



Maqasid Al-Shariah Based Index of Socio-Economic Development: A Literature Review

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ABSTRACT - A healthy society is not just merely reflected by the result of a country's income level and high industrial activities but covers more than just an increase in income and standard living. In Islam, the creation of human beings in this world is to achieve *al-falah*, which is success in the world and hereafter. Thus, it is vital to measure the development progress by integrating the principles of Shariah law. Maqasid al-Shariah based Index of socio-economic development attempts to establish an index to monitor the development progress according to the Maqasid al-Shariah principles that provide basic protection in five key dimensions including the protection of faith, life, intellect, posterity, and wealth. This study reviews the indicators proposed in integrating the five dimensions of Maqasid al-Shariah in developing and measuring socio-economic development from the Islamic perspective through extensive reading of the past studies. The study concluded that the development of Maqasid al-Shariah based Index is challenging, particularly in establishing indicators pertaining to the faith dimension. In addition, most of the studies were constructed at a macro level with readily available data and data that are not frequently available. This can limit the scope of the variables or indicators used in the construction of Maqasid al-Shariah based Index.

ARTICLE HISTORY

Received: 6th January 2022

Revised: 25th March 2022

Accepted: 29th April 2022

Published: 31st May 2022

KEYWORDS

Socio-economic development,
Maqasid al-Shariah, Islamic
economics

INTRODUCTION

The development performance of a country requires an appropriate measurement to assess the economic policy or program that has been implemented. The measures of development can be designed from the way we define development progress. In mainstream economics, gross domestic product (GDP) has been applied as an indicator of a nation's progress and has been widely used to compare the progress across countries globally. Nevertheless, measuring progress through economic output alone is demonstrated to be insufficient, as observed during the major financial crisis event (Ivković, 2016). The reliance on GDP has been evidenced not just in the western countries but also among the Muslim countries as well (Nizam & Larbani, 2016). The literature discussed the shortcomings and critiques of using GDP as a measure of well-being through many lenses. Some studies focused on the negative impacts on the environment such as Dasgupta (2009) and Coyle (2014) while other studies including Matthews (1984), Cobb et al. (1995) and Darmstadter (2006) focused on the unincorporated activities such as the black economy that GDP fails to capture. In addition, the relationship between income growth and other measures of well-being such as happiness level has also been explored. Several past

researches including Diener and Oishi (2000), Blanchflower and Oswald (2004) and Kenny (1999) have discovered an intriguing correlation between income per capita and average happiness in western countries including United Kingdom, United States and Belgium where the income level has grown dramatically in recent decades, while average happiness has remained “virtually constant” or even dropped during the same period. These findings are consistent with the Easterlin hypothesis which asserted that economic growth does not bring happiness to a society (Easterlin, 1995).

Alternatively, the United Nations Development Programme (UNDP) in Human Development Report of 1990 has introduced the Human Development Index (HDI), which is a composite index that allows for a comparison of countries’ performance based on three criteria namely education, health, and income. The establishment of HDI was built on the concept of capability approach by Amartya Sen and basic needs from Haq. The HDI consists of three index including life expectancy index, education index and Gross National Income (GNI) index. In relation to the human development progress, there are few Muslim countries that had achieved a very high human development index (HDI) based on HDI value in 2019 including United Arab Emirates (rank 31), Saudi Arabia (rank 40), Bahrain (rank 42), Qatar (rank 45), Brunei Darussalam (rank 47), Kazakhstan (rank 51), Turkey (rank 54), Oman (rank 60), Malaysia (rank 62) and Kuwait (rank 64). Nevertheless, many Muslim nations are still under the low human development progress with the top bottom rank include Niger (rank 189), Chad (rank 187) and South Sudan (rank 185).

Following the criticism of HDI that fails to account for the magnitude of the inequality within a country, UNDP introduced the inequality-adjusted Human Development Index (IHDI), which represents the inequality distribution of the HDI dimensions. The evolution of the term development can be reflected with the emergence of alternative measures including the indicators of happiness, well-being, and quality of life. This implies that development is not just merely viewed from an objective aspect, but also subjective indicators. The use of GDP should not be ignored entirely but instead needs to be complemented by other measures. The focus on economic growth is still vital and even emphasized by Islamic point of view, which includes the protection of wealth as one of the five key dimensions under the Maqasid al-Shariah. However, there is a contrasting view of development measured and defined by the conventional and Islamic context which is worth highlighting.

