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The Concept of Welfare From Siyasah Syar'iyah Perspective and Its Implementation on Zakat Management in Indonesia

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Abstract

The discourse on welfare is one discussion in economics that has been a concern for all countries in the world. By raising the issue of welfare, a government can legitimize its power. It is considered like 'giving bread' to the community, so that they are silent and obey to the government. In addition to that pragmatic purposes, the welfare issues also represent a moral dimension that the government pay attention to his people. In this regard, the United Nations with his UNDP formulating public welfare measure, which is called Human Development Index. Among the indicators of welfare according to this index are per capita income, long life span and level of education achieved. But behind it all, the understanding of welfare that is often understood in western economy have flaws. The welfare that is often used as a benchmark is the welfare with elements of materialism and hedonism without even the slightest attention to the religious element. It is shown from the majority-or even all-indicators of welfare that did not include religious aspects, and only made the mundane aspects as its main benchmark. This weakness shown by the phenomenon of the comforts of life in the world. Norway, a country that according to the HDI index is the most prosperous country, has a quite high suicide rate, at 28 people per 100,000 inhabitants. When compared with Egypt which ranks only 112th in the HDI, the rate of suicide is only 0.1 for each 100,000 inhabitants. This study aims to examine the concept of the budget in the perspective of siyasah syari'iyah and its implementation in the management of zakat in Indonesia. This paper concludes that maṣlahah is a concept in siyasah syar'iyah which is most appropriate in describing welfare. In the context of siyasah syar'iyah, zakat management in Indonesia has been regulated by the

*government through the Act. No. 23 of 2011, government rules. No. 14 of 2014 and derivative regulations of both. To improve the level of welfare or *maṣlahah*, the government also uses the CIBEST method which is integrated in the National Zakat Index, which also measures spiritual aspects in human life.*

Keywords: *Welfare, siyasah syar'iyah, zakat, CIBEST model*

Abstrak

Wacana tentang kesejahteraan adalah salah satu diskusi di bidang ekonomi yang telah menjadi perhatian semua negara di dunia. Dengan mengangkat masalah kesejahteraan, pemerintah dapat melegitimasi kekuatannya. Itu dianggap seperti 'memberi roti' kepada masyarakat, sehingga mereka diam dan patuh kepada pemerintah. Selain tujuan pragmatis itu, masalah kesejahteraan juga merepresentasikan dimensi moral bahwa pemerintah memperhatikan rakyatnya. Dalam hal ini, PBB dengan UNDP merumuskan langkah-langkah kesejahteraan masyarakat, yang disebut Indeks Pembangunan Manusia. Di antara indikator kesejahteraan menurut indeks ini adalah pendapatan per kapita, rentang hidup panjang dan tingkat pendidikan yang dicapai. Namun di balik itu semua, pemahaman tentang kesejahteraan yang sering dipahami dalam ekonomi barat memiliki kekurangan. Kesejahteraan yang sering dijadikan tolok ukur adalah kesejahteraan dengan unsur materialisme dan hedonisme tanpa sedikitpun memperhatikan unsur agama. Ini terlihat dari mayoritas - atau bahkan semua - indikator kesejahteraan yang tidak memasukkan aspek agama, dan hanya menjadikan aspek duniawi sebagai tolok ukur utamanya. Kelemahan ini ditunjukkan oleh fenomena kenyamanan hidup di dunia. Norwegia, negara yang menurut indeks HDI adalah negara paling makmur, memiliki tingkat bunuh diri yang cukup tinggi, yaitu 28 orang per 100.000 penduduk. Jika dibandingkan dengan Mesir yang hanya menempati peringkat ke-112 dalam IPM, angka bunuh diri hanya 0,1 untuk setiap 100.000 penduduk. Penelitian ini bertujuan untuk mengkaji konsep kesejahteraan dalam perspektif *siyasah syar'iyah* dan impelementasinya dalam manajemen zakat di Indonesia. Makalah ini menyimpulkan bahwa *maṣlahah* merupakan konsep dalam *siyasah syar'iyah* yang paling tepat dalam menggambarkan kesejahteraan. Di dalam konteks *siyasah syar'iyah*, manajemen zakat di Indonesia sudah diatur oleh pemerintah melalui UU. No. 23 tahun 2011, PP. No. 14 tahun 2014 dan peraturan-peraturan turunan dari keduanya. Untuk mendorong tingkat kesejahteraan yang sesuai *maṣlahah*, pemerintah juga menggunakan metode CIBEST yang terintegrasi dalam Indeks Zakat Nasional, yang mana mengukur juga aspek spiritual dalam kehidupan manusia.

