

## Financial System Stability in Islamic Economic Perspective: A Bibliometric Review (2017-2021)

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**Abstract:** The aim of this research is to synthesize trends, dominant themes, and research gaps in the study of financial stability from the perspective of Islamic economics during the period of 2017–2021. Employing a library research approach with an integrative literature review design, this study examines literature from four leading databases: Google Scholar, Scispace, DOAJ, and Scopus. Selection is made based on rigorous inclusion and exclusion criteria, and data analysis is conducted using thematic and bibliometric approaches. The findings indicate that research focus has shifted from measuring performance towards innovation in risk management and responses to global crises. The main themes that emerged include risk management, liquidity management, the role of regulation, and innovations in Islamic financial products. The research also highlights the importance of synergy between Sharia principles, regulatory authorities, and institutional governance in maintaining stability. This study provides a scientific mapping that is useful for academics and policymakers and recommends further exploration related to the role of Islamic fintech and cross-country comparative studies in the context of the resilience of Islamic financial systems.

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**Keyword:** Islamic Financial Stability, Bibliometrics, Risk Management, Regulation, Islamic Economics.

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### A. INTRODUCTION

Financial system stability is a crucial element in maintaining the sustainability and trust in financial institutions. In the context of Islamic economics, this stability does not only cover financial aspects alone, but also reflects sharia principles that emphasize fairness, transparency, and social responsibility. The Islamic Financial Services Board (IFSB) defines Islamic financial system stability as a condition in which Islamic financial institutions are able to absorb external and internal shocks without disrupting the financial intermediation function (IFSB, 2021). This is in line with the view of Ahmed (2010) who emphasized that stability in Islamic economics must reflect a balance between economic efficiency and social justice. Other studies highlight the factors that influence financial stability in the Islamic system. A study by Mollah et al. (2017) showed that good corporate governance in Islamic banks contributes to increased financial stability. Meanwhile, a study by Beck et al. (2013) found that product and service diversification in Islamic banks can increase resilience to market shocks. In addition, a study by Čihák and Hesse (2010) confirmed that the Islamic banking business model oriented towards risk sharing provides advantages in maintaining financial stability.

Several studies have highlighted the important role of stability in the Islamic financial system. For example, a study by Bitar et al. (2017) showed that compliance with the Basel principles significantly improves the stability of Islamic banks. Meanwhile, a study by Hassan et al. (2019) found that Islamic banks showed better resilience than conventional banks during the global financial crisis. In addition, a study by Abduh and Chowdhury (2012) confirmed that the implementation of Sharia principles in Islamic banking operations contributes to the stability of the financial system as a whole. IMF Other studies have highlighted the factors that influence financial stability in the Islamic system. A study by Mollah et al. (2017) showed that good corporate governance in Islamic banks contributes to increased financial stability. Meanwhile, a study by Beck et al. (2013) found that product and service diversification in Islamic banks can increase resilience to market shocks. In addition, a study by Čihák and Hesse (2010) confirmed that the business model of Islamic banks oriented towards risk sharing provides an advantage in maintaining financial stability. In the geographical context, several studies have explored the stability of Islamic financial systems in different countries. For example, a study by Khan and Bhatti (2008) examined the stability of Islamic banks in Pakistan and found that they were more resilient to crises than conventional banks.

Meanwhile, research by Rosly and Abu Bakar (2003) in Malaysia showed that sharia principles applied in Islamic banks have a positive contribution to the stability of the national financial system. In addition, a study by Abduh and Omar (2012) in Indonesia confirmed that the growth of Islamic banks contributed to increasing financial stability in the country. In a geographical context, several studies have explored the stability of the Islamic financial system in various countries. Several studies have also used a bibliometric approach to analyze research trends in the stability of the Islamic financial system. Research by Hudaefi and Abduh (2019) used bibliometric analysis to identify key topics in the Islamic finance literature and found that financial stability was one of the main focuses. Meanwhile, a study by Hassan et al. (2020) highlighted that research on the stability of the Islamic financial system has increased significantly in the last decade, reflecting the importance of this topic in the academic literature. In addition, research by Khan et al. (2021) used bibliometric analysis to explore collaboration between researchers in the field of Islamic financial stability and found that international collaboration has increased, indicating global interest in this topic.a.

