The Role of Islamic Inheritance Law in Reducing Wealth Inequality: A Socio-Economic Analysis

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Wealth inequality remains a persistent socio-economic challenge that undermines equitable resource distribution and sustainable development. Islamic inheritance law (Fara'id) provides a divinely prescribed legal framework that not only governs succession but also functions as a structured mechanism for wealth redistribution and social justice. Despite its theoretical significance, limited attention has been given to its socio-economic role and practical implementation, particularly in South Asian Muslim societies. This study aims to examine the contribution of Islamic inheritance law in reducing wealth inequality by analyzing its role in wealth circulation, socio-economic equity, and the challenges affecting its implementation, especially in Sri Lanka and similar contexts. The study adopts a qualitative research design based on doctrinal and documentary analysis. Primary sources include the Qur'an, Hadith, and classical Islamic jurisprudential texts, while secondary sources comprise scholarly literature in Islamic economics, inheritance law, and socio-economic studies. The data were analyzed using thematic and comparative methods to interpret the socio-economic dimensions of inheritance principles. The findings reveal that Islamic inheritance law plays a significant role in preventing the concentration of wealth by mandating its distribution among multiple heirs, thereby promoting continuous wealth circulation and economic balance within society. It also strengthens financial inclusion, reinforces family responsibility, and ensures women's legally guaranteed inheritance rights. However, in practice, its implementation remains weak in many South Asian contexts, including Sri Lanka, due to inadequate awareness, entrenched customary practices, and patriarchal interpretations, which often result in the partial denial of women's rightful shares. The study concludes that Islamic inheritance law operates not only as a legal mechanism but also as a socio-economic instrument for promoting equity, reducing wealth concentration, and enhancing social stability. It further highlights the need for improved awareness, institutional education on Fara'id, and community-based reform initiatives to ensure effective implementation and achieve socio-economic justice.

Keywords: Islamic inheritance law, Fara'id, wealth inequality, socio-economic justice, wealth distribution