Problems of Social Security: An Islamic Remedy

Bunyamin Adewale Bello, Ahamad Shukri Yazid, Wan Mohd Nazri Wan Daud, Norfadzilah Rashid, Asyraf Afthanorhan

To Link this Article:  http://dx.doi.org/10.6007/IJARBSS/v8-i11/5203  DOI: 10.6007/IJARBSS/v8-i11/5203

Received: 09 Oct 2018, Revised: 26 Nov 2018, Accepted: 03 Dec 2018

Published Online: 11 Dec 2018

In-Text Citation: (Bello, Yazid, Daud, Rashid, & Afthanorhan, 2018)

Copyright:  © 2018 The Author(s)
Published by Human Resource Management Academic Research Society (www.hrmars.com)
This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at: http://creativecommons.org/licenses/by/4.0/legalcode
Problems of Social Security: An Islamic Remedy

Bunyamin Adewale Bello, Ahamad Shukri Yazid, Wan Mohd Nazri Wan Daud, Norfadzilah Rashid, Asyraf Afthanorhan
Faculty Economics & Management Science, Universiti Sultan Zainal Abidin, Malaysia
Corresponding Author : nikmfadzilah@unisza.edu.my

Abstract
Social Security enjoys tremendous works of academic research, making it a baseless argument any claim of insufficient literatures on this subject matter. Considering the quantity, this may not be debatable, but the gap is still identifiable when a fair share of attention is allotted to the barrage of criticisms substantially directed at the contemporary systems of social security. The systems suffered from both conceptual and application inadequacies, hence the demand for redefining and restructuring. The social security principal aspects largely affected are the scope/benefits, financing/funding and administration. Save administration, all other aspects are impacted by demographic strains. However, Theoretically, but with certain Juristic reservations, Islamic based presentations may largely satisfy Islamic objective of social security, the need is still high for a redirection that will provide an effective remedy for the lingering problems of contemporary social security systems. As the available Islamic based presentations on social security fall short of addressing these issues, the focus here will be geared towards addressing these contemporary issues of social security. The expectation is that this is achievable through the exploration of relevant opinions of both classical and contemporary Islamic Jurists to effectively address the problems. In addition, through concerted efforts of experts, a working paper may be produced as an Islamic proffered solution to the globally acknowledged social Security problems, which by extension will take care of other socio-economic related problems including “Inequality” and “un-even distribution of wealth.

Introduction
Social security is a modern coinage aimed primarily at providing basic needs of life for those who for one reason or the other could not provide for themselves. The notion is embedded mainly in the principles of social justice. Social Justice is universally accepted to be every human’s right to lead a decent life by being adequately provided with necessities of life. Islam since inception has never been found wanting in dealing with issues related to social security. Islam is resourceful in laying both the theoretical and practical framework for this socio-economic related programme. Presently a non-Islamic based social security continues to be a subject of intense discourse in both academic and
political arena. This is due to its many conceptual and implementation based issues. The concern in this paper is to find an effective solution to the funding and distribution related problems, the combination of which (Hamid et al., 2018) described as bad tax system and a bad way of distributing welfare. The concern in this paper is to find an effective solution to the funding and distribution related problems, the combination of which Friedman described as bad tax system and a bad way of distributing welfare, (Afthanorhan, Awang, Salleh, Ghazali, & Rashid, 2018). This situation is blamed largely on the lop-sidedness of the criteria adopted for the benefits entitlement. Social security from Islamic perspective may be a well-researched topic, the contemporary issues plaguing the programme is the main concern here, which are not properly addressed in the available literature.

**Motivation for this Study**

A lot of criticisms substantially are directed at the contemporary systems of social security. The systems suffered from both conceptual and application inadequacies, hence the demand for redefining and restructuring. The social security principal aspects largely affected are the scope/coverage, benefits, financing/funding and administration. Save administration, all other aspects are impacted by demographic strains.

However, Theoretically, but with certain Juristic reservations, Islamic based presentations may largely satisfy Islamic objective of social security, the need is still high for a redirection that will provide an effective remedy for the lingering problems of contemporary social security systems (Salleh et al., 2018). As the available Islamic based presentations on social security fall short of addressing these issues, the focus here will be geared towards addressing these contemporary issues of social security.

**Statement of Problem**

The notion of Social security is embedded mainly in the principles of social justice. Social Justice is universally accepted to be every human’s right to lead a decent life by being adequately provided with necessities of life. “Everyone as a member of society has the right to social security and is entitled to realization...of the economic, social and cultural rights indispensable for his dignity and the free development of his personality” (Johari, Tarmizi, Mohd, & Rashid, 2018), Presently a non-Islamic based social security continues to be a subject of intense discourse in both academic and political arena. This is due to its many conceptual and implementation based issues. The concern in this paper is to address these problems most importantly funding and distribution related problems, the combination of which has been described as bad tax system and a bad way of distributing welfare. tax system for being regressive and welfare distribution for being inequitable and uneven, (M. Ismail et al., 2018).