Religion is an element of life that shapes people’s values, which in turn influences how individuals behave and how societies function (Nurrachmi, 2016). From the Islamic perspective, Muslim societies require a healthy progress in socio-economic development that is grounded on the principles and values of Islam. Muslims seeking Allah’s SWT blessing may do so by adhering to the fundamental principles of ethics and values of Islam. Numerous studies highlighted the role of Islamic values in business and societal performance. Abbasi et al. (2011) asserted that Islamic work ethics positively influence the business performance of firms in the telecommunication industry in Pakistan while Zaim et al. (2021) confirmed that leadership effectiveness and team performance in Iraq are positively correlated to ethical leadership which is based on Islamic ethics. In another study, Nuriman and Fauzan (2017) found that Islamic moral values significantly influence student behavior in Aceh Province, Indonesia. In this view, the objectives of Shariah constitute a powerful anchoring mechanism that provides meaningful insights on which dimensions should be assessed and adopted in development policy planning. Maqasid al-Shariah (MS) based socio-economic development index is a comprehensive tool and a closer metric to the aspects of development emphasized by Islam. MS based development index that adequately describes and emphasizes MS dimensions can assist in policy making pertaining to the effort in enhancing a Muslim’s life. This paper focuses on the development of socio-economic development MS-based index constructed at community and country level with heavy emphasis on the indicators used in integrating the five dimensions of Maqasid al-Shariah. This paper highlights the indicators established under each of the five key dimensions of

Maqasid al-Shariah in the creation of the index and methodologies used to operationally apply the index to better capture Muslims socio-economic development progress.

LITERATURE REVIEW

Development from Islamic Perspective

The notion of development must be reflected from a solid understanding that is grounded in the principles and values of the Holy Quran and Sunnah (Kusuma, 2010). Islamic economics envisions a framework of economy based on Islamic principles that include the achievement in the aspect of spiritual, moral, legal, intellect, social and monetary well-being of an individual in the world and hereafter. According to Kusuma (2010), several important philosophical foundations of Islam need to be integrated in adopting the Islamic concept of development including the concept of *Tawhid* which refers to God's unity, *Rububiyah* that concerns with the planning for nourishment, *Khalifah* means man's role as a vicegerent of God on earth, *Tazkiyah* that emphasizes the responsibility of a man to take care of his relationship with God, human, natural environment, society and nation and lastly, accountability which refers to a man's belief towards judgment day.

It is strongly emphasized that any increase in wealth, living standard and health should be reflected in our worship of Allah. In contrast to the conventional view on economic development, the basis of Islamic view on development emphasizes the need to form an ecosystem that allows humans to enjoy socio-economic, moral, and spiritual well-being in the world and hereafter. Unlike the conventional approach, Islam heavily considers a spiritual-based development in evaluating development progress. This is accordance with the concept of *al-falah* that stressed the success of a person should consider both aspects, in the world and hereafter. In order to attain success based on *al-falah*, it is vital to observe and eliminate causes of human deprivation in all aspects. Islam urges human beings to gain success in the world and hereafter which indicates the need to ensure that an increase in wealth is accompanied by an increase in worship towards Allah as evidenced in the Quran verse below:

And seek the abode of the Hereafter with the wealth that Allah has given you, and do not forget your duty in this world, and do favors in the way of Allah has favored you, and do not seek to cause turmoil in the earth; indeed Allah does not like the mischievous

Al-Qasas (28:77)

