# MEDIA SYARI'AH

# Wahana Kajian Hukum Islam dan Pranata Sosial

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# Islam and Social Well-Being: Maintaining Economic Security and Beyond

Hanapi Mohd. Nor

**Abstract:** The main features of the socio-economic security system in the early period of Islamic administration can be enumerated as follows: Head of the State was conscious about the social economic security of the citizens, institution of Zakahand Bait- al-Malwas effectively used for people's benefit and financial/material safeguard assistance system was implemented for all the citizens irrespective of class and creed. Triggered by the phenomena of contemporary Muslim countries, relative lack of social economic security coverage, especially for non-contributory groups, slows the rate of poverty reduction, causes social instability and raises social justice concerns. This paper argues that the state ability to provide means for social economic security, contributes to sustaining long term stability because the provision of services reduces by offsetting the effect of poverty and inequality in society. Meanwhile, social security programmes have become part and parcel of the socio-economic fabric of all the industrialised nations and of most others as well. However, the paper argues that economic security does not represent overall human needs. The paper explores the conceptual links between economic security

with the fulfilment of non-economic needs which despite the recent surge of critical views about welfare state and its social security agenda, most of social welfare advocates do not often talk about. Hence the aim of this paper is twofold: first, to offer a summary compilation of the Qur'anic and Sunnatic model of social wellbeing through economic safeguard measure which consisted of both contributory and non-contributory schemes, second, to provide a framework for action in achieving social well-being through fulfilment of human needs. The central question asked in this paper: (i) what is the Islamic scheme for social economic security? and (ii) is there any curative measure that must be taken to cure the present deterioration within the modern social welfare system? Answers to the questions will provide pertinent and relevant insight for better understanding of the comprehensive perspective of social well-being in its relation to social economic security.

Keywords: Islam, Social, Economy

#### Introduction

asically in promoting human well-being is closely related to the human needs fulfilment, within which stands the life purpose at its core, the better the needs are fulfilled, the higher the individual's overall wellbeing... Thus all social and political theories are based on some ideas about human nature within which stands the theory of human needs. Yet, need's analysis occupies an ambivalent position in public policy formulation. Until fairly recently, the literature on the development of the modern welfare system focused primarily on the fulfilment of material and psycho-physical needs. Nonetheless, the welfare state is now argued to be responsible for, among other things, of "low self-esteem, emotional stress, and in general, and cultures of "dependency" among its clients. Thus, the twenty first century has witnessed a bitter squabble nay an antagonism within the camp of economic liberalism, which battles between two opposing socioeconomic approaches, namely classical liberalism, which produces social welfare system, and neo-liberalism, which opposes to it.

Meanwhile, it is almost commonplace to state that Muslim countries are in a state of crisis. The description and interpretation of this crisis are many; hence the diagnosis of the disease is seemingly complex. It is almost commonplace to state that Muslim countries are in a state of crisis. The description and interpretation of this crisis are many; hence the diagnosis of the disease is seemingly complex. Obviously, there is a paradox at the heart of the Muslim countries. Most people want more income and strive for it. Yet the empirical evidence proves beyond a reasonable doubt that the distributive justice is obviously lacking.

Across Muslim countries in-come security is a major problem. However, some Muslim countries experienced rapid and

almost continuous year-to-year economic growth and achieve greater income equality, yet the moral transgressors continue to dominate the news about their anti-social acts ranging from sexual crimes, baby dumping, drug-abuse and juvenile delinquency. In our day, there is a great danger that threatens the Muslim's social fabric. In the same way as a virus kills the human body, this danger brings about subtle social collapse. This danger is the degradation of those moral values that help to maintain a healthy society. Prostitution, pre-marital and extra-marital sex, and the increase of sex-related illnesses, are a number of important indications of the collapse of moral values. What is clear is that the drug menace is part of a larger social problems, in the rural, urban and suburban areas.

This paper will argue that Islam stands for maintaining social economic security in which basic material needs are met and in which human dignity, including meaningful participation in the life of the community, can be met. However, the Islamic concept encompasses non-material dimensions to form a qualitative whole. And at the same time, it argues that both the European social welfare model as well as market driven economic of neoliberalism have yielded some success in the areas of fulfilment of psycho-physical and social needs, but the negative social impacts of neglecting moral-spiritual needs have undermined its effectiveness in achieving social well-being.

The observation of the current set-up of the Muslim *ummah* as a whole and with a particular reference to our local and regional scenario, brings us to the conclusions that despite economic growth and strong political will to inculcate life quality it has not been possible so far to safeguard the large segment of the *ummah* from material and moral degradations.

Indeed, if we can judge from statistics - a doubled crime rate, and mushrooming social ills - our societies seem to be insecure. Such phenomena show that economic growth must be coupled with - among others — solid worldview with a clear purpose of life, balanced personality and apparent boost towards distributive justice.

In summary, the central question asked in this paper: (i) What is the Islamic scheme for social economic security? (ii) Is there any curative measure that must be taken to cure the present deterioration in maintaining social well-being within Muslim countries, and (iii) What are the constructive critiques to both modern social welfare system as well as to neo-liberal market oriented which opposed to the welfare system.

Answers to the questions will provide pertinent and relevant insight in order to better understand the comprehensive perspective of social well-being in its relation to social economic security.

# **Working Definition**

The proposed working definition of social well-being in relation to economic security is as follows: Economic security: Fundamentally economic security requires an assured basic standard of living in the form of income, whereby social security is deliberately *protective*. It recognizes that people and communities are fatally threatened by events well beyond their control: a financial crisis, a violent conflict, etc.

The aim of social security system is to fulfil every possible human need. These needs can broadly be classified into two categories: (1) Primary needs i.e., food, clothing, housing and necessary medical care, and (2) Secondary needs i.e., education, matrimony, old age benefits and social services etc.

