

SYARIAH STANDARD OF LIVING INDEX

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Abstract. Ever since independence in 1957, Malaysia has successfully transformed itself from poor into middle-class nation by using income per household as standard of living indicator. Despite this achievement, many problems exist, new forms of poverty have occurred and income inequalities continue to rise. Income alone may not capture the multiple concepts of standard of living. This is due to its complexity, as standard of living constitutes multifaceted needs. Despite monetary is important indicator, other non-monetary requirements should not be ignored. To date, many dimensions have been proposed as standard of living indicators, however they merely on extrinsic values. Little or none is emphasized on intrinsic value. As noted, *Maqasid al-Syariah* outlines one's standard of living that constitutes both extrinsic and intrinsic values namely religion, off springs, knowledge, physical life and wealth. To bridge these gaps, the main objective of this article is to propose a *Syariah* Standard of Living Index. The development of this index lies on the fact that a new index is needed to enhance the explanatory view of standard of living. This index is expected to provide a new theoretical contribution to the policy makers, researches, academicians and the public at large in understanding standard of living in a holistic perspective. Hence, transforming standard of living is the aspiration of the country as stated in the 11th Malaysia Plan (2016-2020), to improve people's well-being towards zero poverty nation.

Introduction

Standard of living refers to the acceptable level of wealth, comfort living, family and necessities available for one's self sufficiency which is related to quality of life. One whose standard of living is lower than the acceptable level is classified as poor and his life has no quality. Standard of living has been commonly measured using monetary indicator such as income or wealth. In life, one requires many necessities that comprise of monetary and non-monetary elements, amongst them are health care, income, education, infrastructures and family. Ironically, a unidimensional measurement of monetary indicator namely income unable to provide a holistic and comprehensive view of standard of living.

Standard of living is a worldwide concern as deprivation would lead to violation of human right, being exploited, human trafficking and therefore unable to participate effectively in society. Being aware of this, Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme (UNDP) develop the Global Multidimensional Poverty Index (MPI) with standard of living is one of its dimensions. Indeed, MPI is a comprehensive index that measures standard of living based on six indicators namely electricity, sanitation water, house floor area, cooking fuel and assets.

Most of previous indicators of standard of living are tangibles which are extrinsic in values, other intangible aspects or intrinsic values that make up human life, such as spirituality, leisure, safety, cultural resources, social life, physical health, environmental quality issues are ignored. Islam outlines one's self sufficiency in *Maqasid al-Syariah* that covers both intrinsic and extrinsic values [Abu Bakar & Abd Ghani, 2011]. The *Maqasid al-Syariah* stresses on five indicators of standard of living essential for ones namely religion, physical self, knowledge, family and wealth.

Rosbi and Sanep [2009] articulated that standard of living should be assessed in the context of one's standard of living that includes both extrinsic and intrinsic values as stipulated in *Maqasid al-Syariah*. Zakaria and Abd Malek [2014] indicated that standard of living consists of multifaceted aspects and therefore a holistic and comprehensive view of standard of living is important to capture its complexity so that proper strategy and appropriate resources can be allocated to relieve the scarce of deprivation.

In Malaysia one's standard of living is measured based on food and non-food requirements. One who earns less than RM 930 a month per household that consists of 4 to 6 people in Peninsular or RM 1,170 a month in Sabah/Labuan

or RM 990 a month in Sarawak is classified as poor and has low standard of living [Economic Planning Unit, 2014].

As noted, standard of living has been measured based on various indicators inclusive of monetary that is income [Fuadah, 2004; Mujani, 2005; Mohamad, 2008; Zulkarnaen, 2008; Zakariah *et al.*, 2010] and non-monetary that is education, health condition, basic facilities [Rosbi & Sanep, 2009, MPI, 2010, Zakaria, 2014]. Despite that these indicators are comprehensive, they only cater for extrinsic values, intrinsic values such as spiritual, knowledge and pride are ignored [Abdul Rasol *et al.*, 2010]. Auda [2009] opined that the standard of living should measure both extrinsic and intrinsic values as stipulated in *Maqasid al-Syariah*.

As far as the researchers are concerned, dearth of study examines the standard of living based on indicators as outline in *Maqasid al-Syariah*. To fill this void at least partially, the objective of this article is to propose a *Syariah* Standard of Living Index that consists of 5 indicators namely religion, off springs, physical life, knowledge and wealth. Deprivation in any of the indicators, would indicate that one's life is impaired and eventually his standard of living has no quality.

Research Objectives

How can religion, offspring, knowledge, physical self and wealth be integrated to capture the concept of *syariah* standard of living index.

Literature Review

Standard of living. Standard of living is basic or necessary resources needed by one to meet a minimum level of self-sufficiency. According to the World Bank, an acceptable standard of living includes descent income, adequate education and physical security, ability to acquire the basic goods and services necessary for survival and dignity. Low standard of living is pronounced deprivation in well-being and lack of basic capacity to participate effectively in society. Those who are in the state of low standard of living suffer deprivations in many aspects, live in destitute and shun from modernization and development.

The standard of living is one of the Multidimensional Poverty Index (MPI) dimensions. The MPI was developed by the Global Oxford Poverty and Human Development Initiative (OPHI) and the United Nation Development Programme (NDP) in 2010 for its flagship of Human Development Reports [Alainre & Robles, 2017]. According to MPI, one's life has no quality if he deprives in any indicators of standard of living. Those who scarce or lack of standard of living are classified as poor. [Abu Bakar & Abd Ghani, 2011].

