

## ***Maqāṣid al-Sharī'ah* Insights on HDI and Islamic Economic Policy**

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**Abstract.** The current study seeks to examine the impacts of life expectancy and average years of schooling on the Human Development Index (HDI) of Indonesia in the years 2021-2023. It also attempts to consider the implications of the Islamic economic approach, looking in terms of *maqāṣid al-Sharī'ah*. It adopts a mixed-method approach where qualitative content analysis viewed through *maqāṣid al-Sharī'ah* effective perspective will be used alongside quantitative methods, i.e., multiple linear regression analysis in assessing the effects of life expectancy and duration of education on HDI. The results depict that life expectancy and the average years of education play a significant and positive role in the HDI, explaining 73.50 per cent of its variance in the period between 2021 and 2023. The constant effectiveness of life is a sign of system improvements in health services and standards of living. The trend towards the consumption of more school years, on the other hand, is indicative of access to education, which in turn takes a toll on the quality of the workforce. In the light of Islamic economics, these results bring the indicators of HDI in line with the five core requirements of *maqāṣid al-Sharī'ah* the protection of religion, life, intellect, lineage, and wealth. Moreover, they further highlight that the developments on the HDI lend themselves to the propagation of human welfare within the Sharia code. These findings confirm the necessity to connect the activities of environmental sustainability to health and education efforts to make a sustainable and rich Islamic economy perfect for everyone.

**Keywords:** Human Development Index, Islamic Economics, Linear Regression Analysis, *Maqāṣid al-Sharī'ah*

# 1 INTRODUCTION

The level of a country to achieve prosperity and maintain socioeconomic strength depends on the level of human development. Human Development Index (HDI) has been able to show slight progress in the case of Indonesia but the country is still struggling with too many issues such as environmental degradation and inequality. In the Islamic point of view that Our Global Standards, which are the *maqāṣid al-Sharī'ah* are major important in terms of the growing demand of sustainable development, a lot of emphasis has been given to the preservation of the environment and the welfare of man.<sup>1</sup> The significance of providing benefit both to the individual and benefit to the rest of the society is emphasized in the *maqāṣid al-Sharī'ah* said. Therefore the main aims of policymaking must revolve around boosting of quality of life, alleviation of poverty and social justice. Such a set of values are congruous with the growth of Islamic economics that experienced considerable growth in many areas including the Islamic finance sector that strives to foster prosperity among all people.<sup>2</sup>

Growth in gross domestic product, education funding, and rise in life expectancy due to health policy are the main factors that affect the HDI in Indonesia.<sup>3</sup> This evidence highlights the transformative role of healthcare and education in development of human capital. Besides, when there is more investment in the rural parts it has been proved that the HDI scores improve and poverty declines and this proves that the grass root development fund is a key role.<sup>4</sup> And as per the United Nations Development Programme (UNDP), Indonesia had a HDI of 71.8 in 2021, ranking it 107 th of 189 nations. With that said, regarding the recorded growths in life expectancy, average years of education, and gross national income (GNI) per capita, this figure represents an improvement over the past years. In 2022, the HDI of Indonesia had improved modestly and stood at 72.2 and it still remained in the higher bracket. Notwithstanding these advancements, inequality persists as a substantial problem, with disparities contributing to the loss of 17.4% of HDI value.<sup>5</sup>

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<sup>1</sup> Risdayani Risdayani et al., "Maqāṣid Al-Sharī'ah Analysis of the Implementation of Food Social Assistance on Multidimensional Welfare in Indonesia (2020-2023)," *AL-IKTISAB: Journal of Islamic Economic Law* 8, no. 2 (November 5, 2024): 139–56, <https://doi.org/10.21111/aliktisab.v8i2.12972>.

<sup>2</sup> Risdayani Risdayani, Muhammad Harsya Bachtiar, and Ahyarudin Ahyarudin, "Comparative Analysis of the Hiwalah Fatwa between Indonesia and Malaysia," *Indonesian Journal of Islamic Economic Law* 1, no. 2 (June 30, 2024): 153–67, <https://doi.org/10.23917/ijael.v1i2.5507>.

<sup>3</sup> Ernanto et al., "Enhancing Human Capital in Indonesia: Does Economic Policy Work?," *International Journal of Sustainable Development and Planning* 19, no. 5 (May 29, 2024): 1963–69, <https://doi.org/10.18280/ijstdp.190535>.

