

Boycotting Israeli Products as a Form of Islamic Ethical Consumerism: Implications for ESG Practices in Malaysia

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DOI: <https://dx.doi.org/10.47772/IJRISS.2025.909000805>

Received: 24 September 2025; Accepted: 30 September 2025; Published: 31 October 2025

ABSTRACT

Boycotts, including those targeting Israeli products, represent a powerful form of collective consumer activism deeply rooted in ethical, political, and religious motivations. In Malaysia, such boycotts are not merely political gestures but are increasingly seen as expressions of Islamic ethical consumerism as a values-driven approach that intertwines moral responsibility, social justice, and economic agency. At the same time, Environmental, Social, and Governance (ESG) principles have become central to corporate sustainability, stakeholder accountability, and regulatory compliance. This paper conceptually examines the convergence between these two domains which is Islamic ethical boycotts and ESG practices in order to propose a theoretical framework explaining how grassroots activism can act as an informal governance mechanism that shapes corporate behaviour and ESG strategies. Rather than presenting empirical findings, this conceptual study synthesizes existing literature across Islamic ethics, consumer boycott theory, ESG frameworks, and socio-political activism to advance an integrated perspective on how boycott movements influence corporate governance and sustainability agendas. The proposed framework demonstrates how Islamic ethical values underpin boycott motivations, how boycott activism triggers corporate ESG responses, and how national socio-political context moderates these dynamics. By highlighting these interconnections, the paper contributes to the theoretical understanding of ethical consumerism in Muslim-majority societies and offers practical insights for businesses seeking to align ESG commitments with stakeholder values. The conclusion outlines implications for theory, policy, and corporate strategy, while suggesting directions for future empirical research.

Keywords: boycott, ESG, sustainability, Islamic ethics, consumer activism, governance

INTRODUCTION

Boycotts, as deliberate acts of abstaining from purchasing goods or services linked to perceived injustice, have historically functioned as significant instruments of socio-political and ethical change. They mobilize consumer power to exert pressure on corporations, governments, and institutions, often with the goal of advancing human rights, environmental sustainability, or political reform (Klein, Smith & John, 2004). In the Malaysian context, the boycott of Israeli products represents one of the most enduring and emotionally charged forms of consumer activism, deeply anchored in humanitarian solidarity with the Palestinian cause. Driven by a fusion of religious obligation, ethical concern, and political consciousness, these movements have evolved beyond economic protest into powerful expressions of identity and collective agency (Brown, 2019).

Concurrently, Environmental, Social, and Governance (ESG) principles have emerged as fundamental pillars of sustainable corporate practice. Once considered optional, ESG standards are now embedded within global investment strategies, regulatory frameworks, and consumer expectations (Eccles et al., 2012). They provide a comprehensive lens for evaluating corporate performance beyond financial metrics, encompassing social justice, stakeholder engagement, environmental stewardship, and governance accountability. In Malaysia, ESG adoption is not only encouraged by government initiatives such as Bursa Malaysia's sustainability reporting requirements but also increasingly demanded by socially conscious consumers and investors (Securities Commission Malaysia, 2021).

The intersection between boycotts and ESG practices offers a fertile yet underexplored research domain. Boycotts inherently engage with the “Social” and “Governance” pillars of ESG by raising questions about corporate ethics, human rights compliance, supply-chain transparency, and stakeholder accountability (O’Rourke, 2018). However, existing scholarship has rarely addressed how socio-political activism, particularly in Islamic contexts, can serve as a catalyst for corporate ESG transformation. This conceptual gap is particularly salient in Malaysia, where Islamic ethical values profoundly shape consumer behaviour and where socio-religious narratives often drive boycott campaigns.

This paper argues that the boycott of Israeli products in Malaysia is far more than a symbolic protest. It constitutes a real-world stress test of corporate ESG commitments. From a business perspective, such movements present both risks and opportunities. They risk supply-chain disruptions, strained international partnerships, and reputational damage, yet simultaneously offer companies the chance to strengthen brand authenticity, deepen stakeholder trust, and demonstrate value-driven governance. From the consumer perspective, boycotts embody Islamic ethical principles such as justice (*‘adl*), trust (*amanah*), and social responsibility (*maslahah*), transforming routine purchasing decisions into acts of moral and political expression. Despite their growing significance, the integration of boycott activism into ESG frameworks remains limited. Current ESG rating systems and sustainability standards including FTSE4Good Bursa Malaysia and MSCI ESG Ratings provide little guidance on how corporations should engage with socio-political consumer movements. This lack of clarity leads to inconsistent corporate responses, ranging from public solidarity statements to strategic silence, each of which can influence public perception and corporate legitimacy.

