



Perspective on the Islamic Welfare State: The Goals of Economic Development Justice

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ABSTRACT

The concept of The Welfare State, as developed in many Western countries, has proved to be an excellent program for earmarking economic resources for programs concerned with the welfare of the common people. Notwithstanding this successful developmental process however, the practical function of a Welfare State created in this way can allow the parallel functioning of actions that are not necessarily in the best interests of the general public. This article explores the nature of an alternative arrangement, that we term The Islamic Welfare State, which is built upon a range of spiritually consistent concepts to realize its developmental and social welfare goals. In this regard, following the arguments and descriptions available in the literature, our review indicates that the Western and Islamic Welfare States are largely not compatible. Whereas the Western model focuses mainly upon economic issues, the Islamic Welfare State seeks to more efficiently deal with society's scarce resources, and ensure natural justice by focusing on the individual, showing particular concern for their material, moral and spiritual enhancement. We note that, although the concept of an Islamic Welfare State has not been thoroughly tested in practice, the underpinning concepts and philosophy can nevertheless be used to formulate current Government policies to improve society's welfare responsibilities. It is important to recognise that the Islamic Welfare State has a clear and worthy goal, namely the fulfillment and maintenance of sharia objectives (maqâsid sharia) until finally, Falah is created as a parameter of their successful development.

Keywords: *islamic welfare state; economic development; natural justice*

A. INTRODUCTION

The emergence of the modern Western Welfare State arose from the integration of the capitalist economic system with the growing needs of the poorer members of society. This movement began in the late decades of the 19th century and reached its peak in the post-World War II golden age. In this respect, the flourishing of industrialization was one of the critical factors that is often quoted as being the driving force for the emergence and development of the

Welfare State (Pierson, 2004). The economic strength which emerged from the establishment of industrialized concerns, allowed dramatic changes to be made to the previous traditional philanthropic approach of providing welfare on an *ad hoc* basis. The related societal outcomes, catalysed by industrialisation, such as accelerated economic growth, population growth, and the emergence of the division of labor, all contributed to the possibilities for the development of a new Welfare system which, in turn, helped to stabilise the emerging societal organisation.

The term Welfare State first emerged in 1941, and related to the achievement of a balance between State power and individual freedom (Naqvi, 2009). The Welfare State is an admirable example of how a community can meet its moral responsibility to serve its citizens by providing a harmonious and prosperous life. However, it is widely recognized that the meeting of the objectives and practices of the Welfare State program that endeavors to respect human values, is not straightforward. Global economic imbalance, increasing poverty levels and rising unemployment rates, accompanied by organized crime activities, have hit almost all corners of the world. Against this difficult background, the implementation of the Welfare State's concepts, doctrines and programs is often difficult to achieve, thus it is unable to meet its goal of realizing justice, peace and prosperity within the community. An attendant issue is that the economic context across the world is continually redeveloping. Thus aspects of the economy, which are inseparable from the concept of welfare according to the assumptions of development theory, means that the ultimate goals of economic development in the creation of welfare are somewhat uncertain. In this regard, one of the characteristics of the Western concept of welfare, is that it embodies principles and flexibility of development that allow it to continuously adjust to changed circumstances.

However, notwithstanding the flexibility and economic strength behind the Western model of welfare, there are nonetheless some significant problems which emerge with its practical implementation. According to Chapra (1992), the Welfare State as initiated by capitalists, is very good at mobilising resources needed for supporting actions that are needed for ensuring people's welfare. However, he criticized this concept of the Welfare State in that it allows many opportunities for the diversion of national resources for activities that are not serving the general public's basic needs. In this respect, it has been observed that, in general, if the community has a significant economic nuance, nowadays, the meaning of welfare is more comprehensive by including other factors, such as development that pays attention to social aspects and aspects of environmental preservation. This subtle change raises a number of questions, such as 'What is the meaning of being prosperous in the economic terms but condoning harmful social interactions?' and 'What is the purpose and outcome of high economic growth if it destroys the environment?' It is against this problematic background that notions characteristic of the Islamic Welfare State, ask how to create a financially secure, socially stable and spiritually rational society, while maintaining global environmental sustainability and social equity in the distribution of income and wealth.

