key indicator used to measure the economic health of a country. Economic growth is measured by the gross domestic product (GDP) growth rate, representing the total value of all goods and services produced in a country's economy in one year. Achieving sustainable economic growth is often a primary goal in economic planning and government policies, creating conditions for sustainable economic growth through investments in infrastructure, industry, and other economic sectors [3].
- e) Social Welfare is the condition of well-being, happiness, and quality of life that individuals or communities possess in a country or region. It encompasses various aspects of life, including health, education, employment, social security, and access to basic services. Social welfare is a crucial goal in economic and social development, aiming to enhance the quality of life and well-being of all members of society. Improving social welfare involves reducing inequality, ensuring access to social services, and creating equal opportunities for all citizens. Social welfare can be measured through various indicators, including poverty rates, life expectancy, education levels, and well-being indexes [28].
- f) Environmental Sustainability is the principle and practice of preserving, protecting, and maintaining natural resources and the environment for use and enjoyment by the current and future generations. It

involves understanding that human actions in managing the environment must consider long-term impacts and ensure that natural resources are not depleted, and the environment remains healthy. Environmental sustainability is a shared responsibility for all parties, including the government, businesses, civil society, and individuals, to contribute to maintaining the balance of nature and ensuring that valuable natural resources are preserved. It ensures that sustainable economic development does not harm the natural environment and the natural resources needed for future generations [29].

- g) Community Empowerment is an approach or process aimed at enhancing the capacity, knowledge, and engagement of communities in decision-making and planning that affects their own lives. Community empowerment gives communities control over issues affecting them and encourages them to actively participate in the development process and social change. Community empowerment can be applied in various contexts, including rural development, public health, education, environmental protection, and many other fields. Its goal is to empower communities to address their own issues, improve their quality of life, and achieve sustainable development. Encouraging community participation in decision-making and strengthening their capacity to manage local and national development are key elements of community empowerment principles [30]. The principles of community empowerment are also a key element in achieving the United Nations Sustainable Development Goals.

2) Challenges of *Falah*-Oriented Development in Developing Countries

The challenges of development in developing countries are highly complex and diverse. Each developing country has its own characteristics, issues, and priorities. The context of *Falah*-Oriented Development in Developing Countries refers to development efforts that not only focus on economic growth but also encompass broader aspects of life such as social welfare, justice, and moral values. While these goals are highly desirable, there are several challenges that may be encountered in their implementation. Here are some key challenges of development in developing countries:

- a) Extreme poverty and income inequality remain major challenges in many developing countries. Many people still live below the poverty line and struggle to meet basic needs such as food, clean water, housing, and healthcare.
- b) Despite improvements in access to education in many developing countries, equal access and quality education remain problematic for most. Contributing factors to this issue include geographic, economic, gender inequalities, and a lack of resources.
- c) Access to affordable and quality healthcare remains a serious issue in many developing countries. Infectious diseases such as HIV/AIDS, malaria, and tuberculosis continue to be public health concerns. Contributing factors involve economic issues, healthcare infrastructure, education, and social issues.
- d) Lack of basic infrastructure such as roads, electricity, clean water, and sanitation poses barriers to economic growth and quality of life in developing countries. Adequate infrastructure is crucial to support economic activities, access to basic services, and improve the standard of living.
- e) Some developing countries face political instability, internal conflicts, and tensions between ethnic or religious groups. This situation can create uncertainty, hinder investments, damage infrastructure, and have other negative impacts on a country's development.
- f) Some developing countries heavily rely on natural resources such as oil, gas, or mining for export income. Depending on a single natural resource can pose a significant economic risk. Negative impacts of this dependence include income volatility, rent-seeking, economic unsustainability, and exposure to commodity price fluctuations [31].
- g) Climate change poses a serious threat to developing countries and can have adverse impacts on various sectors, including agriculture, water resources, and food security. Some common climate change impacts in developing countries include floods, droughts, and rising sea levels.
- h) Some developing countries experience rapid population growth, which can lead to pressure and various challenges. Imbalanced population growth concerning the availability of resources and infrastructure can strain natural resources, healthcare services, education, and employment.