<sup>4</sup> Rosdiana Sijabat, "Impact of Economic Growth, Village Funds, and Poverty on Human Development in Indonesia: An Analytical Study from 2015 to 2022," *International Journal of Advanced and Applied Sciences* 11, no. 3 (March 2024): 238–50, <https://doi.org/10.21833/ijaas.2024.03.023>.

<sup>5</sup> L Sukarniati, F R A Lubis, and N A A Zakiyyah, *Ekonomi Pembangunan (Teori Dan Tantangan Di Negara Berkembang)* (Yogyakarta: UAD PRESS, 2021), [https://books.google.com/books?hl=en&lr=&id=eAU\\_EAAAQBAJ&oi=fnd&pg=PR1&dq=ekonomi+pembangunan+teori+dan+praktik+di+negara+berkembang&ots=VBtwlJaXim&sig=MTJbUzkKXJzaXmu1a-WKH7qk\\_7M](https://books.google.com/books?hl=en&lr=&id=eAU_EAAAQBAJ&oi=fnd&pg=PR1&dq=ekonomi+pembangunan+teori+dan+praktik+di+negara+berkembang&ots=VBtwlJaXim&sig=MTJbUzkKXJzaXmu1a-WKH7qk_7M).

The ideal trajectory for human development in Indonesia would entail the harmonious integration of state law and Islamic economic policy through an interdisciplinary approach, thereby fostering a comprehensive understanding of legal and economic behavior in relation to one another.<sup>6</sup> Human development initiatives in Indonesia raise critical questions regarding the sustainability of the development trajectory in the context of Islamic economic policy. However, there has been a paucity of attention devoted to exploring the Human Development Index through the lens of Islamic economics, particularly within the *maqāṣid al-Sharī'ah* framework. This ethical and holistic approach to human well-being is characterized by a balance of spiritual, social, and environmental considerations.

The Human Development Index (HDI) is a frequently examined concept in contemporary research, with minimal connection to Islamic ethical viewpoints. Consequently, there has been a paucity of research on the potential of Shariah-based development concepts to inform the creation of more sustainable and equitable policies. In addition to protecting religion (*hifz al-Dīn*), life (*hifz al-Nafs*), intellect (*hifz al-'Aql*), lineage (*hifz al-Nasl*), and wealth (*hifz al-Māl*), the *maqāṣid al-Sharī'ah* framework provides a holistic approach that prioritizes justice, sustainability, and ethical responsibility. To address this dearth of scholarship and offer novel insights into Islamic economics and sustainable development research, this study integrates a conceptual assessment of the HDI components' alignment with *maqāṣid al-Sharī'ah* with a quantitative examination of those components.<sup>7</sup>

The primary objective of this study is to assess the impact of health, as indicated by life expectancy, and education, as gauged by average years of schooling, on Indonesia's Human Development Index (HDI) during the period from 2021 to 2023. The results will be interpreted from the standpoint of *maqāṣid al-Sharī'ah*. Utilizing a comprehensive approach, the study explores the statistical interrelationships between the primary HDI metrics and a more comprehensive measure of human development. This is achieved by integrating qualitative insights with linear regression analysis. The fundamental ideas of *maqāṣid al-Sharī'ah* serve as the basis for the subsequent assessment of results within the context of Islamic economic principles.

This study makes significant contributions to both the empirical and theoretical domains. Empirically, this study contributes to the extant literature by providing a quantitative link between the influence of education and health on Indonesia's Human Development Index within the Indonesian context. Theoretically, this study contributes to the advancement of the application of *maqāṣid al-Sharī'ah* in the evaluation of national development policies, offering a religion-based lens for understanding sustainability. The findings are anticipated to function as a reference point for policymakers, particularly in societies with a muslim majority, who are endeavoring to implement human-centered development strategies without disregarding environmental ethics.

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<sup>6</sup> I Isman and Ahmad Zainul Muttaqin, "Innovative Legal Modeling for Interdisciplinary Studies on Law and Economic Behavior," *Indonesian Journal of Islamic Economic Law* 1, no. 1 (December 7, 2023): 60–71, <https://doi.org/10.23917/ijoel.v1i1.3437>.

<sup>7</sup> Prahara Lukito Effendi, Budisantoso Wirjodirdjo, and Sitta Izza Rosdaniah, "Cross-Country Comparison of Renewable Energy Governance and Market Structure: Based on Human Development Index and Ecological Footprint," in *2023 5th International Conference on Management Science and Industrial Engineering* (New York, NY, USA: ACM, 2023), 342–47, <https://doi.org/10.1145/3603955.3603978>.

