

CHAPTER V

RESULT AND DISCUSSION

5.1. Islamic Vision of Economics and Business

Vision is the ability or power to see at the core of the problem with a broad view. The vision of ethics and business of the Qur'an is thus the ability, strength and perspective of the Qur'an in looking at ethical and business issues. Al-Qur'an in inviting people to trust and practice their demands in all aspects of life often uses terms known in the business world, such as buying and selling, renting a lease, profit and loss, and so on. In this context, Allah SWT, in His words, the Qur'an is At-Taubah: 111 which means (more or less):

“ Verily Allah buys from believers their wealth and soul and in return they receive a blessing. Who is more committed to his promise (besides) Allah, then be happy with the buying and selling that you do. That's a big victory “.

The aforementioned paragraph provides an explanation that those who do not wish to carry out their life activities except if they obtain profit only, are served (challenged) by the Qur'an by offering one exchange that does not recognize losses and fraud. Thus, the basic principle emphasized by the Qur'an is work and hard work. The Islamic view of the vision of business ethics must be based on three main key themes which are also guidelines for all activities of Muslims. The three main key themes are Faith, Islam and Taqwa.

In the Qur'an there are terms that can represent what is meant by ethics or business. Among the terms of business in the Qur'an there are terma al-tijarah, al-bai'u, tadayantum and isytara. Each of them can be explained as follows.

Term *tijarah*, begins with the word *t-j-r*, *tajara*, *tajran wa tijaratan*, which means trading, according to *ar-Raqib al-Asfahani* in *al-Mufradat fi qharib al-Qur'an*, *at-tijarah*, it means the management of property for profit. Thus, from this explanation it can be understood that having faith in Allah SWT and His Messenger, *jihad* with wealth and soul is including business, that is, a real business that is sure to get an intrinsic advantage. While *al-bai* 'comes from the word *bai'a*, which is contained in the Qur'an in various variations. *Al-bai'u*, means to sell, the opponent of the word from the court or give something of value and take (determine) from him a price and profit) *Terma bai'un* in the Qur'an is used in two senses, (1) buying and selling in the context of no sale and purchase on the *qiamat* day, therefore, the Qur'an calls for spending, utilizing and developing property in the process. and goals that do not conflict with faith, (2) *al-bai* 'in terms of *halal* buying and selling, and the prohibition to obtain or develop property by usury.

Likewise regarding the words *baya'tum*, *bibai'ikum* and *tabaya'tum*, used in the sense of buying and selling carried out by both parties must be carried out with thoroughness and witnessed (in an open and written manner). Then the Qur'an uses the term as contained in the letter *At-Taubah*: 111, used in the sense of buying, namely in the context of God buying himself and the property of the believers. Thus, the term *cyberspace* and its derivatives contain more meaningful transactions between humans and God or transactions of fellow humans that are carried out because and for Allah SWT, also transactions with the purpose of human profit even though by selling Allah's verses. Transactions of God with humans occur when humans dare to sacrifice their lives and assets to seek the pleasure of Allah SWT and Allah SWT promises a reward, buying from those believers with countless pleasures and benefits, namely heaven. In addition, the Qur'an also uses the term *tadayantum* which is mentioned once, namely in the Qur'an *Al-Baqarah*: 282, used in the sense of *mua'ie* buying and selling, accounts payable, leasing rent and so on. Verse *Al-Quran Surat Al-Baqarah*: 282 reads, which means (more or less):

“To believers, if you do everything not in cash for the specified time you should write it. And let an author among you write it correctly ...” (*Qur'an Surat Al-Baqarah*: 282).

In addition to the terms above, in the Qur'an there are also terms that are close to business content. Among them are, *anfaqa* and *la ta'kulu amwalakum*. Whereas directly

related to ethics is al-khuluq, which comes from the basic word khaluqa-khuluqan, which means tabi'at, character, habits, chivalry, imagination. The Ethics of the Qur'an has a humanistic and rationalistic nature. Humanistic nature in the sense of directing humans to achieve the highest human nature and not contrary to human nature itself. The rationalistic nature, that all the messages taught by the Qur'an to humans are in line with the achievements of human rationality contained in the works of philosophers. The Qur'anic messages such as an invitation to truth, justice, honesty, cleanliness, respect for parents, hard work, love of science, all of which have nothing to do with the two characteristics above. Therefore, it must be a guideline or attention by Muslim entrepreneurs in their business activities.

5.2. The Basic Philosophy of Economic Development in Islam

Economic development is one of the important aspects of life that is very much considered in Islam, but still places man as the center and the main actor of that development. Islam as a life-regulating religion plays a role in guiding and directing humans in managing economic resources to achieve benefit in the world and the hereafter. Khurshid Ahmad laid down four foundations of development philosophy derived from Islamic teachings, namely:

- a. Tauhîd, which laid the foundations of the relationship between God-man and humans with each other;
- b. Rubûbiyyah, who stated as the basics of God's law to further regulate the model of development that has Islamic inspiration;
- c. Khalîfah, which explains the status and role of humans as God's representatives on earth. This responsibility concerns humans as Muslims and as members of humanity. From this concept was born an understanding of guardianship, morality, politics, and the principles of other social organizations.
- d. Tazkiyyah, the main mission of the messenger of God is to purify humans in their relationship with God, their neighbor, their natural environment, society and the state.

