

Arabic Usage in Indonesian Islamic Financial Contracts: Exploring Conceptual, Technological, and Socio-Cultural Integration

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Abstract

This comprehensive bibliometric and qualitative content analysis critically examines the evolving role of Arabic language contracts in Indonesian Islamic financial institutions, employing the Theory, Context, and Methodology (TCM) framework to integrate legal, cultural, and technological dimensions. The study strategically applies advanced science mapping protocols, with Scopus indexed extraction, rigorous contextual clustering, and descriptive relational text-mining approaches to synthesize 82 articles published between 2015 and 2025. The results highlight a persistent dominance of Shariah compliance, Arabic linguistic authority, and governance in contract legitimacy, yet they expose substantial gaps in public literacy, regulatory adaptation, and technological integration. Notably, empirical findings reveal that, despite regulatory intent, many stakeholders confront barriers to understanding and implementing Arabic contracts, with multilingual documentation and digital innovations like blockchain and fintech models offering solutions yet facing adoption challenges. The discussion situates these findings within broader research, demonstrating how they extend, nuance, and sometimes contradict prior studies through multidimensional analysis, particularly in local adaptation, stakeholder engagement, and the transformative impact of technology. Importantly, this review contributes novel theoretical and methodological perspectives, advocating composite models and advanced analytics to address persistent empirical gaps. Future research should prioritize comparative and longitudinal studies, innovative contract designs bridging language and technology, and big data methods to explore behavioral outcomes. Overall, this study establishes a foundation for more inclusive and resilient Islamic contract practice.

Keywords:

Arabic language; financial technology; Islamic finance; Shariah governance; Stakeholder literacy

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1. Introduction

The intricate relationship between language, law, and financial practice in Indonesian Islamic contracts presents a challenging yet compelling subject, often overlooked in mainstream discourse (Alam, 2021). While the remarkable global rise of Islamic finance is widely acknowledged, the persistent and nuanced use of Arabic within Indonesia's contract landscape stands not merely as a vestige of religious tradition, but rather as an evolving instrument of both legitimacy and identity. It is important to recognize that this phenomenon extends well beyond superficial compliance with Shariah; instead, it reflects the ongoing and sometimes contested negotiation between universal Islamic legal norms and local socio-linguistic realities (Abdulrahman, Idris, et al., 2023). Interestingly, what many might assume to be a straightforward legalistic requirement has, in practice, become a focal point for adaptation, education, and even friction.

Examining the corpus of scholarship in this area, one quickly discovers that Arabic contractual terminology serves as both a stabilizing anchor and, paradoxically, a potential barrier to broader community understanding, particularly within institutions tasked with balancing accessibility and orthodoxy (Ascarya, 2024; Kamla & Haque, 2019b). Recent studies, for example, have illuminated the ways in which reliance on Arabic terminology simultaneously fosters institutional trust and, at times, alienates stakeholders unfamiliar with the language (Muryanto, 2022). However, the situation is far from static. There is a discernible shift among forward-thinking Islamic financial institutions, particularly those pioneering microfinance and waqf innovations, toward integrating local adaptations or hybrid documentation strategies. These developments, while preserving the spirit of Shariah compliance, aim to enhance inclusivity and communicative effectiveness (Andespa et al., 2023; Ascarya, 2024). Thus, the field is witnessing a fascinating convergence of old and new, tradition and innovation.

Against this dynamic backdrop, recent reviews have notably identified a reorientation in research priorities. Previously, the literature was largely dominated by questions of formal compliance and product development; however, contemporary scholarship has expanded to encompass broader themes such as governance, socio-technological transformation, and policy evolution (Ali & Arun, 2014; Maryam et al., 2025; Maryam & Ahmad, 2022). Yet, a major limitation persists: many earlier syntheses exhibit a narrow conceptual scope, limited empirical breadth, and insufficient engagement with linguistic facets and geographic diversity (N. Maryam et al., 2025; Shamsudheen et al., 2023). Addressing these gaps, therefore, remains both critical and urgent.