This conceptual paper seeks to address these gaps by examining how Islamic ethical consumerism, manifested through boycotts, interacts with corporate ESG strategies in Malaysia. It aims to:

1. Explore how Malaysians perceive the boycott of Israeli products as an expression of Islamic ethical consumerism.
2. Examine how businesses and consumers strategize in response to boycott pressures within the ESG landscape.
3. Propose a conceptual framework that illustrates the relationship between boycott activism, Islamic ethics, corporate ESG responses, and the moderating role of national socio-political context.

By situating boycott movements within the broader discourse on ESG and Islamic ethics, this paper advances both theoretical and practical understanding of how consumer activism can shape corporate responsibility in Muslim-majority societies. It also provides a foundation for future empirical research exploring the mechanisms, outcomes, and governance implications of boycott-driven ESG transformation.

LITERATURE REVIEW

Boycotts and Ethical Consumerism

Boycotts have historically served as a significant mechanism of socio-political change, economic protest, and ethical expression. They are collective acts of consumer resistance aimed at influencing corporate behaviour, government policy, or public discourse by withdrawing economic support from targeted entities (Friedman, 1999). The origins of boycotts range from anti-colonial movements and civil rights campaigns to modern environmental and human rights activism, highlighting their multifaceted nature and enduring relevance.

In the Malaysian context, boycott campaigns have long been intertwined with religious and ethical concerns, reflecting a unique blend of political awareness, collective identity, and moral duty. As a Muslim-majority nation, Malaysia’s boycott culture is deeply influenced by Islamic principles of justice (*‘adl*), accountability (*hisbah*), and solidarity (*ukhuwah*), which encourage believers to act against oppression and injustice. These principles underpin the widespread public support for boycotts, particularly those linked to the Palestinian cause, which is viewed not merely as a political conflict but as a humanitarian and ethical imperative (Roslan & Ismail, 2021). Boycotts targeting Israeli-linked products gained significant traction in Malaysia during the early 2000s, coinciding with global outrage over military actions in Gaza and the West Bank (Yahaya &

Shamsul, 2020). Civil society organizations such as BDS Malaysia, MAPIM, and Aman Palestine have played central roles in mobilizing public opinion, disseminating boycott lists, and framing consumer activism as a form of “*jihad ekonomi*” (economic jihad) a peaceful yet potent means of resisting oppression and upholding Islamic values (Ja’afar et al., 2024). Religious leaders and state actors have further reinforced this narrative, aligning boycott activism with broader foreign policy stances that support Palestinian self-determination (Halim, 2022).

Digital technology has amplified the reach and impact of boycott movements, transforming them from niche campaigns into mainstream socio-political phenomena. Social media platforms such as Facebook, X (formerly Twitter), TikTok, and WhatsApp have become powerful tools for disseminating information, coordinating action, and mobilizing public sentiment (Azhari & Nor, 2022). This digital activism has democratized consumer resistance, allowing individuals and communities to participate in collective action more easily and effectively than ever before.

Ethical consumerism, which underpins much of contemporary boycott behaviour, involves making purchasing decisions based on moral, environmental, and social considerations (Bray et al., 2011). From an Islamic perspective, ethical consumption extends beyond personal morality to encompass broader social obligations, including justice (*‘adl*), trustworthiness (*amanah*), and the pursuit of public good (*maslahah*). These values guide Muslim consumers in aligning their consumption practices with religious teachings and social justice objectives. In Malaysia, this is reflected in growing consumer demand for halal, sustainable, and socially responsible products, as well as support for boycott campaigns against entities associated with injustice or oppression (Rahman et al., 2021; Hashim & Musa, 2021).

Reasons for Boycotts in Malaysia

The motivations driving boycott campaigns in Malaysia are complex and multifaceted, often shaped by the intersection of religious beliefs, ethical considerations, political solidarity, and humanitarian concerns. Religion remains a central motivating force. Islamic teachings encourage believers to stand against oppression and support the oppressed, and boycotting companies linked to unjust practices is often seen as a religious duty (Roslan & Ismail, 2021). This spiritual dimension transforms boycotts from mere acts of protest into expressions of faith and moral responsibility.

Political solidarity, particularly with the Palestinian people, is another major factor underpinning boycott movements. The plight of Palestinians resonates deeply within Malaysian society due to historical ties, religious affinity, and media representation. Malaysia’s longstanding pro-Palestinian foreign policy further reinforces this sentiment, framing boycott participation as an extension of national identity and international solidarity (Halim, 2022). Civil society organizations and grassroots networks are critical drivers of boycott mobilization. These groups leverage media coverage, religious messaging, and digital platforms to raise awareness, organize campaigns, and galvanize public participation. Emotional narratives and moral appeals play a significant role in sustaining boycott momentum, fostering a sense of collective responsibility and shared purpose among participants (Azhari & Nor, 2022).