Keywords: *Kesejahteraan, siyasah syar'iyah, zakat, metode CIBEST*

Introduction.

The discourse on welfare is one discussion in economics that has been a concern for all countries in the world. By raising the issue of welfare, a government can legitimize its power. It is considered like 'giving bread' to the community, so that they are silent and obey to the government.¹ In addition to that pragmatic purposes, the welfare issues also represent a moral dimension that the government pay attention to his people. In this regard, the United Nations with his UNDP formulating public welfare measure, which is called Human Development Index. Among the indicators of welfare according to this index are per capita income, long life span and level of education achieved.² Despite the measurement of the UNDP, there are many other measuring devices, such as the Prosperity Index,³ Quality of Life Index,⁴ Index of Public Welfare,⁵ and so forth. Here we see that the issue of the welfare has becoming an issue to be widely studied around the world.

But behind it all, the understanding of welfare that is often understood in western economy have flaws. The welfare that is often used as a benchmark is the welfare with elements of materialism and hedonism without even the slightest attention to the religious element. It is shown from the majority-or even all-indicators of welfare that did not include religious aspects, and only made the mundane aspects as its main benchmark. This weakness shown by the phenomenon of the comforts of life in the world. Norway, a country

1 Robert E. Goodin, *The Real Worlds of Welfare Capitalism*, (Cambridge: Cambridge University Press, 1999), p. 21

2 To obtain the more comprehensive understanding, see Mark McGillivray. "The Human Development Index: Yet Another Redundant Composite Development Indicator?", at *World Government*, Vol. 19, No. 10, (Great Britain: Pergamon Press, 1991). p. 1461

3 *Prosperity Index*, or *Legatum Prosperity Index*, is an indicator developed by Legatum Institute London England. This indicator describes the conditions required for prosperity. It describes these conditions as the combination of nine pillars: Economic Quality, Business Environment, Governance, Personal Freedom, Social Capital, Safety and Security, Education, Health, and the Natural Environment. See <http://www.prosperity.com/>

4 *Quality of Life Index* is an estimation of overall quality of life by using an empirical formula which takes into account purchasing power index, pollution index, house price to income ratio, cost of living index, safety index, health care index, traffic commute time index and climate index. For further understanding, see http://www.numbeo.com/quality-of-life/rankings_by_country.jsp, accessed on July 20, 2019.

5 For further understanding, see the website of Ministry of Coordinator of Public Welfare, http://datakesra.menkokesra.go.id/datakesra/kemiskinan_pemberdayaandata-indeks-kesejahteraan-rakyat-ikrar, accessed on July 20, 2019.

that according to the HDI index is the most prosperous country, has a quite high suicide rate, at 28 people per 100,000 inhabitants. When compared with Egypt which ranks only 112th in the HDI,⁶ the rate of suicide is only 0.1 for each 100,000 inhabitants.⁷ Here we see that in countries with a Muslim majority population, even with a low HDI level, people enjoy a happy and prosperous life. They enjoyed the 'welfare' of their own without drifting materialism. This shows that Islam has a more precise understanding of welfare rather than an understanding of welfare that emerge from the west.

From above explanation, it appears that Islam managed to cultivate an understanding of welfare that are not based on the world alone, but also the spiritual aspect. In this paper, we discuss what the *siyasah syar'iyah* view regarding the welfare and how the implications for life.

The Problem of the Existing Concept of Welfare.

Etymologically, welfare has multiple meanings. The word 'welfare' is translated from the English *welfare* which means health, happiness, comfort and so on from the group or individual.⁸ From there, welfare can be interpreted also as a disease-free condition and free of pain.⁹ In Arabic, welfare translated into several different words, some interpret it as *rafāhiyyah*,¹⁰ others interpret it as *salih 'am*.¹¹ When word *rafāhiyyah* is translated welfare, the connotation that arises is the meaning of worldliness, because the meaning of words *rafaha* is luxuries. As if it is translated as *salih 'am*, the connotation is a virtue that upholds the interests of the community. From understanding the etymological definition above, it can be concluded that the meaning of welfare is a condition in which humans are safe, comfortable and happy and free from suffering various kinds.