In this respect, it is also becoming clear there are many aspects of the Western capitalist Welfare State concept that are not compatible with the societal values which are fundamental

to some communities, and thus it is appropriate to investigate and consider alternative ways of ensuring justice, peace and prosperity within a community which are respectful and fit spiritually with its sacred mores. In this regard, Islamic communities are strongly driven by religious ideas which are part of the doctrine of their faith. These ideas embrace a view of life in its totality, since Islam is a system of faith that underpins the conduct of civilization and the protection of human dignity, and is specifically designed to incorporate both material and spiritual beliefs. Islam aims to create a system where the principles of justice supersede the benefits of just a single group of people, and thus can provide for a societal system which attends to the community as a whole. We suggest that it is this universal collective nature of the Islamic system that can provide an alternative basis for community stability, and it is this notion that has given rise to the possibility of an Islamic Welfare State.

There are several similar previous studies discussing the welfare state, including Suharto (2006), Witjaksono (2009), Fuadi (2015), Sodiq (2015), Hamid (2017), Fadlan (2019), and Putra (2021). Previous research of this kind still discusses the welfare state built using Western theory and emphasizes more on the humanitarian element. This is different from Fadlan's (2019) argument, where the discussion includes some elements of *maqâsid sharia* which refers to Islamic economics. However, this article will put more emphasis on the development of the welfare state by including a spiritual element that refers to the theory of *maqâsid sharia* so as to find the ultimate goal of the real welfare state.

In summary, it is accepted that devout Muslims have a system of societal views which differ from communities which adhere to the conventional economics framework of the Western Welfare State. As an outcome of these fundamental differences, the challenge of engaging with the concept of an Islamic Welfare State is a stimulating one. The realization of the relevant development goals associated with this concept is the fundamental objective of this article.

B. LITERATURE REVIEW

1. The Concept of Welfare

It is appropriate to note that the word 'prosperous' contains the meaning of the Sanskrit word "*catara*", which represents an umbrella. With such a concept in mind, when considering the practice of community welfare, the *catara* represents the actions of those successful people in the community who are free from poverty (Fahrudin, 2012). It is also appropriate to note that one of the key tenets of Islam is the adherent's responsibility to care for the less fortunate in society. As a consequence, the notion of welfare sits well with a shared spiritual desire to assist in the fulfillment of the basic needs for all individuals or groups in a community in the form of food, education and health.

A further aspect of the concept of welfare is that it is a fundamental mechanism which is important in maintaining and fostering social and economic stability, and is also a key requirement in mitigating the development of social jealousy, and thus helps in diminishing

societal unrest. It is thus one of the basic tenets of welfare that every individual needs to share in a prosperous condition, both material and non-material, in order to create a harmonious atmosphere in the community (Fadlan, 2019).

In Law Number 11 of 2009 concerning Social Welfare (JDIH BPK RI, 2009, in <https://peraturan.bpk.go.id/Home/Details/38601/uu-no-11-tahun-2009> accessed February 6, 2023), it is explained that the importance of social welfare is in providing a condition which leads to the fulfilling of the material, spiritual and social needs of all citizens. The promotion of this state will allow all those in the population to live comfortable lives, and be able to develop themselves in such a way as to enable them to carry out their individual social functions. The implementation of a social welfare system is a directed, integrated and sustainable effort carried out by the Federal Government, the Local Government and the community, and takes the form of social services to meet the basic needs of every citizen, which includes social rehabilitation, social security, social empowerment and social protection (Hamid, 2017).

In this regard, Kakisina (2011) explains the basic elements for ensuring a citizen's welfare are both the increase of a person's income and a reduction of their conditions of material poverty. He indicated that the factors that positively correlated with the level of income, and by implication the conditions of welfare, were the level of education, the number of dependents, the area of land owned, the site of land cultivated and the income of civil servants (Sodiq, 2015). In addition, he noted that household income arises from vegetable and fruit crops, animal husbandry, fisheries, industrial income, trade income, and salaries from private employment.

Further, according to Sunarti (2006), specific aspects that are often used as indicators to measure a community's welfare include (i) population, including the number and rate of population growth, population distribution, density, migration and fertility, (ii) health, including the level of public health measured by infant mortality, life expectancy and morbidity rates, together with the availability of health facilities and the health status of mothers and toddlers, (iii) levels of education, including literacy skills, school participation rates and levels of educational facilities, (iv) employment rate, including labor force participation, employment opportunities, type of employment and employment status, working hours and contributions from child labour, (v) consumption patterns and household consumption levels including the distribution of household income and expenditure on both food and non-food items, (vi) housing and the environment in relation to the quality of the house dwelling, the housing environmental facilities and the environmental cleanliness, and (vii) socio-cultural functions, including access to information regarding socio-cultural activities.

