When we look at Islamic history, we can see clearly how Muslims ruler established the welfare states to bring prosperity, solidarity and unity in Muslim Ummah. Islam is a complete code of life, it believes in economic and social well-being of mankind. Prophet Muhammad (P.B.U.H) established the first welfare state and gave the first written constitution to the whole mankind, when the world was completely un-known to the concept of welfare. He (S.A.W) and his companions (Khulaf-Al-Rashideen) may God pleased with them, did their best to maintain economic and social justice in the society. They eliminated social evils immoralities and different kinds of groups of mankind in the society. Teaching of Quran and Hadith are based on the concepts of morality, love, compassion, mercy, modesty, self-sacrifice, tolerance and peace. Immorality, rebellion, cruelty, aggressiveness, terrorism, extremism, murder and bloodsheding are forbidden in Islam. These teachings are light and beacon to all mankind. It is the responsibility of Muslims to spread the teaching of Islam to the world and particularly Pakistani rulers to strive for establishing such a welfare system in the states. The researcher hopes, this research work may prove light and beacon for all the world and particularly for Muslim countries.