
CORPORATE SOCIAL RESPONSIBILITY (CSR) FROM ISLAMIC PERSPECTIVE

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Abstract. Islam strongly supports Corporate Social Responsibility (CSR) because it cannot be denied that business causes many social problems, and companies are responsible for solving them. Businesses need various natural resources for business continuity, so companies are responsible for maintaining them. Companies create many social problems, Islam strongly supports corporate social responsibility (CSR), and companies have a responsibility to solve them. This study aims to explain what corporate social responsibility (CSR) is in the perspective of Islamic law. This type of research is normative, namely research that begins with the process of obtaining legal certainty. Islam strongly supports corporate social responsibility (CSR). Based on the research results, it cannot be denied that companies cause many social problems and companies are responsible for solving them. Companies need and are responsible for maintaining various natural resources to continue their business.

Keywords: corporate social responsibility; islamic perspective.

INTRODUCTION

Business world is faced with two contradictory things. On the one hand, business people must strive to be able to earn high profits and to support this need to be accompanied by a reduction in costs ([Kumar et al., 2018](#)). On the other hand, companies must be responsible for the environment in particular where they operate. Nowadays, people are getting bolder to express their demands to the government. Not only on the government, the community's demands on companies are also getting bigger ([Quispe et al., 2010](#)); ([Sulista et al., 2019](#)). Corporate social responsibility claim stakeholder that the company does not only operate for the benefit of shareholders (shareholders), but also for the benefit of stakeholders in business practices, namely workers, local communities, government, Non-Governmental Organizations (NGOs) ([Desai, 2014](#)), consumers, and the environment. Therefore, a company is responsible to many stakeholders, namely shareholders, consumers, employees, suppliers, and the community.

Social responsibility is increasingly becoming a concern for the business world, this is related to the awareness of a company or institution to not only generate the highest profit, but also how that profit can provide benefits to the community. The concept Corporate Social Responsibility leads to transparency which is not only disclosed of company financial information, but is also expected to disclose information regarding social and environmental impacts caused by activities ([Dhaliwal et al., 2014](#)); ([Mohamed et al., 2014](#)); ([Mangoting](#)

et al., 2019).

This concept contains the understanding that business is not only looking for profit (profit) but also the welfare of people (people) and guarantees survival. The concept of CSR is closely related to sustainability company ([Galego-Álvarez et al., 2014](#)); ([Peršić et al., 2017](#)). The concept of CSR requires companies to make decisions and carry out company activities not only referring to profitability but also based on social and environmental consequences for now and in the future. CSR as a new accounting concept is the transparency of social disclosure of social activities carried out by the company not only focusing on the single bottom line, namely corporate responsibility that only focuses on financial conditions, but must focus on economic, social and environmental aspects.

The implementation of CSR in Indonesia is increasing both in quantity and quality ([Supada, 2020](#)); ([Breliastriti & Josephine, 2017](#)). In addition to the diversity of activities and their management is increasingly varied, judging from the financial contribution, the number is getting bigger. The company always strives to grow and develop with the community by opening wide opportunities for all stakeholders to contribute maximally through active involvement in various Corporate Social Responsibility (CSR) activities.

In an Islamic perspective, Corporate Social Responsibility (CSR) is the realization of the concept of *ihsan* teaching as the culmination of a very noble ethical teaching ([Jusoh et al., 2015](#)); ([Zain et al., 2014](#)); ([Duthler & Dhanesh, 2018](#)). *Ihsan* is

carrying out good deeds that can provide benefits to others in order to get the pleasure of Allah swt. In addition, CSR is an implication of the teachings of ownership in Islam. Allah SWT is the absolute (haqiqiyah) while humans are only limited to temporary owners who function as recipients of the mandate.

Islamic economics provides several philosophical foundations that form an ethical system in business activities ([Furqani & Haneef, 2019](#)); ([Platonova, 2013](#)). Among them is oneness which is reflected in the concept of monotheism, balance or justice, free will, responsibility, and virtue. If we look closely, the Islamic economic system is not just an economic system that rivals the conventional system that has become rampant and entrenched, but rather an alternative economic system to reconstruct the true potential of humans which has been eroded by the individualism and capitalist nature of life. Islamic economics has the right answer to make it happen, through the concept of Islamic CSR which is packaged in Islamic business ethics.