In practice, welfare is then interpreted by some aspects. In

6 For the HDI rankings, see <https://data.undp.org/dataset/Table-1-Human-Development-Index-and-its-components/wxub-qc5k>, accessed on July 18, 2019.

7 For further understanding into suicide ratio, see http://www.who.int/mental_health/prevention/suicide_rates/en/index.html, accessed on July 18, 2019.

8 Albert Sydney Hornby, *Oxford Advanced Learner's Dictionary of Current English*, (Oxford: Oxford University Press, 1995). p. 1352

9 S. Stephenson Smith, et.al., *The New International Webster's Comprehensive Dictionary of the English Language*, (Florida: Tident Press International, 1996). p. 1428

10 Magdi Nafed El Assiouty, *Banking and Financial Dictionary*, (Mesir: Al-Ahram Commercial Press, 1998). p. 685

11 Nakdimon Shabbethay Doniach (Ed.), *The Concise Oxford English-Arabic Dictionary of Current Usage*, (Oxford: Oxford University Press, 1982). p. 446

the modern understanding, welfare is achieved when economic needs are met, to escape poverty, the equality and social stability as well as the realization of autonomy.¹² Furthermore, welfare often associated with human development. United Nations through its UNDP translates it into the Human Development Index. In the index of human development measured by three aspects, namely life expectancy, level of education and standard of living. Life expectancy is measured by life expectancy at birth. The level of education is measured by two measuring devices, ie the number of people participating in basic, secondary and higher education, and the number of literate society. The level of standard of living measured by adjusted real GDP per capita. Measuring tools are then extracted to find the level of development in a country which is then used to measure human welfare.¹³

In the context of Indonesia, welfare is defined as the achievement of equity in three dimensions: the dimension of social justice, economic justice dimension and the dimension of democracy and governance.¹⁴ Dimensions of social justice include matters relating to justice and equitable distribution of the process of fulfillment of basic human rights, such as access to medical care, access to electricity, education, life expectancy and so on. Economic justice dimensions include justice for the people in gaining access to resources and economic assets, such as home ownership, the ratio of the working population, ratio of the cost of education and so on. Dimensions of democracy and governance include the assurance of the people participating in the overall democratic process independently and without discrimination. Those assurances portrayed in political rights, access to information, security and civil liberties. From that explanation, it can be understood that prosperity is a condition in which the economic needs are met, social justice is achieved and life safety is assured.

However, there is the problem contained in the sense of welfare. Countries with a high index of welfare did not necessarily make the inhabitants appreciate his life. This is indicated by the high number of suicides in countries that have a high index of welfare. Sexual violence is also growing rapidly in countries with a high level of

12 Robert E Goodin, *The Real Worlds...*, p. 22

13 Antony Davies dan Gary Quinlivan, 'A Panel Data Analysis of The Impact of Trade on Human Development', *The Journal of Socio-Economics*, Vol. 35, No. 5, (October 2006), p. 870

14 Kementerian Koordinator Bidang Kesejahteraan Rakyat Republik Indonesia, *Ikrar, Indeks Kesejahteraan Rakyat*, (Jakarta: Kemenkokesra), p. 25

welfare. Germany, which was ranked fifth in the world in matters of development and prosperity, is in second place in sexual violence that is happening around the world. In the case of Indonesia, the index of public welfare which every year has increased, precisely at the same time is not accompanied by a decrease in the number of crimes each year. Thus, welfare with the understanding described above still has shortcomings that need to be patched.

This deficiency is actually quite clear. Welfare is often understood has always oriented to things that are worldly-based. The spiritual aspect does not get any attention at all to measure welfare, while humans are creatures who have two dimensions: the physical and spiritual dimensions.¹⁵ The two cannot walk alone, but must walk synergistically so that they can run in a balanced manner. If humans only promote outward aspect only, then he is no different from animals.¹⁶ The relationship between the two must be balanced, so as to create a harmonious relationship. A man cannot live only other-worldly oriented or this-world alone. Both of them cannot walk alone because it will lead to failure in achieving prosperity. To that end, Chapra states:

If only material welfare is catered for and there are accompanying moral and cultural maladjustment, there would be increased manifestation of the symptoms of anomae, such as frustration, crime, alcoholism, extra-marital relations, divorce, mental illness, and suicide, all indicating lack of inner happiness. If only the spiritual need of life is catered for, the mass of the people would find it impracticable and unrealistic, thus generating a dichotomy and conflict between material and spiritual values which may threaten to destroy all values in human society.¹⁷

To strike a balance between these two dimensions, Islam has a concept that has long been formulated by previous scholars under the field of *siyāsah syar'iyah*. The concept is called *maṣlahah*.