This review, consequently, seeks to offer a novel, integrative vantage point by systematically charting the conceptual, contextual, and methodological dimensions shaping the discourse. By focusing on intersecting themes, governance, stakeholder participation, digital advancement, and Maqasid al-Shariah, the investigation aims to illuminate underexplored mechanisms through which Arabic contractual practice evolves and influences policy, theory, and implementation (M. Alam, 2021; Kamla & Haque, 2019b; Mutamimah et al., 2022).

The research questions extend well beyond descriptive mapping. They interrogate how trends in publication, regional distribution, and methodological approaches intersect with the real-world implications of community literacy, regulatory adaptation, and technological disruption. Consequently, questions such as "How do local social dynamics mediate the practicality of Arabic contracts?" and "What theories robustly elucidate the interface between

language, law, and finance in Indonesia's Islamic context?" are foregrounded. The paper proceeds by delineating the SLR methodology, then discussing principal findings and conceptual advances, before introducing an updated analytical framework and, finally, articulating actionable recommendations for both scholarship and policy in this critical yet evolving arena.

In summary, this contribution aspires not merely to fill existing gaps, but to stimulate richer, more dialogical engagement with the transformative role of Arabic contractual language, affirming its place as both legal foundation and evolving medium for contemporary Islamic financial innovation (Usman et al., 2021; S. Wahyono, 2022). Contemporary scholarship in Islamic finance highlights a dynamic interplay between Shariah compliance, Maqasid al-Shariah, corporate governance, and financial innovation (Abdulrahman, Idris, et al., 2023; Alamad, Bakar, et al., 2021; Ayub et al., 2023; Kamla & Haque, 2019b). Shariah compliance has evolved from basic legalistic prohibitions into a broader governance framework prioritizing ethics, while Maqasid al-Shariah aligns religious goals with economic reasoning to address societal needs (Kamla & Haque, 2019b). This reflects the sector's historical trajectory, moving from its medieval roots and the regulatory standardization of the late twentieth century toward modern dimensions like sustainability, ESG principles, and digital transformation (Aman, 2019).

While classical frameworks by scholars like Al-Ghazali and Al-Shatibi remain foundational, their contemporary application faces challenges due to contextual variations and practical industry realities, prompting empirical extensions into new domains (Chapra, 2000). Methodologically, the discipline has grown increasingly sophisticated, employing quantitative tools like PLS-SEM alongside qualitative methods, Delphi-ANP, and Web 2.0 analytics to capture complex stakeholder dynamics (Shamsudheen & Muneeza, 2022). Furthermore, interdisciplinary connections have integrated CSR, sustainability, and governance, underscoring a commitment to socio-environmental stewardship by harmonizing classical compliance with modern financial agility (Ascarya, 2024c; Umar et al., 2024a).

Despite this progress, significant research gaps persist. Empirical validation of conceptual frameworks remains sparse, and normative models frequently outpace regulatory and industry adaptations (Alziyadat & Ahmed, 2018b). Furthermore, geographic and sectoral diversity is underrepresented, and a critical tension remains between social impact and financial viability within microfinance and fintech contexts (Berguiga, Adair, et al., 2020a; N. Maryam & Ahmad, 2022b). Consequently, future research must prioritize robust, context-sensitive investigations that effectively bridge analytical rigor with practical relevance in Islamic financial institutions.

2. Methods

The methodological approach implemented in this study was meticulously crafted to conform to the PRISMA protocol, which is detailed in Figure 1 and underscores the commitment to methodical transparency and rigor (Moher et al., 2009). The process began with the identification phase, wherein the research team systematically curated a corpus of articles by employing highly targeted keywords, such as Islamic Financial Institutions, Sharia Compliance, Legal Validity, and Arabic Linguistic Interpretation, across the Scopus database. Interestingly, Scopus was strategically chosen not only due to its well-established reputation for scholarly quality but also for its ability to effectively filter duplicates and minimize the inclusion of predatory publications (Lasda Bergman, 2012; Rocha et al., 2020). As a result, the initial sweep

produced a substantive set of 494 peer-reviewed articles for further consideration (Hariningsih et al., 2024).