Corporate Social Responsibility (CSR) refers to business practices that have Islamic ethical responsibilities so that they can solve problems that arise from an economic activity while delivering happiness and benefit for all people. Islam has guidelines in directing its people to carry out the practice. These guidelines are the Qur'an and As-Sunnah. As a source of Islamic teachings, at least it can offer basic values or general principles whose application in business is adapted to the times and takes into account the dimensions of space and time. Islam is

often used as a model for the order of life. This, of course, can be used for further development of such an order of life, including the order of business life.

In the Islamic perspective, CSR is an inherent of the teachings of Islam itself. The purpose of Islamic law (Maqashid al-Sharia) is *maslahah*, so business is an effort to create *maslahah* not just looking for profit. Social responsibility in Islam is not a new thing, it has existed and has been practiced since 14 centuries ago. In the Qur'an the discussion of social responsibility is very often mentioned. The Qur'an always links business success and economic growth, which is strongly influenced by the morale of business people in carrying out economic activities. As for the environment, the Qur'an gives very serious attention to always guaranteeing the harmony and preservation of the environment. On the side of generosity and benevolence, Islam strongly recommends social generosity to people who are in need and less able to do business through *sadaqah* and benevolent loans (*qard hasan*).

Based on the description above, the problems in this article are: How is corporate social responsibility (CSR) from the perspective of Islamic law?

METHODS

1. Type of Research

This type of research is normative research, namely research that starts with a process to obtain legal rules, legal principles and legal doctrines to provide answers or legal issues encountered so that new arguments,

theories or concepts are obtained as prescriptions in solving problems.

2. Research Approach This

Research uses a statutory approach and a conceptual approach.

3. Nature of

Research This research is descriptive, which is a study that aims to describe or explain legal phenomena, in this case finding the right concept in the application of corporate social responsibility (CSR) according to an Islamic perspective.

4. Sources of Data The

Data needed in this study is secondary data, namely data obtained from library research in the form of legal materials consisting of:

- a. Primary legal materials, namely binding legal materials, consisting of:
 1. The Qur'an and Al Hadith.
 2. Of the 1945 Constitution of the Republic of Indonesia.
 3. The Civil Code (KUH Perdata).
 4. The Commercial Code (KUHD).
 5. Law Number 25 of 2007 concerning the Capital Market.
 6. Law Number 40 of 2007 concerning Limited Liability Companies.
 7. Other laws and regulations related to this research.
- b. Secondary legal materials, namely legal materials that provide instructions and explanations of primary legal materials, which consist of literature books, papers, articles, research results and other scientific works related to this research.

- c. Tertiary legal materials, namely legal materials that provide instructions and explanations for primary legal materials and secondary legal materials.

5. Techniques Collection

In this research data collection is done by means of document studies, namely reviewing, examining and studying legal materials that are related to this research.

6. Data Analysis Method The data

Analysis method used in this research is descriptive qualitative, namely the data obtained from the research is presented descriptively and processed qualitatively.

RESULTS AND DISCUSSION

A. Corporate Social Responsibility (CSR) Viewed from Islamic Law

When viewed from the perspective of Islamic legal philosophy, giving corporate commitment to the community is often known as zakat. In this case, zakat is one of the characteristics of Islam, where Islam has a human nature, so zakat is obligatory on rich people whose assets are nisab. In addition, zakat is intended for people in need, both the so-called poor. In addition, in the Qur'an it is explained about the obligation to help each other, namely in Surah Al-Maidah verse 2:

أَيُّهَا الَّذِينَ آمَنُوا لَا تُلَؤُوا شَعَائِرَ اللَّهِ لَا الشَّهْرَ
الْحَرَامَ لَا الْهَدْيَ لَا الْقَلَائِدَ فَاصْطَادُوا وَلَا
يَجْرِمَنَّكُمْ شَنَاَنُ قَوْمٍ أَنْ صَدَّوْكُمْ عَنِ الْمَسْجِدِ
الْحَرَامِ أَنْ تَعْتَدُوا وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَى

ولا تعاونوا على الاثم والعدوان واتقوا الله ان الله شديد العقاب

Meaning: *O ye who believe, do not violate syi'ar-syi'ar God, and do not violate the honor of the forbidden months, do not (disturb) had-ya animals, and qalaa-id animals, and do not (also) disturb those who visit the Baitullah while they are seeking bounty and the pleasure of their Lord and when you have me After completing the pilgrimage, it is permissible to hunt. And do not ever hate (you) for a people because they prevent you from the Masjidil Haram, encourage you to do wrong (to them). And help you in (doing) righteousness and piety, and do not help in sin and transgression. And fear Allah, verily Allah is severe in punishment. (Surah Al-Maidah: 2)*

In the Qur'an it is clearly stated that for Muslims in carrying out mutual assistance it is an obligation and obligation. Besides, Islam also requires paying zakat. The command to carry out zakat is very much due to importance function of zakat, among others in the letter At-Taubah: 103, which reads:

أَمْوَالِهِمْ وَنَزَّكَتِهِمْ اِ لَّيَّهِمْ اِنَّ لَوَتَّكَ
لَهُمُّ اللّٰهُ سَمِيعٌ عَلِيمٌ

Meaning: *Take zakat from some of their property, with zakat that you clean and purify them and give in to them. Verily, your prayer (becomes) peace of soul for them. And Allah is All-Hearing, All-Knowing. (Surat At-Taubah: 103)*

There are many more commands regarding zakat, this zakat contains great wisdom and is spiritual and philosophical. This wisdom is described in various verses in the Al-Qur'an and Hadith, including Being:

1. Grateful for divine gifts, growing wealth and rewards and ridding oneself of miserly, envious, envious and sinful traits;
2. Protect the community from the dangers of poverty and the consequences of destitution;
3. Realizing a sense of solidarity and affection between fellow human beings;
4. Manifestation of mutual cooperation and mutual assistance in goodness and piety;
5. Reducing to the poor which is a social;
6. Fostering and developing social stability;
7. One in bring about justice.

Seeing the wisdom that arises as a result of the implementation of zakat, the author tries to draw a line between Corporate Social Responsibility and zakat, zakat here which is regulated by Islam is corporate zakat/income zakat/trade zakat, as written by Mohammad Daud Ali in his book, which states: write about zakat. Industrial zakat, such as textiles, steel, ceramics, red stone, tiles, lime, batik, and carvings. With the nisab of the property in the amount or equivalent to 96 grams of pure gold, with a haul of 1 year, then the level of akat issued is 2½%. As for

the tourism industry , such as hotels, *cottages*, inns, villas, restaurants, cinemas and swimming pools, the nisab of wealth is 96 grams of pure gold and the haul period is 1 year with a zakat rate of 2½%.

In addition, regarding zakat, a company is divided into two categories, namely; (1) a company that only uses simple tools and whose capital is to buy basic materials, pay employee wages and expenses. And (2) companies whose main capital is for sophisticated equipment which is very expensive. For the first type of company, the method of calculating zakat is to calculate the balance of money in cash and bank deposits at the end of the year, plus the inventory of materials and finished goods as well as current accounts receivable. Then the amount of all that is reduced by the debt burden that must be paid and then the zakat is issued as much as 2½% of the total remaining assets.

As for the second type of company, zakat is issued by way of calculation, which is not calculated from the price of the machines, but from the results of their production and pays zakat of 10%. The difference is because if the former uses all of his capital to be turned over so that it is considered a growing and developing asset, if the second most of his capital is used to buy expensive equipment so it is not considered a growing

and developing asset but is calculated and issued only from the proceeds. only profit.

Seeing the above, Islamic law has long regulated the responsibilities of a company, but in this case it is described or formed through zakat. It turns out that the relationship between zakat and the concern or responsibility of the company is something that is interrelated, and can be said to have the same meaning. When talking about industry, Islam is also in doing the economy has the basic concept of Islamic economics, there are three main pillars in Islamic teachings, namely as follows:

- a. Aqidah, a component of Islamic teachings that regulates belief in the existence and power of Allah, so it must be the faith of a Muslim when doing various things. activities on earth solely to gain the pleasure of Allah.
 - b. Shari'ah, the component of Islamic teachings that regulates the life of a Muslim both in the field of worship and in the field of muamalah which is the actualization of the aqidah which is his belief.
 - c. Morals, the basis of behavior and personality that will characterize him as a devout Muslim based on the shari'ah and aqeedah which become his life guidelines, so it is called having akhlaqul karimah.
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This CSR activity when viewed from the perspective of business ethics, in this case Syed Nawab Heidar Naqvi describes economic principles Islam which includes:

1. Tawhid, in this case monotheism is an Islamic economic philosophy which is the basic orientation of economics, whose paradigm is relevant to logical, ethical and aesthetic values that can be functionalized into the midst of human economic behavior. In addition, monotheism also in economics leads economic actors to believe that property belongs to Allah alone.
2. Balance, this in economics has the power to form a mosaic of one's thinking that a balanced attitude can lead humans to a state of necessity for social functions for property, meaning that the monopolistic practice of concentrating economic power, controlling market share and so on must be avoided.
3. Free will, this is the principle that leads people to believe that Allah not only has absolute freedom, but He also with His Rahman and Rahim nature grants humans the freedom to choose.

The three principles put forward by Syed Nawab, the author sees that all of them are a foundation in conducting economy that has a foundation for caring for others. Namely

concern for the environment and social. In the context of CSR activities, it is inseparable from social and environmental principles. So it can be categorized as having wise business ethics. This business ethics cannot be separated from a value of justice, including Islamic distribution justice, in this case according to Munawar Iqbal, that what is meant by *distributive justice* in Islam is reflected in the following three things:

- a. Guaranteed fulfillment of basic needs for all.
- b. Objectivity or fairness but not equality in individual income.
- c. Limiting extreme inequality in individual wealth income.

Corporate Social Responsibility (CSR) in Perspective Maslahah Mursalah Corporate Social Responsibility has been widely carried out by finance . Both companies engaged in services, consumption or others. If it is understood about the benefits of implementing CSR, as disclosed by Wicipto in a legal journal, it states several benefits of CSR for companies, including:

- a) Maintaining and boosting the reputation and image of the company
 - b) Obtaining a license to operate socially
 - c) Reducing or minimizing the risk of the company
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- d) Expanding access to resources for operations business
 - e) Opening wider market opportunities
 - f) Reducing company costs
 - g) Improving relations with stakeholders
 - h) Improving relations with regulators
 - i) Improving employee morale and productivity
 - j) Opportunities to earn rewards.

While Maslahat Mursalah is a benefit that is not mentioned by syara' and there are no arguments that tell to do or leave it, whereas if it is done it will bring great good or benefit. The benefit of mursalah is also called the absolute benefit. Because there is no argument that acknowledges its validity or invalidity. In this case, Imam al-Ghazali said that the problem is basically gaining benefits and rejecting harm. So the lawmakers by means of mursalah maslahat solely to realize the benefit of humans with the meaning to bring benefits and reject harm and damage to humans.

The application of this maslahah as a source of law is not absolute. According to Siroz in his book that in the Maliki school there are several conditions that must be met, among others:

1. Maslahah must be in line with the main objectives of Islamic law in order to realize human benefit. With this requirement,

it means that maslahah may not negate other sources of evidence, or contradict the *qot'iy*, but must be in accordance with the benefits that syar'i wants to realize.

2. Maslahah is substantively logical, that is, it can be accepted by common sense. So that which is proposed to group rationalist
3. The application of maslahah as a source of law must be able to guarantee primary human interests (dharuri), or prevent losses and difficulties.
4. In addition, according to Siroz , the Usul Fiqh scholars make criteria that must be met in applying maslahah, including the following:
5. Maslahah must be included in the mu'amalah, so that the interests in it can be considered rationally and are not at all related to the field. worship.
6. Maslahah must be in line with the spirit of the Shari'ah and not contradict one of its sources.
7. Maslahah must be included in the interests of dharuriyyah and hajjiyyah, not takmiliyyah.

CONCLUSIONS

Islam strongly supports Corporate Social Responsibility (CSR) because it cannot be denied that business creates many social problems, and companies are responsible for solving them. Businesses need various natural resources for business

continuity, so companies are responsible for maintaining them. Islam indirectly considers business as an entity whose obligations are separate from its owner, the existence of CSR will develop the goodwill of the company.

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