From the viewpoint of these indicators of welfare, within the Islamic philosophy there are basic arguments, both theological-normative and rational-philosophical, which

emphasize how the teachings of Islam contribute to community welfare. Five of these ideas are presented below:

First, it was earlier noted that welfare is a condition that develops a safe, secure and peaceful existence, protecting individuals from disturbances and difficulties. This understanding is directly compatible with the key notion of Islam, which relates directly to safety, security and peace, hence it can be appreciated that critical social welfare issues align perfectly with Islam's stated mission. As stated in Q.S. this approach is also the apostolic mission of the Prophet Muhammad S.A.W. This is encapsulated in Al-Anbiya's verse 107 *"And we did not send you, but to (become) mercy to all the worlds."*

Second, in terms of content, it is clear that all aspects of Islamic teachings are constantly related to social welfare issues. In this regard, developing a relationship with Allah S.W.T., for example, must be accompanied with bonding actions with fellow human beings (*habl min Allâh wa habl min an-nâs*). In this way, the attachment to Islam is demonstrated through the performance of good deeds, including the support of social welfare. Furthermore, the central teachings of Islam, known as the five pillars of Islam, are contained in the two sentence statement which encompass creed, prayer, fasting, zakat and pilgrimage, which are all closely related to social welfare. A person who devoutly utters the principles of these two sentences, confirms that their commitment is to a life which will adhere to the guidance of Allah and His Messenger, and it follows that those who want to create a peaceful existence must have a creed of faith and commitment in their hearts. In this manner, prayer services, especially those performed in a congregation, specifically contain the intention to pay attention to the fate of other people, demonstrated by the statements at the end of a series of prayers that seek to bring about peace. Furthermore, during the performance of actions that demonstrate adherence to these principles, fasting allows a devotee to experience hunger as commonly felt by those individuals who are suffering a shortage. In addition, zakat, where contributions are made to the needy, demonstrates that the devotee is making a strong commitment to social welfare. Likewise, during the course of pilgrimage (hadj), a person is taught to have a feeling of equality with others.

Third, efforts to realize the support of social welfare is a key mission of the caliphate that has been carried out since the Prophet Adam a.s. As stated by Shihab (2013) in his book *Wawasan al-Qur'an*, social welfare, as encouraged in the Qur'an, is reflected in the paradise inhabited by Adam and his wife just before they descended to carry out the duties of the caliphate on earth. As is known, before Adam and his wife were ordered to fall to the ground, they were first placed in heaven, which was expected to be an indication of Adam and Eve's devotion in order that the shadow of heaven could be manifested on earth and later be inhabited essentially in the hereafter. In this respect, a society that embodies the shadow of heaven is prosperous. This heavenly prosperity is described, among others, in His words: *"O Adam, verily this (devil) is an enemy to you and your wife, so never let him expel you both from heaven, as a result of which you will suffer. Indeed, you will not*

starve here (heaven), nor will you be naked, and indeed you will not feel thirsty or hot" (Q.S. Thaha [20]: 117-119).

Fourth, some institutions and exhortations in Islamic teachings are directly related to efforts to create social welfare, such as endowments. Whilst institutions and social groups practice a range of alternatives to achieve social welfare, one thing that should be noted is that these actions have not been evenly practiced by Muslims, and therefore have not been particularly effective in realizing social welfare. This may have been due to a lack of constant awareness and the want of good management. It is necessary to form the Amil Zakat Institution to socialize to the community while managing the social fund.

Fifth, Islamic teachings regarding the need to realize the practice of social welfare, include discussion on how to provide motivation and this is accompanied by instructions on how to make it happen. Islamic teachings state that social welfare begins with the struggle to realize and foster the aspects of faith and ethics in the individual because, from a balanced personal self, a balanced society will be born. Indeed, the first Islamic society arose from the work of Prophet Muhammad S.A.W., where, through his devout personality, he gave birth to a balanced family-like Khadija, Ali bin Abi Talib, Fatimah Az-Zahra, and others.