## 2 LITERATURE REVIEW

The United Nations Development Programme (UNDP) developed the Human Development Index (HDI), a crucial composite indicator that evaluates progress from a human-centered perspective as opposed to concentrating just on economic measures. The three fundamental components of a fulfilling life are a long and healthy life, academic success, and a respectable quality of living. These characteristics have remained constant over time, suggesting a universal consensus on the fundamental components of human well-being. The advent of the HDI can be seen as indicative of These features have not changed with time and it is possible to arrive at some universal agreement on the basic aspects to human good. It may be argued that the emergence of the HDI signifies a cultural ideologically change, which is reflected in a more liberal and encompassing unity in the idea of true development.<sup>8</sup>

Even a tremendous amount of research studies pointed out the central importance of HDI as a determinant of not only economic performance but also of social and institutional performance. As an example, the position of countries which are more advanced concerning the infrastructure, strong labor force capacity, and political stability are more likely to be foreign-invested, and such a factor results in a positive impact on HDI.<sup>9</sup> On the same note, policies in regional governments in Indonesia have shown that as HDI scores rise so does the greater likelihood to show commitment to realize Sustainable Development Goals (SDGs) especially where such a development is inclusive and focused on the community.<sup>10</sup>

The role of Human Development Index (HDI) in sustainable development is explained in the local government websites in Indonesia. Other regions that have a higher Human Development Index (HDI) are more articulate and bright in their quest to achieve their sustainable development goals.<sup>11</sup> In the context of Indonesia, the HDI is influenced by a multitude of interconnected factors, including agricultural productivity, irrigation systems, and poverty alleviation initiatives. Research conducted in East Java indicates a close correlation between enhancements in the HDI and the expansion of rural infrastructure, as well as augmented access to educational

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<sup>8</sup> Dinyana Rahmawati and Asnita Frida Sebayang, "Pengaruh Jumlah Penduduk, Indeks Pembangunan Manusia Dan Upah Minimum Provinsi Terhadap Kemiskinan Ekstrem," *Jurnal Riset Ilmu Ekonomi Dan Bisnis*, 2023, <https://doi.org/10.29313/jrieb.v3i2.2871>.

<sup>9</sup> Fuad Rakhman and Singgih Wijayana, "Human Development and the Quality of Financial Reporting among the Local Governments in Indonesia," *Journal of International Accounting, Auditing and Taxation* 56 (September 2024): 100634, <https://doi.org/10.1016/j.intaccudtax.2024.100634>.

<sup>10</sup> Eleonora Sofilda, Dida Nurhaida, and Muhammad Zilal Hamzah, "Foreign Direct Investment Experience in Middle Income Countries," *Cogent Economics & Finance* 12, no. 1 (December 31, 2024), <https://doi.org/10.1080/23322039.2024.2376951>.

<sup>11</sup> Safridha Ulyati et al., "Website Sustainability Disclosure, Government Size, and Human Development: Evidence from Indonesian Local Governments," in *2024 ASU International Conference in Emerging Technologies for Sustainability and Intelligent Systems (ICETISIS)* (IEEE, 2024), 1–5, <https://doi.org/10.1109/ICETISIS61505.2024.10459537>.

resources.<sup>12</sup> Digital financial inclusion has emerged as a significant catalyst for HDI growth, particularly through the reduction of social disparities and the enhancement of socioeconomic mobility.<sup>13</sup>

From the perspective of Islamic economics, zakat distribution, access to education, and equitable healthcare have shown a significant positive impact on the Islamic Human Development Index (I-HDI). A study in Aceh revealed that the efficacy of zakat mechanisms is contingent on regional distribution models.<sup>14</sup> Conversely, inadequate educational attainment continues to impede HDI advancement and is regarded as a hindrance to achieving sustainable development.<sup>15</sup> Furthermore, the "neighborhood effect" posited by Miranti & Mendez (2023) demonstrates that advancements in HDI within a specific region frequently precipitate analogous developments in neighboring regions, thereby signifying a phenomenon of spatial spillover.<sup>16</sup> In a similar vein, macroeconomic factors such as foreign investment, GDP growth, and the human development index have been shown to significantly influence the volatility of natural resource commodity prices, resulting in both short- and long-term effects on environmental quality.<sup>17</sup>

Low income in Indonesia has a negative impact on education and human development. This results in a lack of quality health and population growth, resulting in inequalities in HDI achievement across regions.<sup>18</sup> Factors affecting income inequality in West Java include HDI and economic growth, suggesting that human development outcomes and environmental performance are differentially affected by regional variation.<sup>19</sup> Factors such as the Human Development Index and the open

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<sup>12</sup> Yessi Rahmawati et al., "Geo-Spatial Analysis: The Impact of Agriculture Productivity, Drought, and Irrigation on Poverty in East Java, Indonesia," *Letters in Spatial and Resource Sciences* 16, no. 1 (2023), <https://doi.org/10.1007/s12076-023-00348-6>.