**Literature Review**

Social security from Islamic perspective enjoys a tremendous attention from contemporary Islamic Jurists, but different approaches are adopted. No controversy of note is recorded concerning the concept, but variance is noticed on issues bordering on whose responsibly its provision lies and the funding source of the system. In (Kurniasih et al., 2018), while The role of the fourth pillar in the
redesign of social security. *Geneva Papers on Risk and Insurance. Issues and Practice*, 469-477. Some affirmed that, it is the responsibility of the state to provide basic needs to the needy. Zakat is considered as the main source of social security funding, with the government overseeing its collection and distribution (Zain, Abdullah, & Rashid, 2018), upon discussion of social security system conventionally, he highlighted principles on which social security in Islam is pivoted: namely, personal dignity, equality of man and humanity based welfare. Concerning whose responsibility is the provision of social security, he believed that individuals, government and society are morally and legally obliged to shoulder this responsibility. While some scholars ignored the role of the rich to take care of their needy relatives, (Shams et al., 2018), emphases their role in this regard by making a categorical pronouncement that Islam allows the needy to sue their well to do relatives for being inactive in providing for them necessities of life. To be more emphatic, Islamic textual evidences are replete of injunctions making it mandatory for the rich to fight destitution within their kind tooth and nail. In his own presentation, (N. Rashid et al., 2018), established that Islam since inception has proactively promoted human social security by putting in place for its adherent a protective mechanism against all forms of uncertainty and consequently promoting their tranquility and happiness here and in hereafter, (W. S. W. Ismail, Ali, & Rashid, 2017). He explored many relevant evidences from the Quran to drive home his argument. Due to the importance of funding social security programs, various sources of social security funding are enumerated, namely Zakah and Infãq fi Sabi-lillah. After supporting the relevancy of Zakah with relevant evidences, he defined Infãq fi Sabi-lillah as all kinds of assistance in the path of Allah, prominent among which is Waqf. He said: “It is notable that waqf is an mportant source of Islamic treasury and is included in Infãq fi Sabi-lillah. It refers to the gift of money, property or other items to charity. It is an endowment by a Muslim or assignment of revenues for religious or charitable purposes in a form of trust.” Despite his effort to clarify issues related to sources of funding social security programs, he also ignored situation of strained treasury.

Non-payment of it is equivalent to waging war against the State. The Caliph Abu Bakr subjugated by force all those who refused to pay it.

**Issues with Social Security**

Social security programs around the world are intensely criticised due to its many problems. These issues as criticised by (Yazid et al., 2017) and World Bank as cited in (Nik Mohd Norfadjilah Nik Mohd Rashid, Muhmad, Hamid, Rasit, & Noor, 2017) are summarized as follows:

**Conceptual Problem**

Conceptually, many issues are being raised concerning social security, Milton friedman devoted a great deal of his discussion on social security to address concept related problems of Social security. He believed the labelling of Social Security is misleading. and its promotion is based on deceptive advertising.

**Social Security as an Insurance Programme**

Referring to social security as an insurance program is a general perception with the belief that, it is a system, under which people are providing for their own security in form of deductions and
payments. Deductions are referred to as contribution, and payments received as benefits. Due to retirement, death, or impairment benefit payments are made from the Social Security Funds as a replacement for the lost earnings. (Amirah, Amin, Muda, Talaat, & Rashid, 2017). But the fact is that, Social Security is in no sense an insurance program in which individual payments purchase equivalent actuarial benefits Social Security is, rather, a combination of a particular tax and a particular program of transfer of payments. The tax is a flat rate on wages up to a maximum, a tax that is regressive, bearing most heavily on persons with low incomes. It is a tax on work, which discourages employers from hiring workers and discourages people from seeking work. So the impression that, the “benefits” received by workers are funded by their contributions is far from being factual; as the workers paying taxes today, cannot derive any assurance that, at their retirement they will receive benefits. Lending his support to this point of view, (Nik Mohd Norfadzilah Nik Mohd Rashid, Muhmad, Chehaat, Hamid, & Rasit, 2017), summarizes the difference between Social insurance and commercial insurance in five respects. Firstly, while commercial insurance is financed unilaterally by the policyholder, social insurance is financed by the insured person, his employer and the state in defined proportions. Secondly, one policy under commercial insurance covers only one risk. Under social insurance, one contribution is paid for covering many contingencies. Thirdly, commercial insurance is a business: its motive is profit. Social insurance is a welfare measure; its motive is service. Fourthly, the amount of claim under commercial insurance depends on the sum insured. Social insurance defines an income limit for coverage. Fifthly, while commercial insurance is voluntary, social insurance is compulsory. And, lastly, while commercial insurance usually pays claims in money, social insurance provides for medical benefits also. In view of these vital differences, the criteria for the evaluation of social insurance schemes have to be different.