Maslahah as the Concept of Welfare in Islam.

Maṣlahah is a terminology that is very often used in Islamic studies. Etimologically, *maṣlahah* is the opposite of damage, which

15 Syed Muhammad Naquib Al-Attas, *Prolegomena to the Metaphysics of Islam*, (Kuala Lumpur: ISTAC, 2001), p. 143

16 Ismail Raji Al'Faruqi, *Tauhid*, (Bandung: Pustaka, 1988). p. 165

17 Muhammad Umer Chapra, *The Objectives of Islamic Order*, (Leicester: The Islamic Foundation, 1979). p. 10-11

means expediency.¹⁸ *Maṣlahah* often used in the literature of sharia.¹⁹ In terms of sharia, *maṣlahah* interpreted as a benefit desired by Allah for His servants to keep his faith, his soul, his intellect, his posterity, and his property in accordance with the order described by Him.²⁰ The benefit contained in any law specified by him in two forms, namely to provide benefits to humans and protect them from damage and hazardous conditions.²¹ In other words, every law contains *maṣlahah* in which each *maṣlahah* imply for the achievement of human welfare embodied in the progress of society.²² The welfare is manifested on the obtained benefits and the eliminated damage.

Qur'an explains that the purpose of the sharia as a guide and a way of life in the world is to ensure that humans can achieve prosperity or *maṣlahah*. The Qur'an explains the purpose of this in numerous verses. Allah Almighty said that the Prophet was sent to all mankind as a blessing for the entire universe (QS. 21: 107). God also continues to provide healers for diseases (QS. 10: 57). God does not want to trouble his servant, but ease (QS. 2: 185). The verses above show that the sharia is really to ensure the welfare of human beings on this earth.²³

Maṣlahah in sharia at least has three main characteristics. First, *maṣlahah* is not just limited to *maṣlahah dunyāwīyyah* (worldly affairs), but also to *maṣlahah dīniyyah* (religious purposes) as well.²⁴ All decisions of the existing law should be based on the Qur'an and *Sunnah Nabawīyya*. If there is a conflict between human interests with the interests of religion, or the Al-Qur'an and *Sunnah*, then what is contained in the Qur'an and *Sunnah* shall take precedence. This is because Allah is established all the mundane rules of the Qur'an and *Sunnah* to human welfare in the world that can lead to welfare in the Hereafter.

The second characteristic, *maṣlahah* is not just an element of physical, but also consider the metaphysical elements. In simpler

18 Muhammad Said Ramadhan Al-Buthi, *Dhawabith Al-Maslahah Fi Asy-Syariah Al-Islamiyyah*, (Damaskus, Muassasah Ar-Risalah, 1973), p. 23

19 Imām Muhammad bin Abi Bakr bin Abdil Qādir Ar-Rāzi, *Mukhtar As-Shihāh*, (Lebanon: Maktabat al-Libnān, 1986), p. 141.

20 Muhammad Said Ramadhan Al-Buthi, *Dhawabith Al-Maslahah....*, p. 23

21 Wahbah Az-Zuhaili, *Ushul Fiqh Al-Islamiy*, Juz II, (Damaskus: Darul Fikr, 1986), p. 1017

22 Wan Mohd Nor Wan Daud, *Budaya Ilmu dan Gagasan 1 Malaysia Membina Negara Maju dan Bahagia*, (Putrajaya: Akademi Kenegaraan BTN, 2011), p. 3

23 Abu Ishaq Asy-Syathibi, *Al-Muwāfiqāt fi Ushul Asy-Syari'ah*, Juz II. (Beirut: Darul Ma'rifah, 1968). p. 6

24 Muhammad Said Ramadhan Al-Buthi, *Dhawabith Al-Maslahah*, p. 58

language, *maṣlahah* includes not only the physical welfare, but also inner wellbeing. In the life of the world, human needs not only physical welfare alone, but requires also the spiritual welfare, peace of mind and inner happiness. It is human nature that cannot be bargained. The third characteristic, *maṣlahah* determination is not limited to the life of the world, but also the life in the hereafter. Thus, when a *mujtahid* was doing *ijtihad* to make a legal decision, it should also consider the consequences that would happen in the world and also in the hereafter. Thus, the resulting legal products can be beneficial for all mankind to prosper in this world and in the hereafter.²⁵