<sup>13</sup> Sugeng Triwibowo and Nony Nurbasith, "Measuring Financial Inclusion in Indonesia: Asserting the Role of Digital Financial Services," in *Economics and Finance Readings: Selected Papers from Asia-Pacific Conference on Economics & Finance, 2022, 2023*, [https://doi.org/10.1007/978-981-99-1979-6\\_8](https://doi.org/10.1007/978-981-99-1979-6_8).

<sup>14</sup> I. K. Balyanda Akmal, M. Abd Shabri Majid, and Eddy Gunawan, "Does Zakat Matter for Human Development? An Empirical Evidence from Indonesia," *Regional Science Inquiry* 12, no. 2 (2021).

<sup>15</sup> "Human Development Index from the Islamic Perspective: Roles of Taxation, Zakah, and Health and Education Expenditures," *Jurnal Ekonomi Malaysia* 57, no. 01 (April 2023), <https://doi.org/10.17576/JEM-2023-5701-08>.

<sup>16</sup> Miranti and Mendez, "Social and Economic Convergence Across Districts in Indonesia: A Spatial Econometric Approach."

<sup>17</sup> A. Yunani, "Macroeconomic Indicators as Determinants of Fluctuating Natural Resource Commodity Prices: A Case of an Emerging Economy," *Studies, International Journal of Economics and Finance* 14, no. 2 (2022): 399–419.

<sup>18</sup> A. Abdulrahman Taresh, Dyah Wulan Sari, and Rudi Purwono, "Analysis of the Relationship between Income Inequality and Social Variables: Evidence from Indonesia," *Economics and Sociology* 14, no. 1 (2021), <https://doi.org/10.14254/2071-789X.2021/14-1/7>.

<sup>19</sup> Farida Rahmawati, Fikita Putri Ananda, and Bagus Narmaditya, "Socio-Economic Indicators and Income Inequality: Lesson from West Java in Indonesia," *Scientific Papers of the University of Pardubice, Series D: Faculty of Economics and Administration* 28, no. 3 (September 16, 2020), <https://doi.org/10.46585/sp28031114>.

unemployment rate strongly impact income inequality in Java, while foreign investment and other factors do not have the same effect.<sup>20</sup>

This study seeks to bridge the identified gaps by analyzing the HDI trends in Indonesia from 2021 to 2023 and examining their implications for environmental sustainability through the lens of Islamic economics. By incorporating *maqāṣid al-Shari'ah* as a guiding framework, the research not only offers a quantitative assessment of development indicators but also provides a normative basis for holistic, just, and sustainable policy recommendations. The emphasis on both statistical evidence and ethical dimensions makes this study a timely contribution to the discourse on Islamic economics and sustainable development.

### 3 RESEARCH METHODS

A mixed-methods strategy is used in this study, including in-depth quantitative and qualitative evaluations.<sup>21</sup> With the aid of this approach, this study will aim at the development of a thorough understanding on the influence of Human Development Index (HDI) indicators on the Islamic economic growth in regard to *maqāṣid al-Shari'ah*. A quantitative check of the association between independent variables, life expectancy (X2) and average years of education (X1) and the dependent variable HDI (Y) was conducted as a multiple linear regression within the 2021-2023 period. During this three years period, the secondary data related to HDI, life expectancy, and education were obtained on behalf of the Central Statistics Agency of Indonesia (BPS).

Under the following qualitative phase, the statistic results were analyzed under the perspective of the principles of *maqāṣid al-Shari'ah* on the role of human development in ensuring compliance with the objectives of preserving faith (*hifz al-Dīn*), life (*hifz al-Nafs*), intellect (*hifz al-'Aql*), lineage (*hifz al-Nasl*), and wealth (*hifz al-Māl*). The average years spent in school years have been raised, and this means that there is an improved access to education which leads to environmental awareness and spreading of Islamic values, which leads to the protection of intelligence and religion. At the same time the steady life expectancy is the measure of the effectiveness of the healthcare systems in protecting the human life.