Increasingly, Malaysian consumers particularly younger generations seek to align their purchasing decisions with their ethical values. This trend reflects the rise of political consumerism, where consumption is seen as a form of political expression and activism. Boycotts thus become a vehicle for individuals to influence corporate behaviour and global politics through everyday economic choices, reinforcing the belief that “every ringgit spent is a vote cast” (Shukri & Alias, 2016).

According to verse An-Nisa (4:75):

“And what is it with you? You do not fight in the cause of Allah and for oppressed men, women, and children who cry out, “Our Lord! Deliver us from this land of oppressors! Appoint for us a saviour; appoint for us a helper all by Your grace.”

Based on Ibn Kathir's Tafsir, Allah encourages His believing servants to strive in His cause and to make efforts to save the weak and oppressed who remain in Makkah among them men, women, and children who are forced

to stay there without any other choice. Hence, this surah provides spiritual and moral legitimacy for Muslims supporting Palestinian rights through peaceful activism like boycotts. Other than that, the Qur'anic emphasis on justice and protection of the oppressed further legitimizes boycott activism. Verse An-Nisa (4:75) urges believers to strive for the liberation of the weak and oppressed, framing collective action as a divine obligation. Classical interpretations, such as those of Ibn Kathir, support this view by linking social justice to moral duty, reinforcing the religious legitimacy of peaceful activism, including boycotts.

Impact Boycott in Malaysia

Boycott movements in Malaysia have generated significant impacts across economic, social, corporate, and political domains. Economically, they have pressured multinational companies particularly those perceived as complicit with Israeli policies to reconsider their market strategies. Brands such as McDonald's and Starbucks have faced boycotts that resulted in reduced sales, reputational damage, and public backlash (Yusof, 2023). Some companies have responded by issuing clarifications, emphasizing local ownership, or adopting more visible corporate social responsibility (CSR) initiatives aligned with public sentiment. Corporations have also begun integrating boycott-related concerns into their governance and sustainability strategies. Many firms now incorporate human rights commitments, ethical procurement policies, and stakeholder engagement initiatives into their ESG reporting as a direct response to consumer activism (Azhari & Nor, 2022). This shift illustrates the power of boycott movements to shape corporate behaviour, encouraging businesses to adopt more responsible and transparent practices.

Socially, boycott campaigns have strengthened communal bonds and reinforced a sense of collective identity, particularly among Malaysia's Muslim majority. Public calls for boycotts are often integrated into religious sermons, community programmes, and NGO-led campaigns, fostering unity and shared purpose (Halim, 2022). This social cohesion extends beyond national borders, linking Malaysian consumers with global solidarity movements and transnational activism. Politically, boycotts serve as a non-state form of diplomacy, signaling public opinion and reinforcing Malaysia's pro-Palestinian foreign policy stance. They demonstrate the influence of civil society and public sentiment in shaping international narratives and contribute to the country's soft power on the global stage (Yahaya & Shamsul, 2020).

Islamic scholars emphasize that boycotts must be pursued with wisdom and strategic intent. While they are powerful tools of resistance, poorly targeted campaigns can cause unintended harm, including economic losses for local Muslim workers or businesses not directly linked to the conflict. The principle of *maslahah* (public interest) requires that boycott strategies maximise benefit and minimise harm, aligning with broader ethical objectives (Zulkifli & Yahya, 2023).

The Boycott of Israeli Products: Global Implications

The global boycott of Israeli products and institutions most prominently championed by the **Boycott, Divestment, and Sanctions (BDS)** movement launched in 2005 which represents one of the most sustained and organized forms of consumer activism in contemporary history (Barghouti, 2011). At its core, the BDS movement calls on individuals, corporations, universities, and governments to apply non-violent pressure on Israel to comply with international law and uphold Palestinian human rights. The campaign has influenced corporate behaviour, shaped public discourse, and heightened awareness of social justice issues on a global scale.

While the direct economic impact of these boycotts on Israel remains limited due to the resilience of its technology sector and strong global trade relationships, certain industries particularly agriculture, cultural products, and academic partnerships have experienced disruptions through cancelled contracts, divestments, and decreased market access (Klug, 2016). More importantly, the reputational consequences have been significant: companies and institutions associated with Israeli policies face growing public scrutiny, activist pressure, and consumer backlash. Politically, the BDS movement has intensified polarization. Proponents view it as a legitimate form of civil resistance comparable to the anti-apartheid boycotts of South Africa, while critics including several Western governments argue that it unfairly delegitimizes Israel or even crosses into antisemitism (Caruso, 2020). In response, Israel has enacted laws barring BDS advocates from entering the country and supported lobbying efforts for anti-BDS legislation, particularly in the United States. Despite its

controversies, the BDS movement illustrates the power of consumer activism in shaping corporate and governmental agendas. It highlights how economic behaviour traditionally viewed as an apolitical domain can become a potent vehicle for moral, political, and social expression. This global dynamic underscores the relevance of boycott campaigns not just as isolated protests, but as integral components of the broader governance and accountability ecosystem in which corporations operate.