Relation to hereafter as the ultimate goal, the Prophet SAW said:

عَنْ أَنَسِ بْنِ مَالِكٍ ، قَالَ : قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ : مَنْ كَانَتْ الْآخِرَةُ هَمَّهُ جَعَلَ اللَّهُ غِنَاهُ فِي قَلْبِهِ وَجَمَعَ لَهُ شَمْلَهُ ، وَأَتَتْهُ الدُّنْيَا وَهِيَ رَاغِمَةٌ ، وَمَنْ كَانَتْ الدُّنْيَا هَمَّهُ جَعَلَ اللَّهُ فَقْرَهُ بَيْنَ عَيْنَيْهِ ، وَفَرَّقَ عَلَيْهِ شَمْلَهُ ، وَلَمْ يَأْتِهِ مِنَ الدُّنْيَا إِلَّا مَا قُدِّرَ لَهُ.²⁶

From Anas ibn Malik ra. Said: the Prophet, peace and blessings of Allah be upon Him, has said in the Hadith: “whoever makes all concerns as only one; which is the concern of the Hereafter, Allah will suffice him from all other concerns; and this whose concerns of the conditions of the worldly life are ramified, Allah will not care in which valley he perishes”

Order of Maslahah.

After understanding the integration between this world and the hereafter contained in *maṣlahah*, the following part will explain about the order of *maṣlahah* in terms of human welfare. *Maṣlahah* at least divided into three parts. First, the primary *maṣlahah* (*dharūriyyat*), understood as all types of human needs related to religious and worldly interests, which can eliminate the absence of safety and sustainability of life on earth and the hereafter. The discussion in primary matters between ‘exist’ or ‘non-exist’.²⁷

25 Muhammad Said Ramadhan Al-Buthi, *Dhawabith Al-Maslahah ...*, p. 46-47

26 HR. Tirmidzi, see Abu Isā Muhammad bin Isā At-Tirmidzi. *Sunan at-Tirmidzi*. Juz IV. (Beirut: Darul Gharb Al-Islamiy, 1998). p. 224 Hadits No. 2465. According to Al-Albani, this hadits is shahih. See Muhammad Nāshiruddin Al-Albani. *As-Silsilah Ash-Shohihah*, Juz II. (Riyadh: Maktabatul Ma’ārif). p. 633

27 Abu Ishaq Asy-Syathibi, *Al-Muwāfiqāt...*, p. 8

Examples of primary *maṣlahah* is the *syahadat*, prayer, meal, drink, clothing, shelter and so on. Second, the secondary *maṣlahah* (*hajjiyat*), understood as the needs that facilitate the achievement of the primary *maṣlahah* and eliminate obstacles to make it happen. The discussion in this secondary *maṣlahah* is between easy or difficult.²⁸ Examples of this requirement is a reduction (*rukhsah*) for traveler in praying and fasting, eating food that is lawful and good (*halālan thayyiban*), have a place of his/her own, and so forth. Third, tertiary *maṣlahah* (*taḥsīniyyat*), understood as the needs that beautify the needs of primary and secondary. The discussion in this requirement is between beautiful or ugly.²⁹ Example of this *maṣlahah* is the Sunnah prayers, wear clothing that is good and holy in prayer, alms, etiquette of eating and drinking, the ban on women's leadership in the country and so on. The three types of *maṣlahah* are ordered, meaning that a person must meet the primary needs first, then the secondary needs and tertiary latter.

Maslahah and Maqasid Syariah.

Discussion of *maṣlahah* often associated with *maqāshid* sharia discussion. *Maqāshid* is the basis of the sharia.³⁰ *Maqāshid* covering at least four things, namely worship, customs, *mu'āmalah* (interaction with humans) and criminal law. The four were then divided into three tiers of *maṣlahah*, namely primary *maṣlahah* (*dharūriyyat*), secondary (*hajjiyat*) and tertiary (*taḥsīniyyat*). *Maslahah* are all anchored on five main objectives, namely to protect faith, life, intellect, posterity and property. From that order, the main concern is keeping faith, because faith is the most important thing in human life, while keeping the property is in the final sequence. These aspects indicate *maqāshid* include several types of human needs with five terms as a primary objective.