Social insurance differs from commercial insurance in many respects. Firstly, while commercial insurance is financed unilaterally by the policyholder, social insurance is financed by the insured person, his employer and the state in defined proportions. Secondly, one policy under commercial insurance covers only one risk. Under social insurance, one contribution is paid for covering many contingencies. Thirdly, commercial insurance is a business: its motive is profit. Social insurance is a welfare measure; its motive is service. Fourthly, the amount of claim under commercial insurance depends on the sum insured. Social insurance defines an income limit for coverage. Fifthly, while commercial insurance is voluntary, social insurance is compulsory. And, lastly, while commercial insurance usually pays claims in money, social insurance provides for medical benefits also. In view of these vital differences, the criteria for the evaluation of social insurance schemes have to be different.

**Deductions from Wages as Contribution**

Referring to the deductions from wages, as contribution is also defective; as the word, “contribution” denotes voluntary arrangement. Paying taxes on wages as a condition for being employed is a tax, not a contribution, the fact is that, the people today are paying taxes today to pay subsidies to the people who are receiving benefits. As these remarks indicate, the Social Security program involves a transfer from the young to the old. To some extent such a transfer has occurred throughout history—the young supporting their parents, or other relatives, in old age. The difference between Social Security and earlier arrangements is that Social Security is compulsory and impersonal—earlier
arrangements were voluntary and personal, (Baba, Rashid, Jusoh, Abdullah, & Muda, 2017). Children helped their parents out of love or duty. They now contribute to the support of someone else's parents out of compulsion and fear. The earlier transfers strengthened the bonds of the family; the compulsory transfers weaken them.

**Payments to the Beneficiaries as Benefits**
The payments are not actually benefits, they are subsidies, and social security from this perspective is a system of subsiding people on the one hand of taxing them. So far, those people who have been receiving payments, have received much more than the actuary value of what they pay; this is because work force is growing, wages are higher; as wage taxes have gone up very sharply.

**Distribution Problem of Social Security**
Another area of concern is the distribution arrangement of the benefits, which may be explained thus: one, the distribution is not based on poverty or indigence, but rather depends on adventitious circumstances (the accident of what industry he works) making it a very inequitable and uneven system of giving benefit. If happened to work in a covered industry he gets benefits, if happened to work in uncovered industry he does not. Two, If A person over sixty-five who decides to work and who earns more than a modest amount a year not only gets no benefits but, must pay additional taxes, meaning he pays tax on wages he receives to fund a benefit he does not receive. So if a 65 years old man has millions of dollars as proceeds from property and he doesn’t work he gets tax free social security benefit, if the same man goes to work and earns 20k a year, he gets no benefit. Raising an eyebrow concerning distribution arrangement of social security benefits, (Nik Mohd Norfadzilah Nik Mohd Rashid, Hamid, Taib, et al., 2017)(Maina, Mbabazize, & Kibachia, 2016), maintained that Social Security involves a transfer from the less well-off to the better-off. True, the benefit schedule is biased in favour of persons with lower wages, but this effect is much more than offset by another. Children from poor families tend to start work and start paying employment taxes at a relatively early age, children from higher income families at a much later age. At the other end of the life cycle, persons with lower incomes on the average have a shorter life span than persons with higher incomes. The net result is that the poor tend to pay taxes for more years and receive benefits for fewer years than the rich, all in the name of helping the poor.

**Financing problems of Social Security**
Dwindling Source of funding social security programs has been a subject of concern, it is been affirmed that the system is in serious financial crisis; as its expenditures have skyrocketed. This is due to an increase in the number of people receiving payments from the system which believed will continue to increase faster than the number of workers financing the payments through taxes levied on their wages. In 950, for every recipient of benefits seventeen persons were employed. By 970 only three; by early in the twenty-first century, if present trends continue, at most two will be. That is why social security is currently in so much financial trouble, which has led to the agitations for stakeholders to address the impending financial constraints of Social Security; as its reserve has been dwindling day in day out. Affirming the looming crisis of social security funding, (S. A. Ismail et al., 2016), believed that current Social Security taxes exceeding its expenditures notwithstanding, the
reversal of this favorable situation is projected to occur by the year 203 because of baby boom generation retirement. In addition, by the year 2030, the projection is that the social security trust fund will experience a complete exhaustion. Addressing this same issue, (Paguio & Jackling, 2016) based on the statistical fact provided by Social Security Administration stated that the current Social Security system will not have sufficient funds to provide the projected level of benefits over the next seventy-five years. The leading edge of the baby-boom generation turns 65 in 20; two years later the payment of benefits is projected to exceed tax income. By 2024 the total payment of benefits will exceed the tax income plus the earnings from the Trust Fund, which will cause the Trust Fund to decrease in size. By 2037, the OASDI Trust Fund will be depleted, and future benefits must be decreased by twenty five percent to maintain a balance between tax income and benefit payments.

