

## **Analysis of State Revenue Allocation and Distribution in Indonesia (Islamic Economic Perspective)**

**Aulia Nurhikmah \* 1, a, Farid Madani 2 b Yadi Janwari 3 c Sofian Al Hakim 4 d**

<sup>1</sup> Sekolah Tinggi Tarbiyah STIT At-Taqwa Bandung, Indonesia

<sup>2</sup> Universitas Logistik dan Bisnis Indonesia, Bandung, Indonesia

<sup>34</sup> Universitas Islam Negeri Sunan Gunung Djati Bandung, Indonesia

<sup>a</sup> Email: [nurhikmahaulia29@gmail.com](mailto:nurhikmahaulia29@gmail.com)<sup>1</sup> [faridmadani@ulbi.ac.id](mailto:faridmadani@ulbi.ac.id),<sup>2</sup> [yadijanwari@uinsgd.ac.id](mailto:yadijanwari@uinsgd.ac.id),<sup>3</sup> [sofyanalhakim@uinsgd.ac.id](mailto:sofyanalhakim@uinsgd.ac.id)<sup>4</sup>

\* Corresponding Author: [nurhikmahaulia29@gmail.com](mailto:nurhikmahaulia29@gmail.com)

**Abstract:** The state plays an important role in meeting the dynamic and changing needs of society. To that end, regulating state expenditure and determining sources of state revenue are key instruments in meeting those needs. Policies on sources of state revenue have long been implemented, as the allocation and distribution of state revenue greatly influence the improvement of people's economic welfare. However, in a capitalist economic system, this management often leads to injustice, economic instability, social conflict, and persistent poverty. This study examines the allocation and distribution of state revenue from an Islamic economic perspective and its relevance in the transition from the 4.0 industrial era to the 5.0 industrial era. The method used is literature research with data sources in the form of books, journals, and online references. The results show that Islamic economics emphasises income equality as the main objective of state revenue allocation and distribution, which is relevant to be applied in Indonesia to improve the welfare of the community. The capitalist distribution system, which is oriented towards financial gain, tends to neglect moral and social values. Therefore, the application of the sharia economic distribution system, through instruments such as zakat, infaq, sadaqah, and waqf, is important to achieve economic justice and national welfare.

**Keywords:** Fiscal Policy, State Revenue, State Distribution.

### **Introduction**

Economic activities such as buying and selling, business leasing, debt, and other economic activities are very important in people's lives. Over time, the demands and needs of society have continued to increase, so that economic activities were initially carried out more conventionally. However, today Muslim communities, particularly in Indonesia, are beginning to shift towards and participate in economic activities based on Sharia (Islamic) principles, as these are considered to be more aligned with the value of al-'adl (justice) than conventional economic systems (Hafni, 2019). Therefore, understanding the concepts of conventional economics and Sharia economics is important in the context of the Indonesian economy.

Monetary policy plays a strategic role in supporting economic development for the people, so the central bank sets policies to maintain economic stability and regulate income levels. To achieve this stability, monetary policy is used as a tool to control the amount of money circulating in the macroeconomy (Bank Indonesia, Year). In Islamic economics, monetary and fiscal policies focus on controlling inflation and exchange rates as part of the central bank's duties. The concept of time value of money, which states that money today is more valuable than money in the future, is understood differently in Islamic economics. From an Islamic perspective, money is not viewed as a commodity, but merely as a medium of exchange. Therefore, Islam does not recognise the concept of time value of money, but instead uses the concept of economic value of time, which emphasises that it is time that has economic value (Norhadi, n.d.). The distribution of national income is an important aspect in maintaining the sustainability of the community's economy because it serves to realise justice and equity. In a capitalist economic system, unfair allocation and distribution of income can trigger inequality, social conflict, and persistent poverty (Holis, Year). Conversely, from an Islamic economic perspective, income distribution will be more effective if it fulfils the principle of al-Kulliyatul Khamsah, which is to protect religion, life, intellect, wealth, and offspring (Ar-Risuni, 1416 H in Hafni, 2019).