2. The Welfare State

According to Manzoor (2006), the best form of welfare arises from State intervention, since the State has the power to regulate human relations in a society (Afifah & Dahlan, 2007). Following this notion, according to Suharto ((2006), in <http://www.policy.hu>, accessed February 1, 2023)), the definition of State Welfare contains four concepts, which are:

- a. *The fulfillment of material and non-material needs.* In this sense, prosperous living conditions occur when human life is safe and happy, because the basic requirements for nutrition, health, education, housing and income can be met, and protection from the main risks that threaten their lives is assured.
- b. *Social services.* In countries such as the UK, Australia and New Zealand, this generally covers five functions: social security, health services, education, housing and personal social services.
- c. *Social benefits.* In the United States, social benefits are given to the poor because most of the welfare recipients are poor, disabled and unemployed people.
- d. *Improvement of quality of life.* As a planned process or effort carried out by individuals, social institutions, communities, and government agencies, the quality of life is improved through the provision of social services and social benefits.

However, notwithstanding these suggestions, the Welfare State is not a concept which has a standard meaning. It is most often identified with the service policy attributes and the social functions which the state provides to its citizens. In general, a country can be

classified as a Welfare State if it has four main pillars, namely: (i) social citizenship; (ii) full democracy; (iii) a modern industrial relations system; and (iv) the universal right to education and the expansion of modern mass education systems. These four pillars are made possible in a welfare state because the state accepts the task of implementing of social policies which confer social rights to its citizens (Triwibowo & Bahagijo, 2006).

The term Welfare State can also be interpreted as a country that provides guarantees in the form of broad social benefits, such as health services by the State, pensions or old age benefits, plus sickness and unemployment benefits (Fuadi, 2015). In essence, the Welfare State is a development strategy in which it plays an active role in managing and organizing the economy, which includes the State's responsibility to ensure the availability of essential welfare services at a certain level for its citizens (Winarno, 2013). Therefore, the State has a significant role and responsibility to provide basic social needs and redistribute economic resources to its citizens without excluding any economic or social class (Kurniawan, 2009).

The Welfare State, more broadly, can be interpreted from both an economic and a political perspective. From an economic perspective, it represents a financial system that combines the advantages of capitalism and socialism, providing a model which oversees private ownership, and making legislation regarding programs supporting social welfare, such as social security, education, workforce and public health services (Afifah & Dahlan, 2007). From a political perspective, it is a state that promotes general welfare through legislated programs such as public health, retirement welfare, unemployment compensation and emergency housing (Putra, 2021). Seen in this way, the Welfare State does indeed contain elements which are similar to the Islamic economy. There is of course a difference in that spiritual ethics are used as a guideline for economic behavior in Islamic economics whilst this may not generally be the case in the Western Welfare State. The ethics of the latter Welfare State are essentially totally secular and thus do not lead to "vertical integration" between material and spiritual aspirations (Rivai, 2009).

Indeed, Mannan (1995) explains that Islam views a prosperous state as one which achieves comprehensive human welfare. As for interest in the economic field, it is only one part of the equation, because moral and spiritual economics, in the view of Islam, are a necessity, being a means for humans to work to achieve their goals (Syaparuddin, 2010). Further, Jalaluddin (1991), in his book *The Role of Government in an Islamic Economy*, extensively examines the functions of the State in carrying out policies to create Islamic economic development. One of the characteristics of Islam for creating a Welfare State, is a development program for spiritual and material improvement through continuity and unity. Likewise, Naqvi (2009) states that the Welfare State is identical to one of the objectives of the pillars of Islamic economics, where the general characteristics of both are very egalitarian. In this sense, the doctrine of the Welfare State that seeks to fight for a middle way between capitalism and socialism, is the culmination of the struggle for citizenship and political rights.

Whilst the Welfare State designed in the Western capitalist system only relies on economic welfare alone (Chaudhry, 2014), by contrast, from an Islamic perspective, the welfare state is a framework for the principles of people's welfare and egalitarianism in a country based on Islamic principles. The principle of welfare in an Islamic state implies a broader meaning than with the Western concept, since in an Islamic context it includes both material and spiritual aspects. The Islamic state protects citizens' religion, life, lineage and property rights (Dahlan, 2008).

3. Development Planning

Planning sets a benchmark for achieving goals, creating a strategy to achieve that goal, and developing a plan for organizing work activities. According to Alder and Rustiadi (2008), planning is essentially a process of determining what you want to achieve in the future and establishing the stages needed. Clearly, this is an essential process of all management functions because, without planning, the tasks of organizing, controlling and directing will not work together (Muhammad, 2017).