The concept of tauhîd laid down the rules regarding God's relationship with humans and human relations with others. The concept of rubûbiyyah means recognizing the nature of God as a ruler who makes rules for accommodating and maintaining and directing the life of beings towards perfection. This concept is a basic law in the universe which is a guideline about a model that is sacred to the development of resources so that it is useful, mutual help and mutual fellowship between them in goodness. The concept of khilafah places humans as khalîfah on this earth who are responsible as holders of Allah's trust in the fields of morals, economics, politics, social and also the principle of social organization for humans. While the concept of the tazkiyyah plays a role in purifying human relations with God, human beings with humans and humans with the natural surroundings. That is, this concept teaches humans to wake themselves up who can finally awaken all dimensions of their lives including the economic dimension. The result is god, namely the welfare of life in the world and in the hereafter.

Based on the philosophical foundations above, it can further be clarified through the principles of economic development according to Islam as follows:

- a. Economic development in Islam is comprehensive and contains spiritual, moral and material elements. Development is an activity that is oriented towards goals and values. Material, moral, economic, social and spiritual aspects cannot be separated. The happiness to be achieved is not only happiness and material welfare in the world, but also in the hereafter.
- b. The main focus of development is humans with their cultural environment. This is different from the concept of modern economic development which confirms that the area of development operations is just the physical environment. Thus Islam extends the area of reach of objects of development from the physical environment to where humans are.
- c. Economic development is a multidimensional activity so that all efforts must be left to the balance of various factors and not cause inequality.
- d. The main emphasis in development according to Islam, lies in the use of resources that God has given to humanity and the environment as much as possible. In addition, the use of these resources through distribution, the increase is evenly based on the

principles of justice and truth. Islam advocates an attitude of gratitude and justice and condemns the attitude of kufr and wrongdoers.

Islamic concepts inspire the whole life of a Muslim. This belief in the oneness of the Creator of the universe bestows a basic unity in various layers of society. The concept of Ilâhi (Rubûbiyyah) prevents humans from arrogance which is a feature of modern civilization. The concept of khilafah and tazkiyyah is the foundation of development policy, giving humans a sense of responsibility in carrying out world affairs and ensuring that development activities do not damage the natural environment created by God. Thus, the concept of economic development is defined comprehensively. The main purpose of economic development according to Islam is to achieve human welfare. Humans have been placed on earth as the main actors or khalîfah to carry out the development process. Humans besides being the main actors of development are also the main connoisseurs of development, because through human development, he can carry out his main task created on this earth, namely worship.

5.3. Concept of Economic Development in Islam

According to conventional economic concepts, economic development only sees material and physical aspects that ignore aspects of the development of the moral and spiritual values of man himself. Conversely the concept of economic development in Islam according to Islamic economic theorists is comprehensive, not limited to mere economic variables. Islamic economic development includes the development of morals, spiritual and material. Moral, spiritual, material, social and economic aspects must not be separated to achieve the goal of socio-economic development in Islam. Development must be oriented towards human development of all dimensions. Human satisfaction does not only materialize when its economic needs are fulfilled but also spiritual and non-material needs.

Actually, the concept of Islamic economic development departs from the development of human capital and mastery of technology as the driving force of economic development. The development of human resources encapsulates all potential and empowerment and human qualities from a material, spiritual and moral point of view.

Economic development encapsulates the development of a fair financial and basic business system.

The focus and main core of development in Islam is human development itself including its social and cultural aspects. This means that Islam considers itself the human self which is the actual place of development activities. This thinking departs from the Islamic view that places humans as khalīfah which is mandated by Allah SWT to manage the earth in accordance with His will (Islamic law) which at some time (in the hereafter) will be held accountable for the development (practice) he has done.

Development in Islamic thought leads to the word 'imārah or ta'mīr as a sign in the Qur'an:

هُوَ أَنشَأَكُم مِّنَ الْأَرْضِ وَاسْتَعْمَرَكُمْ فِيهَا

Meaning: "... He has created you from the earth (land) and made you prosperous ..." Then it is related to the creation of humans on earth as khalīfah:

وَإِذْ قَالَ رَبُّكَ لِلْمَلٰٓئِكَةِ إِنِّي جَاعِلٌ فِي الْأَرْضِ خَلِيفَةً قَالُوا أَتَجْعَلُ فِيهَا مَن يُفْسِدُ فِيهَا وَيَسْفِكُ الدِّمَآءَ وَنَحْنُ نُسَبِّحُ بِحَمْدِكَ وَنُقَدِّسُ لَكَ قَالَ إِنِّي أَعْلَمُ مَا لَا تَعْلَمُونَ

Meaning: "Remember when your Lord said to the angels:" Surely I want to make a khalīfah on earth. "They said:" Why do you want to make (khalīfah) on earth that will make damage to it and shed blood, even though we are worship by praising You and purifying You? "The Lord said:" I know what you do not know. "

The ista'mara sentence which comes from the word ara amara means the request or order from Allah SWT that is absolute so that humans create prosperity on the face of the earth through development efforts. This shows that the development effort in which the economy is one of its dimensions is the main mission of the creation of humans on earth.