### 4 RESULTS AND DISCUSSION

This discussion carefully outlines the analytical mechanism of linear regression tests that were incorporated in a bid to determine the effect of the multiple independent variables (average length of schooling and life expectancy) on the dependent variable (Human Development Index). The approach employed in this study is predicated on the notion that linear regression can elucidate the linear correlation between the independent variables (X1: average length of schooling and X2: life expectancy) and

<sup>20</sup> Nano Prawoto and Richa Dwi Cahyani, "Analysis of Unequal Distribution of Population Income in Indonesia," *The Journal of Asian Finance, Economics and Business* 7, no. 7 (July 31, 2020): 489–95, <https://doi.org/10.13106/jafeb.2020.vol7.no7.489>.

<sup>21</sup> L Weik, "Understanding Inherent Influencing Factors to Digital Health Adoption in General Practices through a Mixed-Methods Analysis," *Npj Digital Medicine* 7, no. 1 (2024), <https://doi.org/10.1038/s41746-024-01049-0>.

the dependent variable (Y: Human Development Index). This linear regression test will provide significant information regarding the factors influencing the Human Development Index (HDI) in Indonesia.

#### 4.1 Empirical Description of HDI Improvement (2021-2023)

Data regarding the Human Development Index (HDI), average length of schooling, and life expectancy in Indonesia were obtained from the Central Statistics Agency for the years 2021-2023. The following table presents the relevant data.

**Table 1.** Central Bureau of Statistics (BPS) Data for the Period 2021 - 2023

Year	Average years of schooling	Life Expectancy	Human Development Index (HDI)
2021	10.90	77.32	82.62
2021	11.20	74.37	79.12
2021	11.43	74.71	82.66
2021	11.60	73.94	79.74
2022	10.92	77.43	83.08
2022	11.21	74.61	79.58
2022	11.55	74.96	83.12
2022	11.61	74.29	80.20
2023	11.00	77.63	83.54
2023	11.32	74.85	80.15
2023	11.56	75.15	83.52
2023	11.62	74.66	80.62

Indonesian Central Statistics Agency (BPS) data 2021-2023 show the statistically reliable connection of life expectancy and the average years of education on the one hand, and the Human Development Index rating (HDI) of the country on the other. In 2021, the life expectancy in the region ranged between 73.94 and 77.32 years and the median number of school years between 10.90 and 11.60, whereas HDI scores ranged between 79.12 and 82.66. In 2022, a number of indicators showed impressive results. There were fluctuations in terms of life expectancy although it ranged between 73.94 to 77.43 years. HDI reached the highest mark of 83.12, which means that there was a significant growth. In addition, there was an increment in years of education amongst the average years, which increased to 11.61 as compared to the previous years of education that stood at 10.92, which depicts that there was an increase in level of education. Besides a further rise in average education to 11.62 years and the constant level of life expectancy, HDI kept improving until 2023, when it was equal to an index of 83.54, whereas in 2016, it was 80.15.

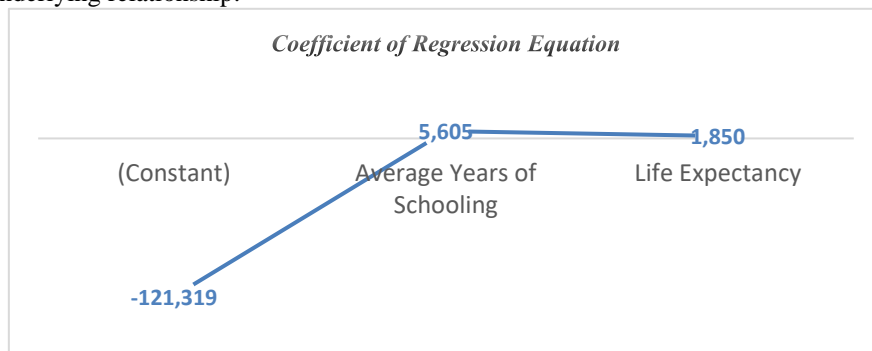
These trends indicate that the improvements in the quality of life of the population which can mostly be called as being the result of the corresponding changes in the sphere of healthcare and education affect the rise of the HDI. There has been an improvement in access to educational opportunities thereby making more competent workforce as has been noted by the growth in the average number of years of education. At the same time, stability in life expectancy is evidence of ongoing improvement in the standards of living and in health care. As far as health and education are considered as the main components of the human development index (HDI), it can be seen that the two elements combine together resulting in tremendous development in the welfare of the entire population.