Welfare and Wellbeing: In the present context, there is some confusion between the words "welfare" and "well-being". The term "well-being" here is more towards the Qur'anic meaning of al-falah and al-sa 'dah) (al-najat), al-fawz, and happiness as used the classical Islamic ethical and philosophical literatures. Different from the socio-economic meaning of the term 'welfare,' well-being is related to "wellness". However, wellness refers to the quality or state of being in good health especially as an actively sought goal. For instance, daily exercise is proven to promote wellness. The other related terms are welfare state and social welfare. Welfare means the condition of doing well especially in respect to good fortune, happiness, well-being, or prosperity. While the **concept** of "human well-being" has been replaced by the concept of "social welfare" with an economic overtone which concentrates mainly on survival needs. Well-being, on other hand, can mean the state of being healthy, happy, or prosperous. In the present context, there is some confusion between "welfare" and "well-being". Thus the above list of needs represents the integrated vision universal human needs. The term well-being here is equivalent to the Qur'anic meaning of al-falahand to a certain extent it relates to happiness (al-sa 'adah), rather than the socio-economic meaning as usually understood by the terms social welfare. The word *falāh* and its derivatives have been used 40 times in the Qur'ān. Another word, fawz, which is a synonym of  $fal\bar{a}h$ , has also been used 29 times along with its derivatives. This is also the goal towards which the mu'adhdhin calls the faithful five times a day, showing thereby the importance of falāh in the Islamic worldview

# Distributive justice and socio-economic security scheme

Based on the Qur'anic injunctions, it is necessary to eradicate the extreme inequalities in personal income and wealth, e.g. by prohibiting such social and economic evils as producing harmful goods and services, interest, speculation, monopolies, profiteering through unfair prices, fraud. And by imposing zakat and taxes (Do not injure, and do not inflict injury). Morover, the various Qur'anic verses that related to distributive justice, we may derive several principles as follows:

- **1.** Human well-being is promoted when human needs are fulfilled.
- **2.** Socio-economic security should be paralleled with the comprehensive scheme for human well-being
- **3.** Spiritual-moral values should be inculcated and enhanced into society

In quiet similar with liberal democratic and welfare liberalist viewpoints, the Holy Qur'an makes the State responsible to see to it that every citizen is provided with the basic needs of life and the means for the development of latent capabilities. Weaknesses of character arising directly from want and poverty are thus eliminated.

The *Qur'an* simply states that revenues which belong to the government are not only to be utilized for meeting its expenses and for improving the quality of life in general, but should categorically take into account the satisfaction of basic needs of the poor and the needy people. The social security obligation of the state is read in conjunction with the authentic prophetic tradition that "the head of state is the guardian of one who has no guardian."

However, family responsibility to ensure economic security of parent and kid is not less significant. Al-Qur'an urges "Say: whatever wealth you spend, it is for the parents and the near of kin and the orphans and the needy and the wayfarer. And

whatever good you do, Allah surely is Knower of it. ([2]: 215)

The earliest instance of fulfillment of basic necessities of non-Muslims during the early period of Islam can be seen in one of the treaties concluded by the Muslim general Khalid ibn al-Walid during the days of Caliph Abu Bakr. The treaty reads:

"And I have granted the right that if an old person becomes incapable of working or is suffering from ill health or is a destitute after being rich, so much so that his co-religionists start giving him alms, then his jizyah will be remitted; he and his family will receive the allowance for maintenance from public treasury as long as he lives in the Islamic State". It is no doubt the form of constitutional guarantees from the moment dhimmi communities ceased to be separate entities. http://www.irfi.org/ [18] December 2014]

Thus during its very inception at Madinah in the early 7th century, the Islamic state accepted its responsibility towards the poor and the destitute. Furthermore, the pillar of Islam instructs that every adult, mentally stable, free, and financially ableMuslim, male and female topromote general well-being through the obligation to contribute to Zakat fund.

# The Qur'an states:

Justice and equity are the essential principles "O you who believe! Be staunch in justice" (al-Nis $\bar{a}$ ' [4]:135) "O ye who believe! Be steadfast for God in equity, and let not hatred of any people seduce you that ye deal not justly..." (al-M $\bar{a}$ 'idah [5]:8). "Say! My Lord enjoineth justice" al-Ar $\bar{a}$ f [7] referring to 'the son of Adam' any ambiguity in defining the scope of these traditions has been removed. Thus it is obvious that the Islamic State is bound to provide for the basic necessities of its people irrespective of their religion.

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### Contributory and non-contributory schemes

Many countries in modern age lack the legal infrastructure and administrative capacity to extent the coverage to non-contributory groups. On the contrary, in 7th century C.E. the City State of Madinah strongly established this type of social security scheme which covers both non-contributory and contributory groups.

### 1. Non-contributory scheme

Beneficiaries do not make contributions to this plans instead, these plans are typically financed with zakat fund and/general tax revenues, or various type of revenues such as jizyah and, kharaj, ghanimah, fai etc.

The Qur'an provides guidelines to protect eight categories of individuals through the zakat fund which provide income support on the basis on need as follows:

(i) The hard core poor, (ii). The relative poor, (iii) Those whose hearts are to be won (iv) To free the captives, (v) Those in debt (vi) In the way of Allah, and (vii) The way farer

The Qur'an states:

إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسنَاكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ

وَ الْغَارِ مِينَ وَفِي سَدِيلِ اللهِ وَابْنِ السَّدِيلِ اللهُ وَالْغَارِ مِينَ وَفِي سَدِيلِ اللهِ وَابْنِ السَّدِيلِ اللهَ عَلِيمٌ حَكِيمٌ

"Charities are only for the poor and the needy, and those employed to collect them, and those whose hearts are to be reconciled, and for [the freedom of] the slaves and the debtors, and in the way of Allah, and for the traveler. [This is] an ordinance from Allah, and Allah is all-knowing, all-wise."

The prophet (SAW) utilized the limited revenues of the state collected from Zakat, Khums and Fai' to meet the needs of the poor, orphans, widows, the disabled, debtors, slaves, prisoners of war and those who were unemployed.

Prophet's policy was followed by Abu Bakr, his successor, who continued assisting and taking care of the poor and the needy. It was, however, during the time of Umar, Abu Bakr's successor and second caliph of Islamic state, that the scheme of social security for all was established on permanent footing as the state had expanded to include in its fold many rich countries like Iraq, Syria and Egypt and its revenues had substantially increased. Everyone who had migrated before the conquest of Makkah was given an annual allowance of 3,000 dirhams: and those who embraced Islam at the conquest of Makkah were given 2,000 dirham each, and young children of the Muhajirin and Ansar also received some amount. Whereas the Yamanis origin who settled down within the Sham territory (Jordan, Syria and Palestine) and 'Iraq was given 2000.00 dirham respectively (al-Yamani, 'A,S [n.d])

Even, during the rule of 'Umar ibn al-Khattãb, the expenses for nursing and breeding of the newborn were paid from the treasury, and parents were given allowance for the newborn child. In the beginning a child was given 100 *dirhams* per annum, which was increased later on. For the unclaimed children a stipend of 100 *dirhams* was fixed (al-Yamani, 'Abd Sā'id, Ahmad, [n.d.). After 'Umar, the system of social security continued to be maintained with almost same zeal by his successors 'Uthman and 'Ali, the third and fourth right-guided caliphs.