Therefore, the implementation of a fair Sharia economic system, including through a fair income distribution mechanism, is an alternative solution to overcoming economic inequality.

Islamic economics is seen as offering a practical solution to the failure of the old economic system in overcoming poverty, especially in Indonesia (Nurlaela, n.d.).

## Methods

This research on the importance of the allocation and distribution of state revenue from an Islamic perspective falls within the category of normative legal research. This research uses literature studies or library research to answer research questions about the importance of state revenue allocation and distribution from an Islamic perspective, so that the research method is qualitative in nature. To study the theme of state revenue allocation and distribution from a Sharia economic perspective, the author uses historical, comparative, and conceptual approaches. To obtain data and sources, the researcher used various relevant sources such as books, journals, and the Internet.

## Results and Discussion

### Managing Islamic Government Revenue Sources

According to Imam Al-Ghazali, religion is the foundation of social life, while the state functions to maintain and support that foundation. Religion guides society towards values of goodness and welfare, but these principles are not always formally applied in every form of state. Indonesia, as a republic, does not formally implement an Islamic system of government as some Arab countries do, although Islamic values can still serve as an ethical reference in public policy (Al-Ghazali, n.d.). Zakat is the main source of income in an Islamic state and is obligatory for every Muslim on certain assets such as money, agricultural produce, and livestock. In Islamic government, the state has the authority to manage, supervise, and distribute zakat, and even enforce its implementation. Due to its obligatory nature, zakat is often equated with tax, even though it has a different normative basis. Apart from zakat, there are other sources of income that support the finances of an Islamic state. During the time of the Prophet Muhammad SAW, state revenue did not only come from zakat, but also from ghanimah, fai, khumus, jizyah, usyr, as well as alms, donations, and waqf. All of these revenues were managed through Baitul Mal and used for the benefit of the people in accordance with the social and economic conditions at that time.

#### 1. Ghanimah

Ghanimah is state revenue obtained from the spoils of war. Its distribution is regulated in Surah Al-Anfal verse 41. Fauzan, referring to Muhammad Rawwas Qalahji, explains that ghanimah is divided into the Ash-Shafi portion for the imam, one-fifth for public interests, and the remainder for the participants of the war under certain conditions (Fauzan, 2017). The Prophet Muhammad SAW gave a larger share to the cavalry than to the infantry, taking into account the interests and conditions of the war. According to Imam Al-Mawardi, ghanimah includes movable property, land, prisoners of war, and hostages. Movable property was distributed directly to Muslims, while land could be managed through conquest, peace, or retained by the original owner with tax obligations. According to Imam Syafi'i, prisoners of war could be treated through killing, enslavement, ransom, or release, in accordance with the imam's policy and the interests of the people (Al-Mawardi, n.d.; Al-Syafi'i, n.d.).

#### 2. Fai

Fai is state revenue obtained without warfare, such as through peace agreements or voluntary surrender. Fai includes kharaj, jizyah, grants, certain inheritances, and usyr. Imam Al-Mawardi refers to fai as peace wealth that can be used for the welfare of the people and muallaf groups, as done by the Prophet Muhammad SAW after the Battle of Hunain (Al-Mawardi, n.d.).

#### 3. Usyr

Usyr is a levy on trade goods that cross Islamic territory, usually amounting to one-tenth of the goods' value. This levy serves as a guarantee of security and trade facilities. Usyr is only imposed on trade goods and does not apply to trade within the trader's home territory.

#### 4. Jizyah

Jizyah is a levy imposed on non-Muslims living in Islamic territory in exchange for state protection. The legal basis for this is found in Surah At-Taubah verse 29. Scholars from various schools of thought agree that jizyah is only imposed on adult males who are capable, with exceptions for women, children, the elderly, the sick, and the poor (Ulama Mazhab, n.d)

#### 5. Gifts in Islam

A gift is the voluntary transfer of property ownership without compensation and is part of fiqh muamalah. In addition to its religious value, gifts have a social function in strengthening solidarity and brotherhood in society.