The Israeli Product Boycott in Malaysia: Public Sentiment and Social Movements

In Malaysia, the boycott of Israeli-linked products has become deeply embedded in the fabric of civil society, influenced by a combination of religious, ethical, and humanitarian motivations. As a Muslim-majority nation with a foreign policy consistently supportive of Palestinian self-determination, Malaysia provides a unique socio-political context in which boycott activism is widely embraced as both a moral duty and a form of political expression (Halim, 2022).

Public sentiment plays a crucial role in sustaining these campaigns. Support for the Palestinian cause is regularly amplified by media coverage, religious sermons, and digital activism, particularly during periods of heightened violence in Gaza or the West Bank. Social movements ranging from grassroots NGOs such as BDS Malaysia and MAPIM to religious organizations and student groups have been instrumental in organizing coordinated campaigns that mobilize widespread public participation (Roslan & Ismail, 2021). A defining feature of boycott activism in Malaysia is its moral framing. Consumer choices are portrayed not merely as market transactions but as acts of *ibadah* (worship) and social responsibility. Boycotting products linked to oppression is often described as a form of *Jihad ekonomi* an economic struggle to uphold justice and defend the oppressed. This framing resonates deeply with Islamic values, transforming boycotts into ethical imperatives rather than optional actions (Ja'afar et al., 2024).

The rise of digital activism has further enhanced the scope and impact of these campaigns. Social media platforms are used to disseminate boycott lists, viral hashtags, and visual narratives that connect local activism to global struggles. Young Malaysians, in particular, have emerged as key actors in this digital ecosystem, using online platforms to coordinate actions, educate peers, and pressure corporations (Musa, 2024). This digital dimension underscores how boycott activism in Malaysia reflects broader trends in political consumerism and participatory citizenship. The government's stance, while avoiding formal enforcement of boycotts, often aligns rhetorically with public sentiment. Statements of solidarity with Palestine are common in international forums, and government officials frequently acknowledge the legitimacy of consumer activism as an expression of democratic choice and moral conviction (Malay Mail, 2023). This alignment between state discourse and grassroots activism enhances the legitimacy of boycott campaigns and reinforces their socio-political impact.

Environment, Social and Governance (ESG) in Malaysian context

Environmental, Social, and Governance (ESG) principles represent a comprehensive framework for evaluating corporate behaviour, measuring sustainability performance, and guiding responsible investment. ESG encompasses three interrelated dimensions:

- **Environmental:** management of natural resources, carbon emissions, waste, and ecological impact.
- **Social:** employee welfare, community engagement, human rights, and social justice.
- **Governance:** corporate structure, ethical leadership, transparency, and accountability.

In Malaysia, ESG adoption has been driven by regulatory requirements, market demand, and global sustainability trends. Bursa Malaysia's Sustainability Reporting Guide and the Securities Commission's Capital Market Masterplan 3 (CMP3) have integrated ESG into corporate governance expectations, mandating greater transparency and disclosure (Bursa Malaysia, 2022; Securities Commission Malaysia, 2021). Additionally, Bank Negara Malaysia's climate-related financial risk frameworks have encouraged financial institutions to incorporate ESG considerations into investment decisions (BNM, 2021).

However, ESG maturity remains uneven across sectors. Large corporations and listed companies have made significant progress, while small and medium enterprises (SMEs) often face barriers such as limited resources and expertise (PricewaterhouseCoopers, 2023). Nonetheless, ESG-compliant investment products, including

green sukuk and sustainability-linked bonds, are gaining traction, indicating a growing market for responsible investment in Malaysia.

Boycott Impact on ESG Practices in Malaysia

The Israeli product boycott has had notable implications for corporate ESG practices in Malaysia, particularly within the *social* and *governance* dimensions. Heightened consumer expectations, combined with activist pressure, have compelled businesses to adapt their policies, communication strategies, and governance structures to align with evolving societal values. From a social perspective, boycott movements have prompted corporations to strengthen community engagement, human rights policies, and culturally sensitive practices. Many companies now issue public statements clarifying their positions on the Palestinian issue, contribute to humanitarian causes, or launch corporate social responsibility (CSR) initiatives aligned with public expectations (Azhari & Nor, 2022). These responses reflect a broader shift in corporate priorities, where addressing social concerns becomes integral to maintaining consumer trust and brand legitimacy.