Meanwhile, Zakah is an important technique of social security provided in an Islamic setup. In certain respects, it resembles social assistance. Social assistance is financed from the general revenues but Zakah is a special levy and can be used for specified purposes only. A poor person can be paid Zakah for making him care-free for one year but no more. But the amount paid should make him non-poor <a href="http://kantakji.com/media/">http://kantakji.com/media/</a> [December 15, 2014]

Secondly, the beneficiaries of social assistance are protected against the contingencies of old age, unemployment, born invalidity, largeness of families and medical care. Zakah proceeds may be applied for all these purposes plus a few more such as heavy debt, conciliation of hearts, in case of natural calamities and social persecution and help to travelers in distress http://kantakji.com/media/ [December 18, 2014]

It is interesting to note the wisdom behind payment of these social assistance might increase the effective demand of goods and services. It may be used to stabilize economic conditions to certain booms, it may be used as an anti-inflationary device, or as a device to c eer up the economic outlook. Moreover, by proper and systematic distribution of Zakat fund etc may promote capital formation and investment in human assets to build up a strong base for future growth.

# 2.Contributory scheme

There are Qur'anic injunctions as well as historical evidences the practice of allocating financial/ material assistance during the Madinah City State as implemented during the prophet's time and during the reign of the four guided Caliphs. During Caliph 'Umar's rule, the State revenue was immensely increased *Zakah 'ushr*(religious tax on agricultural land), *Sadaqah*, *jizyah*(tax on the non-Muslims for providing security) and *khums*(the one-fifth of the spoils of war) were credited to the treasury for the use of the people at large <a href="http://www.muslimtents.com/shaufi/">http://www.muslimtents.com/shaufi/</a> [December, 15, 2014]

Thus, in the year 20 H.E., the third caliph 'Umar established a department for the purpose of holding census of population at regular intervals. On the basis of this census annual pensions were fixed. What follows are some records of pension or allowance per annum during the rule of Caliph 'Umar al-Khattāb: "Those whose participated in the battle of Badr and Hudaibiyyah allocated a stipend of 4000.00 dirham, for every single Muhājir before the fall of Makkah got 3000.00 dirham. For Muhājirin's and Ansār'swifes were allocated for them within the range of 200-600 dirham, every Makkansrecieved 600.00 dirham, whereas every Ansār was given 5000.00 dirham. Whereas Caliph 'Umar (RA'A) himself as well as 'Ali ibn AbīTalib (RA'A) and 'Uthmān ibn 'Affān allocated for 5000.00 dirham each. The same amount was for Sayyidina Hasan and Husein (RA'A), whereas AbūDharr al-Ghifāri received 4000.00 dirham. For every retired general received 8000.00 dirham. For 'Umm al-Mu'minin (RA'A) was given 10000.00 dirham respectively, except for Sayyidah 'Aīshah (RA'A), she was given slightly higher amount. Every Muhājir to Habshah was given 4000.00 dirham. (Yamani, 'Abd Sā'iid Ahmad, n.d.). According to other source, to those had fought in the Battle of Badr got 5,000 dirham per annum, and for those who fought in the Battle of Uhud, were given 4,000 dirhams per annum; the children of those who had fought at Badr received 1,000 dirhams. The disabled, old and the destitute among the non-Muslims were also provided financial assistance from public treasury and their taxes like Jizyah were remitted" (Yamani, 'Abd Sā'id Ahmad, (n.d).

#### SYNOPSIS OF OUR PRESENT PREDICAMENT

As has been rightly high-lighted by scholars "that zakat distribution can take place in two situations. The first is direct distribution in the form of life long support given to those who are not productive because not capable of working and finding means to sustain their lives. The second situation is in which the funds become resources to run that can bring in income and hence improve the lives of recipients." (Mahyuddin H.A. B.,ijass net.com/journals/ March 2011 [26 December 2014], Abhath: 1409 HE/1988CE), Silsilah: 1415 HE/1994CE)

Unfortunately, the main problem with our Zakat management is that the disbursement system is lacking of uniformity and it has course an adverse effect on distributive justice. It is truism to assume that certain extent, some Muslim countries have had achieved efficiency level in collecting Zakat to the point where our Zakat fund is sufficient enough to enhance distributive justice, which might cause Zakat fund to be distributed in a very restrictive and selective manner, known as the means tested method of disbursement, but less uniformity. In doing so, it is have most likely allowed poverty to flourish in the midst of abundance of fund.

If we turn to our economic history, it is a matter of fact that with the dismemberment of pious caliphate, this noble system of distributive justice also deteriorated. 'Umar ibn 'Abdul 'Aziz ('Umar II), however, immensely revived it for a shorter period during his brief reign (717 to 720 CE). Since then there are uncountable literatures on Zakat, but although the Islamic guidelines have the necessary ingredients to develop such an optimum approach for the promoting distributive justice through – among others- Zakat fund. Nonetheless, the administration of Zakat Fund in the Muslim world have not yet utilized the optimum approach in ensuring and promoting distributive justice to the 'hard core poor' and 'relative poor'. Then in contemporary economies with large urban and industrial sectors with mass production, using massive capital in modern production processes, and fundamental changes in production and distribution, together with income disparity, monopoly, speculation, international diseconomies etc., it is absolutely necessary to strengthen our knowledge-based approach in order to cope with those new challenges and to strengthen the function of distributive justice.

Thus the current set-up of the Muslim ummah as a whole and with particular reference to our local and regional and scenario, brings us to the conclusions that despite economic growth and strong political will to inculcate life quality into the society it has not been possible so far to safeguard the large global segment of the ummah from material and moral degradation. There are countries which to some extends managed to successfully established a strong Zakat fund derived from a compulsory contributions from different sources, namely: (i) Monthly contributions from large number of employees who choose of paying Zakat instead of conventional income taxes, and (ii) Contributions from the corporate bodies. To some observers, the countries concerned, have done impressive work in improving

the understanding of the purpose, use, and out come of Zakat, but the ways and means of distribution are still in unsatisfactory level.

The paper slightly touches on two sets of related issues: (i) the Zakat fund distribution seems mainly to function as what so-called non-contributory pension scheme, as an effort towards poverty and inequality reduction; and (ii) the available evidence on the impact of these programmes of over-coming poverty as practiced in the Madinah City State administration under the leadership of Muhammad (SAW), the Guided Caliphs as well under the extra ordinary leadership from the house Umayyad namely 'Umar 'Abd al-'Aziz.