In general, the term development is defined as an effort to advance the lives of citizens, whilst progress is interpreted as success in the material field (Zubaedi, 2013). Therefore, the word development is often understood as the progress achieved by society in the economic field (Hasan & Aziz, 2018). Furthermore, economic development influences the growth and restructuring of an economy to increase its prosperity. In the broadest sense, economic development involves the following actions:

- a. The introduction of Government policies to control inflation, to increase employment opportunities, and to facilitate sustainable growth;
- b. Developing policies and programs aimed at providing services to the public, such as road construction, park management and medical services for the underprivileged;
- c. Instituting policies and programs aimed to improve the business climate through the enablement of business finance, marketing, residential area development, business retention and expansion, technology transfer, and property and estate development (Witjaksono, 2009).

In this regard, development planning will provide guidance and essential references for implementing development Lewis (1994). As a consequence, development planning should be implemented in order to encourage the public and the private sector to use available resources more productively. Jhingan (2014) further explains that development planning is needed for controlling and regulating the economy through a central authority in order to achieve specific goals and objectives within a particular time. Nevertheless, there are several approaches to development planning, including:

- a. The political approach, namely the development plan process, which is based on elaborating the vision and mission of the concerned regional head's program.

- b. The technocratic approach, namely development planning, which is carried out using scientific methods and frameworks and institutions or work units that are functionally assigned to it.
- c. A participatory approach, namely a developmental planning approach, involves all levels of society in planning the development process. Community participation is needed to accommodate varied interests in the development process.
- d. A top-down approach, where ideas are provided by a superior organizational unit to those lower in the system.
- e. A bottom-up approach, where planning ideas emerge from lower levels of the system, and which are then suggested to the superior organization levels (Jhingan, 2014).

Development planning is essential in the life order of the State in order that the goals for the welfare of the people can be achieved efficiently and effectively. In practice, there are several models of development planning, namely:

1. The Aggregate Approach Model

This is the simplest type of planning model, because the approach relates to the economy as a whole and naturally involves aggregate components such as consumption, production, investment, savings, exports and imports. This model is usually also used to determine the GDP growth rate (with simplified assumptions), and is suitable for forecasting output (as well as employment) growth over three to five years. The assumptions of the Aggregate Approach planning model include (i) the reliance on macroeconomic theory, where the core concept is Gross domestic product, and (ii) using Gross regional domestic products as an aggregation of consumption, government spending, government investment, public investment and export-import levels (Kunarjo, 2002; Ridwan, 2013).

2. The Sectoral Planning Approach Model

Planning using a sector-based approach is a collection of activities or programs with similar characteristics and objectives, and is intended to facilitate generalized calculations in achieving macro goals. This approach differs from other planning activities, which mainly involve micro actions (Kunarjo, 2002; Ridwan, 2013).

3. The Inter-Industry Approach Model

This third approach to planning involves the activities of all productive economic sectors which are interrelated in the context of the specific production processes of each industry. This approach considers that economic activities in the main industrial sectors are always interconnected in simultaneous forms, in that apart from being producers, all industries use the output from other industries as their input (Ridwan, 2013; Kunarjo, 2002).

C. RESEARCH METHOD

The research element of this study is based on a comprehensive literature review of various sources of data such as journals, books and resources found more widely on the internet. It uses a descriptive-qualitative approach to describe and summarize authors' perspectives of various conditions, situations and social reality phenomena that exist in a society. It seeks to draw that social reality to the surface as characteristics, traits, models, signs or descriptions of certain essential conditions, situations or phenomena (Bungin, 2011).

D. RESULTS AND DISCUSSION

1. The Welfare State and Practical Experience Models

The concept of the Welfare State includes not only a description of a way of organizing welfare or social services, it is also a normative concept or an ideal approach system that emphasizes that everyone should receive social benefits as their right. Historically, State welfare is the birthchild of ideological struggles and theories, especially those arising from the left wing of society, such as Marxism, Socialism and Social Democracy (Spicker, 1995). This makes an interesting conundrum, since it appears that that tactic of State welfare thrives in democratic and capitalist countries, but is absent in socialist countries.

Some commentators have noted that in Western countries, the State's welfare system is often seen as an "antidote" for the negative societal effects of the free market economy. For this reason, the Western Welfare state is often referred to as a form of "benevolent capitalism." Although each country approaches welfare using a slightly different model, countries such as Western Europe, the United States, Australia and New Zealand represent close adherents of the Welfare state concept. Meanwhile, countries of the former Soviet Union and the Eastern Bloc generally do not adhere to Welfare state principles because they do not involve either democratic nor capitalist approaches (Suharto, 2005).

