

**THE IMPACTS OF ISLAMIC HUMAN
DEVELOPMENT INDEX TO POVERTY IN
INDONESIA (2017 – 2022)**

A Thesis

**Submitted to the Master's Study Program of Economics at the
Faculty of Economics and Business in partial fulfillment of the
requirements for the degree of**

Master of Arts (M.A.)



By:

Cynthia Farah Sakina

Student ID: 03232110001

UNIVERSITAS ISLAM INTERNASIONAL INDONESIA

DEPOK

1444 H / 2023 M

**THE IMPACTS OF ISLAMIC HUMAN DEVELOPMENT
INDEX TO POVERTY IN INDONESIA (2017 – 2022)**

Thesis

**Submitted to meet the Graduation Requirements of
Master's Degree (M.A. in Economics)**



Author:

Cynthia Farah Sakina

Student ID: 03232110001

**FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS ISLAM INTERNASIONAL INDONESIA
DEPOK
1444 H / 2023 M**

ABSTRACT

Name : Cynthia Farah Sakina
Program : Economics and Business
Title : The Impacts of Islamic Human Development Index to Poverty in Indonesia (2017 – 2022)

Islamic Human Development Index (iHDI) used as the most comprehensive, appropriate and adequate indicator to measure the human development through an Islamic perspective based on *maqasid sharia*. In this study, the iHDI will be used to determine their impact to poverty in which is elaborated into five variables. The indicators used are the total Muslim population in each province and the national zakat index data as *Hifdzu Dien* variable; expenditure per capita (food) and expenditure per capita (non-food) data as *Hifdzu Nafs* variable; literacy rate and the average length of school years data as *Hifdzu Aql* variable; the life expectancy and marriage rate data as *Hifdzu Nasl* variable; economic growth rate and gini ratio as *Hifdzu Maal* variable, and the unemployment rate as a control variable to poverty in Indonesia during 2017 – 2022.

The quantitative research methods were used in this study with secondary data from Kementerian Agama Republik Indonesia, PUSKAS BAZNAS, BPS, and SIMREG Bappenas. The collected data is data panel from 34 provinces in Indonesia with 204 total samples of observations. Using *Eviews 12* program, the analysis tool used is panel data regression. The results showed only two provinces show iHDI values in the *Middle standard* category; Jawa Barat and DKI Jakarta. In the conclusion, Indonesia is still in a *Low standard* iHDI when calculated in general with an average from the last 6 years with the value of 40.32. The results of the study showed that there was a positive relationship between *Hifdzu Dien* and unemployment variable to poverty in Indonesia. The *Hifdzu Dien* variable (preservation of religion) used two indicators; the number of Muslim populations in each province and the national zakat index. For unemployment as a control variable, the data used is the Open Unemployment Rate (OUR). The positive relationship indicated that if the *Hifdzu Dien* and Unemployment variables increase, the poverty rate will also increase. Meanwhile, the other four variables (*Hifdzu Nafs*, *Hifdzu Maal*, *Hifdzu Nasl*, and *Hifdzu Maal*) had a negative relationship with poverty in Indonesia. This result showed that if the independent variable increases, the poverty rate as the dependent variable will decrease.

Keywords : *iHDI, maqashid sharia, poverty, unemployment, Indonesia*

TABLE OF CONTENT

TITLE PAGE.....	i
STATEMENT OF AUTHENTICITY	ii
ANTI-PLAGIARISM STATEMENT.....	iii
ATTESTATION	iv
THESIS DEFENSE APPROVAL.....	v
Advisory Note (Internal Memo).....	vi
ABSTRACT.....	vii
TABLE OF CONTENT	viii
LIST OF TABLES	xi
LIST OF FIGURES	xii
LIST OF APPENDICES	xiii
LIST OF ABBREVIATIONS	xiv
CHAPTER 1 INTRODUCTION	1
1.1 Research Background.....	1
1.2 Research Questions	10
1.3 Research Objectives	11
1.4 Research Contributions	11
1.5 Thesis Structure	11
CHAPTER 2 LITERATURE REVIEW	13
2.1 Previous Researches	13
2.2 Theoretical Background	15
2.2.1 Human Development Index	15
2.2.2 Islamic Human Development Index	16
2.2.3 Unemployment.....	22
2.2.4 Poverty	24
2.3 The Relationship Between Dependent and Independent Variables	27
2.3.1 The Impacts of iHDI on Poverty	27
2.4 Previous Research	30
2.4.1 Research Framework.....	38
2.4.2 Hypothesis.....	38

CHAPTER 3 RESEARCH METHOD	39
3.1 Research Methodology	39
3.1.1 Types and Research Approaches	39
3.1.2 Data Collection.....	39
3.1.3 Operational Variables	43
3.2 Research Framework	50
3.2.1 Research Plan	50
3.2.2 Panel Data Method.....	51
3.2.3 Data Model Estimation	51
3.2.4 Panel Data Estimation Model Selection.....	51
3.2.5 Classical Assumption Test.....	52
3.2.6 Hypothesis Testing.....	53
3.2.7 Analysis Model	54
CHAPTER 4 RESULTS AND DISCUSSION.....	56
4.1 Data Description.....	56
4.1.1 The iHDI of Indonesia during 2017 – 2022.....	57
4.1.2 Unemployment in Indonesia in 2017 – 2022.....	68
4.1.3 Poverty in Indonesia in 2017 – 2022	70
4.2 Results	74
4.2.1 Panel Data Effect Result	74
4.2.2 Chow and Hausman Test Result	75
4.2.3 Classic Assumption Test.....	76
4.2.4 The Regression Result (Fixed Effect Model)	78
4.2.5 Hypothesis Testing	80
4.3 Indonesia's iHDI Value 2017 – 2022	82
4.4 The Impacts of iHDI to Poverty in Indonesia	84
CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS	87
5.1 The Impacts of iHDI's Variables to Poverty in Indonesia	87
5.1.1 Hifdzu Dien (X1).....	87
5.1.2 Hifdzu Nafs (X2)	88
5.1.3 Hifdzu Aql (X3).....	89
5.1.4 Hifdzu Nasl (X4)	89

5.1.5 Hifdzu Maal (X5).....	90
5.2 Conclusion.....	90
5.3 Limitation and Difficulties	91
5.4 Suggestion	91
BIBLIOGRAPHY	93
APPENDICES	102
Appendix 1 - Hifdzu Dien: 1. Number of Muslims Populations.....	102
Appendix 2 - Hifdzu Dien: 2. National Zakat Index	103
Appendix 3 - Hifdzu Nafs: 1. Expenditure per Capita (Food) in Rupiah.....	105
Appendix 4 - Hifdzu Nafs: 2. Expenditure per Capita (Non-Food) in Rupiah	107
Appendix 5 - Hifdzu Aql: 1. Average Length of School (Years)	108
Appendix 6 - Hifdzu Aql: 2. Literacy Rate	110
Appendix 7 - Hifdzu Nasl: 1. Life Expectancy Rate (Years).....	112
Appendix 8 - Hifdzu Nasl: 2. Marriage Rate (%)	113
Appendix 9 - Hifdzu Maal: 1. Economic Growth Rate (%).....	115
Appendix 10 - Hifdzu Maal: 2. Gini Ratio.....	117
Appendix 11 - Unemployment Rate by Province (%).....	119
Appendix 12 - Poverty Rate by Province (%).....	120

LIST OF TABLES

Table 1.1 - Poorest Countries in the World 2022.....	1
Table 1.2 - Unemployment Rate - Country List Southeast Asia (In Percent).....	4
Table 2.1 - Classification of Islamic Human Development Index (iHDI).....	17
Table 2.2 - Previous Researches	30
Table 3.1 - Operational Variables Table	43
Table 3.2 - iHDI Indicators and Variables	46
Table 4.1 - Classification of Islamic Human Development Index (iHDI).....	57
Table 4.2 - Indonesia iHDI Value by Province.....	62
Table 4.3 - Chow Test Result.....	75
Table 4.4 - Hausmann Test Result	75
Table 4.5 - Multicollinearity Test	76
Table 4.6 - Heteroscedasticity Test Result.....	77
Table 4.7 - Regression Result	78
Table 4.8 - T Test (Partial Test) Result.....	80
Table 4.9 - F Test (Simultaneous Test) Result.....	81
Table 4.10 - Determination Coefficient Test Result	82

LIST OF FIGURES

Figure 1.1 - Number (Million) and Percentage of Poor Population by Island.....	2
Figure 1.2 - Poverty Rates in Indonesia (2017 – 2022)	3
Figure 1.3 - Unemployment Rates in Indonesia (2017 – 2022).....	4
Figure 1.4 - Indonesia Human Development Index (2017 – 2022)	7
Figure 2.1 - Number of Poor Population in Indonesia (Q1 2017 – Q3 2022).....	24
Figure 2.2 – Framework.....	38
Figure 3.1 - Research Plan	50
Figure 4.1 - iHDI in Indonesia 2017 – 2022	58
Figure 4.2 - iHDI per Province 2017	58
Figure 4.3 - iHDI per Province 2018	59
Figure 4.4 - iHDI per Province 2019	59
Figure 4.5 - iHDI per Province 2020	60
Figure 4.6 - iHDI per Province 2021	60
Figure 4.7 - iHDI per Province 2022	61
Figure 4.8 - iHDI per Province 2017 - 2022	61
Figure 4.9 - Hifdzu Dien Index per Province during 2017 – 2022	63
Figure 4.10 - Hifdzu Nafs Index per Province during 2017 – 2022	64
Figure 4.11 - Hifdzu Aql Index per Province during 2017 – 2022	65
Figure 4.12 - Hifdzu Nasl Index per Province during 2017 – 2022.....	66
Figure 4.13 - Hifdzu Maal Index per Province during 2017 – 2022.....	67
Figure 4.14 - Unemployment in Indonesia during 2017 – 2022	68
Figure 4.15 - Unemployment per Province during 2017 – 2022	69
Figure 4.16 - Poverty in Indonesia during 2017 – 2022	70
Figure 4.17 - Poverty in Indonesia 2017	71
Figure 4.18 - Poverty in Indonesia 2018.....	71
Figure 4.19 - Poverty in Indonesia 2019.....	72
Figure 4.20 - Poverty in Indonesia 2020.....	72
Figure 4.21 - Poverty in Indonesia 2021	73
Figure 4.22 - Poverty in Indonesia 2022.....	73
Figure 4.23 - Poverty per Province during 2017 – 2022.....	74
Figure 4.24 - Residual Graph.....	78
Figure 4.25 – Indonesia iHDI 2017 – 2022	83

LIST OF APPENDICES

Appendix 1 - Hifdzu Dien: 1. Number of Muslims Populations	102
Appendix 2 - Hifdzu Dien: 2. National Zakat Index.....	103
Appendix 3 - Hifdzu Nafs: 1. Expenditure per Capita (Food) in Rupiah	105
Appendix 4 - Hifdzu Nafs: 2. Expenditure per Capita (Non-Food) in Rupiah ...	107
Appendix 5 - Hifdzu Aql: 1. Average Length of School (Years)	108
Appendix 6 - Hifdzu Aql: 2. Literacy Rate.....	110
Appendix 7 - Hifdzu Nasl: 1. Life Expectancy Rate (Years)	112
Appendix 8 - Hifdzu Nasl: 2. Marriage Rate (%)	113
Appendix 9 - Hifdzu Maal: 1. Economic Growth Rate (%)	115
Appendix 10 - Hifdzu Maal: 2. Gini Ratio	117
Appendix 11 - Unemployment Rate by Province (%)	119
Appendix 12 - Poverty Rate by Province (%).....	120

LIST OF ABBREVIATIONS

<i>Bappenas</i>	: <i>Badan Perencanaan Pembangunan Nasional</i>
<i>BAZNAS</i>	: <i>Badan Amil Zakat Nasional</i>
<i>BPS</i>	: <i>Badan Pusat Statistik</i>
<i>CEM</i>	: <i>Common Effect Model</i>
<i>DW</i>	: <i>Durbin Watson</i>
<i>GDP</i>	: <i>Gross Domestic Product</i>
<i>GNI</i>	: <i>Gross National Income</i>
<i>FEM</i>	: <i>Fixed Effect Model</i>
<i>FPL</i>	: <i>Food Poverty Line</i>
<i>HCI-P0</i>	: <i>Head Court Index</i>
<i>HDI</i>	: <i>Human Development Index</i>
<i>HDR</i>	: <i>Human Development Report</i>
<i>HR</i>	: <i>Human Resources</i>
<i>iHDI</i>	: <i>Islamic Human Development Index</i>
<i>IDR</i>	: <i>Indonesian Rupiah (Rp)</i>
<i>IZN</i>	: <i>Indeks Zakat Nasional (National Zakat Index)</i>
<i>J-B</i>	: <i>Jarque-Bera</i>
<i>MWI</i>	: <i>Material Welfare Index</i>
<i>NFPL</i>	: <i>Non-Food Poverty Line</i>
<i>OUR</i>	: <i>Open Unemployment Rate</i>
<i>PL</i>	: <i>Poverty Line</i>
<i>PLS</i>	: <i>Panel Least Square</i>
<i>PUSKAS</i>	: <i>Pusat Kajian Strategis</i>
<i>PPP</i>	: <i>Purchasing Power Parity</i>
<i>RAPBN</i>	: <i>Rencana Anggaran Pendapatan dan Belanja Negara</i>
<i>REM</i>	: <i>Random Effect Model</i>
<i>SIMREG</i>	: <i>Sistem Informasi dan Manajemen Data Dasar Regional</i>
<i>UNDP</i>	: <i>United Nations Development Program</i>

CHAPTER 1

INTRODUCTION

1.1 Research Background

Poverty classified as a problem that is of particular concern to almost all countries in the world, including Indonesia. The complex and multidimensional nature of poverty is not only related to the economic dimension, but also involves social, cultural, and even structural dimensions. According to data released by the World Population Review, Indonesia is included among the 100 poorest countries in the world. This is measured by Gross National Income (GNI). For more details, Indonesia is in 73rd place as the world's poorest country. This is in accordance with the Gross National Income (GNI) of the Republic of Indonesia recorded at US \$ 3,870 per capita in 2020.

Meanwhile, according to Global Finance Magazine, Indonesia became the poorest country number 91st in the world in 2022. This was measured with the Gross Domestic Product (GDP) per capita which often considered as the standard metric, compensating for differences in living costs and rates of inflation by using Purchasing Power Parity (PPP) can better assess an individual's buying power in any given country. Noted, the Indonesia GDP and PPP figures amounted to US \$ 14,535. This position is still lower than several countries in Southeast Asia that are included in the list of the 100 poorest countries, such as Vietnam 82nd, 72nd Philippines, 46th Cambodia, 45th Myanmar, and East Timor as in 29th.

Table 1.1 - Poorest Countries in the World 2022

No.	Country	Rank	GDP per Capita – PPP (\$)
1	Singapore	191	132,580
2	Brunei Darussalam	183	74,953
3	Malaysia	135	32,901
4	Thailand	116	21,057
5	Indonesia	91	14,535
6	Vietnam	82	12,881
7	Philippines	72	10,237
8	Lao P.D.R. (Laos)	68	9,184
9	Cambodia	46	5,493

No.	Country	Rank	GDP per Capita – PPP (\$)
10	Myanmar	45	4,776
11	East Timor (Timor-Leste)	29	3,339

Source: Global Finance (2022)

Badan Pusat Statistik (BPS) in September 2022 stated the poor people percentage in Indonesia had increased by 0.03% (0.20 million people) from March 2022 to become 9.57% (26.36 million people). This number broken down into the percentage of urban poor population in March 2022 of 7.50% (11.82 million people), which increased to 7.53% (an increase of 0.16 million people, previously 11.82 million become 11.98 million people) in September 2022. The percentage of rural poor in March 2022 was known 12.29% (14.34 million people), also increased to 12.36% (an increase of 0.04 million people, previously 14.34 million become 14.38 million people) in September 2022.

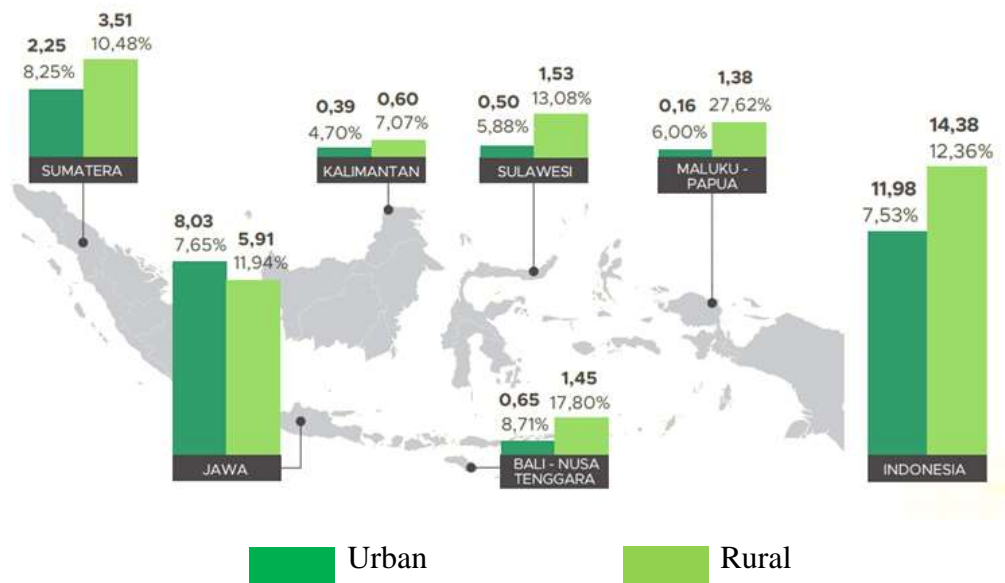


Figure 1.1 - Number (Million) and Percentage of Poor Population by Island

Source: Berita Resmi Statistik/Statistical Official News, 2023

Previously, The World Bank had changed the poverty line limit. This is what made around 13 million Indonesian citizens who previously entered the lower middle class become poor. In a report from East Asia and Pacific Economic Update (October, 2022) where this latest calculation refers to the balance of shopping skills in 2017. Meanwhile, the old calculation base is the balance of shopping capabilities in 2011. The World Bank raised the extreme poverty line from US \$ 1.9 to US \$

2.15 per capita per day. Assuming an exchange rate of Rp 14,980 (July 20, 2023) per US dollar, the Extreme World Bank poverty line is Rp32,207 per capita per day or Rp966.210 per capita per month.

Meanwhile, BPS defines poverty lines as a reflection of the minimum expenditure rupiah value needed by someone to meet their basic needs per month, both food and non-food needs. The poverty line consists of Non-Food Poverty Line (NFPL) and Food Poverty Line (FPL). The poverty line used by BPS in March 2022 was recorded at Rp505,469.00 per capita per month with an FPL composition of Rp374,455.00 (74.08%) and NFPL of Rp131,014.00 (25.92%). While in September 2022, the Poverty line was recorded at IDR 535,547.00/capital per month with a composition of Non-Food Poverty Line of IDR 138,422.00 (25.85%) and Food Poverty Line of IDR 397,125.00 (74.15%).



Figure 1.2 - Poverty Rates in Indonesia (2017 – 2022)

Source: Badan Pusat Statistik (BPS), the data is processed by the author

In the 2023 Rencana Anggaran Pendapatan dan Belanja Negara (RAPBN), Indonesia government is targeting the poverty rate to fall to the range around of 7.5% - 8.5%. This number is lower than the 2022 target of 8.5% - 9.0%. However, based on released data from the Badan Pusat Statistik (BPS), during the first quarter of 2017 – first quarter of 2022 the poverty rate showed a downward trend as shown in the Figure 1.2, although it had increased in 2020 due to the Covid-19 pandemic.

Generally, the poverty rate in Indonesia is relatively on a reasonably good track and the government continues to make efforts every year.

The number of poor people in Indonesia as of September 2022 (9.57%) decreased compared to September 2021 (9.71%). The data recorded from BPS showed it was still 26.36 million people. This still showed a higher number than in 2018 and 2019 before the Covid-19 pandemic. Even though the economic conditions have improved and the poverty rate has also decreased. However, the existence of the Covid-19 pandemic back in 2020 has made the conditions of poverty in Indonesia experience changes that tend to be bad.

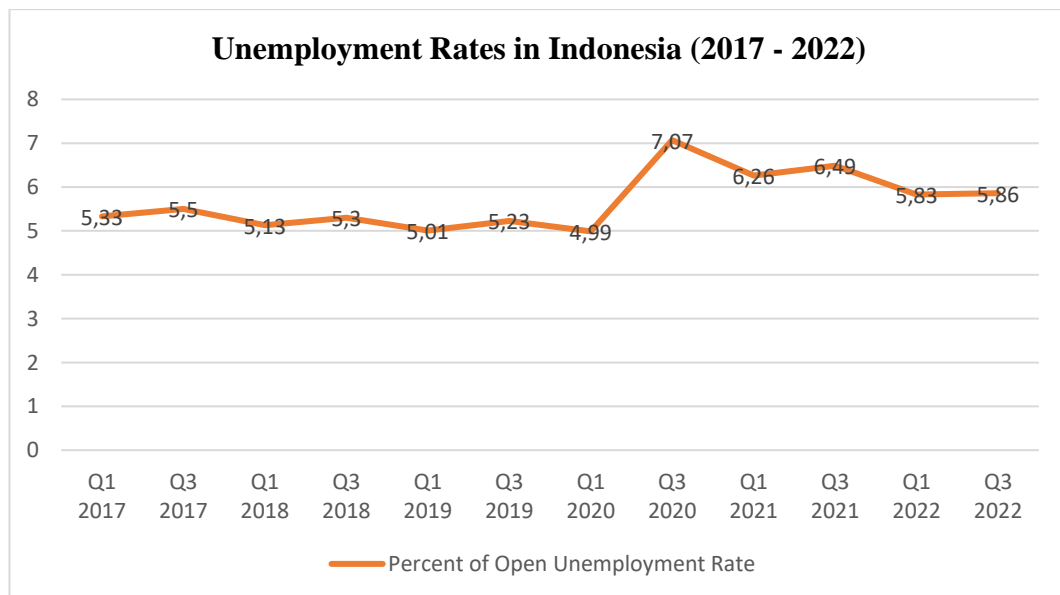


Figure 1.3 - Unemployment Rates in Indonesia (2017 – 2022)

Source: Badan Pusat Statistik (BPS), the data is processed by the author

The BPS the number recorded of unemployed people reaching 8.42 million as per August 2022 in Indonesia. Although if we compared this number to 2021, the number of unemployed in Indonesia was recorded to have decreased. From data released by BPS, in August 2021, unemployed people in Indonesia reaching 9.1 million people. If the total workforce of 143.72 million people compared to the Open Unemployment Rate (OUR) it is monitored at 5.86% in August 2022 in Indonesia.

Table 1.2 - Unemployment Rate - Country List Southeast Asia (In Percent)

No.	Country	Recent	Previously	Period
1.	Cambodia	0.61	0.33	2021
2.	Thailand	1.15	1.23	2022
3.	Laos	1.3	1	2021
4.	Singapore	2.1	2	2022
5.	Myanmar	2.2	1.79	2021
6.	Vietnam	2.32	2.28	2022
7.	Malaysia	3.6	3.6	2022
8.	Philippines	4.3	4.2	2022
9.	Brunei Darussalam	4.9	7.4	2021
10.	East Timor (Timor-Leste)	5.1	4.9	2021
11.	Indonesia	5.86	5.83	2021

Source: Trading Economics, the data is processed by the author

The International Monetary Fund (IMF) predicted Indonesia will have the 2nd largest number of unemployed in Southeast Asia in 2023. The economic uncertainty due to the Covid-19 pandemic, inflation, and the high-interest rates that hit the world in 2023 can affect the unemployment rate, including in developing countries in Southeast Asian. The IMF estimated that the Philippines will be the 1st country in Southeast Asia with the highest unemployment rate in 2023 with the percentage is projected to reach 5.4%. Followed by Indonesia with 5.3%, Malaysia 4.3%, Vietnam 2.3%, Singapore 2.1%, and Thailand with only 1% of a projected unemployment rate.

One of the problems that can cause unemployment to arise is digitalization which is caused by reduced employment. Bagdasaryan (2022) examined the arguments in favor of employee technology discrimination during and after the Covid-19 pandemic situation from the position of labor conflict and digitalization. This study showed that digitization had a major impact on the labor market and employment. It is not only for creating new opportunities for jobs but also for increasing the current rate of unemployment. Digitalization has not only led to the emergence of labor conflicts at the enterprise level but also a huge unemployment rate worldwide.

If the unemployment rate increases, it is possible that the number of poor people will also increase. Ukpere (2009) found a positive relationship between poverty and unemployment, where unemployment increases the levels of poverty and inequality within society. The increases in poverty and inequality income over

the past decades can be attributed to globalization, job termination, global competition, labor immobility, wage reductions, and worker displacement with technology, which have accelerated the rate of global unemployment and then led to inequality and poverty. Whereas in Islam, poverty is seen as a serious problem that can endanger someone's faith and soul because it is close to disbelief.

By living in poor conditions, a person cannot carry out his obligations in religious aspects to the fullest, cannot obtain a better education, and has limited access to health care. This is why Islam forbids their ummah (followers) to leave their family and children in a weak and bad condition, both in terms of religion, economics (welfare), and knowledge as Allah says, "And let those; executors and guardians fear the injustice as if they had left weak offspring behind and feared for them. So let them fear Allah and speak words of appropriate justice." (Quran An-Nisa (4):9).

The verse above pointed out an important message of poverty as an issue that cannot simply be ignored. As in the Islamic economic development concept, humans are an important factor in development (Abdillah, 2001). This factor of quality in humans is a problem that always become a concern to many people, namely the quality of the Human Development Index (HDI) and its relation to unemployment and poverty. The development carried out will have an impact on increasing the quality of various development objects as indicated by the progress of human development, which will then have an impact on economic growth.

According to Beik (2016), Islam developed a socio-economic environment and paid special attention to poverty alleviation. Poverty in Islam is very closely related to the fulfillment of basic needs which refers to *maqashid sharia*. In this case, according to Imam Abu Hamid Al-Ghazali, there are five aspects of basic human needs, namely maintaining religion (*dien*), physical health (*nafs*), education (*aql*), lineage (*nasl*), and wealth (*maal*). Fulfillment of these needs is the basic goal of Islam because every individual has the opportunity to live a prosperous life. The purpose of welfare is to improve an applicable standard of living (*masalih*). If one aspect of these needs is not met, then it will be classified as poor.

Meanwhile, the goal of economic development from an Islamic perspective is comprehensive and holistic well-being, not only in this world but also in the afterlife. The object of Islamic economic development is the development of human resources. In 1990, the United Nations Development Program (UNDP) determined indicators to describe a country's human welfare and development in a measurable and representative manner, called the Human Development Index (HDI). The HDI measurement by UNDP is a tool for measuring the welfare of a country as the most comprehensive indicator. The increase in the HDI can be used as a reference for alleviating poverty and unemployment (Syofya, 2018).



Figure 1.4 - Indonesia Human Development Index (2017 – 2022)

Source: Badan Pusat Statistik (BPS), the data is processed by the author

Indonesia had a very clear goal stated in the preamble of the 1945 Constitution for national development. The term development is related to human resources (HR), implicitly the intent of the contents of the 1945 Constitution with the aim of building productive and good quality human resources in an effort to improve education, health services, nutrition, and especially community skills (Todaro, 2015). Human development in Indonesia has increased every year, this is considered positive for the Indonesian state in developing the quality of its human resources. The HDI in Indonesia is 72.91 points in 2022. This value has increased by 0.86% compared to the previous year which was 72.29 points.

Yusuf & Dai (2020) found HDI had a significant effect on poverty alleviation. This meant an increase in the HDI could be used as a reference for alleviating poverty and unemployment. Poverty also has a significant influence with a large influence on the quality of life as measured by the Human Development Index in Indonesia. However, the HDI measurement by UNDP as a tool to measure the welfare of a country is not fully sufficient and compatible to measure human development in the concept of Islamic economics (Oladapo and Ab Rahman, 2018). The problems presented in the form of a human development index are an important reference for assessing the quality of human resources in *sharia*-based human economic development. The annual report from UNDP states that the HDI for Muslim-majority countries is still low in literacy level, education level, and economic level.

Anto (2009) proved that the existing HDI by the UNDP is not fully sufficient and suitable to measure human development from the perspective of Islam, although considered the most comprehensive. This is because the theories and concepts underlying HDI are not based on *maqashid sharia*. The research conducted by Anto (2009), showed that to measure the human development level in Muslim countries would be more suitable to use the Islamic Human Development Index (iHDI). His study showed that Middle Eastern countries are still dominated by the high iHDI value group, while the bottom line is dominated by African countries. Generally, the importance of fulfilling the material resources can be a contribution value to Material Welfare Index (MWI) which is superior to iHDI.

Furthermore, research conducted by Zangouinezhad (2011) showed human needs consist of material and spiritual needs. This is also the basic principle of Islamic development, namely to meet material and spiritual needs in life. The indices used internationally to measure human development are not fully suitable because they are only based on a common approach to human development, with the intention of expanding human choices for a better life. While in the Islamic perspective, human development can occur if it is able to increase faith and manage internal and external conflicts. The research results obtained show that the economic-managerial dimension is one of the main aspects of human development

in Islam. This economic-managerial is assigned the ability to resolve not only external but also internal conflicts to achieve spiritual perfection, in addition to meeting human needs.

Aydin (2013) tried to redefine the concept of Islamic economics as a new economic paradigm based on the Islamic worldview. In order to do that, his paper presents some pieces of evidence of the crises of capitalism and search for an alternative paradigm. It outlines the origin of capitalism within the Western secular worldview. Later, Aydin presents the Islamic worldview from anthropological, epistemological, and teleological perspectives. The Islamic perspective recognizes that apart from material needs there are also spiritual, human social, and moral needs. Islamic economics does not define human welfare based on a hedonic perspective. It is important to note that despite a few decades of work, this state is still at the beginning of a long path to go in order to present Islamic economics as a viable paradigm.

Later, Aydin (2017) recalled the fact that the Islamic economic paradigm does emphasize morality and spirituality, this is what distinguishes it from the secular capitalist paradigm. This is what made Aydin think that the current HDI does not capture human development from the Islamic perspective, so he developed a conceptual, paradigmatic, and theoretical model for the iHDI. Therefore, to measure human development in a country where the majority of the population is Muslim, it would be better to use the iHDI, where the concept and theory are based on an Islamic perspective with *maqashid sharia*.