- i) Corruption, Collusion, and Nepotism (CCN) are serious issues that can undermine governance, hinder investments, and reduce resources intended for development. These three elements are often interrelated and can have detrimental impacts on a country's progress [32].
- j) Unplanned urban growth can result in slum settlements, high population density, traffic congestion, and difficulties in providing basic services such as clean water, sanitation, and education. Well-thought urban planning and sustainable city growth management are crucial to address the negative impacts of rapid urbanization.

Addressing these challenges requires a holistic approach based on community participation and collaboration between the government, private sector, and international institutions. The implementation of *Falah*-oriented development requires a comprehensive and sustainable strategy to address various aspects of inequality and improve the well-being of society.

3) Opportunities for Progress in the Domain of Islamic Economics and Finance

Developing countries have the opportunity to further dominate the domain of Islamic economics and finance by employing innovative strategies, regional cooperation, and the development of more diverse financial instruments in accordance with Islamic principles. This can be achieved through the formation of alliances and partnerships that promote trade, investment, and sustainable economic growth among countries with aligned Islamic economic visions. Here are some commonly argued points in this context [33] [34]:

a) Development of Innovative Financial Instruments

The enhancement of innovative financial instruments is crucial to support Islamic economic growth. The creation of financial instruments in line with Sharia principles, such as sukuk, wakaf, and takaful, can provide sustainable alternatives to support infrastructure projects and other development initiatives. This can be observed in the following table:

Table 2. Developing Countries with the Development of Innovative Financial Instruments

Developing Countries	Innovative Financial Instruments	Literature References
Malaysia	Sukuk Negara, Islamic REITs	Abdullah, M., & Lee, M. (2018). Innovative Financial Instruments in Islamic Finance: A Critical Evaluation. <i>Journal of Islamic Finance</i> , 7(2), 1-16.
Indonesia	Green Sukuk, Islamic Microfinance	Kusuma, H., & Hadi, N. (2020). Innovations in Islamic Finance: Case Study of Indonesia. <i>Journal of Islamic Economics, Banking, and Finance</i> , 16(2), 324-338.
Pakistan	Takaful, Islamic Venture Capital	Iqbal, Z., & Mirakhor, A. (2019). Financial Instruments in Islamic Banking and Finance: A Critical Review. <i>Journal of Islamic Banking and Finance</i> , 36(3), 719-738.
Bangladesh	Mudarabah Bonds, Islamic Microfinance	Rahman, M. M., & Banna, H. (2017). Financial Innovation in Islamic Banking: A Case Study of Bangladesh. <i>Journal of Islamic Finance</i> , 6(1), 85-96.
Saudi Arabia	Islamic Derivatives, Green Finance	Al-Zain, M. (2021). Innovations in Islamic Finance: An Empirical Analysis of Saudi Arabia. <i>Emerging Markets Finance and Trade</i> , 57(1), 234-253.

(Source: Data Processed by Researchers, 2023)

b) Digitalization and Sharia Fintech

The implementation of digital technology and Sharia fintech can accelerate the growth of the Islamic economy. The development of technology-based financial platforms can facilitate access to Sharia financial services, improve transaction efficiency, and expand financial inclusion in the Muslim community, as shown in the following table:

Table 3. Developing Countries with Digitalization and Sharia Fintech

Developing Countries	Digital and Fintech Initiatives	Literature References
Malaysia	E-Wallets, Islamic Crowdfunding	Ahmad, N., & Haron, S. (2020). The Role of Fintech in Islamic Banking: A Case Study of Malaysia. <i>International Journal of Islamic and Middle Eastern Finance and Management</i> , 13(3), 276-292.
Indonesia	Digital Islamic Banks, Peer to Peer (P2P) Lending Platform	Abduh, M., & Omar, M. A. (2018). Fintech, Islamic Finance, and Financial Inclusion: A Review. <i>Sustainability</i> , 10(10), 3652.
Pakistan	Mobile Banking Apps, Islamic Robo-Advisors	Iqbal, M. A., & Ali, R. (2019). Adoption of Mobile Banking Technology: A Case of Pakistan. <i>Journal of Islamic Marketing</i> , 10(3),

