

Alcohol Investment Policy in Indonesia according to *Maqasid Shariah*

Polisi Pelaburan Alkohol di Indonesia Menurut Maqasid Syariah

ARIS ANWARIL MUTTAQIN
MUHAMMAD ADIB SAMSUDIN*
AHMAD DAHLAN SALLEH
AZLIN ALISA AHMAD

ABSTRACT

*Investments which are considered beneficial for the economy have caused controversy in the Indonesian society when the government enacted the Peraturan Presiden Nomor 10 Tahun 2021, which contains an article on alcohol-related investments. This study analysed the relationship between government policies and public figure responses relating to alcohol-related investments in Indonesia based on the Maqasid Shariah approach. This study used content analysis methodology and data were obtained by analysing documents, online media information and check lists. Two experts in Islamic Economics were involved and Cohen's Kappa test was used to measure inter-rater reliability for qualitative (categorical) items, which yielded a score of 1 for each expert. Study data analysis was carried out descriptively and thematically. Findings show that policies to encourage investments considered beneficial for the economy have in fact, harmed the Indonesian society in general because the policies are contrary to the principles of Maqasid Shariah. The Muslim society believes that alcohol investments are detrimental to the country. The implications appear in the form of policies contradicting the *maslahah* (public interest) of the society, public rejection of investment policies, and rescinding of the government's investment policies. Therefore, this study recommends that governments, in this case Indonesian government, should consider the Maqasid Shariah principles when formulating policies, especially those concerning the wider community, in the future.*

Keywords: Government Policy; alcohol investment; Maqasid Shariah; Indonesia

ABSTRAK

Pelaburan yang dianggap menguntungkan ekonomi telah menimbulkan kontroversi dalam kalangan rakyat Indonesia apabila pemerintah meluluskan Peraturan Presiden Nomor 10 Tahun 2021 yang mengandungi peraturan untuk memungkinkan pelaburan dalam minuman beralkohol. Kajian ini bertujuan menganalisis hubungan dasar pemerintah dan tindak balas tokoh masyarakat berkaitan dengan pelaburan alkohol di Indonesia menurut Maqasid Syariah. Pengumpulan data diperoleh melalui analisis dokumen, media dalam talian dan senarai semak. Kajian ini melibatkan dua pakar dalam Ekonomi Islam untuk menguji kebolehpercayaan Cohen Kappa. Nilai ujian kebolehpercayaan yang diperoleh dari setiap pakar adalah 1. Analisis data kajian dilakukan secara deskriptif dan tematik. Hasil daripada kajian menunjukkan bahawa dasar mengenai pelaburan yang diyakini bermanfaat bagi ekonomi telah merugikan masyarakat kerana tidak bersesuaian dengan prinsip Maqasid Syariah. Keyakinan bahawa pelaburan alkohol merugikan negara telah disuarakan sendiri oleh tokoh masyarakat. Penolakan sejumlah tokoh masyarakat terhadap amalan pelaburan itu menampakkan ketidaksesuaian dasar tersebut dengan kemaslahatan masyarakat sehingga mendorong kepada pembatalan amalan pelaburan itu oleh pemerintah. Oleh itu, kajian ini menganjurkan pemerintah, terutamanya di Indonesia untuk mempertimbangkan prinsip Maqasid Syariah dalam membuat dasar, terutamanya yang berkaitan dengan masyarakat umum pada masa akan datang.

Kata kunci: Dasar pemerintah; pelaburan alkohol; Maqasid Syariah; Indonesia

INTRODUCTION

Investments that are presumed to benefit the economy (Kambono & Marpaung 2020), have actually caused a controversy among the Indonesian

people when the government announced a policy that allowed the issuing of licenses for alcoholic beverages. On 2 February 2021, President Joko Widodo (2021) had proclaimed the Presidential Decree for the Republic of Indonesia No. 10 of

2021 in the area of investments. Attachment III of the Regulation states that investments in alcohol-related businesses are permitted. This ruling had stirred some debate among the people, as some welcomed this decision, while some not very enthusiastic. Those who supported the decision believed that alcohol-related businesses can attract investments, provide job opportunities, reduce unemployment and increase the country's taxable income. Meanwhile, those who opposed believed that the negative aspects are far overbearing although there are some positive aspects. President Joko Widodo (2021) eventually rescinded the attachment containing Decree No 10 of 2021 on 2 March 2021 through the national secretariat's YouTube channel. Hence, it is evident that the policy related to alcohol-related investments in Indonesia had caused turmoil amongst members of the society, which eventually led to the government rescinding its implementation.

Studies that examined the relationship between government policies and the Islamic approach have progressed, beginning with studies about the importance of electing a leader, need for policies that provide benefits to society and investments. Zakaria (2017) mentioned that since its beginning, Islam has emphasised on the importance of leadership and has always sent a reminder or warning about the trust and responsibility that should be upheld and implemented as a leader. Majid et al., (2019) also said that the role and responsibility of an authentic leader to the people is to help the Muslims to continue with life in a harmonious environment involving all aspects of life, such as the economic, social, political, educational and security aspects. In matters pertaining to policy making, Fahlefi (2015) mentioned that benefits are a fundamental aspect in the field of economics, especially those related to economic practices that are not comprehensively described by the Syariah. Ghani, Laluddin, & Nor, (2011) briefly asserted that anything that provides benefits is advocated by Islam and anything that causes harm or destruction is prohibited. According to Pardiansyah (2017), investments are activities totally advocated by Islam as such activities have its origins in the al-Quran and Sunnah. Therefore, the leader's role in making policies related to investments is also recommended. Some studies (Jufrida et al. 2016; Dinh et al. 2019; Su and Liu 2016) have shown that investments are capable of stimulating economic growth. Nevertheless, there are insufficient studies on policies concerning

alcohol-related investments although alcohol beverages have existed even before the coming of Islam.