Meanwhile, Ahmad Ibn Ali Al-Jassas saw QS. Hûd: 61 with two meanings, namely the meaning of al-wujûd or the obligation of mankind to manage the earth as agricultural land and development. Second, the verse contains God's command to mankind to build the universe. God's command is mandatory and absolute. The majority of writers argue that the word al-rahimârah (prosper) is identical to the word at-tanmiyyah aliqtishâdiyyah (economic development).

The authors of Islamic economic theory conclude that each verse that mentions the word al-kasbu, as-sa'yu, al-infâq or al-dharbu fi al-ard (adventuring on the face of the earth) shows a meaning of economic activity. This is the basis of the law of economic development. This opinion arises because it is driven by the strong desire of most writers to assert that Islam prioritizes everything that is good for humans and avoids things that can harm them. Based on a comprehensive Islamic view of all aspects of life, the concept of Islam in development includes the physical and spiritual sides. Also based on values and social goals, to create prosperity and essential welfare for humans in all aspects of life, with humans as the central of the development process. Thus, the actual development is intended to fulfill basic needs for human honor and glory; both material, cultural and social aspects. asserted that Islam prioritizes everything that is good for humans and avoids things that can harm them.

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5.4. The Purpose of Economic Development in Islam

Based on the conventional economic paradigm there are at least two main objectives of economic development. First, increase real income per capita. The second enforces the justice of income distribution. However, if we look at the facts on the ground, the biggest problem in this modern economy, especially in developing countries, is the low income of the people which is further compounded by the widening income gap between the rich and the poor. The economy is only driven by a handful of people and certainly a handful of these people. This means that the main problem faced is injustice in the distribution of income and economic wealth among their peers.

Islam in defining economic development does not deny the aspect of individual income as one indicator. Because Islam craves a material prosperous society so that they can carry out their religious obligations perfectly. But on the other hand, Islam emphasizes the importance of equitable and equitable distribution of wealth. Even Islam creates specific instruments to achieve this distribution through the mechanism of zakat, infaq and almsgiving and the growth of caring and mutual help among others in order to fulfill basic needs.

Economic development must be oriented towards increasing individual commitment to religion. This means that there must be a correlation between economic development and increasing fulfillment of obligations towards religion. The ultimate goal of economic development is not like a conventional economic slogan that reads "homo economicus" but rather the occurrence of "homo Islamicus", ie individuals who behave in accordance with the guidance of Islamic teachings.

According to Joni Tamkin the objectives of development policies within the Islamic framework are:

- a. Development of human resources, namely making humans the main objective of Islamic development policies. The main focus is on the development of education, spiritual orientation and the development of relationship structures based on cooperation, partnership and participation.

- b. Added expenditures that are beneficial, in this case prioritizing expenditures that prioritize basic needs (dharûriyât) compared to expenditure on complementary goods (kamâliyât) and luxury goods (tahsiniyât).
- c. Improving the quality of life, namely through the creation of jobs, the procurement of social security systems, and income distribution.
- d. Balanced development, namely harmonious development, there is no development imbalance in various sectors and regions.
- e. Development of new technology.
- f. Reducing dependence on foreign debt.

The main objective of development is to reduce poverty through the fulfillment of all needs at the level of prosperity. The general objectives are the realization of distribution justice, efficient use of economic resources, developing production capabilities and human resources. Meanwhile, according to Afar the goal of development is to create everything that is desired in maqâshid syari'ah, as the basic rights of each individual. In the form of five basic problems (al-dharuriyat al-khams), related to all basic economic needs that must be fulfilled, for the sake of maintaining the safety of religion, soul, mind, lineage and human property. In addition, development must be able to reduce the gap between regions, and pay attention to the interests of future generations in terms of how to exploit available natural resources. The strategies and models of development applied in Muslim societies or Muslim countries must be suitable and in accordance with the values adopted by the Muslim community. There should be no conflict between the objectives and development strategies implemented.

5.5. Maqashid Syari'ah As a Development Indicator

One of the objectives of economic development in the perspective of Islamic economics as explained before is the creation of justice for distribution; means that the minimum achievement in development is fulfillment of the basic rights of the individual economic needs of the community, as a guarantee of the maintenance of the maqâshid syari'ah, which consists of five basic problems, in the form of the safety of religion, soul, mind, lineage and human property, as the rights of every individual. The failure to fulfill the

basic rights of economic needs due to poor distribution will cause economic problems, which are far from understanding the conditions of prosperity.

Al-Syatibi considers that the purpose of sharia (maqshid shari'ah) is the benefit of mankind. Benefit, in this case, is interpreted as everything related to human sustenance, fulfillment of human livelihood, and the acquisition of what is required by emotional and intellectual qualities, in an absolute sense. Human benefit can be realized if the five main elements of human life can be developed, maintained and preserved, namely religion, soul, mind, lineage and wealth.