**Table 2. Coefficient**

Model		Unstandardised Coefficient		Standardised Coefficient	t	Sig.
		B	Standard Error	Beta		
1	(Constant)	-121.319	48.263		-2.514	0.033
	Average Years of Schooling	5.605	1.870	0.898	2.997	0.015
	Life Expectancy	1.850	0.390	1.423	4.748	0.001

a. Dependent Variable: Human Development Index (HDI)

The mean years of education and life expectancy exhibited significant values (Sig. (2-tailed)) of 0.015 and 0.001, respectively, based on the data presented in Table 2. The alternative hypothesis is accepted and the null hypothesis is rejected because both values fall below the 0.05 significance level. This finding indicates that both life expectancy and average years of education exert a substantial influence on the Environmental Performance Index, which is, in turn, influenced by the Human Development Index. Figure 1 presents a graphical representation of the data, illustrating the correlation between average years of education (X1), life expectancy (X2), and the Human Development Index (Y). This figure serves to facilitate the visualization of the underlying relationship.



**Figure 1:** Coefficient of regression equation



Regression equations  $y = -121.319x + 5.605$  and  $y = -121.319x + 1.850$ , respectively, show how average years of education and life expectancy affect the Human Development Index. These findings show that life expectancy (X2) and average years of education (X1) are positively correlated with the Human Development Index (Y). Thus, it may be said that advances in life expectancy and average years of education lead to more significant and significant gains in the Human Development Index.

**Table 3. Model Summary<sup>b</sup>**

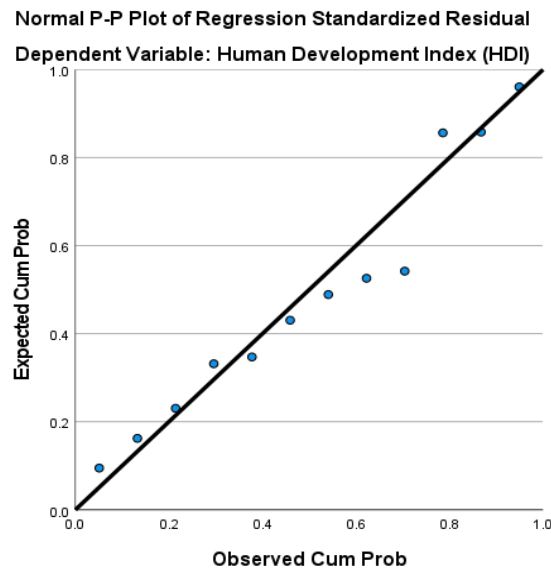
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.857 <sup>a</sup>	0.735	0.676	0.98080	0.735	12.495	2	9	0.003

a. Predictors: (Constant), Life Expectancy, Average Years of Schooling

b. Dependent Variable: Human Development Index (HDI)

Utilizing a coefficient of determination of 0.735, it is evident that the variables average years of education (X1) and life expectancy (X2) collectively account for 73.50% of the variation in the Human Development Index (Y). As demonstrated in Table 3, this association is evident.

Furthermore, Figure 2's linear graph illustrates a positive relationship between life expectancy (X2), average years of education (X1), and their combined impact on the Human Development Index (Y). The Human Development Index has been demonstrated to increase in proportion to the mean number of years of education and life expectancy in a given society.



**Figure 2.** Straight line graph of Human Development Index as dependent variable

Despite considerable variation in the Human Development Index (Y) values across various combinations of average years of education (X1) and life expectancy (X2), the distribution of data points around the regression line exhibits a linear trend. This finding indicates that a linear method can effectively predict the relationship between Y and the variables X1 and X2, a conclusion that is further substantiated by BPS data. Although the life expectancy at birth did not change significantly, increasing or decreasing by 1.33 and 1.70 years respectively within the same period, the years of education averagely rose by 0.72 years between 2021 and 2023. This trend is probably helping in the overall life span of the people. This observation supports the critical nature of the health facility accessibility and the net enrollment rate (APM) constructing both the HDI and the Public Health Development Index (PHDI), which explains why these indicators are useful in gauging the achievement of regional Sustainable Development Goals (SDGs).