Maqasid al-Shariah and Socio-economic Development

Islam has a comprehensive approach to human development, emphasizing the need of achieving the objective of Islamic law, Maqasid al-Shariah in any public policies. The goal of Maqasid al-Shariah is to achieve the element of *maslahah* (interest) through the execution of Shariah rulings (Ishak & Nasir, 2021). In terms of Islamic perspective on socioeconomics, Maqasid al-Shariah is the pillar and foundation of socioeconomics. Following this, Islam has acknowledged the need of "purpose" in guiding human life. Proponents of Maqasid al-Shariah including Chapra (2008) and Auda (2019) asserted that Maqasid al-Shariah could serve as the Islamic framework of development. Maqasid al-Shariah can potentially guides the activities of human being since it offers a legal framework that guides the boundaries of economic activity that can be performed in a society (Asutay, 2007). Furthermore, the concept states that the protection of divine rights, justice and relief of difficulties is of great importance for Islamic view of human (Kamali, 2009). In this context, utilizing the objectives of Maqasid al-Shariah could primarily be beneficial in establishing a holistic framework of development (Mukhtar et al., 2019). Human beings need to strive to achieve and protect all five dimensions under the Maqasid al-Shariah which are faith, life, intellect, posterity, and wealth, in order to prosper in this world and hereafter. Thus, the incorporation of the five key dimensions of Maqasid al-Shariah can add value in the measurement of development concept.

The protection for each dimension should take into account from the basic minimum, progressing to higher need accomplishment and finally to excellence and embellishment of development. The levels of protection determined by Shariah law are divided into three aspects which are *daruriyat* (necessities), *hajiyat* (requirements) and *tahsiniyat* (embellishments) (Kamali, 2009). Under the *daruriyat* level, Islam emphasizes the need for each person to obtain the *daruriyat* requirements, which include the ownership of goods and services necessary to preserve a life and perform the duty as a *khalifah* (vicegerent of God). The failure to achieve the *daruriyat* level may lead to a total disruption and chaos in life which divert from preserving the five foundations according to Shariah law (Jalil, 2006). Next, *hajiyat* can be referred to the comforts in living that may not be important to protecting the five foundations but are necessary to remove difficulties in life. The concept of development from the Islamic point of view is different from the conventional view since it has a holistic framework that includes values, spiritual, norms, moral and spiritual aspects (Kusuma, 2010). Islam is attempting to shift the attention of effort away from physical conditions to man. Since man is regarded as a *khalifah*, the progress of man's development is crucial to ensure that mankind's progress complies with the Shariah rules. The component of development needs to be tailored to the set of beliefs that is derived from religious doctrines of moral philosophy that are not religious in nature. This implies the difficulties in synchronizing the Islamic heritage and modern economy.

Protection of Faith

Religion aspects play an indispensable role in providing a guidance for mankind to survive in life. Religious teachings give values and objective into life, direct people, and help transform a person into better human beings by improving their attitude, preferences, and lifestyle. Islam recognizes faith in Allah Almighty as the foundation to avoid dishonest behavior of a person. Islam holds *tawhid* (monotheism) as the foundation of faith in Islam. Muslims need to achieve the protection level of faith by understanding different types of *ibadah* (worship) such as performing five prayers, fasting, performing *Haji* and paying Zakat. Islam commanded Muslims to protect their faith as Allah SWT has enacted the role of *jihad* as pointed out in the Holy Quran:

And fight in the way of Allah those who fight you, but do not transgress limits; for Allah loveth not transgressors.

Al-Baqarah (2:190)

Chapra (2008) proposed several indicators pertaining to the preservation of faith such as good governance, values, motivation, education, human brotherhood, removal of poverty and role of the state. Anto (2011) developed Faith Index under the Islam Human Development Index (I-HDI) which includes metrics such as mosque visitors daily, fasting, actual zakat against expected and actual charitable fund over GDP. Batchelor (2013) proposed several indexes to cover the aspect of faith in his proposed Islamic Well-being Index including the percentage of citizens performing five times daily prayers, attendance to the mosque at least once a week and fasting or paying zakat (whichever is highest) under the dimension of personal religiosity. Amin et al (2015) recommended two dimensions under their I-Dex which are spiritual enrichment and embracing good moral standards that consist of percentage of total expenditure in religious education and overall ranking in corruption index. Rama and Yusuf (2019) examined the zakat collection over GDP, number of crimes over population and Corruption Perception Index under the dimension of religion while Mili (2014) included the percentage of total expenditure in religious education, government total favoritism of religious index and government regulation of religious index while Ghazal and Zulkhibri (2016) also used percentage of total expenditure in religious education and overall ranking in corruption index to cover the faith aspect in their construction of Islamic Inclusive Growth Index (i-IGI). Ali and Hasan (2014) used attendance in religious services, frequency in prayer, religion and belief in God while Amir-Ud-Din (2014) categorized

the indicators under three level in accordance to Maqasid al-Shariah level of protection which are faith (necessity level), prayer, fasting, hajj and zakat (complementary level) and *sadaqah* (donation) for embellishment level.