Meanwhile according to Al-Ghazali, the main purpose of sharia is to serve human interests and to protect them from everything that threatens their existence. He then classifies maqshid (purpose) into four main divisions, namely by saying:

“The very objective of the Shariah is to promote the well-being of the people, which lies in safeguarding their faith, their self, their intellect, their posterity, and their wealth. Whatever ensures the safeguard of these five serves public interest and is desirable, and whatever hurts them is against public interest and its removal is desirable.”

Therefore, clearly Al-Ghazali revealed that the main purpose of sharia is to encourage human welfare which lies in the maintenance of religion, life, reason, descent and wealth. Furthermore, everything that protects the five elements of public interest is recommended. And vice versa, everything that threatens it must be eliminated. Al-Ghazali then divided the level of human needs into three levels, namely dharûriyât, hajiyât and tahsiniyât. Dharûriyât is a necessity and foundation in upholding human welfare in the world and the hereafter which includes the maintenance of the five basic elements of human life (religion, life, reason, lineage and wealth). Abandonment of the five basic elements will threaten the existence of human life and will create damage on earth and loss in the hereafter. And the maintenance and preservation of the five basic elements will realize the welfare and happiness of human life.

While the hajjiyat is intended to facilitate life, eliminate difficulties or make better care of the five basic elements of human life. And tahsiniyât is so that humans can do their best to perfect the maintenance of the five basic elements of human life. He does not intend to eliminate or reduce various difficulties, but only acts as a complement, light and decorate human life.

Mustafa Anas Zarqa explained that the non-realization of the dharûriyât aspect could damage human life in the world and the afterlife in a comprehensive manner. The neglect of the aspects of the hajj is not to damage the existence of the five basic courses, but only brings difficulties for humans as mukallaf in realizing it.

The neglect of the tahsiniyât aspect ignores efforts to maintain five imperfect basic elements. Furthermore, he stated that all activities or things that are tahsiniyât must be set aside if they are contrary to the higher maqâshid (dharûriyah and hajiyât).

The basic economic needs, are the types and levels of minimum economic needs that are the right of each individual, identified from the maqâshid syari'ah at the first level, namely al-dharûriyât al-khams. Economic needs on the scale of dharûriyâh are all goods and services to meet these scale needs which must always be fulfilled, as determinants for the existence of human life, so that they are still able to carry out their duties and duties as khalifah on earth, according to human goals according to Islamic perspective.

Indicators of economic development based on maqâshid shari'ah (aldharûriyât al-khams) can be seen from:

5.5.1. Maintenance of religion

If the main points of worship such as "faith", say the sentence of creed, prayer, zakat, pilgrimage and others, are indicators for the maintenance of the existence of religion, then everything that is absolutely necessary - both material and non-material, means of goods and services to carry out the worship must be available and realized first.

These basic needs, among others, refer to the identification of needs in the form of facilities, goods and services proposed 'Abd al- Mun'im' Afar are as follows:

- a. In order to maintain the continuity of faith and creed, at least it needs to be provided, among others: the services of da'wah and the guidance of worship, the printing and publishing of religious books including the Koran and Al Hadist, the establishment of centers of religious instruction and guidance.
- b. To carry out worship which consists of:
 - Prayers: required mosques and mushollah, services of imam and muadzin, waqaf funds for maintenance costs of places of worship, and provision of other supporting facilities.
 - Zakat: formation of an integrated and professionally managed and transparent zakat institutional structure, training in management of zakat collection, management and distribution, mapping of potential zakat collection from muzakki and mapping of mustahiq zakat distribution, law enforcement for those who do not pay zakat, establishment intense socializing the obligation to pay zakat and its religious laws.
 - Fasting: an educational institution that teaches the laws of fasting, the creation of an environment that supports the smooth running of fasting, enlivening religious activities during the month of Ramadan.
 - Hajj: the establishment of a management institution for the implementation of the Hajj and Hajj fund management institutions, the provision of convenient transportation and lodging facilities and the Hajj guidance institution and the teaching of Hajj practice.
- c. Judicial institutions: services of leadership of the head of state are needed, consultative assemblies, judges, Islamic affairs institutions.
- d. Security institutions: services of security forces to safeguard the safety of prosecutors, public and state security and provide penalties for violators of applicable rules.

5.5.2. Maintenance of mind and soul

The need for soul and mind care includes eating and drinking, dressing and living (the need for a home). This means that the need for food, clothing and shelter is absolutely must be fulfilled to protect the soul and mind of humans, in order to maintain the

existence of life and carry out its main functions as the main actor of development (khalifah).

The fulfillment of these basic needs is a basic right of each individual. Economic development must place fulfillment of the basic needs of each individual as a top priority, because if it is not fulfilled it will threaten the existence of human life (soul). Maintenance of salvation according to Afar covers nine main areas:

- a. Food: staple food and serving equipment, side dishes and spices, clean water and salt.
- b. Equipment for body maintenance.
- c. Clothes.
- d. Housing.
- e. Health care: availability of hospitals, sick equipment, medicines, doctors, ambulances, and others.
- f. Transportation and telecommunications: land, sea and air transportation and communication equipment.
- g. Security: security services for individuals and society.
- h. Employment: halal and humane work, fair wages, and comfortable working conditions.
- i. Social protection: elderly maintenance institutions, orphans, assistance to unemployed people and social security.