Whilst the concept of the welfare state was initially developed by Otto von Bismark (Germany), Von Tappe (Austria), and Napoleon III (France), the International Tiscali Encyclopaedia (<http://www.tiscali.co.uk/reference/welfarestate>) suggests that Alfred Zimmern first popularized the term 'welfare state' in the 1930s to distinguish between democratic policies and war-states in several dictatorial European regions. Welfare state systems were built in Germany (1883), New Zealand (1898), Austria-Hungary (late 19th century), Norway (1909), Sweden (1910), Italy and Russia (1911), and the United States (1935), and according to Triwibowo and Bahagijo (2006), an alternative welfare state program was introduced by the Archbishop of York in England during the 1940s, as the antithesis of the Nazi Hitler-style warfare state program in Germany.

As with other development approaches, the Welfare State is neither homogeneous nor static. This concept is diverse and dynamic, following the developments and demands of

the particular community that it serves (Chapra, 1980). From the literature, it appears that four models adhere to the notions of the Welfare State which are based on practical experience, including:

a. Universal models

Social services are provided by the State equally to all of its citizens, whether rich or poor. This model is referred to as the Scandinavian Welfare State, and is representative of the system in Sweden, Norway, Denmark and Finland (Suharto, 2007). The welfare state in Sweden is often referred to as the ideal model, in that provides comprehensive social services to the entire population and is seen as the most developed and more advanced model than the models in the United Kingdom, the United States and Australia (Suharto, 2007).

b. The Corporate Model

Like the first model, social security under the corporate model is carried out institutionally and broadly. Contributions to various social security schemes come from three parties: the government, the business community, and workers. Social services provided by the State are offered mainly to those who work or can contribute through social insurance schemes. The corporate model adopted by Germany and Austria is called the Bismarck Model, because, as mentioned earlier, Otto von Bismarck first developed the idea in Germany (Suharto, 2007).

c. Residual Models

This model is adopted by Anglo-Saxon countries including the United States, Britain, Australia and New Zealand. Social services and other fundamental needs are provided mainly to disadvantaged groups, such as the poor, the unemployed, the disabled and the elderly, all of whom are not wealthy (Suharto, 2009).

Three elements characterize this model in Britain. They are (i) guaranteed minimum standards, including minimum wages; (ii) social protection in the event of risks; and (iii) provision of the best possible service. This model is similar to the universal model, which provides social services based on citizens' rights and has a broad scope. However, as is practiced in Britain, the number of dependents and services is relatively smaller and short-term than the universal model. Social protection and social services are also provided efficiently but on a temporary basis. Further, social services in England, Australia and New Zealand generally cover five forms: social security, health services, education, housing and personal social services (Suharto, 2009).

d. Minimal Models

This model is generally applied in Latin countries such as Spain, Italy, Chile and Brazil, and in Asian countries such as South Korea, the Philippines, Sri Lanka and Indonesia (Suharto, 2006). Minimal models are characterized by minimal government

spending on social development. Welfare and social security programs are provided sporadically, partially and minimally. It is generally only provided for civil servants, members of A.B.R.I, and private employees who can afford to pay a premium. In the Indonesian national context, we can observe regulatory foundations such as the 1945 Constitution, Law Number 40 of 2004, which concerns the National Social Security System (JDIH BPK RI, 2004, in <https://peraturan.bpk.go.id/Home/Details/40787> accessed February 5, 2023). This determines Government spending for social development, which, although small, allows Indonesia to be categorised as an adherent of this model of state welfare.

2. Islamic Welfare States and the Goal of Economic Development Justice

From an Islamic perspective, a country's well-being is a framework for thinking about programs for the welfare of the people. In addition, national egalitarianism within a nation is an important issue, according to Islamic principles. According to Chapra (1980), the Islamic welfare state is a policy program that interrelates the economic and political fields, and carries out the stated functions of an Islamic state by helping to create welfare amongst the community.

In this regard, Chapra (1980) confirmed that the welfare state initiated by capitalists is an excellent state program in empowering resources for aspects that relate to people's welfare. However, he criticized the concept of the capitalist-initiated Welfare State since it gives many opportunities for alterations of the system for the benefit of others rather than the general public. Indeed, laissez-faire capitalism in creating prosperity is only based on a combination of prices, and a bigger State's role in the economy is to ensure economic growth, economic stability, and greater equity, rather than just increasing people's welfare (Chapra, 2000). Based on this view, Chapra's criticism can be classified into two significant aspects, namely: (i) criticism of the concept of the Welfare State as a part of the capitalist system which can only potentially provide welfare to conglomerates (owners of capital); and (ii) criticism on the practice (policy) of the Welfare State which has been proven to have lost its momentum and has therefore failed.