Maqāshid sharia, as explained earlier, has five main objectives. *First*, to keep the faith. In the individual level, this goal means to keep every Muslim able to practice their religion and deprived of the things that destroy their faith. At the level of the public, this goal means to maintain the survival of the state so that religious life can be assured. *Second*, to maintain the soul. In the individual level, this means the goal of maintaining the continuity of life of each

28 Abu Ishaq Asy-Syathibi, *Al-Muwāfiqāt...*, p. 10-11

29 *Ibid*, p. 11-12

30 Ibnu Qoyyim Al-Jauziyyah, *I'lam Al-Muwaqqi'in 'an Rabb Al-'Alamiin*. Vol. I, (Saudi Arabia: Dar Ibnu Al-Jauzi, 1423 H), p. 195

individual. At the level of the public, this goal means to sustain life in a country in general by implementing policies and appropriate legislation. *Third*, to maintain intellect. In the individual level, the aim is to maintain the ability of each Muslim to think in order to always be able to use common sense. At the level of the public, to keep the congregation and the community at large in order to maintain its society and avoid damage.

Fourth, to maintain posterity. In the individual level, this goal to sustain the existence of the human species on this earth. In addition, it also aims to keep *nasab* of a man so that he/she will not be confused with others. At the level of the public, the purpose is to maintain the presence of Muslims in the world. *Fifth*, to maintain the property. This objective means to safeguard human property that is not spent with falsehood and can prevent the damage of their property. Those five goals are contained in sharia.³¹

Macro and Micro Aspects of Islamic Welfare.

Islamic welfare, as described above, covers all aspects of life. Those are formulated entirely in sharia which are portrayed by *maslahah*. Not only the individual aspects, but also the public point of view are guaranteed by *maslahah*. In short, the individual aspects (micro) and public aspects (macro) can be described as follows:

Figure 1: Micro and Macro Aspects of *Maṣlaḥah*

Objective of SS	Micro Aspects	Macro Aspects
Safeguarding the faith	Religious survival: syahadat, salat, fasting, zakat and hajj	Guarantee from the government for the freedom of religious affairs, government protection of blasphemy, etc
Safeguarding the life	Biological survival: food, clothing, housing, etc	Social responsibility to guard others, government rules of safeguarding the life, medical insurance from government, government involvement in war to protect their citizen etc

³¹ Muhammadiyah Thahir Ibn 'Asyur, *Maqashidu Asy-Syariah Al-Islamiyyah*, (Yordania: Daar An-Nafais, 2001), p. 303

Safeguarding the intellect	Right to study, responsibility of parent to educate children, self-esteem etc	Guarantee of proper education from government, freedom of speech etc
Safeguarding the posterity	Marriage, freedom for having children etc	Childbirth insurance from government, protection for women and children etc
Safeguarding the property	Freedom of transaction, private property etc	Market mechanism, government as hisbah body, poverty alleviation through baitul maal, etc

Source: Khan (1994) and Ibnu Asyur (2001)

Implementation of *Siyasah Syar'iyah* in Case of Welfare: Zakat Management in Indonesia.

The role of government of Indonesia in Zakat management has been massive throughout the last five years. There are several acts and rules that regulate zakat institution, the collection and distribution of zakat, etc. There are at least five main rules that govern zakat management in Indonesia.

1. Zakat Management Act No. 23/2011

This act is the act that substitutes the previous act of zakat management (Zakat Acr No. 38/1999). The most notable changes are that the funding of zakat collection and distribution by government body (Badan Amil Zakat Nasional or BAZNAS) will be covered by the government and the rights of amil. The other thing is that the punishment of mismanagement of zakat is clearly stated in this act and therefore it gives a tight room to violate the rule. This act was bringing a lot of protest from private zakat institution (Lembaga Amil Zakat or LAZ) since it restrain their ability to manage zakat freely.

2. Government Regulation (PP) No. 14/2014

This regulation is the details from the Zakat Management Act No. 23/2011. This regulation explains in detail about the content of Act No. 23/2011, including the requirements on the establishment of private zakat institution and its reporting procedure.