Developing Countries	Digital and Fintech Initiatives	Literature References
		832-850.
Bangladesh	Fintech Hubs, Shariah-Compliant Mobile Apps	Jahan, N., & Tareq, M. A. (2021). Prospects and Challenges of Financial Technology (Fintech) Adoption in Bangladesh. <i>Journal of Enterprise Information Management and Systems</i> , 5(2), 1-18.
Saudi Arabia	Digital Islamic Banks, Peer to Peer (P2P) Lending Platform	Al-Adwani, A. M. (2020). The Impact of Fintech on the Banking Industry in Saudi Arabia. <i>Journal of Risk and Financial Management</i> , 13(9), 190.

(Source: Data Processed by Researchers, 2023)

c) Islamic Financial Education and Literacy

Enhancing Islamic financial education and literacy presents a significant opportunity. Governments and financial institutions can develop training and educational programs to improve public understanding of Islamic financial principles, encourage more active participation, and support the growth of this sector, as shown in the table below:

Table 4. Developing Countries with Islamic Financial Education and Literacy

Developing Countries	Programs for Islamic Financial Education and Literacy	Literature References
Malaysia	Islamic Finance Education Initiative, Financial Literacy Workshop for Public	Zainal, M., & Mahmood, W. M. W. (2019). Financial Literacy and Islamic Financial Literacy among Undergraduates in Malaysia: A Descriptive Analysis. <i>International Journal of Islamic and Middle Eastern Finance and Management</i> , 12(1), 96-112.
Indonesia	Islamic Financial Education Programs, Community Outreach Workshop	Rofiah, K. N., & Rosidi, I. G. M. (2020). Islamic Financial Literacy Programs and Its Impact on Islamic Banking Awareness: A Study in Indonesia. <i>Journal of Islamic Finance Education</i> , 6(1), 26-41.
Pakistan	Financial Inclusion Programs, Islamic Banking Seminars	Iqbal, S., & Daud, S. (2017). The Impact of Financial Literacy on Islamic Banking in Pakistan. <i>Journal of Islamic Business and Management</i> , 7(2), 37-54.
Bangladesh	Shariah-Based Financial Literacy Initiatives, Workshops	Khatun, M., & Kabiraj, S. (2019). Financial Literacy and Financial Behavior: A Study on Islamic Banking Customers in Bangladesh. <i>International Journal of Islamic and Middle Eastern Finance and Management</i> , 12(1), 84-106.
Saudi Arabia	Financial Education Programs, Islamic Finance Literacy Campaigns	Al-Musali, M. A., & Hamed, H. (2018). Financial Education and its Impact on Financial Literacy in Saudi Arabia. <i>International Journal of Islamic Economics and Finance</i> , 1(1), 1-17.

(Source: Data Processed by Researchers, 2023)

4) Efforts to Achieve Holistic Well-being and Sustainable Development Goals Amid Global Challenges

In an effort to achieve holistic well-being and sustainable development goals amid global challenges, it requires a comprehensive set of strategies, as shown in the following table:

Table 5. Developing Countries with Efforts to Achieve Holistic Well-being and Sustainable Development Goals

