

DECISION ETHICS AND RISK MITIGATION: ASSET PROTECTION IN THE MOSES–KHIDR NARRATIVE

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ABSTRACT

Purpose: This study aims to examine the ethics of decision-making and risk mitigation in the Qur'an through the narrative of Prophet Moses and Khidr (peace be upon them) in Surah Al-Kahf verse 71, and to explore its relevance to asset protection and contemporary Islamic insurance.

Design/methodology/approach: The study employs a qualitative descriptive approach with library research. The main reference is *Tafsir Al-Iqtishodiy* by Rafiq Yunus Al-Mishri, analyzing the dialogue between Moses and Khidr to extract ethical and economic lessons on risk identification and mitigation.

Findings: Khidr's actions exemplify wisdom-based decision-making and long-term risk mitigation aligned with maqāṣid al-sharī'ah, particularly *hifẓ al-māl*. Asset protection is presented as a moral and social responsibility, while takaful, ta'āwun, and prudence in Islamic insurance reflect Qur'anic ethics of risk management.

Research limitations/implications: The study is limited to textual analysis of one Qur'anic narrative and one tafsir perspective, which may constrain generalization.

Practical implications: Findings provide an ethical foundation for sustainable risk management and development of Sharia-compliant insurance policies.

Originality/value: The study bridges Qur'anic ethics, Islamic decision-making, and modern risk management, offering a novel conceptual framework for ethical asset protection.

Paper type: Research paper

Keywords: Asset Protection, Decision Ethics, Islamic Insurance, Quranic Interpretation, Risk Mitigation

A. INTRODUCTION

Global uncertainty has increased significantly over the past decade, driven by post-pandemic crises, geopolitical conflicts, global inflation, and accelerated climate risks. The *Global Economic Prospects* report by the World Bank highlights that post-2020 economic volatility has intensified the demand for asset protection instruments and risk management based on prudential principles (World Bank, 2023). This phenomenon impacts not only conventional financial sectors but also value-based economic systems, including Islamic finance and insurance, challenging them to provide ethical and sustainable approaches to risk mitigation. In this context, the Qur'an, as a source of normative Islamic ethics, offers a moral framework relevant for addressing contemporary risk problems.

In Indonesia, the Islamic insurance sector has experienced positive growth, with assets increasing by 10.2% between 2022 and 2023. However, public literacy regarding Sharia-compliant financial products remains low, at only 9.1% (Otoritas Jasa Keuangan [OJK], 2023). This gap indicates that Sharia risk protection is often perceived merely as a financial instrument, rather than as a system for ethical decision-making. The DSN-MUI fatwa explicitly states that Islamic insurance must be founded on the principles of *ta'āwun*, transparency, and avoidance of *gharar* (DSN-MUI, 2021). Despite this guidance, there remains a conceptual disconnect between ethical theory and practical

implementation in the sector. Several contemporary Qur'anic studies emphasise the narrative of Prophet Moses and Khidr in Surah Al-Kahf (71) as a model of ethical decision-making and risk mitigation (Nasution & Yuannisa, 2024; Siregar, 2023). Khidr's actions demonstrate principles of risk prevention and asset protection aligned with *maqāṣid al-sharī'ah*, particularly *hifẓ al-māl*. Existing literature is fragmented. Some studies interpret the Moses–Khidr story through moral or spiritual lenses, whereas Islamic economics research often links it normatively to Sharia insurance without a detailed analysis of ethical decision-making (Prastyo & Nursobah, 2025; Alwi & Faridah, 2024). Modern risk mitigation discourse is dominated by technocratic approaches emphasising efficiency, probability of loss, and utility optimisation. Mainstream risk management literature often excludes ethical considerations, treating risk as a morally neutral variable (Beck, 2009; Power, 2007). In Islamic finance, this ethical gap manifests as a reductionist understanding of Sharia compliance, focusing largely on legal-formal obligations, while neglecting distributive justice, social solidarity, and protection of vulnerable parties (Chapra, 2008; Hasan, 2011). Consequently, Islamic insurance risks being perceived merely as an “Islamic-labelled” financial product, rather than a system grounded in *ta'āwun* and *maqāṣid al-sharī'ah*.