# Squabble between welfare liberalism and economic neoliberalism

As it has been mentioned earlier that the welfare state is now argued to be responsible for, among other things, of "low self-esteem, and cultures of "dependency" among its clients. It is a truism to assume that reliance on social welfare erodes personal responsibility and the overriding duties. At this juncture, it is pertinent to note here that Islam discourages subsisting on social welfare. Therefore, a true Muslim prefers hard work and low living standards to living on charity.

Meanwhile, the terms of the debate on what was the 'appropriate role for the state and public institutions' in a capitalist economy was set by neo-liberal theorists such as Milton Friedman, Fredrich Hayek, Geroge Stigler, James Buchanan and Alan Peacock. Hayek published his seminal text on the 'road to serfdom' in the 1940s. It was a damning critique of 'state interference in the economy'. On the contrary, welfare liberalism as well as democratic liberalist regimes stand on the premise which set the terms of reference as to what was an appropriate role

for the 'state' in the economy. Such theories mainly included 'Keynesianism' and 'welfare state economics'. They all agreed theat the state had an important role to play in mitigating the worst effects of the private market, particularly insuring citizens against market risk. It was widely accepted that citizens required social protection against unemployment, old age, sickness. Labour markets were to be de-commodified through social security and a variety of social rights were embedded in health, education and pension provision. https://aregan.wordpress.com/[December 17, 2014]

Historically, liberalism <a href="http://en.wikipedia.org/wiki/Classic al liberalism">http://en.wikipedia.org/wiki/Classic al liberalism</a> is a set of ideas that arose in the 17th and 18<sup>th</sup> centuries, out of conflicts between a growing, wealthy class and the established aristocratic and religious orders that dominated Europe. Liberalism considers individualliberty to be the most important goal, because only through ensured liberty other inherent rights are protected <a href="http://www.uq.net.au">http://www.uq.net.au</a> [18 November 2014] 'Seventy years after Sir William Beveridge began the welfare system in UK, there was an argument against it.

In those countries, people enjoy better nutrition, health care, education, science-technology, and they are somewhat happier than those in under-develop and developing countries. Yet their increasing real incomes have not produced increasing happiness. Such findings show that economic growth in affluent countries has provided no apparent boost towards social well-being. Tony Blair in 1995 asked British to look into British social problem called for a new civic society where everyone played a part.

Among welfare states of industrialized, developed countries of the west, a doubled divorce rate, more-than-doubled teen suicide, and mushrooming depression as an example, seem to

be more often miserable. Thus, the phenomena of drug abuse, violent crime, teenage delinquency, family breakdown, welfare dependency, children who kill: all have been cited as a proof of the failure of a welfare state.

On our side, together with wide-spreading of knowledge and economic growth in Muslim countries, we equally share the problem of the developed industrial nations which both are marked with the above mentioned similar problems, but added with the following:

- 1. Wide-spread of destructive elements of permissive culture
- 2. Laissez faire morality
- 3. Culture of drug abuse/addiction
- 4. Deviant and delinquent behavior

Thus we are faced with a dramatic increase in collective pathologies for which treatment have proved ineffectual; and the understanding of these collective pathologies requires transdisciplinary understanding and action. If we do not take up the challenges, we may all become accomplices in creating and maintaining sick societies.

The emergence of neo-liberalism, which carries the banner of economic neo-classicism, turned in economic policy with an attack on the welfare state. According to the neoliberal narrative, the welfare state mistakenly saw its task as intervening in the economy, redistributing wealth, universalising life-chances, attacking unemployment, protecting the socially vulnerable, ameliorating the condition of the oppressed or marginalised groups and addressing social injustice. According to the critic, Choudhury re-iterated that "according to Phelps, distributive equity is not the

focus of neo-classical economic order, because under rational choices, the economistic motive to maximize profits, utility, output and productivity, renders the ethical goal of distributive equity less attractive, and more costly to attain than economic efficiency".

Obviously neo-liberalism emerged as a radical anti-Keynesian movement that sought to dismantle major Keynesian institutions and policies <a href="www.theguardian.com/">www.theguardian.com/</a> [December 12, 2014). Although, there is no evidence that European welfare systems are converging towards neo-liberal regime in which the state rule is residual to the market... Nonetheless, given the policy direction within EU Member States, neo-liberal ideas and policy prescriptions dominating current debate over welfare state sustainability could lead to the European model's fundamental revision (Walker, A., 2007).

Thus, within the neoclassical paradigms we note that the Maslow's self-actualization gets drawn into the framework of growth models' approach (Choudhury,) It is very firmly based on the assumption that individuals, firms, and nations are economically rational and will choose always to maximize profits/satisfaction and minimize costs. There is one-to-one correspondence among optimality, equilibrium, substitution, methodological individualism and economic rationality (Choudhury).

#### Neo-liberalism and welfare liberalism

Neo-classical and welfare liberalism are born of the same ideology but differ greatly on social as well as on economic issues. One likes regulation and equal opportunity where the other says anything goes and it's all about survival of the fittest. While they have many similarities they are inherently different <a href="http://greyenlightenment.com">http://greyenlightenment.com</a> [18 Dec. 2014]. The critique on the

neoclassicist paradigm from the committed Muslim economies is until now very rare. However, Choudhury has rightly touched on this issue. He reiterated that "it is now clear, that in the process of break away from the trade-off between the goals of social justice and economic efficiency, the neo-classical doctrine of social system shows the failure. Thus, the moral and ethical basis of all epistemologies does not exist in these systems by their very design and inception." (E. Ahmad, 1996: 17-44, 46).

What follows are some of the liberal principles that being integrated into neoclassical paradigm that give a paramount impact on the educated and professional circles, Muslim and non-Muslim alike: i.e. (i) Individualism (ii) Rationalism (iii) Empiricism (iv) Positivism (iv) Skepticism (vi) Instrumentalism (vii) Relativism (viii) Hedonism (ix) Utilitarianism and (x) Value free (Unger, R. M., 1984).