The Global MPI proposes standard of living as one of its poverty dimensions with six indicators. The indicators include electricity, sanitation water, floor, cooking fuel and assets. Zakaria *et al.* [2014] found that low standard of living is related to lack of access to water and sanitation services and even some who practised open defecation. Harunnizam *et al.* (2004) articulated that standard of living is multifaceted and it should be evaluated based on socio economic factors such as education, health, water and electric supplies as well as many other indicators.

Rosbi and Sanep [2010] stated that both intrinsic and extrinsic indicators are stipulated in *Maqasid al-Syariah* and suggested them for standard of living indicators. These intrinsic indicators would complement the existing model and provide a holistic view of standard of living phenomenon.

Standard of living as stipulated in *Maqasid al-Syariah*. *Maqasid* refers to purpose, objective, principle, intent, goal and end. Meanwhile, *Maqasid al-Syariah* is the objectives or purposes behind Islamic rulings. The objectives of *Maqasid al-Syariah* are classified in many ways, according to number of dimensions. Some of the dimensions are levels of necessity, scope of the rulings aiming to achieve purposes, scope of people included in purposes and level of universality of the purposes. Traditional classifications of *Maqasid al-Syariah* divide human needs into three levels, which are dire necessities (*daruriyat*), comfort (*hajiyat*) and luxuries (*tahsiniyat*) [Auda, 2009].

The dire necessities are essential matters or living standard for human life. After achieving the first level, one strives to achieve the second level (comfort need) before proceeding to the third level that is luxuries need. The dire necessities of *maqasid al-syariah* comprising five basic standard of living namely religion (*al-din*), physical life (*al-nafs*), knowledge (*al-aql*), off spring (*an-nasb*) and wealth (*al-mal*).

Religion. The utmost important indicator of one's standard of living in *syariah* is religion and Muslims are not supposed to commit any conduct against the *syariah*. Therefore, all aspects of Muslim's life, economic, political, religious and social should seek the blessing of Allah. This is inclusive of commitment to carry out religious obligations such as performing daily prayers, fasting in the month of *Ramadhan*, paying *zakat* and performing *hajj*. One who unable to

perform his religious duties is classified as spiritually low quality of standard of living.

Physical self. The second element of standard of living is physical self, which refers to the daily needs of humans such as healthcare and nutrition, quality of dwelling or living place, amenities, utilities as well as clothing and transportation. These indicators are alike to what is proposed by the Global MPI namely electricity, sanitation water, floor, cooking fuel and assets. Those who deprive or scarce in any of indicators are classified as poor. In general, one strives to ensure that he meets these basic standard of living; otherwise, his life has no quality. Indeed, one strives to fulfil his physical-self for him. He would not commit any harm that might jeopardize himself and other parties.

Knowledge

The third indicator of standard of living is knowledge or mind development, of which people need to develop their intellectual levels and skills. Knowledge is inclusive of psychological factors such as stress management, education attainment and participation in social activities. Thus, one needs to work hard, by acquiring knowledge and use his intellectuality for the benefit of himself, offspring and society.

Family/Offspring. The fourth indicator of standard of living is family. One needs a family besides possesses parenting skills. These skills are needed to nurture knowledge and virtue values in children. Indeed, a harmonious family is essential for descent level of standard of living in current socio-economic settings. Additionally, one should protect the pride and dignity of his family as well as ancestors. The concept of protecting lineage or dignity encompasses the protection, preservation and support, which is started from the beginning of marriage. For instance, the responsibility of husband, wife, parents and children is important in preparing the future generation to face the challenges of life.

Wealth. The fifth and the last indicator of standard of living is wealth. One needs to possess fixed assets and durable goods for a decent living. Mostly all the scholars and indicators have included wealth as the measurement of the standard of living [MPI, 2010; Zakaria *et al.*, 2014; Rosbi & Sanep, 2009]. One also needs to have the ability to generate income or revenue from economic activities. Furthermore, wealth is used for spending on food and non-durable goods. Hence, deprivation of wealth will also impair the quality of one's standard of living.

Everything in this world, including various wealth owned by mankind is a trust from Allah S.W.T for one to administer, manage and rule. He keeps it for a brief time before passing to his descendants, [Mohamad, 2008]. In this context, wealth must be developed and used honestly and truthfully to fulfil the needs and build a comfortable life.

Conclusion

Syariah Multidimensional Standard of Living Index will serve as a holistic indicator of standard of living which is a useful tool for the government, policy makers, researchers and academicians in identifying deprivation areas suffered by the underprivileged groups. This index is universal whereby it is not only applicable to Muslims but also to other faiths. Identifying the deprivation areas or indicators is vital for the allocation of appropriate aids and resources so that the quality of well-being and the standard of living can be improved. Inadequate quality of standard of living is the deprivation of well-being and is an obstacle for achieving one of the six strategies thrust of the Eleventh Malaysia Plan (2016-2020) that is improving human standard of living. Hence, the *Syariah* Standard of Living is aligned to the transformation of human standard of living which is an agenda of the Malaysian's Transformation Policy (2011-2020) of becoming a high-income economy with zero poverty that is both inclusive and sustainable.

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