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## **B. METHOD**

This study uses a library research approach with an integrative literature review design. This approach aims to synthesize the results of previous relevant studies in a comprehensive and systematic framework. Integrative review allows researchers to combine theoretical and empirical studies, and identify trends, dominant themes, and research gaps that emerge in the

literature related to the stability of the Islamic financial system. Thus, this approach is very suitable to answer the research objectives, namely to map trends and gaps in Islamic financial stability research during the period 2017–2021. Data sources in this study were obtained from reputable scientific databases, namely Google Scholar, Scispace, DOAJ (Directory of Open Access Journals), and Scopus. Articles selected from DOAJ must meet the criteria of open access, be available in full-text version, and come from DOAJ indexed journals that have gone through a peer-review process. Meanwhile, articles from Scopus are selected based on reputable journals (Q1–Q3), in English or Indonesian, and relevant to the topic of Islamic financial system stability. The inclusion criteria in this study include: (1) articles published between 2015 and 2024, (2) raising the topic of financial system stability in the context of Islamic economics, and (3) available in full scientific article format (journal article). The exclusion criteria include: (1) articles in the form of proceedings, editorials, or abstracts only, (2) articles that are not directly related to the research theme, and (3) articles that cannot be accessed in full (full-text unavailable).

The literature search process was carried out using a combination of keywords, including: "Islamic Financial Stability", "Islamic Banking Resilience", "Stability of Islamic Finance System", and "Bibliometric Analysis in Islamic Economics". The search was carried out using the advanced search feature in each database to limit the results to the 2015–2024 period. Furthermore, articles were selected based on title, abstract, and topic suitability. After that, an in-depth review of the contents of articles that passed the initial selection was carried out to ensure the relevance and quality of the content. This selection procedure was carried out repeatedly and systematically to ensure the accuracy and relevance of the results. Data were analyzed using thematic and bibliometric approaches. Thematic analysis was carried out to identify patterns of findings that often appear, similarities in approaches, and consistency of results in the literature analyzed. Meanwhile, bibliometric analysis was carried out to map publication trends, dominant keywords, author collaborations and affiliations, and geographical distribution of publications. The validity and reliability of the research were maintained through a strict literature selection process and the use of credible databases. To minimize bias, the researcher used triangulation techniques by comparing findings from various database sources and involving two reviewers in the literature assessment process.

## **C. RESULTS AND DISCUSSION**

### **1. Publication Trends and Literature Mapping on The Stability of the Islamic Financial System (2017–2021)**

Between the 2017–2021 period, a number of studies have emerged that provide a comprehensive overview of the stability of the Islamic financial system, especially with an emphasis on risk management, capital adequacy, and response to external shocks. The reviewed literature shows a trend of research integrating the Islamic risk management framework with an empirical approach to ensure financial stability. First, several studies, such as those conducted by Mazurina and Sharipov Mazurina & Sharipov (2019), highlight the relationship between operational efficiency, risk management, and financial stability in the post-global crisis period. The study outlined that although Islamic banks face a number of

financial risks, a sharia-based approach provides an advantage in dealing with global volatility. Similarly, Soualhi Soualhi's (2020) study emphasizes the role of capital adequacy and the application of risk management standards as key factors in ensuring the financial stability of Islamic banks. These results indicate that the application of international standards adapted to the sharia context can increase banks' resilience to external shocks.

In addition, the response to the COVID-19 pandemic is an important highlight in the context of the stability of the Islamic financial system. Aldeen Aldeen (2021) argues that the principles of Islamic finance such as the prohibition of usury and asset-backed transactions – are fundamental advantages that allow the Islamic financial system to be relatively more resilient amid the global crisis. This finding is in line with the research results of Tantia et al. (Tantia et al., 2020), which emphasizes the importance of risk management in Murabahah financing transactions as an effort to mitigate risks that could threaten the financial stability of Islamic banks. Further emphasis on the liquidity aspect also appears in the literature review. Amin et al. Amin et al. (2021) investigate how liquidity risk management and the role of regulation within the framework of the Organization of Islamic Cooperation (OIC) contribute to bank stability, highlighting that tighter regulatory oversight and the implementation of cash management strategies are crucial. On the other hand, Supiyadi Supiyadi (2021) presents an empirical analysis of the determinants of profitability and stability of Islamic banks in Indonesia, showing that internal factors such as capital structure and asset quality have a significant impact on financial performance, thus providing a holistic picture of the stability and resilience of Islamic banks in a dynamic market.