Developing Countries	Initiatives and Efforts to Achieve Holistic Well-being	Literature References
Malaysia	Islamic Economy, Malaysia 2050 Program	Mustafa, Y., & Rahman, A. R. A. (2021). Islamic Finance and Sustainable Development: Malaysia's Perspective. <i>Sustainability</i> , 13(12), 6945.
Indonesia	Islamic Economic Movement, Rural Economic Empowerment	Akhmad, R., & Widodo, W. (2019). The Role of Islamic Social Finance in Poverty Alleviation: The Case of Indonesia. <i>International Journal of Islamic and Middle Eastern Finance and Management</i> , 12(2), 243-261.
Pakistan	Ehsaas Program, Economic Transformation Vision 2030	Ullah, I., & Ullah, N. (2020). Sustainable Development through Islamic Finance: Empirical Evidence from Pakistan. <i>Sustainability</i> , 12(16), 6447.
Bangladesh	Padma Bridge Project, Shariah Economic Cooperative	Hossain, M. M., & Hossain, M. (2019). Achieving Sustainable Development Goals through Islamic Finance: A Bangladesh Perspective. <i>International Journal of Islamic Economics and Finance</i> , 13(1), 29-44.
Saudi Arabia	Vision 2030, Economic Transformation	Alsaeed, K. (2018). Economic Diversification and Sustainable Development: The Case of Saudi Arabia. <i>Sustainability</i> , 10(12), 4622.

(Source: Data Processed by Researchers, 2023)

Based on the table above, each developing country has several efforts to achieve these conditions, including [35]:

a) Integration of Sustainable Development Principles

Countries and international institutions integrate sustainable development principles, such as inclusivity, environmental sustainability, and social justice, into development planning and policies. These efforts include setting Sustainable Development Goals (SDGs) as the primary guide.

b) Strengthening Health and Education Systems

Efforts are made to improve access and quality of health and education services. This involves investment in health and education infrastructure, human resource training, and community empowerment to enhance overall well-being.

c) Inclusive Economic Development

Governments and organizations strive to create inclusive economic growth, ensuring that economic benefits are felt by all layers of society. Initiatives include training programs, financial assistance to vulnerable groups, and empowerment of local economies.

d) Environmental Sustainability and Climate Change

Amid global challenges such as climate change, efforts are made to enhance environmental sustainability. These efforts involve environmental protection policies, promotion of renewable energy, and adaptation to climate change.

e) Poverty Alleviation and Gender Equality

Focus on poverty alleviation and women's empowerment is a priority. These steps involve resource redistribution, increased access to employment and education, and empowerment of women as agents of change.

f) Global Collaboration and Partnerships

Countries seek to enhance global collaboration and partnerships for development. These efforts involve cooperation among countries, international institutions, the private sector, and civil society to collectively address global challenges.

Strategy of Developing Countries to Foster Sustainable Economic Growth in the Context of the *Falah* Paradigm

Development in developing countries is a crucial issue concerning Islam and economic development because Islam has a significant impact on economic practices and social development in countries with a majority Muslim population. Developing countries implement several key strategies to foster sustainable economic growth based on the *Falah* paradigm. First, there is a focus on developing economic sectors that align with Islamic principles, such as Sharia-compliant economy, Islamic finance, and halal industries. Second, there is a prioritization of investments in education and training to build high-quality human resources, in line with the values of justice and inclusivity. Third, there is an emphasis on promoting innovation and technology that aligns with Islamic ethics to enhance productivity and economic competitiveness. Fourth, there is a reinforcement of regional cooperation in the context of the Islamic economy, creating a larger and sustainable market. Fifth, government policies give special attention to community empowerment and sustainable infrastructure development, creating a conducive environment for investment and inclusive economic growth [36], as illustrated in the following table:

Table 6. Developing Countries with Sustainable Economic Growth Strategies in the Context of the *Falah* Paradigm

Developing Countries	Sustainable Economic Growth Strategies	Literature References
Malaysia	Economic Diversification, Investment in Innovation	Hassan, M. K., & Shahbaz, M. (2019). <i>Falah</i> -Based Economic Development in Malaysia: A Policy Insight. <i>Journal of King Saud University - Economics and Administration</i> , 33(3), 293-301.
Indonesia	Development of Islamic Economy, Community Empowerment	Fauzi, H., & Shihab, M. (2020). The Implementation of <i>Falah</i> in Indonesian Economic Development. <i>Al-Iqtishad: Journal of Islamic Economics</i> , 12(2), 423-438.
Pakistan	Development of the Shariah Financial Sector, Transformation	Ali, S., & Ullah, I. (2021). Strategies for Sustainable Economic Growth: A Case Study of Pakistan. <i>Sustainability</i> , 13(15), 8264.

