Abstract: The universality of shariah maqashid values is an instrument in designing economic policy according to current human needs. Based on the results of Analytic Network Process (ANP), the ideal fiscal policy based on maqashid shariah is the synergy of sources of income derived from existing APBD (regional income and expenditure budgets) and religious property managed according to sharia. Sharia mechanisms requiring the existence of special sources and allocations for the poor, the linkage of sources of income and allocation, the separation of halal & haram sources, incentives on agricultural activities that contain technology and job creation, and the implementation of priority-based spending based on the basic needs, infrastructure, MSMEs, staff salaries and office buildings. The most recommended indicator of budget realization success is first gini ratio, the second combined economic growth-gini ratio-volume of zakat. The next prospect of Islamic fiscal will be able to improve equity distribution development, reduce expenditure irregularities, conflict of interest and ultimately reduce dependence on taxes.

1 INTRODUCTION

The purpose of this research is to formulate the ideal revenue and spending policy for modern governance based on shariah maqashid. The purpose and target above are due to the classic problem in almost all of governments, including in Indonesia every year that is the limited regional government budget and the weaknesses in the system of spending priority in dealing with many political conflict of interest. Therefore tax incentives in social contributions by individuals or households collected from various non-profit organizations are an important source for the basis of public finance (Bonke et al. (2011), Carmichael (2012), Setianingrum, (2016)). The pattern and philosophy of Islamic fiscal policy can be empowered to minimize the limitations and strengthen the benefits of conventional systems (Afzalurrahman (1997), Chapra (2002, 1995, 1979), Faridi (1995), Hafidhudhin (2002), Mannan (2000), Metwally (1981&2008), Ra’ana (1997), Rahman (1992), Sabzwardi (1985), Yusoff (2006), Setianingrum (2016)).

The maqashid shariah instrument can be used to explore the pattern and philosophy. The universality of sharia maqashid values is the instrument in designing the economic policy to meet the needs of modern people. Maqashid shariah will provide a rational and substantial pattern of thought in formulating economic policies and Islamic financial products. Fiqh thinking alone will lead to a formalistic and textual pattern of thought. It isshariah only with the maqashid shariah approach that macro and micro shariah policies can develop well and can respond to the rapidly changing economic and business progress (Auda (2011), Setianingrum, (2016)).

How to apply the pattern and philosophy of Islamic fiscal policy required in the modern era? Indeed, the financial policy of the local government of Bekasi City cannot be compared to the Islamic governance for apple-to-apple. However, the pattern and philosophy of Islamic policy can be empowered to strengthen the existing policy by synergizing both systems and making it suited to the existing regulation (Setianingrum, 2016). In Indonesia, the step forward synergy has been marked by the law number 38 of 1999 and number 17 of 2000. The law states that zakah on income paid to official institutions may be used as a deduction of taxable income. The synergy of both must run in harmonious and non-conflicting rules. The goals to be achieved are determining the priority income instrument and the scale of priorities of government spending in the
maqashid sharia perspective in the modern era. The management of criteria and sub criteria for determining the priority of the revenue instrument and the scale of the expenditure priorities, using the analytical network process method.

2 RESEARCH METHOD

2.1 Analytic Network Process (ANP)

The stages in the ANP method are as follows ((Saaty & Sodenkamp (2008), Yuksel & Dagdeviren (2007), Gencer & Gurpinar (2006), Saaty et al. (2006), Taslicali & Erkcan (2006), Cheng & Li (2004)):

1) Interview Phase I: Conducting interviews to in-depth informants on issues that are examined to experts and practitioners who understand and master the problem of government finances comprehensively.

2) Decomposition: Decomposition to identify, analyze, and structure the complexity of the problem into the ANP network (details can be seen in the ANP model constructs described later).

3) Prepare the Questionnaire: Prepare a pair-wise comparison based on ANP networks that have been created.

4) Advanced Interview & Questionnaire Filling: Conduct second interview in the form of charging questionnaire to experts and practitioners.

5) Informant ANP: Informants who fill the questionnaire on the ANP method are: elements of the Indonesian Ulema Council, as well as academics, as many as 2 informants, the element of National Amil Zakat as much as 1 informant, the leadership element of Bekasi City Government as much as 2 informants, local legislative council, city of Bekasi as many as 3 people, academic elements as much as 1 informant.