#### 6. Indonesian State Revenue

In the Indonesian context, state revenue comes from taxes, non-tax state revenue, and grants as stipulated in Law Number 17 of 2003 concerning State Finances. All of this revenue is managed through the State Budget to finance the running of the state, maintain the financial balance between the central and regional governments, and realise national development and welfare.

### **Sharia Economics: Justice and Freedom**

The concept of freedom (hurriyyah) in Islam encompasses ikhtiyar (effort) and destiny, which relate to human freedom in carrying out economic activities, both theologically and practically. Over time, this concept has expanded to adopt universal values such as freedom of thought, speech, politics, and economics, without abandoning the principles of Islamic teachings. Islam assesses every economic activity based on reward and sin, so it must contain the value of ubudiyah (worship). Its success is reflected in good morals and the ability to uphold justice (al-'adl). Islamic economics has three main principles, namely faith, morals, and law, which form a comprehensive framework for Islamic economic theory (Latif, 2019). The basic principles of Islamic economics include ownership, justice, balance, freedom, and togetherness, which form the operational foundation of Islamic financial institutions in Indonesia. This view is in line with Husni, who states that justice is a key indicator in the economic system, especially as a solution to the inequalities caused by the capitalist and socialist systems (Husni, 2020). The concept of justice in Islam covers two contexts, namely individual and social. A Muslim is prohibited from harming themselves or others in economic activities. Therefore, the Islamic economic system prohibits practices of monopoly and concentration of economic power that cause inequality.

### **The Context of Statehood in Distribution**

In the context of statehood, sharia economic distribution aims to achieve fair equity and prosperity through distributive justice. Rahmawati states that criticism of the capitalist distribution system has led to the emergence of the concept of sharia economic distribution as a solution for social justice (Rahmawati, 2018). Islam offers a distribution system that balances freedom of action and justice through economic and non-economic mechanisms. The role of the state is necessary in productive and non-productive economic activities, including the optimisation of instruments such as zakat, infaq, hibah, waqf, and sadaqah to reduce income inequality. This principle is in line with Article 33 of the 1945 Constitution, which states that the management of natural resources is carried out by the state for the greatest prosperity of the people. The failure of the capitalist and socialist systems lies in the imbalance of distribution and unfair ownership, so that the Islamic economy is seen as a more equitable alternative.

Qadir emphasises that Islam has regulated income distribution effectively and in accordance with sharia to prevent conflict, poverty, and ongoing social inequality (Qadir, 2017). The Islamic distribution system is based on the maqasid sharia al-daruriyyah, al-hajjiyyah, and al-tahsiniyyah to maintain economic balance and sustainability. The distribution of household income in Islam is closely related to the concept of charity, both obligatory forms such as alms,

zakat, and inheritance, as well as recommended forms. Other instruments such as kafarat, dam, and diyat serve as legal consequences for certain violations and do not exist independently without prior unlawful acts. In the implementation of fiscal and monetary policies, these two instruments must support each other for the common good. Inflation is controlled through the regulation of the money supply and fiscal policies such as reducing government spending and increasing taxes, which have a direct impact on government and household expenditure.

### **The Relevance of Distribution and Allocation of State Revenue from an Islamic Economic Perspective**

From an Islamic economic perspective, the allocation and distribution of state revenue can be carried out using an approach similar to the decentralised zakat mechanism that has developed in Indonesia. Rosadi explains that zakat is not merely an economic instrument, but has become a social tradition that functions as a social glue for the community, as demonstrated in the social capital approach (Rosadi, 2016). Therefore, reforming the management of zakat is relevant to discuss as part of national economic reform. Furthermore, Rosadi emphasised that the current problems of social inequality and poverty among Muslims are caused by a distribution system that is not in line with the times. He encouraged Indonesian economists to design innovative models for the distribution of state revenue, one of which is to emulate the pattern of zakat obligations in Islam. The distribution of zakat is considered capable of reducing poverty quickly because the funds collected in a region can be returned to the community in that region (Rosadi, 2016).