Another study by Kader (2021) argued in order to tackle some problems associated with the modern economy, namely, increasing inequality and poverty, as well as the degradation of the environment, it became important to reassess well-being and the moral philosophy that underlies economic thinking. This is what underlies efforts to offer new solutions that refer to Islamic intellectual traditions. He developed a conceptual of human well-being from the Islamic perspective by integrating a philosophical insight into happiness with a goal of five essential goods; religion (*dien*), physical health (*nafs*), education (*aql*), lineage (*nasl*), and wealth (*maal*) which respectively correspond to spiritual, intellectual, physical and

psychological, social, family, and well-being material. To measure the magnitude of human development from an Islamic perspective, in this case, the iHDI will be used which refers to five dimensions of *maqashid sharia* in accordance with Imam Abu Hamid Al-Ghazali's teachings.

Another study by Jatmiko (2022) evaluated the role of religious values in building a positive relationship between current development measures and *falah* (happiness) by comparing the *Maqashid Sharia* Index (MSI) and Human Development Index (HDI). His result showed that MSI can realize *falah* (happiness) achievement better than HDI. The results of this study indicate that the Islamic Human Development Index (iHDI) will be considering the dimensions of *maqashid sharia* in measuring how is the performance and or level of the economy in a developing country where the majority of the population is Muslim, in which the *maqashid sharia* indicator will create a more comprehensive and accurate measurement.

The five dimensions are considered as the basic human needs in an Islamic perspective, if it is not fulfilled then the happiness and welfare of life (*falah*) cannot be achieved perfectly. Indonesia as a country with the largest Muslim population in the world, with a total of around 231 million Indonesians who embrace Islam (World Population Review, 2021), is expected to prosper their people by implementing the fulfillment of basic needs according to *maqashid sharia* according to Imam Abu Hamid Al-Ghazali's teaching. This is the reason researchers want to conduct research with the title: THE IMPACTS OF ISLAMIC HUMAN DEVELOPMENT INDEX TO POVERTY IN INDONESIA (2017 – 2022).

1.2 Research Questions

Based on the background stated above, the research questions of this study can be formulated:

1. What is the value of iHDI for provincial level in Indonesia?
2. Does Islamic Human Development Index (iHDI) base on *maqashid sharia* influence poverty?

1.3 Research Objectives

Based on the formulation of the problem above, the research objectives of this study as follows:

1. To calculate the value of Indonesia's Islamic Human Development Index (iHDI).
2. To analyze the impact of Islamic Human Development Index (iHDI) variable based on *maqashid sharia* has an impact on poverty.

1.4 Research Contributions

It is hoped that this research will provide benefits to some various parties, including:

1. For Authors

The results of this study are expected to add general insight and information in particular about the poverty in Indonesia with the influence of the Islamic Human Development Index (iHDI).

2. For the Government of Indonesia

The results of this study can be used as information material for the government to improve the general and Islamic Human Development Index (iHDI) to build a better Indonesian economy.

3. For Universitas Islam Internasional Indonesia Magister Program

The previous study by Rama & Yusuf (2019) only used 33 provinces in Indonesia, while Jatmiko (2020) used limited OIC countries. The differences in variables used show different results. The results of this study are expected to be able to contribute in knowledge, especially in the field of Islamic economics and social-economics. This study will show the value of Indonesia's iHDI covering 34 provinces with some new indicators used and their impact on poverty during 2017 – 2022.

1.5 Thesis Structure

To provide a clearer picture of the discussion in this study, the authors divide this writing into three chapters, with the following systematics:

CHAPTER I : INTRODUCTION

This chapter will discuss the research background, research questions, research objectives, research contributions, and the thesis structure writing.

CHAPTER II : REVIEW OF RELATED LITERATURES

This chapter will contain a description of theories and the outlines of previous research related to this study.

CHAPTER III : RESEARCH METHOD

This chapter will explain the type of research used, and the source of the data, along with the explanation of the research method, framework analysis, and research hypotheses.

CHAPTER IV : RESULT AND DISCUSSIONS

This chapter examines the information as hypotheses and elaborates the results.

CHAPTER V : CONCLUSIONS AND RECOMMENDATIONS

This chapter will conclude with the outcomes, limitations, difficulties, and suggestions for future researchers.

CHAPTER 2

LITERATURE REVIEW

2.1 Previous Researches

Religious views have the greatest potential to help humans by ensuring the fulfillment of all needs materially and spiritually (Chapra, 2008). The goal of Islamic teachings is to be a grace and blessing to mankind. Islam injects purpose and meaning into life by way of telling the right direction for all human endeavors. Another effort is to change the individual to become a better human being through changes in behavior, attitudes, preferences, lifestyle, and tastes towards oneself, other people, the environment, and the universe. Imam Abu Hamid Al-Ghazali, a highly respected reformer in the 5th century Hijrah, classifies *maqashid sharia* into five major categories.

The very objective of the sharia is to promote the well-being of the people, which lies in preserving their faith (*dien*), physical health (*nafs*), education (*aql*), lineage (*nasl*), and their wealth (*maal*). Whatever ensures the preservation of these five serves the public interest and is desirable, and whatever hurts them is against the public interest and its removal is desirable (Chapra, 2008, p. 4). This rationale was later developed into the concept of the Islamic Human Development Index (iHDI) in Indonesia by Anto (2009). This index is one of the tools used to measure human development based on *maqashid sharia*, in accordance with Al-Ghazali's teachings to fulfill five aspects of basic human needs.

The iHDI is considered within the *maqashid sharia* framework which pays attention to human welfare through the preservation of faith (*dien*), physical health (*nafs*), education (*aql*), lineage (*nasl*), and wealth (*maal*). With the fulfillment of iHDI, it is hoped that the level and performance of economic development in Muslim countries can be measured accurately and comprehensively. This consideration measured the most vital dimensions of the economy in human development, namely trust and adequacy in meeting basic needs (material and spiritual), *halal* livelihoods, sustainable welfare, equitable distribution, active economic opportunities, and participation (Zangouinezhad, 2011).

If the quality of human development is good then they will be able to fulfill their basic life needs. This idea is reinforced by research conducted by Regina (2021), where she found that the Human Development Index (HDI) indirectly affects poverty through unemployment. The results proved that increasing the human development index can alleviate poverty in Indonesia. This happened because when the HDI is high, people tend to be more productive and have adequate skills. Good quality human resources will be needed by companies that will absorb labor and reduce poverty due to unemployment. Even though there is a slight difference in understanding between basic needs according to Islam, where in Islam basic needs consist of material and spiritual (Zangouinezhad, 2011).

The measurement and calculation of the quality of human development is not very comprehensive with HDI by UNDP (Oladapo and Ab Rahman, 2018). Throughout the study, the Islamic Human Development Index (iHDI) is considered a tool that can measure and calculate the quality of human development in a more comprehensive manner. The iHDI was later developed as a proxy to measure the quality of human development based on *maqashid sharia*. According to these findings, the iHDI, which functions as a proxy for the quality of human resources, is the most influential factor in poverty alleviation in Organization of Islamic Cooperation (OIC) countries. Human quality can be improved by focusing on the preservation of five dimensions, namely religion, physical health, education, lineage, and wealth (Widiastuti et al., 2022).

The results of this study will show whether iHDI had an impact on poverty in Indonesia. The iHDI is seen within the framework of *maqashid sharia* which is basically related to improving human welfare through the preservation of religion (*dien*), physical health (*nafs*), education (*aql*), lineage (*nasl*), and wealth (*maal*). With the existence of iHDI, it is hoped that the level and performance of economic development in Muslim-majority countries can be measured more accurately and comprehensively. The findings show that the composition of the overall ratings between iHDI and HDI is different. Some countries have better iHDI values than HDI's.

2.2 Theoretical Background

2.2.1 Human Development Index

The Human Development Index (HDI) is a measurement tool that can reflect the status of human development. Since 1990, the United Nations Development Program (UNDP) has used HDI to measure human development in a country and publishes it in the annual Human Development Report (HDR). The (HDI) is the benchmark for achieving higher-quality human development and is also calculated as the geometric mean of these three dimensions, with each dimension being given equal weight. The HDI is also used to classify if a country is categorized as an underdeveloped country, developing country, or developed country. This measurement is also to measure the economic and policy influence on quality of life.

The HDI measured three main dimensions, namely health, education, and a decent standard of living. However, although HDI become a very important tool in measuring progress in human development, many challenges are still faced in developing and implementing HDI. One of the main challenges is the lack of accurate and up-to-date data. Many countries do not have adequate data to measure their HDI, and even in countries with adequate data, it is often not up to date or incomplete. In addition, there are also challenges in determining the appropriate weight for each HDI dimension.

Jatmiko (2022) found that the Islamic Human Development Index (iHDI) will achieve realize *falah* (happiness) better than HDI. The currently used weights are not sufficiently accurate and need to be updated to reflect the changes in basic human needs. The importance of HDI in measuring human development progress makes this topic highly relevant in today's industry. HDI can be used as a tool to identify areas or countries that need development assistance, as well as to monitor human development progress over time. In addition, HDI can also be used as a tool to compare human development progress between countries and to determine development priorities at the national and international levels. Therefore, research on HDI is fundamental to help improve the quality of human life worldwide.

The HDI evolved over time to reflect the changes in our understanding of human development. One major criticism of the HDI is that it does not take into account inequality within countries (Aydin, 2017). The HDI measurement by UNDP as a tool for measuring the welfare of a country is not fully sufficient and suitable to measure human development from the perspective of Islam, although considered the most comprehensive (Oladapo and Ab Rahman, 2018). That is why Kader (2021) offers a new solution that is in accordance with the welfare and moral philosophy that forms the basis of economic thinking. This new solution refers to Islamic intellectual traditions to address modern economic problems such as increasing poverty and inequality, as well as environmental degradation. It is this understanding that prompted the birth of a new concept in the form of the Islamic Human Development Index (iHDI). The iHDI was formed to emphasize people and their abilities should be the main aspects for assessing a country's development.

2.2.2 Islamic Human Development Index

The United Nations Development Program (UNDP) is a measure of average attainment in the main dimensions of human development. These main dimensions include education which is measured by the average length of schooling, literacy rates for the aged population, and longevity which is measured by life expectancy at birth. Although it does not refer to all dimensions of development, this is sufficient to reflect the status of the basic capabilities of the population (UNDP, 1995). The iHDI was formed to emphasize people and their abilities should be the main aspects for assessing a country's development. This assessment is not just about economic growth. The IHDI is a measure of human development that takes into account the Islamic perspective of development.

The development concept in the Islamic perspective is based on the principles of justice, equality, and human dignity. Islam emphasizes the importance of equal distribution of resources and social justice. Islam also points out the importance of education and knowledge. To classify the Islamic Human Development Index (iHDI) value based on *maqashid sharia*, the iHDI value refers to the division of the HDI classification which ranges from 0 to 100. If the value tends to close to 100, it indicates a very high-quality iHDI value, whereas if the iHDI value gets sharper

toward 0, it is categorized as low-quality iHDI. The calculation results are categorized into four classifications namely low, medium, high, and very high.

Table 2.1 - Classification of Islamic Human Development Index (iHDI)

VALUE	CLASSIFY
< 60	Low
$60 \leq \text{iHDI} < 70$	Middle
$70 \leq \text{iHDI} < 80$	High
$80 \leq \text{iHDI} < 100$	Very High

Source: UNDP and BPS, 2019 adjusted

The iHDI is a tool used to measure the level of *welfare* (maslahah) from an Islamic perspective. The iHDI measured the level of a person's welfare through five dimensions in accordance with Imam Abu Hamid Al-Ghazali's teaching of *maqashid sharia*, namely, religion (*dien*), physical health (*nafs*), education (*aql*), lineage (*nasl*), and wealth (*maal*). These five dimensions must be fulfilled in addition so that humans can get the benefits and live happily not only in this world but also in the afterlife. The goal of human development from an Islamic perspective is *maslahah* (welfare) and *falah* (happiness), safety, and prosperity.

Allah Subhanahu Wa Ta'ala (SWT) sent down the *sharia* (rule of law) to mankind for nothing other than to take the benefits and avoid harm. The rules from Allah are only for the benefit of the people themselves. Beik (2016) classified the human benefit into three important parts, namely primary (*dharuriyyat*), secondary (*hajiyyat*), and tertiary or lux (*tahsinat*). The *maqashid sharia* must exist to realize the benefit of the religion and the world. If it is not, then it will cause damage and even loss of life. Our daily activities such as praying, fasting, working, eating, drinking, and others can be in the order of worship acts.

Affandi and Puji (2014) conducted research to examine the poverty rates from 2000 to 2010 in Indonesia, Malaysia, and Pakistan, which are the majority Muslim populations, and India a minority Muslim population according to the Ibnu Khaldun dynamic poverty model. According to Ibnu Khaldun, poverty is not solely influenced by the economic dimension, but by other fundamental factors, namely the functions of national wealth, governance, human resources, *sharia*, growth, and justice. The study revealed that the dynamics model of Ibnu Khaldun had a

significant effect on the level of poverty in Indonesia as a Muslim majority population, whereas in Pakistan only the human development index variable has a significant effect. Meanwhile in India, Ibn Khaldun's dynamic model does not have a significant effect. Ibn Khaldun's development model later became one of the theories that became the basis for the formulation of the Islamic Human Development Index (iHDI), which plays a very significant role in explaining the socio-economic performance of Muslim countries (Chapra, 2008 and Pratiwi, 2023).

a. Hifdzu Dien

Preserving religion (*hifdzu dien*) as a form of obedience and faith for every Muslim as a savior so that he is not affected by things that can undermine his beliefs and disrupt his behavior. Religion (*dien*) has the most important role in directing human life. The religious worldview has the greatest potential to ensure the reformation of the human self in a way that helps to fulfill all the material and spiritual needs of a human (Chapra, 2007). Religion injects purpose and meaning in life, providing the right direction, and transforms individuals into better people through some changes in behavior, attitudes, preferences, lifestyle, and tastes towards themselves as well as their Creator (Allah SWT), other humans, and the environment.

Preserving religion (*hifdzu dien*) can also mean defending the sovereignty and territory of Muslims and preserving Islamic education and learning facilities among Muslims now and in the future. This can be done by expanding religious preservation measures from the individual level to also involving families and communities (Zangoueinezhad, 2011). Ideally, research should have indicators that measure commitment, vision, and implementation of Islamic teachings in a holistic perspective in society, such as the essential practices of Islamic teachings, for example, the percentage of paying zakat and those who perform the pilgrimage.

However, in this study, the measure of maintaining religion can be seen from the number of Muslim populations in each province in Indonesia. The number of Muslims is expected to continue to increase by 70% (1.8 billion in 2015 to almost 3 billion in 2060). In 2015, Muslims made up 24.1% of the world's population. The Pew Research Center (2017) estimated around forty-five years later, the number of

Muslims is estimated will be more than three out of ten of the world's population (31.1%).

Apart from using the number of muslim in each province, another indicator that is used is the national zakat index. The National Zakat Index (IZN) is a measuring tool to find out the development of zakat management in Indonesia. The IZN has been conducted routinely every year, since 2016, by Pusat Kajian Strategis (PUSKAS) Badan Amil Zakat Nasional (BAZNAS) Indonesia. The role of zakat can be used as an indicator because it was able to explain the effectiveness in alleviating poverty and inequality (Abdullah, 2015). These two indicators were chosen because of the availability and accessibility of data needed in the last 6 years, from 2017 – 2022.

b. Hifdzu Nafs

Preservation of physical health (*hifdzu nafs*) is the form of maintaining life in Islam is highly recommended. Al-Ghazali defines preservation of physical health as the protection of human life through the law of retribution (Amin et al, 2015). While preservation of physical health can also be seen in the word of Allah in several verses in the Qur'an which strongly condemns someone who does not take good care of themselves or wastes the life they live. Everything that can help the existence of life is automatically a necessity and it's best if anything that threatens life (causing death or destroying life) should basically be avoided. Rama & Yusuf (2019) defines the preservation of physical health in three ways, namely:

1. fulfillment of human physical and spiritual needs in the form of food and drink for human survival,
2. fulfill the spiritual and psychological needs, including spiritual and moral improvement, and
3. fulfillment of intellectual needs through education.

The preservation of physical health (*hifdzu nafs*) can also be in the form of protecting human life from the dangers and disease as well as meeting social needs. Based on previous studies, the importance of maintaining stable fulfillment of non-food and food needs is a sign of declining poverty rates (Massaid, 2019 and Faharuddin, 2023). In this research develops two main indicators for preservation

of physical health, namely, the expenditure per capita on food and non-food of every province in Indonesia in the last 6 years, starting from 2017 – 2022. The fulfillment of basic needs is represented by the expenditure per capita. Thus, a higher expenditure per capita rate indicates good preservation of physical health.

c. Hifdzu Aql

Preservation of education (*hifdzu aql*) had to be done by humans to continue to enrich and increase knowledge. Not only general knowledge but also the technological basis for promoting human well-being and development (Chapra, 2007). Improving intelligence and technological ability is fundamental to human development and later on, will play an important role. All forms that can strengthen human knowledge, such as doing research and maintaining education level are highly recommended. Anto (2009) developed the intellectual dimension into education and scientific endeavors.

In this research, we used the average length of school years which indicates higher and easier access to education. Educational output refers to the results of the educational process which will be represented by the level of literacy rate. A better outcome in the educational process can be seen with a higher literacy rate. Good educational outcomes can reduce poverty (Ferguson, 2007). The indicators used are the data on literacy rate and the average length of school years in every province in Indonesia in the last 6 years, starting from 2017 – 2022.

d. Hifdzu Nasl

Preservation of lineage (*hifdzu nasl*) involves producing, guiding, and protecting a family including children (offspring). Chapra (2007) considers no civilization will survive if future generations are physically, mentally, and spiritually weak. This will indicate they won't successfully respond to the challenges they will face in the future. Therefore, the quality of the future needs to be continuously improved. The family is the first school to educate children's morals. The family plays an important role in sustainability and development. The desire and plan to have children (kids) as the basic instinct that everyone has.

However, Islam legitimizes marriage as a way to maintain the survival of the human species. Marriage is the most legitimate way of human regeneration, not only functions as an appropriate and legal reproductive institution according to Islamic teachings but also has a moral and educational dimension. In this dimension, there are two indicators used, namely the life expectancy rate and the number of marriages. Based on previous research showed that the decreased life expectancy was caused by poverty (Widodo et al., 2021). While Ortega-Diaz (2020) showed that free-union living couples are found to be poorer than legally married couples, this indicated that marriage may be able to help protect families than cohabitation laws. These indicators that will be used in every province in Indonesia over the last 6 years, starting from 2017 – 2022. A longer life represents a better quality of life, while a high marriage rate indicates good stability in human life.

e. Hifdzu Maal

Al-Ghazali places wealth (*maal*) at the end of the *maqasid sharia* dimension. This does not mean that it is as the least important. This is because, without preservation of wealth (*hifdzu maal*), the other four main *maqasid sharia* may not be able to obtain the impetus needed to ensure the general welfare (Chapra, 2007). Wealth (*maal*) needs to be developed and used in an honest and prudent manner to eradicate poverty, meet the needs of all people, and make life as comfortable as possible for everyone. On the other hand, the government's role in meeting the basic needs of the poor is an important part of Islamic teachings.

The importance of distribution and ownership of wealth in the midst of society is the way to achieve *falah* (happiness) in Islam. Furthermore, the preservation of wealth then developed into wealth growth and distribution (Anto, 2009). However, in the absence of certain data, this study only takes certain indicators as a reference. Based on previous studies, this research develops two indicators for the preservation of wealth, namely, economic growth and gini ratio. The growth of wealth is represented by economic growth. The improvement in welfare can be seen in higher economic growth in an entire community. The economic growth is important for poverty alleviation (Sasmal, 2016).

While the distribution of wealth will be represented by the gini ratio. Due to the absence of some secondary data, the gini ratio was chosen by research to represent the distribution of wealth. A lower gini ratio indicates a higher and more even distribution of income. The gini ratio is directly proportional to inequality in income distribution (Arkum, 2022). The data used are collected from every province in Indonesia in the last 6 years, starting from 2017 – 2022.

2.2.3 Unemployment

Poverty is closely related to the issue of unemployment according to BPS (2021) unemployment is a condition where a person is still in the stage of looking for work or is still in the stage of preparing for a business, conditions where people do not look for work because they feel they are not capable, and conditions where a person already has a livelihood but the unemployed have not yet started their work. Here you can see the pattern that exists to measure the welfare of an unemployed person is how they get a job and can make ends meet. BPS classifies adults in several categories, including:

- a. One job is an economic activity carried out by someone with the aim to helping or obtaining to earn income or profit, at least 1 hour (uninterrupted) in the last week. These activities include the business model of unpaid workers who contribute to a business/economic activity.
- b. Unemployed are people who stop working or are looking for work. compared to population.
- c. Not working are people in working age (at least 15 years and older) who are still at school, take care of the household or carrying out non-personal activities.

After classified all individuals into 3 categories, BPS also calculates various statistics to summarize the condition of the labour force and the unemployment rate. The labour force is the number of those who are working and those who are not working (Mankiw, 2008):

$$\text{Labour force} = \text{number of people working} + \text{number not working} \quad (1)$$

$$\text{Unemployment} = \frac{\text{number of people not working}}{\text{workforce}} \times 100\% \quad (2)$$

2.2.3.1 Types of Unemployment

Reserve Bank of Australia (2023) classified types of unemployment as consisting of three main types, namely: structural, frictional, and cyclical unemployment:

1. Structural Unemployment.

This type of unemployment occurs when there is a mismatch between the jobs available and the people looking for work. This situation could be happened because the job seeker does not have the skills needed to do the job available, or because the available jobs are far from the job seeker.

2. Frictional Unemployment.

This type of unemployment occurs when people move in between the jobs in the labor market, as well as when people move in and out of the labor force. These movements of workers are necessary for a flexible labor market and helps to achieve an efficient allocation of labor throughout the economy.

3. Cyclical Unemployment.

This type of unemployment occurs with a change in economic activity during the business cycle and is often described as medium-term (one to 12 months). An increase in cyclical unemployment may indicate the economy is operating below its potential.

4. Other Types of Unemployment.

Several other types of unemployment are also important to consider in particular:

(a.) Underemployment, this type occurs when people are employed but are available and would like to work for more hours. There are two categories for underemployed people:

1. Part-time workers who consider to work extra hours
2. A person who used to work full-time, but is currently working part-time.

(b.) Hidden unemployment, this type occurs when people are not counted as unemployed in formal labor market, but would probably work if they had the opportunity.

(c.) Seasonal unemployment, this type occurs at different points over the year because of the seasonal patterns that can affect the jobs.

2.2.4 Poverty

Poverty is a problem of particular concern in almost all countries in the world, including Indonesia, which is a country with a high poverty rate, with an average of 10% of Indonesia's population being categorized as poor. Poverty as a multidimensional and complex problem is not only related to the economic dimension but also to the cultural, social, and structural dimensions. Poverty in simple terms can be said about not having enough money to meet basic needs including food, clothing, and shelter (World Bank Organization, 2009).

Poverty is an attempt to change the world so that more people have enough food, adequate housing, more access to education and health, as well as protection from violence. Apart from lack of money, poverty can also be described as the inability to participate in recreational activities, to the point where you cannot afford to pay for medicine. The increasing costs of the health system, justice system, and other systems that support those living in poverty are taking a toll on our economy.

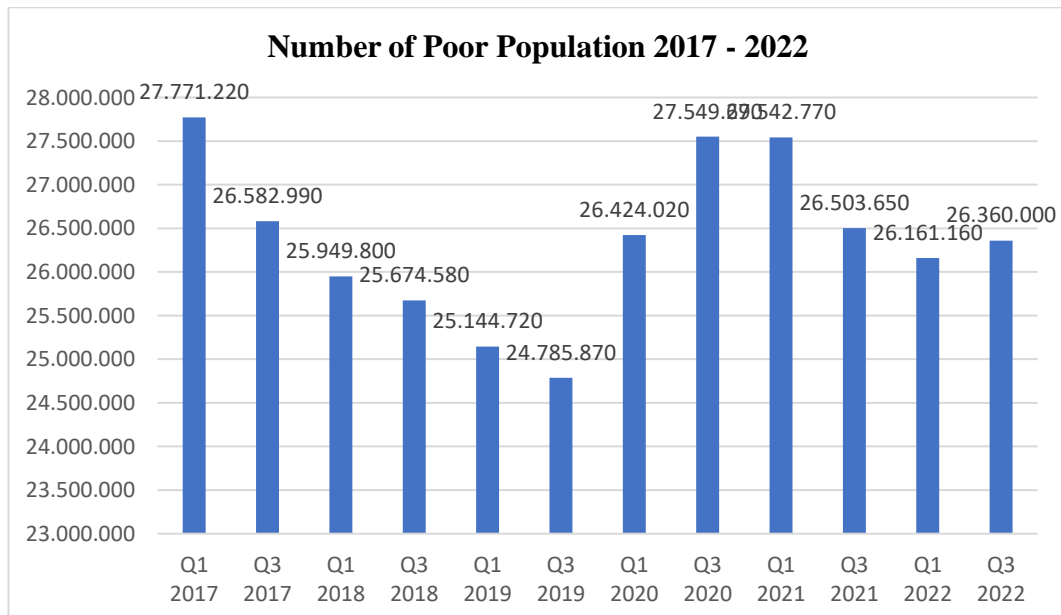


Figure 2.1 - Number of Poor Population in Indonesia (Q1 2017 – Q3 2022)

Source: Badan Pusat Statistik (BPS), the data is processed by the author

While already much progress has already been made in analyzing and measuring poverty. The World Bank Organization is undertaking more work to identify other dimensions and indicators of poverty. These works include the identification of social indicators to track health services, education access, social exclusion, and vulnerability. The causes and effects of poverty can vary in each case. Varieties of poverty depend on the situation. Despite many definitions, poverty is still a complex social problem.

Badan Pusat Statistik (BPS, 2021) reported that the poverty rate in Indonesia was 10.7% in 2016 and 9.22% in 2019. Although the poverty rate in this country has decreased by 1.48% from 2016 to 2019, it was also followed by a decrease in the unemployment rate of 5.61% in 2016 and 5.23% in 2019 with a total decrease of 0.38%. This increase occurred again in 2020 to 15.43%, this increase was caused by the Covid-19 pandemic storm that hit almost all countries in the whole world, including Indonesia.

2.2.4.1 The Concept of Poverty According to Islam

Poverty is not a new problem in society and has been illustrated in several works of literature that most of human history. Poverty has been littered with stories about disadvantaged people who are characterized by a lack of ability to seek basic needs. In developing countries, poverty is discussed as a daily problem that is felt by the people. In Islam, poverty is a serious threat that must be eradicated. In the Indonesian dictionary, the term poverty is defined as having no assets, being poor, and having a low income. While the term *faqir* is defined as a person who is poor or very poor. In the process of alleviating poverty, Islam itself has a detailed concept to overcome this, not far from economic concepts in general. The only difference here is that Islam has three basic concepts, namely monotheism, morals, and balance which are very different from conventional economic concepts.

In Islam, the Qur'an and basic Islamic sources indicate that Islam does not support poverty and provides a framework that is conducive to poverty alleviation. Sadeq (1997) analyzes the Islamic view of poverty based on its

ideological norms and values as an effort to alleviate poverty. Poverty alleviation is then categorized into three major actions, namely: first, positive action which includes income growth, income distribution, and equal opportunities for all; second, preventive measures in the form of preventing ownership control, preventing economic and business malpractices that lead to concentration of income; third, corrective actions which include mandatory transfer payments, recommended transfer payments, and state responsibility. If these steps are implemented, the problem of poverty can be substantially solved.

2.2.4.2 Causing Factors of Poverty

Indicators of the causes of poverty according to Islam are of course different and not the same as conventional indicators. Islam as a perfect religion has paid attention to all aspects of life both spiritual and material, therefore it is difficult to separate the economy and religion. When impossibility or economic problems occur in human life, this is not caused by limited natural resources, but this is due to limited human capabilities. The cause of material poverty is more on a person's economic problems or the inability of a person to meet his own needs and those of his family. Meanwhile, the cause of spiritual poverty is caused by a lack of knowledge and understanding of religion due to the influence of religious secularism and liberalism. The causes of this debris are broken down into several causes, including (Beik, 2016):

- 1) Disobedience of Muslims towards their teachings, there is a lot of crime and a group of people who eat the property of orphans.
- 2) Human weakness in understanding and managing existing natural resources.
- 3) Poverty is caused by the selfishness of a group of people who give excess wealth to people who are economically disadvantaged.
- 4) Disobedience of the rich in obeying Allah SWT's commands to fulfill their obligations towards the rights of the poor.
- 5) Lack of jobs. When someone doesn't have a good job, they don't get a good income.

- 6) Lack of good education can be a cause of poverty. According to UNESCO, there are more than 170 million people can escape from extreme poverty if they only have basic reading skills.
- 7) Lack of good health services. Minimum access to health care and the facility can trap people in poverty.

2.2.4.3 Poverty Measure

The determination of poverty measurement uses the concept of basic needs, referred to in the BPS. Poverty is seen as people who cannot meet their needs. Their income can be said to be far below the average regional minimum wage standard.

- 1) Not poor, namely those who have a monthly expenditure of more than IDR 350,610. 24
- 2) Almost non-poor, namely spending per month per head between IDR 280,488 to IDR 350,610, or around IDR 9,350 to IDR 11,687 per person in one day.
- 3) Nearly poor, namely people with monthly expenses per head of IDR 233,740 to IDR 280,488 or around IDR 7,780 to IDR 9,350 per person in one day.
- 4) Poor, with spending per person per month and below IDR 233,740 or around IDR 7,780 and below per person in 1 day.
- 5) This size if someone has expenses of IDR 233,000 or below per month, so they can be categorized in the BPS (2021) poor population category, this is different from the size of developing countries and developed countries which they look at in terms of individual income.

2.3 The Relationship Between Dependent and Independent Variables

2.3.1 The Impacts of iHDI on Poverty

The basic concept of Islamic economic development is to transform lives in a better and more blessed direction. This can happen when the development process is carried out within the framework of the purgatory (*tazkiyyah*) path which is based on three main principles, namely, justice, balance, and full submission to Allah's rules. If the purgatory (*tazkiyyah*) path is taken, then humans will be able to optimize the good potential they have. The Islamic development economic concept

approach is very dependent on the quality of human resources owned by a nation (Beik, 2016).

The quality of human resources determines the success rate of a country's economic development. Therefore, the development of human resources needs attention, especially since the essence of the progress of a nation is very much determined by the quality of human resources owned by that nation. In Islam, humans have two main tasks, namely as an *'abdullah* (servant of Allah) and as *khalifatullah fil ard*, namely Allah's representative on earth whose job is to prosper him. The success of humans in carrying out these two main tasks is very dependent on the path they choose. The choice of the path will affect which potential can be optimized. Allah has given humans two potentials, namely the potential for good (*at-taqwa*) and the potential for evil (*al-fujuur*).