Islamic ethical literature emphasises that risk is not value-free but is inherently linked to *amanah* (trust), moral responsibility, and social consequences (Dusuki & Abdullah, 2007). Despite this, the ethical dimension of decision-making remains underdeveloped in operational Sharia risk frameworks. Qur'anic exegesis addressing ethics often remains abstract, focusing on moral and spiritual lessons rather than providing a systematic model for decision-making under uncertainty. Narratives like Moses–Khidr are frequently interpreted as exemplars of patience or obedience, rather than models for risk mitigation (Auda, 2008; Kamali, 2019). Bridging this gap requires an integrative approach combining Qur'anic narratives, ethical decision-making theory, and contemporary risk management principles.

Analyse Khidr's decision-making in the Moses–Khidr narrative as a divine-based model for risk mitigation. Explain Khidr's actions as strategies for asset protection aligned with *hifẓ al-māl* in *maqāṣid al-sharī'ah*. Formulate the relevance of ethical decision-making and risk mitigation principles in the Moses–Khidr story as a conceptual foundation for contemporary Sharia insurance.

Research Questions

1. How does Khidr's ethical decision-making represent risk mitigation principles in the Qur'anic perspective?
2. How can Khidr's actions be interpreted as forms of asset protection oriented toward long-term public interest according to *maqāṣid al-sharī'ah*?
3. How are ethical decision-making and risk mitigation principles in the Moses–Khidr narrative relevant for contemporary Sharia insurance practice?

Significance of the Study

1. Theoretical Significance: Strengthens the conceptual understanding of Moses–Khidr narrative as a systematic model of ethical decision-making and risk mitigation, bridging thematic Qur'anic exegesis with Islamic decision theory and Sharia risk management.
2. Practical Significance: Provides guidance for practitioners in Islamic finance and insurance to design asset protection products based on prudence, long-term public interest, and *takaful* principles, beyond mere formal compliance.
3. Policy and Public Literacy: Supports Sharia insurance literacy by emphasising ethical and social justice foundations, assisting regulators and educators in promoting risk mitigation as morally grounded in the Qur'an rather than only as a financial instrument.

B. METHODOLOGY

This research was conducted between January and June 2025 in Indonesia, focusing on the study of Qur'anic texts and classical and contemporary tafsīr literature relevant to risk management. The primary objective of this study is to analyse ethical decision-making and risk mitigation in the narrative of Prophet Moses and Khidr (peace be upon them) in Surah Al-Kahf, verse 71, and to establish a conceptual framework applicable to contemporary Sharia-compliant asset protection and insurance practices.

1. Research Design

This study employs a qualitative research design using a library research approach. Library research is suitable for this investigation because it allows systematic examination of written sources to construct theoretical insights without requiring direct experimental or field interventions. The method facilitates an in-depth understanding of textual interpretations and the ethical principles embedded in Qur'anic narratives, which can then be related to modern risk management theory.

2. Data Sources

The data for this study were collected from textual sources, including:

The Qur'an, with a particular focus on Surah Al-Kahf, verse 71;

Classical and contemporary tafsīr literature, notably *Tafsir Al-Iqtishadiy* by Rafiq Yunus Al-Mishri, which interprets the verse in the context of economic and risk management principles;

Supporting references from Islamic economic literature and contemporary risk management policies. The selection of these sources ensures both authenticity and relevance, as the Qur'an provides the normative ethical foundation, while tafsīr literature offers interpretative guidance for practical application in modern contexts.

3. Data Collection Procedure

Data collection was conducted in several stages:

- Initial reading and identification of tafsīr interpretations related to Surah Al-Kahf, verse 71, focusing on elements of risk management and asset protection;
- Systematic extraction of relevant themes, narratives, and ethical principles from the texts;
- Comparative analysis linking these themes with contemporary risk management concepts in finance and insurance;
- Organising the findings to construct a conceptual framework that integrates Qur'anic ethics with modern decision-making and risk mitigation practices.