Mind maintenance consist of:

- a. Education: the provision of educational institutions from the basic to the tertiary level, the low cost of education and even free, the provision of high funds for the education sector, the provision of adequate educational facilities including teachers and teaching staff.
- b. Information and culture.
- c. Scientific research: a center for curriculum development, a center for developing modern science, research centers, and others.

Indicators of economic development success can be seen from the fulfillment of basic needs to nurture the soul and human mind. All supporting elements of the maintenance of soul and mind are absolutely provided.

5.5.3. Maintenance of offspring and property

There is no civilization that can survive if the younger generation has a low spiritual, physical and mental quality, so that it has an inability to face the challenges of an increasingly dynamic life. By the way, it must be done in a planned and sustainable manner to improve the quality of the younger generation. One step to improve their character and personality is to instill good morals (khuluq hasan) through the tarbiyah process in families and educational institutions.

While property is a facility that God has bestowed on humans to support its main function as khalifah on earth. Property is a mandate that must be planned in a planned manner for the purpose of eliminating poverty, fulfilling the basic needs of each individual, making life comfortable and encouraging the distribution of income and wealth that is evenly distributed.

In acquiring and developing assets are required to be based on Islamic values. There must be a moral filter in its management. To maintain the safety of offspring and property, institutions that are associated with:

a. Offspring maintenance

Marriage institutions: simplify the legality of marriage, pre-marriage defense, fostering post-marriage households, and others.

Center for guidance on mothers regarding health, psychology, and food, regular checks to ensure the health and safety of the fetus.

Maintenance of children: guidance and health education for children, childcare institutions, basic programs for child health and nutrition, proper cultivation of faith and basic principles of Islam, provide expertise for underprivileged children.

Orphanage Foundation: maintenance center for orphans.

b. Treasure maintenance

Establishment of financial and investment institutions.

Accurate financial strategies for the construction and maintenance of assets.

Safeguarding the maintenance of assets by applying penalties for thieves, usurpers and fraud perpetrators, banning usury, bribes and corruption.

Ensure the security of property and private ownership, transaction-related arrangements, such as buying, selling, leasing, etc.

Teaching is related to the procedure for obtaining assets and their development, sources of halal and illicit income, transaction laws, etc.

Hifdz al-Mal (maintaining property rights), various types of transactions and agreements (mu'amalah) in trade (tijarah), barter (mubadalah), profit sharing (mudharabah) and so on are recommended in Islam to protect the property of a Muslim in order to live a prosperous life. Islam strongly prohibits acts of theft, corruption, consuming wealth in a natural way, fraud, robbery because this action will cause other parties to be oppressed. in QS, Al-Baqarah Ayah 188:

وَلَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ وَتُدْلُوا بِهَا إِلَى الْحُكَّامِ لِتَأْكُلُوا
فَرِيقًا مِّنْ أَمْوَالِ النَّاسِ بِالْإِثْمِ وَأَنْتُمْ تَعْلَمُونَ

Means: “And do not partake of the wealth of others among you by the way of the heart, and (do not) bring (the affair) to the judge, so that you can eat a portion of the property of the other person with (the way to do) sin, even though you knowing”.

Shari'at has determined the fulfillment, progress, and protection of every need and asserted the provisions relating to it as essential provisions, so that to maintain the religion is prohibited from apostasy, to keep the mind prohibited from consuming intoxicating drinks, to keep the soul from killing, to maintain family and descendants are prohibited from adultery, to preserve property forbidden to steal and rob. Furthermore, the prohibition against al-baghyu (rebellion), the prohibition of al-baghyu is to nurture

the ummah, because there is an obligation to unite and be forbidden by tafarruq (divorce). Therefore, it is morally obliged to enforce ukhuwah and is prohibited from mutual hatred and hostility.

Based on the description above, the concept of basic needs that must be a priority for economic development is all the basic needs that must exist and are needed to maintain the safety of religion, soul, physical strength, reason and human property, so that individuals can carry out their obligations to themselves, family, community, social system and security; the intended needs include all kinds of primary goods and services, as a means that must be produced in the development process with appropriate planning accompanied by an adequate budget.

Therefore, development based on maqshid syari'ah is development that places its main priority to fulfill basic human needs for the maintenance of five basic problems (religion, reason, soul, lineage and wealth) through business in the process of production or economic development. Fulfillment of the basic needs of each individual will correlate with increasing welfare or creating prosperity. And vice versa if humans are unable to fulfill their basic needs, they will feel dissatisfied, not peaceful, unhappy, unhappy, insecure. This condition is a condition that is not prosperous. Lack of well-being will have an impact on the disruption of five basic problems. Therefore Al-Ghazali revealed that the main purpose of sharia is to encourage human welfare which lies in the maintenance of religion, life, reason, descent and wealth.