Transitioning into the screening phase, the dataset underwent a careful winnowing process. Duplicate records were excluded, an essential step to maintain analytical integrity, while further checks were conducted to ensure each article met the predefined eligibility criteria. Notably, articles that lacked abstracts, fell outside the temporal window of 2015 to 2025, or were published in journals not classified within Q1–Q4 tiers were eliminated, leaving a substantially refined pool of 277 articles. The eligibility assessment that followed demanded a more critical and nuanced evaluation; each retained article was reviewed for direct relevance and substantive alignment with the study's research questions and objectives. During this stage, 121 articles were further excluded on the grounds of insufficient thematic alignment or accessibility constraints.

In the final inclusion phase, the remaining literature was reassessed to ensure that each article met all criteria for comprehensive analysis. Ultimately, 82 articles were selected as the definitive set for synthesis, comprising works that not only complied with all procedural thresholds but also could be thoroughly retrieved and meaningfully analyzed. Throughout every step, strict adherence to the PRISMA guidelines enabled transparent documentation and reliable reproducibility of the entire process, qualities that are indispensable for producing research of enduring validity and impact (Panic et al., 2013; Siddaway et al., 2019; ter Huurne et al., 2017).

3. Result and Discussion

3.1. Global Trends, Theoretical Frameworks, and Methodological Evolution in IFI Research

The corpus of reviewed articles reveals a paradigm marked by diversity in regional focus, methodological rigor, and disciplinary synthesis within Islamic financial institutions (IFIs). Publication trends indicate a pronounced emphasis on Shariah compliance and institutional governance, with extensive research attention converging on the practice and challenges of integrating Arabic language contracts, recognized as central to both legal validity and sociocultural legitimacy (Abdullah Hassan, 2019; Abu-Taleb Al-Qudah, 2020; Syahputra, 2021). While Malaysia and Bahrain emerge as epicenters of mature research activity due to their established regulatory frameworks and market sophistication, Indonesia faces persistently unique regulatory and linguistic adaptation issues (N. Alam & Rizvi, 2020; Wibowo, 2022). Furthermore, a nuanced examination of author keywords highlights the persistent centrality of “Arabic language,” “translation,” and “standardization,” aligning with regulatory adaptation and cultural localization as recurring priorities. Governance and risk management are interpreted not merely as operational concerns but as mechanisms for reinforcing institutional credibility and fostering trust among increasingly diverse stakeholders (Ascarya & Rahmawati, 2022; Kamla & Haque, 2019a). Although Q2 journals such as the *International Journal of Islamic and Middle Eastern Finance and Management* still dominate, increasing citation density and global collaboration suggest an ongoing maturation, with Q1 outlets attracting highly innovative research that bridges empirical findings with advanced theoretical constructs.

To more incisively frame these contributions, the literature coalesces around several robust analytical frameworks: Shariah Governance Model: Repeatedly identified as foundational for examining institutional accountability, transparency, and compliance (I.

Abdulrahman et al., 2023; Syahputra, 2021; R. Syaputri & Nainggolan, 2022). Agency Theory: Figures prominently in analyses of the relationship between institutional actors and governing bodies, especially regarding the mitigation of principal-agent conflicts within dual-layered (religious and corporate) oversight. Legitimacy Theory: Applied especially in high-impact journal studies to explain how IFIs navigate social trust and cultural embeddedness, where the Arabic contractual register becomes a mechanism for constructing public legitimacy as much as a legal tool (Alamad & Ali, 2021; Ascarya & Rahmawati, 2022). Maqasid al-Shariah: Increasingly operationalized in contemporary studies to examine the direct societal impacts of IFIs, linking legal procedures with broader ethical, developmental, and sustainability goals.

This review offers a novel perspective by bridging Islamic financial theory with contemporary organizational and behavioral models. Whereas prior systematic literature reviews (SLRs) tended to confine themselves within the traditional boundaries of Maqasid al-Shariah, Agency, or Legitimacy Theory (Alziyadat & Ahmed, 2018a; R. Syaputri & Nainggolan, 2022), this study systematically advocates for multidisciplinary and hybrid analytical constructs. In line with conceptual calls from Alamad et al. (2021) and Hidayah et al. (2020), it emphasizes stakeholder engagement and technological innovation as integral aspects of successful contract practice. Moreover, this synthesis extends the findings of Ahmad (2018) by exploring the psychological and social mechanisms by which legitimacy, trust, and user experience are constructed across varying levels of literacy and cultural exposure. Unlike studies narrowly focused on legal form, this review supports the adoption of behavioral finance and the *Integrative Theory of Islamic Finance* to illuminate new research trajectories (Shamsudheen & Muneeza, 2022).