From a governance perspective, boycott pressures have driven companies to integrate ethical risk considerations into their decision-making processes. This includes enhanced supplier screening, adjustments in sourcing strategies, and board-level discussions on crisis communication and political neutrality. The need to anticipate and manage reputational risks has led firms to embed socio-political risk assessments into their ESG strategies (PwC Malaysia, 2023). Moreover, boycott movements function as informal accountability mechanisms, complementing traditional ESG reporting frameworks. They serve as real-time feedback loops, signaling when corporate behaviour diverges from societal expectations and forcing companies to reconcile their public commitments with stakeholder values. This grassroots scrutiny helps bridge the gap between ESG rhetoric and corporate reality, fostering more authentic and value-driven governance.

Despite these positive developments, several challenges persist in assessing the boycott's true impact on ESG. Data limitations, inconsistent reporting standards, and the voluntary nature of many ESG disclosures make it difficult to quantify the extent to which boycott pressures have influenced corporate behaviour (Roslan & Ismail, 2021). Additionally, ESG evaluation remains subjective, with varying criteria and interpretations across rating agencies and stakeholders. These challenges highlight the need for more standardized ESG reporting and improved transparency in corporate disclosures.

Table 1 : Systematic Literature Review on Boycott (Sri wahyu 2025)

Theme	Context/Scope	Key Authors
Definition and History of Boycotts	Global historical context	Friedman (1999)
Religious and Ethical Foundations	Malaysia, Muslim-majority societies	Roslan & Ismail (2021); Halim (2022)
Boycott Movements and Civil Society in Malaysia	Malaysian boycott campaigns	Jaafar et al. (2024); Yahaya & Shamsul (2020); Halim (2022)
Digital Activism and Mobilization	Digital tools in Malaysia	Azhari & Nor (2022); Musa (2024)
Ethical Consumerism in Islam	Malaysia and Islamic ethical perspectives	Bray et al. (2011); Rahman et al. (2021); Hashim & Musa (2021)
Motivations Behind Boycotts	Malaysian consumers	Roslan & Ismail (2021); Halim (2022); Shukri & Alias (2016)
Economic and Corporate Impact	Corporate sector in Malaysia	Yusof (2023); Azhari & Nor (2022)
Social and Political Impact	National and international dimensions	Halim (2022); Yahaya & Shamsul (2020)
Islamic Guidelines on Boycotts	Islamic jurisprudence	Zulkifli & Yahya (2023)
Global BDS Movement	Global activism	Barghouti (2011); Klug (2016); Caruso (2020)
Public Sentiment in Malaysia	Malaysian socio-political climate	Jaafar et al. (2024); Halim (2022); Malay Mail (2023)
ESG Implications of Boycotts	Corporate governance in Malaysia	Azhari & Nor (2022); PwC Malaysia (2023)
Challenges in ESG and Boycott Assessment	ESG frameworks and boycott integration	Roslan & Ismail (2021)

METHODOLOGY

This conceptual paper adopts a Systematic Literature Review (SLR) approach to synthesise and integrate existing scholarship on Islamic ethical consumerism, boycott activism, and Environmental, Social, and Governance (ESG) practices. Following the widely recognised guidelines of Tranfield et.al (2003), the review process involved three structured stages: planning, conducting, and reporting. First, the research scope and objectives were defined to focus on literature that examines the intersection of ethical consumer behaviour, Islamic values, and corporate sustainability responses. Second, a comprehensive search was conducted across major academic databases such as Scopus, Web of Science, and Google Scholar using keywords including “boycott,” “Islamic ethics,” “ethical consumerism,” “ESG,” and “corporate response.” Inclusion criteria were peer-reviewed journal articles, conceptual and empirical studies, and reports published between 2000 and 2024 in English and Malay. Exclusion criteria involved non-scholarly sources, opinion pieces, and articles without direct relevance to the research objectives. Third, the identified studies were critically analysed, thematically coded, and synthesised to build a conceptual framework that captures the dynamic relationships between Islamic ethical principles, boycott motivations, and ESG responses within the Malaysian socio-political context. This rigorous and transparent review process ensures theoretical robustness and enhances the validity of the conceptual model proposed in this paper.

Relevant Theoretical Frameworks and Models

The analysis of the Israeli product boycott and its impact on ESG practices in Malaysia can be understood through several relevant theoretical frameworks, particularly social identity theory and consumer boycott theory. These models offer insights into the motivations behind consumer activism, how companies respond to societal expectations, and the dynamics between firms and their broader stakeholder environment.

Social Identity Theory

Social Identity Theory (SIT), developed by Tajfel and Turner (1979), posits that individuals derive part of their self-concept from their membership in social groups. This identification influences attitudes, perceptions, and behaviors, including the inclination to favor in-group members and discriminate against out-groups. In the context of boycott movements, SIT explains how collective identity such as religious, national, or ideological affiliation can shape consumer behavior. In the context of boycotting Israeli products, Malaysian consumers may be motivated by a sense of solidarity with the Palestinian cause, viewing the boycott as a means to express their social and political identities.