Overall, the publication trend in the period 2017–2021 shows a shift in focus from simply measuring performance to efforts to implement more innovative and responsive risk management practices to the dynamics of the global crisis. These studies not only increase understanding of the application of sharia principles in dealing with risks but also emphasize the importance of collaboration between regulators, supervisory boards, and the institutions themselves in maintaining financial stability. The results of this synthesis provide significant insights for researchers, practitioners, and policymakers to develop a more comprehensive strategy in promoting the resilience of the Islamic financial system.

## **2. Dominant Themes and Critical Keywords in Islamic Financial Stability Studies**

From the literature review on the stability of the Islamic financial system, there are several dominant themes and critical keywords that have become the focus of various studies in the current period. These themes include technical aspects of banking, policy elements, financial innovation, and responses to the dynamics of the global crisis. One of the dominant themes is risk management, liquidity management, and capital in Islamic banks. Research analyzing the stability of Islamic banking in the MENA region reveals that variables such as capital structure, liquidity, and capital buffer ratio are the main indicators of the sustainability and resilience of the Islamic financial system (Anggraini et al., 2023). In addition, a bibliometric study mapping Islamic financial trends shows that keywords such as “Risk Management”, “Liquidity”, “Banking Stability”, and “Capital” emerge as important topics to ensure the integrity and resilience of the Islamic financial system (Kumara & Nugraha, 2024; Ananta et al., 2024). The

literature also highlights the role of policies and regulations in creating a conducive environment for Islamic financial stability.

A literature review by Mutho and Anshori emphasizes the paradigm of the Islamic financial system in facing crises, which shows the importance of adopting proactive policies and implementing ethical and sharia principles to anticipate economic instability (Mutho & Anshori, 2021). Studies on the role of Islamic banks in monetary stability show that the regulatory framework, together with Islamic financial principles, are beginning to be integrated to support real economic growth, especially through financing instruments for MSMEs (Sunaryono, 2024; Setiawan et al., 2022). In addition, new approaches such as the use of the Islamicity Performance Index and green banking practices are known as performance indicators that contribute to the stability of Islamic banking (Fathihani et al., 2025). Another study that discusses broader systemic aspects highlights the role of Islamic banks in maintaining monetary stability through the lens of Islamic economics. Using a conceptual framework that takes into account unique characteristics such as the prohibition of usury, the study emphasizes that the integration of regulatory and ethical aspects in Islamic finance encourages the creation of a fairer and more crisis-resilient economic environment (Siregar et al., 2025). The influence of Islamic financial policies on the stability of the global financial system is also identified through financial instruments such as sukuk and waqf, which add an international dimension to the discussion on financial system stability (Judijanto & Rizani, 2024). Research on regulatory challenges highlights that the adjustment and harmonization of financial regulations are critical keywords to enable Islamic banks to operate optimally alongside the conventional banking system, thereby increasing the resilience of the system as a whole (Gultom et al., 2022).

In synthesis, the dominant themes in the study of Islamic financial stability include risk management, liquidity and capital management, the role of policy and regulation, and innovation in the design of Islamic financial products. Critical keywords that emerge include: "Banking Stability", "Risk Management", "Liquidity", "Capital", "Regulation", "Crisis", "UMKM", "Islamicity Performance Index", and "Green Banking". All of which indicate that research in this field is not only seeking operational solutions for stability, but also formulating a holistic approach that combines ethical, regulatory, and sustainability aspects in the context of Islamic finance.

#### **D. CONCLUSIONS AND SUGGESTIONS**

Based on the results of a bibliometric review of the literature on financial system stability from an Islamic economic perspective in the 2017–2021 period, there is a shift in research focus from performance measurement to innovation in risk management and response to the dynamics of the global crisis. These studies further emphasize the importance of synergy between sharia principles, the role of regulators, and institutional governance in maintaining Islamic financial stability. In addition, the dominance of themes such as risk management, liquidity and capital management, the role of regulation, and the development of Islamic financial products indicates a multidimensional approach that continues to develop. This

shows that Islamic financial stability is not only a technical issue, but also includes ethical, social, and sustainability dimensions that are core values in Islamic economics.

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