These results are important as far as sustainable development is concerned because with a better HDI index there is an improvement in the quality of life and this is influenced by better access to health facilities and education which leads to sustainable economic growth. Moreover, the improvement of the HDI and the strengthening of the area of the public health by means of inclusive, high-quality education has been regarded as an essential step towards attainment of all kinds of SDG goals such as poverty alleviation, better living conditions, and support of inclusive economic growth. It, therefore, behooves Indonesians to ensure long term efforts in strengthening healthcare and education to bolster sustainable social-economic growth in Indonesia.

Despite the direct absence of measurement in the regression model presented in Table 2, the coefficient figures, which focus on Average Years of Schooling and Life Expectancy about HDI, explicitly state that "Good governance by way of transparent management and priority investment in human capital and basic services is key to its optimal effect." This indicates that economic activities such as investment suggest

poverty reduction, which is related to improvements in living standards, education, and health, and heavily rely on the presence of good governance. The quality of governance is abstract and not directly observable; however, it fundamentally influences how investments in human capital (HDI components) yield optimal outcomes in development and poverty reduction, thus becoming a latent variable that affects the observed relationships.<sup>22</sup>

Furthermore, inflation is identified as a significant confounding variable within this domain. Although "Table 2. Coefficient" directly presents Average Years of Schooling and Life Expectancy as predictors of HDI, the findings delineate that "the study identifies a significant positive correlation between poverty and inflation." Additionally, it explains that inflation "disproportionately affects poor households by reducing their purchasing power" and "can reverse economic growth gains." This data demonstrates that inflation, a macroeconomic factor, simultaneously influences poverty levels (closely related to living standards within HDI) and affects economic growth. Inflation creates a complex pathway of influence that can confound the pure relationship between HDI and other development outcomes, thus making it a variable requiring control or consideration for understanding the true impact of HDI components.<sup>23</sup>

#### 4.2 Analysis of Human Development Index (HDI) Indicators with Islamic Economics in Terms of Various Aspects of *Maqāṣid al-Shari'ah*

*Maqāṣid al-Shari'ah*, an Arabic term, refers to the objectives that Islamic law seeks to achieve in order to enhance well-being and prevent harm in both worldly and spiritual matters.<sup>24</sup> This concept underscores the pivotal link between human development and environmental sustainability, with the overarching objective being to optimize societal benefits.<sup>25</sup>

An evaluation of the Human Development Index (HDI) through the framework of Islamic economics can be achieved by examining the five dimensions of *maqāṣid al-Shari'ah*: *hiḏ al-Dīn* (protecting faith), *hiḏ al-Nafs* (preserving life), *hiḏ al-'Aql* (safeguarding intellect), *hiḏ al-Nasl* (maintaining lineage), and *hiḏ al-Māl* (securing wealth). With respect to the concept of *hiḏ al-Dīn*, the enhancement of average years of schooling through the provision of access to quality education has been demonstrated to foster a generation that comprehends religious principles, promotes social justice,

<sup>22</sup> Ayus Ahmad Yusuf et al., "The Role of Sukuk Financing in Economic Growth and Poverty Reduction: Empirical Evidence from Selected ASEAN Countries," *Public and Municipal Finance* 14, no. 2 (May 2025): 42–50, [https://doi.org/10.21511/pmf.14\(2\).2025.04](https://doi.org/10.21511/pmf.14(2).2025.04).

<sup>23</sup> Eleonora Sofilda, Muhammad Zilal Hamzah, and Ari Muliarta Ginting, "Analysis of Determining the Financial Inclusion Index of Composite, Conventional and Sharia Banking in Indonesia," *Banks and Bank Systems* 17, no. 1 (February 2022): 38–48, [https://doi.org/10.21511/bbs.17\(1\).2022.04](https://doi.org/10.21511/bbs.17(1).2022.04).

<sup>24</sup> 'Abd al-Fattāḥ bin Muḥammad Miṣīlḥī, "Jāmi' Al-Masā'il Wa Al-Qawā'id Fī 'Ilm Al-Uṣūl Wa Al-Maqāṣid" (Misr: Dār al-Lu'lu'ah li al-Nayhr wa al-Tawzī', 2002).

<sup>25</sup> Prima Ariyo Widodo et al., "The Effect of the Human Development Index on Environmental Performance Index Measurement: A Maqāṣid Al-Sharī'ah Perspective," *Al-Muamalat: Jurnal Ekonomi Syariah* 12, no. 1 (January 31, 2025): 1–18, <https://doi.org/10.15575/am.v12i1.40838>.

and values environmental stewardship. These ideals exhibit a close alignment with Islamic economic philosophy.