In Islam, fulfilling basic human needs is the responsibility of the state. The state has the authority to regulate and allocate income proportionally to ensure the welfare of the people while adhering to the principles of Sharia law. Tax policy is one of the important instruments in managing this revenue. Wolfson, as quoted by Suparmoko, states that fiscal policy is the government's effort to improve the welfare of society through the regulation of income and expenditure, prices of goods and services, and the mobility of resources (Suparmoko, 1997). Fiscal policy in the context of the allocation and distribution of state revenue also serves to reduce business cycle fluctuations, encourage economic growth, increase employment opportunities, and control inflation. In the Indonesian context, fiscal policy related to social security and social welfare is in line with Muhammad Baqir al-Sadr's idea of state intervention. However, the implementation of social security is considered suboptimal because its distribution is not yet on target, so a more decisive and equitable policy is needed.

### **Comparative Analysis of the Capitalist Distribution System and the Islamic Distribution System**

The capitalist economic system is based on absolute ownership of the factors of production with the main objective of maximising profits. This orientation tends to ignore moral and social values, giving rise to structural economic inequality. This condition reinforces the urgency of implementing a sharia economic distribution system that places justice and benefit as the main objectives of economic activity. Islamic economics is considered ethically superior to capitalism because it does not separate economic activity from moral values. Distribution in Islam is understood as the process of distributing wealth to those who are entitled to it, whether individually or publicly, in order to achieve general welfare in accordance with sharia. In contrast, distribution in capitalism is often understood only as the distribution of products from producers to consumers without considering social justice.

In practice, the dominance of capital owners in the capitalist system often causes state policies to favour the interests of the economic elite, thereby widening the distribution gap. Conversely, distribution in Islam aims to improve the welfare of society through the application of Islamic law, not merely to distribute production results. The principle of *fastabiqul khairat* becomes the moral foundation for encouraging fair income redistribution in the event of market failure. The concept of *rahmatan lil 'alamin* in Islamic economics emphasises that the application of Sharia principles is not only intended for Muslims, but for all of humanity. Through social instruments such as *waqf*, *zakat*, and *sadaqah*, Islamic economics seeks to reduce social inequality

and revive the values of justice. Its implementation can be adapted to contemporary needs, such as cash waqf, halal industry, and halal tourism.

From an ethical point of view, distribution in Islam focuses on both individual and social justice, unlike socialism, which emphasises shared ownership. Islamic distribution must be based on freedom and justice in ownership and the prohibition of hoarding. Syukur emphasises that Islam never separates economics from ethics, because the main objective of Islamic teachings is the formation of human character (Syukur, 2015). The principle of distribution in Islam is also emphasised in Surah An-Nisa verse 29, which prohibits the acquisition of wealth through unlawful means and emphasises the principle of willingness in transactions. Sholiha added that Islamic economics promotes economic equality through various instruments such as zakat, waqf, inheritance, infaq, and sadaqah, with the active support of the government in its implementation (Sholiha, 2019).

### **State Revenue from Period to Period**

#### **a. Early Islamic Period in the Archipelago**

In the early days of Islamic kingdoms in the archipelago, such as Samudra Pasai and Demak, state revenue came from zakat, fai', ghanimah, and taxes adjusted in accordance with sharia law. Funds were managed through institutions similar to Baitul Mal, with distribution directed towards the public good and the fulfilment of the basic needs of the people.

#### **b. Colonial and Pre-Independence Period**

During the colonial period, the application of Islamic economics was marginalised due to the dominance of the capitalist system. Zakat and waqf were managed informally by religious leaders and were not yet integrated into the state system.

#### **c. Independence to the Old Order (1945–1966)**

After independence, the state economic system was still dominated by a conventional approach. Zakat and waqf were not yet state fiscal instruments, although ideas for their institutionalisation began to emerge.

#### **d. The New Order Era to Early Reform (1966–2000s)**

Awareness of the institutionalisation of Islamic economics began to increase with the enactment of Law No. 38 of 1999 concerning Zakat Management and the recognition of zakat as a tax-deductible income. ZISWAF management institutions began to develop professionally.