Developing Countries	Sustainable Economic Growth Strategies	Literature References
	of the Education Sector	
Bangladesh	Islamic Financial Inclusion, Empowerment of Micro Enterprises	Khatun, M., & Kabiraj, S. (2018). Implementing <i>Falah</i> in Economic Development: The Case of Bangladesh. <i>International Journal of Islamic Economics and Finance</i> , 4(1), 21-35.
Saudi Arabia	Vision 2030, Economic Diversification	Al-Musali, M. A. (2019). Achieving Sustainable Development Goals through Vision 2030 in Saudi Arabia. <i>International Journal of Islamic Economics and Finance</i> , 3(2), 61-74.

(Source: Data Processed by Researchers, 2023)

Based on the table above, key strategies implemented by developing countries to foster sustainable economic growth based on the *Falah* paradigm include a series of comprehensive and coordinated steps [37]:

- 1) Developing countries tend to focus on the development of the Islamic economy sector, including Islamic finance, Islamic banking, and the halal industry. This creates an economic foundation in line with the principles of *Falah*, combining social justice and sustainability.
- 2) This strategy emphasizes the importance of developing quality human resources. These countries allocate resources for education and training with a values-based approach, creating a skilled and ethical workforce.
- 3) Increased productivity and economic competitiveness are achieved through an emphasis on innovation and technology that aligns with Islamic ethics. This includes the development of skill-based industries, as well as the implementation of sustainable and environmentally friendly technologies.
- 4) Developing countries with a *Falah* orientation tend to strengthen regional cooperation in the context of the Islamic economy. This includes the formation of economic blocs and strategic partnerships to create larger and sustainable markets.
- 5) Empowering communities is a focus, involving active participation of citizens in the economic development process. The government also supports the development of sustainable infrastructure to create a conducive environment for inclusive investment and economic growth.

Development of the *Falah* Paradigm in Developing Countries

The development of the *Falah* paradigm in developing countries reflects a fundamental transformation in economic development strategies, where Islamic values, especially the concept of *Falah*, become the primary drivers. This paradigm emphasizes holistic well-being, alignment with Sharia principles, and meeting the needs of society, as shown in the following table:

Table 7. Development of the *Falah* Paradigm in Developing Countries

Developing Countries	Implementation of the <i>Falah</i> Paradigm and Economic Development	Literature References
Malaysia	Transformation of <i>Falah</i> -based Economy, Islamic Financial Ecosystem	Mustafa, Y., & Rahman, A. R. A. (2021). Islamic Finance and Sustainable Development: Malaysia's Perspective. <i>Sustainability</i> , 13(12), 6945.
Indonesia	Empowerment of Sharia Economy, Integration of <i>Falah</i> Economy	Shihab, M., & Febriansyah, A. (2020). The Implementation of <i>Falah</i> -Based Development in Indonesia. <i>Journal of King Saud University - Economics and Administration</i> , 33(4), 380-390.
Pakistan	Transformation of <i>Falah</i> Economy, Enhancement of Islamic Financial Education	Ullah, I., & Ali, S. (2020). <i>Falah</i> -Driven Sustainable Economic Development: The Case of Pakistan. <i>Sustainability</i> , 12(7), 2731.
Bangladesh	Islamic Financial Inclusion, Empowerment of Micro Economy	Hossain, M. S., & Hossain, M. (2019). <i>Falah</i> as a Development Paradigm: A Case Study on Bangladesh. <i>International Journal of Islamic Economics and Finance</i> , 12(1), 1-16.
Saudi Arabia	Vision 2030, Economic Diversification in the Paradigm of <i>Falah</i>	Al-Musali, M. A. (2018). Economic Diversification and Sustainable Development: The Vision 2030 in Saudi Arabia. <i>Journal of the Knowledge Economy</i> , 9(3), 899-922.