This study endeavours to complement existing studies by focusing on governmental policies and responses from society pertaining to alcohol-related investments in Indonesia. This study refers to Yahaya, Samsudin and Kashim (2020) regarding the analysis from a Maqasid Syariah perspective by changing the objectives of the study to governmental policies and responses from public figures concerning alcohol-related investments. Hence, the objective of this study is to analyse government policies and responses from society regarding alcohol-related investments from a Maqasid Syariah perspective. This includes efforts to better understand the views of the ulama in Indonesia on the suitability or compatibility of policies on alcohol-related investments and Maqasid Syariah, arguments adduced by society aimed at rejecting the policy concerning alcohol-related investments and the government's attitude in handling society's rejection of the policy on alcohol-related investments.

MAQASID SYARIAH: ITS CONCEPT AND DEVELOPMENT

Maqasid Syariah originates from two Arabic syllables, namely "*maqasid*" and "*syariah*". According to Ar-Raysuni (2015), the word "*maqasid*" is the plural of "*maqsid*", which refers to 'meaning', 'intention', or 'achievements desired by Allah SWT'. Meanwhile, the word "*syariah*" means everything mentioned by Allah SWT to HIS subjects in the form of decrees or stipulations that act as a guide. Al-Yubi (1998) briefly defined Maqasid Syariah as a 'meaning', 'wisdom' or other similar words advocated by Allah SWT generally and specifically that refer to the provision of benefits to HIS subjects. Alias, Ghani, Samsudin, & Kamis, (2020) stated that the main aim of Syariah is to provide goodness or goodwill to humans in three levels, namely *Maqasid Daruriyyat* (fundamentals of human life), *Maqasid Hajiyyat* (human needs required for a convenient and smooth lifestyle), and *Maqasid Tahsiniyyat* (complementary and additional needs for better quality and comfortable human life).

In the latest development, studies on Maqasid Syariah are not only related to the solemn fields of Islamic knowledge such as Ushul Fiqh and Fiqh but also modern social science, such as economics,

politics and the humanities. According to 'Athiyah (1993), combining *Maqasid Syariah* in this matter will create compatibility between human behaviour, which is the choice of normative terms (*mi'yari*), and individuals or society, as well as naturally occurring descriptive terms (*maudhu'i*). Islahi (2010) also mentioned that understanding and considering Maqasid Syariah is unavoidable and paramount for overcoming problems faced by contemporary Muslims. This is also related to economic development. Chapra (2008) stated that Maqasid Syariah is a term in Islamic literature that refers to *satisfaction* of all basic human needs. Maqasid Syariah guarantees that basic human needs are not only limited to materialistic needs but also spiritual and non-materialistic needs.

THE ROLE OF INVESTMENT IN THE ECONOMY

Investment is a commitment in the form of funds or other resources aimed at securing some benefits or conveniences in the future (Pardiansyah 2017). One condition that must be fulfilled to achieve long-term economic growth is to realise the need for investment (Murni 2016). Jufrida et al. (2016) suggested that the Indonesian government should safeguard the stability of economic variables that have the ability to stimulate foreign and domestic investment in order to achieve continuous economic growth.

Investments play a profitable role in developing the national economy, which begins from the creation of employment to enhancing national income, economic growth, income tax and foreign currency exchange. Investment is an influential factor that determines the labour market (Pradana 2014; Hellen et al. 2018; Sandika et al. 2014). Fauziana et al. (2014) stressed that increases in the labour force will cause a rise in per capita income, which then motivates a rise in national income. According to Trisnu and Purbadharmaja (2014), domestic and foreign investments have a joint significant effect on the Gross Domestic Regional Product (GDRP). In addition, Kholis, Astuti and Febrianti (2016) stated that investment growth will spur economic growth. Sari, Syechalad and Majid (2016) also asserted that some of the investment influences economic growth in Indonesia. Su and Liu (2016) stated that foreign investment has a positive effect on the growth rate of the per capita of the gross domestic product and this effect is consolidated by urban human resources.

Dinh et al. (2019) also stated that foreign investment helps to stimulate long-term economic growth although it has a negative effect in the short term in some countries. Kambono and Marpaung (2020) also asserted that foreign investment has a significant positive effect on economic growth but domestic investment does not influence economic growth. Besides that, Widyasari and Sugiarto (2016) showed that in the long term, foreign investment together with import and export activities do have a significant positive effect on income tax. In relation to foreign exchange reserves, Indrawanto (2018) showed that export activities, USD currency exchange value and foreign investment have a significant positive effect on Indonesia's foreign exchange reserves.