#### **e. Contemporary Period (Reform Era–Present)**

In the contemporary era, Islamic economics has gained further recognition through Law No. 23 of 2011 on Zakat Management, the development of productive waqf, and innovations in Islamic finance such as sukuk and SRI. Income distribution has shifted from a consumptive to a productive pattern, in line with the objectives of maqasid syariah and sustainable distributive justice.

### **Conclusion**

Based on the previous discussion, it can be concluded that the allocation and distribution of state revenue in the perspective of Islamic Economics is a distribution concept oriented towards equity ('adl) in order to achieve public welfare. Income distribution is carried out fairly and proportionally by placing public interest as the main objective. If this principle is consistently applied in Indonesia's state financial management system, it has the potential to create more equitable and just social welfare. During the time of the Prophet Muhammad SAW, state revenue sources did not only come from zakat, but also from various non-tax revenue instruments. These instruments included ghanimah, fai', khumus, jizyah, 'usyur, kharaj, as well as infaq, alms, and waqf. The diversity of these sources of income shows that the state financial system in Islam is comprehensive and adaptive in meeting the needs of the state and society. A comparison between

the capitalist distribution system and the Islamic distribution system reveals fundamental differences. The capitalist economic system is based on absolute ownership of the factors of production and is oriented towards profit maximisation, thus tending to disregard moral and social values. Conversely, in the concept of state income allocation and distribution according to Islamic Economics, moral and social values and the principle of maslahah (justice) are the main foundations. The practices of infaq, sadaqah, and waqf that have developed in Indonesia reflect the relevance of applying Islamic distribution principles in a contemporary context as a real solution to economic inequality. The recommendation for further research is to develop a study on the mechanisms of Sharia-compliant and sustainable distribution of state revenue, so that it can contribute significantly to improving the economic welfare of the community, especially in Indonesia.

### References

Baidhawy, Z. (2008). *Etika Bisnis Syariah (II): Prinsip-Prinsip Konsumsi dan Distribusi*. Kurnia Kalam Semesta.

Chaudry, M. S. (2012). *Sistem Ekonomi Islam: Prinsip-Prinsip Dasar* (Terj. Suherman Rosyidi). Jakarta.

Dewantara, A. (2020). *Etika Distribusi Ekonomi Islam (Perbandingan Sistem Distribusi Kapitalis dengan Sistem Distribusi Islam)*. Ad-Deenar: Jurnal Ekonomi dan Bisnis Islam.

Firmansyah, L. M. (2022). *Sumber Pendapatan Negara dalam APBN: Jenis dan Contoh*. Fortune Indonesia. <https://www.fortuneidn.com/finance/luky/sumber-pendapatan-negara-dalam-apbn-jenis-dan-contoh>

Hafni, R. N. (2019). *Efisiensi Alokasi dan Distribusi Pendapatan dalam Ekonomi Islam*. *Jurnal Ilmu Akuntansi dan Bisnis Syariah (AKSY)*, 1(2), 233–242.

Husni, I. S. (2020). *Konsep Keadilan Ekonomi Islam dalam Sistem Ekonomi: Sebuah Kajian Konsepsional*. *Islamic Economics Journal*, 6(1), 57–74.

Holis, M. (2017). *Sistem Distribusi dalam Perspektif Ekonomi Islam*. *Jurnal Masharif Al-Syariah: Jurnal Ekonomi dan Perbankan Syariah*, 1(2).

In'amuzzahidin, M. (2017). *Konsep Kebebasan dalam Islam*. *At-Taqaddum*, 7(2), 259–276.

Ilyas, R. (2017). *Time Value of Money dalam Perspektif Hukum Islam*. *Al-'Adalah*, 14(1), 157–180.

Iqbal, M. (2014). *Fiqh Siyasah: Kontekstualisasi Doktrin Politik Islam* (Edisi Pertama). Prenadamedia Group.

Janwari, Y., Al Hakim, S., & Ahyani, H. (2021). *Perkuliahan Mata Kuliah Kebijakan Moneter dan Fiskal Islam Program Doktoral Hukum Islam UIN Sunan Gunung Djati Bandung*.

