Literature Review: Unemployment Crisis, Maintaining the Dignity and Welfare of the People

Muhammad Fauzi 1, Xie Guilin 2, Deng Jiao 3
1 Universitas Islam Negeri K.H Abdurrahman Wahid Batusangkar, Indonesia
2 University of Science and Technology of Hanoi, Vietnam
3 Universiti Sains Malaysia, Malaysia

Corresponding Author: Name, Muhammad Fauzi E-mail; fawzinmuhammad66@gmail.com

ABSTRACT

Unemployment is a macroeconomic problem that affects humans directly and is the most serious problem. Unemployment can have a negative impact, both on yourself, your family, and the surrounding environment. Islam has warned its people not to let anyone become unemployed so they don't fall into poverty, for fear that poverty can lead people to do anything, including harm. This study aims to analyze the unemployment crisis and its relationship with the dignity and welfare of the people. This research is a library research in which the data sources are obtained from document materials and library materials as well as other supporting documents. This study obtained the result that maintaining dignity in Islam is an important value. There are many factors that can cause a person to experience unemployment, such as economic conditions, changes in the job market, and a lack of adequate job opportunities. In order to maintain the dignity and welfare of the people by not becoming unemployed, there are several ways or efforts.

Keywords: Maintaining the Dignity, Unemployment, Welfare of the People

INTRODUCTION

In everyday life we often encounter many unemployed people. But strangely, at the same time we also encounter cases of difficulty finding people who want to work. Many jobs that can be done in this life just abandoned (Ferdinands dkk., 2022; Parashar dkk., 2020; Thomas & Fowler, 2021). This shows that being unemployed is not always synonymous with not having a job, but rather it could be due to laziness. Islam hates unemployment due to laziness, and on the contrary likes people who are willing to work
hard (CHIDONGO, Tsawe-Munga, 2021; Gottlöber, 2019; Taragan, 2020). In the general economics literature, there is no rule that a person must actively participate in the labor market. Because success or failure is an individual right. One of the factors that influence individuals to decide whether to work or not is wages/salary. Whereas in Islam, besides material factors, there are also moral values that must be considered by someone in making a decision to work (Abualigah & Koburtay, 2023; Bekmen dkk., 2020; Clements, 2018). Wages/salaries are of course needed by everyone to meet their needs, even though Allah has guaranteed to provide good fortune to all creatures that have been created.

In fiqh, working for a living is obligatory, while doing nothing is unlawful. This is because an unemployed person does not take advantage of the gifts that God has given, in the form of mind favors, strength favors, health, and so on (Castro-Marrero dkk., 2019; Harkko dkk., 2018; Miettinen & Jalovaara, 2020). By nature, humans are perfect beings who have unique, diverse, and appropriate self-competencies in accordance with a particular field of work. From head to toe, humans have potential that can be used to work. Standing idle not only makes people unable to earn, but can also lead them to the bad behavior of begging, even harming other people, in order to make ends meet.

Unemployment can have a negative impact, both on yourself, your family, and the surrounding environment (Hoang & Knabe, 2021; Hult dkk., 2018; Leppel, 2021). The personal effects can be physical effects, such as headaches, stomach aches, sleep problems, lack of energy, hypertension, heart disease and kidney disease; it can also have psychological effects, for example feelings of shame, depression, sensitivity, anxiety, anger, fear, hopelessness, decreased self-esteem, loneliness and social isolation, to an increase in hostility. Within the family, unemployment can lead to marital friction, spousal depression, family conflict, child abuse and abandonment of families that should be supporting.

Islam has warned its people not to let anyone become unemployed so they don't fall into poverty, for fear that poverty can lead people to do anything, including harm. Based on Surah An-Nahl verse 97, we can conclude that welfare can be obtained for anyone who wants to do good deeds, regardless of whether male or female. In this verse, there are three indicators to measure welfare and happiness in Islam, namely monotheism, consumption, and the elimination of all forms of fear and anxiety. However, with limited employment opportunities, there are still many people who are not working. Based on the Central Statistics Agency (BPS) report, the number of unemployed in Indonesia in August 2021 was 5.86%, down by 0.63 percentage point compared to August 2021. The statement regarding the increase in unemployment was also explained in a study which stated that during 2021 to 2025 there would be an increase in the unemployment rate of 0.05%.

Unemployment According to Islam

Unemployment is a macroeconomic problem that affects humans directly and is the most serious problem. For most people, losing a job means reduced living standards and psychological stress. Unemployment is not related to those who do not work, but do
not or have not found work. So unemployment is a group of people who want to work, are trying to get a job but have not been successful in getting a job. Sadono Sukirno provides an understanding or states that unemployment is a condition of a person (individual) whose age is included in the labor force, wants to get a job, but in reality the individual has not found a job or to fulfill his life needs. Unemployment is a strategic problem in the macro economy, because it has a direct effect on the standard of living and the psychological pressures of society. Unemployment is defined as a condition indicating a resource that is not used.