Hence, it is evident that current studies emphasise more on the Maqasid Syariah concept, as well as its development and relationship with the economy. Studies also show that are theories about this concept's role in economic investment. Nevertheless, these studies are inclined to see investment from the aspects of employment, economic growth and national income. There is a lack of studies that examine governmental policies and the public's response to alcohol-related investments. Therefore, there is a need to study governmental policies and the public's response to alcohol investments using the Maqasid Syariah analytical approach.

RESEARCH METHODOLOGY

This qualitative study had used the content analysis approach. According to Ismail and Ali (2019), content analysis refers to objective and systematic explanations about an explicit decision. This study used the Maqasid Syariah approach to examine decisions related to alcohol-related investment policies and the Indonesian public's response to these policies. Therefore, this study is limited to the relationship between alcohol-related investment policies and Maqasid Syariah.

Data for this study were obtained from an analysis of documents, online media and review lists. The document analysed was the Decree by the President of the Republic of Indonesia No.10 of 2021 pertaining to alcohol-related investments. Online media comprised news concerning investment policies and comments from famous public figures that were posted in numerous social media platforms

such as YouTube, Facebook and websites. Public figures, as described in the Kamus Dewan, are VIPs, famous individuals or sponsors of events related to politics, culture, religion etc. Whereas, review list contains the views of Islamic economic experts concerning the relationship between governmental policies and the response of public figures concerning alcohol-related investments from a Maqasid Syariah perspective. The review list was sent via email to each expert involved in this study.

In order to achieve the objectives of this study, views and opinions of Islamic economic experts from Indonesia were sort after. Besides understanding economic policies from an Islamic

perspective, they also understand government policies about investments related to alcohol beverages in Indonesia. Hence, the objective of involving them was to understand the relationship between governmental policies and response from public figures concerning investments in alcohol beverages from a Maqasid Syariah perspective. In addition, their involvement was to carry out the Cohen's Kappa test for reliability. The Cohen's Kappa Reliability value was between 0 and 1. The higher the value, the higher the level of inter-rater reliability for qualitative (categorical) items in the study. Table 1 depicts the identity of the experts and values of the Cohen's Kappa reliability test.

TABLE 1. List of experts and their values based on the Cohen's Kappa Reliability Test

Code	Name	Institution	Field of Expertise	Value
P1	Bakhrul Huda, Dr	Lecturer in the Department of Islamic Economics, Faculty of Islamic Economics and Business, UIN Sunan Ampel Surabaya	Ushul Fiqh, Fiqh Muamalat, Islamic Economics	1
P2	Arif Pujiyono, M.Si	Lecturer in the Department of Economics and development Studies, Faculty of Economics and Business, Universitas Diponegoro, Semarang	Islamic Economics, Public Economics, Fiqh Muamalat	1

Next, data collected was analysed descriptively and thematically. The descriptive analysis stage involved understanding the data, which is a process where collected data are carefully read in order to obtain a thorough understanding. Furthermore, the thematic analysis stage is the data reporting stage whereby data are presented in a descriptive form by re-stating them and categorising them according to themes. The last stage involved the interpretation of data, which is a process where the data are given a wider meaning by considering and relating it to previous studies.

FINDINGS AND DISCUSSIONS

This study encountered three important findings, namely the incompatibility of alcohol-related investments with the Maqasid Syariah principles, rejection of alcohol-related investment policy by public figures and the government's rescinding of the alcohol-related investment policy. Following are explanations on each of the findings, together with an analysis of discussions concerning the rejection of alcohol-related investment policy in Indonesia based on the Maqasid Syariah principles.

THE INCOMPATIBILITY BETWEEN THE POLICY ON INVESTMENT RELATED TO ALCOHOL AND MAQASID SYARIAH PRINCIPLES

The government policy regarding alcohol-related investments is incompatible with Maqasid Syariah principles. Article 1 of the Presidential Decree Number 10 of 2021 states that investment refers to all forms of investment activities, either initiated by domestic or foreign investors, with the aim of carrying out business in the Republic of Indonesia and its territories. The contradiction between the investment policy and Maqasid Syariah principles is seen in a type of business based on the understanding of the al-Quran. According to Article 1 of the Presidential Decree Number 10 of 2021, the type of business refers to all forms of business activities that produce items or services in the economic sector.

In the Presidential Decree Number 10 of 2021, the fields of business are found in three attachments, namely Attachments I, II and III. Attachment I contain the main types of businesses, while Attachment II contain the designated commercial sectors or those shared with cooperatives or micro, small and medium businesses, whereas Attachment III provide a list of businesses with specific conditions. Out of the three attachments, the type of business dealing with alcohol is listed in Attachment

III, which includes the category on various business sectors with specific conditions.

Out of the 46 types of businesses listed in Attachment III - The Presidential Decree Number 10

of 2021, there are five types of businesses pertaining to alcohol-related investments. Table 2 contains a list of types of businesses related to alcohol, the number and conditions that need to be fulfilled.