Consumer Boycott Theory

Consumer Boycott Theory further elaborates on such actions' ethical and moral dimensions. For instance, in Muslim-majority countries like Malaysia, public support for the boycott of Israeli products is often rooted in religious identity and solidarity with Palestinians. The act of boycotting becomes a means of reinforcing in-group values and expressing opposition to perceived injustices committed by the out-group (in this case, the Israeli state or companies associated with it). This social identification strengthens cohesion among consumers and creates a shared sense of moral duty (Elbedweihy et al., 2016).

This theory focuses on consumer motivation and behavior in response to corporate or political actions. According to Friedman, (1985), a boycott is a form of consumer activism where individuals intentionally avoid purchasing products or services to express moral, ethical, or political dissatisfaction. The theory categorizes boycotts into several types: instrumental (to change a firm's behavior), expressive (to show disapproval), or punitive (to punish the firm).

This framework is useful in explaining how consumers view their economic choices as tools of protest and moral expression. In the Israeli boycott context, Malaysian consumers may engage in expressive or punitive boycotts to communicate outrage or take symbolic action even if the economic effect is minimal. Studies show that perceived moral obligation, political awareness, and group belonging are significant predictors of boycott participation (John & Klein, 2003). According to John and Klein (2017), consumer boycotts are often driven

by a combination of ethical considerations, social justice motivations, and a desire to influence corporate and governmental behavior. These motivations align closely with the ESG principles, which emphasize ethical business practices, social responsibility, and sustainable governance. Managers of global companies are often puzzled about unpredicted boycott campaigns in overseas markets, even though they are not directly associated with the causes or motives of consumer boycotts (Kim et al., 2023).

Both SIT and Consumer Boycott Theory thus complement each other in explaining boycott behavior. While SIT focuses on group-based identity and emotional drivers, Consumer Boycott Theory emphasizes individual agency, ethical reasoning, and expected outcomes. Together, these theories provide a multidimensional understanding of how and why consumers engage in boycotts, framing it as both a social act of identity reinforcement and a personal act of ethical resistance.

Table 2 : Summarized of theories (Sri Wahyu, 2025)

Framework / Study	Core Concepts	Application to Israeli Product Boycott (Malaysia)	ESG Implications (S/G/E)	Key Constructs / Drivers	Managerial / Policy Implications
Social Identity Theory (SIT) (Tajfel & Turner, 1979)	Self-concept derived from in-group membership; favoring in-group vs. out-group; identity-salience drives behavior	Muslim identity and solidarity with Palestinians heighten boycott intention as identity expression; boycott = moral signaling and group cohesion	-social cohesion, expectations for human-rights alignment. - pressure for ethics, transparency, and value-congruent governance. indirect/limited	In-group identification; perceived injustice; moral obligation; identity salience	Embed cultural/religious sensitivity; stakeholder mapping; values-based communication; board oversight on socio-political risk
Consumer Boycott Theory (Friedman, 1985)	Boycott as market-based protest; instrumental, expressive, punitive types	Malaysian consumers engage in expressive/punitive boycotts to signal outrage even if economic effects are modest	- CSR pivots, donations, human-rights policies. -supplier screening, crisis protocols, disclosure. -minimal unless sourcing or packaging shifts	Moral outrage; attribution of corporate culpability; boycott type (instrumental/expressive/punitive)	Develop grievance-mapping; human-rights due diligence; issue-contingent response playbooks
Moral/Social Drivers of Boycotts (Elbedweihy et al., 2016)	Boycotts reinforce in-group values; moral duty as participation catalyst	Religious framing (ibadah, solidarity) strengthens participation and durability of campaigns	- expectations for culturally aligned CSR; -codifying values into policies	Moral duty; group norms; legitimacy perceptions	Align CSR with culturally salient causes; avoid tokenism; measure authenticity
Participation Predictors (John & Klein, 2003)	Perceived moral obligation, political awareness, belonging predict boycott	Malaysian youth activism: political awareness and identity drive participation	-stakeholder engagement with youth/NGOs; -expanded stakeholder salience	Moral obligation; political efficacy; group belonging	Targeted communication; transparency on supply chains; grievance redress mechanisms
Integrated Motivation & Outcomes (John & Klein, 2017)	Ethical, social justice motives and desire to influence firms/govts	Boycott framed as ethical resistance and political expression	-human-rights commitments; -escalation paths for issues; board-level oversight	Ethical salience; justice orientation; outcome expectancy	Integrate human-rights (UNGPs) into ESG; scenario planning for activism

Managerial Surprise in Foreign Boycotts (Kim et al., 2023)	Firms face unpredictable boycotts in markets where they're not directly culpable	MNCs in Malaysia may be targeted via perceived associations	-localized engagement; -political-risk governance, salient-issue monitoring	Perceived association; issue contagion; legitimacy gaps	Local issue sensing; third-party audits; rapid, credible clarifications
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Conceptual Framework Development

This section presents a conceptual framework that explains how Islamic ethical values drive boycott motivations, how boycott activism shapes corporate Environmental, Social, and Governance (ESG) responses, and how the national context moderates these dynamics. By integrating insights from social identity theory, consumer boycott theory, and Islamic ethical principles, the framework aims to offer a holistic understanding of the relationship between ethical consumerism and ESG practices in the Malaysian context.