Nevertheless, economic neo-classicism adopted almost all the principles of classical liberalism but by emphasizing on the: Methodological individualism, (ii) Instrumentalism. (iii) Methodological optimization, Rationalism. (iv) Equilibrium economic rationality and substitution (Choudhury: 1401AH/1981 AC) It is very firmly based on the assumption that individuals, firms, and nations are economically rational and will choose always to maximize profits/satisfaction and minimize costs. There is one -to-one correspondence among optimality, equilibrium, substitution, methodological individualism economic rationality. Thus the major principle of neoclassical utilitarianism is to choose actions so as to maximize individual utility. The reason is that individual utility maximization will result in the conditions of general welfare, by a so-called invisible hand (Choudhury: 1401AH/1981 AC).

All of those are instrumental in establishing an intrinsically non-interactive socio-economic model of reality. It is essentially this non-interactive nature of neo-classical methodology that makes the latter ethically neutral, socially benign and technologically exogenous (Choudhury: 1401AH/1981 AC). It is predominantly value free, so much so that its social and cultural life is disharmony if not inimical to any value-based economy.

However, "in regards to the methodological concept of competition, there remains duality between non-interacting agents. In choices between 'goods' and 'bads'; between 'goods' and `goods'; between `bads' and `bads', there is a basket comprising all these categories as independent possibilities of choices. Thus, the principle of substitution permits the choice between ethical and unethical bundles as permanent possibility, that cannot change in the long run with the advance of knowledge respecting these choices Whereas individualism of classical liberalism, it is often contrasted either with totalitarianism or with collectivism, but it turn to be known as within the neo-classical context "methodological individualism and methodological optimization that are conjoint. They present the individual as self-seeking (not simply self- interested) individuated category pitted against others for optimal share of resources under the motive of enhancing the goals of economic efficiency in the midst of market consequentialism. The resulting competition now explained by the neo-classical principle of substitution, is a picture in duality of being. In respect to the trade-off between economic efficiency and distributive equity, there is duality between these moral and material aspects of human welfare." (Choudhury: 1401AH/1981 AC).

Walker, a social policy expert, is of the opinion that "global neo-liberal hegemony, which in its pursuit of market

interest increases inequality and security, favour the powerful and socio-economically secure, and break down the state role as provider..." (Walker, A., 2007: 11). It may undermine both the Qur'anic scheme of social assistance and protection and of the EU pension system goal of universal socio-security in old age. Hence, Walker urges us with his view that "the IGO role in framing the sustainability discourse should be subjected to close scrutiny." (Walker A., 2007: 11).

Referring to neo-classical approach, Choudhury asserted that "The underlying dualism of matter and spirit conveyed in the impossibility for moral-material simultaneity and in permanently allowingbundles of good-bad/bad-bad/good-good choices to arise out of substitution, is not resolved by the neo-classical optimal choice on the production frontier." (Choudhury: 1401AH/1981 AC).

Within the economic neoclassicism, we note that the self-actualization gets drawn into the growth models' framework. In this regard, Choudhury rightly asserts that according to Phelps, distributive equity is not the focus of neo-classical economic order, because under rational choices, the economistic motive to maximize profits, utility, output and productivity, renders the ethical goal of distributive equity less attractive, more costly to attain than economic efficiency. Neo-classical economics strongly adopted the Cartesian rationalism.

Furthermore, if we venture to the root of neoclassicism, we realize that it is based on mechanistic view of universe and man. For it is part and parcel of modern thought that emerged together with the consolidation of the spirit of the industrial revolution, the establishment of urban industrial society, and the actualization of secular lifestyle, as it was shaped in the 18th and 19th century in Europe, the religion, had been pushed away from

social and cultural scenes. The religion worldview had been replaced by a secular one.

In his brilliant work *The Secular City*, Harvey Cox has defined the secularization as "the deliverance of man first from religion and then from metaphysical control over his reason and language." (Al-Attas, S.N.: 1978: 14-16). It is man turning his attention away from worlds beyond and toward this world and this time. Hence, there was the dispute over the criteria of good and evil and the criteria of validity and reliability in almost every issue concerning nature, human existence and their activities, which polarizes the human society especially in the West into Secularists, who seek their criteria of validity and reliability from mechanical philosophy as well as from the science of mechanics and dynamics (physics)." (Hanafi, M.N., 1998:84)

More than any other modern Western figures, Rene Descartes (1596–1650 C.E) must be considered as the founder of modern philosophy who pioneered the emergence of all the above mentioned modern principles. Thus, Descartes' rationalism separates what is critical from what is transcendental. In this regard, Nasr has rightly warned us that by accepting Descartes' reductionist conception of the body as a machine, "we have fallen into the crisis concerning the relation between body and soul that we now face. The body is not a machine at all. If we look at the body, we see that it has this remarkable integrative function. But the moment the soul departs, the principle of integration departs and the body begins gradually to decompose" (Nasr, S.H. ).

McDougall's critical evaluation on Rene Descartes reads: "He (Descartes) was the first of the moderns to attempt to give a mechanical explanation in terms of matter and motion must apply not only to the planetary movements and to all the realm of inorganic matter, but also to the processes of organic bodies;

physiology was to be made wholly a branch of mechanical science" (Hanafi M.N., Jakarta: 2011: 9, Vol. I, Number 2 [ August-December].

# Toward a realization of the springheadof human dignity andgoodness

As re-asserted by al Faruqi that "in dealing with aspect of Islamic civilization, it final raison *d'etre* and creative base must be seen as resting on the Qur'an. The Qur'an is a text of 114 chapters, 6,616 verses, 77,934 words, and 323,671 letters (Faruqi,1981). According to the Qur'an, man's desire is to an unlimited degree. However, it is frustrated by the finite nature of man, which makes it impossible for him to achieve power over the material world and of the divine, except in the measure of their own moral and intellectual capacity. Based on *surah al-Fātihah*, al-Fakhr al-Rāzi comes out with the five human attributes which at the time represent his/her needs as follows:

Table 1: Five essential human attributes which represent his needs

1.Al-Ubūdiyyah	The consciousness of being a
	servant or the qualities and attributes
	of one who is a servant ('abd).
2. al-Isti ʻānah	Assistive or supportive needs
3. Ṭalab a l-Hidāyah	Guidance needs
4. Ṭalab al-Istiqāmah	Uprightness and consistency needs

Al-Fakhr al-Rāzi, *Tafsīr al-Kabīr*, volume 1, part 1:288-289

Thus human well-being is ideally determined by the satisfaction of all various levels of needs.