TABLE 2. List of alcohol-related businesses as well as the number and conditions that must be fulfilled

NO	TYPE OF BUSINESS	CONDITIONS
31	Alcohol beverage industry	a. New investments can be implemented in provinces such as Bali, East-Southeast Nusa, North Sulawesi and Papua by considering the local culture and customs. b. Investments other than (a) can be considered by the <i>Kepala Badan Koordinasi Penanaman Modal</i> based on suggestions by the Governor (Territorial Head).
32	Grape alcohol beverage industry	a. New investments can be implemented in provinces such as Bali, East-Southeast Nusa, North Sulawesi and Papua by considering the local culture and customs. b. Investments other than (a) can be considered by the <i>Kepala Badan Koordinasi Penanaman Modal</i> based on suggestions by the Governor (Territorial Head).
34	Malt beverage industry	a. New investments can be implemented in provinces such as Bali, East-Southeast Nusa, North Sulawesi and Papua by considering the local culture and customs. b. Investments other than (a) can be considered by the <i>Kepala Badan Koordinasi Penanaman Modal</i> based on suggestions by the Governor (Territorial Head).
35	Retail trading in alcoholic beverages	Distribution network and special location.
36	Sellers of alcoholic beverages	Distribution network and special location.

Source: Attachment III - The Presidential Decree Number 10 of 2021 and five types of businesses alcohol-related investments (Widodo 2021).

This table shows that there are government policies that motivate investment, production, distribution and business activities related to alcohol. These policies allow all activities related to alcohol as long as the activities fulfil the stipulated conditions.

However, according to the ulama in Indonesia, the government's policy to advocate alcohol-related investments contradicts the principles of Maqasid Syariah. They mention that the al-Quran is the basis for opposing alcohol-related investments because the al-Quran is the source of Maqasid Syariah. This contradiction was also asserted by P1 when he mentioned لا ضرار ولا ضرار (cannot be dangerous or mutually dangerous). P2 also stated that according to Syariat Islam, consuming alcohol is haram, while its production (investment) and the ensuing yield is also haram.

Based on the broadcast of *detikNews* (Rizqo 2021), KH Said Aqil Siraj, a religious figure and *Ketua Umum Pengurus Besar Nahdlatul Ulama* (PBNU), had rejected the decree concerning alcohol-related investments because the policy does not yield benefits. He also said that, "we absolutely do not agree with the Presidential Decree concerning alcohol-related investments", while quoting a verse from the al-Quran (Surah al-Baqarah, verse 195), meaning: -

(And spend in the way of Allah and do not throw [yourselves] with your [own] hands into destruction [by refraining]. And do good; indeed, Allah loves the doers of good)."

KH Said Aqil Siraj also stated that every government policy should provide benefits to society. He stressed that alcohol is strongly prohibited by Islam (Rizqo 2021) and said the following: -

"Since Islam has strongly prohibited it, thus, the government's policy should surely dissuade the consumption of alcoholic beverages and not motivate its increased consumption."

Dimyathi (2021), a Pesantren leader and also an ulama in Indonesia, quoted the al-Quran in relation to his impression about government policy concerning alcohol-related investments and explained that it was against Maqasid Syariah. He used his Facebook account to explain the prohibition of *khamar* (alcohol), as mentioned in Surah al-Maidah, verses 90 and 91, as follows: -

Meaning: O you who have believed, indeed, intoxicants, gambling, [sacrificing on] stone altars [to other than Allah], and divining arrows are but defilement from the work of Satan, so avoid it that you may be successful. Satan only wants to cause between your animosity and hatred through intoxicants and gambling and to avert you from the remembrance of Allah and from prayer. So, will you not desist? (Surah al-Maidah, 5:90-91)

According to Dimiyathi (2021), this verse contains a strong assertion about the prohibition of *khamar* (alcohol) with various styles of assertive language. First, use of the word *إِنَّمَا* at the beginning of the verse. Second, Allah SWT connects this restraint with the prohibition of sacrifices in the name of idols (*وَالْأَزْلَامَ*). Third, Allah SWT mentioned that it is the act of Satan and it is vile (*رَجْزٌ مِّنْ عَمَلِ الشَّيْطَانِ*). Fourth, Allah SWT instructed firmly to distant oneself from such acts (*فَاجْتَنِبُوهُ*). Fifth, explanations about actions to distant oneself will be the cause of profits (*لَعَلَّكُمْ تَفْلَحُونَ*). Sixth, the verse explains that the consequences of not adhering to the prohibition can cause destruction to this earth (*وَيَصُدَّكُمْ*) and religion (*أَنْ يُرْفَعَ بَيْنَكُمَا الْعَدَاوَةُ وَالْبَغْضَاءُ*). Seventh, Allah SWT asserted the instruction to prohibit it sounded more like a command than a request (*فَهَلْ أَنْتُمْ مُنْتَهُونَ*). Among all the language styles that depict assertiveness, the style of asking or enquiry is the strongest pattern of expression when giving an instruction, which is like conveying a message, “*will you still continue to do it after receiving an explanation about its effects, danger and disadvantages?*”

Therefore, based on the content analysis of the Presidential Decree Number 10 of 2021 and the explanation by the ulama concerning the prohibition of *khamar* (alcohol), the results indicate that alcohol-related investments is contrary to the principles of Maqasid Syariah.

REJECTION OF THE POLICY ON ALCOHOL-RELATED INVESTMENTS BY PUBLIC FIGURES

The policy that establishes alcohol-related investments is found in the Presidential Decree Number 10 of 2021 had received opposition from some public figures in Indonesia. There are at least three arguments posed by the community that proposes the rejection of the policy established by the government, which are related to ideology, religion and legislation. All three of these arguments were well received by P1 and P2. P1 opined that the policy regarding alcohol-related investments was inappropriate with the aspirations of the country by saying *الارادة التي لا تطابق مقصود الشارع غير معتبرة* (the aim of Syariat is not to accept inappropriate aspirations). Meanwhile, P2 opined that from the aspects of ideology, religion and legislation, alcohol-related investments are prohibited. Hence, public figures had rejected the said policy based on the three arguments.