3. Presidential Instruction No. 3/2014

This instruction contains the instruction from the president to all bodies under government to encourage and facilitate zakat payment from their employee through the help of BAZNAS in each region. This instruction includes ministry, police, army, state owned enterprise, province and district government, state institutions, state commissions, etc.

4. BAZNAS Regulation No. 1/2014

This regulation is talking about procedure on proposing consideration of appointment and removal of management of regional BAZNAS.

5. BAZNAS Regulation No. 2/2014

This regulation contains the guidelines on the procedure of issuing permit recommendation for establishing LAZ (private zakat institutions). This regulation is the continuation from the Zakat Management Act No. 23/2011 in which private institution is given a more difficult requirement to establish new private zakat institution.

It can be noticed from those acts that zakat management in Indonesia can be divided into two main bodies:

- National Amil Zakat Board (Badan Amil Zakat Nasional – BAZNAS)

This board is government body which is focusing on managing zakat in Indonesia. Since it is government body, it is fully supported by government and it has full authorization of zakat management in Indonesia. In other word, this body is the coordinator of all formal and legal zakat institution. It means that every zakat institution, even the private body, are obligated to report their collection and distribution to BAZNAS. Besides, they are given so many requirements that complicate their life. There is even a saying that in the future, the role of private institution is mere as a collector of zakat fund (Unit Pengumpulan Zakat-UPZ).

- Private Zakat Institution (Lembaga Amil Zakat – LAZ)

Beside government body, private institutions are allowed to make a zakat body. Before 2011, the establishment of private zakat institution is relatively easy and there is no many requirements. But since 2011 or the issuing of the new act, the rules became strict for them. The government sees that there

are many private zakat institutions that are not complying with syariah, especially in their distribution where amil get the most of zakat fund. But from the LAZ perspective, it will make their movement limited. Therefore, in the long term, private zakat institution will not able to fully manage zakat fund by themselves and then become helper for the government to collect zakat.

To illustrate the huge of potential of zakat fund in Indonesia, here are the collection of zakat in the past 13 years.

Figure 2: Zakat Collection in Indonesia

Year	Total Amount of Zakat (Billion Rupiah)	Annual Growth (%)
2002	68.39 (USD 6.84 m)	-
2003	85.28 (USD 8.53 m)	24.70
2004	150.09 (USD 15.01 m)	76.00
2005	295.52 (USD 29.56 m)	96.90
2006	373.17 (USD 37.32 m)	26.28
2007	740.00 (USD 74.00 m)	98.30
2008	920.00 (USD 92.00 m)	24.32
2009	1,200.00 (USD 120.00 m)	30.43
2010	1,500.00 (USD 150.00 m)	25.00
2011	1,729.00 (USD 172.90 m)	20.00
2012	2,212.00 (USD 221.20 m)	22.22
2013	2,639.00 (USD 263.90 m)	22.72
2014	3,300.00 (USD 330.00 m)	22.22
2015	3,653.00 (USD 365.30 m)	10.69
2016	5,017.00 (USD 501.70 m)	37.34
2017	6,224.00 (USD 622.40 m)	24.05
2018	8,100.00 (USD 810.00 m)	30.14

Source: BAZNAS (2019)

We can see that in the past five years, zakat fund in Indonesia has a steady growth number. It illustrates that zakat fund has a huge potential in Indonesia. Even the deputy minister of finance of Indonesia has admitted that increasing zakat fund has become a priority of Indonesian government in this term.³²

³² Gita Amanda (red.), "Wamenkeu: Baznas Kurangi Kemiskinan Bantu Pemerintah," see <https://www.republika.co.id/berita/dunia-islam/wakaf/pnvqno423/wamenkeu-baznas-kurangi-kemiskinan-bantu-pemerintah>, accessed on July 25, 2019.

CIBEST Model: Integrated-Welfare Index.

This part will talk about one example of the Islamic welfare index that has been created by Beik and Arsyianti³³ which is called CIBEST (Center of Islamic Business and Economic Studies) model. This index is an index that has been integrated into the National Zakat Index (Indeks Zakat Nasional) which is issued by BAZNAS. CIBEST model is chosen because the model has been implemented in several areas and considered as a main tool to analyze the effectiveness of zakat in Indonesia.