1. Servitude needs: the terms servitude ubudiyyah is interpreted as living in the consciousness of being a servant. Conceptually, the one who submits to Allah is called 'abd (a servant) of Allah, and his service is called 'ibâdah (worship or conscious submission to the will of Allah). 'Ibadah (worship) means fulfilling God's commands in one's daily life and fulfilling the obligations of being His servant. Thus one who observes his or her religious duties is called 'abid (worshipper). Only for those purpose, man and jinn are created and all the prophets were sent (al-Dhāriyāt [51]: 56). Servitude is the key effective factor in the ongoing life struggle, likewise in facing tests and trails.

Based on Tawhidic precept, man is held to be created in the best of forms, and commissioned (*mukallaf*) with a task of cosmic significance, namely to do God's will on earth, to realize the absolute in space and time. To this end, God has made the whole of creation subservient to man, and created him capable of free action. This is the meaning of vicegerency that caryying the divine trust (*amānah*) in space and time. However, man is not the measure of all things, for the fact that above all considerations he is both creature (*makhluq*) and servant ('*abd*); he is in fact in the position of need, want and desire.

Thus, God has entrusted humans with many things and endowed them with the power to use them. All this is indeed designed to test man. Thus Islam declares that human beings have two roles in life: (1) To be a humble servant, and (2) To be *khalifah* on earth.Once people become God's servants, then they can become His vicegerent.

Figure 3: Dual status of human being



The limit of this mission is defined by the Qur'an as khilafah which requires various dynamic activities in building the earth and actualization of God's Will on it. As '*ibadah* is the objective of human existence, the duties of khilafah no doubt fall into the meaning of 'ibadah' Faruqi, I.R. 2003: 171)

Based on the Qur'an, knowledge in Islam is all inclusive, nevertheless it has an essence. There two essences of knowledge: (i) to know and recognize the status and function of human being, and (ii) to know and recognize God's status. Thus, the never ending question throughout pre-modern, modern and postmodern era has been – What is the *summumbonum* of life? – It is the most important question which every person must answer. *Summumbonum* is an expression used in philosophy to describe the ultimate importance, the singular and ultimate end which human beings out to pursue.

The Qur'an holds that man was created to serve God, which in philosophical term is tantamount to saying that the purpose of man's existence is the realization of the *summumbonum* (Faruqi, 1412 HE/1992 CE) which means that it is a realization of the springhead of goodness and dignity. As such 'ubūdiyyahis the ultimate importance, the most ul'timate end which human beings ought to pursue. This is in order to attain the harmonization of glory in this world with bliss in hereafter.

According to al-Fakhr al-Rāzi, the fulfillment of servitude needs is a passport to the springhead of goodness and dignity (manba'al-karāmāt), which means that the function of vicegerency without servitude is incomplete.

Why is the servitude such a big thing? Al-Rāzi explains that the fulfillment of servitude tasks is relevant to the human well-being premise as follows:

### a. Servitude and Self-actualization

Self-actualization is possible with the realization of 'ubūdiyyah in its specific and generic terms. The former means rituals worship, whereas the latter means a way of life that includes individual and family and the societal, cultural, political and economic dimensions of human life.

#### b. Servitude and freedom

The end servitude ('ubūdiyyah) is freedom (*hurriyyah*). It is a state of liberation from the lower desire or carnal self (*nafs*) and all created things. It is not dominated by such ugly qualities as greed and the desire for worldly possessions. It provides the notion of freedom in connection with freedom of the soul: meaning that the soul does not hanker by either nature after bodily matters or it does. The condition of the soul that does not hanker after bodily matters has been called 'freedom' as opposed to slavery. It is well known that desires enslave.

#### c. Servitude and honour

By achieving the self actualization and freedom, the servitude is therefore the fountainhead of human dignity and honour(*manba* ' *al-kar*ā*m*ā*t*) with just balance, equilibrium and well-being.

- 2. Assisting needs (Isti'ānah): manifested in the need for safety, esteem, love and affection, a sense of belonging, cooperation; mutual respect, kinship, family and social life. However, mutual contact between various creatures, though no doubt advantageous, brings about some evil. It is indeed evil from which Divine's protection needs to be sought.
- 3. Uprightness needs (Istiqāmah): manifest in the need for certainty and firmness in facing life and reality, need for justice and equity: protection from misdeeds of others, conviction of one's idealism; protection from destructive views and ideas.

Why is servitude such a big thing? Al-Qur'an explicitly and implicitly stated that people were created to be happy and fulfilled only when they are obedient to the Almighty God. Nevertheless, shaitān has a task to mislead humans, saying that "I will mislead them, and I will create in them false desire.. Thus whoever, forsaking Allah, takes shaitan for a friend, hath of a surety suffered a loss that is manifest in anti-social behaviours. Therefore, those who want to stay pure and maintain his or her well-being must be vigilant against satanic temptations (2:168-169).

4. *Guidance needs* (*hidāyah*): *Hidayah*means "to show the way, to give direction along the path, to guide." It is manifested in the need for acquisition of knowledge and skill. Need for the apprehension of reality which is observable by senses and the unseen which are

unobservable, unquantifiable and immeasurable by senses including the meaning of existence, the apprehension of abstract objects, to know the purpose in life and Reality, to know and appreciate values and norms.

There are several forms of *guidance*: (1) *Guidance* of Providence or direction of nature opens out for every object of creation appropriate avenues of nourishment. This help proceeds along the path of life, and stimulates its wants and desires and directs it to the means of its satisfaction. This is an instinctive urge of nature, or the talent inherent in sense perception. Instinct and perception are but two of the forms this *guidance* assumes (2) Reasoning, and (3) Revelation.

5. Grace, pleasure needs (ni'mah): All living creatures have a basic need to achieve pleasure and avoid pain. Fulfilment of bodily pleasures, mental and emotional needs include nutrients, bodily warmth, coolness, oxygen, hygiene, rest and sleep, avoidance of inclement of environmental conditions, sexual satisfaction, comfort (goods and services), employment, and income. In short, it is closely related to psycho-physical and social economic needs. The **Q**ur'anic verses on nimah, encompass metaphysical, physical, physiological as well as social aspects.

According to al-Rāzi, the essence of the above mentioned need is a need for grace and pleasure (ni'mat) which occurs in the shape of physiological or bodily needs as well as mental and psychological gratifications. All are ways and means to fulfil bodily, mental and emotional needs. Nevertheless, the worldly pleasures always mingle with sorrow, and being unattainable in their fullness because of the limitedness of human knowledge and power, are often the cause of frustration and pain (Al-Rāzi, '1978:).