Methodologically, the landscape shows a noticeable trend away from a sole reliance on qualitative studies toward incorporating panel data analyses, PLS-SEM, and hybrid mixed-method approaches (A. Abdulrahman, Al-Arif, et al., 2023; Berguiga, Youssef, et al., 2020; S. Shamsudheen & Muneeza, 2022). Rich, context-sensitive qualitative case studies co-exist alongside sophisticated empirical investigations, including multi-year panel regressions and network analyses of institutional behavior (Berguiga, Youssef, et al., 2020; Chen & Yu, 2023). The surge in mixed methods is particularly productive, combining nuanced fieldwork (e.g., stakeholder interviews) with quantitative content analysis via platforms like NVivo and Smart-PLS, allowing researchers to map both the micro-dynamics and macro-structures shaping policy innovation and compliance culture. This study distinguishes itself by championing this mixed-method approach in response to critical limitations flagged by Berguiga et al. (2020) and Shamsudheen & Muneeza (2022), thereby extending the actionable pathways envisioned by Maryam et al. (2025), who previously called for richer data integration but offered limited guidance on practical implementation. Citation mapping and author network analysis reveal that the most cited and influential studies are those that bridge disciplinary boundaries, integrating perspectives from law, economics, linguistics, and organizational studies.

3.2. Contextual Dynamics in Indonesia: Legitimacy, Linguistic Barriers, and Socio-Technical Integration

Advanced visualization tools, such as word clouds, citation networks, and thematic mapping, have been instrumental in crystallizing the principal themes within this expanding research landscape. Spatial mapping techniques reveal not only the dominance of Southeast Asia and

the Middle East in generating scholarly output but also the rapid emergence of Indonesia as a focal point for innovative empirical and theoretical inquiry (Ascarya & Rahmawati, 2022; Umar et al., 2024). Network analysis demarcates the centrality of certain key researchers and journals, such as the widely referenced works of Shamsudheen, Muneeza, Wahyono, and Ascarya, whose collective research on waqf, governance models, and the interface of law and technology has informed subsequent studies on best practice and ethical implementation. Thematic mapping visually delineates how evolving notions of “translatability,” “digitalization,” and “cross-border harmonization” ascend in salience over time, an observation substantiated by the marked uptick in relevant publications during critical policy years (S. Shamsudheen & Muneeza, 2022; A. Wahyono, 2022; Widiarto & Emrouznejad, 2015). The application of data analysis platforms such as NVivo, Smart-PLS, and advanced econometric software (R, STATA) supports the creation of nuanced comparative and relational visualizations, fundamentally enriching the interpretive depth of the literature.

The outcomes of this systematic review unmistakably reaffirm Shariah compliance and the utilization of Arabic contractual language as dominant focal points within the Indonesian Islamic finance literature. This result is in line with seminal studies by Abdullah Rahman (2020) and Hassan (2021), which originally articulated the religio-normative significance of Arabic and its foundational role in contract legitimacy. Interestingly, while earlier research such as Al-Faruqi (2019) and Karim (2021) acknowledged the philosophical tension between classical Islamic doctrine and practical enforcement, the present review extends these findings by mapping an academic shift, from a purely normative lens to one that is more empirically contextualized and multidimensional. Research in this area has moved beyond descriptive cataloguing toward a nuanced assessment of the Arabic contractual register as an embodiment of institutional values—anchoring legitimacy, facilitating compliance, and mediating trust across stakeholder groups (A. Abdulrahman, Al-Arif, et al., 2023; Huda, 2020; F. Rahman, 2019). Crucially, the literature consistently identifies a tension between the ideals of global standardization—e.g., harmonization with AAOIFI or IFRS—and the specificities of local regulatory cultures. Successful contract implementation is shown to require not only doctrinal precision but also regulatory plasticity, as typified by Indonesia’s evolving Shariah governance frameworks (Ascarya & Rahmawati, 2022; Kamla & Haque, 2019a).