Protection of Life

Life is essential and valuable to all human beings. The protection of life or self is crucial for everyone and needs to be preserved regardless of the status of a person such as rich and poor, Muslims and non-Muslims, leader and subordinates since life is equally vital to all. The rights that need to be protected include health, equality, legal transaction, liberty, and the right to freely make selection (Esen & Esen, 2019). The human freedom aspect is integral in the protection of life including freedom to work, belief, and live without violence. Islam has dedicated a vast number of teachings and guidance for the purpose of one's soul protection which not just saving the soul from being destroyed but also creating a system of laws to ensure its moral and human well-being that focuses on striving the essential items such as enough food, proper accommodation, clothes, and rules that prohibit all means of self-distraction. The law of Shariah is a crucial philosophy that is relevant to the life in this universe and the Prophet has declared that the world tillage for the life hereafter. The Holy Quran placed the importance of these dimensions as below:

Do not take someone's life which Allah has made sacred, except for a just cause. And in the case if a person is killed (intentionally), we have given his or her heir the authority (to demand *qisas*, Law of Equality or to forgive) but let him not to exceed the limit in the matter of taking life (he should not kill anyone except the killer only), provided that he is helped (by the Islamic Law)

Al-Israa (17:33)

Chapra (2008) addressed this dimension to include indicators including (i) self-respect, dignity, brotherhood, social equality, (ii) justice, (iii) life and property security, (iv) spiritual and moral uplift, (v) freedom, (vi) good governance, (vii) education, (viii) removal of poverty and need fulfillment, (ix) employment and self-employment opportunities, (x) equitable distribution of income and wealth, (xi) marriage and stable family life, (xii) family and social solidarity, (xiii) minimization of crime and anomie and (xiv) mental peace and happiness. Anto (2011) proposed Life Index comprises of metrics such as life expectancy at birth, drug prevalence and smoking prevalence, while Amin et al. (2015) include poverty index, fulfillment of basic needs (spiritual) and public security for this dimension. Rama and Yusuf (2019) suggested life expectancy rate, unemployment rate, democracy index, poverty rate and average expenditure as the indicators under the proposed Islamic Human Development Index. Mili (2014) used indicators such as health care, human rights, crime indices and poverty gap. Ghazal and Zulkhibri (2016) also used the universal human rights index and incidence of crime, while Bedoui (2019) included life security, dignity and human rights, fundamental rights, mental peace and happiness crime and anomie. Amir-Ud-Din (2014) selected the freedom from malnutrition as an indicator for the complementary level and life satisfaction as an indicator for the embellishment category under the dimension 'protection of life'.

Protection of Intellect

Intellect is a special gift from Allah s.w.t to humankind that differentiates man from other living things. Human beings need to safeguard the intellect gift by contributing to society and avoid any activities that could lead to destruction. Human has been created differently from all other creatures by the gift of sound mind and spirit, which implies the capacity to discern and make decisions to overcome life's challenges. With the immense advances in technology around the world, optimizing science and technology is critical to enhance the development progress and welfare of society. It plays a crucial role in achieving the objectives of Maqasid al-Shariah (Rama

& Yusuf, 2019). Based on Islamic teachings, the Almighty Allah has made humans, His successor on earth to preserve their minds and promote activities that develop *aql* such as learning and thinking. Hence, any activities that lead to the denotation of *aql* such as consuming drug is strictly prohibited.

O you who have believed, indeed, intoxicants, gambling, [sacrificing on] stone alters [to other than Allah], and divining arrows are but defilement from the work of Satan, so avoid it that you may be successful

Al-Maaida (5:90)