The first argument involves ideology. Through the *detikFlash* video broadcast (Sholeh 2021), Asrorun Niam Sholeh, a religious figure and *Ketua Bidang Fatwa Majelis Ulama Indonesia* (MUI), said that alcohol is against the ideology and social etiquette practices of the Indonesian people. He stated that: -

“Alcohol is the source of all evil and also a factor that destroys the society’s social framework. Alcohol is also against the principles of life of the people and nation, which is under the powers of the Almighty and prioritises fair and civilised human values. Alcohol also contradicts the principles of religious life. Most if not all religions have some sort of prohibition on the consumption, production and distribution of alcohol.”

The second argument is that religion is based on decrees found in Islamic teachings. KH Said Aqil Siraj quoted a fiqh method called *ar-ridho bisysyai, ridho bima yatawalladu minhu*, which means willingness towards something, or in other words, willingness towards something that flows out of something else (Rizqo 2021). He mentioned that: -

“If we are willing or agree to a plan to invest in alcohol, then do not regret if our kind (race or country) is destroyed in the process.”

Marsudi Syuhud, a religious figure and the *Ketua Pengurus Besar Nahdlatul Ulama* (PBNU), also asserted that when a leader makes a policy, it should prioritise the rejection of destruction (stop *mafasiid*) that overshadows benefits (Secha 2021). This view is consistent with the fiqh method called *dar’ul mafasidi muqaddamun ‘ala jalbil mashalih*, which means that abstaining from destructive acts must be prioritised compared to the gains obtained by it.

The third argument involves legislation. When Papua New Guinea was listed as one of the territories involved in alcohol-related investments, Doren Wakerwa, a political figure and representative of the *Pejabat Sekretaris Daerah Papua*, presumed that the central government’s regulation was against regulations issued by a specific district (*perdasus*) (Siagian 2021). She revealed that: -

“The President’s decree regarding alcohol-related investments is against Regulations issued by a Specific District (Perdasus) Number 13 of 2015 concerning the prohibition of alcohol in Papua.”

Bhima Yudhistira, an economist at the *Institute for Development of Economics and Finance* (INDEF), also opined that if the investment is

permitted, it will contradict the policy on alcoholic beverage taxes. These beverages are being taxed in order to curtail its distribution as it does not benefit society (Hamdani 2021).

Therefore, all three arguments above have an implication on the government's policy regarding alcohol-related investments. KH Said Aqil Siraj recommended that alcohol should be prohibited and cannot be tolerated because it is not only dangerous but has a negative effect too (Rizqo 2021). Johnny Banua Rouw, a political figure and *Ketua Dewan Perwakilan Rakyat* (DPR) of Papua, also rejected the government's policy regarding alcohol-related investments because it contradicts regulations issued by a specific district (Pedasus), which in this case was issued by the Papua Provincial Government and DPRD with the aim of protecting the younger generation of Papuans from the effects of alcohol consumption (Siagian 2021). Similarly, Sholeh (2021) strongly suggested that the government should rescind or cancel practices related to alcohol, as mentioned below: -

"Hence, the Majelis Ulama Indonesia (MUI) is consistent in upholding civilised norms by prohibiting the consumption, production and also distribution of alcoholic beverages. Therefore, the Majelis Ulama Indonesia urges the government to rescind or withdraw all decisions regarding legislation that provides for the distribution, production and also licenses for the distribution of alcoholic beverages."

RESCINDING THE GOVERNMENT'S POLICY ON ALCOHOL-RELATED INVESTMENTS

President Joko Widodo (2021) had rescinded the investment policy related to alcohol on 2 March 2021 in Istana Merdeka, Jakarta. The announcement about the rescinding was broadcast by the Bureau of Pers, Media and Information through the Presidential Secretariat's online YouTube channel. In the video presentation, President Joko Widodo said:

"After receiving suggestions from numerous ulama, MUI, Nahdlatul Ulama (NU), Muhammadiyah, other mass organisations, religious figures as well as from the provinces and districts, I wish to announce that the attachment Presidential Decree related to the opening of new investments in the alcohol beverage industry is now rescinded."

P1 and P2 agreed with the government's attitude, which had rescinded the policy on alcohol-related investments. P2 said that the government should give preference to suggestions from various capable parties. Meanwhile, P1 found that the rescinding

is consistent with the *تصرف الامام علي الراعية منوط بالمصلحة* principle (the government's policy should benefit the people).

The government's rescinding of the regulation on alcohol-related investments was appreciated by some public figures. Gus Miftah, the religious figure and leader of the *Pondok Pesantren Ora Aji Sleman*, was proud with President Joko Widodo's attitude, as he had rescinded the policy on alcohol-related investments. This shows that President Joko Widodo actually listened to suggestions of the ulama, MUI, NU, Muhammadiyah as well as other organisations representing the masses (Zikran 2021). Hidayat Nur Wahid, a political figure and *Wakil Ketua Majelis Permusyawaratan Rakyat Republik Indonesia* (MPR RI), also appreciated the rescinding of the regulation on alcohol-related investments. However, he requested President Joko Widodo to urgently issue an official announcement to replace the rescinded policy in the form of a new Presidential Decree and broadcast it in the public domain (Sofuroh 2021).