Coverage Problem of Social Security

Because of difference in what experts generally consider as conceptual meaning of social security, models designed for its implementation slightly vary from one country to the other. Noticeable areas of difference are, contents of coverage, funding or financing resources. Criteria for eligibility and level of benefits are also area of interest. Coverage is one of the major inadequacies on which inefficiency of social security is blamed. To explain the scope of social security, writers generally rely on the ILO version of social security coverage, though with different mode of narration. In one narration, concerning the scope of Contingencies protected under the schemes of social security, three categories are identified namely, economic, biological and bio-economic. While Purely economic contingencies require only income protection, a bio-economic contingency refers to a situation when a worker become too old to work although he is still too young to die. On the other hand, biological ones require medical relief. Included in the biological contingencies are sickness, invalidity, maternity and occupational hazards. For Economic contingency, unemployment and death of the bread-winner are protected under scheme of social security that provides for minor children, widow, aged parents and other unemployable dependents of the deceased. Also provided for under the economic contingencies is largeness of family, born disability, or old age backed by past savings It may be seen that biological and economic contingencies are, at least theoretically, avoidable but old age is unavoidable in his own narration (Ferentinou & Anagnostopoulou, 2016), maintained that the scope of social security is basically the broad definition used by the International Labour Organization and includes the five main branches of social security: (1) old-age, invalidity, and survivors insurance; (2) sickness and maternity coverage; (3) work-injury protection; (4) unemployment insurance; and (5) family allowances. Despite this seemingly broad coverage, the bulk of the needy world population are not under any form of social security programme coverage. According to ILO (2002) as cited in Ginneken (2003), in South Asia and sub-Saharan Africa, considered to be of low-income countries-the percentage of uncovered population is more than 90 per cent unlike in middle-income countries the percentage ranges between 20 and 60 per cent. However, the fact remains that adequate social security only covers 20 percent of the world population. This also supports the belief that, in the developing countries, coverage usually is not broadly based and is often restricted to workers employed by larger firms in urban areas. Large sectors of the population such as the self-employed, students, casual labourers, and, most significantly, agricultural workers may be covered only partially or not at all.
Criteria for Distribution of Benefits
Another principal characteristic of social security programs is the approach used in providing the cash payments, which is normally either employment-related, universal, or means-tested. Under the first two approaches, the insured person and his or her dependents and survivors may claim benefits as a matter of right. Means-tested benefits are administratively determined. After his conclusion concerning the coverage/scope of social security benefits, that adequate social security only covers 20 percent of the world population; Ginneken (2003) gave the reason. He explained that exclusion of the majority is that largely they belong to informal economy and as a result, unqualified to be under the scope of any tax-financed social benefits or contribution-based social insurance schemes. This submission by Ginneken is applicable to all none means-tested cash benefits, a submission indicative of inefficiency of means-tested benefits programs known as “welfare.” The modes of distribution in none means-tested benefit comprising of either tax-financed social benefits or contribution-based social insurance schemes. In their criticism of none means-tested social security Friedman and Friedman (979), condemned the fact that poverty or indigence is not the basis for distribution, but rather it is based on what they described as adventitious circumstances (the accident of what industry he works). He gets benefits only if he happened to work in a covered industry. Working in an uncovered industry attracts no benefits. They demonstrated the lop-sidedness of this mode of distribution by giving an instance of a person of over sixty-five years of age who has a million dollars in income from property and he doesn’t work he gets his social security benefit tax free if the same man goes to work and earns 20k a year, he gets no benefit.