Furthermore, everything that protects the five elements of public interest is recommended and vice versa, everything that threatens it must be eliminated. Increasing income and wealth through development is a necessity to fulfill basic needs while at the same time creating equal distribution of income and wealth, but to achieve prosperity, it really should not just stop there. Welfare must be viewed comprehensively which also includes fulfilling basic needs that will be spiritual or non-material. In line with Pramuwito⁴³ which categorizes conditions of prosperity if their physical needs are met which include: being free from hunger, lack of clothing, shortages of housing, water and air, guaranteed health, no difficulties in maintaining health by ensuring health facilities; and his spiritual needs which are free from fear, anxiety and threat. Fulfillment of social

needs, including freedom from various threats and the lives of peaceful and harmonious people.

Thus there is a relationship between economic development based on maqâshid shari'ah (al-dharûriyât al-khams) by fulfilling the basic needs of human life, and also its relationship with welfare conditions, which when concluded that economic development that prioritizes meeting basic human needs is a predisposition from welfare, in the sense that social welfare will be determined by how the community can fulfill the basic needs of its citizens.

Based on that, the planning and development process must prioritize sectors related to meeting basic needs so that they can become the five main problems. While the production sectors related to secondary needs that are not related to the existence of human life, are carried out in the next stage when all the basic needs of each individual have been fulfilled.

But it should be noted here that the need must be seen dynamically, its level will change dynamically along with changes in the economic conditions of the community in general. If the average life of an individual in a society changes, then automatic standards and levels of need will change.

5.6. Solution to the problems of the Social Security Organizing Practice.

Based on the explanation that the author has given before, it can be concluded that there are three main problems of BPJS based on what the author saw in Law No. 24 of 2011 concerning the Social Security Organizing Agency, three of which have been identified in the previous section, namely:

Table 5.1. Solution BPJS and Bumiputera as Social Security Organizing Practices.

No.	Solution	BPJS	Bumiputera
1.	The contract used	<p>If seen in articles 14, 15 and 16 of Law No. 24 of 2011 concerning the Social Security Organizing Agency which contains provisions regarding registration of BPJS participants, the author did not find what contract will be used as well as there is an unclear amount of amount that will be accepted by BPJS participants if the transaction is considered to be insurance, so that it causes uncertainty or gharar when the candidate BPJS participants register, to overcome this according to the author, changes to the contract used in the BPJS transaction can be made. The contract that can be used at BPJS according to the author is a tabarru 'agreement on sharia insurance, where this contract has been stated by the National Sharia Council of MUI. Fatwa No.53 of 2006 concerning the Tabarru Agreement 'on Islamic insurance has explained the use of the Tabarru Agreement for joint insurance between participants. In this tabarru agreement, it is carried out in the</p>	<p>Whereas the Sharia Principles set forth in the contract In this case there is a difference in terms between the DSN and the Joint Life Insurance (AJB) Sharia BUMIPUTERA, but in terms of principles, both are the same, namely the tijarah contract (DSN) and the mudharabah contract (AJB) which is intended to be profit sharing (mudharabah). Whereas the term 'Tabarru' (in AJB) is the same as the one used by the National Sharia Council (DSN) which is a grant or gift that will not be returned. The contract is also called the wakalah bil-ujrah contract (DSN) which states that Wakalah bil-ujrah is authorization from participants to the insurance company to carry out insurance activities including managing participant funds in exchange for granting Ujrah (fees), this is the same as applying conducted namely (AJB) ujrah is part of the contribution paid by participants to the company which is used to finance the company's operational activities in the framework of managing sharia life insurance. the</p>

	<p>form of grants with the aim of virtue and to help between participants, not for commercial purposes. Based on the fatwa, the tabarru agreement must also contain the rights and obligations of each participant, as well as the manner and time of payment of premiums and claims, or other conditions agreed upon in advance.</p> <p>DSN Fatwa no. 53 of 2006 also explained the position of the parties in the Tabarru 'agreement, wherein in the fatwa it was stated that in the Tabarru Agreement' or grant, the participants gave grants that were used to help other participants who were struck by the disaster. Individual participants are parties who are entitled to receive Tabarru funds 'if he is hit by a disaster, on the other hand the participant can also be a collective guarantor with other participants when there is a participant affected by a disaster, while the insurance company in the Tabarru contract' is as a manager of grant funds with contract agreement from the participants. The results of the management of Tabarru 'funds or</p>	<p>provisions in the contract are in full compliance with the provisions of DSN principles, that in the mudharabah agreement the company acts as mudharib (manager) while the participant acts as shahibul mal (policy holder) and in the tabarru agreement the participant gives a grant which will be used to help other participants were affected by the disaster while the company only acted as the manager of the grant. Thus the operational principles of Islamic insurance emphasize the principle of help, and justice.</p>
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		grants made by the company are fully the collective rights of the participants. Companies can get ujah or fees, if the contract used is wakalah bil ujah.	
2.	Penalty fee	<p>Law no. 24 of 2011 Article 17 contains administrative witnesses as meant in article 2 are administrative witnesses mentioned in article 1 previously are a. written warning. B. fines and c. did not get public service. Based on the analysis of the author in this case about fines are in accordance with the principles of Islamic law and can be continued so that the authors reject the assumption that fines are usury or additions that are not allowed. With reference to the arguments mentioned above, the fines in the BPJS may and may be valid because they avoid defaulting the registration agreement and wronging other people or -other BPJS participants.</p>	<p>AJB Bumiputera 1912 Kudus Syariah will take action by imposing fines on the insured if he is late for up to two months, if more than that period has not been paid yet then there is a grace period that has not yet been paid then the premium is considered invalid and thus the insurance agreement ends. Insurance is a special form of agreement regulated in the Criminal Code. As an agreement that the provisions of the legal terms of an agreement, in the Civil Code also applies to insurance agreements, because the insurance agreement is a special agreement, then in addition to the legal terms of the agreement apply also the legal terms of an agreement apply also special conditions stipulated in KUHD.</p>
3.	Participant Investment	<p>Law no. 24 of 2011 Article 11, Article 13, Article 41, and Article 43. According to Article 11 Item b "Placing Social Security Funds for short-term and long-term investments by considering</p>	<p>In AJB Bumiputra, the investment is separated from funds others. Tabarru funds' are managed by the company and invested in subsidiaries owned by AJB Bumiputra such as PT. Bumiputera</p>