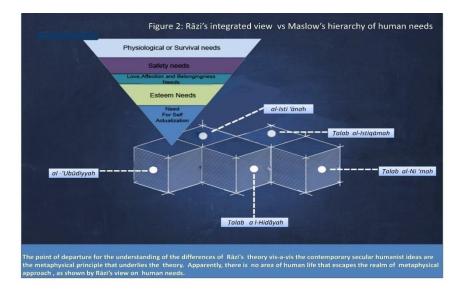
The nature of those five human needs is such that the individual human being is innately predisposed to recognize the Creator, to worship Him, and to confirm to divinely ordained, ethical values and injunctions, which at the same time is in direct conformity with one's man's primordial nature. Although all the attributes of God absolutely belong to Him, nevertheless, they are values which have to be emulated by human beings in the effort to attain well-being (al-falāh) and good life (hayātantayyibahor hasanah fi al-dunyawa al-ākhirah). Since servitude is the source of human dignity (al-'ubudiyyahmanba' al-karāmāt). Selfactualization then-according to the Qur'anic guideline- is attainable only in the process actualization of the status and function of 'ubūdiyyah, which encompasses khilāfah (vicegerency of men on earth).

On the contrary, secular humanism within which stands both welfare liberalism and neo-liberalism adapted the notion that man is the measure for all things. As such that is an old notion that had been claimed by Protagoras (ca. 490-ca.420 BCE) that "Of all things the measure is man, of the things that are, and of the things that are not, that they are not" usually rendered as "man is the measure for all things".

# From socio-economic security to psycho-spiritual realization

In facing life and reality, Islam holds that the purpose of man's existence is to realize and actualize the fountain head of goodness and happiness, the attainment of which will fulfill human temporal and trans-temporal needs, hence will strengthen his/her personality and well-being. What is the fountainhead of good, balance and strong personality? The answer to this question lies in the Qur'anic concept of human nature within which stands the concept of 'ubudiyyah, which is in utter contradiction with the notion that "man is the measure for all things."

However, within the neoclassical paradigms we note that the Maslowian self-actualization gets drawn into the framework of growth models' approach. It is very firmly based on the assumption that individuals, firms, and nations are economically rational and will choose always to maximize profits/satisfaction and minimize costs. There is one-to-one correspondence among optimality, equilibrium, substitution, methodological individualism and economic rationality (Choudhury, .)



From previous discussion, the main implications can be drawn are:

- (1) Any fundamental human need which is not adequately satisfied generates a pathology;
- (2) Today, we are faced with a dramatic increase in collective social pathologies for which treatment have proved ineffectual; and.
- (3) The understanding of these collective social pathologies requires trans-disciplinary understanding and action. If we do not

take up the challenges, we may all become accomplices in creating and maintaining sick societies.

The Qur'anic diagnosis of the problem of human well-being emphasizes the holistic nature of his needs, desires, feeling and wants, it is clear that on the conceptual level, this purposeful, human needs' concept means an integrated, balanced, equilibrium and sustained uplifting in the well-being of man in its totality, whereby every single human being is constantly in need of the following five which are compatible with his primordial nature (fitrah). In every one of those five human needs consists three layers of needs as follows: (i) Spiritual and metaphysical level(ii) Psycho-physical level (iii) Psycho-societal level which could be formulated as follow:

Table 3: Categorization of human needs (Hanafi: 2012).

Qur'anic	Spiritual and	Psycho-physical	Psycho-
Category of	Metaphysical	level	Societal level
Needs	level		
'ubudiyyah,	Servitude	Need for conviction	Need to
al-'Ibadah	Needs,	to face life and	achieve
	devotion	reality to achieve	righteousness
	toward God	self-actualization	in social
	the Almighty		relations
al-Istiʻanah	Need for	Need for safety,	Need for a
	Divine	esteem, love and	sense of
	assistance	affection	belonging,
			cooperation;
			mutual
			respect,
			kinship,
			family and

Talab al- Istiqamah	Need for Divine guidance to achieve righteousness	Need for certainty and firmness in facing life and reality. And reality. Uprightness or stand firmness.	social life. Need for justice and equity; protection from mis- bebaviour and misdeeds of others.  Need to be protected from destructive actions, views and ideas.
Talab al- Hidayah	Need for Divine guidance, to apprehend the Absolute	Need for acquisition of knowledge and skill, to apprehend the purpose in life, to know and appreciate values and norms' to attain of what needs, wants and desires as ot ought to be.	Need to appreciate and practice social values and norms

Talab	al-	Need for	Need for ease and	Need for
Niʻmah		Divine grace,	tranquility. for	means and
		favour, bless	firmness,	ways for
		and gratitude	endurance, patience	survival,
		which	and perseverance .It	including
		ultimately to	covers	reasonable
		find the.	physiological and	income,
		true way of	psychological or	economic
		life.	bodily, mental and	stability
			emotional pleasures	comfort etc
			and satisfactions,	(goods and
			such as need for	services),
			nutrients,	
			shelter, oxygen,	
			hygiene, rest and	
			sleep,	
			1 1.1	
			healthcare,	
			avoidance of	
			inclement of	
			environment	
			conditions, etc.	
			conditions, etc.	

Social well-being then does not mean a mere fulfillment of material aspect or not even by fulfilment of psychological, mental and bodily needs as has been suggested by some dominant thinkers.

Thus, while speaking about the nature of man, Qur'an uses words like nafs, ruh, qalb etc. Spirit (al-ruh) is transcendent and the center of man's being. Whereas soul (nafs), in its downward or corporeal tendency, is attached to the body and in its upward or spiritual realm, is attached to the spirit (al-ruh). Meanwhile, Islam holds that human desire (nafs) should be nourished and developed within the framework of Divine guidance otherwise it will be the easy target of satanic influences. However, Islam did not advocate withdrawal from world and from reality into the subjective flights of consciousness. basic terms are explained here. Nafs and its levels: Nafs (pl. Anfus or Nufus) lexically means soul, the psyche, the ego, self, life, person, heart or mind. The term Nafs has different uses in the Holy Qur'an as well, and in most cases, it means the human being in reality, his self and his person. (Ali 'Imrān [3]: 60; Yusuf [12]:53) It also means the human soul (al-An'am[6]:93; Qaf [50]:16 etc.).

Nonetheless, public policies oriented in which Zakat is one of the instrument for the abatement of income poverty can have a greater impact on people's well-being if they recognize the complexity of human nature and hence their needs; spiritually and materially. Therefore, the policy function must provide the fulfillment of objectives among others, i.e. through fulfillment of human needs which have metaphysical-spiritual, physical-material dimensions. However, it is crucial that the attention of the Zakat management, be given to really and affectively meeting the needs of the two main target groups, i.e. the "poor" and the "needy" because it represents the keystone of this objectives fulfillment that the policy makers and administrators must seek to achieve.