None-Islamic Approach to Social Security Problems
As solution to these problems remains elusive, the efforts to find a lasting solution continue to attract different approaches, among which is the call for major overhauling of the rules governing the taxes and benefit of social security. In his opinion, friedman and friedman (979) suggested a negative income tax as an attractive alternative to the present welfare system. Despite the wide support for this proposal and a variant proposed by three Presidents, they still maintained that, for the foreseeable future, it is politically unfeasible. Burkhauser et al. (996) suggested two alternatives to archive long-term balance for social security: one is to raise revenue by increasing tax rate of social security, or to increase the maximum taxable Social Security covered earnings amount. Two, by reducing expenditures, which implies reductions in yearly benefits of Social Security or to increase retirement age for Social Security. In the quest for creation of a self-sustaining social security devoid of intense criticism directed at its current programs around the world, Chen and Chen (996) gave an insight into an in increase in the call for privatization as a solution to these enormous inadequacies of social security systems. They believed neither of the two approaches might provide the needed solution; because either of the two is problem-free. Instead, they proposed combination of the two alternatives. To extend social security, Ginneken (2003), proposed three principal ways: One, concerted effort is needed to extend statutory social insurance. Despite Ginneken’s belief that this effort has recorded a great variety of success, working population -according to him- still has many more of its group so far not covered. The second way of reforming and extension of coverage is to adopt community-based schemes. Ginneken, (999a), as cited in Ginneken (2003) explained that these schemes are directed at addressing the needs of the working population, only that the schemes
quantitative impact is not presently large and future increase in their coverage is still not certain. The third way to extend social security is to promote cost-effective tax financed social benefits meant to take care of vulnerable groups and the poor. Whether these benefits will be effective or not will depend largely on the one hand on their design and general sense, it will also depend on the society overall willingness to show solidarity to the vulnerable people those who are not part of the labour market. After twelve years, these three ways to extend coverage were suggested to be integrated into a national policy with the aim of addressing each of the major contingency. Kahf, Monzer and Samir (205), identified three types of benefits provided under social security across most countries, one, social insurance benefits, an insurance program, which is both contributory and compulsory, with contributions mostly linked to wages and paid jointly by employees and employers. It usually covers payments for retirement, unemployment and disability. Two, social assistance benefits, a non-contributory social benefit, which is mostly means tested and entirely financed by the general tax revenue. These benefits are aimed at the disabled, the elderly, poor households, the underemployed and working poor. Three, Universal or welfare benefits: non-contributory benefits provided to the entire population mostly without means test such as most child and family support benefits in most European countries and national health services in Spain, Portugal, Denmark and Sweden. Despite other forms of “welfare” which are not means-tested, many are still left without cover. Although, not all of these benefits are contributory or none means-tested, the question that is begging for an answer is “who” question concerning sources of funding for these benefits. The quick response is to say: these are financed through the general tax revenue, a revenue generated through a regressive taxation. This means a great deal of these benefit are born by low-income population than from high-income population. Because sales taxes (VAT), constitutes the bulk of general tax revenue, being the reason, many states exempt necessities such as food from the sales tax, to make such taxes less regressive. Elder and Holland (2002) summarized various reforms proposed as an attempt to maintain a funded Social Security system. According to them, all of these reforms have a number of components, but almost all include some combination that would cut benefits, increase taxes or introduce some degree of privatization into the system or shifting Trust Funds into the equities market. Upon assessing various proposal towards elimination of predicaments facing social security programs, it is clear that no foreseeable effective remedies are being proposed. The issues, which are in dire need of proper scrutiny, include but not limited to problems related to funding, coverage, and distribution of social security benefits, which are to be addressed from Islamic perspective.

Islamic Approach to Social Security problems

According to contemporary Islamic juristic scholars, Islamic social security is based on three cornerstones: one, fair and equitable distribution of wealth. Two, provision of basic necessities of life to the poor and the needy. Three, protection of the weak against economic exploitation by the strong. These bases are related to the fact that, Islam right from its inception has been extra ordinarily conscious of fulfilling the basic necessaries of life of the subjects of its State. It is one of the basic responsibilities of an Islamic State to meet the needs of the people, who are unable to meet their needs of life on their own. In Islam, poor relatives are allowed to sue their wealthy relatives for the provisions of basic necessaries of life, in case they are unable to meet them. In order to extend help to old people, unemployed, sudden calamity, hereditary deformity, Islam
provides a complete umbrella and shelter to address all the misfortunes and eventualities. The focus here is to address the problems earlier enumerated from Islamic perspectives. Our opinion is to restrict this discussion to those issues considered more important. Including in this category are eligibility, scope/coverage and funding related issues.

**Islamic Approach to Distribution Problem of Social Security**

As discussed earlier, the approach adopted to provide social security benefit is normally either employment-related, universal, or means-tested. For the first two approaches, which are none means-tested, the beneficiaries may rightfully claim benefits, unlike in means-tested benefits where the eligibility is based only on administrative approval. The problem with these approaches is the fact that the eligibility is not based on the level of poverty or indigence, but rather it is based on “adventitious circumstances” he gets benefit only if he is employed in a covered industry, a benefit funded through regressive taxation. In Islam, a robust and effective approach is adopted to modify the distribution of wealth by taking into account the level of poverty and indigence, as evident in many revealed texts of Shariah, some of which are enumerated as follows:

1. “…And know that whatever you acquire in war, a fifth of it is for Allah and for the Messenger and for the near of kin and the orphans and the needy and the wayfarer…” (008:04)
2. “…Welfare funds (zakat) are only for the poor, the destitute, the tax collectors, those whose hearts are inclined (towards Islam), the slaves, those who cannot pay their debts, for the cause of Allah and for those who have become needy on a journey. (009:060)
3. “…Those among you who are blessed with resources and wealth shall be charitable towards their relatives, the poor, and those who have immigrated for the sake of GOD. They shall treat them with kindness and tolerance; (024:022)
4. Allah says “…Whatever ALLAH has given to HIS Messenger as spoils from the people of the towns, it is for ALLAH and for the Messenger and for the near of kin and the orphans and the needy and the wayfarer, in order that it may not circulate only among those of you who are rich. (059:007)
5. When Mu`adh was sent to Yemen by the Messenger of Allah (PBUH), he was instructed thus: “You will go to the people of the Book. First, call them to testify that `there is no true god except Allah, that I am (Muhammad (PBUH)) the Messenger of Allah, If they obey you., inform them that Allah has made Zakat obligatory upon them; that it should be collected from their rich and distributed among their poor”

Indigence and poverty being the criteria for eligibility for benefits is unequivocally emphasized in the aforementioned revealed texts. It has to be recalled here that in Friedman and Friedman (979), criticised the mode of eligibility of social security benefit for not being based on level of poverty or indigence, which they blamed for uneven distribution of these benefits.