	<p>aspects of liquidity, solvency, prudence, security of funds, and adequate returns. " In this case the placement of funds is not done in Islamic banks, but in conventional banks. This author concludes based on the provisions given by BPJS in terms of payments made available to BPJS participants where the payment is through Bank Mandiri, BNI, Bank BRI, Bank BTN and credit cards Visa, Mastercard and JCB. According to the conventional Islamic banking economics declared haram because there is usury in it, economically Islamic investment in conventional banks, the Indonesian stock exchange and non-Islamic mutual funds is not justified, unlawful because there is usury in it, then it should be in this investment government regulation in do it in Islamic banks, although opinions about the prohibition have not been fully agreed upon by all scholars.</p>	<p>Wisata, PT. Informatics OASE, PT. Bumiputera Mitrasarana, Bumiputera Muda 1967, PT. Mardi Mulyo. When the Tabarru funds run out then to overcome the inadequacy of funds taken from qardh to pay compensation or claims submitted by participants. The qardh fund assistance was obtained from BI.</p>
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This is based on several opinions which include the following:

- 1) Opinion of Abu Zahrah (Professor of the Faculty of Law, Cairo University), Abul A 'la Maududi (Pakistan), Muhammad abdullah Al-' Arabi (Legal Adviser at the Islamic Congres of Cairo), and others who agree that bank interest is usury nasiah, which prohibited by Islam. Therefore, Muslims are not permitted to engage with banks using the interest system, unless it is indeed in an emergency or forced, provided they expect and want the birth of an Islamic bank that does not use the interest system at all.
- 2) Opinion of A. Hasan the founder and Leader of the Islamic Boarding School Bangil (Persis) which explains that bank interest as in our country is not usury which is forbidden, because it is not dual as stated in the letter Ali Imran ayah 130.
- 3) The opinion of the Majelis Tarjih Muhammadiyah in Sidoarjo (East Java) in 1968 which decided that bank interest was given by state banks to its customers, and vice versa was included syubhat or mutasyabihat, meaning that it was not / was unclear halal forbidden. So according to the Hadith instructions, we must be careful about problems such as this. Therefore, if we are forced or we are in a state of hajah, it means that the need is urgent / important then we are allowed to live with a bank that uses the bank's interest system with its limits set in religion.
- 4) According to Mustafa Ahmad al-Zarqa (Professor of Islamic Law and Civil Law of the University of Syria), that the banking system we receive today is a reality that we cannot avoid. Therefore, Muslims are allowed to change to conventional banks on consideration in an emergency and are temporary. Because Muslims must try to find a way out by establishing a bank without a system of interest / usury, in order to save Muslims from the un-Islamic cultural grip.
- 5) In addition to the above opinions, there is also a fatwa from the DSN MUI whose contents are:

First: Understanding Interest and Usury

- a) Interest is an addition imposed in al-qardh loan transactions calculated from the principal of the loan without considering the utilization / yield of the principal, based on the time period, calculated in advance in advance, and generally based on percentage.
- b) Usury is an additional ziyadah without compensation that occurs due to complaints in payments promised beforehand, and this is what is called Riba Nasi'ah.

Second: Interest Law

- a) The current practice of interest money has fulfilled the criteria for usury that occurred during the time of the Prophet Muhammad, Yes this is Riba Nasi'ah. Thus, the practice of interest money is one form of Riba, and Riba is unlawful.
- b) The practice of using the law is unlawful, both carried out by banks, insurance, capital markets, pawnshops, cooperatives, and other financial institutions or carried out by individuals.

Third: mu'amallah with conventional financial institutions

- a) For regions where there are offices / networks of Islamic finance institutions and are easily accessible, transactions are not permitted based on interest calculation.