This model is basically trying to identify human being as an integrated creature that has material and spiritual sides. They separate human-being into four different quadrants which are mentioned below:

Figure 3: Four Quadrants of CIBEST Index

Results	≤ MV value	>MV value
>SV value	Materially Poor and Spiritually Rich Household (Quadrant II)	Materially and Spiritually Rich Household (Quadrant I)
≤ SV value	Materially and Spiritually Poor Household (Quadrant IV)	Materially Rich and Spiritually Poor Household (Quadrant III)

Source: Beik and Arsyianti (2016)

The uniqueness of this index is that they are measuring the actual condition of the households and then try to divide them according to the four quadrant mentioned above. For material welfare, they measure it by using income of the households, while for spiritual welfare, they measure it using following measurements:

33 Irfan Syauqi Beik, Laili Dwi Arsyianti, "Measuring Zakat Impact on Poverty and Welfare Using CIBEST Model," *Journal of Islamic Monetary Economics and Finance*, Vol. 1 No. 2, (February, 2016), p. 141-160.

Figure 4: Spiritual Needs Indicator

Variables	Likert Scale					Poverty Standard
	1	2	3	4	5	
Prayer	Blocking others to pray	Against the concept of prayer	Performing obligatory prayer but not on regular basis	Always performing obligatory prayer but not in congregational prayer	Performing congregational prayer for obligatory one and perform recommended prayer	Average score for spiritually poor household is equal to 3 (SV = 3)
Fasting	Blocking others to undertake fasting	Against the concept of fasting	Not fully performing obligatory fasting	Performing only obligatory fasting	Performing obligatory fasting and recommended fasting	
Zakat and Infak	Blocking others to pay zakat and infak	Against the concept of zakat and infak	Not paying infak at least once in a year	Paying zakat al-fitr and zakat al-maal	Paying zakat al-fitr, zakat al-maal, and infak	
Household Environment	Forbid ibaadah	Against implementation of ibaadah	Consider ibaadah as private matter for household member	Support execution of ibaadah	Creating environment which obligates execution of ibaadah	
Government Policy Environment	Forbid ibaadah	Against implementation of ibaadah	Consider ibaadah as private matter	Support execution of ibaadah	Creating environment which obligates execution of ibaadah	

Source: Beik and Arsyianti (2016)

It can be seen that spiritual indicators are a lot more complicated than the material welfare. It indicates that spiritual needs is very important in human life.

For computing this index, Beik and Arsyianti are acquiring the data by using interview to each household. This index has been implemented in Jakarta and Bogor, specifically to the mustahik in that area. This index was used to measure the effect of zakat to the welfare of the mustahik. This research was conducted at 2015. The result of the computation are:

Figure 5: Result of Spiritual Score at Jakarta and Bogor Region

Variable	Average Spiritual Score	
	Pre-Zakat Program (SS ₁)	Post-Zakat Program (SS ₂)
Shalat (Prayer)	3.55	3.93
Fasting	4.00	4.37
Zakat and Infaq	3.92	4.67
Household Environment	3.66	4.20
Government Policy	3.95	4.40
Average Spiritual Score of Total Observed Households	3.82	4.32

Source: Beik and Arsyianti (2016)

Figure 6: CIBEST Index, Pre and Post Zakat Program

CIBEST Index	Pre Zakat Program	Post Zakat Program	Percentage Change
Material Poverty Index	0,615	0,430	-30,15
Spiritual Poverty Index	0	0,009	+100
Absolute Poverty Index	0,104	0,009	-91,3
Welfare Index	0,281	0,552	+96,8

Source: Beik and Arsyianti (2016)

From the result above, we can see that welfare index is increasing almost a hundred percent. But unfortunately, the spiritual poverty index is slightly increasing. It means there are some households that become poorer spiritually after imposing of zakat. Beik and Arsyianti suggested the government to do more caution during the distribution of zakat, so that it will have a more positive impact to the muzakki both spiritually and materially.

Conclusion.

From above discussion, we can conclude that the concept of welfare in siyasah syar'iyah perspective is based on Maslahah, since it contains both individual and public welfare. For example

of implementation of Islamic welfare is zakat. In Indonesia, zakat management are conducted by government body (BAZNAS) and private body (LAZ). Private body has to report everything to the government (BAZNAS). One example of Islamic welfare index is CIBEST model, which integrates spiritual and material aspects of human being. CIBEST model is integrated into the National Zakat Index which is issued by BAZNAS.

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