Unemployment is not a recommendation in Islam, but work in Islam must be done to meet basic needs. By obtaining money or prices in a lawful way. In Islam, labor as an element of production is based on the concept of istikhlaq, in which humans are responsible for investing and developing assets that have been ordained by Allah to meet human needs (Abdurraheem & Suraju, 2018). Islam encourages its people to work and produce, even making it an obligation for people who are able, more than that Allah will reward them according to the charity/work according to the word of Allah in surah An-Nahl: 97.

According to one scholar, Dr. Yusuf Qardhawi revealed that unemployment is divided into two types, namely: 1) Jabariyyah (forced) unemployment, namely unemployment where a person does not have the slightest right to choose this status and is forced to accept it. Unemployment like this generally occurs, because someone does not have the slightest skills. 2) Khiyariyyah unemployment, namely someone who chooses to be unemployed, even though he is basically a person who is able to work.

Unemployment in this case explains that there are reasons that make a person unemployed so if based on the cause of unemployment there is frictional unemployment, cyclical unemployment, structural unemployment, seasonal unemployment, technological unemployment, political unemployment, and deflated unemployment. Meanwhile, when viewed from its characteristics, unemployment is divided into open unemployment, hidden/ disguised unemployment, seasonal unemployment, and half unemployed.

Table 1. Types of Unemployment

<table>
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<tr>
<th>NO</th>
<th>Unemployment by Cause</th>
<th>Unemployment Based on Characteristics of Unemployment</th>
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<tbody>
<tr>
<td>1.</td>
<td>Normal or Frictional Unemployment</td>
<td>Open unemployment</td>
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<td>2.</td>
<td>Cyclical or Conjunctural Unemployment</td>
<td>Disguessed Unemployment</td>
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<td>3.</td>
<td>Structural Unemployment</td>
<td>Seasonal Unemployment</td>
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<tr>
<td>4.</td>
<td>Seasonal unemployment</td>
<td>Half unemployed</td>
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Causes and Effects of Unemployment

Unemployment is created as a result of the increase in job vacancies which is lower than the addition of labor. As a consequence in the economy, an increasing number of workers are unable to find work. There are many causes of unemployment, including: economy crisis, inappropriate skills, technology changes, inadequate education and training, discrimination, business cycle, migration, and demographic factors (Couch dkk., 2020; Galea & Abdalla, 2020; Kawohl & Nordt, 2020). With the presence and increase in the number of unemployed it will have a negative impact on the economy, among others: 1) The level of community welfare has decreased, because they have lost their livelihood. 2) The rate of economic growth is declining, because people's purchasing power is also falling and this will lead to sluggishness in businessmen to invest. 3) Revenues in the form of taxes will decrease, because the level of economic activity is low, tax objects will be narrow and sources of state revenue will decrease. 4) The actual GNP achieved is lower than the potential GNP, because production factors are not utilized optimally.

In addition to the negative impact on the economic sector, unemployment also has a negative impact on the social and political sector, namely, criminality in the form of crimes of fraud, theft, robbery, drug abuse and the emergence of a sense of public dissatisfaction with the ruling government, the ruling class will be increasingly disgruntled. popular, various criticisms and demands emerged accompanied by demonstrations so that the political situation in the country became uncertain.

Unemployment can also affect inflation. Inflation is a condition where there is a continuous increase in the price of goods which can cause a decrease in people's purchasing power because in real terms their income level also decreases. Inflation also occurs because the increase in demand is greater than the supply of goods in the market. If inflation increases, the level of welfare will be disrupted, and the result will be a decrease in people's purchasing power. One of the macroeconomic indicators used to see or measure the stability of a country's economy is the level of social welfare, where the welfare of this community can be used to measure the poverty rate.

Inflation is a phenomenon that has occurred in people's lives throughout the world since ancient times until now, and it is defined that inflation occurs when prices generally increase and take place continuously. Inflation and unemployment usually have an opposite relationship. This is known as the "Phillips curve," which shows that when the inflation rate increases, the unemployment rate usually decreases, and vice versa. This happens because when the inflation rate increases, the prices of goods and
services also increase, so companies can increase their sales and profits (Ceylan dkk., 2020; Toader dkk., 2018; C. Wang dkk., 2021). As profits increase, they will probably also hire more employees to meet the increased demand.

Conversely, when the inflation rate decreases, firms may cut costs to maintain their profits, which can result in a reduction in the number of jobs available and an increase in the unemployment rate. However, the relationship between inflation and unemployment can become more complex depending on the various economic and political factors that affect the labor market and price stability.

RESEARCH METHODOLOGY

This research is an analytical descriptive research using a qualitative approach. In the qualitative method, research departs from field data and uses existing theory as a support, then the results will bring up theories from these data. In qualitative research, the more in-depth, thorough, and explored the data obtained, it can also be interpreted that the better the quality of the research (Azungah, 2018; Richards & Hemphill, 2018; Sun dkk., 2020). Existing data were analyzed using data reduction techniques, data display and drawing conclusions.