This study’s thematic synthesis offers nuanced insights regarding the empirical impact of Arabic contracts, particularly on compliance outcomes, user comprehension, and stakeholder trust. Whereas Ismail (2018) and Yusuf (2023) focused primarily on symbolic and ritual functions, this review adds nuance to the field by interrogating how actual language proficiency, accessibility, and legal clarity tangibly affect financial practice. Contrary to the implicit optimism of Suryadi (2022) and Nurhidayah (2020), who posited the ease of implementing Sharia principles in pluralistic societies, this analysis demonstrates that low Arabic literacy remains a substantial barrier to inclusivity, thereby restricting market depth and financial outreach. Indonesia’s complex sociolinguistic terrain, home to vast ethnic, linguistic, and legal pluralism, renders it an instructive case for exploring how global Islamic norms are translated, both literally and figuratively, into local practice (Abdullah Hassan, 2019; Wibowo, 2022). The literature makes clear that without robust regulatory support and deliberate cultural accommodation, even the most rigorously crafted Arabic contracts risk limited efficacy and stakeholder buy-in. A reflective comparison with related research in Malaysia and the Middle

East (Ascarya & Rahmawati, 2022; S. Shamsudheen & Muneeza, 2022) further underlines Indonesia's need for more innovative regulatory and linguistic adaptation. While bilingual or multilingual contract frameworks are increasingly heralded as progressive solutions, this review confirms that harmonization of terminology and alignment of cultural norms remains an understudied and challenging agenda—one that the current literature is only beginning to address substantively (Fitri, 2021; S. Maryam et al., 2025; Yusuf, 2023).

Concurrently, the rapid evolution of digital tools—blockchain, electronic signatures, fintech ecosystems—has redefined both the possibilities and expectations for IFI contract design and auditing (N. Alam & Rizvi, 2020; Alamad, Hassan, et al., 2021; Alamad & Ali, 2021). These innovations, though promising, present practical challenges regarding the authenticity and acceptance of digitized Arabic contracts, especially among less digitally literate stakeholders. Crucially, empirical evidence points to both efficiency gains and new sites of risk, underscoring the need for dynamic, integrated regulatory responses going forward (I. Syaputri & Nainggolan, 2022). Regarding technology adoption, while previous analyses recognized the potential of blockchain and digital contracts, the pace of real-world implementation has been slow (Ascarya, 2024a). This review, however, demonstrates—contrary to typical adoption trends—those digital instruments, paired with rigorous linguistic translation and cultural adaptation, present realistic solutions to entrenched compliance and trust deficits (Faisal, 2023; S. Maryam et al., 2025; A. Rahman, 2021). These arguments align with Fitri (2021) and Rahman (2019) but offer deeper comparative synthesis, confirming that systematic Arabic education, bilingual contract design, and regulatory frameworks tailored to local needs are pressing priorities.

3.3. Performance Metrics, Research Gaps, and Strategic Future Horizons

Analyses of microfinance, waqf, and hybrid product models within IFIs are particularly revealing, highlighting the ongoing struggle to balance strict Shariah compliance with substantive financial inclusion and socioeconomic upliftment (Ascarya et al., 2022; Berguiga, Adair, et al., 2020b). The appetite for ethical metrics—beyond fiscal benchmarks—signals a maturing field that is increasingly attuned to its wider developmental mandates.

Although the field displays commendable methodological range, some limitations remain evident, a paucity of experimental designs, Under-explored frontiers such as big data analytics and machine learning applications for contract analysis and risk management (Taufik et al., 2025), A lack of cross-jurisdictional and longitudinal studies, which are essential for unpacking the dynamic impacts of regulatory, technological, and linguistic changes.

Despite marked progress, recurring gaps warrant sustained scholarly attention: there is still inadequate representation of non-Malay and non-Arabic Islamic finance environments, and practical models for consumer education and contract localization are only just emerging (Algabry et al., 2020; Arifin, 2022). Theoretical frameworks must further engage with the lived realities of adaptation and adoption to ensure the sector's continued growth and legitimacy. Forward-looking research agendas will need to marshal interdisciplinary tools and comparative perspectives if they hope to realize the full transformative potential of Arabic contractual praxis within IFIs globally (Ascarya & others, 2022; Muhammad et al., 2021). Most notably, this review highlights the absence of longitudinal, regional, and experimental research; an overreliance on

qualitative and descriptive methods; and insufficient attention to consumer response and behavioral adaptation to contract language (Algabry et al., 2020; Arifin, 2022).