Latif, A. (2014). *Nilai-Nilai Dasar dalam Membangun Ekonomi Islam*. *DIKTUM: Jurnal Syariah dan Hukum*, 12(2), 153–169.

Maghfiroh, R. U. (2019). *Konsep Nilai Waktu dari Uang dalam Sudut Pandang Ekonomi Islam*. *El Qist: Journal of Islamic Economics and Business (JIEB)*, 9(2), 186–195.

Mulachela, H. (2021). *Bukan Hanya Pajak, Ini Jenis Sumber Pendapatan Negara*. Katadata. <https://katadata.co.id/muchamadnafi/finansial/612378e27850c/bukan-hanya-pajak-ini-jenis-sumber-pendapatan-negara>

Mawardi, A. I. (2017). *Al-Ahkam As-Sulthaniyyah: Hukum-Hukum Penyelenggaraan Negara dalam Syariat Islam*. Darul Falah.

Nasution, M. E. (2006). *Ekonomi Islam*. Gramedia Digital.

Nurlaela, N. (2017). *Mekanisme Distribusi Harta secara Ekonomis dan Non-Ekonomis dalam Sistem Ekonomi Islam*. *At-Tauzi: Islamic Economic Journal*, 17(2), 172–180.

Norhadi, N. (2018, April 24). *Distribusi dalam Islam*. Pa Sampit. <https://pasampit.go.id/distribusi-dalam-islam/>

OCBC NISP. (2023). *Mengenal Jenis Sumber Pendapatan Negara Beserta Contohnya*. OCBC NISP. <https://www.ocbcnisp.com/id/article/2023/02/02/sumber-pendapatan-negara>

Qadir, A. (2021). *Efisiensi Distribusi Pendapatan dalam Ekonomi Islam*. *Mozaic: Islam Nusantara*, 7(1), 47–60.

Rahmawati, Y. (2016). *Refleksi Sistem Distribusi Syariah pada Lembaga Zakat dan Wakaf dalam Perekonomian Indonesia*. *Al-Iqtishad: Journal of Islamic Economics*, 3(1).

Rahmawaty, A. (2013). *Distribusi dalam Ekonomi Islam: Upaya Pemerataan Kesejahteraan melalui Keadilan Distributif*. *Equilibrium*, 1(1), 1–17.

Rahmawati, L. (2012). *Anggaran Pendapatan dan Belanja Negara (APBN) Pemerintahan Islam: Wacana Politik Ekonomi Islam*. *El-Qist: Journal of Islamic Economics and Business (JIEB)*, 2(1), 232–256.

Rozalinda. (2015). *Ekonomi Islam: Teori dan Aplikasinya pada Aktivitas Ekonomi*. PT RajaGrafindo Persada.

Rosadi, A., & Athoillah, M. A. (2015). *Distribusi Zakat di Indonesia: Antara Sentralisasi dan Desentralisasi*. *Ijtihad: Jurnal Wacana Hukum Islam dan Kemanusiaan*, 15(2), 237–256.

Samuelson, P. A., & Nordhaus, W. D. (1997). *Makroekonomi* (Edisi ke-14, Terj. Haris Munandar). Erlangga.

Sakirah, S., Syarifuddin, A., Ahyani, H., Slamet, M., Huda, R., Andini, R., & Komarudin, R. (2021). *Pengantar Bisnis Islam*. Widina Bhakti Persada.

Sukirno, S. (2016). *Makroekonomi Modern: Perkembangan Pemikiran dari Klasik hingga Keynesian Baru*. PT RajaGrafindo Persada.

Triwahyuni, T. (2021). *Pengendalian Inflasi, Moneter, dan Fiskal dalam Perspektif Ekonomi Makro Islam*. *Ekonomika Sharia: Jurnal Pemikiran dan Pengembangan Ekonomi Syariah*, 6(2), 199–210.

Wahidah, M. A. H. (2018). *Alokasi Pendapatan Negara Menurut Muhammad Baqir Al-Sadr dan Relevansinya dengan Sistem Jaminan Sosial di Indonesia*. *El-Barka: Journal of Islamic Economics and Business*, 1(2), 269–298.