Although Chapra did not study the welfare state in detail, his article entitled *The Islamic Welfare State and its Role in the Economy* is the only article that discusses the concept of the Welfare State from an Islamic perspective. The Islamic Welfare State can consequently be explained using three elements, namely:

- a. Basic imperatives, where welfare in Islam could be achieved through principles that cannot be abandoned; namely democratic orientation, responsibility for welfare, welfare strategies, spiritual qualities, and Halal material resources. Therefore, Islam views the State as an instrument to realize these welfare goals.
- b. Economic functions, where the Islamic state, or where the majority of the population is Muslim, can carry out regulations and policies, especially those related to the economy, to maximize comprehensive economic function in social

welfare. The Islamic State must respond with: (a) poverty alleviation and job creation with high growth rates; (b) the stability of the value of real money; (c) law enforcement and security; (d) provision of social security and economic justice; (e) social security and equity in the distribution of income and wealth; and (f) international relations and national defense.

- c. Supply of resources, where the provision of needs for Government programs, may not be obtained by confiscating resources owned by individuals or groups, without legal clarity. To attend to a country's welfare, various resources available to be stockpiled can be classified as zakat, income from natural resources, taxes, and loans (foreign or private).

Mannan (1995) argues that the emphasis on the welfare of non-Islamic systems is more aimed at the material welfare of the people, and consequently ignores spiritual and moral welfare. Furthermore, Islam views a prosperous state as achieving a comprehensive level of human welfare. As for welfare in the economic field, it is only one part of the equation, and is balanced against moral and spiritual values and political values. Therefore, the economy, in the view of Islam, is not a goal but a necessity and a common means for humans to survive and work to achieve their societal goals.

Like Chapra (1980), Mannan (1995), Naqvi (2009), and Jalaluddin (1991), in their book entitled *The Role of Government in an Islamic Economy*, extensively examine the functions of the State in carrying out policies to create Islamic economic development. One of the characteristics of Islam in creating an Islamic Welfare State, is a development program for spiritual and material improvement. The Islamic Welfare State is a framework of thinking about the principles of the welfare of the people in a country based on Islamic principles. The principle of an Islamic Welfare State encapsulates welfare in a broader sense than in the Western concept, since it includes both material and spiritual aspects.

In achieving success in development, Todaro and Smith (2011) stated that the success of a country's economic development is indicated by three main values, namely: (i) the development of people's ability to meet their basic needs, essential goods and services such as food, clothing, and shelter are needed to support human life at the minimum level; (ii) an increase in people's sense of self-respect as human beings, and (iii) a feeling of worth that is enjoyed by society if its social, political and economic systems and institutions uphold human values such as honor, dignity, integrity, and independence.

Khan (1994) describes welfare indicators which define the development process, and which include survival, freedom of desire, strength, and self-esteem. These contain several aspects that are fulfilled at both micro and macro levels. In this case, to be able to sustain life, at the micro level, people require fulfillment of biological needs such as physical health or freedom from disease, whilst at the economic level, they require ownership and salaries based on contributions to production. In addition, socially they require brotherhood and harmonious interpersonal relations, and at the political level, the freedom to participate. On

a macro level, survival demands ecological balance, natural resource management and social cohesion. Humans must be free from poverty and have an independent life to be free to meet their desires. At the macro level, resources must be available for present and future residents, whilst for gaining strength and self-respect, on the micro level everyone must have independence and protection. Overall, they must have economic strength, be free from debt, and have suitable military strength to ensure national security.

The welfare system, in the context of an Islamic Welfare State, is a system that adheres to and involves faith factors or variables (Islamic values) as one of the most basic fundamental elements in achieving individual and collective welfare in a society or a country. This variable or faith factor becomes one of the benchmarks in determining the production, consumption, and distribution of goods and services before putting it into market circulation. This will allow harmony and balance to be established to ensure individual satisfaction to be formulated through various institutional policy outcomes (Naqvi, 2009). A socio-economically stable society which exists within a State that can deliver a sustainable life to individuals and communities, generates "*baldatun thoyibatun warabbun ghofur*" (a country that is prosperous in every field, because it is based on monotheism, both in the social, cultural, political, economic, educational and human rights fields).