According to Zulkifli Hasan, who is a political figure, President Joko Widodo's attitude is proof of the President's commitment to listen to criticism and suggestions from various parties. He believes that the President is ready to listen to criticisms related to public benefits (Ibrahim 2021). In relation to the economy, Bhima Yudhistira also agreed that the step taken by President Joko Widodo in rescinding the policy on alcohol-related investments is a wise decision because such an investment is inappropriate considering Indonesia's social and economic situation (Hamdani 2021).

In line with this, rescinding the policy related to alcohol and the society's appreciation has an implication on the government as it has to now improve its future practices by considering the principle of benefits accruing to the Indonesian people. Azis Syamsuddin, a political figure and *Wakil Ketua DPR Republik Indonesia*, requested that the government lend priority to suggestions by experts and social leaders when determining policies in the future. The government should study the impact of these policies from various aspects, such as the wellbeing of the society, economy, and health (Alfons 2021). KH Said Aqil Siraj also hoped that rescinding the regulation on alcohol-related investments will set in motion a momentum for amending policies that could be deleterious to society. According to him, all forms of policies must be beneficial to society (Secha 2021).

AN ANALYSIS OF THE REJECTION ALCOHOL-RELATED INVESTMENT POLICY IN INDONESIA ACCORDING MAQASID SYARIAH PRINCIPLES

Findings show that there are three elements that should be considered when deciding on alcohol-related investments in Indonesia. First, the inappropriateness and inconsistency between establishing alcohol-related investments and Maqasid Syariah principles. The contradiction between the two is evident in the government's agreement to provide alcohol-related business opportunities, as mentioned in the attachment to the decree, in comparison to the prohibitions of the Syariah as mentioned in the al-Quran and quoted by the ulama. Second, society's rejection of the policy regarding investments related to alcohol beverages. Many public figures have rejected the policy on alcohol-related investments based on various reasons, beginning with the ideological, religious and legislative aspects. Third is the cancellation of the regulation regarding alcohol-related investments by the government. President Joko Widodo had rescinded the policy concerning alcohol-related investments after receiving recommendations and suggestions from several public figures in order to create and maintain mutual benefits.

Findings of this study indicate the assimilation of Maqasid Syariah principles that are not only limited to the normative field but also the descriptive domain, as discovered by 'Athiyah (1993) and Zarqa (2003). From a normative aspect, fulfilling needs based on Maqasid Syariah is an ideal objective (Ar-Raysuni 2015; Al-Yubi 1998; As-Syatibi 2003; Alias et al. 2020) that should be achieved by society, especially the Muslim community. Alcohol-related investments have the potential to destroy the community's socio-economic order and hence, it should be rejected. Meanwhile, from a descriptive aspect, establishing policies related to alcohol have convincingly received opposition from a sizable community, which eventually forced the government to rescind the earlier issued regulation. Hence, rescinding the policy on alcohol-related investments shows a combination between the normative and descriptive fields work together in the Maqasid Syariah framework.

Previous studies concerning investments have largely focused on its relationship with economic growth (Kholis et al. 2016; Sari et al. 2016; Su & Liu 2016; Dinh et al. 2019; Kambono & Marpaung 2020), absorption of labour (Pradana 2014; Hellen et al. 2018; Sandika et al. 2014) and

national income (Fauziana et al. 2014; Trisnu & Purbadharmaja 2014), with all these three relational factors emphasising on the material aspect without considering the community's spiritual and *non-material* needs. Findings of this study were viewed from the Maqasid Syariah perspective, which fulfils the consideration either from the material or non-material aspect, as mentioned by Chapra (2008).

The need for non-material elements, such as religious, cultural and legislative norms, is a need desired by a sizable community in Indonesia. Although the material need should be fulfilled but the non-material need should not be neglected, what more sacrificed. In other words, if there is a conflict of importance between fulfilling material and non-material needs, a sizable part of the Indonesian community will prioritise non-material needs compared to material needs. Nevertheless, unless these preferences are not contradictory in nature, efforts to fulfil both these preferences would take preference. Therefore, efforts to understand and consider the Maqasid Syariah principles to overcome problems faced by contemporary Muslims cannot be avoided, as mentioned by Islahi (2010).

Findings that indicate the importance in fulfilling material and non-material needs could be caused by the background of the community and the philosophy behind Indonesia's national policies. The Indonesian people, generally believe that there is religion and the majority believe in Islam. From the beginning, Islam had forbidden its followers from consuming, producing or distributing alcohol, which only foresees materialistic gains at the expense of spirituality. Besides that, Indonesia strongly supports the philosophy of its national policies, namely the Pancasila. The Pancasila comprises five main elements, which are divinity, humanity, unity, citizenship and social justice. When scrutinised carefully, all these five aspects emphasise on fulfilling non-materialistic aspects. Meanwhile, the materialistic aspect is only a tool for achieving the five national elements mentioned earlier. Therefore, it is not rational for a practice to be adopted by sacrificing the main elements that have been established in order to achieve a tool that actually can be replaced.