This study extends the literature by advocating for multifaceted, comparative agendas, new data sources, and integrated cross-country case designs. The proposition for inclusive contract models and expansive stakeholder education, while contrary to the technical specificity of much policy literature (Ascarya & others, 2022; Kamla & Haque, 2019a), lays out a roadmap for greater harmonization and market expansion. Theoretically, this review reaffirms the imperative of integrating religious, social, and technological factors—not in isolation, but in synergistic fashion—to drive sustainable sectoral development and inclusive financial practice. This stance affirms the utility of composite theoretical models in line with multi-disciplinary trends in global literature (Alziyadat & Ahmed, 2018b; Ascarya & Sakti, 2022). Practically speaking, multi-layered contract design, adaptive regulation, and systematic capacity-building emerge as concrete priorities. These recommendations offer actionable strategies for regulators, financial institutions, and educators to bridge the gap between legal theory and pragmatic operation—a contribution extending well beyond the scope of previous studies.

This review extends the boundaries of Islamic finance literature by presenting a uniquely comprehensive and critically reflective synthesis of Arabic contract legitimacy, compliance, and stakeholder engagement. The findings reveal several understudied aspects, set new standards for interdisciplinary research, and delineate clear practical and theoretical implications for future work. Strategic research directions should now prioritize adaptive bilingual contracts, computational and experimental methodologies, and deeper comparative exploration of language and legal harmonization—thereby advancing the field toward a more inclusive, transparent, and innovative future (I. Abdulrahman et al., 2023; Ascarya & others, 2022; S. Shamsudheen & Muneeza, 2022).

4. Conclusion and Future Research Directions

This study presents a thoroughly integrated and critically nuanced synthesis of Arabic language contracts within Indonesian Islamic financial institutions, significantly advancing the literature through the Theory, Context, and Methodology (TCM) framework. Moving beyond traditional normative discussions, this research adopts an expansive lens that rigorously confronts regulatory adaptation, literacy challenges, and cultural heterogeneity to add both theoretical depth and practical relevance. Crucially, the analysis shines a light on a paradoxical reality: the linguistic sanctity of Arabic often collides with significant gaps in comprehension and operationalization, particularly within multilingual and regulatory-complex contexts. A salient academic contribution lies in its call for strategic integration, melding established paradigms like Agency Theory, Maqasid al-Shariah, and Legitimacy Theory with new, adaptive models that are responsive to modern sociotechnical and regulatory developments.

Furthermore, the study transcends a simple cataloging of technological interventions, such as blockchain or digital signatures, by underscoring their critical evolution from conceptual novelties into functional necessities capable of transforming transparency and trust among stakeholders. By recommending the expanded use of mixed-methods and computational analytics, this review directly responds to notable methodological deficiencies that continue to limit empirical sophistication in the field. Looking critically toward the horizon, several targeted avenues for future research stand out to address these gaps. There remains a pressing need for

the empirical creation and validation of contract models that genuinely harmonize Arabic principles with local linguistic and legal realities. Additionally, systematic evaluations must extend past mere procedural efficiency to investigate how technological innovations actively shape compliance, literacy, and acceptance across various user groups.

To achieve long-term impact, future scholarship must also prioritize robust longitudinal and comparative research spanning Southeast Asian and Middle Eastern contexts, which will reveal how distinct legal, cultural, and institutional differences drive variations in contract efficacy and legitimacy. Moreover, leveraging big data and experimental methodologies is essential to decode the dynamic ways in which contract language influences user perceptions and behavior—a critical gap rarely addressed in current literature. In sum, this review not only brings a fresh perspective and analytical rigor to the discipline but also establishes new benchmarks for research practice and scholarly integration. By connecting language, law, and technology in a manner that is both visionary and grounded, the study lays an essential foundation for more inclusive, adaptable, and sustainable Islamic financial contracts, ensuring that future innovations in Islamic financial law successfully bridge theoretical ideals with lived realities to achieve enduring academic and practical value.

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