In the latest study, Jatmiko (2022) conducted a research aimed to evaluate religious values as the roles in building a positive relationship between current development measures and *falah* (happiness) by comparing the index constructed based on *maqashid sharia*, which is calculated with the Human Development Index (HDI) from several countries of the Organization of Islamic Cooperation (OIC). The results obtained show that an index based on *maqashid sharia* can achieve better *falah* (happiness) than HDI.

Research conducted by Rama and Yusuf (2019) also confirms that there are significant ranking differences between iHDI and HDI values in provinces in Indonesia. Some provinces have a higher rank in iHDI value compared with the HDI's, meanwhile, other provinces suffer a decrease in ranking. Some provinces with the top value in HDI show a significant deterioration of value in iHDI and vice versa. This result showed that HDI measurement by UNDP as a tool for measuring the welfare of a country may be comprehensive, but it is not fully suitable and adequate for measuring human development in the concept of Islamic economics (Oladapo and Ab Rahman, 2018). Kader (2021) also argued that to overcome problems related to the modern economy, new solutions can be used that refer to Islamic intellectual traditions.

In the UNDP there is a summary of average achievement measures in the main dimensions of human development. These main dimensions include having a decent standard of living which is measured through per capita expenditure adjusted for purchasing power, education needs which is measured by the literacy rate for the population at least aged 15 years and the average length of school years, and longevity which measured by life expectancy at birth. Whereas in Islam, basic human needs are not only about material needs, but also include spiritual, moral, and social needs. In Islamic economics, human welfare is not only defined from a perspective of hedonism (Aydin, 2013).

The results of this study will show whether iHDI has an impact on poverty in Indonesia. The iHDI will be seen within the maqashid sharia framework which is basically related to increasing human welfare. With iHDI, it is hoped that the level and performance of economic development in Muslim countries can be measured comprehensively. The increase in iHDI value is an indication of the high quality of human resources which will have an impact on increasing the productivity in the workforce which will lead to increased income. A higher income will cause people to be able to meet their basic needs, thus reducing poverty levels. It can be concluded that when the iHDI increases, it must reduce the poverty rate. Because if IHDI increases, it means that the quality of human beings is increasingly qualified and educated. That way it will be easier to get a job and generate income to get out of the poverty line.

2.4 Previous Research

In compiling this research, there are several previous studies that are used as references such as.

Table 2.2 - Previous Researches

No.	Author	Title	Method	Results	Published
1.	Chapra, M. U (2007)	The Islamic Vision of Development in the Light of <i>Maqāsid Al-Sharī'ah</i>	Study literature	Islam has emphasized all elements of human welfare including faith (<i>dien</i>), human self (<i>nafs</i>), reason (<i>aql</i>), lineage (<i>nasl</i>), and wealth (<i>maal</i>). All elements are interdependent and play a supporting role with one another.	The International Institute of Islamic Thought
2.	Chapra, M. U (2008)	Ibn Khaldun's Theory of Development: Does It Help Explain the Low Performance of The Present-Day Muslim World?	Study literature review	Ibn Khaldun's development model one of the theories as the basis for the formulation of the Islamic Human Development Index (iHDI).	The Journal of Socio-Economics

No.	Author	Title	Method	Results	Published
3.	Anto, Mb Hendrie (2009)	Introducing an Islamic Human Development Index (iHDI) to Measure Development in OIC Countries	Study literature	This study explored an attempt to construct a more specific model for measuring economic development in Islamic perspective. An iHDI was considered within the framework of the <i>maqashid sharia</i> .	Islamic Economic Studies, The Islamic Research and Training Institute (IRTI)
4.	Ukper (2009)	A Relationship Between Current Globalisation, Unemployment, Inequality, and Poverty	Meta-analytical study	Unemployment increases the levels of poverty and inequality within society	International Journal of Social Economics
5.	Zangouinez had, and Moshabaki, (2011)	Human Resource Management Based on The Index of Islamic Human Development: The Holy Quran's Approach.	Hermeneutic method	The internationally measure of human development are not suitable because they are based on a common approach to human development, the result found that the fulfillment of human needs consists of spiritual and material needs.	International Journal of Social Economics

No.	Author	Title	Method	Results	Published
6.	Aydin, N. (2013)	Redefining Islamic Economics as A New Economic Paradigm	Study literature	The result attempts to make a strong case as an alternative paradigm in Islamic economics to deal with the crises of capitalism.	Islamic Economic Studies
7.	Affandi and Puji (2014)	Dynamic Model of Ibnu Khaldun Theory on Poverty: Empirical Analysis on Poverty in Majority and Minority Muslim Populations After the Financial Crisis	Panel method (secondary data)	According to Ibnu Khaldun, poverty is not solely influenced by the economic dimension, but by other fundamental factors, namely the functions of national wealth, governance, human resources, sharia, growth, and justice.	Humanomics – Emerald Group Publishing Limited
8.	Abdullah (2015)	The Effectiveness of Zakat in Alleviating Poverty and Inequalities: A Measurement Using a Newly Developed Technique	Formulating an index	The results obtained from the computation of the index have been able to explain the effectiveness of zakat in alleviating poverty and inequality in Pakistan.	Humanomics – Emerald Group Publishing Limited

No.	Author	Title	Method	Results	Published
9.	Oladapo and Ab Rahman (2016)	Re-counting The Determinant Factors of Human Development	Literature review	The HDI by UNDP as a tool for measuring the welfare of a country is not fully compatible and sufficient to measure human development in the concept of Islamic economics	Humanomics – Emerald Group Publishing Limited
10.	Sasmal (2016)	Public Expenditure, Economic Growth, and Poverty Alleviation	Analytical digression and panel regression	The improvement in welfare can be seen in higher economic growth in an entire community. The economic growth is important for poverty alleviation.	International Journal of Social Economics
11.	Aydin, N. (2017)	Islamic vs Conventional Human Development Index: Empirical Evidence from Ten Muslim Countries	Study of human nature from the <i>tawhidi</i> anthropology	The improved of cHDI rankings for Muslim countries based on the economic development do not necessarily mean they are moving toward the ideal human development.	International Journal of Social Economics
12.	Massaid (2019)	Modelling of Poverty Percentage of Non-Food Per Capita Expenditures	Least Square Spline in Non-	For every increase in per capita non-food expenditure of one million rupiah, the poverty percentage will	IOP Conference Series: Materials

No.	Author	Title	Method	Results	Published
		in Indonesia Using Least Square Spline Estimator	parameric Regression	decrease by 68.71%, and if per capita expenditure is more than 0.47 the poverty percentage will decrease by 5.96%.	Science and Engineering
13.	Rama and Yusuf (2019)	Construction of Islamic Human Development Index.	Panel Data Regression	Some provinces have an improved rank in iHDI value compared with the HDI's, while several provinces suffer a downgrade in ranking. A top value in HDI show a significant deterioration of value in iHDI and <i>vice versa</i> .	Journal of King Abdulaziz University, Islamic Economics.
14.	Yusuf and Dai (2020)	The Impact of Unemployment and Human Development Index on Poverty in Gorontalo Province 2008-2017	Panel Data Regression analysis with fixed effect model (FEM)	The result states that HDI has a significant influence on poverty alleviation with a large effect on quality of life as measured by the human development index in Indonesia.	Jambura Equilibrium Journal

No.	Author	Title	Method	Results	Published
15.	Regina, Bahar, A. (2021)	Analysis The Effect of Poverty, General Allocation Fund, and Economic Growth to Human Development Index (HDI) in Indonesia	Panel Data Regression	the Islamic Human Development Index (iHDI) indirectly influences poverty through unemployment. High human development in terms of religion, soul, education, lineage, and wealth will have an effect on reducing the unemployment rate.	Jurnal Economic Resourcer
16.	Kader, H. (2021)	Human Well-Being, Morality and The Economy: An Islamic Perspective.	Classical and contemporary content analysis of Islamic texts on human welfare and economic ethics.	Offers a new solution accordance to welfare and moral philosophy that forms the basis of economic thinking that refers to Islamic intellectual traditions to address modern economic problems.	Islamic Economic Studies

No.	Author	Title	Method	Results	Published
17.	Widodo et al (2021)	Does The Poverty Take Effect to The Life Expectancy?	Simple linear regression	The more poverty in the region will decrease life expectancy.	Journal of Xi'an Shiyou University, Natural Sciences Edition
18.	Arkum (2022)	The Influence of Economic Growth, Unemployment, and Poverty on Income Distribution Inequality	Panel regression	The gini ratio is directly proportional to inequality in income distribution.	Jurnal Bina Praja: Journal of Home Affairs Governance
19.	Bagdasaryan (2022)	Technological Discrimination of Employees Amid the Covid-19 Pandemic and in the Post-Pandemic Period	Comparative analysis of statistical data	Digitization had a major impact on the labor market and employment. It is not only for creating new opportunities for jobs but also for increasing the current rate of unemployment.	Emerald Publishing Limited
20.	Jatmiko, W. and Azizon, A. (2022)	Can Religious Values Reinvigorate The Links	Z-test and t-test with non-parametric	The results obtained show that an index based on maqashid sharia can	Journal of Islamic Accounting and Business Research

No.	Author	Title	Method	Results	Published
		Between Development and <i>Falāh</i> ?	Wilcoxon signed-rank test.	achieve better falah (happiness) than HDI	
21.	Widiastuti (2022)	The Nexus Between Islamic Social Finance, Quality of Human Resource, Governance, and Poverty	Panel data regression	Human quality can be improved by focusing on the preservation of five dimensions, namely religion, physical health, education, lineage, and wealth.	Heliyon – Science Direct
22.	Faharuddin (2023)	Impact of Food Price Increases on Poverty in Indonesia	Quadratic almost ideal demand system	The importance of maintaining food price stability because the higher the price increase, the greater the impact on poverty.	Journal of Asian Business and Economic Studies

Source: list of previous researches used processed by author

2.4.1 Research Framework

The following is a frame of mind in the form of an image, so that research can be described through this frame of mind:

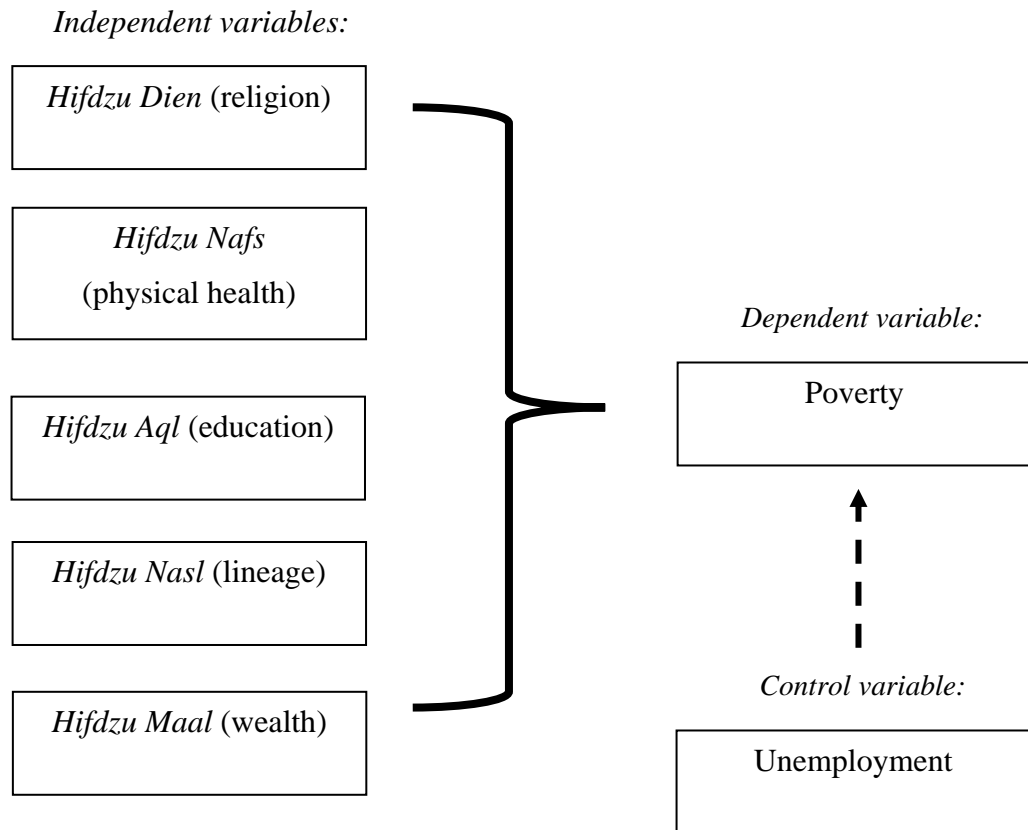


Figure 2.2 – Framework

Source: The data is processed by the author

2.4.2 Hypothesis

The relevant hypothesis is based on previous research with the results of the Islamic Human Development Index (iHDI). The hypotheses in this study are as follows:

- H0 : Islamic Human Development based on *maqashid sharia* didn't influence the poverty.
- H1 : Islamic Human Development based on *maqashid sharia* influenced the poverty.

CHAPTER 3

RESEARCH METHOD

3.1 Research Methodology

3.1.1 Types and Research Approaches

This study used quantitative data. Quantitative data analysis was useful for analyzing quantitative information that can be measured, and tested which can be informed in the form of equations, tables, and so on. This research is associative research. Associative research is used to determine if there is any influence or relationship between one or more variables (Sugiyono, 2014). Therefore, this study aims to determine the impacts of iHDI and unemployment on poverty in 34 provinces in Indonesia during 2017 – 2022.

3.1.2 Data Collection

The data used in this research is secondary data which is a combination of time series data and cross-section data (panel data). The data used in this study are: the total Muslim population in each province and the national zakat index data as *Hifdzu Dien* variable, expenditure per capita (food) and expenditure per capita (non-food) data as *Hifdzu Nafs* variable, the average length of school years and literacy rate data as *Hifdzu Aql* variable, life expectancy, and marriage rate data as *Hifdzu Nasl* variable, economic growth rate, and gini ratio as *Hifdzu Maal* variable, unemployment as the control variable, and poverty data in 2017 – 2022.

Some of the data sources used to collect all the data in this study are among 34 provinces in Indonesian, according to Satudata from Kementerian Agama Republik Indonesia (Ministry of Religious Affairs of Indonesia), Pusat Kajian Strategis (PUSKAS) Badan Amil Zakat Nasional (BAZNAS, BAZNAS Center of Strategic Studies), Badan Pusat Statistik (BPS), and Sistem Informasi dan Manajemen Data Dasar Regional (SIMREG) from Badan Perencanaan Pembangunan Nasional (Ministry of National Development Planning of the Republic of Indonesia, Bappenas).

Poverty

Poverty refers to people lived below the poverty line. In this research, the poverty is calculated as a percentage variable. In this case, the indicator used is the Head Count Index (HCI-P0), which is a measurement of the population below the Poverty Line (PL) in percentage. Thus, the level of poverty in this research as the dependent variable. Calculation of poverty is calculated by the formula below:

$$P\alpha = \frac{1}{n} \sum_{i=1}^q \left[\frac{z - y_i}{z} \right]^\alpha \quad (3)$$

Where: A = 1

Z = poverty line

y_i = the average expenditure per capita per month for residents who are below the poverty line (i=1, 2, 3, ..., q), y_i < z

Q = the number of people who are below the poverty line

n = total population

The Islamic Human Development Index is calculated by first calculating the index of each indicator representing the five dimensions of *maqashid sharia*. This method was adopted by Anto (2009) and Rama & Yusuf (2019). There are several steps to concatenating indexes:

(1.) *First*, normalize all variables. For the negative indicators, namely the poverty rate data, were normalized by the formula (100-Pov)/100, where Pov is the poverty rate as measured in percentage.

(2.) *Second*, to adopt the maximum and minimum values. Minimum and maximum values are set for converting an indicator expressed in different units to an index between 0 and 1, which is represented by the following formula:

$$Index\ Dimension = \frac{actual\ value - min.value}{max.\ value - min.\ value} \quad (4)$$

(3.) The third step is to calculate the average value. The dimension index is calculated using the average value with the Simple Aggregative Method (Jacques, 2015). The formula is as follows:

$$Index\ Number = \frac{\sum index\ dimensions\ of\ indicators\ used}{\sum indicators\ used} \quad (5)$$

A. Hifdzu Dien

In the *Hifdzu Dien* (religion) dimension, the indicators used were the total Muslim population in each province and the national zakat index data. After determining the minimum and maximum values of each indicator, the index number will be calculated using the average value. The formula used as follows below:

$$HifdzuDien = \frac{Muslim\ population + national\ zakat\ index}{2} \quad (6)$$

B. Hifdzu Nafs

In the *Hifdzu Nafs* (physical health) dimension, the indicators used can be seen from the expenditure per capita (food) and expenditure per capita (non-food) data. After determining the minimum and maximum values of each indicator, the index number will be calculated using the average value. The formula is as follows:

$$Hifdzu\ Nafs = \frac{exp.\ per\ capita\ (food) + (non - food)}{2} \quad (7)$$

C. Hifdzu Aql

In the *Hifdzu Aql* (education) dimension, the indicators used can be seen from the average length of school years and literacy rate data. After determining the minimum and maximum values of each indicator, the index number will be calculated using the average value. The formula is as follows:

$$Hifdzu\ Aql = \frac{average\ length\ of\ school\ years + literacy\ rate}{2} \quad (8)$$

D. Hifdzu Nasl

In the *Hifdzu Nasl* (lineage) dimension, the indicators used can be seen from life expectancy and marriage rate data. After determining the minimum and maximum values of each indicator, the index number will be calculated using the average value. The formula is as follows:

$$Hifdzu\ Nasl = \frac{life\ expectancy + marriage\ rate}{2} \quad (9)$$

E. Hifdzu Maal

In the *Hifdzu Maal* (wealth) dimension, the indicators used can be seen from the economic growth rate and gini ratio data. After determining the maximum and minimum values of each indicator, the index number will be calculated using the average value. The formula is as follows:

$$Hifdzu\ Maal = \frac{economic\ growth\ rate + gini\ ratio}{2} \quad (10)$$

(4.) *Fourth*, to combine the dimension indices to produce iHDI based on the indicators we have calculated in the previous steps using the following formula Anto (2009) and Rama & Yusuf (2019):

$$iHDI = \sqrt[n]{Indicator_1 \times Indicator_2 \times \dots \times Indicator_n} \times 100 \quad (11)$$

F. Unemployment

In this study, the Open Unemployment Rate (OUR) data was used from BPS. OUR is the percentage of unemployed as a percentage of the total labor force. In this study, unemployment serves as a control variable. Calculation of unemployment is calculated by the following formula (Mankiw, 2008):

$$Unemployment = \frac{number\ of\ people\ not\ working}{workforce} \times 100\% \quad (12)$$

3.1.3 Operational Variables

The following table describes the operational definitions of variables:

Table 3.1 - Operational Variables Table

Variable	Definition	Measuring	Tool	Source
iHDI	iHDI is an index that measures the quality of life of the community according to <i>maqashid sharia</i>	Religion dimension (<i>hifdzu dien</i>)	$\text{Hifdzu Dien} = \frac{\text{Muslims population} + \text{national zakat index}}{2}$	BPS 2017 – 2022
		Physical health dimension (<i>hifdzu nafs</i>)	$\text{Hifdzu Nafs} = \frac{\text{expenditure per capita (food)} + \text{(non – food)}}{2}$	BPS 2017 – 2022
		Education dimension (<i>hifdzu aql</i>)	$\text{Hifdzu Aql} = \frac{\text{average length of school years} + \text{literacy rate}}{2}$	BPS 2017 – 2022

Variable	Definition	Measuring	Tool	Source
		Lineage dimension (<i>hifdzu nasl</i>)	$Hifdzu\ Nasl = \frac{life\ expectancy + divorce\ rate}{2}$	BPS 2017 – 2022
		Wealth dimension (<i>hifdzu maal</i>)	$Hifdzu\ Maal = \frac{economic\ growth\ rate + gini\ ratio}{2}$	BPS and Bappenas 2017 – 2022
Unemployment	The measure taken if a person is unemployed but has been actively trying to find work.	Total labour force	$Unemployment = \frac{number\ of\ people\ not\ working}{workforce} \times 100\%$	BPS 2017 – 2022
Poverty	Poverty refers to people below the poverty line.	Per capita spending level	$P\alpha = \frac{1}{n} \sum_{i=1}^q \left[\frac{z - y_i}{z} \right]^\alpha$	BPS 2017 – 2022

Source: the data used is processed by the author

3.1.2.1 Dependent Variable

Poverty (Y)

Poverty referred to people below the poverty line. Poverty is calculated as a percentage variable. The poverty rate is the percentage of the population that has an absolute poverty measure below the poverty line. In this case, the indicator used is the Head Count Index (HCI-P0), which is a measurement of the percentage of the population below the Poverty Line (PL). Thus, the level of poverty in this study is the dependent variable. Calculation of poverty is calculated by the formula¹:

$$P\alpha = \frac{1}{n} \sum_{i=1}^q \left[\frac{z - y_i}{z} \right]^\alpha \quad (13)$$

Where: A = 1

Z = poverty line

y_i = the average expenditure per capita per month for residents who are below the poverty line (i=1, 2, 3, ..., q), y_i < z

Q = the number of people who are below the poverty line

n = total population

3.1.2.2 Independent Variables

Islamic Human Development Index (iHDI)

iHDI is an index that measures people's welfare. iHDI is the goal of a *maslahah* life to lead to *falah* (happiness), which is prosperity not only in this world but in the hereafter as well. Where is the index calculated with the index of religion, physical health, lineage, education, and wealth. Each of the indicators used to form the iHDI variable is obtained based on references from several previous studies:

¹ Badan Pusat Statistik, Poverty and Inequality

Table 3.2 - iHDI Indicators and Variables

No.	Variabes	Indicators	Data	Journal	Results	Data Source
1.	<i>Hifdzu Dien</i> (religion)	Worship	Muslims population	Poverty by Social, Religious, and Economic Groups in India and Its Largest States: 1993-1994 to 2011-2012 (Panagariya, 2014)	Nine states in India with large Muslim populations were still above the poverty level of Hindus.	Kementerian Agama 2017 – 2022
			National Zakat Index	The Effectiveness of Zakat in Alleviating Poverty and Inequalities (Abdullah, 2015).	The role of zakat can be used as one of the indicators because it is able to explain its effectiveness in alleviating poverty and inequality.	Pusat Kajian Strategis Badan Amil Zakat Nasional 2017 – 2022
2.	<i>Hifdzu Nafs</i> (physical health)	Consumption	Expenditure per Capita (Food)	Impact of Food Price Increases on Poverty in Indonesia (Faharuddin, 2023)	The importance of maintaining food price stability because the higher the price increase, the greater the impact on poverty.	BPS 2017 – 2022

No.	Variabes	Indicators	Data	Journal	Results	Data Source
			Expenditure per Capita (Non-Food)	Modelling of Poverty Percentage of Non-Food Per Capita Expenditures in Indonesia Using Least Square Spline Estimator (Massaid et al, 2019)	An increase in per capita non-food expenditure of one million rupiah, the poverty percentage will decrease by 68.71%.	BPS 2017 – 2022
3.	<i>Hifdzu Aql</i> (education)	Educational aspects	Average Length of School Years	Education Inequality in Ghana: Gender and Spatial Dimensions (Senadza, 2012)	The length of school years or the level of one's education level show a correlation.	BPS 2017 – 2022
			Literacy Rate	The Impact of Poverty on Educational Outcomes for Children (Ferguson, 2007)	Canadian and international interventions shown the effects of poverty can be reduced by using sustainable interventions (income gap, pediatricians or family doctors, and educational outcomes).	BPS 2017 – 2022

No.	Variabes	Indicators	Data	Journal	Results	Data Source
4.	<i>Hifdzu Nasl</i> (lineage)	Lineage (family)	Life Expectancy	Does The Poverty Take Effect to The Life Expectancy? (Widodo et al, 2021)	The more poverty in the region will decrease life expectancy.	BPS 2017 – 2022
			Marriage Rate	Marital Status and Poverty with Gender Bias (Ortega-Diaz, 2020)	Free-union living couples are found to be poorer than the legally married couples, this is indicating that marriage may be able to help protect families than cohabitation laws.	BPS 2017 – 2022
5.	<i>Hifdzu Maal</i> (wealth)	Wealth Growth	Economic Growth Rate	Public Expenditure, Economic Growth, and Poverty Alleviation (Sasmal, 2016)	The results show that economic growth is important for poverty alleviation.	SIMREG Bappenas 2017 – 2022
		Wealth Distribution	Gini Ratio	The Influence of Economic Growth, Unemployment, and	The gini ratio is directly proportional to inequality in income distribution.	BPS 2017 – 2022

No.	Variabes	Indicators	Data	Journal	Results	Data Source
				Poverty on Income Distribution Inequality. (Arkum, 2022).		

Source: the data used is processed by the author

3.1.2.3 Control Variables

Unemployment (Z)

Unemployment is a measure taken if a person is unemployed but actively trying to find work in the last four weeks. In this study, the Open Unemployment Rate (OUR) data was used from BPS. In this study, unemployment serves as a control variable. Calculation of unemployment is calculated by the following formula (Mankiw, 2008):

$$Unemployment = \frac{\text{number of people not working}}{\text{workforce}} \times 100\% \quad (13)$$

In this study, the researcher aims to use the case of structural unemployment. The type of structural unemployment may occurs when there is a mismatch between people who are currently looking for work and the available jobs. In this case, the job seeker does not have the skills needed to do as the job required. The structural unemployment tends to last longer than the other types of unemployment. This is because it takes several years for workers to develop new skills or to move to other areas to find work that matches their skills.

3.2 Research Framework

3.2.1 Research Plan

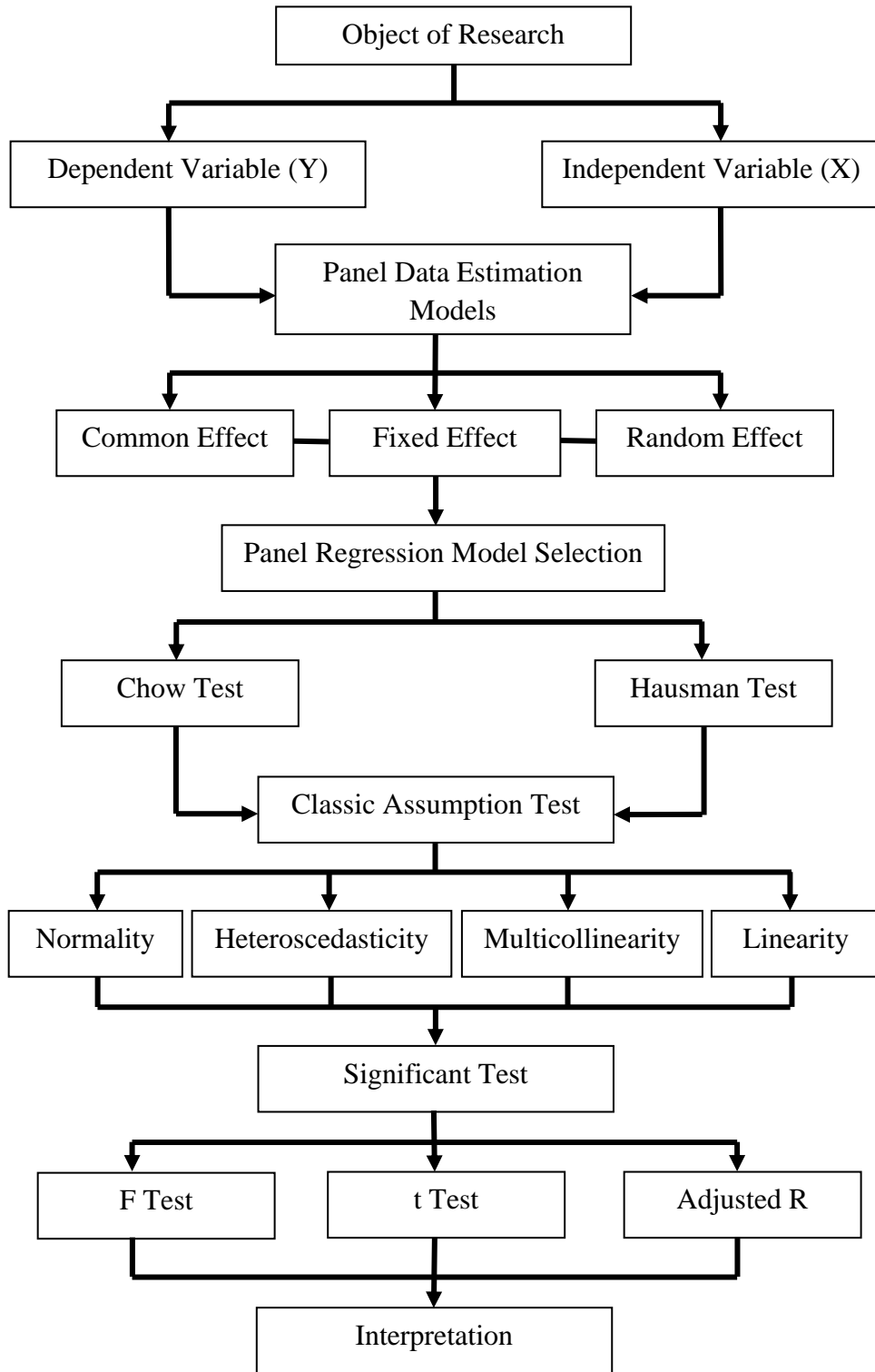


Figure 3.1 - Research Plan

Source: The data is processed by the author

3.2.2 Panel Data Method

The panel data is a combination of across time series and cross section, where the unit of cross section is measured at different times. Panel data analysis is used to observe between one dependent variable and one or more independent variables.

3.2.3 Data Model Estimation

There are three techniques for regressing panel data, namely with Common Effect Model (CEM), the Fixed Effect Model (FEM), and the Random Effect Model (REM).

3.2.3.1 Common Effect Approach

The simplest technique by assuming that the existing combined data shows the real condition. Namely by combining cross-section data with all-time series and then estimating the model using the panel least squares (PLS) method. The results from this regression output are considered valid for all objects.

3.2.3.2 Fixed Effect Approach (Fixed Effect Model)

This model took into account of the possibility that the researcher may faces the problem of omitted variables to showed the constant differences between objects, even with the same regressor coefficient. This situation might bring changes to the intercept cross section or time series.

3.2.3.3 Random Effects Approach (Random Effect Model)

This model is used to overcome the weakness of the fixed effect method so that the model experiences uncertainty.