**Islamic Approach to Coverage problem of Social Security**

With just 20 percent of the needy being covered globally, coverage related problems social security is far from being effectively stamped out. Due to the generic nature of this problem, a holistic approach is required. The belief is that, with equitable criteria adopted, Islamic approach is viable enough to address these problems effectively. Basically, according to the International Labour Organization social security benefit is designed to includes five main branches one, old-age, invalidity,
and survivors insurance. Two, sickness and maternity coverage. Three, work-injury protection; four, unemployment insurance. Five, family allowances, though appearing comprehensive enough, these branches may be vulnerable to circumstances as they are not hinged on a well-defined equitable parameter. Falling in any of these branches does not necessarily make the victim financially insolvent to take care of himself. In Islam one is considered for assistance only when is in need, and individual needs are properly assigned to those who are responsible for them, some of which may illustrated as follows:

Survivors Insurance
Survivors insurance is defined as insurance paid to surviving spouses in relation to death risk, loss control be considered as controlling the negative impact of death. Not all deaths result in burden, but who is to bear the burden if it resulted in one. Death may results in living behind dependents who cannot fend for themselves: wife(s) children and parents this situation is managed in Islam through One, Islamic method of inheritance, by allocating specific portion of the deceased estate to his or her vulnerable heirs. For reference purposes verses 7-2 and 76 of surah al-Nisa are explicit about this. Two, in situations where the estate of the deceased falls short of alleviating the impact of this risk, the burden is shifted to the rich ones among the relatives of the deceased. Allah says: 024:022 “Those among you who are blessed with resources and wealth shall be charitable towards their relatives, the poor, and those who have immigrated for the sake of GOD. They shall treat them with kindness and tolerance; do you not love to attain God's forgiveness? God is Forgiver, Most Merciful.” There two juristic issues concerning this verse: first, this verse may be revealed to address a specific situation, the principle is that general meaning of revealed texts must be given preference not the genesis of the revelation. Second, the semantic of the verse is indicative of an obligation, meaning that it is prohibited for the well to do relatives of the deceased to abandon his dependents after his demise. There are eleven other verses of the Quran corroborating this directive, one of which is 4:36 “And serve Allah, and associate naught with Him, and be good to the parents and to the near of kin and the orphans and the needy and the neighbor of (your) kin and the alien neighbor...” this is a biding demand from Allah, making it a religious responsibility for the rich to take good care of their needy relative most especially the orphans, the widows and others who may negatively affected by the death of their bread winner. In a situation whereby no relative of the deceased is financially capable to shoulder the responsibility, the burden falls on the Muslim community at large. Meaning that adequate provision must made for them from Islamic public treasury. However, if the resources available to the treasury is not enough, this has to be borne by the rich ones in the community. In support of this, the narration of Abu Saeed Khudhri may be relevant. He reported that the Prophet said; “Anyone who possesses goods more than his needs, should give the surplus goods to the weak (and poor); and whosoever possesses food more than his needs should give the surplus food to the needy and the destitute.” He further added that the Prophet went on referring to different kinds of goods in similar manner until we got to know that none of us had any right over his surplus wealth.” If they are found wanting in this regard, they must be compelled by the state. Imam Ibn Hazm has this to say: “The rich are obliged to provide sustenance to the poor living in their region. If they try to neglect or avoid it or deflect from this responsibility, the Head of the State must compel them to part with some of their wealth for the maintenance of the poor...”
Old Age
The effect of old age may be physical or economical, addressing physical effect of old age, Islam places the burden primarily on the children of the victim. Allah says: 07:023 “And your Lord has decreed that you worship none but Him, and that you be dutiful to your parents. If one of them or both of them attain old age in your life, say not to them a word of disrespect, nor shout at them but address them in terms of honour.” This obligation transcend religious bond, irrespective of what the parents religious thought is, children must not jettison their responsibility towards their parents. Allah says concerning the parents: 03:05 “…And if they contend with you that you should associate with Me what you have no knowledge of, do not obey them, and keep company with them in this world kindly.” In the absence of offspring, the well-to-do relatives assume the responsibility of taking care of a physically challenged old person, if not the burden is shifted to the community or the state. Second, whoever becomes economically challenged due to old age, Islamic social security system takes charge of his need in the absence of capable children or relatives, which is not common.