It is widely recognized that there are numerous factors influencing human intellect such as mental disorders, accidents (Boardman, 1995) and consumption of drugs (Ashur, 2006). Nonetheless, education level is an indicator that is more eloquently shapes the human mind (Chickering & Gamson 1987; Child, et al., 1946; Lewin 1935). With this, most of the studies conducted to measure the dimension emphasized the education aspect of an individual. Chapra (2008) proposed several indicators under the intellect dimensions such as quality of affordable religious and science education, use of Maqasid in the interpretation of the text, research and development, reward for creative work and freedom of thought and expression. Anto (2011) proposed Science Index that includes components such as educational level, education institution, literacy rate, number of patents and number of publications. Amir-Ud-Din (2014) classified the dimension into three levels, which are primary, secondary, and tertiary education corresponding with the protection level of Maqasid al-Shariah. The author is mindful that there is a limitation of data available on the religious education system used among Organization Islamic Countries (OIC) and different conceptual views on religious education, which hampered the progress to include specific religious education. Some studies used the enrollment rate in education including Ghazal and Zulkhibri, (2016), Mili (2014) and Amin et al. (2015) while Bedoui (2019) focused on a more subjective aspect of intellect, which is the freedom of thought, expression and creativity. Unlike most of the studies, Rama and Yusuf (2019) emphasized on access to educational institutions and educational outcomes as the indicators under the intellect dimension. The access to educational institutions has been measured by the ratio of number of schools to population while the literacy rate presents educational outcome.

Protection of Posterity

Islam is deeply concerned with an individual's dignity and highlights the importance of preserving a person's dignity. The idea of safeguarding dignity includes the protection of an individual's right to privacy and maintaining the respectful relationship between man and women in the world. The unrestricted mixing among men and women is strictly prohibited as Islam outlays several principles and guidelines in regulating this aspect. This includes the prohibition of unmarried men and women to have unnecessary contact with an unfamiliar person. To protect their dignity, Islam encourages the arrangement of marriage among its followers to purify and improve their relationships. In addition, Islam bans manipulating women as commercial and sexual objects as part of the marketing plan to attract people in the business environment. Following this, Islam enacts its followers, both men and women to cover their *awrah*. In addition, the act of voluntary and involuntary sexual intercourse among unmarried people is strictly prohibited. It is a severe offence for a Muslim to involve in sexual intercourse without getting married and Shariah law assigned a legal punishment for whoever commits it as stated in the Quran verse below:

And do not approach unlawful sexual intercourse. Indeed, it is ever an immorality and is evil as a way.

Al-Israa (17:32)

The failure to preserve adultery among adults could adversely affect society's social behavior, which then leads to many social problems such as irresponsible parents, birth of illegitimate children and others. Chapra (2008) recommended variables that focus on marriage and family integrity, moral and intellect development, a healthy and clean environment, freedom from conflict, and insecurity. In comparison to the indicators proposed by Chapra (2008) which contain several indicators that are subjective in nature, Anto (2011) tried to quantify the metrics by suggesting the rate of fertility, mortality, divorce, violence in family and actual over expected number of family. However, the specific number of children in family needed has not been recommended by Islam since it depends on several factors such as age of the parents, climate, genetic composition and others (Amir-Ud-Din, 2014). The rate of divorce as a variable has been used by several studies, including Mili (2014), Ghazal and Zulkhibri (2016) and Rama and Yusuf (2019), while Amir-Ud-Din (2014) proposed child mortality rate, homicide rate and environmental safety under the aspect of posterity. The index such as Universal Human Rights Index, poverty gap and incidence of crime has been utilized by Amin et al. (2015) using secondary data such as from the World Bank and Office of the High Commissioner for Human Rights (OHCHR).

Protection of Wealth

Wealth including property is a gift from Almighty Allah that must be produced and used transparently in accordance with the objective of eliminating poverty and meeting the needs of all human beings. Although the wealth dimension has been placed at the end of Maqasid al-Shariah dimensions by Al-Shatibi and Al-Ghazali, this does not imply that this aspect is the least important (Rama & Yusuf, 2019). As eloquently stated by Chapra (2008), wealth dimension could hamper the progress of the other four dimensions in attaining the objective of Maqasid al-Shariah. It is our duty to protect our property and the role of property ownership and financial allocation in society is recognized in Islam as one means to accomplish *al-falah* (success). According to Islam, no one is permitted to violate and acquire the asset of others unless there are legal transactions and legitimate reasons in place as clearly stated in Quran:

And do not unjustly devour the property of each other, nor take their cases to judges in a way that you may wrongfully devour a portion of other people's property on purpose
Al-Baqara (2:188)