For regions where there is no Sharia financial institution network / office, it is permissible to conduct transaction activities in conventional financial institutions based on dharurat / hajat principles. Also continued in Article 13 point b "Developing assets of the Social Security Fund and BPJS Assets for the greatest interest of the participants", article 41 paragraph 2 point d, "investment in investment instruments in accordance with the laws and regulations". And Article 43 paragraph (2) in point c "investment in investment instruments in accordance with the laws and regulations". Preferably in the regulations the law is directed at Islamic banks, except in those areas or regions there are no Islamic banks.

5.7. The Role of Zakat in Reducing Usury

According to Ismail, that the potential for zakat in Indonesia on a macro scale by doing simple mathematical calculations can be very large. Counting starting from the population of Indonesia, which numbered about 210 people, and approximately 85% converted to Islam, which is about 178.5 million people. If it is assumed that only a quarter (25%) of the Muslim population is categorized as having the Nisab in paying zakat income or around 44.6 million people. And if they are assumed to have an income of 1.5 million rupiah per month.

Thus, the potential of zakat contained is worth:

$$\text{Rp. } 1,500,000 \times 44,600.00 \times 2.5\% = \text{Rp. } 1.6 \text{ trillion}$$

These are monthly results, which in a year become:

$$\text{Rp. } 1.6 \text{ Trillion} \times 12 \text{ months} = \text{Rp. } 20.1 \text{ Trillion}$$

This figure is a significant number to support economic growth. Then based on the results of the latest research conducted by the Islamic Development Bank (IDB) and Bogor Agricultural University (IPB), it shows that the potential for zakat in Indonesia reaches Rp. 217.3 Trillion. However, according to Prof. Dr. Didin Hafidhuddin, that we need to work hard again, because of the potential of Rp. 217.3 Trillion, the actualization is still very far away. Because only Rp. 2.3 Trillion registered at BAZNAS. The listed funds have only reached 1% of the total potential. And according to Didin Hafidhuddin, in principle BAZNAS does not demand that all zakat funds be withdrawn to the center. But in principle, the collected zakat and distribution to residents in their respective areas is reported to BAZNAS. So, that zakat is managed professionally, right on target and can be a solution to the problems of the people. The urgency of zakat in public welfare is as follows:

1) Institutionalization of Zakat

The institutionalization of zakat is a form of government attention to zakat. For example the establishment of the National Amil Zakat Agency. In addition, there are still several other private zakat institutions. The author prefers the centralization of institutions that manage zakat, because with the centralization of zakat institutions, the potential for zakat in Indonesia can be collected in one container, namely the National Amil Zakat Board. Also supported by public awareness to pay zakat to BAZNAS and the government as the holder of government authority. So that the collection, management and distribution of zakat will be maximized.

2) Legislation and Regulation

The implementation of zakat that runs in society is based on awareness without coercive rules. The results will be different if the government, which has the authority, issues legislation which is a bit more compelling to the public to fulfill their obligations to fulfill their zakat obligations. As a result, the potential that should be an alternative solution to support the welfare of the people in Indonesia has not been maximally utilized. Therefore, there needs to be an economic policy from the

government to make these rules. If you look at the history of Umar ibn Khattab's governance, zakat is obligated to people who have fulfilled the obligatory requirements of zakat, and to give punishment to those who do not want to pay zakat. The government of Umar bin Khattab's era was very strict and clearly regulating zakat.

3) Source of State Foreign Exchange

In macro, that zakat can be used as a source of foreign exchange. In the history of Islam, the State's source of foreign exchange in the government of Umar bin Khattab besides tax was zakat. Zakat received more attention in the government. While zakat in Indonesia, according to the author, government attention is still unfortunate, because government attention is not optimal. As if there are no rules that force Muslims to pay alms to those who are able. So that zakat cannot be a source of foreign exchange, and cannot be used as a state budget.

4) Lack of Collateral in Transactions

Zakat is conceptualized by Islamic Sharia to help people who lack in economic life so that it does not require collateral in the transaction. The absence of guarantees means opening opportunities for the poor to try to change their lives to become prosperous, so that in the future they will become muzakki and no longer become mustahiq.

5) Means of pure application of Islamic economic products

Zakat can be a means to implement Islamic economic products purely. Because Islamic economic products have not been purely applied by Islamic banking. Given that the existence of Islamic banks in Indonesia is still relatively young in the banking world.

6) Fund Distribution

The distribution of capital from the collected zakat funds can be given to individuals or groups, capital distribution can be in the form of working capital or investment. In this case, the zakat institution can propose conditions, can the business be able to recruit other workers. When it is developed later, this business must be able to contribute to other neighbors who are also poor. In this way, the zakat institution is pushing for economic activity to be multiplier effect.

7) Establishment of Financial Institutions

In channeling assistance to super micro entrepreneurs, zakat institutions can develop Islamic microfinance institutions (LKMS). As a mediator, LKMS has a strategic position. Through LKMS, zakat institutions do not need to go directly to take care of entrepreneurs. With LKMS, zakat institutions can actually control empowerment more thoroughly. There are predictable targets, there are reports that can be standardized, and there are data that can be used as patterns for empowerment programs. With the synergy between zakat institutions and LKMS, LKMS will become an empowerment movement that has special characteristics and characteristics. Through a number of LKMS, zakat institutions can truly play a role as agents of development.