3.2.4 Panel Data Estimation Model Selection

To choose the right model to process data panel, these three model tests can be done first, as follows:

3.2.4.1 Chow Test

The Chow Test used to determine the best model between the Common Effect Model (CEM) or Fixed Effect Model (FEM) in estimating panel data.

- If the probability value of the cross-section $f > 0.05$, then the model chosen is the common effect approach.
- If the probability value of the cross-section $f < 0.05$, then the selected model is the fixed effect approach.

The Chow Test in this study used the *Eviews 12* program. The Chow Test aims to determine the best model to be used to perform the panel data regression. The basis for decision-making in the Chow Test is seen from the value of the probability cross-section F. The hypothesis used in the Chow Test is as follows:

H0 : Common Effects Model (CEM)

H1 : Fixed Effects Model (FEM)

3.2.4.2 Hausman Test

The Hausman Test is used interpreted as a test to choose the best model whether the Fixed Effect Model (FEM) or the Random Effect Model (REM).

- If the random cross-section probability value is < 0.05 , then the selected model is the fixed effect approach.
- If the random cross-section probability value is > 0.05 , then the chosen model is the random effect approach.

In this research, we will be using the Hausman Test with *Eviews 12* program in panel data regression. The basis for decision making in the Hausman test is seen from the random cross-section probability value (Widarjono, 2009). The hypothesis used in the Hausman Test is as follows:

H0 : Random Effects Model (REM)

H1 : Fixed Effects Model (FEM)

3.2.5 Classical Assumption Test

3.2.5.1 Normality Test

The Normality Test used to see if the independent and dependent variables in the regression model have a normal distribution or not. The Normality Test is needed when the number of observations is less than 30, if the number of

observations is more than 30 then the normality test can be ignored. Usually, the Normality Test used is the Jarque-Bera (J-B) with a significance value of 0.05.

3.2.5.2 Multicollinearity

The multicollinearity can be analyzed from the correlation value between variables contained in the correlation matrix (Gujarati, 2009). If there is a high correlation between the independent variables, namely above 0.90, this is an indication of the presence of multicollinearity.

3.2.5.3 Autocorrelation

The Autocorrelation Test was used to test if a linear regression model found a correlation between confounding errors in period t and $t-1$ (previously). If a correlation was found, then there is an autocorrelation. The autocorrelation can be detected using the Durbin-Watson Test by determining the Durbin-Watson (DW) value. The Autocorrelation Test is only performed on time series data.

3.2.5.4 Heteroscedasticity

The Heteroscedasticity Test aimed to test if the model used has an inequality of variance. Usually, cross-section data contains heteroscedasticity situations because this data collects data that represents various sizes of small, medium, and large (Ghozali, 2016).

3.2.6 Hypothesis Testing

3.2.6.1 T Test (Partial)

T Test conducted to test the research hypothesis regarding the partially effect of each independent variable on the dependent variable. Usually, the basis testing for the regression results with a confidence level of 95% or with a significance level of 5% ($\alpha = 0.05$). The criteria for the t statistical test (Ghozali, 2016):

- The sig. value is higher than ($>$) 0.05 meaning H_0 is accepted and H_1 is rejected. This means there is no influence between the independent variables on the dependent variable.

- The sig. value is lower than ($<$) 0.05 meaning H_0 is rejected and H_1 is accepted. This means there is influence between the independent variables on the dependent variable.

3.2.6.2 F Test (Simultaneous)

The F Test was carried out to see the effect of all the independent variables together (simultaneously) on the dependent variable. The level used is 0.1 or 10%, if the significant value of $F < 0.05$ it means that the independent variables simultaneously affect the dependent variable or *vice versa* (Ghozali, 2016).

- The sig. value of F is lower than ($<$) 0.05 meaning the H_0 is rejected and H_1 is accepted. All independent variables have a significant influence on the dependent variable.
- The sig. value of F is higher than ($>$) 0.05 meaning the H_0 is accepted and H_1 . All independent variables have no significant effect on the dependent variable.

3.2.6.3 Coefficient Determination Test

Coefficient Determination Test used to show how much the independent variable affects the dependent variable. In the Coefficient Determination Test, we use the Adjusted R-squared number that ranges from 0 to 1.

3.2.7 Analysis Model

In this research, the analysis model used is data panel regression model. Data panel is a combination of two data types; time series and cross-section data. Where for the cross-section data is measured at different times. The panel data equation model is as follows:

$$Y_{it1} = \alpha_i + \beta_n X_{nit} + e_{it} \quad (14)$$

$$Y_{it2} = \alpha_i + \beta_n X_{nit} + \text{control variable} + e_{it} \quad (15)$$

Description:

Y_{it} = dependent variable bound in time t for cross-section unit i

α_i = fickle intercepts between cross-section units

X_{it} = independent variable in time t for cross-section unit i

B_n = parameters for independent variables
 e_{it} = error component at time t unit corss-section i

The econometric model used is panel data regression analysis model with data management using *Eviews 12* program. This pathway analysis model can be reduced in the regression equation as follows:

Panel data regression model 1:

$$Y_{it1} = \alpha_i + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e_{it} \quad (16)$$

$$Y_POV = \alpha_i + \beta_1 X1Dien + \beta_2 X2Nafs + \beta_3 X3Aql + \beta_4 X4Nasl + \beta_5 X5Maal + e_{it} \quad (17)$$

Panel data regression model 2:

$$Y_{it} = \alpha_i + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 \text{ control.var} + e_{it} \quad (18)$$

$$Y_POV = \alpha_i + \beta_1 X1Dien + \beta_2 X2Nafs + \beta_3 X3Aql + \beta_4 X4Nasl + \beta_5 X5Maal + \beta_6 Z + e_{it} \quad (19)$$

Description:

- Y_POV : Poverty (HCI-P0)
- X1_Dien : Index of *Hifdzu Dien* variable (the total Muslim population in each province and the national zakat index)
- X2_Nafs : Index of *Hifdzu Nafs* variable (expenditure per capita of food and non-food)
- X3_Aql : Index of *Hifdzu Aql* variable (literacy rate and average length of school years)
- X4_Nasl : Index of *Hifdzu Nasl* variable (life expectancy and marriage rate)
- X5_Maal : Index of *Hifdzu Maal* variable (economic growth rate and gini ratio)
- Z_Unemp : Unemployment (OUR)
- Eit : error component at time t unit corss-section i

CHAPTER 4

RESULTS AND DISCUSSION

4.1 Data Description

The goals of this research are to determine if there is an impact from the Islamic Human Development Index (iHDI) variables on poverty with unemployment as the control variable. This research uses the *Eviews* 12 program as the econometric tool in the form of knowing whether the appropriate model is to use. In conducting this research, the data used is a combination of cross-section and time series data usually called a data panel. The data used is collected from Kementerian Agama Republik Indonesia (Ministry of Religious Affairs of Indonesia), Pusat Kajian Strategis Badan Amil Zakat Nasional (Puskas BAZNAS, BAZNAS Center of Strategic Studies), Badan Pusat Statistik (BPS), and Sistem Informasi dan Manajemen Data Dasar Regional (SIMREG Bappenas) Indonesia as secondary data.

The dependent variable in this research is poverty and is symbolized by *Y*. Meanwhile, there are 5 independent variables used which are classified as the Islamic Human Development Index (iHDI). Those variables including religion (*X1, Hifdzu Dien*), physical health (*X2, Hifdzu Nafs*), education (*X3, Hifdzu Aql*), lineage (*X4, Hifdzu Nasl*), and wealth (*X5, Hifdzu Maal*). Those data will elaborate as 5 indicators which are symbolized by *X1 – X5*. Also, unemployment is the control variable symbolized by *Z*. The population in this study is 34 provinces in Indonesia. The sample in this research was available from 2017 to 2022.

iHDI was built on the basis of indicators that reflect from five dimensions of *maqashid sharia* according to Al-Ghazali, as divided into: *Hifdzu Dien* (preservation of religion) represented by the total Muslim population in each province and the national zakat index data; *Hifdzu Nafs* (preservation of physical health) represented by the amount of expenditure per capita of food and non-food; *Hifdzu Aql* (preservation of education) represented by the average length of school years and literacy rate; *Hifdzu Nasl* (preservation of lineage) presented by the life expectancy rate and marriage rate, and *Hifdzu Maal* (protection of property)

represented by economic growth rate and gini ratio, as the benchmarks for *maslahah* (benefit, kindness) and *falah* (happiness).

4.1.1 The iHDI of Indonesia during 2017 – 2022

Human development as a process that aims to make people have choices, especially in terms of education, health, and income. The United Nations Development Program (UNDP) is the measure of average attainment in the main dimensions of human development. These main dimensions including education which is measured by the average length of schooling, literacy rates for the aged population, and longevity which is measured by life expectancy at birth. Although it does not refer to all dimensions of development, this is sufficient to reflect the population status from the basic capabilities (UNDP, 1995).

The Islamic Human Development Index (iHDI) was formed to emphasize the abilities of human beings must be the main criterion for assessing the development of a country by considering the Islamic perspective. To classify the iHDI value based on *maqashid sharia*, the iHDI value refers to the division of the HDI classification which ranges from 0 to 100. If the value tends to close to 100, it indicates a very high-quality iHDI value, whereas if the iHDI value gets sharper toward 0, it is categorized as low-quality iHDI. The calculation results are categorized into four classifications namely low, medium, high, and very high.

Table 4.1 - Classification of Islamic Human Development Index (iHDI)

VALUE	CLASSIFY
< 60	Low
$60 \leq x < 70$	Middle
$70 \leq x < 80$	High
$80 \leq x < 100$	Very High

Source: UNDP and BPS, 2019 adjusted

iHDI was built on the basis of indicators that reflect five dimensions of *maqasid sharia* according to Al-Ghazali. The *Hifdzu Dien* variable (preservation of religion) represented by the total Muslim population in each province and the national zakat index data; *Hifdzu Nafs* variable (preservation of the physical health) represented by expenditure per capita of food and non-food; *Hifdzu Aql* variable (preservation of education) represented by the average length of school years and

literacy rate; *Hifdzu Nasl* variable (preservation of family and children) represented by the life expectancy and marriage rate; and *Hifdzu Maal* variable (wealth protection) represented by economic growth rate and gini ratio. Based on the processed data, the iHDI values of Indonesia's for 2017 – 2022 showed:



Figure 4.1 - iHDI in Indonesia 2017 – 2022

Source: processed data

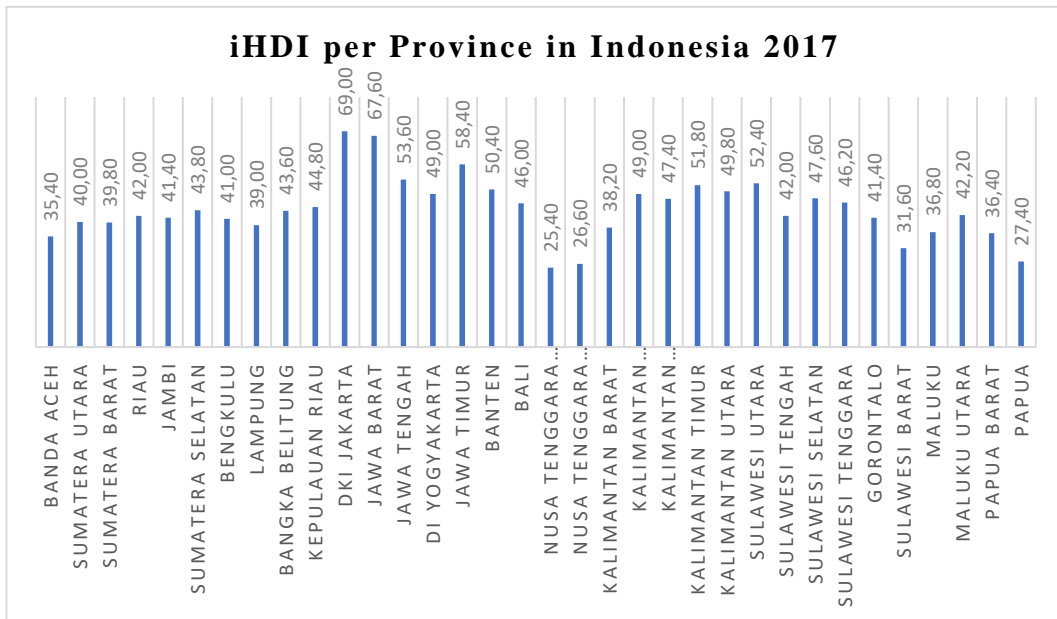


Figure 4.2 - iHDI per Province 2017

Source: processed data

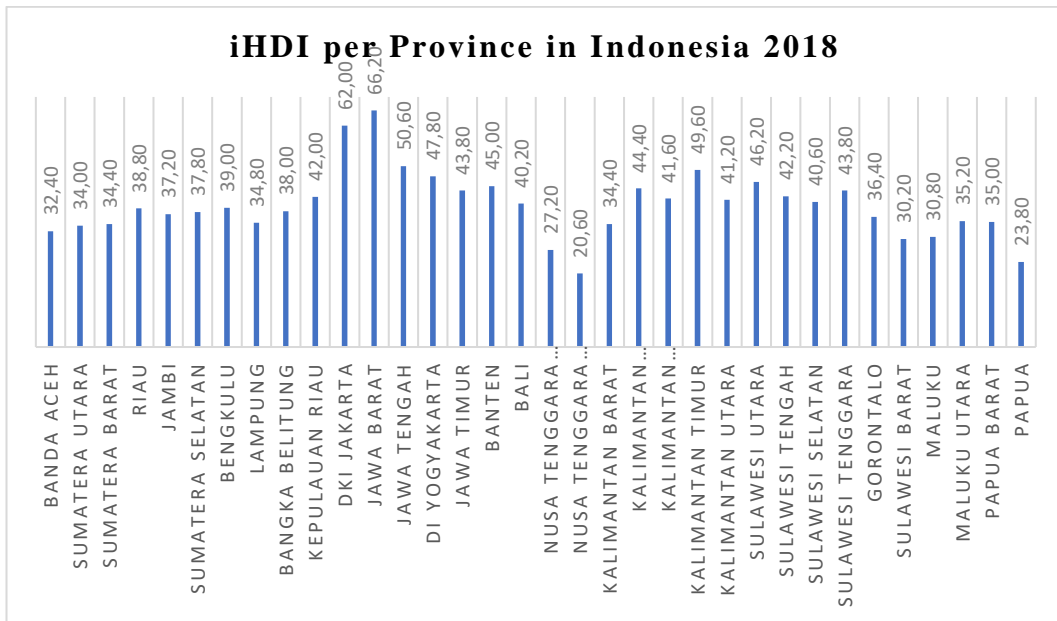


Figure 4.3 - iHDI per Province 2018

Source: processed data

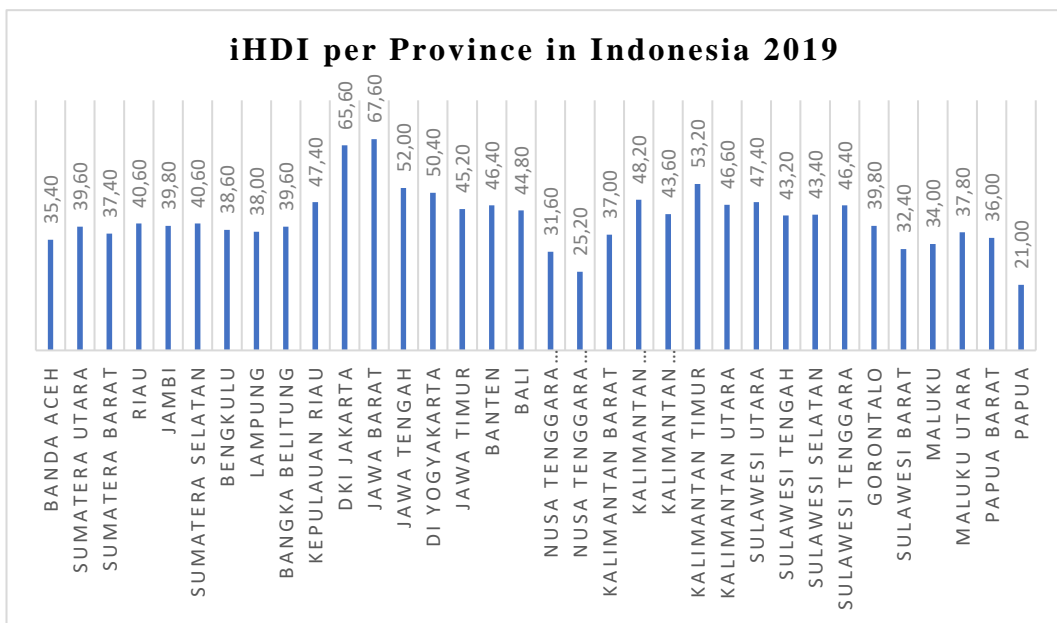


Figure 4.4 - iHDI per Province 2019

Source: processed data

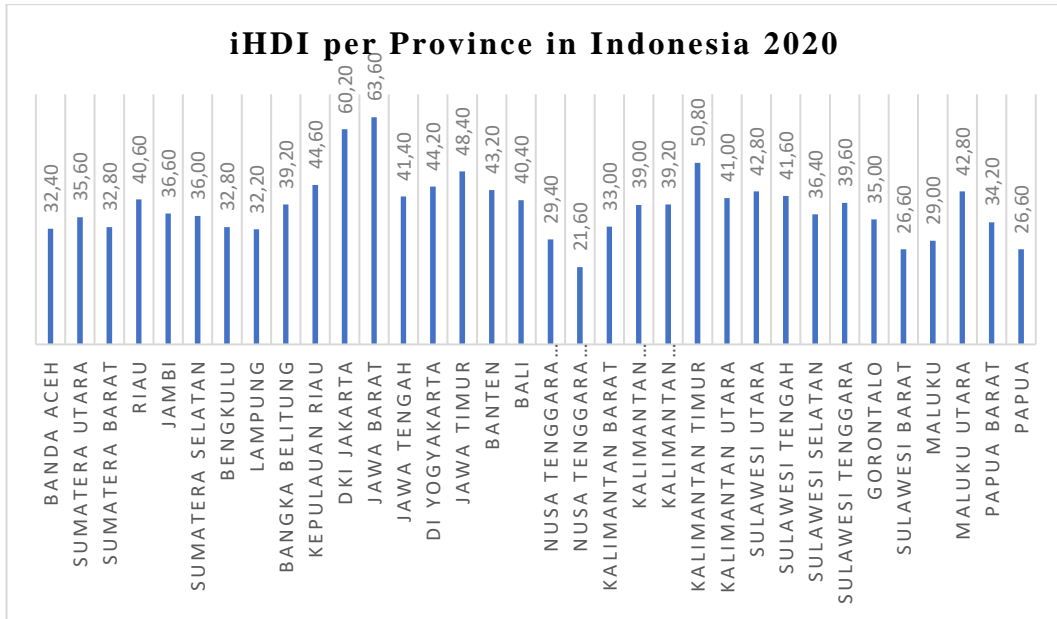


Figure 4.5 - iHDI per Province 2020

Source: processed data

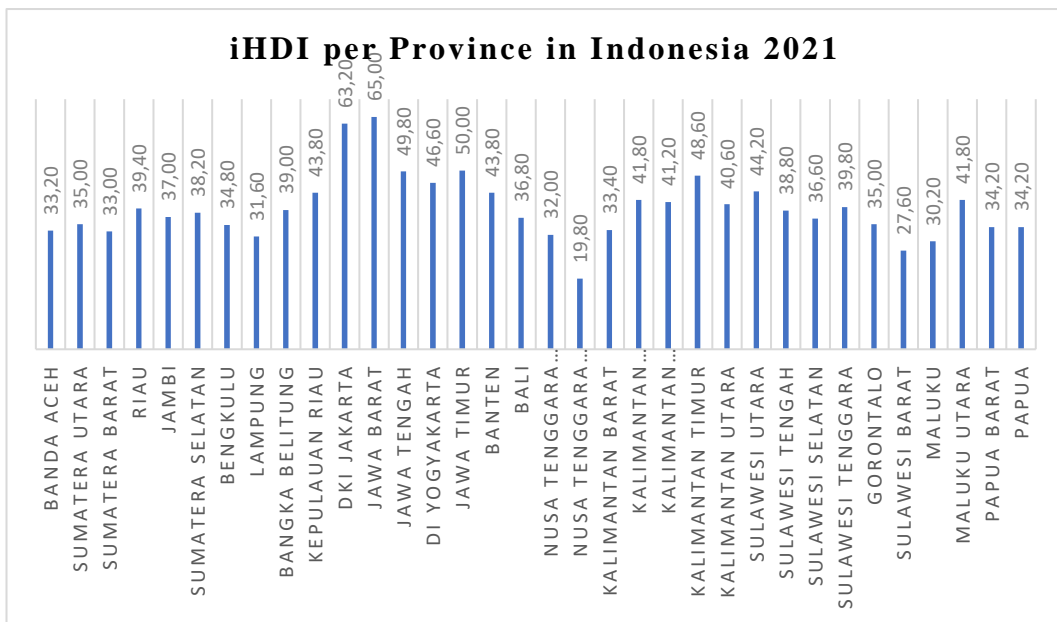


Figure 4.6 - iHDI per Province 2021

Source: processed data

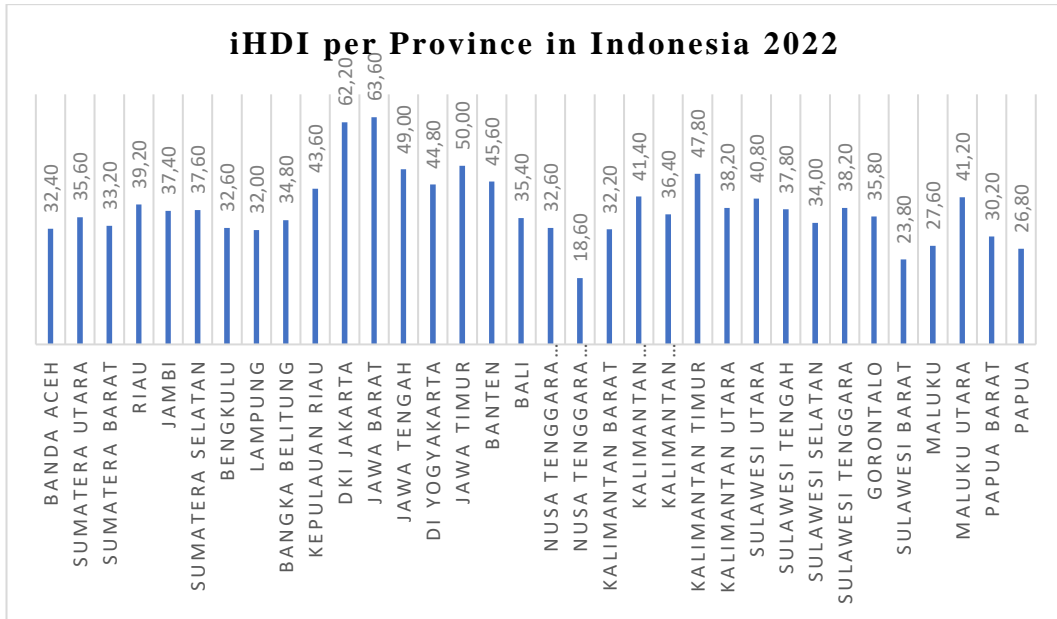


Figure 4.7 - iHDI per Province 2022

Source: processed data

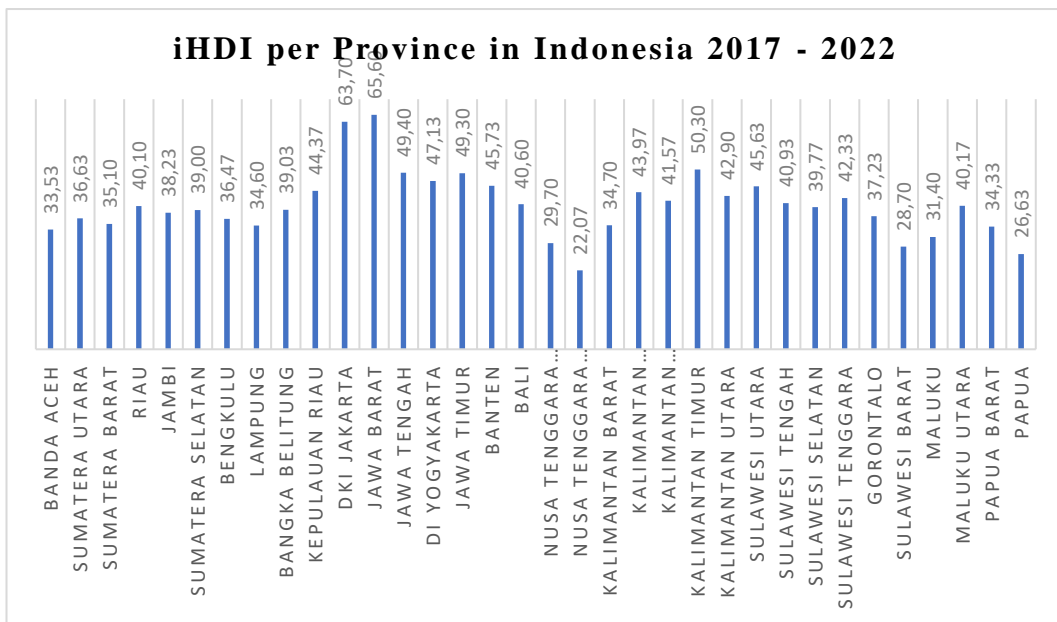


Figure 4.8 - iHDI per Province 2017 - 2022

Source: processed data

Table 4.2 - Indonesia iHDI Value by Province

	Province	Value
1.	Jawa Barat	65.60
2.	DKI Jakarta	63.70
3.	Kalimantan Timur	50.30
4.	Jawa Tengah	49.40
5.	Jawa Timur	49.30
6.	DI Yogyakarta	47.13
7.	Banten	45.73
8.	Sulawesi Utara	45.63
9.	Kepulauan Riau	44.37
10.	Kalimantan Tengah	43.97
11.	Kalimantan Utara	42.90
12.	Sulawesi Tenggara	42.33
13.	Kalimantan Selatan	41.57
14.	Sulawesi Tengah	40.93
15.	Bali	40.60
16.	Maluku Utara	40.17
17.	Riau	40.10
18.	Sulawesi Selatan	39.77
19.	Bangka Belitung	39.03
20.	Sumatera Selatan	39.00
21.	Jambi	38.23
22.	Gorontalo	37.23
23.	Sumatera Utara	36.63
24.	Bengkulu	36.47
25.	Sumatera Barat	35.10
26.	Kalimantan Barat	34.70
27.	Lampung	34.60
28.	Papua Barat	34.33
29.	Banda Aceh	33.53
30.	Maluku	31.40
31.	Nusa Tenggara Barat	29.70
32.	Sulawesi Barat	28.70
33.	Papua	26.63
34.	Nusa Tenggara Timur	22.07
	INDONESIA	40.32

Source: data processed by author

The Table 4.2 shows data on the Islamic Human Development Index by 34 provinces in Indonesia for 2017 – 2022. It can be seen that only two provinces; (1.) Jawa Barat with a value of 65.60 and (2.) DKI Jakarta with a value of 63.70 were classified as *Middle standard* ($61 \leq x < 70$). This showed that these two provinces have a high level of welfare as measured based on iHDI calculation which includes preservation of religious dimension (*dien*), physical health dimension (*nafs*),

education dimension (*aql*), lineage dimension (*nasl*), and wealth dimensions (*maal*). The other 32 provinces were included in the *Low standard* (< 60) of iHDI value. Therefore, on these conclusions, it can be categorized that Indonesia is in a low category when calculated in general with a value of 40.32.

4.1.1.1 Islamic Human Development Index Based on Dimensions

a. Hifdzu Dien

To measure the dimensions of *Hifdzu Dien*, a religious index was formed with the total Muslim population in each province and the national zakat index data. The data used were collected from Kementerian Agama and Pusat Kajian Strategis Badan Amil Zakat Nasional through the years of 2017 – 2022. This can be seen in the presentation of the provincial religious dimension index box, from Figure 4.9, it can be seen Jawa Barat (100) province rank first, followed by Jawa Timur (73.25) and Jawa Tengah (71.08) province. This showed that these provinces had good performance in strengthening the religious dimension through worship indicator as in the total Muslim population in each province and the national zakat index. Meanwhile, Bali (0.71), Nusa Tenggara Timur (0.63), and Kalimantan Utara (0.00) had the lowest values.

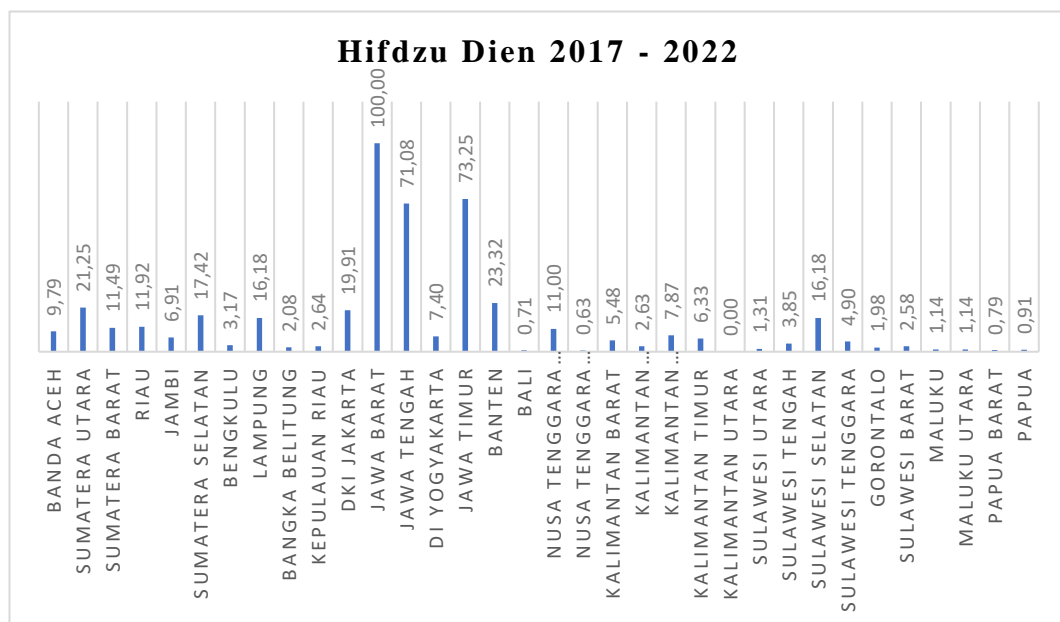


Figure 4.9 - Hifdzu Dien Index per Province during 2017 – 2022

Source: processed data

Jawa Barat (100) as the province that had the highest index on the *Hifdzu Dien* variable, seen in the number of Muslims population with an average of 45,093,724 people and had a national zakat index of 0.63, only lagging behind the province Banten and Nusa Tenggara Barat which had the highest national zakat index of 0.67. While Kalimantan Utara (0.00) as the province with the lowest index value on the *Hifdzu Dien* variable. The number of Muslims population in Kalimantan Utara with an average of 487,686, only higher than Papua Barat (448,215) and Bali (428,015) with the least Muslims population. Kalimantan Utara's national zakat index is also in the lowest tenth position with only 0.47.

b. *Hifdzu Nafs*

To measure the dimensions of *Hifdzu Nafs* was formed with indicators of expenditure per capita for food and non-food. To represent the preservation of physical health, it can be seen from the ability to meet food and non-food needs. The preservation of physical health is represented by the expenditure per capita figure, if the number was high it can be said that people's lives are quite prosperous.