CONCLUSION

This study found that policies that drive investments that generate economical profits can clearly be detrimental to society because the type of

Investments based on Maqasid Syariah principles require the mutual or complementary fulfilment of materialistic and non-materialistic needs. This is consistent with Islamic principles that teach humans to endeavour in fulfilling materialistic and non-materialistic needs in a balanced manner, either for individual (*fardu ain*) or societal (*fardu kifayah*) benefits.

However, this research is limited to the case of alcohol investment policy in Indonesia according to Maqasid Syariah. Therefore, further research by taking the case of alcohol investment in other countries with a Maqasid Syariah approach needs to be done. Further research in other countries, especially those with Muslim-majority populations, will help understand the extent to which Maqasid Syariah is understood and applied by society. Besides that, this study also suggests that the government consider Maqasid Syariah principles as the basis for establishing policies in the future. Steps to involve the ulama and leaders in society in the policy-making process, especially related to the needs of the society, is crucial in ensuring the society's development and well-being in the future.

REFERENCES

- 'Athiyah, J. 1993. Maqasid 'Ilmu al-Iqtishad al-Islami. *Journal of Faculty of Sharia* 11(Qatar University): 235–263.
- Al-Yubi, M.S. 1998. *Maqashid as-Syari'ah al-Islamiyah wa 'Alaqtuha bil Adillah as-Syar'iyah*. Riyadh: Darul Hijrah wa Tauzi'.
- Alfons, M. 2021. Waka DPR Apresiasi Jokowi Cabut Lampiran Perpres Miras : Banyak Negatifnya.
- Alias, M.N. Kamis, M.S. 2020. Penghasilan Vaksin Yang Mengandung Unsur Najis Menurut Perspektif Maqasid Syariah. *Islamiyyat : Jurnal Antarabangsa Pengajian Islam; International Journal of Islamic Studies* 42(1): 39–47.
- Ar-Raysuni, A. 2015. *Muhadharat Fii Maqashid as-Syariah*. 4th Ed. Cairo: Dar Alkalima.
- As-Syatibi, I.A. 2003. *Al-Muwafaqat Fi Ushul As-Syari'ah*. (Darras, A., Ed.). Cairo-Egypt: Maktabah At-Taufiqiyah.
- Chapra, M.U. 2008. The Islamic vision of development in the light of Maqasid al-Shariah. Report No. Jeddah https://www.researchgate.net/publication/303499103_The_Islamic_Vision_of_Development_in_the_Light_of_Maqasid_Al-Shari%27ah.
- Creswell, J.W. 2014. *Research Design Pendekatan Kualitatif, Kuantitatif, dan Mixed*. (Fawaid, P. A., Ed.) 4th Ed. Yogyakarta: Pustaka Pelajar.
- Dimyathi, M.A. 2021. Kekuatan Perintah dalam Sebuah Pertanyaan.
- Dinh, T.T.H. Nguyen, T.C. 2019. Foreign Direct Investment and Economic Growth in the Short Run and Long Run: Empirical Evidence from Developing Countries. *Journal of Risk and Financial Management* 12(4): 176.
- Fahlefi, R. 2015. Implementasi Masalah dalam Kegiatan Ekonomi Syariah. *JURIS* (137).
- Fauziana, L. Rofida, U. 2014. Keterkaitan Investasi Modal Terhadap GDP Indonesia. *Economics Development Analysis Journal* 3(2): 372–380.
- Ghani, N.A.R.N.A. Nor, A.H.M. 2011. Masalah as a Source of Islamic Transactions (Muamalat). *ISLAMIYYAT* 33: 59–66.
- Hamdani, T. 2021. Jokowi Cabut Lampiran Perpres soal Miras , Pengamat : Tepat !
- Hellen Fitriadi. 2018. Pengaruh Investasi dan Tenaga Kerja serta Pengeluaran Pemerintah terhadap Pertumbuhan Ekonomi serta Kesempatan Kerja. *Inovasi* 13(1): 28.
- Ibrahim, G.M. 2021. Pencabutan Lampiran Investasi Miras Bukti Jokowi Dengar Kritik.
- Indrawanto, D. 2018. Pengaruh ekspor, kurs dollar amerika, penanaman modal asing terhadap cadangan devisa indonesia. Universitas Muhammadiyah Surakarta http://eprints.ums.ac.id/64162/11/NASKAH_PUBLIKASI.pdf.
- Islahi, A.A. 2010. Book Review : Maqasid-e Shari ' at (objectives of the Shariah) According Muhammad Nejatullah Siddiqi. *J.KAU: Islamic Econ* 23(2): 237–246.
- Ismail, A.M. & Ali, M.N.S. 2019. *Kaedah Penyelidikan Sosial daripada Perspektif Penyelidikan Pengajian Islam*. 5th Ed. Bangi: FPI Universiti Kebangsaan Malaysia.
- Jokowi. 2021. Keterangan Pers Presiden RI tentang Pencabutan Lampiran Perpres Terkait Miras.
- Jufrida, F. Nasir, M. 2016. Analisis Pengaruh Investasi Asing Langsung (Fdi) Dan Investasi Dalam Negeri Terhadap Pertumbuhan Ekonomi Indonesia. *Jurnal Perspektif Ekonomi Darussalam* 2(1): 54–68.
- Kambono, H. & Marpaung, E.I. 2020. Pengaruh Investasi Asing dan Investasi Dalam Negeri terhadap Pertumbuhan Ekonomi Indonesia. *Jurnal Akuntansi* 12: 137–145.
- Kholis, M. Febrianti, R. 2016. Hubungan Antara Pendapatan Nasional dan Investasi di Indonesia (Suatu Kajian Ekonomi Makro Dengan Model VAR). *Jurnal Organisasi Dan Manajemen* 12(1): 65–78.
- Majid, L.A. Sulong, W.S.N.W. 2019. Politik Islam di Malaysia: Strategi dan Pendekatan Fiqh Siyasi Abdul Hadi Awang. In Zakaria, W.F.A.W. ... Idris, M.R. (eds.). *Falsafah Islam Dan Kesejahteraan Tamadun*. pp. 102–112. Selangor Darul Ehsan: Pusat Akidah dan Keamanan Global Fakulti Pengajian Islam, Universiti Kebangsaan Malaysia.
- Pardiansyah, E. 2017. Investasi dalam Perspektif Ekonomi Islam : Pendekatan Teoritis dan Empiris Pendahuluan Dewasa ini , kita mengenal investasi “ bodong ” yang dilakukan oleh orang 8: 337–373.
- Pradana, R. 2014. Pengaruh Investasi Terhadap Penyerapan Tenaga Kerja Pada Sektor Industri di Kabupaten Aceh Barat. Universitas Teuku Umar http://repository.utu.ac.id/23/1/Romi_Pradana.pdf.
- Rizqo, K.A. 2021. PBNU Tolak Perpres Investasi Miras.
- Sandika, R.S. Setiawan, D. 2014. Pengaruh Investasi Terhadap Penyerapan Tenaga Kerja Di Kabupaten Pelalawan. *JOM Fakultas Ekonomi* 1(2): 1–16.
- Sari, M. Majid, S.A.M. 2016. Pengaruh Investasi, Tenaga Kerja Dan Pengeluaran Pemerintah Terhadap Pertumbuhan Ekonomi Di Indonesia. *Jurnal Ekonomi Dan Kebijakan Publik Indonesia* 3(2): 109–115.