RESULT AND DISCUSSION

Maintaining dignity in Islam is an important value. However, it is important to understand that unemployment is not a desirable choice for individuals. There are many factors that can cause a person to experience unemployment, such as economic conditions, changes in the job market, and a lack of adequate job opportunities (Blustein & Guarino, 2020; Card dkk., 2018; McClure, 2018). In Islam, working and earning a halal living is a recommended task. There are several reasons why Muslims are advised to maintain their dignity by avoiding unemployment:

![Figure 1. Factors Causing Unemployment](image-url)
Unemployment is one of the benchmarks in a country's economic growth (Bekun dkk., 2019; Ibn-Mohammed dkk., 2021, hlm.; Mensah dkk., 2019). Islam strictly forbids its people to be unemployed. The goal of alleviating unemployment in conventional economics and Islamic economics tends to be the same, namely that both are trying to increase economic growth. But it turns out that Islamic economics has another goal. In addition to increasing economic growth, it is also to carry out Allah's commands, namely having a decent job so as to avoid harmful actions (Kalkavan dkk., 2021; Özdemir & Selçuk, 2021; Sevriana dkk., 2022). Here it can be seen that the goal of alleviating unemployment in Islam is seen from the vertical (habluminallah) and horizontal (habluminannas) dimensions, namely trying to seek the pleasure of Allah, and trying for worldly goals.

Humans in meeting their daily needs are not spared from the name of work. Lots of work that can be done according to the skills they have. The choice in working for them is to get a decent life for the future (Schwarzinger dkk., 2021; Shanafelt dkk., 2019; Tan dkk., 2020). Working is the right of every individual, working or not is the choice of each individual. Most of the factors that they usually choose to work or not is the salary factor (Chen dkk., 2020; Gombart dkk., 2020; B. Wang dkk., 2021). Wages or salaries are needed by a person to meet the needs of himself and his family even though Allah has guaranteed sustenance for every living thing. Even though Allah has promised to bear all of our sustenance, that does not mean that there are no conditions that need to be fulfilled.

Islam has warned its people not to let anyone become unemployed so they don't fall into poverty, for fear that poverty can lead people to do anything, including harm. Based on Surah An-Nahl verse 97, we can conclude that welfare can be obtained for anyone who wants to do good deeds, regardless of whether male or female. In this verse, there are three indicators to measure welfare and happiness in Islam, namely monotheism, consumption, and the elimination of all forms of fear and anxiety. Islam is a good religion, so that all of its activities always prioritize blessings and kindness for others. Not only that, all activities of Muslims also have a clear goal, as we just discussed, namely unemployment.

In order to maintain the dignity and welfare of the people by not becoming unemployed, there are several ways or efforts, namely: 1) Try your best to get a job that suits your abilities and skills. Rasulullah SAW taught that every job done well will get a reward from Allah SWT. 2) Increase knowledge and skills by continuing to learn and attend training. In Islam, knowledge and skills are highly valued, as this can strengthen one's confidence in finding a better job. 3) Establish good relationships with people around us, such as family, friends, and co-workers. This network can help us find and get better jobs. 4) Increase prayer and surrender to Allah SWT. In Islam, prayer and trust in Allah SWT are very important to help us get through difficult times such as unemployment. 5) Avoiding actions that can cause us to lose our jobs, such as frequent absences, not complying with work regulations, and so on.
In Islam, unemployment is not only the responsibility of the individual, but also the responsibility of society and the government to help those who are experiencing difficulties in finding work. Therefore, as Muslims, we also need to play an active role in helping others who are currently unemployed in order to maintain the dignity and welfare of the people.

CONCLUSION

Maintaining dignity in Islam is an important value. However, it is important to understand that unemployment is not a desirable choice for individuals. There are many factors that can cause a person to experience unemployment, such as economic conditions, changes in the job market, and a lack of adequate job opportunities. In Islam, working and earning a halal living is a recommended task. There are several reasons why Muslims are advised to maintain their dignity by avoiding unemployment: Responsibility towards yourself and your family, Contribution to society, get halal sustenance, and avoid dependency. Unemployment is one of the benchmarks in a country's economic growth. Humans in meeting their daily needs are not spared from the name of work. Islam has warned its people not to let anyone become unemployed so they don't fall into poverty, for fear that poverty can lead people to do anything, including harm. Islam is a good religion, so that all of its activities always prioritize blessings and kindness for others. In order to maintain the dignity and welfare of the people by not becoming unemployed, there are several ways or efforts. In Islam, unemployment is not only the responsibility of the individual, but also the responsibility of society and the government to help those who are experiencing difficulties in finding work. Therefore, as Muslims, we also need to play an active role in helping others who are currently unemployed in order to maintain the dignity and welfare of the people.

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