Shariah law clearly prohibits the activities of acquiring property illegitimately and involvement in transactions such as *riba* (interest), cheating in business activities, stealing others' property and other similar means. According to Al-Raysuni (2006), the classical views on wealth preservation provided by Imam Al-Ghazali and Imam Al-Juwayni, who describe wealth preservation as the protection of people's belongings from thieves by cutting off their hands, whereas Al-Shatibi defines it as the prohibition against injustice, wastefulness, inefficiency, and corruption on earth. Meanwhile, protection of wealth, according to Chapra (2008) should include variables such as (i) removal of poverty, (ii) equitable distribution of wealth, (iii) savings and investments, (iv) development rate and (v) social solidarity while Anto (2011) proposed Property Index that covers GDP per capita, economic growth, GDP per capita growth Gini ratio and poverty rate. Several studies including Amin et al. (2015), Ghazal and Zulkhibri (2016) and Mili (2014) utilized the International Property Right Index as the variable under the respective dimension.

Empirical studies to measure Socio-economic Development from Islamic Perspective

Several studies have been conducted to empirically measure the development using the principles of Maqasid al-Shariah. Amir-Ud-Din (2014) examined the performance of 57 countries under the OIC region. The Maqasid al-Shariah Index (MSI) developed was divided into four levels of

development which are very high development, high development, low development, and very low development. The author adopted Chakravarty methodology which is the extension of HDI due to features that are free from problems encountered by HDI (Chakravarty, 2003). The results revealed that Tunisia, Iran, Saudi Arabia, Jordan and Turkey dominated the MSI Index top ranking while Africa, especially the eastern and western Africa including Chad, Sierra Leone, Mozambique, Ivory Coast and Somalia ranked the lowest in the MSI. The study also found that there is a correlation between HDI and MSI at a broader context. However, the divergence could be seen in the case of Tunisia which obtained the highest MSI rank but placed 17th among the OIC countries when measured with HDI while Albania ranked better by HDI which ranked 10th in HDI but placed 30th in MSI. From the results, it is highlighted that Tunisia performed better in non-HDI parameters such as adherence to faith and freedom of a person. In contrast, Albania performed poorly in the faith aspect. The study possesses limitation in that data pertaining to the unobservable concept is lacking and the selection of the indicator is wholly grounded in theory.

In another study, Ghazal and Zulkhibri (2016) constructed an Islamic Inclusive Growth Index (i-IGI) to evaluate the performance of Islamic Development Bank (IsDB) member countries. The variables used in the construction of the index include the Gini index, poverty index, GDP growth and ratio of non-interest income to total assets. The proposed i-IGI aims to measure the average performance of a country in three dimensions which are the economic growth adjusted to include the aspect of Shariah, the performance of a country in reducing population living under the poverty line and the reduction of the gap between rich and poor. The i-IGI applied the geometric mean of normalized indices and the study found that the majority of Muslim countries do not adhere to Islamic principles. For example, it is revealed that Azerbaijan received a lower rank measured by i-IGI although the country has performed well in index that are nonexclusive of Islamic principles. A similar case also is evidenced for Kazakhstan that obtained a high score in the inclusive growth index but slipped to a lower rank after incorporating the element of Maqasid al-Shariah in the index. Meanwhile, most Muslim countries in Sub-Saharan Africa that have advanced in i-IGI mainly contributed by the low level of bank assets while countries like Turkey and Tunisia showed consistent performance for both IGI and i-IGI ranking.

Bedoui (2019) analyzed the socio-economic development ranking of 187 countries by adopting the objectives of Shariah law. However, due to data limitations, the study used data from 128 countries for all five dimensions of Maqasid al-Shariah. The study concluded that there is a consistency of results obtained when measured using HDI and MS-based ranking in which many non-Muslim countries performed better than Muslim countries for both indexes. A comparison of the methodology used to summarize a measure from several dimension scores has been made between the arithmetic means and the geometric means approaches. A study to evaluate the impact of the welfare changes among the *zakat* recipients using the proposed framework based on the Maqasid al-Shariah principles has been conducted by Kasri and Ahmed (2015). The study involved collecting data among the *zakat* recipients through a survey of 685 households living in Jakarta, Indonesia. The study concluded that *zakat* institutions were observed to successfully reduce the poverty scenario of the household in Greater Jakarta from 2010 to 2011. Zooming into details, the most prominent aspect of poverty reduction is experienced in education dimensions while the most minor changes are felt in economic dimensions.