There are several instruments that the Islamic Welfare State can optimize in its organization of social welfare. These are zakat, infaq, shadaqah, endowments and inheritance, market supervisory institutions (*al-hisbah*), and Islamic financial institutions. Other relevant policies for this purpose include developing small and medium industries, land reform, rural development, and synergizing small and medium business developers with Islamic financial institutions. This illustrates the importance of the construction of the Islamic Welfare State for achieving development goals, and the fulfillment and maintenance of *maqâsid shari'a*.

Al-Syatibi, in his work entitled *al-Muwâfaqat fi Uṣul ash-Shari'ah*, argues that "actually sharia aims to realize a human benefit in this world and the hereafter." From this definition, the benefit from an Islamic State is everything related to human sustenance, the fulfillment of human life, and the acquisition of anything required by its emotional and intellectual qualities. Therefore, the obligations in sharia concern the protection of *maqâsid sharia*, which aims to protect human welfare.

According to al-Syatibi, a human benefit can be realized if the five essential elements of human life can be realized and maintained. These are religion (الدين), soul (النفس), mind (العقل), offspring (النسل), and property (المال). Within this framework, the *maqâsid* is divided into three levels: *darûriyat*, *hâjiyat*, and *tahsîniyat*. This framework can be described as follows:

a. *Darûriyat* (The Primary Needs)

Darûriyat is a principle that must be implemented for the good of religious and

worldly affairs, since it contains the basic or primary needs that must always exist in human life. This type of *maqâsid* is a necessity and a foundation for upholding human welfare in the world and the hereafter. This balance involves the maintenance of the five main elements of human life, namely religion (*dîn*), soul (*nafs*), reason (*'aql*), offspring (*nasl*), and property (*mâl*). It is asserted that ignoring these five essential elements, will cause damage on earth and losses in the hereafter. The proper maintenance of religion, soul, mind, lineage, and property can be achieved by devoutly maintaining the balance of the five essential elements of human life and protecting oneself from extraneous pressures than can cause damage to them.

b. *Hâjjiyat* (The Secondary Need)

Hâjjiyat embraces everything that is required to facilitate life, eliminate difficulties, or make better maintenance of the five elements of human life. *Hâjjiyat* is also interpreted as fulfilling any secondary needs as a complement and support for a balanced human life. Examples of this type of *maqâsid* include carrying out various economic activities to facilitate life or eliminate difficulties.

c. *Tahsîniyat* (The Tertiary Needs)

The purpose of this third type of *maqâsid* is to allow humans to do their best to perfect the maintenance of the five essential elements of human life. It is not intended to eliminate or unravel various difficulties, but rather to act as a complement, illumination, and decoration of human endeavors. Whether or not this purpose is fulfilled, does not affect the need for its application. Examples of this type of *maqâsid* include subtlety in speaking and acting, teachings about cleanliness, as well as focus on the development of product quality and work results.

In achieving the effort to maintain a balance of these five essential elements, the three *maqâsid* levels cannot be separated. The *hajiyyat* level complements the *daruriyyat* level, the *tahsîniyyat* level complements the *hajiyyat* level, while *darûriyyat* is the main subject of *hajiyyat* and *tahsîniyyat*. Thus, the ultimate goal of successful development in an Islamic welfare state is the achievement of *Falah* (world and hereafter welfare). *Falah*, in this sense, refers to real welfare or real welfare, where spiritual components are included in this meaning. Therefore all worldly activities, including the economic aspect, are directed not only to meet the physical demands of the body but also to meet spiritual needs where the spirit represents the essence of a person.

E. CONCLUSION

It is clear from an analysis of relevant published work, that the notion of an Islamic Welfare State is largely not compatible with the more familiar Western capitalist structure, which currently forms part of the societal system in many countries. The notion of an Islamic Welfare State system can be conceived as to balance a society's scarce resources with natural justice for

the individual by focusing on moral and spiritual improvement in conjunction with material welfare.

Even though the alternative concept of the Islamic Welfare State has not yet been fully tested, it appears that this concept could be used as a reference in formulating government policies to improve people's welfare. This is because the way the Islamic Welfare State is conceived, it has comprehensive goals linked to the fulfillment and maintenance of Sharia objectives (*maqâsid sharia*) so that ultimately a state of *Falah* is created as a parameter of developmental success.

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