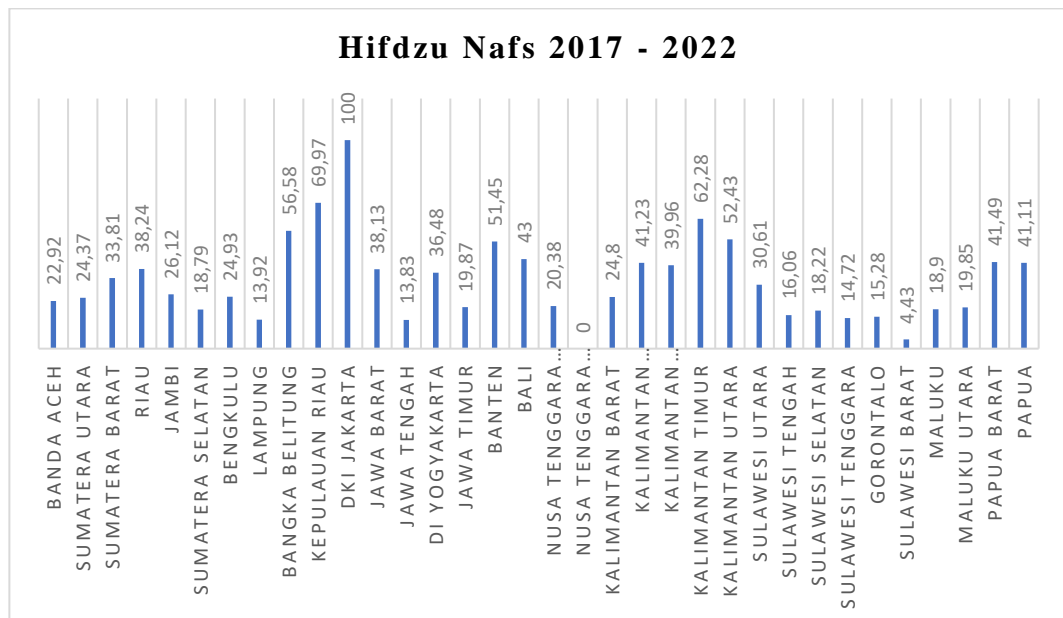


Figure 4.10 - *Hifdzu Nafs* Index per Province during 2017 – 2022

Source: processed data

In Figure 4.10 shows that DKI Jakarta (100) ranks first, followed by the Kepulauan Riau (69.97) in second place and Kalimantan Timur (62.28) in third

place. This shows that DKI Jakarta has the best performance, especially in meeting the basic needs of its people. The average per capita expenditure in both villages and urban areas per month issued by residents of the DKI Jakarta province is IDR 909,447.262 for food and IDR 1,353,560.266 for non-food. Meanwhile, Sulawesi Barat (4.43) which the second lowest and Nusa Tenggara Timur (0.00) which ranked the lowest in meeting the food and non-food needs of their people. The average per capita expenditure in both villages and urban areas per month issued by residents of the province of Nusa Tenggara Timur is IDR 444,824,232 for food and IDR 350,029,548 for non-food.

c. Hifdzu Aql

To measure the *Hifdzu Aql* (preservation of education) dimension, a sense index was formed with indicators of the average length of school years and literacy rate. These two indicators were deemed sufficient to represent the iHDI calculation as a measuring tool for knowledge, welfare, and community problems. Without knowledge, humans cannot properly understand the meaning of life and will experience difficulties in dealing with the times.

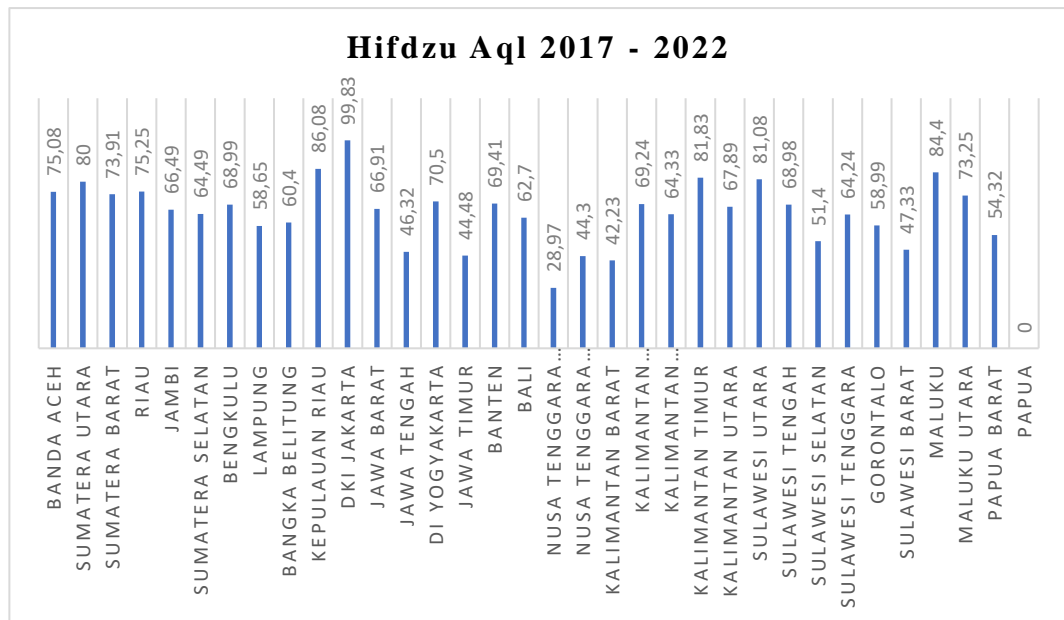


Figure 4.11 - Hifdzu Aql Index per Province during 2017 – 2022

Source: processed data

The *Hifdzu Aql* indicator value in this case is occupied by DKI Jakarta (99.83), followed by Kepulauan Riau (86.08) in second place and Maluku (84.40) in third place. This showed the progress of education in DKI Jakarta was very rapid. The average length of school years in DKI Jakarta reaches 11.12 years, which is almost touching the 12 years of school years-mark according to the compulsory education program launched by the Indonesian government. DKI Jakarta's literacy rate also reached 99.71, only lagging behind Sulawesi Utara with 99.81. While the lowest point were occupied by Nusa Tenggara Barat (28.97) and Papua (0.00). Papua as rank the lowest in *Hifdzu Aql* variable only had the average of 6.65 years in length of school years and the literacy rate also place as the lowest with only reached 77.78.

d. *Hifdzu Nasl*

To measure the dimensions of *Hifdzu Nasl*, an index of life expectancy and marriage rates was formed. This indicator was used to measure the dimensions of lineage, these indicators show that Islam really takes care of well-educated children and is in a healthy family environment. Where in Islamic education one indicator of character formation is from the family. Thus, it can be concluded that if the marriage rate is low, there will be many good children born from intact families.

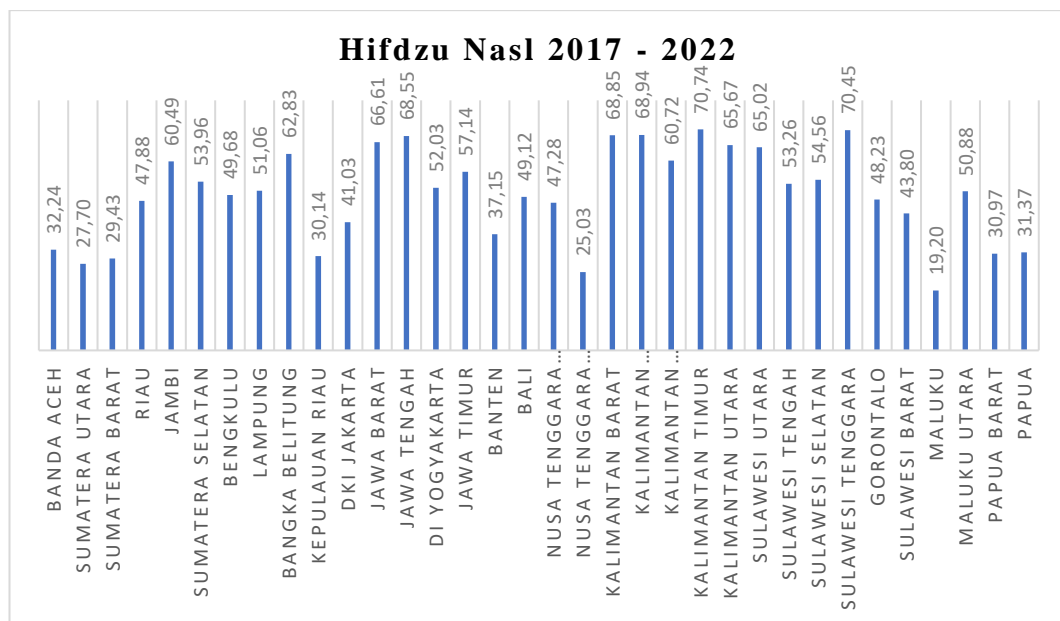


Figure 4.12 - *Hifdzu Nasl* Index per Province during 2017 – 2022

Source: processed data

The value of the lineage dimension, in this case, is occupied by Kalimantan Timur (70.74) in the first place, followed by Sulawesi Tenggara (70.45) in the second place, and Kalimantan Tengah (68.94) in the third place. Kalimantan Timur had an average life expectancy of 74.28 years, only lagging behind DI Yogyakarta with 74.96 years and Jawa Tengah 74.34 years. While for the average marriage rate, Kalimantan Timur had the average of 10.91% in the last 6 years. Meanwhile, the provinces with the lowest *Hifdzu Nasl* index value were occupied by Sumatera Utara (27.70), Nusa Tenggara Timur (25.03), and Maluku (19.20). Maluku has an average life expectancy of 65.93 years and an average marriage rate of 7.85% in the last 6 years.

e. Hifdzu Maal

To measure the *Hifdzu Maal*, a wealth index was formed with the indicator of economic growth rate and the gini ratio. These indicators represent the description of Hifdzu Maal in which people's welfare can also be measured by how well they meet their basic needs, especially their primary needs.

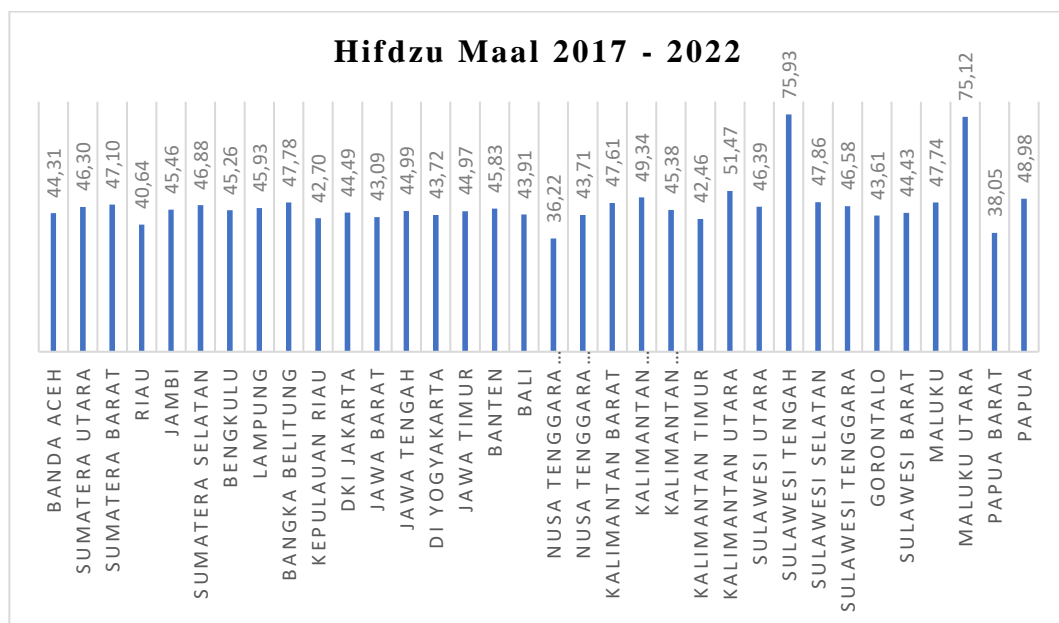


Figure 4.13 - Hifdzu Maal Index per Province during 2017 – 2022

Source: processed data

Based on the value from Figure 4.13, the highest value is occupied by Sulawesi Tengah (75.93) followed by Maluku Utara (75.12), and Kalimantan Utara (51,47).

While the lowest ranks were obtained by the provinces of Riau (40.64), Papua Barat (38.05), and Nusa Tenggara Barat (36.22). Sulawesi Tengah as the province with the highest value of *Hifdzu Maal* variable had the average economic growth rate 11.38% and the gini ratio 0.33. While Nusa Tenggara Barat as the province with the lowest value of *Hifdzu Maal* variable had the average economic growth rate of 1.35% with the average of gini ratio 0.38. The lower gini ratio indicates a higher and more even distribution of income in each province.

4.1.2 Unemployment in Indonesia in 2017 – 2022

Unemployment is a term for people who are currently not working, are looking for work or really don't have a decent job at all. Unemployment is often an economic problem because unemployment will reduce people's productivity and income. If unemployment in a country is high enough, this will hinder the achievement of economic development goals. Open Unemployment Rate (OUR) is a number that shows the amount of unemployed in relation to the labor force. In the following, the author presents the condition of unemployment in Indonesia in 2017 – 2022.

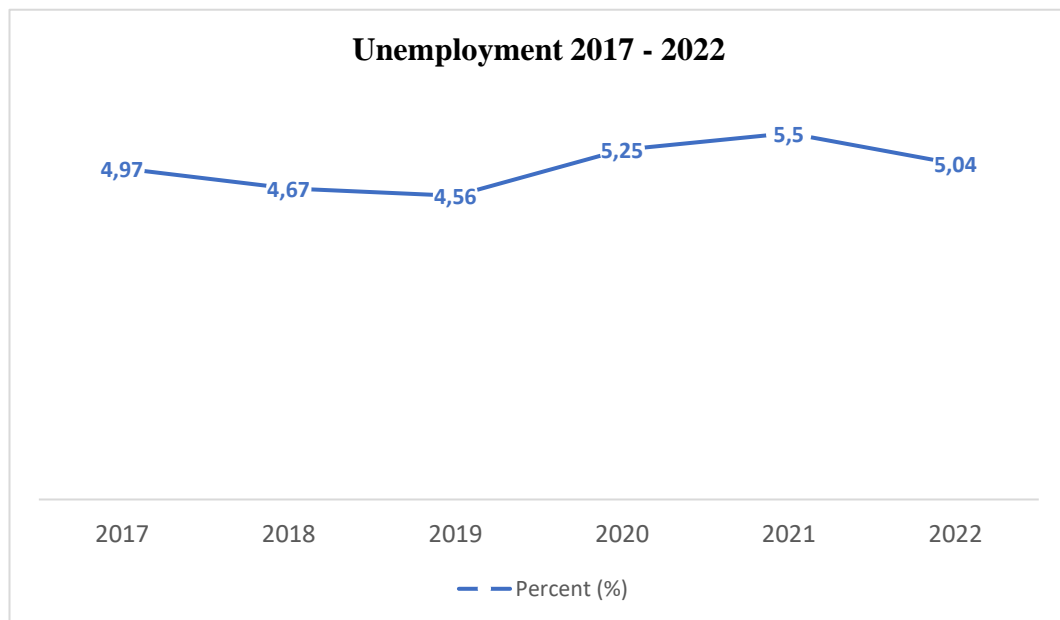


Figure 4.14 - Unemployment in Indonesia during 2017 – 2022

Source: processed data

Based on the Survei Angkatan Kerja Nasional (Sakernas) released in August 2022, there were the amount of 143.72 million people, as an increase of 3.57 million people if we compared to August 2021. The participation rate of labor force as an estimate of the active labor force of an economy increased by 0.83% points. Meanwhile, the number of workers was 135.30 million people, as an increase of 4.25 million people from August 2021. The jobs that experienced the largest increase were in the agriculture, forestry, and fisheries sectors (1.57 million people). Only the drinking water, recycling sectors, and waste management experienced a decrease of 0.05 million people.

According to BPS, there are 4.15 million people (1.98%) of the working age population was affected by Covid-19. This number consists of unemployment due to Covid-19 (0.24 million people); temporarily unemployed due to Covid-19 (0.11 million people); not entering the work force due to Covid-19 (0.32 million people); and the working population who experienced reduced working hours due to Covid-19 (3.48 million people). After the pandemic, according to Kementerian Ketenagakerjaan Republik Indonesia, in August 2022 the number of unemployed who were temporarily not working and experiencing reduced of working hours due to Covid-19 dropped significantly, namely only 4.42 million people.

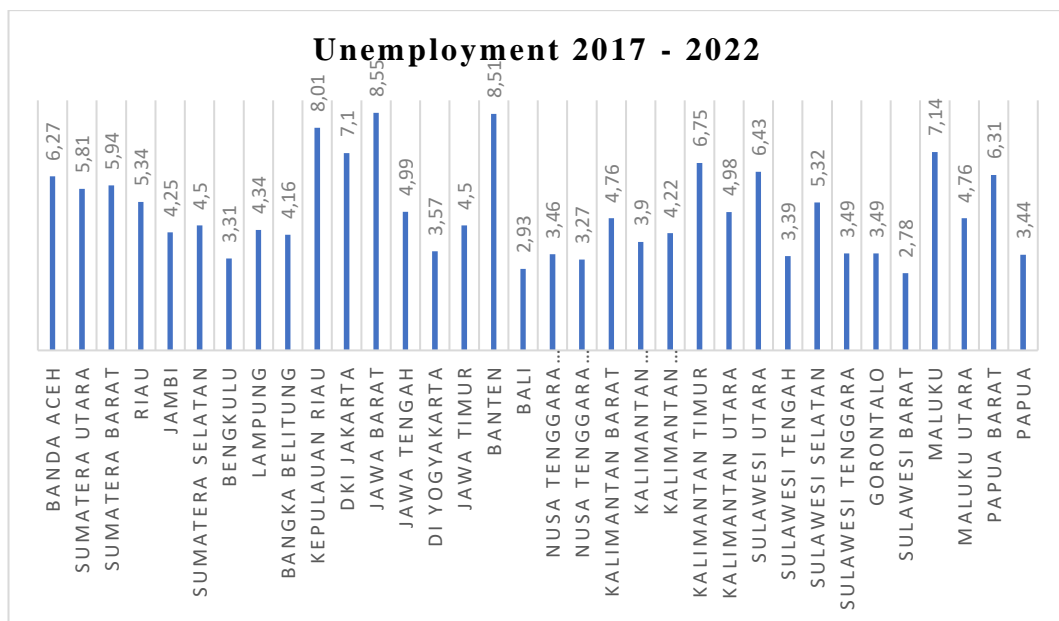


Figure 4.15 - Unemployment per Province during 2017 – 2022

Source: processed data

From the Figure 4.14, it can be seen that Jawa Barat province has the highest unemployment rate in the 2017 - 2022 period of 8,55%. This is in accordance with data released by Official Statistics News, BPS (November 2022), which stated 2.13 million people in Jawa Barat were declared unemployed. Followed by the Banten province with 8,51% and Kepulauan Riau with 8,01%. While Sulawesi Barat with 2,78% has the lowest unemployment rate in the 2017 – 2022. Then, it followed by Bali with 2,93% of unemployment rate.

4.1.3 Poverty in Indonesia in 2017 – 2022

Poverty means a condition in which humans are unable to meet their basic needs for survival or standard of living. The poverty rate in Indonesia was quite fluctuating, as can be seen that this figure had increased in 2016 – 2017 and started to improve in 2019 – 2020. In 2018, data released by BPS recorded 10.71% of the poor. The number of poor people in all province in Indonesia decreased by 0.36% and became 10.35% in 2019. The Covid-19 pandemic in 2020 made the condition of poverty in the world worsen. Indonesia was struggling to deal with spikes in poverty during the pandemic, experienced an increase in the poverty rate from 10.35% in 2019 to 10.62% in 2020, 10.59% in 2021, and 10.27% 2022.

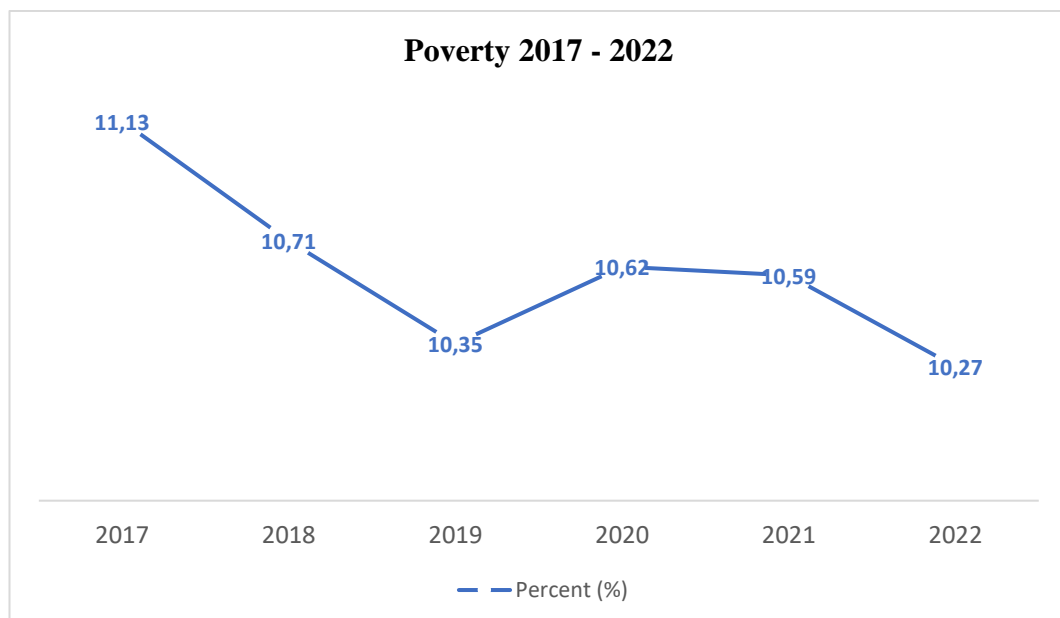


Figure 4.16 - Poverty in Indonesia during 2017 – 2022

Source: processed data

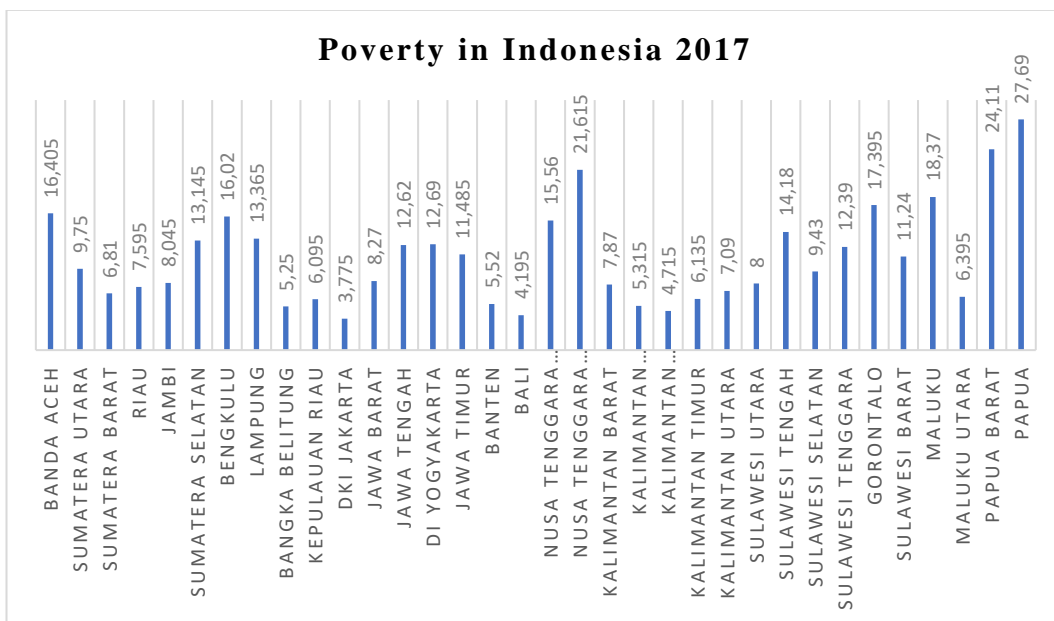


Figure 4.17 - Poverty in Indonesia 2017

Source: processed data

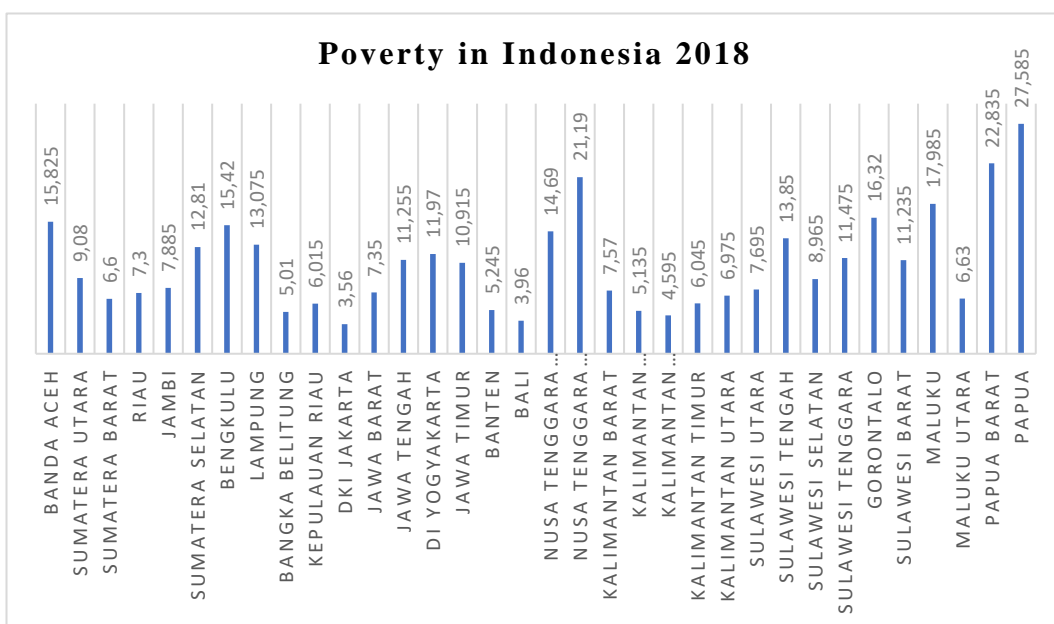


Figure 4.18 - Poverty in Indonesia 2018

Source: processed data

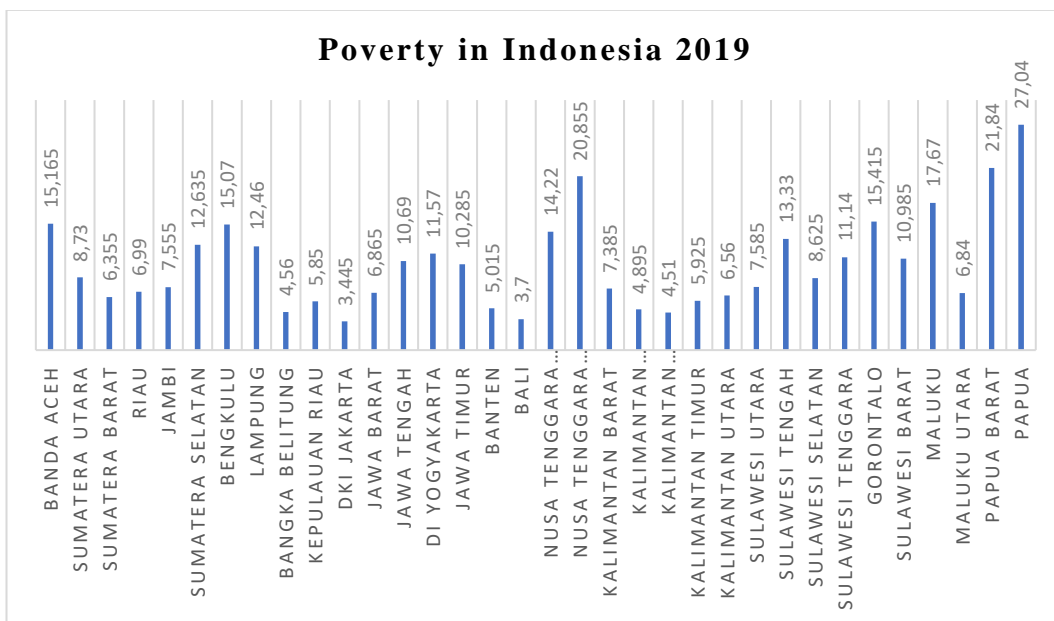


Figure 4.19 - Poverty in Indonesia 2019

Source: processed data



Figure 4.20 - Poverty in Indonesia 2020

Source: processed data



Figure 4.21 - Poverty in Indonesia 2021

Source: processed data



Figure 4.22 - Poverty in Indonesia 2022

Source: processed data

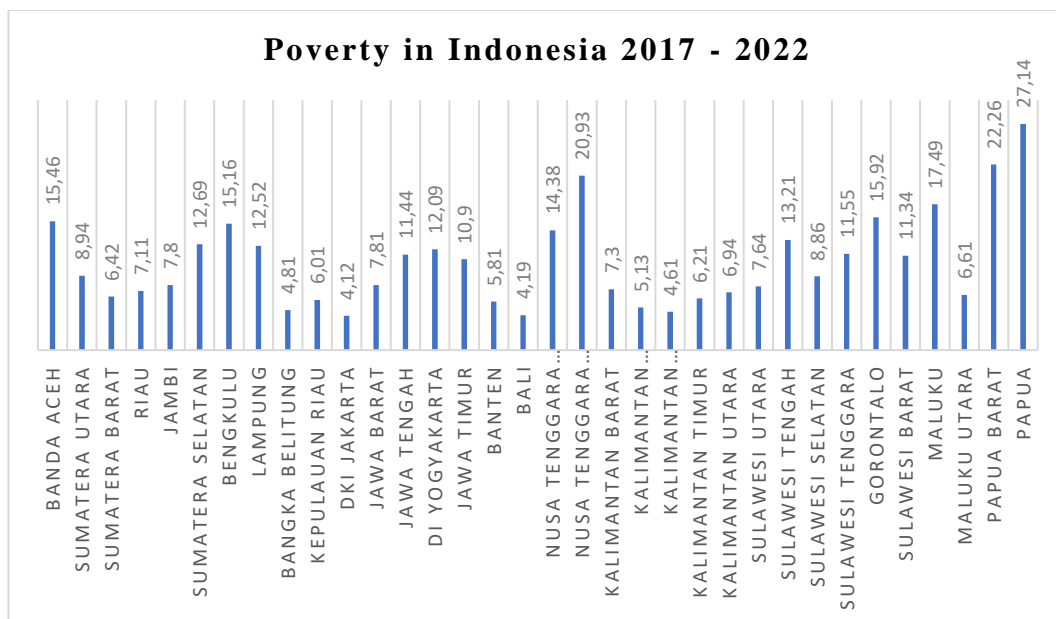


Figure 4.23 - Poverty per Province during 2017 – 2022

Source: processed data

Based on Figure 4.24, it can be seen that Papua province has the highest poverty rate in the 2017 - 2022 period with 27.14%, followed by Papua Barat with 22.26%, and Nusa Tenggara Timur with 20.93%. While DKI Jakarta has the lowest poverty rate in the 2017 - 2022 period with 4.12 and followed by Bali with 4.19%. Then after entering the post-Covid-19 pandemic era, according to data released of all province in Indonesia by BPS, poverty conditions in Indonesia are still quite high. The increase in the price of staple goods is one of the main factors for the increase in the number of poor people in the country. The price increase was triggered by fluctuating price groups and fixed prices. As a result, it has an impact on increasing the burden of public spending.