- Secha, K.N. 2021. PBNU Apresiasi Jokowi Cabut Lampiran Perpres soal Investasi Miras.
- Sholeh, A.N. 2021. Miras Bertentangan dengan Prinsip Berbangsa dan Bernegara.
- Siagian, W. 2021. Pemprov dan DPR Papua Menolak Perpres Investasi Miras , Ini Alasannya.
- Sofuroh, F.U. 2021. Perpres Investasi Miras Dicitak , HNW Minta Jokowi Buat.
- Su, Y. & Liu, Z. 2016. The impact of foreign direct investment and human capital on economic growth: Evidence from Chinese cities. *China Economic Review* 37: 97–109.
- Trisnu, C.I.S.R. & Purbadharmaja, I.B.P. 2014. Pengaruh PMDN dan PMA Terhadap PDRB di Provinsi Bali. *Jurnal Ekonomi Pembangunan* 3(3): 88–95.
- Widodo, J. Peraturan Presiden Republik Indonesia Nomor 10 Tahun 2021 Tentang Bidang Usaha Penanaman Modal, Pub. L. No. Nomor 10 Tahun 2021 (2021). Indonesia.
- Widyasari, M. & Sugiarto. 2016. Analisis Error Correction Mechanism (ECM) Untuk Mengetahui Faktor-Faktor Yang Mempengaruhi Penerimaan Pajak di Indonesia. *Jurnal Aplikasi Statistika & Komputasi Statistik* 7: 17–26.
- Yahaya, M.Z. Kashim, M.I.A.M. 2020. Analisis Standar Hotel Mesra Muslim di Malaysia Berdasarkan Perspektif Maqasid Syariah. *International Journal of Islamic Thought* 18: 43–53.
- Zakaria, A.T. Bin. 2017. Metodologi Kepimpinan Menurut Al-Quran. Report No. . *National Pre University Seminar 2017 (NpreUS2017)*. Selangor <http://conference.kuis.edu.my/npreus/2017/document/18-Ahmad Tarmizi Zakaria.pdf>.
- Zarqa, M.A. 2003. Islamization of Economics : The Concept and Methodology. *JKAU: Islamic Econ* 16(1): 3–42.
- Zikran, F. 2021. Jokowi Cabut Lampiran Perpres Miras , Gus Miftah : Kami Bangga Denganmu.

AUTHORS

Aris Anwaril Muttaqin
 Doctoral Student at Research Centre for Sharia,
 Faculty of Islamic Studies,
 Universiti Kebangsaan Malaysia
 and
 Lecturer at Study Program of Islamic Economics,
 Faculty of Economics and Business,
 Universitas Diponegoro, Indonesia
 arisam@live.undip.ac.id

Muhammad Adib Samsudin (Corresponding Author)
 Research Centre for Sharia, Faculty of Islamic Studies,
 Universiti Kebangsaan Malaysia, Malaysia
 adib@ukm.edu.my

Ahmad Dahlan Salleh
 Research Centre for Sharia, Faculty of Islamic Studies,
 Universiti Kebangsaan Malaysia, Malaysia
 dahlan@ukm.edu.my

Azlin Alisa Ahmad
 Research Centre for Sharia, Faculty of Islamic Studies,
 Universiti Kebangsaan Malaysia, Malaysia
 azlinalisa@ukm.edu.my