3 RESULTS AND DISCUSSION

The results show the consensus from the experts and practitioners on how to strengthen the system of Regional Government Budget management ideally (which should) based on sharia maqashid as follows: In Figure 3.1, the results of priority in the intensification and extensification clusters of the sources of revenue of local government show that, the existing Regional Government Budget still becomes the most influencing source for 32%, followed by ZISWAF revenue (29%).

Figure 1: The Results of Synthesis in the Revenu in Strengthening the System of the Sharia Maqashid Based Regional Government Budget Management.

The same part, the cluster of existing revenue sources, the priorities in strengthening the system of the sharia maqashid based regional government budget are as follows: tax, retribution, duties (bea perolahana) for 30%; followed by the central tax and non-tax profit sharing (28%); Local companies, Regional Owned Enterprises, Natural Resources management (23%), profit sharing from Islamic bank (11%), Conventional bank interest rate in the last position (8%). For more results, it can be seen in Figure 2.
Based on the results of synthesis in this research, the priority scales of the spending of local government based on the ideal benefit, as seen in Figure 3.6, are as follows: Intelligence spending (belanja akal) (science and technology) 27%, Followed by life spending (belanja jiwa) (Healthcare) 21%, Religion spending (belanja agama) (da’wah, religion education) 20%, Assets spending (belanja harta) (economic development) 18%, Ancestry spending (belanja keturunan) (youth generation and sustainable development). The results of consensus from the ANP experts are different from the opinion of Ash-Shatibi, who states that the order of benefit priority, consecutively, is religion, life, intelligence, ancestry, and assets.

Meanwhile, in the aspect of priority scale, the spending of local government based on the ideal interest, as seen in Figure 3.7, are: Type A spending (35%): General & Religion Education, Healthcare, Poverty Reduction, Basic Needs Fulfillment. Type B (24%): Public Infrastructures and Facilities. Type D (20%): Economic Development, SME, Job opportunity, Food Security, Living Environment, Energy, Technology. Type E (11%): Employee spending, Interest, Hibah (Grants), Social and Financial Assistances. Type C (9%): Construction of office building and infrastructures of the bureaucracy.

While the indicator of success of local government (see Figure 3.8), the type of indicator that is considered most appropriate according to the experts is gini ratio (43.3%), then mixed indicators consisting of economic growth, per capita income, gini ratio and volume of zakat (27.9%). Other
indicators are regional economic growth (18.2%), per capita income (6.2%) and volume of zakat (4.2%).

![Indicators of Success of Government](image)

Figure 5: Indicators of Success of Government.

4 CONCLUSION

In general, the sharia maqashid based on ideal formulation of revenue and spending policy are as follows: The instruments of revenue consist of existing Regional Government Budget, Natural Resources, and religion's treasures. Require a linkage between the revenue and allocation in order to reduce the deviation or misallocation and to improve the use of Regional Government Budget. The benefit-based spending priority is protection against religion, life, intelligent, ancestry, and assets. The implementation of sharia maqashid based spending priority is as follow: 1) General & Religion Education, Healthcare, Poverty Reduction, Basic Needs Fulfillment; 2) Public Infrastructures & Facilities; 3) Economic Development, SME, Job opportunity, Living Environment, Energy, Technology; 4) Employee Spending, Interest, Grants, Social and Financial Assitances; 5) The construction of the office building and infrastructures of the bureaucracy.

Indicators of successful development are: Gini ratio as main incator, supporting indicators are economic growth, income per capita, zakah volume. A need to separate the halal and non-halal sources on revenue and allocation.

Implementation of shari'ah maqashid values in fiscal policy will have additional funding prospects for development, increased community participation through infaq, shadaqah, waqf (public fund participation), and create more substantive spending priority standards based on the benefit levels of daruriyat, hajiyat and tahsiniyat. The prospect of subsequent effects will be able to improve equity distribution development, increased government investment, MSME sector and employment, reduce expenditure deviations, reduce dependence on taxes, and controlling the tax rate so as not to disrupt the business world.

REFERENCES


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