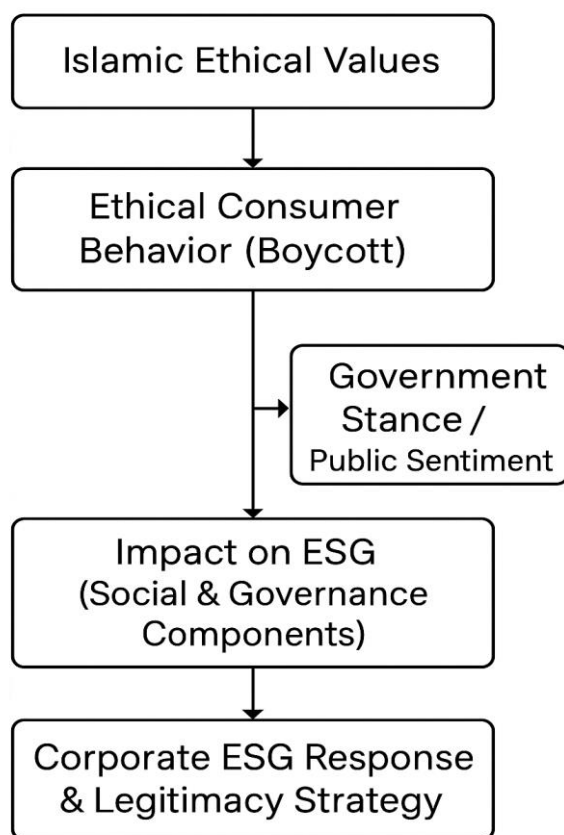


Figure 1 : Conceptual framework of boycott and ESG practices

The conceptual model (illustrated in Figure 1) consists of four interconnected components:

1. Islamic Ethical Foundations: The Normative Core of Consumer Behaviour

At the heart of the conceptual framework lies the ethical foundation derived from Islamic teachings. Islam views economic activity as an integral part of worship (*ibadah*), subject to moral principles such as justice (*‘adl*), trust (*amanah*), public welfare (*maslahah*), and accountability (*hisbah*). These principles extend beyond personal morality to include social responsibility, fairness in trade, and the duty to stand against oppression.

The Qur’an and Hadith consistently emphasize these values. For example, the injunction to “enjoin what is right and forbid what is wrong” (*al-amr bi al-ma‘ruf wa al-nahy ‘an al-munkar*) forms the ethical foundation

for active engagement in societal issues, including economic resistance to injustice. Concepts like *maslahah* encourage Muslims to pursue actions that benefit society collectively, while *amanah* obliges individuals and institutions to act with honesty and integrity in their dealings. In the context of consumer behaviour, these values translate into ethical decision-making processes where purchasing choices are not merely economic transactions but expressions of faith and moral agency. This ethical orientation motivates consumers to align their consumption with their values, such as refusing to support companies associated with injustice or oppression.

2. Boycott Motivation and Consumer Activism: From Values to Action

Building on these ethical foundations, boycott activism represents the behavioural manifestation of Islamic moral principles in the marketplace. According to social identity theory (Tajfel & Turner, 1979), individuals derive a sense of belonging and self-concept from their group affiliations. For Muslim consumers, participating in boycotts reflects solidarity with the *ummah* (global Muslim community) and a shared commitment to defending oppressed populations, particularly Palestinians.

Consumer boycott theory (Friedman, 1985) complements this perspective by explaining how moral outrage, ethical beliefs, and perceived injustice motivate collective economic action. Boycotts can serve different functions:

- Instrumental boycotts aim to change corporate behaviour.
- Expressive boycotts communicate moral disapproval.
- Punitive boycotts seek to punish companies for unethical actions.

In Malaysia, boycott campaigns often combine these dimensions. They are instrumental in pressuring corporations to revise policies linked to human rights violations, expressive in demonstrating solidarity with oppressed groups, and punitive in penalizing companies complicit in unethical practices. These motivations are intensified by the religious framing of boycott activism as *jihad ekonomi*, elevating it from a voluntary protest to a moral obligation. Moreover, digital technologies amplify the reach and impact of consumer activism. Social media platforms facilitate the rapid dissemination of boycott campaigns, enabling collective mobilisation and creating sustained pressure on corporations. The virality of boycott messaging also strengthens the social identity dimension, reinforcing the sense of collective purpose and moral legitimacy behind the movement.