Effect of Sickness
Islamic social justice system is the mechanism designed to provide cushion to ameliorate any negative effect of sickness ranging from the provision of necessities of life to the assumption of responsibility for the sick medical obligations. While commenting on the Hadith narrated by `Abdullah bin `Amr bin Al-`as (May Allah be pleased with them) that: A man asked Messenger of Allah (pbuh), “Which act in Islam is the best?” He (pbuh) replied, “To feed (the poor and the needy) and to greet those whom you know and those you do not know.” Ibn Uthymin explained that providing food for the needy may be an act of charity and hospitality, a meaning of wider scope is applicable. It could be interpreted as meeting the need of needy persons. This may include but not limited to feeding the hungry, covering (clothing) the uncovered, giving medical aid to the sick and settling financial obligation of the indebted.

Unemployment
As explained before Islamic social security system is an effective apparatus designed to address any social problem. Unemployment is not an exemption. With the frowning on unemployment, gainful employment is the cushion proffered to address the nagging effect of unemployment. Needy unemployed who is not being taken care of by any of his relatives deserves allocation from Zakah, not only to provide him with necessities of life but must be supported employment wise. Effective distribution of Zakat is bound to take care of this problem, being the more reason why many contemporary Islamic Jurist believe that any stricken impact of unemployment may be taken care of through effective distribution of Zakat, they maintained that Zakat enables the establishment of collective projects such as factories, stores, or institutions that create jobs for the unemployed. In addition, once a one year sustenance fund is given to the, he must be encouraged to invest the fund, and the state must create enabling environment for the promotion of small and medium enterprises programs.
Funding Problem of Social Security - Islamic Approach

Concerning funding problems of social security, it will be recalled that, none-Islamic approach is majorly financed through regressive taxation. Islamic approach is clearly in contrast; for being progressive in nature. Proper articulation of progressive nature of Islamic approach that has once proven to be effective may be demonstrated by highlighting those responsible for its provision and at what level is their responsibility. According to Jalil et al. (205), Islamic social security system is characterized by interdependence between the members of a community (ummah) for the preservation of public and private interests as well as prevention of material and moral damages. This requires every single member to feel that he/she has duties towards others in conjunction with the rights that he/she owns and enjoys, especially towards other person who could not realize and achieve their own basic and immediate needs. Social security funding takes four stages with respect to those responsible for the provision of its benefits.

Stage : well-to-do Family Members

This stage plays a pivotal role in this regard, the role best demonstrated by Tahir (205), When he made the categorical statement that Islam allows the needy to sue their well to do relatives for being inactive in providing for them necessities of life. Supportive role of responsibility towards one another is unequivocally emphasized in the revealed evidences of Shariah. Allah says:

"Those among you who are blessed with resources and wealth shall be charitable towards their relatives, the poor, and those who have immigrated for the sake of GOD. They shall treat them with kindness and tolerance…"

(024:022), semantically, the message therein is indicative of an obligation, meaning that it is prohibited for the well to do to take care the needy members of their family. There are eleven other verses of the Quran corroborating this directive, one of which is “And serve Allah, and associate naught with Him, and be good to the parents and to the near of kin and the orphans and the needy and the neighbor of (your) kin and the alien neighbor…” (4:36). This is a biding demand from Allah, making it a religious responsibility for the rich to take good care of their needy relative. It will be observed here that Social security funding in Islam starts at the lowest level. Allah (SWT) says “…They ask you as to what they should spend. Say whatever wealth you spend, it is for the parents and the near of kin and the orphans and the needy and the wayfarer, and whatever good you do, Allah surely knows it. (002:25).

The Role of Neighbors and Society as a Whole

Evidences are abound from the Quran and the Sunnah concerning the role of neighbours towards one another. Allah says: “...And serve Allah and do not associate any thing with Him and be good to the parents and to the near of kin and the orphans and the needy and the neighbour of (your) kin and the alien neighbour…” (004:036). As in illustration regarding the importance of being kind in the treatment of neighbours, Ibn `Umar and `Aishah (May Allah be pleased with them) reported: Messenger of Allah (PBUH) said, "O son of Adam, if you spend the surplus, it will be better for you; and if you retain it, it will be bad for you. You will not be reprimanded for keeping what is enough for your need. Begin with those who are your dependents, [Muslim]."
Hadith In reported by Abu Dharr (May Allah be pleased with him) that: Messenger of Allah (PBUH) commanded me: "O Abu Dharr! Whenever you prepare a broth, put plenty of water in it, and give some of it to your neighbours." Ibrahim (n.d) reiterated that in Islam, a Muslim should not be unmindful of his poor neighbours, but must take care of the poor among them. He then concluded that the recommendation in the Hadith implies that a well-to-do Muslim should be all the more charitable to his neighbours. In another Hadith reported by Abu Shuraih Al-Khuza`i, (May Allah be pleased with him), the Prophet (PBUH) said, "He who believes in Allah and the Last Day, let him be kind to his neighbour."