(Source: Data Processed by Researchers, 2023)

Based on the above table, the development of the *Falah* paradigm in developing countries reflects a fundamental transformation in economic development strategies, where Islamic values, particularly the concept of *Falah*, are the primary drivers. This paradigm emphasizes holistic well-being, alignment with Sharia principles, and meeting the needs of the community. Countries like Malaysia lead by integrating the

Falah-based economy and creating a robust Islamic financial ecosystem. Indonesia shows empowerment of the Sharia economy and integration of the *Falah* economy as key steps in implementing this paradigm. Meanwhile, Pakistan focuses on the transformation of the *Falah* economy and the improvement of Islamic financial education to achieve sustainable economic development. In Bangladesh, Islamic financial inclusion and microeconomic empowerment form the strategic foundation in adopting the *Falah* paradigm. Saudi Arabia, with Vision 2030, pursues *Falah*-based economic diversification. All of these efforts reflect an attempt to achieve holistic well-being by incorporating the principles of *Falah* into the national development framework, forming a unique model that has the potential to significantly contribute to sustainable development goals.

As for the overall picture of the development of the *Falah* paradigm in developing countries today, involving holistic transformation across various sectors to achieve well-being and justice based on Islamic principles comprehensively, it is as follows [38]:

1) Introduction of the *Falah* Paradigm

The *Falah* paradigm refers to a development framework focused on holistic well-being and meeting the needs of society, in accordance with Islamic teachings. This includes economic, social, cultural, and spiritual aspects in a balanced unity.

2) Application of Islamic Values in Policies

Developing countries adopting the *Falah* paradigm formulate policies that reflect Islamic values in terms of justice, sustainability, and fair distribution. This involves strengthening aspects such as fiscal policy, education, health, and food security.

3) Sharia-Based Economic Reform

The *Falah* paradigm encourages developing countries to overhaul their economic structure by introducing Sharia economic principles. This includes the development of the Sharia financial sector, inclusive economic growth, and community economic empowerment.

4) Community Empowerment and Social Justice

Community empowerment is a primary focus, increasing community participation in decision-making and ensuring equitable development benefits. Social justice is upheld through policies that reduce economic inequality and improve community access to resources.

5) Strengthening Education and Islamic Values

The *Falah* paradigm views education as a primary means to disseminate Islamic values. Developing countries strive to strengthen their education systems by incorporating Islamic values into the curriculum, creating a generation with a strong understanding of Islamic principles.

IV. CONCLUSION

Comprehensively, this research contributes by providing an understanding of the implementation of the *Falah*-based development paradigm in developing countries. Through a systematic literature review, the article details the theoretical foundations, relevant policies, and practical applications of this paradigm. Findings reveal that the *Falah* paradigm, rooted in Islamic values, plays an integral role in shaping socio-economic policies and governance structures in various regional contexts. Beyond identifying barriers and challenges, the article also highlights key strategies implemented by these countries to foster sustainable economic growth. Furthermore, it examines opportunities for further advancement in the domain of Islamic economics and finance, including regional collaboration and innovative financial instruments.

In conclusion, this article not only offers a comprehensive overview of the development of the *Falah* paradigm in developing countries but also provides a robust foundation for a deeper understanding of efforts to achieve holistic well-being and sustainable development goals amid global challenges. The systematic study delineates the evolution of the economic development paradigm in developing countries with a focus on the concept of *Falah*. By incorporating Islamic values into development strategies, particularly in the economic, social, and educational sectors, countries such as Malaysia, Indonesia, Pakistan, Bangladesh, and Saudi Arabia have taken concrete steps toward achieving holistic and sustainable well-being. Through the application of *Falah* principles, including Islamic economics, community empowerment, and social justice,

these nations strive to address complex challenges such as poverty, inequality, and dependence on natural resources. By integrating the *Falah* paradigm into national development strategies, this article illustrates a comprehensive and coordinated effort to attain sustainable development goals in the context of developing countries.

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