4.2 Results

4.2.1 Panel Data Effect Result

The important thing before running the panel data is to determine which model is best suited for the estimation. The models used whether Common Effect Model (CEM), Fixed Effect Model (FEM), or Random Effect Model (REM). The technique used is the Chow Test to choose between the CEM or FEM. While the Hausmann Test is used to choose between the FEM and REM which are the best in

estimating panel data regression (Gujarati, 2009). The regression equation for this research as followed below:

$$Y_POV = \alpha_i + X1_DIEN + X2_NAFS + X3_AQL + X4_NASL + X5_MAAL + Z_UNEMP + \text{eit} \quad (20)$$

4.2.2 Chow and Hausman Test Result

4.2.2.1 Chow Test

The Chow test is to compare the Common and Fixed Effect Model. If the probability value is < 10%, the H0 will be rejected.

H0 : Common Effects Model (CEM)

H1 : Fixed Effects Model (FEM)

Table 4.3 - Chow Test Result

Effects Test	Statistic	d.f.	Prob.
Cross-section F	345.582325	(33,164)	0.0000
Cross-section Chi-square	868.254651	33	0.0000

Source: Eviews 12 output (processed data)

The result shows the Prob. is (0.0000) which is lower than 10%, this means H0 is rejected and H1 is accepted thus Fixed Effect Method (FEM) is the suitable model.

4.2.2.2 Hausmann Test

The Hausmann Test is used to choose between the Fixed Effect and Random Effect Models which are the best in estimating panel data regression. If the probability value < 10%, the H0 will be rejected.

H0 : Random Effects Model (REM)

H1 : Fixed Effects Model (FEM)

Table 4.4 - Hausmann Test Result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	50.414702	6	0.0000

Source: Eviews 12 output (processed data)

The result shows the Prob. is (0.0000) which is lower than 10%, this means H0 is rejected and H1 is accepted thus Fixed Effect Method (FEM) is the suitable model.

4.2.3 Classic Assumption Test

Before running out the multiple regression analysis and testing the hypothesis, it is necessary to carry out several classical assumption tests which aim to find out whether the regression model used is free from several assumptions of deviations, consistent, and not biased.

4.2.3.1 Normality Test

The Normality Test is needed when the number of observations is less than 30, if the number of observations is more than 30 then the normality test can be ignored. In this research we used 204 samples, therefore the Normality Test did not need to be performed.

4.2.3.2 Multicollinearity Test

The Multicollinearity Test results can be seen in this Table 4.5 below.

Table 4.5 - Multicollinearity Test

	X1_DIEN	X2_NAFS	X3_AQL	X4_NASL	X5_MAAL	Z_UNEMP
		-	-			-
		0.05815172	0.08368019	0.23647462	0.14463962	0.31604712
X1_DIEN	1	4471906	409177828	30095975	37899994	65427483
	-				-	-
	0.05815172		0.41478672	0.02632379	0.07574726	0.45999150
X2_NAFS	4471906	1	1547966	389971191	408614468	98064249
	-				-	-
	0.08368019	0.41478672		0.02549957	0.13238621	0.48198489
X3_AQL	409177828	1547966	1	974006008	03612431	19667065
	-					-
	0.23647462	0.02632379	0.02549957		0.04813561	0.18833461
X4_NASL	30095975	389971191	974006008	1	277266035	73636743
	-					-
	0.14463962	0.07574726	0.13238621	0.04813561		0.00719205
X5_MAAL	37899994	408614468	03612431	277266035	1	1234489281
	-					-
	0.31604712	0.45999150	0.48198489	0.18833461	0.00719205	
Z_UNEMP	65427483	98064249	19667065	73636743	1234489281	1

Source: Eviews 12 output (processed data)

From Table 4.5, the results concluded there are no multicollinearity symptoms between the independent variables. This is because the correlation value between the independent variables is lower than 0.90 (Ghozali, 2016).

4.2.3.3 Autocorrelation Test

The Autocorrelation Test was performed on time series data. This research used panel data, thus the Autocorrelation Test did not need to be performed.

4.2.3.4 Heteroscedasticity Test

Prob. value are higher than 0.1, thus all the indicators pass the Heteroscedasticity Test. From this test we know that all the indicators don't have the heteroscedasticity. The Heteroscedasticity Test results can be seen in this Table 4.6 below.

Table 4. 6 - Heteroscedasticity Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.124378	0.047127	2.639189	0.0091
X1_DIEN	0.012961	0.017683	0.732947	0.4646
X2_NAFS	-0.047079	0.030744	-1.531343	0.1276
X3_AQL	-0.097055	0.068196	-1.423176	0.1566
X4_NASL	-0.052673	0.017307	-3.043522	0.0027
X5_MAAL	-0.012148	0.006115	-1.986567	0.0486
Z_UNEMP	-0.006830	0.008527	-0.800924	0.4243

Source: Eviews 12 output (processed data)

Based on the Table 4.6, the *Hifdzu Nasl* variable (X4_NASL) and *Hifdzu Maal* (X5_MAAL) had heteroscedasticity because the prob value were 0.0027 and 0.0486 which were lower than 0.1 (10%). Because there was found to be heteroscedasticity in one of the variables, a residual graph was used to see if there was still heteroscedasticity or not.

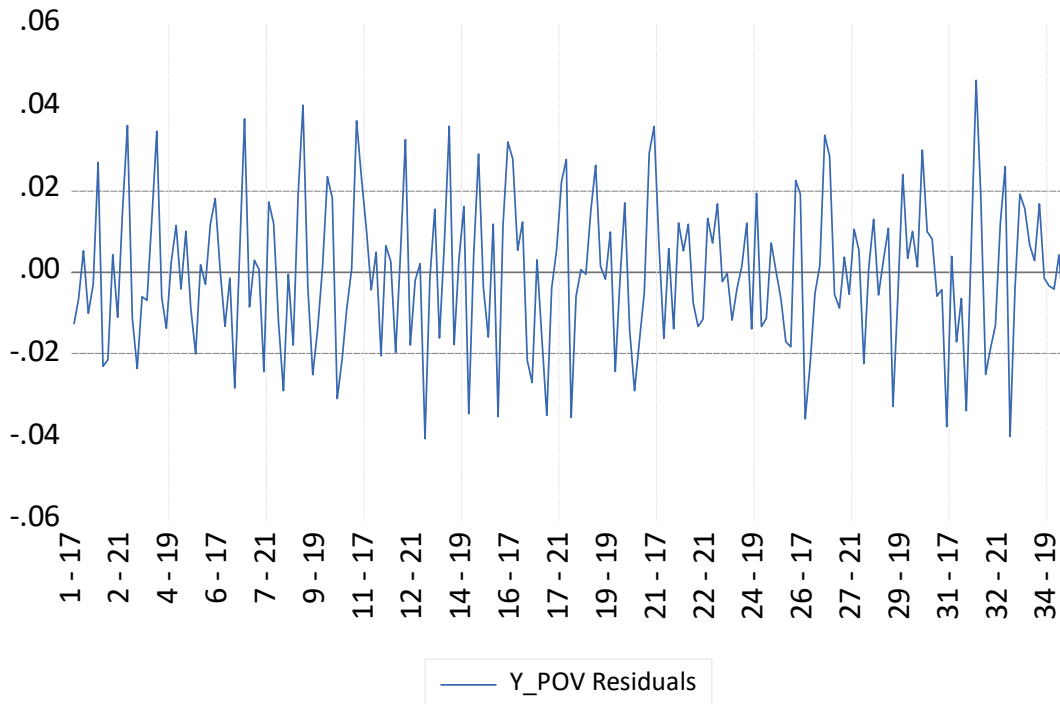


Figure 4.24 - Residual Graph

Source: processed data

From the Figure 4.24 (residual graph, blue), it can be seen that it does not cross the limits (500 and -500), meaning that the residual variance was the same. Therefore, there were no symptoms of heteroscedasticity found (Napitupulu et al., 2021).

4.2.4 The Regression Result (Fixed Effect Model)

Multiple linear regression is a linear regression with one dependent variable and several independent variables. The Regression Test results can be seen in this Table 4.7 below.

Table 4.7 - Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.871142	0.089639	9.718318	0.0000
X1_DIEN	0.001864	0.033634	0.055427	0.9559
X2_NAFS	-0.028363	0.058476	-0.485037	0.6283
X3_AQL	-0.242103	0.129714	-1.866437	0.0638
X4_NASL	-0.059406	0.032918	-1.804642	0.0730
X5_MAAL	-0.050556	0.011631	-4.346694	0.0000
Z_UNEMP	0.101592	0.016220	6.263535	0.0000

Root MSE	0.017596	R-squared	0.994488
Mean dependent var		Adjusted R-squared	0.993177
var	0.715196	S.E. of regression	0.019624
S.D. dependent var	0.237583	Sum squared resid	0.063159
Akaike info criterion	-4.850184	Log likelihood	534.7187
Schwarz criterion	-4.199572	F-statistic	758.6999
Hannan-Quinn criter.	-4.586999	Prob(F-statistic)	0.000000
Durbin-Watson stat	1.383473		

Source: Eviews 12 output (processed data)

$$Y_POV = 0.871142 + 0.001864 X1_DIEN - 0.028363 X2_NAFS - 0.242103 X3_AQL - 0.059406 X4_NASL - 0.050556 X5_MAAL + 0.101592 Z_UNEMP + eit$$

1. The constant value 0.873877785572 means that without the X1_DIEN, X2_NAFS, X3_AQL, X4_NASL, X5_MAAL, and Z_UNEMPL variables, the Y_POV variable will increase by 87%.
2. The coefficient value of X1_DIEN variable is -0.001864, if the other variables are constant and the X1_DIEN variable increases by 1%, then the Y_POV variable will increase by 0.18%. If the other variables are constant and the X1_DIEN variable has decreased by 1%, then the Y_POV variable will decrease by 0.18%.
3. The coefficient value of X2_NAFS variable is -0.028363, if the values of other variables are constant and the X2_NAFS variable increases by 1%, then the Y_POV variable will decrease by 2.8%. If the other variables are constant and the X2_NAFS variable has decreased by 1%, then the Y_POV variable will increase by 2.8%.
4. The coefficient value of X3_AQL variable is -0.242103, if the other variables are constant and the X3_AQL variable increases by 1%, then the Y_POV variable will decrease by 24%. If the other variables are constant and the X3_AQL variable has decreased by 1%, then the Y_POV variable will increase by 24%.
5. The coefficient value of X4_NASL variable is -0.059406, if the other variables are constant and the X4_NASL variable increases by 1%, then the Y_POV

variable will decrease by 5.9%. If the other variables are constant and the X4_NASL variable decreases by 1%, then the Y_POV variable will increase by 5.9%.

6. The coefficient value of X5_MAAL variable is -0.050556, if the values of other variables are constant and the X5_MAAL variable increases by 1%, then the Y_POV variable will decrease by 5%. If the other variables are constant and the X5_MAAL variable decreases by 1%, then the Y_POV variable will increase by 5%.
7. The coefficient value of Z_UNMPL variable is 0.101592, if the other variables are constant and the Z_UNMPL variable increases by 1%, then the Y_POV variable will increase by 10%. If the other variables are constant and the Z_UNMPL variable had decreased by 1%, then the Y_POV variable will decrease by 10%.

4.2.5 Hypothesis Testing

Hypothesis testing is also called a confirmation of data analysis. The decision from hypothesis testing is almost always made on the basis of testing the null hypothesis, which if it rejects the null (0) hypothesis, accepts the alternative hypothesis.

4.2.5.1 T Test (Partial Test)

T Test conducted to test the research hypothesis regarding the partially effect of each independent variable on the dependent variable. If the probability is lower than (<) 0.05, there is an influence between the independent variables on the dependent variable partially. If the probability is higher than (>) 0.1 (10%), there is no significant effect of each independent variable on the dependent variable. The T Test results can be seen in this Table 4.8 below.

Table 4.8 - T Test (Partial Test) Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.871142	0.089639	9.718318	0.0000
X1_DIEN	0.001864	0.033634	0.055427	0.9559
X2_NAFS	-0.028363	0.058476	-0.485037	0.6283
X3_AQL	-0.242103	0.129714	-1.866437	0.0638
X4_NASL	-0.059406	0.032918	-1.804642	0.0730
X5_MAAL	-0.050556	0.011631	-4.346694	0.0000

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Z_UNEMP	0.101592	0.016220	6.263535	0.0000

Source: Eviews 12 output (processed data) 204

From the output obtained, with a T table value of -1.285756602, it can be concluded:

1. The t test on X1_DIEN variable obtained a value of 0.055427 < t table - 1.285756602) and prob. 0.9559 > 0.1 (10%) then H0 is accepted and H1 is rejected, meaning the X1_DIEN variable has no impact on poverty (Y_POV).
2. The t test on X2_NAFS variable obtained a value of -0.485037 < t table - 1.285756602) and prob. 0.6283 > 0.1 (10%) then H0 is accepted and H1 is rejected, meaning the X2_NAFS variable has no impact on poverty (Y_POV).
3. The t test on X3_AQL variable obtained a value of -1.866437 > t table - 1.285756602) and prob. 0.0638 < 0.1 (10%) then H1 is accepted and H0 is rejected, meaning that the X3_AQL variable has an impact on poverty (Y_POV).
4. The t test on X4_NASL variable obtained a value of -1.804642 > t table - 1.285756602) and prob. 0.0730 < 0.1 (10%) then H1 is rejected and H0 is accepted, meaning the X4_NASL variable has an impact on poverty (Y_POV).
5. The t test on on X5_MAAL variable obtained a value of -4.346694 > t table - 1.285756602) and prob. 0.0000 < 0.1 (10%) then H1 is rejected and H0 is accepted, meaning that the X5_MAAL variable has an impact on poverty (Y_POV).
6. The t test on Z_UNEMP variable obtained a value of 6.263535 > t table - 1.285756602) and prob. 0.0000 < 0.1 (10%) then H1 is rejected and H0 is accepted, meaning that the Z_UNEMP variable has an impact on poverty (Y_POV).

4.2.5.2 F Test (Simultaneous Test)

The F Test is to determine the impact of the independent variables on the dependent variable if tested simultaneously.

Table 4.9 - F Test (Simultaneous Test) Result

F-statistic	758.6999
Prob(F-statistic)	0.000000

Source: Eviews 12 output (processed data)

From the output obtained, F count 758.6999 > F table (1.876583194) and sig. 0.000000 < 0.1 (10%) then H0 is rejected and H1 is accepted, meaning that all variables (X1_DIEN, X2_NAFS, X3_AQL, X4_NASL, X5_MAAL, and Z_UNEMP) had an impact on Y_POV in Indonesia.

4.2.5.3 Coefficient Determination Test (Adjusted R-squared)

Coefficient Determination Test is a value that shows how much the independent variable affects the dependent variable.

Table 4.10 - Determination Coefficient Test Result

Adjusted R-squared 0.993177

Source: Eviews 12 output (processed data)

The Adjusted R-squared value shown is 0.993177 or 99.3%. From the coefficient of determination result showed that the independent variables consist of X1_DIEN, X2_NAFS, X3_AQL, X4_NASL, X5_MAAL, and Z_UNEMP were able to explain the Y_POV (poverty) variable in Indonesia by 99.3%. While the other 0.7% was explained by other variables which not used and included in this research.

4.3 Indonesia's iHDI Value 2017 – 2022

The results of this research show that the impact of iHDI is proven by the regression results with the Fixed Effect Model (FEM). Without iHDI, the poverty rate in Indonesia could increase by up to 87%. This also shows that the hypothesis if Islamic Human Development Index (iHDI) based on *maqashid sharia* can influenced the poverty in Indonesia. In this case, Islam also contributes to the welfare of its people, not only welfare but also *maslahah* (benefit, kindness) and *falah* (happiness) both in this world and in the hereafter.

Furthermore, several indicators used can best explain the effect of iHDI on poverty in Indonesia in 2017 – 2022. From Figure 4.25 showed showed data on the Islamic Human Development Index in Indonesia from 2017 – 2022. It can be seen that in general, Indonesia still in relatively Low standard (<60). Even when viewed on an average basis, it can be categorized that Indonesia is included in the low

category if calculated in general with a value of 40.32. This is possible because it is known that the Islamic Human Development Index (iHDI) was more complete as a benchmark for human development.



Figure 4.25 – Indonesia iHDI 2017 – 2022

Source: processed data

The good quality human beings were the ones who were able to maximize productivity at work and have high work productivity so that they are able to increase their income in an effort to meet their basic needs. However, iHDI had a considerable influence on poverty alleviation in Indonesia. Another thing that is of concern is the use of the term Islamic Human Development Index (iHDI) which is more familiar and has been found in several previous studies, although there are also those who use the term *Maqashid Shariah* index (MSI) as done by Jatmiko (2022).

Some of the causes of poverty are lack of inadequate skills possessed thus increasing the unemployment rate, declining aggregate demand, substitution of human labor for machines, and the inability of industry to compete with other industries. This can be avoided and pursued by improving human development and skills. This is not only in terms of education and health but from other aspects. Allah SWT sent down Islamic law for the benefit and to avoid *harm* (loss). In this case,

the harm or loss in question is poverty. One of the causes of poverty can also come from unemployment due to a lack of human development in terms of religion, physical health, mind or education, and wealth.

The results of the study show that there is a positive relationship between *Hifdzu Dien* and unemployment and poverty in Indonesia. The *Hifdzu Dien* variable (preservation of religion) uses indicators of the number of Muslim populations in each province and the national zakat index. For unemployment as a control variable, the data used is the Open Unemployment Rate (OUR). The positive relationship indicated that if the *Hifdzu Dien* and Unemployment variables increase, the poverty rate will also increase. Meanwhile, the other four variables (*Hifdzu Nafs*, *Hifdzu Maal*, *Hifdzu Nasl*, and *Hifdzu Maal*) had a negative relationship with poverty in Indonesia. This result showed that if the independent variable increases, the poverty rate as the dependent variable will decrease.

4.4 The Impacts of iHDI to Poverty in Indonesia

For the *Hifdzu Dien* variable, the indicators used were the number of Muslim populations in each province and the national zakat index. A study conducted by Panagariya (2014) shows that in nine out of sixteen states where the majority of the population is Muslim, the poverty rate is still above Hindus. Meanwhile, Abdullah (2015) proved that zakat can be used as an indicator because it is able to explain its effectiveness in alleviating poverty and inequality. However, in real-life practice, there are still people who are ignorant about Islamic law and the validity of zakat practices. For example, some people like to purchase low-quality food or clothing for the recipients. These activities unable to be categorized as a pure system of zakat provision and unable to alleviate poverty (Islam, 2023).

Another variable used was *Hifdzu Nafs* variable. Research conducted for by Hidalgo (2017) and Sirag (2021) showed that the expenditure per capita non-food (health and education) sector has a strong long-term effect in reducing the incidence of poverty in adulthood. While research conducted by Nwaka (2020) showed a rise in per capita of food consumption will reduce the likelihood of food insecurity for all households. This result is also supported by research conducted by Faharuddin

(2023) where showed the importance of maintaining food price stability because the higher the price will increase, the greater the impact on poverty.

However, based on the results of the Global Adult Tobacco Survey (GATS, 2021) by the Indonesian Kementerian Kesehatan RI (Ministry of Health), over the last 10 years, there has been an increase in the number of adult smokers by 8.8 million people. Atlas Tobacco Indonesia, as one of the educational media as well as to add insight and facilitate access to information for the public, especially the younger generation, about tobacco and its processed products, in 2020 reported that the poorer the people, the higher the consumption. Cigarettes are ranked second as one of the commodities with the highest expenditure consumed by the poor in Indonesia, exceeding eggs, purebred chicken, granulated sugar, instant noodles, shallots, ground coffee and instant coffee, cobs, bread, cayenne pepper, and cakes. Yet in this case, smoking is not a basic human need (Sari, 2023).

Cigarettes are one of the contributors to poverty because of their high level of consumption. It is known that the price of cigarettes contributes to the poverty factor of 11.38% in rural areas and 12.22% in urban areas. Poor households spend an average of Rp. 286,000 per month to buy cigarettes instead of buying nutritious food for children (Katadata, 14 December 2022), even though children need nutritious food to be healthier. Meanwhile, the results of a study by the Pusat Jaminan Sosial Universitas Indonesia (PKJS-UI) show that an increase in cigarette spending by 1% will increase the likelihood of a household becoming poor by 6%.

For the *Hifdzu Aql* variable, the indicators used were the literacy rate and the average of school years. Several studies conducted to supported this variable were conducted by Pandey (2006), Mulford (2008), and Senadza (2012) which showed the length of school years or the level of one's education level showed a correlation. The length of time at school will give a person enormous benefit to reduce poverty. Dent (2007) also stated that the high literacy rate can be one way to build better economic conditions in a country, in this case, Uganda, to had a small-scale impact on local economic development.

In the *Hifdzu Nasl* variable, the indicators used were life expectancy and marriage rate. Dekkers (2008) identified one of the causes of poverty in Belgium as a result of divorce or widowhood. This result was supported by Ortega-Diaz (2020) who stated that couples who live in free unions were found to be poorer than those who were legally married. Indicating that marriage may help to protect families more than cohabitation laws. While a study from Chetty (2016) found that men and women who are in the bottom 1% income group have a shorter lifespan than men and women who are in the top 1% income group and are expected to live 14.6 and 10.1 years longer. They live shorter lives due to the inability to meet their daily needs due to poverty. This result also supported by Widodo et al. (2021), his research showed there was an influence between life expectancy and poverty.

According to data from World Population Prospects: The 2022 Revision released by the United Nations (UN). Indonesia's population had a relatively low life expectancy compared to neighboring countries. Although life expectancy in Indonesia has increased significantly in recent decades. Based on UN data, in 1960 the median life expectancy at birth in Indonesia was 46.45 years. Then the figure continued to improve, until in 2022 the median will reach 68.25 years. However, when compared to other countries in Southeast Asia, this figure was still considered as low. The UN noted that in 2022 the median life expectancy at birth in Singapore was very high, reaching 84.13 years. Likewise in Thailand, Malaysia, Vietnam, Brunei Darussalam, and the Philippines, where the median life expectancy exceeded 70 years.

The last Islamic Human Development Index (iHDI) used was *Hifdzu Maal*. In this variable, the indicators used were the economic growth rate and gini ratio in a province. According to a research released by Sasmal (2016) showed that economic growth is important for poverty alleviation. Meanwhile, Arkum (2022) through the Journal of Home Affairs Governance, the Bina Praja Journal, stated the gini ratio affect poverty and inequality in income distribution. While Ukpere (2009) conducted research whose results showed that unemployment increases the level of inequality and poverty in society.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 The Impacts of iHDI's Variables to Poverty in Indonesia

The results from this research show there is positive and significant impact of Islamic Human Development Index (iHDI) on poverty in Indonesia during 2017 – 2022. This result is proven by the regression results with the Fixed Effect Model (FEM). Without the iHDI, the poverty rate in Indonesia could increase by up to 87%. This also shows that the hypothesis if iHDI based on *maqashid sharia* can influenced the poverty in Indonesia. In this case, Islam also contributes to the welfare of its people, not only welfare but also *maslahah* (benefit, kindness) and *falah* (happiness). Furthermore, several indicators used can best explain the effect of iHDI on poverty in Indonesia in 2017 – 2022.

5.1.1 Hifdzu Dien (X1)

For the Hifdzu Dien (preserving religion) variable, the indicators used were the number of Muslim populations in each province and the national zakat index. The initial hypothesis of the author that there is an influence of iHDI variables on poverty in Indonesia in 2017 – 2022. On the Hifdzu Dien variable, this variable showed a positive but not significant impact on poverty in Indonesia. From the result showed that Jawa Barat (100) had best performance in strengthening the religious dimension through worship indicator. Meanwhile Bali (0.71), Nusa Tenggara Timur (0.63), and Kalimantan Utara (0.00) had the lowest values. Jawa Barat as the province that had the highest index on the Hifdzu Dien variable, seen in the number of Muslims population with an average of 45,093,724 (the highest) people and had a national zakat index of 0.63, only lagging behind the province Banten and Nusa Tenggara Barat which had the highest national zakat index of 0.67.

While Kalimantan Utara as the province with the lowest index value on the Hifdzu Dien variable, the number of Muslims population in Kalimantan Utara with an average of 487,686 people, only higher than Papua Barat (448,215) and Bali (428,015) with the least Muslims population. Kalimantan Utara's national zakat index is also in the lowest tenth position with only 0.47.

Zakat even though it can be used as an indicator because it is able to explain its effectiveness in alleviating poverty and inequality. However, in practice, there are still people who are ignorant of Islamic law and the legitimacy of zakat practices. For example, some people like to buy low-quality food or clothing for recipients. This activity cannot be categorized as a pure system of giving zakat and has not been able to eradicate poverty (Islam, 2023).

5.1.2 Hifdzu Nafs (X2)

Next on the Hifdzu Nafs variable (preserving physical health). In this variable, the indicators used are expenditure per capita of food and non-food. The initial hypothesis assumes that the Hifdzu Nafs variable has a negative and significant impact on poverty. However, the results of the study show that this variable has a negative and not significant effect. This means that the lower the per capita expenditure for food and non-food items, the higher the poverty rate. The result showed that DKI Jakarta (100) ranks first, followed by the Kepulauan Riau (69.97) in second place, and Kalimantan Timur (62.28) in third place.

This result showed that DKI Jakarta had the best performance, especially in meeting the basic needs of its people. The average per capita expenditure in both villages and urban areas per month issued by residents of the DKI Jakarta province is IDR 909,447.262 for food and IDR 1,353,560.266 for non-food. Meanwhile, Nusa Tenggara Timur (0.00) which ranked the lowest in meeting the food and non-food needs of their people. The average per capita expenditure in both villages and urban areas per month issued by residents of the province of Nusa Tenggara Timur is IDR 444,824,232 for food and IDR 350,029,548 for non-food.

However, the results of the study showed insignificant results, this could mean that the poor tend to spend their monthly expenses not to meet their basic needs. There was a finding in 2021 by Global Adult Tobacco Survey (GATS) where cigarettes were the second most consumed commodity by the poor, exceeding eggs, purebred chicken, granulated sugar, instant noodles, shallots, ground coffee and instant coffee, cobs, bread, cayenne pepper, and cakes. Yet in this case, smoking is not a basic human need.

5.1.3 Hifdzu Aql (X3)

For the Hifdzu Aql variable (preserving education) the indicators used were the literacy rate and average length of school years. The results of the research showed that there was a negative relationship and significant between the Hifdzu Aql variable and poverty. This showed that the higher the average length of school years and the literacy rate, the lower the poverty rate in Indonesia. From the result is occupied that DKI Jakarta (99.83) province had the highest value, followed by Kepulauan Riau (86.08) in second place, and Maluku (84.40) in third place.

This showed the progress of education in DKI Jakarta was very rapid. The average length of school years in DKI Jakarta reaches 11.12 years, which is almost touching the 12 years of school years-mark according to the compulsory education program launched by the Indonesian government. DKI Jakarta's literacy rate also reached 99.71, only lagging behind Sulawesi Utara with 99.81. While the lowest point were occupied by Nusa Tenggara Barat (28.97) and Papua (0.00). Papua as rank the lowest in Hifdzu Aql variable only had the average of 6.65 years in length of school years and the literacy rate also place as the lowest with only reached 77.78.

5.1.4 Hifdzu Nasl (X4)

Furthermore, for the Hifdzu Nasl variable (preserving lineage), the indicators used are life expectancy rate and marriage rate. The results show that this variable has a negative impact and is not significant. If the life expectancy and marriage rate are higher, it will reduce the poverty rate in Indonesia. The value of the lineage dimension, in this case, is occupied by Kalimantan Timur (70.74) in the first place, followed by Sulawesi Tenggara (70.45) in the second place, and Kalimantan Tengah (68.94) in the third place. Kalimantan Timur had an average life expectancy of 74.28 years, only lagging behind DI Yogyakarta with 74.96 years and Jawa Tengah 74.34 years. While for the average marriage rate, Kalimantan Timur had the average of 10.91% in the last 6 years. Meanwhile, the provinces with the lowest Hifdzu Nasl index value were occupied by Sumatera Utara (27.70), Nusa Tenggara Timur (25.03), and Maluku (19.20). Maluku has an average life expectancy of 65.93 years and an average marriage rate of 7.85% in the last 6 years.

However, the results also show results that are not significant. According to data from World Population Prospects: The 2022 Revision released by the United Nations (UN). Indonesia has a relatively low life expectancy compared among the Southeast Asia's countries with the average life expectancy of 68.25 years. As this stand, Indonesia occupies the second last position, only better than Myanmar in the final position with a life expectancy of 67.26 years.