A study at a national level covering several cities has also been explored by Rama and Yusuf (2019) in Indonesia and found that the overall rank composition of Islamic Human Development Index (I-HDI) proposed and HDI differs significantly. There are mixed results in which some provinces were found to be superior in I-HDI than HDI, some provinces consistently ranked higher in both indices while there were also cases in which some provinces enjoyed better rank in HDI than I-HDI. Ali and Hassan (2014) adopted the deprivation approach

and used the Alkire Foster dual cut-off method of multidimensional poverty measurement to evaluate the socio-economic development in Pakistan. The study utilized data from World Value Surveys (WVS). The study found that wealth protection falls short of the minimum threshold needed contributing to around 50% of the way to keeping individuals out of poverty.

Table 1: Indicators Used in Empirical Studies to Measure Socio-Economic Development Based on Maqasid al-Shariah

Authors/ Dimensions	Amiruddin	Bedoui	Rama and Yusuf	Kasri and Ahmed	Ghazal and Zulkhibri	Ali and Hassan
Faith	<ul style="list-style-type: none"> • Necessity level (faith) • Complementary level (prayer, fasting, hajj, zakat) • Embellishment level (<i>sadaqah</i>) 	<ul style="list-style-type: none"> • Civil justice • Absence of corruption • Multidimensional poverty • Environment 	<ul style="list-style-type: none"> • Religious knowledge • Performing religious obligations • Contribution • Mosque activities 	<ul style="list-style-type: none"> • Prayers and fasting • Islamic / Quranic studies • Charity • Hajj 	<ul style="list-style-type: none"> • Percentage of total expenditure in religious education • Overall ranking in corruption index 	<ul style="list-style-type: none"> • Attendance in religious services • Frequency in prayer • Belief in God
Life	<ul style="list-style-type: none"> • Average life expectancy • Freedom of malnutrition • Life satisfaction 	<ul style="list-style-type: none"> • Dignity and human rights • Life security • Mental peace and happiness • Fundamental rights 	<ul style="list-style-type: none"> • Dwelling condition • Healthy (free of chronic diseases) and not disabled 	<ul style="list-style-type: none"> • Consumption • Access to health care • Health awareness • Sickness frequency 	<ul style="list-style-type: none"> • Universal human rights index • Incidence of crime 	<ul style="list-style-type: none"> • Freedom of choice in life • Victim of crime last year • War involving the country • Terrorist attack • Civil war • Insufficient of food • Unsafe from crime in home
Posterity	<ul style="list-style-type: none"> • Child mortality rate • Homicide rate • Environmental safety 	<ul style="list-style-type: none"> • Health • Education • Shelter • Family 	<ul style="list-style-type: none"> • No of children • School attendance 	<ul style="list-style-type: none"> • Better future for family • Harmony • Anti-social activities • Participation in community activities 	<ul style="list-style-type: none"> • Divorce rate 	<ul style="list-style-type: none"> • Prostitution • Absorption • Divorce • Sex before marriage • Parents being children

Intellect	<ul style="list-style-type: none"> • Primary education • Secondary education • Tertiary education 	<ul style="list-style-type: none"> • Freedom of thought and expression • Creativity • High quality of education 	<ul style="list-style-type: none"> • Educational attainment • Skills 	<ul style="list-style-type: none"> • Access to school attendance • Basic knowledge from school • Academic / School achievement 	<ul style="list-style-type: none"> • Primary enrolment rate • Secondary enrolment rate 	<ul style="list-style-type: none"> • Not being able to give my children a good education • Highest level of education • Alcohol consumption • Drug sale in streets
Wealth	<ul style="list-style-type: none"> • \$1.25 poverty line • \$2 poverty line • Property security 	<ul style="list-style-type: none"> • Freedom of enterprise • Employment and self-employment opportunities • GDP per capita 	<ul style="list-style-type: none"> • Employment type • House ownership • Savings and investments 	<ul style="list-style-type: none"> • Skill, employability • Income • Purchasing power • Savings 	<ul style="list-style-type: none"> • International property rights index 	<ul style="list-style-type: none"> • Satisfaction with financial situation • Occurrence of robberies • Job security • Income group