4. Analytical Framework

The study adopts a thematic analysis method based on *tafsīr maudhu'ī* (thematic exegesis), allowing identification of key principles related to ethical decision-making, risk mitigation, and long-term asset protection. The analysis involves:

- Classifying textual evidence according to ethical, economic, and risk-related dimensions;
- Evaluating the applicability of these principles in the context of contemporary Islamic finance and insurance;
- Developing a conceptual model that demonstrates how Qur'anic narratives can inform structured, ethical risk management strategies.

This methodology extends beyond the descriptive analysis of texts by integrating theoretical reasoning with practical applications in modern Sharia-compliant risk management. By linking classical ethical principles with current practices, the research provides both theoretical insights and operational guidance for developing ethically grounded financial instruments, particularly in the field of Islamic insurance.

C. RESULTS AND DISCUSSION

The study of Surah Al-Kahf, verse 71, reveals a systematic framework of decision ethics and risk mitigation embedded in the narrative of Prophet Moses (peace be upon him) and Khidr (peace be upon him). The verse describes:

فَانْطَلَقَا حَتَّى إِذَا رَكِبَا فِي السَّفِينَةِ خَرَقَهَا قَالَ أَخَرَقْتَهَا لِتُغْرِقَ أَهْلَهَا لَقَدْ جِئْتَ شَيْئًا إِمْرًا

“So they set out, until when they boarded the ship, Khidr made a hole in it. Moses said, ‘Have you made a hole in it to drown its inhabitants? Truly, you have committed a grave act.’”

This narrative demonstrates a form of ethical foresight in decision-making under uncertainty. Khidr’s deliberate damage of the ship represents the acceptance of a controlled, minor loss to prevent a more significant, inevitable loss caused by an oppressive ruler. Classical exegesis by scholars such as Al-Tabari, Al-Qurthubi, and Ar-Razi indicates that this decision prioritises the lesser harm (Al-Kahf, 18:79) and aligns with the fiqh principle ‘Akhoffu Adhdorain’ selecting the lesser of two harms (Rafiq, 2013).

The main result shows that Khidr’s action exemplifies a normative ethical approach to risk mitigation, prioritising long-term welfare over immediate gain. This aligns with the Qur’anic principle of dar’u al-mafasid muqaddam ‘ala jalb al-masalih preventing harm takes precedence over achieving benefit. The narrative thus conveys that decision ethics and risk management are inseparable in the Qur’anic worldview.

Analysis of contemporary interpretations, particularly Tafsir Al-Iqtishadiy by Rafiq Yunus Al-Mishri, highlights the economic relevance of this narrative. The deliberate “minor loss” of the ship correlates with modern concepts of risk identification, risk assessment, and preventive intervention in economic activities (Nasution & Yuannisa, 2024; Siregar, 2023). The Qur’anic story embodies:

1. Identification of latent risk – assessing external threats such as the oppressive ruler seizing intact ships.
2. Acceptance of controlled loss – choosing a manageable short-term loss to prevent irreversible damage.
3. Asset protection (Hifz al-Māl) – safeguarding valuable resources for long-term welfare, including the protection of vulnerable parties like the ship owners.

This approach corresponds with contemporary Islamic insurance principles, including takaful and ta’awun, where collective risk is managed ethically rather than speculatively (Prastyo & Nursobah, 2025; Alwi & Faridah, 2024). Khidr’s decision thus models preventive asset management, a core principle in Sharia-compliant financial products.

The narrative also provides a conceptual bridge between ethics and epistemology in decision-making. Moses’ immediate reaction represents a rational-instrumental perspective, while Khidr’s intervention reflects wisdom-based ethical foresight (Siregar, 2023). This illustrates the limitations of human rationality when confronted with uncertain future risks, emphasising the need for moral patience (sabr) and the deferral of judgement until the full consequences are known.

Furthermore, Khidr’s actions indicate a threefold structure of risk management:

1. Risk identification – recognising latent dangers (ship seizure).
2. Evaluation of moral and economic consequences – weighing minor vs. major harm.
3. Preventive intervention – implementing a solution to minimise overall loss.