3. Corporate ESG Responses: From Pressure to Transformation

Boycott activism exerts significant influence on corporate behaviour, compelling businesses to adapt their strategies, policies, and governance structures. These responses are most evident in the *social* and *governance* dimensions of ESG.

From a social perspective, corporations increasingly recognise that maintaining legitimacy requires aligning their operations with stakeholder values. Public statements supporting human rights, community engagement initiatives, donations to humanitarian causes, and socially responsible marketing campaigns are common strategies employed by companies seeking to rebuild trust and credibility (Azhari & Nor, 2022).

From a governance perspective, boycotts push companies to institutionalise ethical considerations into their decision-making processes. This includes enhanced supplier screening, stricter procurement standards, board-level oversight of socio-political risks, and transparent communication strategies. In some cases, firms reassess their global partnerships or divest from controversial markets to align with stakeholder expectations and mitigate reputational risk.

Importantly, boycotts also function as informal ESG auditing mechanisms. Unlike formal ESG ratings or sustainability reports, which are often backward-looking and self-reported, boycott activism provides real-time feedback from stakeholders, holding companies accountable for perceived ethical lapses. This dynamic feedback loop encourages deeper ESG integration and can accelerate corporate transformation beyond regulatory compliance.

4. Moderating Role of National Context: Institutional and Cultural Influences

The relationship between boycott activism and corporate ESG responses does not occur in isolation. It is shaped and moderated by the broader socio-political, cultural, and regulatory context within which both consumers and corporations operate. In Malaysia, three contextual factors are particularly influential:

- **Government Policy and Foreign Relations:** Malaysia's pro-Palestinian stance and refusal to establish diplomatic ties with Israel lend legitimacy to boycott activism. Official rhetoric often aligns with public sentiment, reinforcing the moral and political weight of consumer movements.
- **Cultural and Religious Norms:** As a Muslim-majority society, Malaysia provides a receptive environment for religiously motivated consumer activism. Islamic values embedded in social norms strengthen the moral imperative for boycotts and increase their societal impact.
- **Institutional Infrastructure:** Regulatory initiatives — such as ESG reporting requirements by Bursa Malaysia and climate-related risk frameworks by Bank Negara Malaysia which shape corporate responses by institutionalizing sustainability expectations and aligning them with broader national objectives.

These contextual variables amplify the effectiveness of boycotts as instruments of corporate accountability and influence the depth and nature of corporate ESG transformations.

CONCLUSION

This conceptual study has explored the intersection of Islamic ethical consumerism, boycott activism, and ESG practices within the Malaysian context. It has argued that boycotts particularly those targeting Israeli products are far more than political statements. They are deeply moral acts rooted in Islamic principles of justice (*'adl*), trust (*amanah*), public good (*maslahah*), and accountability (*hisbah*). These values transform consumer behaviour into a form of socio-economic activism capable of influencing corporate governance, sustainability practices, and stakeholder engagement.

The paper proposes a conceptual framework illustrating how Islamic ethics underpin boycott motivation, how boycott activism drives corporate ESG responses, and how the national socio-political context moderates these interactions. This integrated model contributes to scholarly debates by bridging the gap between consumer activism and ESG theory, contextualizing ESG in non-Western settings, and demonstrating how informal governance mechanisms can complement formal sustainability frameworks. For businesses, the findings underscore the importance of aligning ESG strategies with the ethical and cultural values of their stakeholders. Boycotts serve as real-time accountability mechanisms, testing the sincerity of corporate commitments and revealing gaps between rhetoric and reality. For policymakers, the framework highlights the need for ESG standards that incorporate socio-political dimensions and cultural sensitivities.

Ultimately, the boycott of Israeli products in Malaysia exemplifies how faith-based consumer activism can reshape the corporate landscape, driving companies toward more authentic, transparent, and socially responsible practices. By embedding Islamic ethical principles into ESG strategies, businesses can transform boycott pressures into opportunities building trust, fostering resilience, and contributing to a governance model that is not only globally relevant but also spiritually grounded. This synthesis of ethical consumerism and ESG offers a promising pathway for achieving both corporate sustainability and societal justice in an increasingly interconnected and values-driven world.

While this study advances a conceptual understanding of boycott activism and ESG, future research can build on this foundation in several ways:

- **Empirical Validation:** Future studies could empirically test the proposed framework by examining corporate ESG responses to specific boycott campaigns.
- **Consumer Perceptions:** Qualitative or quantitative research could explore how consumers perceive the link between boycott participation, Islamic ethics, and corporate accountability.
- **Comparative Studies:** Cross-national research could compare boycott dynamics and ESG impacts in different socio-political and religious contexts to develop more generalizable insights.

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