**Stage 3: The State**

In an Islamic governed state, the oversight of social security issues is full responsibility of the State. It is incumbent on the government to make sure that the well to do ones fully assume their responsibilities as outlined in the various stages above. The state is also responsible for the just distribution of the resources available to the state which are accrued from zakah, ghanimah and fay'. The mode of distribution is clearly explained in the Quran and the Sunnah. Allah says “…Welfare funds (zakat) are only for the poor, the destitute, the tax collectors, those whose hearts are inclined (towards Islam), the slaves, those who cannot pay their debts, for the cause of God, and for those who have become needy on a journey. Paying zakat is an obligation that God has decreed. God is All-knowing and All-wise (009:060). In the same vein, Ibn `Abbas (May Allah be pleased with them) reported: The Prophet (PBUH) appointed Mu`adh (May Allah be pleased with him), as governor of Yemen and at the time of his departure, he instructed him thus: "First of all, call the people to testify `La ilaha illallah' (there is no true god except Allah) and that I (Muhammad) am the Messenger of Allah, and if they accept this (declaration of Faith), … if they obey you, tell them that Allah has made the payment of Zakat obligatory upon them. It should be collected from their rich and distributed among their poor."

**Stage 4: when the Islamic State Treasury is Strained**

Unequal distribution of wealth is a natural phenomenon and as such not considered an abomination from Islamic perspective, instead is regarded as part of Devine Scheme of world order. However the impact of this disparity in distribution is properly addressed by putting in place mechanism capable of mitigating the negative effect in the Muslim community. The mechanisms involved are Zakat and Sadaqat, laws of inheritance and bequest, monetary atonements, voluntary charities. History has proven that proper implementation of these mechanism are effective in addressing the funding problems of social Security. However in a situation when treasury is so strained to the extent of inability to bankroll the budgeted social security expenditures, compulsory contributions in the form of taxes and various levies become mandatory. This has to be imposed on the rich. This situation has been properly addressed by two great classical scholars of Islam namely Ibn Hazm and Al-Juwayni. While Chaudhry (999) addressing the juristic issue of holding on to surplus wealth by the rich and responsibilities of the Islamic state to provide basic necessities of life to the poor, he said: “it would be pertinent if we produce the views of Ibn Hazm, a great Muslim jurist. He says : “It is the duty of the rich that they should meet the needs of the poor and the destitute of their village or town. And if the treasury is not sufficient to meet their needs, then the state has the right to take their surplus
wealth, if necessary by force, to meet the needs of the poor in the community. He further says that all the companions of the Holy Prophet are agreed upon this that if there is anyone hungry or naked or without shelter, it is incumbent upon the state to supply his needs from the surplus wealth of the rich (in case its own treasury is insufficient).” Imam al-Juwaini in his own presentation, maintained that in this situation (inadequate zakat fund to fulfil the needs of the poor), the Imam (The head of Islamic government) must assume the responsibility of providing for the needy. If Imam fails in to discharge this responsibility, the task is transferred to the wealthy ones in the community, and concluded that any failure to assume this responsibility attracts being held accountable by Allah (SWT). The observation here is that this strong stand from both of these two great scholars applicable only to obligatory demand.

To arrive at this opinion, the two Imams relied on many prophetic injunctions some of which are enumerated below:

1. (Nik Mohd Norfazilah Nik Mohd Rashid, 2011) reports that the Holy Prophet said; “Anyone who possesses goods more than his needs, should give the surplus goods to the weak (and poor); and whosoever possesses food more than his needs should give the surplus food to the needy and the destitute.” He further added that the Holy Prophet went on referring to different kinds of goods in similar manner until we thought that none of us had any right over his surplus wealth.’

2. The Prophet of Islam is reported to have once said: One who has an extra camel (transport), should give it to the one who has no camel (transport). One who has surplus provision, should give it to the one who has none; one who has two persons’ food, should take a third (as his guest), and if it is for four, he should take fifth or sixth person (as his guest).

3. Caliph Umar once said: Each and every Muslim has a right in the property of Bait-ul-Mal whether he exercises it or not.

4. It is reported that Umar in the last year of his Caliphate, said: “The thing which I have known today, had I known before, I would never have delayed it and would have, undoubtedly, distributed the surplus wealth of the wealthy among the poor Muhajrin.”

5. Ali is reported to have said that “God has made it obligatory on the rich to meet the economic needs of the poor up to the extent of their absolute necessities. If they are hungry or naked or involved in other financial difficulties, it will be merely because the rich are not doing their duty. Therefore God will question them about it on the Day of Judgment and will give them due punishment.”

With this submission we believe that Islamic mechanism of funding social security benefits is adequate and effective if properly implemented.

Conclusion
As explained, problems faced by current social security systems globally demand unguent attention and lasting remedy, which will permanently fix the inadequacies of current social security systems. We believe that Islamic approach in relation to the various problems as presented in this paper will put an end to the lingering problems that have defied all efforts to rectify it.
Our suggestion is that a policy paper based on the theoretical foundation provided here is needed as a matter of urgency. This will require concerted efforts of experts in the academia and policy makers in related institutions.

References