Human well-being, then is a purposefully integrated concept, meant for the fulfilment of temporal and trans-temporal needs, if it is put into the operational economic activity it would bring about spiritual satisfaction, material benefits, visible and invisible, individual and social advantages - *all five are in one package (Hanafi, M.N,* Hull: volume, 14, number 1: 36).

## The Objectives of the Divine Law

Since securing or acquiring a benefit and repelling harm represent human goals, the ultimate aim is therefore the welfare of human beings. This ultimate aim is achieved by meeting the Objectives of the Divine law. Thus the State then becomes directly responsible to make arrangements according to the Law.

The premise is that servanthood and the fulfillment of its needs and obligations is a prerequisite for the well-being and God, the Creator (*Rabb*), made the laws for the benefits or good (*masalih*) of the human being (and all the creatures), both immediate and forthcoming.ImāmAbūHāmid al-Ghazālī (d.505 H.E/1111C.E), of the fifth century of the Hijrah, classified the *maqasidi* into five major categories by stating that:

"مقصود الشرع من الخلق خمسة، وهو أن يحفظ عليهم دينهم ونفسهم وعقلهم ونسلهم ومالهم، فكل

ما يتضمن حفظ هذه الأصول الخمس فهو مصلحة، وكل ما يفوت هذه الأصول فهو مفسدة، ودفعها مصلحة (الغزالي: المستصفى

"The very objective of the *Sharī'ah* is to promote the well-being of the people, which lies in safeguarding their faith  $(d\bar{\imath}n)$ , their self (nafs), their intellect ('aql), their posterity (nasl), and their wealth  $(m\bar{a}l)$ . Whatever safeguards these five serves public interest and is desirable, and whatever hurts them is against public

interest and its removal is desirable."(Ghazālī, (1937). Vol.. 1: 139-40; al-Shāṭibī (d.790/1388), n.d., Vol.1:38 and Vol.3: 46-7, Raisūni, Ahmad, 1401 H.E:181-318, Masud, M.K (1977: 225-243 and al Zuhayli, Wahbah,1402 H.E), Chapra, M. U., (2008) Jeddah: IRTI/IDB, and Virginia: 7-9).

Human needs, according to Islamic perspective are then a purposeful, integrated-whole concept intended to the fulfillment of both temporal and trans-temporal, psycho-physical and spiritual needs of man.

At this juncture, it shows that there is a sharp contrast with secular humanist paradigm that gives maximum importance to the psycho-physical and material aspect of human needs and tend to ignore the importance of the moral-spiritual aspects. They often argue that maximum material well-being can be best realized if individuals are given unhindered freedom to pursue their self-interest and to maximize their want satisfaction in keeping with their own tastes and preferences.

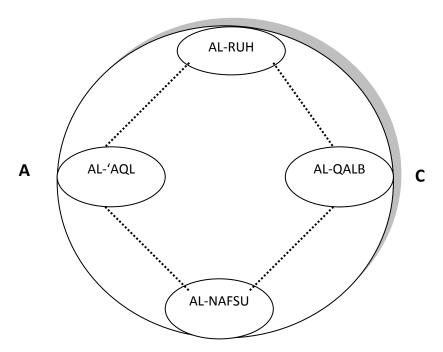
How can this comprehensive system be sustained? The acceptance of 'ubūdiyyah as the most ultimate end which human beings ought to pursue, however, such acceptance is continually subject to challenges. Nevertheless, the Qur'ān guides us in this struggle and leads it to a successful conclusion if it is followed accordingly.

## Human nature

There is a psychological notion that human soul has many levels and stations, from the beginning to the end; and it has certain essential states and modes of being. Although one is born in a state of purity, every single human being has the potential for evil which is represented by his free-will and desire (*nafs*), namely his

lower desires, such as *al-nafs al-ammārah bi al-su*(blaming self) (*al-Qiyāmah*[75]: 2), and the higher level of desire which represents his higher psycho-spiritual development known as *al-nafsal-mutmainnah*(the contended desire) (*al-Fajr*[89]: 26-30). In order to cope with those lower desires which are destructive to his or her own self and society, within which stand his or her interaction and involvement with physical and social environment. Every individual is in a position of need to be fulfilled, be it physical, material, psycho-physical or spiritual.

Therefore, in measuring human well-being, appropriate weights should be given to the different level of needs. Obviously, money and mere material gain may not always be able to buy happiness and well-being.



Source: Baharuddin, (2007). *ParadigmaPsikologiIslami,* :StuditentangElemenPsikologidari al-Qur'an, PustakaPelajar, Yogyakarta.

Human desires are endless, but man is by nature limited in his capacity, and accordingly, their satisfaction is by definition impossible. Therefore, he has to fulfill those essential needs that are in conformity with human innate nature.

## **Concluding remarks**

The above discussion ultimately provides us with a version of the human needs which encompassing psycho-physical and social as well as spiritual realm. The nature of those needs is such that it is in direct conformity with one's primordial nature (fitrah): that every individual human being is innately predisposed to recognize God, the Ultimate Reality, the Absolute. This, in turn, is contrary to secular humanism creed which is represented by both classical liberalism as well as neo-classical liberalism.

Islam stands for distributive justice, but it solidly stands in middle-path between welfare liberalism and market oriented of neo-liberalism approaches. However, there are practical wisdom the Muslim authorities might learn from the experiences of the welfare states, in terms of disbursement system, especially to those under the category of non-contributory.

Thus, in the quest to enhance the effort towards social well-being, the Zakat fund's system of distribution management must be reformed so as to function as an efficient distributive justice institution. Nevertheless, the functions of economic development must be paralleled with the comprehensive nurturing scheme that does not omit anything (that is a part of man): his body, his intellect and his material and spiritual nourishment. The functions ought to be specified in such a way that policy decisions can be taken to sustain the material needs of the people concerned and their contribution to total human development and well-being.

The fact that individuals have potentially insatiable desires, which means that they are vulnerable to destructive temptations, it is truism to assume that people's behavior ought to be based on norms which define the limits as proper means of satisfying them. Thus, the existence of social control body such as *al-Hisbah* institution is necessary with a task to function as a public regulatory body of the state, which has critical roles to safeguard the balance and good social order.

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