This structure demonstrates that risk is not purely a quantitative variable but is inherently tied to ethical responsibility, social welfare, and long-term sustainability (Nurhayati, 2022; Kusnadi, 2022). The narrative thereby transcends purely technical risk management, aligning it with maqāṣid al-sharī’ah and embedding socially responsible decision-making within economic actions. The study confirms that Qur’anic guidance in the Musa–Khidr narrative is directly applicable to modern Islamic financial practice, particularly in Sharia-compliant insurance. By conceptualising risk as both moral and economic, the story provides a basis for ethical risk governance in takaful, including:

- a) Prioritisation of collective welfare over short-term profit.
- b) Acceptance of small, controlled financial loss to prevent systemic failure.

- c) Protection of assets for future generations and vulnerable stakeholders.

The research demonstrates that integrating Qur'anic ethical principles into modern risk frameworks addresses the existing ethical gap in risk management, which often relies solely on probability and financial optimisation, neglecting moral and social dimensions (Beck, 2009; Power, 2007).

In summary, the narrative of Moses and Khidr provides:

- a. Empirical lessons on risk assessment and preventive action.
- b. Ethical guidance for decision-making under uncertainty.
- c. Practical relevance to Sharia-compliant insurance and asset protection.

The results indicate that Qur'anic ethical principles of risk mitigation can be operationalised as a framework for contemporary Islamic finance, offering both normative guidance and applied methodologies for managing risk in social and economic contexts.

D. CONCLUSION

This study examined decision ethics and risk mitigation in the Qur'an through the narrative of Prophet Moses (peace be upon him) and Khidr (peace be upon him) in Surah Al-Kahf, verse 71, with a particular focus on its relevance to asset protection and contemporary Islamic insurance principles. The analysis, based on classical and contemporary exegesis and studies in Islamic economics, yielded several key findings and their implications.

The primary result indicates that the events between Moses and Khidr provide a practical model for risk identification and management. According to Rafiq Yunus Al-Mishri, the narrative demonstrates how an individual can analyse and anticipate risks, weighing potential outcomes to minimise losses. The decision-making ethics illustrated in the story highlight a wisdom-based paradigm that transcends partial and reactive human rationality. While Moses represents rational, immediate justice, Khidr exemplifies spiritual and long-term ethical reasoning, prioritising broader welfare over short-term consequences. This reinforces the Qur'anic principle that ethical decisions should be evaluated not solely by immediate results but by their contribution to long-term benefit and social welfare.

Supporting results show that the Moses-Khidr narrative embodies principles of risk mitigation and asset protection in line with the *maqāṣid al-sharī'ah*, particularly *hifẓ al-māl*. Actions such as damaging the ship, taking the life of the child, and repairing the wall should be interpreted as preventive measures to avert economic, moral, and social harm. These measures underscore that asset protection in the Qur'anic perspective is collective and socially responsible, encompassing protection of vulnerable groups and intergenerational stewardship.

Further discussion reveals the relevance of Qur'anic ethics to modern Islamic insurance and risk management. Concepts such as *takaful*, *ta'āwun*, and prudence reflect contemporary applications of the preventive ethics exemplified by Khidr. In this context, risk management in Islam is compatible with divine decree (*qadr*) and represents a morally responsible form of human effort, oriented towards collective welfare.

The study also contributes theoretically to the integration of Qur'anic exegesis, decision ethics, and Islamic economics, demonstrating that Qur'anic narratives provide not only theological insights but also a normative framework for equitable and sustainable risk management and asset protection. Practically, the findings offer an ethical foundation for enhancing literacy in Islamic insurance and for guiding policy development based on moral and social values.

However, the study is limited by its qualitative and literature-based methodology. Future research is recommended to empirically assess the implementation of Qur'anic decision ethics in the Islamic financial industry and to examine other Qur'anic narratives with relevance to risk management and sustainable economic practice. Overall, the Moses-Khidr narrative provides a normative, pedagogical, and practical reference for ethical decision-making, preventive risk mitigation, and asset protection, offering guidance for regulators, practitioners, and educational institutions in advancing the socially responsible development of Islamic finance.

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