5.1.5 Hifdzu Maal (X5)

The last variable used is *Hifdzu Maal* variable (preserving of wealth) using economic growth rate and gini ratio as the indicators. This variable shows negative and significant results on poverty in Indonesia. The highest value is occupied by Sulawesi Tengah (75.93) followed by Maluku Utara (75.12), and Kalimantan Utara (51.47). While the lowest ranks were obtained by the provinces of Riau (40.64), Papua Barat (38.05), and Nusa Tenggara Barat (36.22). Sulawesi Tengah as the province with the highest value of *Hifdzu Maal* variable had the average economic growth rate 11.38% and the gini ratio 0.33. While Nusa Tenggara Barat as the province with the lowest value of *Hifdzu Maal* variable had the average economic growth rate of 1.35% with the average of gini ratio 0.38. The lower gini ratio indicates a higher and more even distribution of income in each province.

5.2 Conclusion

From 34 provinces in Indonesia, it can be seen that only two provinces; (1.) Jawa Barat with a value of 65.60 and (2.) DKI Jakarta with a value of 63.70 were classified as Middle standard ($61 \leq x < 70$). This showed that these two provinces have a high level of welfare as measured based on iHDI calculation which includes preservation of religious dimension (*dien*), physical health dimension (*nafs*), education dimension (*aql*), lineage dimension (*nasl*), and wealth dimensions (*maal*). The other 32 provinces were included in the *Low standard* (< 60) of iHDI value. Therefore, on these conclusions, it can be categorized that Indonesia is in a low category when calculated in general with a value of 40.32.

The results of the study showed that there was a positive relationship between *Hifdzu Dien* and unemployment variable to poverty in Indonesia. The *Hifdzu Dien*

variable (preservation of religion) used two indicators of the number of Muslim populations in each province and the national zakat index. For unemployment as a control variable, the data used is the Open Unemployment Rate (OUR). The positive relationship indicated that if the *Hifdzu Dien* and Unemployment variables increase, the poverty rate will also increase. Meanwhile, the other four variables (*Hifdzu Nafs*, *Hifdzu Maal*, *Hifdzu Nasl*, and *Hifdzu Maal*) had a negative relationship with poverty in Indonesia. This result showed that if the independent variable increases, the poverty rate as the dependent variable will decrease.

5.3 Limitation and Difficulties

Based on the researcher's experience in this research process, there are some limitations and difficulties experienced. Some of those in the study are:

1. The research period used is only 6 years of observation, namely from 2017 to 2022. This is due to the difficulty in finding supporting data (secondary data), especially in a longer year.
2. Some of incomplete data, especially in several new provinces for which data is still not available.
3. Discussion of variables that may not be able to describe indicators of poverty alleviation.

5.4 Suggestion

Based on the researcher's experience in this research process, there are some suggestions for the future research. Some of the suggestions in the study, among others:

1. The results of the study show that there are still many provinces that have low iHDI, in fact only two provinces (Jawa Barat and DKI Jakarta) were included in the *Middle standard* ($61 \leq x < 70$).
2. This research provides an alternative model and concept for measuring human development with the Islamic perspective derived from the five dimensions of *maqashid sharia* according to Imam Abu Hamid Al-Ghazali.

The writer's next suggestion is to add the number of variables studied in order to more broadly describe the variables that can describe poverty alleviation in

Indonesia. Hopefully this can be a consideration for more attention for future researchers, as well as in an effort to further refine similar research. This research is expected to broaden insights related to efforts to increase not only HDI in Indonesia, but iHDI which is considered by some theories as a more complete and better index. Apart from that, it is suggested to the government that this research can be used as a benchmark and material for consideration in policy making for poverty alleviation in Indonesia.

BIBLIOGRAPHY

- Abdillah, M. (2001). *Agama Rumah Lingkungan Prespektif Al-Qur'an*. Jakarta: Paramadina.
- Abdullah, N., Mat Derus, A. and Al-Malkawi, H.-A.N. (2015), The Effectiveness of Zakat in Alleviating Poverty and Inequalities: A Measurement Using A Newly Developed Technique, *Humanomics*, Vol. 31 No. 3, pp. 314-329. DOI: <https://doi.org/10.1108/H-02-2014-0016>
- Affandi, A. and Puji Astuti, D. (2014), Dynamic Model of Ibn Khaldun Theory on Poverty: Empirical Analysis on Poverty in Majority and Minority Muslim Populations After The Financial Crisis, *Humanomics*, Vol. 30 No. 2, pp. 136-161. DOI: <https://doi.org/10.1108/H-05-2012-0010>.
- Aji, Y. I. T. (2022). The Effect of Village Income and Gross Regional Domestic Product on Poverty in Indonesia. *Jurnal Bina Praja: Journal of Home Affairs Governance*, 14(2), pg. 315-328. DOI: <https://doi.org/10.21787/jbp.14.2022.315-328>.
- Al-Qur'an, surah An-Nisa (4) : verse (9).
- Amin, R.M., et al. (2015). The Integrated Development Index (I-DEX): A New Comprehensive Approach to Measuring Human Development. *Islamic Economics: Theory, Policy, and Social Justice* (pp. 159-172). Doha, Qatar: Bloomsbury Qatar Foundation.
- Anand, S., & Sen, A. (1994). Human Development Index: Methodology and Measurement. *Human Development Report Office Occasional Paper*, 12.
- Anto, Mb Hendrie. (2009). Introducing an Islamic Human Development Index (IHDI) to Measure Development in OIC Countries. *Islamic Economic Studies, Islamic Research and Training Institute (IRTI)*, vol. 19, p. 69-95.
- Arkum, D., & Amar, H. (2022). The Influence of Economic Growth, Human Development, Poverty, and Unemployment on Income Distribution Inequality: Study in Bangka Belitung Islands in 2005-2019. *Jurnal Bina*

Praja: Journal of Home Affairs Governance, 14(3), 413-422. DOI: <https://doi.org/10.21787/jbp.14.2022.413-422>.

Aydin, N. (2013). Redefining Islamic Economics as A New Economic Paradigm. *Islamic Economic Studies*, Vol. 21, No. 1, June 2013 (1-34).

_____. (2017). Islamic vs Conventional Human Development Index: Empirical Evidence from Ten Muslim Countries. *International Journal of Social Economics*, Vol. 44 No. 12, pp. 1562-1583. DOI: <https://doi.org/10.1108/IJSE-03-2016-0091>.

Badan Pusat Statistik (*Statistics Indonesia*). (2023). Berita Resmi Statistik (*Statistical Official News*). No. 07/01/Th. XXVI, 16 January 2023.

_____. (2023). *Gross Regional Domestic Product Growth Rate at 2010 Constant Prices by Province (Percent)*, 2018-2022.

_____, Poverty and Inequality.

Bagdasaryan, I.S., Golovko, A.G., Barinov, E.E. and Ponezhin, M.Y. (2022), Technological Discrimination of Employees Amid the Covid-19 Pandemic and in the Post-Pandemic Period: Labour Conflicts of Express Digitalization and their Solutions, Popkova, E.G. and Chatterji, M. (Ed.) *Technology, Society, and Conflict (Contributions to Conflict Management, Peace Economics and Development*, Vol. 30), *Emerald Publishing Limited, Bingley*, pp. 67-80. DOI: <https://doi.org/10.1108/S1572-832320220000030007>.

Beik, Irfan Syauqi, & Laily Dwi Arsyianti. (2016). *Ekonomi Pembangunan Syariah*. Jakarta: PT Raja Grafindo Persada.

Chapra, M. U. (2007). *The Islamic Vision of Development in the Light of Maqāsid Al-Sharī'ah*. The International Institute of Islamic Thought.

_____. (2008). Ibn Khaldun's Theory of Development: Does It Help Explain The Low Performance Of The Present-Day Muslim World? *The Journal of*

Socio-Economics, 37(2), 836-863. DOI:
<https://doi.org/10.1016/j.socec.2006.12.051>

Dekkers, G.J.M. (2008), Are You Unhappy? Then You Are Poor! Multi-Dimensional Poverty in Belgium, *International Journal of Sociology and Social Policy*, Vol. 28 No. 11/12, pp. 502-515. DOI:
<https://doi.org/10.1108/01443330810915215>.

Dent, V.F. (2007), Local Economic Development in Uganda and The Connection to Rural Community Libraries and Literacy, *New Library World*, Vol. 108 No. 5/6, pp. 203-217. DOI: <https://doi.org/10.1108/03074800710748777>.

Faharuddin, F., Yamin, M., Mulyana, A. and Yunita, Y. (2023), Impact of Food Price Increases on Poverty in Indonesia: Empirical Evidence from Cross-Sectional Data. *Journal of Asian Business and Economic Studies*, Vol. 30 No. 2, pp. 126-142. DOI: <https://doi.org/10.1108/JABES-06-2021-0066>.

Fatoni, A., Herman, S., & Abdullah, A. (2019). Ibn Khaldun Model On Poverty: The Case Of Organization Of Islamic Conference (OIC) Countries. *Journal of Islamic Monetary Economics and Finance*, 5(2), 341-366. DOI: <https://doi.org/10.21098/jimf.v5i2.1066>.

Ferguson H, Bovaird S, Mueller M. (2007). The Impact of Poverty on Educational Outcomes for Children. *Paediatr Child Health*. 2007 Oct;12(8):701-6. DOI: <https://doi.org/10.1093/pch/12.8.701>. PMID: 19030450; PMCID: PMC2528798.

Ghozali, I. (2016) *Aplikasi Analisis Multivariete Dengan Program IBM SPSS 23. Edisi 8*. Semarang: Badan Penerbit Universitas Diponegoro.

Gujarati, D. N., & Porter, C. D. (2009). *Basic Econometrics 5th ED (Fifth Edition)*. Boston: McGraw-Hill.

Hakim, R., Muslikhati, M., & Apriyanto, F. (2020). Islamic Economics Ethics Perspective on Economic Development in the Time of Coronavirus Disease

- (Covid-19). *Falah: Jurnal Ekonomi Syariah*, 5(2), 111–127. DOI: <https://doi.org/10.22219/jes.v5i2.14019>.
- Hasan, Hamid and Ali, Salman Syed and Muhammad, Malik. (2018). Towards a *Maqasid Al-Shariah* Based Development Index. *Journal of Islamic Business and Management*, 8(1), pg. 20-36.
- Hasbi, H., & Wibowo, M. (2022). Determinants of Islamic Human Development Index in OIC Countries with Good Governance as Moderating Variables. *Equilibrium. Jurnal Ekonomi Syariah*, 10 (1), page 173-198. DOI: <http://dx.doi.org/10.21043/equilibrium.v10i1.14641>.
- Hidalgo, Marisa & Iturbe-Ormaetxe, Inigo. (2017). Long-run Effects of Public Expenditure on Poverty. *The Journal of Economic Inequality* volume 16, pages 1–22. DOI: <https://doi.org/10.1007/s10888-01709360-z>.
- Islam, M.K., Mitu, S.T., Munshi, R. and Khanam, R. (2023), Perceptions About The Common Malpractice of Zakat Paying in Bangladesh During Covid-19 Pandemic: Evidence From The Supply Side, *Journal of Islamic Accounting and Business Research*, Vol. 14 No. 3, pp. 361-378. DOI: <https://doi.org/10.1108/JIABR-09-2021-0253>.
- Jacques, Ian. (2015). *Mathematics for Economics and Business*. Pearson Education Limited
- Jatmiko, W. and Azizon, A. (2022), Can Religious Values Reinvigorate The Links Between Development and Falāh?, *Journal of Islamic Accounting and Business Research*, Vol. 13 No. 1, pp. 32-53. DOI: <https://doi.org/10.1108/JIABR-08-2020-0234>
- Kader, H. (2021). Human Well-Being, Morality and The Economy: An Islamic Perspective. *Islamic Economic Studies*, Vol. 28 No. 2, pp. 102-123. DOI: <https://doi.org/10.1108/IES-07-2020-0026>.
- Lipka, Michael. and Hackett, Conrad. (2017). *Why Muslims are the world's fastest-growing religious group* (2023, 8 August. Pew Research Center.

<https://www.pewresearch.org/short-reads/2017/04/06/why-muslims-are-the-worlds-fastest-growing-religious-population>)

Mankiw, N.G. and Scarth, W. (2008) *Macroeconomics: Third Canadian Edition*, Worth Publishers, New York.

Manurung, Saprial. (2012). The Concept of Economic Development in the Thought of Selected Muslim Scholars. *Tazkia Islamic Finance and Business Review*, vol. 7, no. 2. DOI: <https://doi.org/10.30993/tifbr.v7i2.17>.

Massaid, A, et al. (2019). Modelling of Poverty Percentage of Non-Food Per Capita Expenditures in Indonesia Using Least Square Spline Estimator. *IOP Conf. Ser.: Mater. Sci. Eng.* 546 052044. DOI: <https://doi.org/10.1088/1757-899X/546/5/052044>.

Mulford, B., Kendall, D., Ewington, J., Edmunds, B., Kendall, L. and Silins, H. (2008), Successful Principalship of High-Performance Schools in High-Poverty Communities, *Journal of Educational Administration*, Vol. 46 No. 4, pp. 461-480. DOI: <https://doi.org/10.1108/09578230810882009>.

Napitupula et al. (2021). *Penelitian Bisnis, Teknik dan Analisa dengan SPSS - STATA - Eviews. 1 ed.* Madenatera.

Nwaka, I.D., Akadiri, S.S. and Uma, K.E. (2020), Gender of The Family Head and Food Insecurity in Urban and Rural Nigeria, *African Journal of Economic and Management Studies*, Vol. 11 No. 3, pp. 381-402. DOI: <https://doi.org/10.1108/AJEMS-03-2019-0117>.

Oladapo, I.A. and Ab Rahman, A. (2016), Re-counting The Determinant Factors of Human Development: A Review Of The Literature, *Humanomics*, Vol. 32 No. 2, pp. 205-226. DOI: <https://doi.org/10.1108/H-02-2016-0018>.

_____ (2018). A Path Analysis Approach on The Factors of Human Development Among Muslims in Nigeria. *Journal of Islamic Accounting and Business Research*, 9(1), pg.59–76. DOI: <https://doi.org/10.1108/JIABR-01-2016-0014>.

- Ortega-Diaz, A. (2020). Marital Status and Poverty with Gender Bias, Ochman, M. and Ortega-Diaz, A. (Ed.) *Advances in Women's Empowerment: Critical Insight from Asia, Africa and Latin America (Advances in Gender Research, Vol. 29)*, Emerald Publishing Limited, Bingley, pp. 127-146. DOI: <https://doi.org/10.1108/S1529-212620200000029005>.
- Panagariya, A. and More, V. (2014), Poverty by Social, Religious, and Economic Groups in India and Its Largest States: 1993-1994 to 2011-2012, *Indian Growth and Development Review*, Vol. 7 No. 2, pp. 202-230. DOI: <https://doi.org/10.1108/IGDR-03-2014-0007>.
- Pandey, S., Zhan, M. and Kim, Y. (2006), Bachelor's Degree for Women with Children: A Promising Pathway To Poverty Reduction, *Equal Opportunities International*, Vol. 25 No. 7, pp. 488-505. DOI: <https://doi.org/10.1108/02610150610714358>.
- Pratiwi, I. E. (2023). Socioeconomic Development in Muslim Countries: Ibn Khaldun's Development Model-Based Approach. *Journal of Islamic Monetary Economics and Finance*, 9(2), 251-274. DOI: <https://doi.org/10.21098/jimf.v9i2.1574>.
- Rahim, Zaeni Abdul, Syofyan, S., & Esya, L., (2022). The Influence of The Islamic Human Development Index (I-HDI) on Human Development. *International Journal of Islamic and Civilizational Studies*, 9(3), 83–103. DOI: <https://doi.org/10.11113/umran2022.9n3.579>
- Rama, A., & Yusuf, B. (2019). Construction of Islamic Human Development Index. *Journal of King Abdulaziz University, Islamic Economics*, 32(1), 43–64. DOI: <https://doi.org/10.4197/Islec.32-1.3>.
- Regina, Bahar, A. (2021). Analysis The Effect of Poverty, General Allocation Fund and Economic Growth to Human Development Index (HDI) in Indonesia. *Jurnal Economic Resourcer*, 3(1), pg. 191–203.
- Sari, Ratna Novi. (2023). *Konsumsi Rokok Menyumbang Kemiskinan di Indonesia*. (2023, 8 August. Kementerian Kesehatan, Direktorat Jendral Pelayanan

- Kesehatan. (https://yankes.kemkes.go.id/view_artikel/2066/konsumsi-rokok-menyumbang-kemiskinan-di-indonesia)
- Sadeq, A.M. (1997), Poverty Alleviation: An Islamic Perspective, *Humanomics*, Vol. 13 No. 3, pp. 110-134. DOI: <https://doi.org/10.1108/eb018797>.
- Sasmal, R. and Sasmal, J. (2016). Public Expenditure, Economic Growth, and Poverty Alleviation. *International Journal of Social Economics*, Vol. 43 No. 6, pp. 604-618. DOI: <https://doi.org/10.1108/IJSE-08-2014-0161>.
- Senadza, B. (2012), Education Inequality in Ghana: Gender and Spatial Dimensions, *Journal of Economic Studies*, Vol. 39 No. 6, pp. 724-739. DOI: <https://doi.org/10.1108/01443581211274647>.
- Setiawan, Achma Hendra. (2011). *Perekonomian Indonesia*. Semarang: Badan Penerbit Universitas Diponegoro.
- Sharif, M. (2003). Application of Islamic Economic System in a Contemporary Economy: An Illustration with Poverty and Inequity in the USA. *Humanomics*, Vol. 19 No. 3, pp. 41-54. DOI: <https://doi.org/10.1108/eb018888>.
- Sirag, A., & Nor, N. M. (2021). Out-of-Pocket Health Expenditure and Poverty: Evidence from a Dynamic Panel Threshold Analysis. *Healthcare*, 9(5). DOI: <https://doi.org/10.3390/healthcare9050536>.
- Sugiyono. (2014). *Metode Penelitian Bisnis*. Alfabeta.
- Syofya, H. (2018). Effect of Poverty and Economic Growth on Indonesia Human Development Index. *Jurnal Ilmiah Universitas Batanghari Jambi*, 18(2), pg. 416. DOI: <https://doi.org/10.33087/jiubj.v18i2.486>.
- The Reserve Bank of Australia. (2023). *Unemployment: Its Measurement and Types*. (2023, 8 August. The Reserve Bank of Australia. <https://www.rba.gov.au/education/resources/explainers/unemployment-its-measurement-and-types.html>)

- The World Bank. (2022). *Reforms for Recovery: East Asia and Pacific Economic Update*. October 2022.
- Todaro, M. P., & Smith, S. C. (2015). *Economic Development 12th Edition*. New Jersey: Pearson.
- Ukpere, W.I. and Slabbert, A.D. (2009). A Relationship Between Current Globalisation, Unemployment, Inequality, and Poverty. *International Journal of Social Economics*, Vol. 36 No. 1/2, pp. 37-46. DOI: <https://doi.org/10.1108/03068290910921172>.
- United Nations Development Programme. (2019). Human Development Indices and Indicators: 2018 Statistical Update. New York: UNDP.
- Widarjono, Agus. 2009. *Ekonometrika Pengantar dan Aplikasinya, Edisi Ketiga*. Yogyakarta: Ekonesia.
- Widiastuti, et al. (2022). The Nexus Between Islamic Social Finance, Quality of Human Resource, Governance, and Poverty. *Heliyon*, 8(12), e11885. DOI: <https://doi.org/10.1016/j.heliyon.2022.e11885>
- Widodo, Teguh., et al. (2021). Does The Poverty Take Effect to The Life Expectancy?. *Xi'an Shiyou Daxue Xuebao (Ziran Kexue Ban)/Journal of Xi'an Shiyou University, Natural Sciences Edition*. pg. 301 – 310. ISSN:1673-064X. E-Publication: Online Open Access. DOI: <https://doi.org/10.17605/OSF.IO/FP4QS>.
- Wooldridge, Jeffrey. M. (2012). *Introductory Econometrics: A Modern Approach 5th Edition*. South-Western Cengage Learning.
- Yusuf, L. A., & Dai, S. I. (2020). The Impact of Unemployment and Human Development Index on Poverty in Gorontalo Province 2008-2017. *Jambura Equilibrium Journal*, 2(1), pg. 7–16. DOI: <https://doi.org/10.37479/jej.v2i1.4495>.
- Zangouinezhad, A. and Moshabaki, A. (2011). Human Resource Management Based on The Index of Islamic Human Development: The Holy Quran's

Approach. *International Journal of Social Economics*, Vol. 38 No. 12, pp. 962-972. DOI: <https://doi.org/10.1108/03068291111176329>.

APPENDICES

Appendix 1 - Hifdzu Dien: 1. Number of Muslims Populations

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	5,057,538	5,115,319	5,176,308	5,234,657	5,271,485	5,356,635
2.	Sumatera Utara	9,558,644	9,699,170	9,810,473	10,022,048	10,124,754	10,244,655
3.	Sumatera Barat	5,333,727	5,371,024	5,411,932	5,446,607	5,470,109	5,528,423
4.	Riau	5,045,387	5,212,807	5,366,531	5,562,566	5,726,306	5,870,015
5.	Jambi	3,178,951	3,243,569	3,321,255	3,359,043	3,425,742	3,514,415
6.	Sumatera Selatan	7,714,178	7,871,139	8,030,200	8,190,877	8,324,093	8,508,999
7.	Bengkulu	1,912,524	1,933,066	1,953,891	1,976,210	1,989,720	2,017,860
8.	Lampung	8,779,669	8,737,328	8,675,884	8,720,897	8,531,111	8,598,009
9.	Bangka Belitung	1,189,826	1,221,328	1,248,691	1,290,176	1,316,560	1,344,903
10.	Kepulauan Riau	1,444,450	1,490,627	1,530,708	1,591,080	1,631,245	1,671,242
11.	DKI Jakarta	9,066,171	9,156,113	9,213,730	9,376,385	9,442,139	9,491,619
12.	Jawa Barat	42,086,638	43,289,473	44,374,684	45,858,792	46,923,543	48,029,215
13.	Jawa Tengah	34,847,652	35,228,539	35,577,909	36,074,701	36,296,971	36,773,442
14.	DI Yogyakarta	3,353,881	3,369,877	3,382,421	3,408,041	3,415,882	3,433,129
15.	Jawa Timur	39,220,112	39,410,960	39,554,069	39,893,348	39,925,335	40,179,566
16.	Banten	9,514,902	9,969,717	10,296,096	11,033,998	11,410,170	11,686,756
17.	Bali	421,303	423,988	425,981	430,954	43,0924	434,941
18.	Nusa Tenggara Barat	4,958,743	5,037,759	5,118,846	5,199,746	5,260,683	5,361,920
19.	Nusa Tenggara Timur	503,720	507,657	511,281	516,274	518,916	523,523

No.	Province	2017	2018	2019	2020	2021	2022
20.	Kalimantan Barat	3,213,675	3,234,795	3,251,481	3,287,346	3,290,832	3,320,719
21.	Kalimantan Tengah	1,843,739	1,877,046	1,907,034	1,951,786	1,970,660	2,011,763
22.	Kalimantan Selatan	3,835,809	3,878,396	3,922,388	3,966,059	3,996,958	4,054,044
23.	Kalimantan Timur	2,984,382	3,078,966	3,155,252	3,294,080	3,365,718	3,446,652
24.	Kalimantan Utara	442,709	460,700	477,919	499,236	511,874	533,675
25.	Sulawesi Utara	825,095	830,143	832,936	843,667	845,194	849,253
26.	Sulawesi Tengah	2,257,309	2,295,821	2,333,910	2,374,688	2,408,937	2,450,867
27.	Sulawesi Selatan	8,068,164	8,124,034	8,175,141	8,256,951	8,263,575	8,359,166
28.	Sulawesi Tenggara	2,473,336	2,497,162	2,519,582	2,548,386	2,565,710	2,593,226
29.	Gorontalo	1,136,954	1,147,624	1,157,969	1,170,793	1,176,947	1,191,484
30.	Sulawesi Barat	1,300,621	1,280,268	1,286,405	1,205,065	1,208,735	1,217,339
31.	Maluku	972,322	977,360	982,019	988,405	991,664	997,724
32.	Maluku Utara	961,244	968,765	985,460	972,337	986,743	1,005,727
33.	Papua Barat	615,393	548,522	436,971	436,332	438,841	213,230
34.	Papua	930,749	825,948	664,575	643,188	627,581	320,442

Source : Kementerian Agama Republik Indonesia (Ministry of Religious Affairs of Indonesia) 2017 – 2022

Appendix 2 - Hifdzu Dien: 2. National Zakat Index

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	0.68	0.58	0.82	0.36	0.43	0.36
2.	Sumatera Utara	0.69	0.69	0.58	0.57	0.52	0.47
3.	Sumatera Barat	0.44	0.44	0.59	0.56	0.63	0.69

No.	Province	2017	2018	2019	2020	2021	2022
4.	Riau	0.77	0.77	0.67	0.47	0.42	0.32
5.	Jambi	0.57	0.57	0.68	0.59	0.64	0.66
6.	Sumatera Selatan	0.58	0.58	0.66	0.56	0.60	0.60
7.	Bengkulu	0.46	0.46	0.54	0.43	0.47	0.47
8.	Lampung	0.57	0.57	0.58	0.48	0.48	0.46
9.	Bangka Belitung	0.44	0.44	0.67	0.42	0.53	0.55
10.	Kepulauan Riau	0.42	0.42	0.67	0.63	0.75	0.84
11.	DKI Jakarta	0.69	0.69	0.75	0.47	0.50	0.44
12.	Jawa Barat	0.60	0.60	0.68	0.60	0.64	0.65
13.	Jawa Tengah	0.57	0.57	0.66	0.52	0.57	0.56
14.	DI Yogyakarta	0.63	0.63	0.65	0.57	0.58	0.56
15.	Jawa Timur	0.55	0.55	0.56	0.51	0.52	0.50
16.	Banten	0.66	0.66	0.71	0.64	0.67	0.66
17.	Bali	0.45	0.45	0.45	0.44	0.44	0.44
18.	Nusa Tenggara Barat	0.78	0.78	0.77	0.59	0.59	0.53
19.	Nusa Tenggara Timur	0.34	0.52	0.34	0.38	0.38	0.37
20.	Kalimantan Barat	0.68	0.68	0.69	0.54	0.54	0.50
21.	Kalimantan Tengah	0.52	0.52	0.57	0.43	0.45	0.43
22.	Kalimantan Selatan	0.44	0.44	0.76	0.46	0.62	0.66
23.	Kalimantan Timur	0.53	0.53	0.59	0.50	0.53	0.53
24.	Kalimantan Utara	0.28	0.28	0.47	0.50	0.59	0.68
25.	Sulawesi Utara	0.62	0.62	0.58	0.53	0.51	0.48
26.	Sulawesi Tengah	0.62	0.62	0.64	0.49	0.50	0.46

No.	Province	2017	2018	2019	2020	2021	2022
27.	Sulawesi Selatan	0.46	0.46	0.70	0.58	0.70	0.76
28.	Sulawesi Tenggara	0.57	0.57	0.63	0.64	0.67	0.70
29.	Gorontalo	0.51	0.51	0.60	0.57	0.62	0.64
30.	Sulawesi Barat	0.37	0.37	0.48	0.44	0.50	0.53
31.	Maluku	0.52	0.45	0.52	0.22	0.22	0.14
32.	Maluku Utara	0.43	0.43	0.56	0.31	0.38	0.35
33.	Papua Barat	0.62	0.62	0.52	0.35	0.30	0.21
34.	Papua	0.64	0.64	0.53	0.46	0.41	0.34

Source : Pusat Kajian Strategis Badan Amil Zakat Nasional (Puskas BAZNAS, BAZNAS Center of Strategic Studies) 2017 – 2022

Appendix 3 - Hifdz Nafs: 1. Expenditure per Capita (Food) in Rupiah

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	529,161.55	547,668.08	559,300.00	595,634.83	643,591.40	668,480.98
2.	Sumatera Utara	522,766.38	554,754.23	576,323.00	598,244.67	607,811.56	663,926.75
3.	Sumatera Barat	584,045.24	604,871.24	609,258.00	644,852.66	668,029.07	716,261.97
4.	Riau	603,401.30	599,873.40	621,748.00	668,073.75	672,142.73	730,825.57
5.	Jambi	538,359.98	555,989.05	560,542.00	590,173.34	613,752.76	663,020.58
6.	Sumatera Selatan	507,673.00	503,297.45	498,929.00	535,136.35	579,031.72	620,732.28
7.	Bengkulu	523,328.71	548,879.18	542,423.00	573,499.58	580,273.31	626,208.94
8.	Lampung	467,939.94	478,451.88	484,800.00	503,976.20	539,963.55	575,672.68
9.	Bangka Belitung	721,045.30	710,401.17	751,641.00	771,121.02	783,203.97	881,622.45
10.	Kepulauan Riau	759,543.86	747,943.58	789,057.00	800,424.35	828,206.18	846,221.75

No.	Province	2017	2018	2019	2020	2021	2022
11.	DKI Jakarta	797,828.39	847,846.53	877,449.00	944,687.09	923,932.80	953,320.89
12.	Jawa Barat	562,766.74	600,966.61	629,741.00	655,838.24	677,382.61	708,389.69
13.	Jawa Tengah	421,514.91	460,891.08	469,421.00	496,173.09	519,009.15	572,808.11
14.	DI Yogyakarta	490,248.61	529,012.33	546,445.00	579,279.07	594,622.24	628,844.56
15.	Jawa Timur	476,861.40	502,760.60	502,892.00	521,577.12	557,790.80	600,847.63
16.	Banten	623,084.35	672,917.64	702,322.00	756,673.23	744,893.26	830,110.79
17.	Bali	569,168.04	599,976.09	609,181.00	675,145.59	628,472.06	609,855.33
18.	Nusa Tenggara Barat	457,616.36	525,091.40	539,864.00	574,202.21	637,897.80	666,966.05
19.	Nusa Tenggara Timur	399,251.20	402,921.78	429,498.00	442,700.04	468,252.17	480,749.17
20.	Kalimantan Barat	519,469.03	535,533.56	561,142.00	584,259.49	603,291.38	666,065.89
21.	Kalimantan Tengah	621,621.65	632,492.71	650,759.00	675,947.95	713,144.53	762,633.94
22.	Kalimantan Selatan	612,237.07	626,241.39	628,902.00	675,978.56	701,228.00	727,960.88
23.	Kalimantan Timur	663,534.51	702,905.18	724,423.00	790,469.29	736,465.16	813,447.68
24.	Kalimantan Utara	667,279.70	671,612.17	717,752.00	743,893.54	742,833.93	758,431.10
25.	Sulawesi Utara	594,832.56	560,514.33	568,055.00	590,061.88	612,971.86	674,114.08
26.	Sulawesi Tengah	480,987.35	474,810.78	505,608.00	516,838.74	512,309.16	561,738.97
27.	Sulawesi Selatan	450,618.06	495,464.54	487,934.00	516,183.11	533,482.09	566,223.75
28.	Sulawesi Tenggara	409,856.81	457,496.66	475,215.00	506,739.57	509,723.28	535,048.46
29.	Gorontalo	441,998.96	423,925.99	452,958.00	476,069.17	529,729.27	534,461.48
30.	Sulawesi Barat	393,942.70	433,929.17	445,427.00	457,059.22	453,030.94	491,876.25
31.	Maluku	485,032.59	491,426.44	507,218.00	532,135.38	536,326.50	589,485.16
32.	Maluku Utara	486,734.45	502,810.20	514,251.00	537,605.49	556,903.28	585,162.43
33.	Papua Barat	551,032.10	614,330.23	667,673.00	687,943.88	698,303.14	723,854.71