In the context of Islamic economics, the enhancement of life expectancy signifies the efficacy of health services in ensuring the well-being of the populace. This phenomenon aligns with the Islamic economic principle of safeguarding human life, thereby substantiating the success of health services in promoting public health and welfare. In the context of *hifz al-'Aql*, the enhancement of educational access has been demonstrated to engender not only an elevation in intellectual aptitude but also a heightened public cognizance of the imperative for sustainable management of natural resources. This, in turn, serves to bolster the tenets of sustainability-oriented Islamic economic development. The *hifz al-Nasl* aspect underscores the significance of environmental preservation for posterity. The enhancement of HDI through educational and health initiatives must be complemented by policies that guarantee the preservation of ecological balance, thereby safeguarding the lives of future generations.

In Islamic economics, the utilization of wealth is directed towards collective interests that extend beyond material benefits to encompass ecosystem sustainability. This approach, termed *hifz al-Māl*, underscores a comprehensive and holistic perspective that prioritizes not only material prosperity but also environmental stewardship. The enhancement of the Human Development Index (HDI) in accordance with Sharia-compliant healthcare and education policies has the potential to facilitate economic growth that is both socially just and efficient, while concurrently upholding the principles of environmental stewardship. Therefore, the utilization of the *maqāṣid al-Shari'ah* framework to assess HDI progress underscores the imperative for the development of an Islamic economic system that achieves a harmonious balance between ecological sustainability and human well-being.<sup>26</sup>

The strength of the relationship between Var X (HDI Components) and Var Y (HDI) is very strong and statistically significant. The evidence is the significance values (Sig.) for both predictor variables (0.015 and 0.001), which are much smaller than 0.05, indicating that the relationship is not coincidental and possesses statistical power. In the domain narrative, this means that changes in average years of schooling and life expectancy are very strong and reliable primary drivers in determining the HDI level. Substantial increases in these two dimensions directly and closely contribute to an overall improvement in human development quality.<sup>27</sup>

To address whether the *maqāṣid al-Shari'ah* Claim is Proven, the *maqāṣid al-Shari'ah* claim is conceptually and interpretatively relevant in this context. The regression test results above consistently show how HDI improvements, through its components, align with and support the achievement of Sharia objectives for human welfare and environmental sustainability.<sup>28</sup>

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<sup>26</sup> Ahmad Yusuf et al., "The Role of Sukuk Financing in Economic Growth and Poverty Reduction: Empirical Evidence from Selected ASEAN Countries."

<sup>27</sup> Sofilda, Zilal Hamzah, and Muliarta Ginting, "Analysis of Determining the Financial Inclusion Index of Composite, Conventional and Sharia Banking in Indonesia."

<sup>28</sup> Sofilda, Zilal Hamzah, and Muliarta Ginting.

## 5 CONCLUSIONS

The findings of this study, as presented in the data, discussed in the context of the existing literature, and analyzed through rigorous analysis and ex post facto interpretation, indicate that advancements in the realms of education ( $B = 5.605$ ,  $\text{Sig.} = 0.015$ ) and health ( $B = 1.850$ ,  $\text{Sig.} = 0.001$ ) exert a substantial influence on the Human Development Index (HDI). In the context of *maqāṣid al-Sharī'ah*, these findings confirm the linkage between *hifz al-Dīn* and *hifz al-'Aql* on the one hand, and education on the other hand, while also confirming the linkage between *hifz al-Nafs* and health. Syariah-based development is characterized by a positive correlation between HDI indicators and integrated human well-being. The theoretical implication is that a holistic Islamic economic approach necessitates the incorporation of both material and spiritual indicators into public policy frameworks. The quality of ecosystem sustainability is identified as a latent variable that reflects the unmeasured dimensions of *hifz al-Nasl* and *hifz al-Māl*. However, income distribution is a confounding variable that threatens correlation validity if inequality is not controlled. The primary recommendation is the necessity of a development model that incorporates distributive justice to mitigate statistical bias in HDI-based approaches. The limitations of this study are twofold. Firstly, there is an absence of direct measurement for spiritual and environmental variables relevant to *maqāṣid*. Secondly, the generalizability of the study is limited due to spatial and temporal constraints of the data.

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