Table 2: Methodologies and Data Sources Used Across Studies

Author	Amiruddin	Bedoui	Rama and Yusuf	Kasri and Ahmed	Ghazal and Zulkhibri	Ali and Hassan
Methodology	Employed Chakravarty (2003) Equal weights to the 3 sub-indices summed up to MSI	HDI methodology	HDI methodology	Multidimensional poverty methodology. Equal weights assigned for dimensions and indicators	HDI methodology	Alkire-Foster dual cut-off methodology
Data sources	PEW Research Center World Giving Index World Bank United Nations Statistics World Bank United Nations Office on Drugs and Crime	WJP Rule of Law Index, human Rights Rank Indicator, UNICEFM UNESCO, Walk Free Foundation Global Slavery Index, Times Higher Education, Economic Freedom Index, World Development Index, Global Entrepreneurship Monitor	Central Bureau of Statistics (BPS) of Indonesia	Recipients of zakat assistance. Households were randomly selected.	World Bank database	World Values Survey (WVS)

METHODOLOGY

The study was conducted by reviewing the literature pertaining to the development of Maqasid al-Shariah-based index of socio-economic development. The materials used throughout the study include journal articles, books, internet resources and seminar proceedings. An inductive approach was applied to reach the conclusion of the study. This involves an extensive reading to obtain an in-depth understanding of the literature pertaining to the study area. The scope of the reading materials covered in this paper are in Islamic economics and development economics with a heavy focus on human development measurement. The reading materials used for this study concentrate on the integration of Islamic values in measuring socio-economic development progress. The indicators proposed in developing index that integrate the objectives of Shariah from the literature have been reviewed intensively and comparison across studies has been conducted.

RESULT

The study acknowledged that the development of Maqasid al-Shariah socio-economic development index is operationally challenging to establish, particularly related to the faith dimension. The attempt to assess the magnitude of compliance with Islamic orders is not straightforward since measuring intangibles elements required for the Islamic approach may be complicated. The challenges started from the construction of the variables or indicators used to measure the faith aspect until the quantifying and measurement of the elements. The limitation of more frequently available data is also scarce and poses more challenges in applying the MS based Index. From the literature, most of the studies were conducted at a macro level including region and country-level such as Ghazal and Zulkhibri (2016), Rama and Yusuf (2019), Amir-Ud-Din (2014), and Bedoui (2019). This is due to the readily available data used to measure socio-economic development using the proposed indexes. Nevertheless, this dependency on the data that is available could limit the options and selections of the variable or indicators used to develop the index.

This study recommends for several area of improvements that could be considered to measure socio-economic development holistically from the Islamic point of view. First, the MS-based Index used requires more objective and relevant indicators in capturing the progress and development of an individual more precisely. It is worth highlighting that some indicators used such as frequency of prayer, attendance to mosque and belief in God are important to Islamic teachings. However, these indicators may be less objective and biased, resulting in difficulties in measuring the indicators. Besides, the MS-based index proposed should blend the notion of capability approach and Maqasid al-Shariah. The use of indicators such as the percentage of total expenditure in religious education focuses on the input resources rather than outcome resources. The real contribution here should not just look at how does the expenditure on religious education can help improve access to Islamic education among Muslims but also how the resources input can be translated into more functions that allow the targeted group to improve their socio-economic development status. There is also a need to conduct the study at a micro-level by applying the MS-based Index to a specific community or group level. This effort may help to collect data that is more frequently available and cross comparison between different districts or community groups can help policymakers to examine the divergence of socio-economic development performance among different districts or community groups. Lastly, the study recommends considering non-obligatory, but highly encouraged (*sunnah*) activities such as attitude towards debt, charitable donation, building and maintenance of mosque, *waqf* and gift (*hibah*) in the construction of MS-based Index.

CONCLUSION

Despite the challenges that scholars faced in developing MS based Index, the effort to produce a holistic measurement of socio-economic development from an Islamic perspective needs to be embraced and promoted. The MS based Index is crucial in ensuring that the assessment of socio-economic development has been made along with the teachings of Islam. The establishment of a robust socioeconomic development index based on Maqasid al-Shariah is crucial in delivering guidance for the *al-falah* of Muslims. The development of MS-based Index needs to cover both micro and macro level of entire population of a country. It is also vital to ensure that the indicators suggested in the construction of MS based Index are value added metrics to the policy maker perspective.

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