No.	Province	2017	2018	2019	2020	2021	2022
34.	Papua	638,353.51	623,986.57	665,292.00	723,821.00	792,780.90	858,106.47

Source: BPS 2017 – 2022

Appendix 4 - Hifdzu Nafs: 2. Expenditure per Capita (Non-Food) in Rupiah

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	373,833.04	426,149.27	434,134.00	484,536.41	494,227.92	511,651.95
2.	Sumatera Utara	387,051.28	446,955.12	487,641.00	526,007.92	534,905.10	552,569.90
3.	Sumatera Barat	469,758.24	543,759.42	555,621.00	590,197.45	613,628.96	626,723.54
4.	Riau	517,536.34	587,899.36	611,498.00	672,372.58	670,527.59	694,345.29
5.	Jambi	430,864.64	496,432.46	508,445.00	536,516.27	566,507.00	598,816.20
6.	Sumatera Selatan	417,173.81	466,781.10	459,890.00	486,893.93	517,375.56	528,080.19
7.	Bengkulu	467,579.85	558,899.08	553,927.00	566,575.09	558,299.08	570,274.83
8.	Lampung	381,353.50	444,185.79	444,224.00	470,447.72	490,615.03	499,314.76
9.	Bangka Belitung	639,949.01	709,094.02	758,333.00	730,722.53	748,970.15	772,658.08
10.	Kepulauan Riau	805,333.64	826,447.94	989,093.00	973,096.69	1,027,089.42	985,478.65
11.	DKI Jakarta	1,199,617.99	1,191,309.83	1,278,664.00	1,313,304.39	1,412,496.63	1,572,026.48
12.	Jawa Barat	540,570.55	617,111.56	637,136.00	669,121.59	695,276.49	729,004.43
13.	Jawa Tengah	405,708.55	477,690.34	486,982.00	522,314.29	529,599.86	548,985.75
14.	DI Yogyakarta	649,917.77	773,648.73	793,281.00	832,692.77	823,248.11	851,529.72
15.	Jawa Timur	461,939.92	503,316.92	533,285.00	542,804.78	555,211.15	564,290.28
16.	Banten	628,887.44	711,628.08	724,060.00	760,370.87	766,363.40	789,460.92
17.	Bali	762,916.85	767,056.40	777,972.00	834,520.05	840,152.05	832,754.43

No.	Province	2017	2018	2019	2020	2021	2022
18.	Nusa Tenggara Barat	363,435.73	393,107.84	489,587.00	515,561.39	559,650.10	493,696.03
19.	Nusa Tenggara Timur	282,232.30	301,832.28	321,195.00	351,661.11	372,106.44	403,352.91
20.	Kalimantan Barat	409,666.38	493,138.29	519,227.00	540,803.99	559,766.88	566,552.33
21.	Kalimantan Tengah	513,357.71	591,813.80	636,442.00	657,370.07	682,681.29	679,661.30
22.	Kalimantan Selatan	545,568.90	600,227.61	621,460.00	659,478.42	682,572.40	679,758.06
23.	Kalimantan Timur	780,393.37	857,449.31	893,217.00	963,725.48	982,145.65	984,037.85
24.	Kalimantan Utara	636,486.14	742,960.64	738,195.00	801,795.67	811,875.93	811,754.88
25.	Sulawesi Utara	511,880.27	601,014.13	582,728.00	621,777.26	598,707.81	562,591.43
26.	Sulawesi Tengah	437,362.07	465,823.53	478,032.00	518,938.32	539,396.49	521,939.99
27.	Sulawesi Selatan	477,290.33	520,779.04	534,484.00	541,681.06	570,614.67	576,387.95
28.	Sulawesi Tenggara	443,862.72	512,252.73	546,075.00	531,059.69	560,769.94	576,546.85
29.	Gorontalo	456,383.55	475,801.89	549,906.00	592,212.63	616,060.84	608,535.25
30.	Sulawesi Barat	328,683.05	385,717.20	395,586.00	436,701.42	439,349.35	464,029.03
31.	Maluku	418,826.72	474,411.17	495,021.00	551,786.07	576,419.33	580,343.17
32.	Maluku Utara	440,060.24	503,588.16	511,839.00	555,218.26	572,438.10	543,423.92
33.	Papua Barat	570,859.84	631,186.81	700,837.00	707,070.04	749,177.85	724,650.68
34.	Papua	441,507.44	500,709.37	549,427.00	585,893.36	575,598.21	596,214.24

Source: BPS 2017 – 2022

Appendix 5 - Hifdzu Aql: 1. Average Length of School (Years)

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	8.98	9.09	9.18	9.33	9.37	9.44
2.	Sumatera Utara	9.25	9.34	9.45	9.54	9.58	9.71

No.	Province	2017	2018	2019	2020	2021	2022
3.	Sumatera Barat	8.72	8.76	8.92	8.99	9.07	9.18
4.	Riau	8.76	8.92	9.03	9.14	9.19	9.22
5.	Jambi	8.15	8.23	8.45	8.55	8.60	8.68
6.	Sumatera Selatan	7.99	8.00	8.18	8.24	8.30	8.37
7.	Bengkulu	8.47	8.61	8.73	8.84	8.87	8.91
8.	Lampung	7.79	7.82	7.92	8.05	8.08	8.18
9.	Bangka Belitung	7.78	7.84	7.89	8.06	8.08	8.11
10.	Kepulauan Riau	9.79	9.81	9.99	10.12	10.18	10.37
11.	DKI Jakarta	11.02	11.05	11.06	11.13	11.17	11.31
12.	Jawa Barat	8.14	8.15	8.37	8.55	8.61	8.78
13.	Jawa Tengah	7.27	7.35	7.53	7.69	7.75	7.93
14.	DI Yogyakarta	9.19	9.32	9.38	9.55	9.64	9.75
15.	Jawa Timur	7.34	7.39	7.59	7.78	7.88	8.03
16.	Banten	8.53	8.62	8.74	8.89	8.93	9.13
17.	Bali	8.55	8.65	8.84	8.95	9.06	9.39
18.	Nusa Tenggara Barat	6.90	7.03	7.27	7.31	7.38	7.61
19.	Nusa Tenggara Timur	7.15	7.30	7.55	7.63	7.69	7.70
20.	Kalimantan Barat	7.05	7.12	7.31	7.37	7.45	7.59
21.	Kalimantan Tengah	8.29	8.37	8.51	8.59	8.64	8.65
22.	Kalimantan Selatan	7.99	8.00	8.20	8.29	8.34	8.46
23.	Kalimantan Timur	9.36	9.48	9.70	9.77	9.84	9.92
24.	Kalimantan Utara	8.62	8.87	8.94	9.00	9.11	9.27
25.	Sulawesi Utara	9.14	9.24	9.43	9.49	9.62	9.68

No.	Province	2017	2018	2019	2020	2021	2022
26.	Sulawesi Tengah	8.29	8.52	8.75	8.83	8.89	8.89
27.	Sulawesi Selatan	7.95	8.02	8.26	8.38	8.46	8.63
28.	Sulawesi Tenggara	8.46	8.69	8.91	9.04	9.13	9.25
29.	Gorontalo	7.28	7.46	7.69	7.82	7.90	8.02
30.	Sulawesi Barat	7.31	7.50	7.73	7.89	7.96	8.08
31.	Maluku	9.38	9.58	9.81	9.93	10.03	10.19
32.	Maluku Utara	8.61	8.72	9.00	9.04	9.09	9.24
33.	Papua Barat	7.15	7.27	7.44	7.60	7.69	7.84
34.	Papua	6.27	6.52	6.65	6.69	6.76	7.02

Source: BPS 2017 – 2022

Appendix 6 - Hifdzu Aql: 2. Literacy Rate

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	97.94	98.03	98.21	98.25	98.24	98.25
2.	Sumatera Utara	98.89	99.07	99.15	99.16	99.19	99.11
3.	Sumatera Barat	98.85	99.07	99.17	99.17	99.26	99.29
4.	Riau	99.17	99.20	99.21	99.23	99.20	99.18
5.	Jambi	98.09	98.15	98.20	98.19	98.08	98.10
6.	Sumatera Selatan	98.54	98.66	98.76	98.75	98.78	98.65
7.	Bengkulu	97.90	97.91	98.01	98.01	97.88	97.80
8.	Lampung	96.89	96.93	97.11	97.24	97.28	97.25
9.	Bangka Belitung	97.79	97.76	98.09	98.08	98.10	98.17

No.	Province	2017	2018	2019	2020	2021	2022
10.	Kepulauan Riau	98.83	98.87	99.00	99.00	99.09	99.02
11.	DKI Jakarta	99.67	99.72	99.74	99.69	99.73	99.69
12.	Jawa Barat	98.23	98.48	98.53	98.63	98.62	98.49
13.	Jawa Tengah	93.39	93.45	93.54	93.62	93.79	94.26
14.	DI Yogyakarta	94.64	94.83	94.96	95.09	95.22	95.15
15.	Jawa Timur	91.82	91.85	92.32	92.50	92.56	93.32
16.	Banten	97.57	97.62	97.62	97.88	97.78	98.16
17.	Bali	92.90	92.98	94.53	94.80	95.00	95.53
18.	Nusa Tenggara Barat	87.14	87.42	87.59	87.60	87.39	88.97
19.	Nusa Tenggara Timur	91.68	91.90	93.24	93.31	93.85	94.63
20.	Kalimantan Barat	92.48	92.58	93.21	93.41	93.41	93.96
21.	Kalimantan Tengah	99.08	99.21	99.22	99.20	99.10	99.12
22.	Kalimantan Selatan	98.40	98.42	98.50	98.45	98.27	98.36
23.	Kalimantan Timur	98.96	98.96	99.03	98.97	98.90	98.97
24.	Kalimantan Utara	95.14	95.18	96.39	96.66	96.55	97.71
25.	Sulawesi Utara	99.76	99.87	99.80	99.79	99.80	99.81
26.	Sulawesi Tengah	97.69	97.87	98.22	98.24	98.28	98.05
27.	Sulawesi Selatan	91.65	91.81	92.45	92.56	92.49	93.31
28.	Sulawesi Tenggara	94.32	94.46	94.91	95.00	94.94	95.79
29.	Gorontalo	98.44	98.63	98.75	98.75	98.75	98.42
30.	Sulawesi Barat	92.79	92.85	93.59	93.17	93.09	93.82
31.	Maluku	99.13	99.22	99.39	99.42	99.42	99.40
32.	Maluku Utara	98.68	98.76	98.79	98.77	98.71	98.78

No.	Province	2017	2018	2019	2020	2021	2022
33.	Papua Barat	97.16	97.37	97.72	97.52	97.91	97.64
34.	Papua	73.89	76.79	78.00	77.90	78.89	81.19

Source: BPS 2017 – 2022

Appendix 7 - Hifdzu Nasl: 1. Life Expectancy Rate (Years)

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	69.59	69.70	69.92	69.98	70.01	70.21
2.	Sumatera Utara	68.39	68.63	69.00	69.15	69.28	69.63
3.	Sumatera Barat	68.82	69.05	69.36	69.52	69.64	69.94
4.	Riau	71.02	71.22	71.53	71.65	71.72	71.97
5.	Jambi	70.71	70.85	71.04	71.17	71.26	71.53
6.	Sumatera Selatan	69.23	69.46	69.71	69.93	70.03	70.34
7.	Bengkulu	68.58	68.83	69.21	69.37	69.47	69.71
8.	Lampung	69.98	70.21	70.56	70.70	70.78	71.02
9.	Bangka Belitung	69.99	70.22	70.55	70.68	70.78	71.02
10.	Kepulauan Riau	69.50	69.66	69.83	69.99	70.16	70.53
11.	DKI Jakarta	72.60	72.72	72.82	72.95	73.06	73.34
12.	Jawa Barat	72.50	72.69	72.92	73.15	73.38	73.63
13.	Jawa Tengah	74.09	74.19	74.25	74.41	74.52	74.62
14.	DI Yogyakarta	74.76	74.84	74.95	75.03	75.08	75.11
15.	Jawa Timur	70.76	70.93	71.23	71.35	71.43	71.76
16.	Banten	69.52	69.67	69.89	70.01	70.07	70.41

No.	Province	2017	2018	2019	2020	2021	2022
17.	Bali	71.47	71.69	72.00	72.16	72.28	72.61
18.	Nusa Tenggara Barat	65.50	65.82	66.24	66.51	66.74	67.11
19.	Nusa Tenggara Timur	66.08	66.40	66.90	67.06	67.20	67.49
20.	Kalimantan Barat	69.95	70.21	70.61	70.74	70.81	71.04
21.	Kalimantan Tengah	69.60	69.65	69.70	69.75	69.81	70.05
22.	Kalimantan Selatan	67.97	68.18	68.50	68.69	68.88	69.18
23.	Kalimantan Timur	73.74	74.00	74.27	74.38	74.65	74.66
24.	Kalimantan Utara	72.42	72.45	72.49	72.54	72.59	72.62
25.	Sulawesi Utara	71.06	71.28	71.63	71.75	71.81	72.10
26.	Sulawesi Tengah	67.35	67.81	68.29	68.75	68.88	68.97
27.	Sulawesi Selatan	69.91	70.15	70.48	70.62	70.71	71.00
28.	Sulawesi Tenggara	70.52	70.77	71.16	71.34	71.36	71.46
29.	Gorontalo	67.21	67.52	67.98	68.12	68.24	68.55
30.	Sulawesi Barat	64.38	64.62	64.87	65.11	65.29	65.67
31.	Maluku	65.44	65.63	65.87	66.03	66.14	66.48
32.	Maluku Utara	67.55	67.81	68.21	68.38	68.50	68.82
33.	Papua Barat	65.27	65.50	65.90	66.05	66.19	66.49
34.	Papua	65.23	65.45	65.69	65.84	65.97	66.25

Source: BPS 2017 – 2022

Appendix 8 - Hifdzu Nasl: 2. Marriage Rate (%)

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	4.62	5.29	6.59	5.43	4.60	4.83

No.	Province	2017	2018	2019	2020	2021	2022
2.	Sumatera Utara	5.72	4.90	6.50	5.95	4.82	3.80
3.	Sumatera Barat	6.83	6.68	5.96	5.03	3.48	3.62
4.	Riau	10.52	7.93	8.30	9.19	5.55	5.79
5.	Jambi	14.51	12.71	14.78	14.03	10.67	9.91
6.	Sumatera Selatan	13.29	12.07	13.53	13.44	12.24	11.42
7.	Bengkulu	14.61	14.33	13.24	10.68	11.93	8.80
8.	Lampung	11.81	10.70	12.10	10.24	9.77	8.14
9.	Bangka Belitung	18.16	14.22	15.48	18.76	14.05	7.91
10.	Kepulauan Riau	4.00	4.68	3.82	7.31	2.89	4.87
11.	DKI Jakarta	3.18	4.06	3.12	1.45	4.68	2.07
12.	Jawa Barat	12.24	13.26	12.33	11.96	10.09	8.65
13.	Jawa Tengah	10.37	11.04	10.19	10.05	9.75	7.80
14.	DI Yogyakarta	2.21	6.20	3.06	1.83	3.52	2.78
15.	Jawa Timur	13.32	12.71	11.11	10.67	10.44	9.46
16.	Banten	9.06	6.78	6.00	6.23	6.00	7.08
17.	Bali	9.17	8.55	10.18	8.79	5.06	3.66
18.	Nusa Tenggara Barat	16.02	15.48	16.09	16.61	16.59	16.23
19.	Nusa Tenggara Timur	10.53	8.78	8.51	9.22	5.95	5.71
20.	Kalimantan Barat	19.07	17.46	17.86	17.14	13.84	12.84
21.	Kalimantan Tengah	20.94	19.13	20.16	16.35	15.47	14.72
22.	Kalimantan Selatan	23.12	17.63	21.18	16.24	15.30	10.53
23.	Kalimantan Timur	13.90	11.54	12.36	11.79	8.64	7.22
24.	Kalimantan Utara	16.57	12.42	12.94	12.70	10.16	8.37

No.	Province	2017	2018	2019	2020	2021	2022
25.	Sulawesi Utara	15.34	14.88	13.54	14.01	13.56	8.82
26.	Sulawesi Tengah	16.65	15.84	16.25	14.89	12.51	12.65
27.	Sulawesi Selatan	14.76	14.10	12.11	11.25	9.25	9.33
28.	Sulawesi Tenggara	19.08	18.96	16.56	16.09	13.26	12.26
29.	Gorontalo	14.51	15.29	13.16	14.73	11.64	13.65
30.	Sulawesi Barat	19.37	19.43	19.17	17.12	17.71	11.70
31.	Maluku	10.81	8.94	9.54	6.84	7.08	3.89
32.	Maluku Utara	17.21	13.36	14.36	15.29	13.09	12.52
33.	Papua Barat	12.80	11.16	13.20	12.91	12.27	7.54
34.	Papua	12.34	11.52	11.21	13.78	13.21	9.70

Source: BPS 2017 – 2022

Appendix 9 - Hifdzu Maal: 1. Economic Growth Rate (%)

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	4.18	4.61	4.14	-0.37	2.79	4.21
2.	Sumatera Utara	5.12	5.18	5.22	-1.07	2.61	4.73
3.	Sumatera Barat	5.30	5.14	5.01	-1.61	3.29	4.36
4.	Riau	2.66	2.35	2.81	-1.13	3.36	4.55
5.	Jambi	4.60	4.69	4.35	-0.51	3.69	5.13
6.	Sumatera Selatan	5.51	6.01	5.69	-0.11	3.58	5.23
7.	Bengkulu	4.98	4.97	4.94	-0.02	3.27	4.31
8.	Lampung	5.16	5.23	5.26	-1.66	2.77	4.28

No.	Province	2017	2018	2019	2020	2021	2022
9.	Bangka Belitung	4.47	4.45	3.32	-2.29	5.05	4.40
10.	Kepulauan Riau	1.98	4.47	4.83	-3.80	3.43	5.09
11.	DKI Jakarta	6.20	6.11	5.82	-2.39	3.56	5.25
12.	Jawa Barat	5.33	5.65	5.02	-2.52	3.74	5.45
13.	Jawa Tengah	5.26	5.30	5.36	-2.65	3.33	5.31
14.	DI Yogyakarta	5.26	6.20	6.59	-2.67	5.58	5.15
15.	Jawa Timur	5.46	5.47	5.53	-2.33	3.56	5.34
16.	Banten	5.75	5.77	5.26	-3.39	4.49	5.03
17.	Bali	5.56	6.31	5.60	-9.34	-2.46	4.84
18.	Nusa Tenggara Barat	0.09	-4.50	3.90	-0.62	2.30	6.95
19.	Nusa Tenggara Timur	5.11	5.11	5.25	-0.84	2.52	3.05
20.	Kalimantan Barat	5.17	5.07	5.09	-1.82	4.80	5.07
21.	Kalimantan Tengah	6.73	5.61	6.12	-1.41	3.59	6.45
22.	Kalimantan Selatan	5.28	5.08	4.09	-1.82	3.48	5.11
23.	Kalimantan Timur	3.13	2.64	4.70	-2.90	2.55	4.48
24.	Kalimantan Utara	6.80	5.36	6.89	-1.09	3.98	5.34
25.	Sulawesi Utara	6.31	6.00	5.65	-0.99	4.16	5.42
26.	Sulawesi Tengah	7.10	20.60	8.83	4.86	11.70	15.17
27.	Sulawesi Selatan	7.21	7.04	6.91	-0.71	4.64	5.09
28.	Sulawesi Tenggara	6.76	6.40	6.50	-0.65	4.10	5.53
29.	Gorontalo	6.73	6.49	6.40	-0.02	2.41	4.04
30.	Sulawesi Barat	6.39	6.26	5.56	-2.34	2.57	2.30
31.	Maluku	5.82	5.91	5.41	-0.91	3.05	5.11

No.	Province	2017	2018	2019	2020	2021	2022
32.	Maluku Utara	7.67	7.86	6.25	5.39	16.79	22.94
33.	Papua Barat	4.02	6.25	2.66	-0.76	-0.51	2.01
34.	Papua	4.64	7.32	-15.74	2.39	15.16	8.97

Source: SIMREG Bappenas 2017 – 2022

Appendix 10 - Hifdzu Maal: 2. Gini Ratio

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	0.33	0.32	0.32	0.32	0.32	0.30
2.	Sumatera Utara	0.33	0.31	0.32	0.32	0.31	0.32
3.	Sumatera Barat	0.32	0.31	0.31	0.30	0.30	0.30
4.	Riau	0.33	0.34	0.33	0.33	0.33	0.32
5.	Jambi	0.33	0.33	0.32	0.32	0.32	0.33
6.	Sumatera Selatan	0.36	0.35	0.34	0.34	0.34	0.33
7.	Bengkulu	0.35	0.36	0.33	0.33	0.32	0.32
8.	Lampung	0.33	0.34	0.33	0.32	0.32	0.31
9.	Bangka Belitung	0.28	0.28	0.27	0.26	0.25	0.25
10.	Kepulauan Riau	0.35	0.33	0.34	0.34	0.34	0.33
11.	DKI Jakarta	0.41	0.39	0.39	0.40	0.41	0.42
12.	Jawa Barat	0.40	0.41	0.40	0.40	0.41	0.41
13.	Jawa Tengah	0.37	0.37	0.36	0.36	0.37	0.37
14.	DI Yogyakarta	0.44	0.43	0.43	0.44	0.44	0.45
15.	Jawa Timur	0.41	0.38	0.37	0.37	0.37	0.37

No.	Province	2017	2018	2019	2020	2021	2022
16.	Banten	0.38	0.38	0.36	0.36	0.36	0.37
17.	Bali	0.38	0.37	0.37	0.37	0.38	0.36
18.	Nusa Tenggara Barat	0.37	0.38	0.38	0.38	0.38	0.37
19.	Nusa Tenggara Timur	0.36	0.36	0.36	0.36	0.34	0.34
20.	Kalimantan Barat	0.33	0.33	0.32	0.32	0.31	0.31
21.	Kalimantan Tengah	0.34	0.34	0.34	0.32	0.32	0.31
22.	Kalimantan Selatan	0.35	0.34	0.33	0.34	0.33	0.31
23.	Kalimantan Timur	0.33	0.34	0.33	0.33	0.33	0.32
24.	Kalimantan Utara	0.31	0.30	0.29	0.30	0.29	0.27
25.	Sulawesi Utara	0.40	0.38	0.37	0.37	0.36	0.36
26.	Sulawesi Tengah	0.35	0.33	0.33	0.32	0.32	0.31
27.	Sulawesi Selatan	0.42	0.39	0.39	0.39	0.38	0.37
28.	Sulawesi Tenggara	0.40	0.40	0.40	0.39	0.39	0.38
29.	Gorontalo	0.42	0.41	0.41	0.41	0.41	0.42
30.	Sulawesi Barat	0.35	0.37	0.37	0.36	0.36	0.37
31.	Maluku	0.33	0.33	0.32	0.32	0.32	0.30
32.	Maluku Utara	0.32	0.33	0.31	0.30	0.29	0.29
33.	Papua Barat	0.39	0.39	0.38	0.38	0.38	0.38
34.	Papua	0.40	0.39	0.39	0.39	0.40	0.40

Source: BPS 2017 – 2022

Appendix 11 - Unemployment Rate by Province (%)

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	6.98	6.44	5.83	6.00	6.30	6.07
2.	Sumatera Utara	6.01	5.58	5.48	5.81	6.17	5.82
3.	Sumatera Barat	5.69	5.67	5.38	6.07	6.60	6.23
4.	Riau	5.99	5.77	5.56	5.62	4.69	4.39
5.	Jambi	3.77	3.65	3.79	4.70	4.93	4.65
6.	Sumatera Selatan	4.10	4.18	4.28	4.71	5.08	4.69
7.	Bengkulu	3.28	2.99	2.84	3.58	3.69	3.49
8.	Lampung	4.38	4.18	3.99	4.47	4.62	4.42
9.	Bangka Belitung	4.12	3.60	3.45	4.30	5.04	4.48
10.	Kepulauan Riau	6.80	7.67	7.26	8.16	10.02	8.13
11.	DKI Jakarta	6.25	6.19	6.02	8.05	8.51	7.59
12.	Jawa Barat	8.36	8.23	7.91	9.09	9.37	8.33
13.	Jawa Tengah	4.36	4.33	4.32	5.34	5.96	5.66
14.	DI Yogyakarta	2.93	3.19	3.04	3.98	4.42	3.90
15.	Jawa Timur	4.05	3.84	3.80	4.72	5.46	5.15
16.	Banten	8.52	8.10	7.83	9.32	9.00	8.31
17.	Bali	1.38	1.14	1.40	3.44	5.40	4.82
18.	Nusa Tenggara Barat	3.59	3.43	3.22	3.63	3.49	3.41
19.	Nusa Tenggara Timur	3.24	2.84	3.06	3.46	3.58	3.42
20.	Kalimantan Barat	4.29	4.14	4.21	5.14	5.78	4.99
21.	Kalimantan Tengah	3.68	3.53	3.63	3.96	4.39	4.23

No.	Province	2017	2018	2019	2020	2021	2022
22.	Kalimantan Selatan	4.15	4.04	3.80	4.21	4.64	4.47
23.	Kalimantan Timur	7.73	6.60	6.30	6.80	6.82	6.24
24.	Kalimantan Utara	5.36	4.91	5.17	5.34	4.63	4.48
25.	Sulawesi Utara	6.65	6.24	5.59	6.36	7.17	6.56
26.	Sulawesi Tengah	3.39	3.25	3.29	3.35	3.74	3.34
27.	Sulawesi Selatan	5.19	4.99	4.86	6.01	5.76	5.13
28.	Sulawesi Tenggara	3.22	2.98	3.20	3.84	4.07	3.61
29.	Gorontalo	3.97	3.54	3.51	3.79	3.21	2.92
30.	Sulawesi Barat	3.10	2.67	2.14	2.86	3.21	2.73
31.	Maluku	8.53	7.01	6.65	7.14	6.83	6.66
32.	Maluku Utara	5.08	4.60	4.89	4.62	4.89	4.48
33.	Papua Barat	7.01	6.36	6.12	6.79	6.01	5.58
34.	Papua	3.79	2.88	3.37	3.85	3.55	3.22

Source: BPS 2017 – 2022

Appendix 12 - Poverty Rate by Province (%)

No.	Province	2017	2018	2019	2020	2021	2022
1.	Banda Aceh	16.41	15.83	15.17	15.21	15.43	14.70
2.	Sumatera Utara	9.75	9.08	8.73	8.95	8.75	8.38
3.	Sumatera Barat	6.81	6.60	6.36	6.42	6.34	5.98
4.	Riau	7.60	7.30	6.99	6.93	7.06	6.81
5.	Jambi	8.05	7.89	7.56	7.78	7.88	7.66

No.	Province	2017	2018	2019	2020	2021	2022
6.	Sumatera Selatan	13.15	12.81	12.64	12.82	12.82	11.93
7.	Bengkulu	16.02	15.42	15.07	15.17	14.83	14.48
8.	Lampung	13.37	13.08	12.46	12.55	12.15	11.51
9.	Bangka Belitung	5.25	5.01	4.56	4.71	4.79	4.53
10.	Kepulauan Riau	6.10	6.02	5.85	6.03	5.94	6.14
11.	DKI Jakarta	3.78	3.56	3.45	4.61	4.70	4.65
12.	Jawa Barat	8.27	7.35	6.87	8.16	8.19	8.02
13.	Jawa Tengah	12.62	11.26	10.69	11.63	11.52	10.96
14.	DI Yogyakarta	12.69	11.97	11.57	12.54	12.36	11.42
15.	Jawa Timur	11.49	10.92	10.29	11.28	11.00	10.44
16.	Banten	5.52	5.25	5.02	6.28	6.58	6.20
17.	Bali	4.20	3.96	3.70	4.12	4.63	4.55
18.	Nusa Tenggara Barat	15.56	14.69	14.22	14.10	13.99	13.75
19.	Nusa Tenggara Timur	21.62	21.19	20.86	21.06	20.72	20.14
20.	Kalimantan Barat	7.87	7.57	7.39	7.21	7.00	6.77
21.	Kalimantan Tengah	5.32	5.14	4.90	5.04	5.16	5.25
22.	Kalimantan Selatan	4.72	4.60	4.51	4.61	4.70	4.55
23.	Kalimantan Timur	6.14	6.05	5.93	6.37	6.41	6.38
24.	Kalimantan Utara	7.09	6.98	6.56	7.11	7.10	6.82
25.	Sulawesi Utara	8.00	7.70	7.59	7.70	7.57	7.31
26.	Sulawesi Tengah	14.18	13.85	13.33	12.99	12.59	12.32
27.	Sulawesi Selatan	9.43	8.97	8.63	8.86	8.66	8.65
28.	Sulawesi Tenggara	12.39	11.48	11.14	11.35	11.70	11.22

No.	Province	2017	2018	2019	2020	2021	2022
29.	Gorontalo	17.40	16.32	15.42	15.41	15.51	15.47
30.	Sulawesi Barat	11.24	11.24	10.99	11.19	11.57	11.84
31.	Maluku	18.37	17.99	17.67	17.72	17.09	16.10
32.	Maluku Utara	6.40	6.63	6.84	6.88	6.64	6.30
33.	Papua Barat	24.11	22.84	21.84	21.54	21.83	21.38
34.	Papua	27.69	27.59	27.04	26.72	27.12	26.68

Source: BPS 2017 – 2022